

HEINL RADIO BUSINESS LETTER

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No. 721

May 8, 1934.

EDUCATORS ADVOCATE NEW DEAL FOR RADIO IN EDUCATION

The keynote of the conference called by the National Committee on Education by Radio in Washington seemed to be "A new deal for radio in education." The present system of supporting radio broadcasts by advertising was criticized by many of the speakers. About 100 educators and others were present at the conference.

Father J. B. Harney, Superior General of the Paulist Fathers, operators of Station WLWL in New York, who was to have spoken at the conference was prevented from attending by illness. Father Harney inspired the Wagner-Hatfield amendment to the Senate Communications Commission Bill which would allocate one-fourth of the present radio facilities to educational, religious, agricultural, farm and other non-profit making institutions.

Dr. George F. Zook, U. S. Commissioner of Education presided at the opening session.

Jerome Davis of the Yale University Divinity School, and Member of the Executive Committee of the American Sociological Society, said, while recognizing the many fine things which radio has brought to America, "it is the unanimous consensus of all impartial experts that the present radio set-up is defective so far as educational and cultural broadcasts are concerned."

He said that Levering Tyson, the Director of the National Advisory Council on Radio in Education, summarizes the unanimous consensus on this matter when he says, in his official report: "If the American radio system continues as it has been going recently with commercialism rampant, nothing can save it." Dr. Davis went on to say that Connecticut State College was not permitted to have a powerful enough station and the interference was so bad in the evening with the commercial stations that their costly programs could not be heard one mile from the station. All evening broadcasts finally had to be discontinued.

"If it is impossible to change our present system as radically as the British set-up would involve, several alternatives are possible", Dr. Davis continued. "It would be possible for the Federal Government to set up a fund to duplicate money advanced by individual states so that each State might, if they desire, have a State-owned station with leased wires to every college in its territory. Commercial or other stations could then tap in to provide wider distribution.

"A less radical alternative would be to have the U. S. Government tax the amount of time devoted to advertising on the radio. Each advertiser might be permitted to state the name of his company and use four additional words to mention his product without charge. Any additional advertising time up to 30 seconds could be charged for at the rate of 25 per cent of the total paid by the advertiser to the radio broadcasting company. If additional time were used, the tax would be proportionately greater. The proceeds of this taxation would go to a National Educational Radio Commission appointed by the President, who would serve without pay. The money would be used not to pay the broadcasting companies, but to pay for educational talent and for the promotion of educational broadcasting in general. At the same time the private broadcasting companies would be required to set aside without charge at least 20 per cent of their time for such educational broadcasts.

"The control now in power is in effect commercial monopoly, not so much because of unfair treatment of educational interests by the Federal Radio Commission, but simply because the educational interests are not organized to carry on the costly warfare waged by the commercial interest. There is no hope for the small college station in a system where the criteria for fairness evolve from commercial competition. What hope is there for educational broadcasting so long as the phrase 'public interest' is interpreted as commercial interest, convenience, and necessity? The radio must be made to become a genuine cultural force in the future as it has not been in the past."

Dr. Thomas E. Benner, Dean, College of Education, University of Illinois, said since radio is the most effective and the most economical means of providing this needed adult education for the rebuilding of the national culture, it is obvious that there should be reserved, for public use under public control, radio channels sufficiently broad and well chosen to make possible the carrying forward of the program.

James A. Moyer, State Director of University Extension, Massachusetts Department of Education, adding that college professors may shine as "brain-trusters" but the part of radio educator has not been their star role, said, "on their doorstep may be laid much of the blame for the failure of educational broadcasting to hold its own with commercial radio entertainment in this country.

"Lack of any sense of showmanship, too much 'academic self-consciousness', too many inferior lecturers and inadequate financial support are the chief reasons why the radio programs of collegiate institutions have reached fewer and fewer loud speakers", Mr. Moyer continued.

"Collegiate institutions lost ground steadily by continuing to put on programs by inferior artists and lecturers which a discriminating public simply would not listen to.

