

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL—Not for Publication

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No. 714

April 10, 1934.

BROADCASTING TO BE TAKEN UP IN FINAL SPLAWN REPORT

Although the preliminary report on communications companies submitted to the House Committee on Interstate and Foreign Commerce by Walter M. Splawn, Special Counsel, contained certain references to the broadcasting industry, notably salaries of its executives, a more complete report may be expected later. The first half of the report, about 100 pages, is devoted to the telephone, telegraph and cable companies. Approximately 50 pages have to do with the communications companies and but 9 pages with broadcasting companies.

"In the final report on radio companies", Mr. Splawn states, "broadcasting companies will, to the extent that the nature of their operations permits, be given consideration similar to that given to radio communications companies."

In the conclusion of his preliminary report, Mr. Splawn says:

"Some of the big companies are very much interested in being permitted to consolidate with other corporations. The following proposed amendment to the Interstate Commerce Act seems to embody the policy tentatively agreed to by representatives of the big companies:

"Upon application of one or more companies solely or principally engaged in the transmission of written messages by means of telegraph land lines, cables, or wireless, for authority to consolidate their properties or a part thereof into one or more companies, or for authority for one or more such companies to acquire the whole or any part of the property of another such company or companies or the control thereof by the purchase or exchange of securities or by lease or in any other like manner, when such consolidated company or companies would be subject to this act, the Commission shall fix the time and place for a public hearing upon such application, and shall give reasonable notice thereof in writing to the Attorney General of the United States and to such other persons as it may deem advisable, and after such public hearing, if the Commission finds that the proposed consolidation, acquisition, or control would be of advantage to the persons to whom service is to be rendered and in the public interest, it shall certify to that effect; and thereupon any act of Congress making the proposed transaction unlawful shall not apply."

Mr. Splawn says that back of the immediate urge of consolidation are the financial difficulties of the Postal Telegraph Company and that the I. T. & T. is anxious to be rid of the deficits being accumulated by the Postal.

"Such a proposal is however contrary to the spirit of the times", Mr. Splawn concludes. "If such a consolidation were to be authorized, Congress would no doubt take measures to protect the present employees of existing telegraph companies against summary and arbitrary dismissal. Again Congress would want to be satisfied that if telegraphing by radio were to be furnished by companies that own lines that the merger would not be the death warrant to the new and developing wireless industry."

The annual salaries of some of the executive officers of different companies for 1932, as given in the Splawn preliminary report follow:

Radio Corporation of America: Owen D. Young, Chairman, Executive Committee, \$40,000; James G. Harbord, Chairman of the Board, \$48,000; David Sarnoff, President, \$55,625; Manton Davis, General Attorney, \$18,645; Alfred N. Goldsmith, Vice President, \$16,500; Otto S. Schairer, Vice President, \$23,250; G. H. Porter, Vice President \$12,000; George S. DeSousa, Treasurer, \$15,000; Louis McConnach, Secretary, \$9,375.

RCA Communications, Inc.: William A. Winterbottom, Vice-President and General Manager, \$15,200; Charles H. Taylor, Vice-President, \$15,200; Arthur B. Tuttle, Treasurer, \$5,225.

Radiomarine Corporation of America: Charles J. Pannill, Vice-President, \$14,250.

R.C.A. Victor Co., Inc.: J. R. McDonough, President, \$25,000; W.R.G. Baker, Vice-President, \$25,000; E. A. Nicholas, Vice President, \$20,000; I. E. Lambert, Vice-President, \$15,000; J. D. Cook, Treasurer, \$7,500; Paul G. McCollum, Comptroller, \$8,000; Francis S. Kane, Secretary, \$5,040.