"The time is at hand for constructive efforts towards the development of new educational programs, planned for the general public by people who know what the public is interested in, and most important, by individuals who know how to 'put it over.'"

"The issue resolves itself into a question of whether or not the American public is going to continue to be hoodwinked by commercial radio interests. Education by radio should be the objective of national planning, not the incidental by-product of private enterprise. Only by adequate public control of radio time will this be brought about."

Dr. Joy Elmer Morgan, Chairman of the National Committee on Radio in Education said freedom of thought on the radio was inconsistent with the idea of making profit.

Referring to children's programs he said, "I can think of no greater sin than what we have done in exposing our children's minds to commercialism."

"As you go along listening to children on the street, it is not the prayers of the churches you hear them repeating or the lovely songs of the nursery and schools but the songs and recitations of the advertising agencies", Dr. Morgan said.

Father M. J. Ahern, of the Jesuit Colleges and High Schools of New England, Weston, Mass., said there was no censorship on the freedom of thought on the part of New England stations.

"The stations in Boston give us everything we ask for without qualification", Father Ahern declared.

As to the children's programs, he said he didn't believe even if an attempt were made to purge everything harmful that the child could be helped much without the supervision of parents. He thought the responsibility lay with the mothers and fathers as to what the children should listen to.

Father Ahern was asked, if educators were given control of early evening programs if the situation could be improved with regard to children.

"I believe it could", the priest replied, "and I believe that the stations would give us the supervision of this time if we ask them for it."

Hector Charlesworth, head of the Canadian Broadcasting Commission, explained the Canadian system.

The Conference began Monday morning and was scheduled to last two days.

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RADIO NEWS SERVICES GET HAVAS INTERNATIONAL REPORT

The world-wide news report of L'Agence Havas, corresponding to the Associated Press in France and one of the greatest foreign news services, is being sold to two independent organizations furnishing news to radio stations, the Editor & Publisher learned last week.

Camille Lemerancier, manager for North America of the French news agency, when questioned in New York last week, said his agency had signed contracts with the Trans-Radio Press Service and the Radio News Service of America. The latter organization recently successfully petitioned the Federal Radio Commission for short-wave radio facilities for the purpose of transmitting news. Both are competitive in principle to the Press-Radio Bureau established by newspapers, news services and broadcasters to settle the controversy over news broadcasting.

The Trans-Radio Press Service has been receiving the complete Havas report since April 23. The contract with Radio News Service has not yet become operative.

Mr. Lemerancier said both contracts were for short terms. He said there was an agreement with the radio organizations that they do not give Havas credit in any form. Each receives the full Havas reports, comprising, according to Mr. Lemerancier, some 12,000 cabled words a day. The Havas report does not cover events in the United States. The report is received in the United States by short-wave radio from headquarters in Paris. It is received on Press Wireless, Inc., facilities.

Mr. Lemerancier said he had not attempted to sell his service to United States papers as yet, although the agency has been supplying its report to the Canadian Press since the middle of March.

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JOHNSON TO CRACK DOWN ON COMMUNICATIONS INDUSTRY

A bold plan to "crack down" on the communications industry and impose the first code ever forced on an industry group was announced Monday (May 7) by Gen. Hugh S. Johnson.

The Recovery Administrator made public a proposed telegraph code and called a public hearing for May 16. His action was expected to precipitate a loud outcry from many corporations which maintain leased wires, as well as from three of the communications "big four" - American Telephone & Telegraph Co., Western Union, and Radio Corporation of America.

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Observers regarded as significant provisions in the tentative rules of fair competition calling for control of rates by the Interstate Commerce Commission.

The industry was charged with "abuses inimical to the public interest and contrary to the policy" outlined in the National Industrial Recovery Act.

Postal Telegraph-Cable Co., other member of the "big four", last month petitioned for a code and in public hearings charged Western Union and A. T. & T. with unfair competition. Postal executives protested their company faced extinction unless prevailing conditions were remedied.

A decision on the code proposal will be made by President Roosevelt. Should he ultimately approve it, the companies may seek a Constitutional test in the courts.

The code bears the usual standard stipulation that in its present form it merely reflects the proposal of a code for the industry and that none of the provisions are to be regarded as having received the President's approval or that of the National Recovery Administration. Also that every provision in the Code is subject to change and those concerned are asked to come to the hearing May 16 with these changes in mind.

One of the Code requirements would ban exclusive telegraph contracts with railroads and hotels.

The Code would end unusually low rates for teletypewriter service, would require an equitable division of charges for intercompany business, would prohibit telegraph companies from furnishing free facilities, such as call boxes and would restrain any company from offering service below cost or from entering exclusive agreement.

A 40-hour maximum work week would be established throughout the industry in place of the 48-hour week approved under the substitute President's reemployment agreement.

It was said if the Code went into effect in its present form, the RCA, because it has fewer employees, would be the least affected, and that the Postal would suffer the most.

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BELLOWS PROTESTS AGAINST RADIO ACT REPEAL

When hearings of the House Committee on Interstate and Foreign Commerce on the Communications Commission Bill were resumed this morning (Tuesday), Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, protested earnestly against any proposal for the repeal of the Radio Act. He urged that Congress confine itself to the intent of President Roosevelt's message to simply transfer to the new Commission the present authority of the Radio Commission and such authority over communications as the Interstate Commerce Commission now has.

"We believe that the intent of the President's message is perfectly clear; that the proposed commission is to take over the present authority of, the authority now lying with, the Radio and Interstate Commerce Commissions for the control of communications and that additional legislation on the subject is expressly advised to be reserved to the next session of Congress, after the Commission has had an opportunity for investigation and study", Mr. Bellows said.

"From our standpoint, the essential feature of the House Bill is that while it necessarily does away with the Federal Radio Commission, it leaves intact the Radio Act of 1927."

"If it is suggested to you that Title III of the Senate bill is really the Radio Act of 1927, with only a few minor changes, we want to urge upon you, from our years of practical experience in radio, that the changes are neither few nor minor; that one of them seems to us to throw into utter confusion the whole legal structure which seven years of work have painstakingly built up; that another establishes a punitive policy chiefly at the expense of the listening public, while a third destroys all hope of reasonable stability in the radio industry. Still another would, in practice, virtually bar all political discussion from the air. But even if the changes proposed were less drastic, we would still contend that this is no time to repeal the Radio Act, that repeal is absolutely unnecessary, that it is contrary to the advice of the President, and that it means the imposition of a serious and needless handicap on the new Commission."

Mr. Bellows then called the attention of the Committee to a few suggested changes in the bill "less in any spirit of criticism than in order to offer to you our practical experience in broadcasting to assist you in the drafting of this tremendously important law."

"There is one point which seems to us of vital importance", Mr. Bellows continued. "This is the confusion which is bound to arise under Section 302 of this Bill because of the failure to adjust the procedure under this section with that provided for in Section 16 of the Radio Act of 1927, as amended. Since the Radio Act will remain in force after the enactment of this new legislation, it is essential that the law should clearly

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set forth what suits may be brought under the provisions of the District Court Jurisdiction Act, as specified in Section 302 of this bill, and what suits fall within the quite different scope of Section 16 of the Radio Act.

"Accordingly, we submit the following amendment to Section 302, and urge its adoption for the purpose of eliminating this dangerous conflict between the two laws:

"(a) Except as hereinafter provided in paragraph (b) hereof, suits to enjoin, set aside, annul, suspend, or otherwise review an order of the Commission under this Act, shall be brought in the several Districts Courts of the United States, and the provisions of the District Court Jurisdiction Act are hereby made applicable to all such suits, and all references in said Act to the Interstate Commerce Commission shall apply to the Commission. The provisions of said Act as to venue of suits to enforce orders of the Interstate Commerce Commission are hereby made applicable to all suits to enforce orders of the Commission made under the provisions of this Act.