R.C.A. Radiotron Co., Inc.: E. T. Cunningham, President, \$28,296; G. K. Throckmorton, Executive Vice-President, \$20,000; W. T. L. Cogger (succeeded in 1932 by J. C. Warner), Vice-President, \$11,326; G. C. Osborn (succeeded in 1932 by J. M. Smith), Vice-President, \$12,376; F. H. Corrigan, Secretary-Treasurer, \$13,096; F. H. Thorp, Assistant Secretary and Assistant Treasurer, \$5,238.

R.C.A. Institutes, Inc.: D. Orland Whelan, President, \$3,775; Charles J. Pannill (elected president July 28, 1932, succeeding D. Orland Whelan. Mr. Pannill has not at any time received salary as president of this company); Frederick R. Bristow, Vice-President, \$1,138; J. C. Van Horn, Vice-President, \$1,400; Ernest C. Elliott, Treasurer, \$2,185.

Radio-Keith-Orpheum Corp.: David Sarnoff, Chairman of Board, None; Hiram G. Brown, President, \$80,000; M. H. Aylesworth, President, None; Joseph Plunkett, Vice-President, \$45,000; B. B. Kahane, Vice-President, \$36,000; Herman Zohbel, Treasurer, \$18,000; William Mallard, Secretary, \$13,500.

\$22,917; John L. Merrill, \$39,685; Henry B. Orde, \$24,750; Frank C. Page, \$17,415; Frank W. Phelan, \$22,915; George E. Pingree, \$29,790; Wolcott H. Pitkin, \$22,915; Lewis J. Proctor, \$23,835; William F. Repp, \$23,165; Logan N. Rock, \$17,665; John K. Roosevelt, \$18,700; Lester R. Scovill, \$16,040.

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RALPH ATCLASS INCREASES WJJD HOLDINGS

John F. Ditzell, President of the Columbia Phonograph Company announced the sale of all of the Columbia Company's stock interest in the Public Broadcasters operations of Radio Station WJJD, Chicago. The Public Service Broadcasting Company, Ralph Atlass, President, is the purchaser.

The Public Broadcasters was the wholly owned subsidiary of the Columbia Phonograph Company and was operated by the same executive personnel as the parent company. The consideration or terms were not announced.

The Receiver for Grigsby-Grunow Company has announced that all shares of the Columbia Phonograph Company, now owned by the Receiver of the Grigsby-Grunow Company, will be offered for sale April 16th.

79,076.45 shares of Capital stock of the Columbia Company of a total outstanding shares of capital stock of 82,523.89 are among the assets for which Frank M. McKey, Receiver in Bankruptcy for Grigsby-Grunow Company, will accept bids.

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SENATE REPORTS MADRID RADIO TREATY FAVORABLY

The Senate Foreign Relations Committee considering the international telecommunication convention, the general radio regulations annexed thereto, and a separate radio protocol signed by the U. S. delegates of the United States to the International Radio Convention at Madrid in 1932, has recommended them to the Senate favorably, without amendment. A dozen or more countries have already ratified the Madrid Treaty and it is expected that the Senate will follow suit in behalf of the United States.

The Madrid Treaty contains no radical changes, it was said, but simply brings up to date the Washington Treaty in 1932. The telegraphic regulations attached to the Madrid convention, in effect, increases the rate 20 percent on all messages over 10 words. This is caused by reducing the number of letters allowed in a code word from 10 to 5 but by reducing the charges only 40 percent. Although the United States is not a party to

these regulations this country will nevertheless be affected by the increase since so many other countries are parties to it.

Judge E. O. Sykes, Chairman of the American delegation said that the convention signed by the American delegation at Madrid contains only statement of general regulations, most of which are applicable alike to radio, telegraphy and telephony.

"An inspection of the General Radio Regulations of Madrid and a comparison of these regulations with the general regulations annexed to the Washington Radiotelegraph Convention will show that the general radio regulations of Madrid follow the regulations of Washington along broad basic lines, and that it is only in matters of detail here and there, where an improvement in the existing regulations could be made, that changes were found necessary", Judge Sykes said.

Under the Madrid Treaty an amateur radio operator may only exchange messages with the permission of the two countries. American amateurs protested against this and in reply to a question on the subject, Irvin Stewart, of the State Department stated that under the present radio regulations amateur stations may exchange messages.

"The committee reports of the Washington conference which drafted the present regulations show that the most active members of the committee were intent upon protecting the revenues of the public telegraph service (in most countries a government monopoly) against competition by amateurs handling international messages free of charge", Dr. Stewart continued. "The official French term which was translated as 'private nature' is 'caractere personnel.' The debates at the Madrid Conference showed that most governments interpreted this to mean remarks of a character personal to the two operators, i.e., as not permitting amateurs to exchange messages for third persons.

"The principal difference between the provisions now in effect and those against which a group of amateurs is protesting is this: Under the American interpretation of the present provisions an amateur may exchange international third-party messages unless the exchange is prohibited by one of the interested governments; under the Madrid regulations he may exchange such messages only where both governments affirmatively permit. In both cases both governments must agree; the difference is in the way the agreement is indicated. In all other respects the language governing amateur stations is unchanged; and most governments insist that this is not a change but merely a clear statement of what is intended by the present regulations.

"At the request of an amateur radio organization the Department of State is requesting 15 governments to agree to the exchange of third-party messages by amateurs. To date only one has replied; China has refused on the ground that all amateur stations are illegal in that country and those which are operating are doing so in violation of Chinese laws."

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RMA CODE CHANGES DELAYED

Further and indefinite delay in revision of the Electrical Code has occurred in Washington. No action is expected before May 15 and probably later. The March meetings in Washington of 4,000 code authorities and trade association representatives, the automobile labor situation and other matters deferring decisions on new labor and other NRA basic policies, have combined to delay action on the Electrical Code, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

Conferences between the NRA and the National Electrical Manufacturers' Association, the general Code Authority, are continuing. The Code Committee will meet in New York tomorrow (April 11) to consider responses to NRA for further and important revision of code hours, wages, the "open price" plan, trade practices and other features.

An unsettled general policy of NRA, the future of the "open price" plan, also requires final determination by the Government before the Electrical Code and its "open price" plan can be finally revised. The "open price" plan has been referred to a special Cabinet Committee consisting of Secretaries Roper of Commerce, Ickes of Interior, Perkins of Labor and Wallace of Agriculture.

Other factors in delay on the Electrical Code are indicated but as yet unofficial policies of the NRA, setting up in each industry a labor adjustment tribunal similar to that established for the automobile industry and consisting of one industry, one labor and one neutral representative. Also NRA has informally announced plans to place labor and consumer representatives on all code authorities.

"Open price" operations are being considered by RMA variable condenser and also fixed resistor manufacturers. Mr. A. Bloom of New York is Chairman of the variable group under appointment of Code Supervisory Agency Muter, and Mr. Ernest Searing is Chairman of the fixed resistor group. Following a meeting in New York last February of the variable condenser group, another meeting was held in March to continue study of operating under the "open price" listing plan.

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SENATE COMMITTEE ADJOURNS UNTIL FRIDAY

The Senate Interstate Commerce Committee considering the Dill Bill has adjourned until Friday and will not meet before that time unless especially called. A report to the Senate on the Dill Bill was expected early this week but evidently more time is required.

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ARCTURUS ISSUES BOOKLET ON CENTURY OF PROGRESS

The daily feature of opening the Century of Progress with the light from the star, Arcturus, has served as the basis for a booklet and a window display unit just put out by the Arcturus Radio Tube Company, Newark, N. J.

The booklet illustrates and describes how the light from Arcturus is picked up at four different observatories and transmitted to Chicago in the form of electrical energy.

Given an astronomical chart treatment, the window display unit on Arcturus Radio Tubes shows the position of Arcturus in the heavens in relation to other stars and constellations and is based on the opening of the World's Fair daily with the light from the star, Arcturus.