"(b) Decisions and orders of the Commission involving radio broadcasting stations or other radio stations which are not common carriers as defined in paragraph (h) of Section 3 hereof, shall be reviewed only by an appeal which may be taken to the Court of Appeals of the District of Columbia in the manner provided by Section 16 of the Radio Act of 1927, as amended by Act approved July 1, 1930."

"We cite these points to indicate the sort of cooperation we shall be delighted to give you in the final drafting of this bill if we can be in any way helpful to you. Our principal reason for appearing before you today (Tuesday) is to express our complete accord with the manner in which, so far as radio broadcasting is concerned, you are undertaking this difficult and complex task, and to assure you of our whole-hearted support in your effort to carry out the purpose and intent of the President's message by establishing this new Commission without destroying or impairing the Radio Act."

The House hearings will probably continue for several days.

Senator Dill is still waiting for a chance to bring the Communications Bill up in the Senate and hopes it may be considered sometime this week.

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NEW MACKAY DIRECT RADIO CIRCUIT TO JAPAN

Mackay Radio, an affiliate of International Telephone & Telegraph Corporation has concluded an agreement with the Japanese Government, signed on behalf of the Minister of Communications by Naotaro Yamamoto, Director General of Telecommunications, and Takeo Iino, Chief of the Foreign Traffic Department of the Department of Communications, which provides for the establishment of a new direct radiotelegraph circuit between the United States and Japan.

Additions to the Mackay Radio station at San Francisco are completed and preparations for the new circuit at the Japanese end are under way, according to Ellery W. Stone, Operating Vice-President of Mackay Radio, who expects the circuit to be ready to open within a few months.

In Japan the transmitting station for the new Mackay Radio service with America is at Oyama, and the receiving station at Fukuoka, both near Tokyo.

Mackay Radio service to China was opened in 1933 as one of the major extensions of a year of widespread expansion for this company which has opened within the past year four new transoceanic circuits in addition to the eight transoceanic circuits which it operated previously. Within the United States it has recently extended its domestic network by adding Washington, Boston, Chicago and New Orleans to New York and the seven principal cities of the Pacific Coast.

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DUBILIER CONCERNED OVER SOVIET'S GAINS

William Dubilier, radio inventor, returned last week on the White Star liner "Majestic" from a two-months trip abroad, during which he spent ten days in Moscow studying conditions in the Soviet factories. In an interview in the New York Times, he said he had left the country with the conviction that some of the Western nations will have to revise their attitude toward Russia immediately if they hope to compete with her in production.

"As a scientist, I am enthusiastic", he said. "As a business man, I would be deeply concerned. Germany and the United States, by lending their engineers, have built an economic Frankenstein with which they will be unable to compete. It is time for other nations to realize what Russia is doing for the working people. It is dangerous to underestimate what they are doing. In ten years other countries will want to copy what she is doing.

"The work in the factories is done by groups which have their own committees, and they will not permit any outside interference. All the names are marked on a slate and a record kept

of the amount of what they do each day, the labor being on the piecework basis. A man who does not come up to 70 per cent of efficiency is fired. Those who go up to 120 per cent are rewarded.

"It would be a fine thing for the United States Government to send all the Communists to Russia and pay their expenses, as they would return wiser men or not at all. There is a wastage of 50 per cent, but it is a part of the education system. Boys and girls continue their education up till 17 and 20, but their latter years are spent in part-employment, so that when they leave school they have a certain amount of technical efficiency.

"They make mistakes and damage efficiency, but they grow out of it and learn", the scientist said. "The youngsters are fired with enthusiasm which I would like to see in the West."

Mr. Dubilier visited Soviet courts and listened to contract and other cases.

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EDDIE DOWLING BOBS UP AS SENATORIAL NOMINEE

The following is a special to the New York Times from from Providence, R. I.:

"Eddie Dowling, musical comedy star who humiliated the Democratic leaders of Rhode Island last Fall by obtaining the United States Marshal's job for his brother, William F. Goucher, in the face of opposition from former Senator Gerry and Howard McGrath, Democratic State Chairman, has tossed his hat into the ring for the party's nomination for United States Senator.