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"RADIO PEN" DEMONSTRATED

The "radio pen", a device based on the principal of facsimile air transmission of the printed, written or pictured word, was given its first demonstration outside of the laboratory in New York yesterday, (Monday).

John V. L. Hogan, radio engineer, developed the apparatus, designed for the reception of printed and other material in the home as an attachment for the radio receiver in place of a loudspeaker.

Operating at a speed of approximately 40 words per minute, the "radio pen" was housed in a metal cabinet the size of a typewriter. It turned out comic pictures, a bridge problem, an outline drawing for children to paint, and then in accompaniment to a sound broadcast, it was used to illustrate a children's story and to send a road map for a voice description of a motor tour.

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HOUSE STARTS COMMUNICATIONS COMMISSION HEARINGS

The House started hearings this (Tuesday) morning on the Communications Commission Bill introduced by Representative Rayburn, of Texas.

The first to appear was Secretary Roper, who made but a short statement. He was followed by Dr. Irvin Stewart of the State Department who pointed out the differences between the Rayburn Bill and the presenting handling of the various communications companies business.

Capt. Hooper was the next to take the stand and his statement was very much along the line of the one he made at the hearing on the Dill Communications Commission Bill in the Senate hearings. He argued for protection against foreign ownership of communications systems. He did not finish his statement due to the fact that the hearings were recessed until 10 o'clock tomorrow (Wednesday) morning.

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LISTENERS' REACTIONS TESTED BY ELECTRIC LIGHT BULBS

The recently announced plans for allowing radio listeners to record their reactions as they listen to a program received a preliminary test April 1, when a poll by air was taken of listeners in the region of Hackensack, N. J. Prompt responses from 6,100 auditors more than satisfied sponsors of the experiment.

The test was carried out from the broadcasting studios of WOR, in New York, under the supervision of Dr. Nevil Munroe Hopkins, of New York University, who has invented instruments which will enable householders to "vote" by pressing a button in their homes and supplementary meters which will permit power stations to read this "vote" by measuring to a high degree of precision the drain upon electrical current caused by the voting devices.

Crude substitutes served at each end of the line for the proposed devices at the April 1 test. To register their reaction each auditor turned on an extra light bulb in his home, and the cumulative response was calculated by the outward surge of power at the Hackensack station.

The question on which the poll was taken was an organ recital. Before the recital began at 9:45 p.m., an announcer explained the test and asked each who enjoyed the program to turn on an extra bulb for one minute at 10 o'clock, when the program ended. Engineers watched the power meters at Hackensack and reported a few minutes later. The response from 6,100 auditors, about 10 per cent of the population in the Hackensack region, pleased Dr. Hopkins, who said a 3 per cent response would have been good for the first test.

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: BUSINESS LETTER NOTES :
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The radio industry has just escaped an increase in the 5 per cent excise tax on radio and phonograph apparatus. Termination in 1935 of this "nuisance" tax now seems probable, Bond Geddes reports. Efforts of the Radio Manufacturers' Association to secure modification or repeal of the radio excise taxes appear to have been effective at least in preventing immediate increase in the tax which, it is reliably learned, has been under consideration by Congress.

Women have raised \$171,000 and radio listeners gave \$46,000 in the drive in behalf of the New York Philharmonic Symphony Orchestra, Mrs. Vincent Astor has announced.

Marconi International Marine - For 1933: Net income after taxes, depreciation and other charges, \$93,222, against \$148,692 in 1932.

Donald E. Gibbons, brother of Floyd Gibbons, the radio commentator and war correspondent, has been appointed a miscellaneous construction foreman in the State Park Emergency Conservation Work program and assigned to White Water State Park in Minnesota, it has been announced. Floyd Gibbons was born in Washington.

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GENERAL HARBORD KIDS SOL

Gen. J. G. Harbord, Chairman of the RCA, is noted for his good memory. As a result he brought forth a good laugh at the expense of Representative Sol Bloom, who piloted a delegation of 100 Congressmen about New York last week. Sol likes best to be known as the man who "discovered" George Washington, but at luncheon General Harbord introduced him as "the man who has many other achievements, but on whose tombstone should be inscribed the fact that he wrote the music for Little Egypt's famed hoochy-koochy dance in the Columbia Exhibition of 1893."

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BROADCASTING CODE AUTHORITY MEETING POSTPONED TO APRIL 30

The meeting of the Broadcasting Code Authority which was to have been held in Washington on Wednesday, April 25th, has been postponed until Monday, April 30th.

At that time, as originally planned, the recommendations of the NRA with regard to shorter hours and increased wages will be considered, as well as other pertinent questions of vast importance to the broadcasting industry.

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SOME RECENT NEW AND RENEWAL ACCOUNTS OF NBC

RENEWAL - Health Products Co. (Feenamint), Newark, N. J. Agency - William Esty & Co., New York City; Starts August 20, 1934, Mon. Fri., 7:30-7:45 P.M. EST; Network - WJZ WBZ WBZA WBAL WMAL WSYR WHAM KDKA WGAR WJR WCKY WENR-WLS KWK KWCR KSO KOIL WREN KYW WCFL; Program - George Gershwin and Louis Katzman's orchestra.

RENEWAL - Tastyest, Inc., Trenton, N. J.; Agency - Stack Goble Advertising Agency, 400 Madison Ave., New York City; Started March 18, 1934, Sundays 12:15-12:30 P.M. EST; Network - WJZ WBZ WBZA WBAL WMAL WSYR WHAM KDKA WGAR WJR WLW; Program - "Baby Rose Marie."

RENEWAL - Northam Warren Corp. (Cutex and/or Odorono), New York City; Agency, J. Walter Thompson Co., 420 Lexington Ave., New York City; Started March 23, 1934, Fridays 9:00-9:30 P.M. EST; Network - WJZ WBZ WBZA WBAL WHAM KDKA WGAR WCKY WLS KWK KWCR WREN KOIL KSO WMAL WCFB WSYR WSM WSB WAPI WSMB WKY WFAA WOAI KGO KFI KGW KOMO KHQ KOA KDYL; Program - "Let's Listen to Harris"- Phil Harris and his orchestra, Leah Ray. Commercial talk given by "The Fashion Reporter".

NEW - A. C. Spark Plug Co., Flint, Mich.; Agency - Campbell Ewald Co., General Motors Bldg., Detroit, Mich.; Started March 21, 1934; Times - Wednesdays 9:00-9:30 P.M. EST and 11:15-11:45 P.M. EST; Network - 9:00 WJZ WBAL WMAL WBZ WBZA WSYR WHAM KDKA WGAR WJR WCKY WKBF WLS KWCR KSO KWK WREN KOIL; 11:15 - WTMJ KSTP WRVA WFLA WMC WSB WAPI WSMB WKY WBAP KPRC WOAI WSOC KOA KDYL KGHK KGO KFI KGW KOMO KHQ KFSD; Program - "Raymond Knight and his KUKU Program" - Music and dramatic.

NEW - General Foods Corp (La France), New York City; Agency - Young & Rubicam, 285 Madison Ave., New York City; Started March 10, 1934; Time Saturdays 9:30-10:00 P.M. EST; Network - WEAJ WEEI WTIC WJAR WTAG WCSH WFI-WLIT WFBZ WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO-WOC WOW WDAF KSTP KOA KDYL KGO KPO KFI KGW KOMO KHQ; Program - Beatrice Fairfax - advice on marriage.