"Coupled with revelation of a message from Louis McH. Howe, President Roosevelt's secretary, to a Federal job seeker, advising that Governor Greene and not Mr. Gerry is the man to whom the President listens on appointments in the State, the Dowling bombshell gave credence to reports that the Gerry star is on the wane.

"At the time of the battle over the post of Federal Marshal, Postmaster General Farley was reported to have said that Mr. Dowling could have 'anything he wants.'

"Mr. Dowling, whose real name is Nelson Goucher, has not been a registered voter in Rhode Island for several years but enrolled last October at the town hall in Lincoln, his native home, where his family resides."

Eddie Dowling was prominently mentioned for a place on the Federal Radio Commission. He was later appointed a Government member of the Broadcasting Industry Code Authority but "ran out" on this job after attending one meeting. He offered to resign but never formally did so.

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SECURITY OF SHORTWAVE MESSAGES MUST BE KEPT

In view of the ever-increasing sales of combination broadcast and shortwave radio receiving sets to the public, the Federal Radio Commission issued a statement calling attention to provisions in the Radio Act regarding the secrecy of certain radio messages and the heavy penalties provided for violations.

Section 27 of the Radio Act of 1927 provides:

"No person receiving or assisting in receiving any radio communication shall divulge or publish the contents, substance, purport, effect, or meaning thereof except through authorized channels of transmission or reception to any person other than the addressee, his agent, or attorney, or to a telephone, telegraph, cable, or radio station employed or authorized to forward such radio communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the radio communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any message and divulge or publish the contents, substance, purport, effect, or meaning of such intercepted message to any person; and no person not being entitled thereto shall receive or assist in receiving any radio communication and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted radio communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the contents, substance, purport, effect or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: Provided, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcasted or transmitted by amateurs or others for the use of the general public or relating to ships in distress."

Heavy penalties are provided in Section 33, of the same act, for violations of its provisions.

In order that the public may be fully informed concerning the protection thrown around private radio messages, the Commission suggests that each purchaser of a combination broadcast and shortwave receiver be furnished by the salesman with the excerpts of the Radio Act concerning the secrecy of radio messages and the penalty for violations.

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The Seventeenth Annual Meeting of the American Association of Advertising Agencies will be held at the Mayflower Hotel, Washington, D. C., May 22 and 23, at which, as usual, a session will be set aside for the discussion of radio advertising.

F. P. Guthrie, District Manager of RCA Communications, in Washington, reports the new RCA land radio telegraph service is coming along nicely and that considerable business is being developed between the National Capital, New York, Chicago and San Francisco.

Printed copies of the supplementary Code of Fair Competition for the Radio Wholesaling Trade are now available at the Government Printing Office in Washington for 5 cents a copy.

Experiments in treating diseased teeth with a simple short-wave broadcasting set were disclosed at the annual convention of the Pennsylvania State Dental Society by Dr. J. S. Oartel, of Wilkinsburg, Pa.

He said experiments have shown that 30 per cent of the germs in diseased teeth may be killed by placing the tooth between sending and receiving plates. Thus far the experiments have been limited to extracted teeth.

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AMERICAN RADIO SETS DOMINATE BRAZILIAN MARKET

The dominant position of American radio sets in Brazil is revealed in a report from Assistant Trade Commissioner J. Winsor Ives, Rio de Janeiro.

Estimates just completed show that there are at present in operation throughout the country 120,000 receiving sets, of which 70,000 are in the Federal District and 40,000 in Sao Paulo.

It is estimated that about 96,000, or 80 per cent, of these radio sets are of American origin, while the remainder are of Dutch, Swedish, German and local manufacture. During the past year the report points out, there has been a notable increase in import of American sets, and sales of one Swedish set have appreciably increased. Although no specific figures are available, it is believed that the German and Dutch manufacturers lost ground in the Brazilian market during 1933. Less than 1 per cent of the total estimated number of receivers in use are thought to be of domestic manufacture.

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