RENEWAL - Ralston Purina Co. (Ry-Krisp), St. Louis, Mo.; Agency - Gardner Advertising Agency, 330 W. 42nd St., New York City; Started March 27, 1934; Tuesday 10:30-10:45 P.M. EST; Network - WEAf WEEI WTAG WRC WGY WBEN WWJ WMAQ KSD WOC WHO WOW WTMJ KSTP WIBA WEBC KGO KGW KFI KOMO KHQ KOA KDYL; Program - "Madame Sylvia and Movie Stars", Madame Sylvia and impersonations of varied motion picture stars; orchestra.

NEW - William R. Warner Co. (Non-Spi), New York City; Agency - Cecil Warwick & Cecil, 230 Park Ave., New York City; Starts April 25, 1934; Time Wednesdays 9:30-10:00 P.M. EST; Network - WJZ WBZ WBZA WBAL WHAM KDKA WGAR WJR WCKY WENR KWK KWCR WREN KOIL KSO WMAL WSYR WKBF KGO KFI KGW KOMO KHQ KOA KDYL; Program - undetermined.

NEW - Bauer & Black (Blue Jay Corn Plasters), 2500 S. Dearborn St., Chicago, Ill.; Agency - Needham, Louis & Brorby, Inc., 380 N. Michigan Ave., Chicago, Ill.; Started March 20, 1934; Time Tues. & Fri. 4:15-4:30 P.M. EST, 5:15-5:30 P.M. starting May 1 as repeat program; Network - 4:15- WJZ WBAL WMAL WBZ WBZA WSYR WHAM KDKA WGAR KTHS WJR WCKY WKBF WRVA WPTF WSM WSB WAPI (KYW KWCR KSO KWK WREN KOIL KSTP KVOO KTHS WFAA KPRC WOAI KOA up to and including April 27, 1934); 5:15 - starting May 1 WENR KWCR KSO KWK WREN KOIL KSTP KVOO KTHS WFAA KPRC KOA WOAI; Program - musical - dramatic;

NEW - Mohawk Carpet Mills, 295 Fifth Ave., New York City; Agency - Batten, Barton, Durstine & Obsorn, New York City; Started March 20, 1934, 10:30-10:45 A.M. EST, Tues. & Thurs.; Network - WEAf WFI WFBR WRC WGY WBEN WTAM WWJ WLW WMAQ WOC WHO WOW WDAF (WTIC WTAG WEEI WJAR WCSH on Tues. only); Program - "Mohawk Treasure Chest" - 15 piece orchestra, male singer and female announcer.

NEW - General Tire & Rubber Co. (Tires), Englewood Ave., Akron, Ohio; Agency - Hays MacFarland & Co., 333 N. Michigan Ave., Chicago, Ill.; Started April 6, 1934; Fridays 10:30-11:00 PM EST; Network - WEAf WEEI WTIC WJAR WTAG WCSH WFI-WLIT WFBR WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO-WOC WOW WDAF WKBF WRVA WSM WMC WSB WJDX WSMB WKY WFAA-WBAP KPRC WOAI KTBS KTHS KOA KDYL KGO KPO KFI KGW KOMO KHQ; Program - "The General Tire Program with Jack Benny" - Don Bestor's orchestra and Mary Livingstone.

NEW - General Foods Corp. (Certo), 250 Park Ave., New York City; Agency - Benton & Bowles, 444 Madison Ave., New York City; Starts May 18, 1934, Fridays 3:00-4:00 P.M. EST; Network - WEAf WEEI WTIC WJAR WTAG WCSH WFI-WLIT WFBR WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO-WOC WOW WDAF WLW WTMJ WIBA KSTP WEBC WDAY KFYR KOA KDYL KGIR KGHL KGO KPO KFI KGW KOMO KHQ KFSD KTAR; Program - "Show Boat Matinee" - Variety - Musical Gus Haenschen - orchestra, Lanny Ross, and present Maxwell House Showboat cast.

NEW - Colgate Palmolive Peet Co. (Soap), 105 Hudson St., New York City; Agency - Genton & Bowles, 444 Madison Ave., New York City; Started April 3, 1934; Program - "Palmolive Beauty Box of the Air".

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