

# HEINL RADIO BUSINESS LETTER

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No. 723

## B U L L E T I N

THE COMMUNICATIONS COMMISSION BILL INTRODUCED BY SENATOR DILL, OF WASHINGTON, WAS PASSED BY THE SENATE LATE THIS (TUESDAY) AFTERNOON WITHOUT A RECORD VOTE. THE BILL WAS UNDER DISCUSSION ABOUT FIVE HOURS AND NOW GOES TO THE HOUSE FOR ITS CONSIDERATION.

THE AMENDMENT INTRODUCED BY SENATORS WAGNER, OF NEW YORK, AND HATFIELD, OF WEST VIRGINIA, WAS DEFEATED BY A VOTE OF 42 TO 23. THIS AMENDMENT WAS SUGGESTED BY REV. J. B. HARNEY, SUPERIOR GENERAL OF THE PAULIST FATHERS AND WOULD HAVE GIVEN ONE-QUARTER OF ALL RADIO FACILITIES TO RELIGIOUS, EDUCATIONAL AND OTHER INSTITUTIONS.

THE SPEED WITH WHICH THE COMMUNICATIONS BILL PASSED THE SENATE LEADS TO THE PREDICTION THAT THIS LEGISLATION HAS A GOOD CHANCE OF BECOMING A LAW BEFORE CONGRESS ADJOURNS.

*Handwritten signature/initials*

May 15, 1934.

## NEW RADIO COMMISSION QUARTERS PROVE CONFUSING MAZE

Broadcasters who come to Washington on business to the Federal Radio Commission are apt to be in for a perplexing experience in trying to find the Commissioners' new offices in the huge partially completed Post Office Department Building. Due to the fact that no guiding signs have as yet been placed, and furthermore because the building is a semi-circular affair, with diagonal corridors running in all directions like the streets and avenues from a Washington circle, visitors to the Commission have been floundering around the place hopelessly.

Nor has this difficulty been confined to outsiders because employees of the Radio Commission, who are quite used to such gigantic structures as the new Commerce Building, have found themselves hopelessly lost and several days were required before they go in and out of the building twice the same way.

Friends of Judge E. O. Sykes declare it took him two hours to find his office the first day, an hour the second day, but that now he is getting so he can find it with slight delay providing he always goes in the same entrance. Adding to the confusion of the labyrinth of corridors is the fact that the offices of the Commission are on two floors.

Lynne M. Lamm, a veteran correspondent and one thoroughly familiar with the expanses of the Commerce Building, pronounced the new Post Office Department Building "the darnedest place you ever saw". Mr. Lamm located the Radio Commission quarters with the greatest difficulty his first day there but thought he had solved the problem. The next trip he got lost worse than ever. A man at a desk gave him some directions. Lamm walked and walked and finally came back to the same man.

It seems almost a quarter of a mile from the Pennsylvania Avenue entrance to the Commission offices as one winds around the corridors.

"For God's sake, will someone help me find the hearing room", exclaimed Judge Stephen Stone, of Pittsburgh, here on a radio case, after he had roamed about the place about a half an hour. Really it is possible for a person to walk a mile through the confusing network of passages. Not only are offices of the Post Office Department encountered but it is impossible to tell where the offices of the Post Office end and those of the Internal Revenue Bureau begin. Apparently no one there ever heard of the Radio Commission.

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Employees of the Radio Commission allowed a half an hour for lunch complain that they are not able to go to Pennsylvania Avenue and vicinity and get back in time. The cafeteria in the building is reported to be jammed so that it is almost impossible to be served within the required time.

So congested is the parking space around the building that Frank Wisner in charge of Press Relations, the first day had to park on 22nd Street and go the rest of the way to the Commission quarters at 12th Street by bus. Mr. Wisner and a number of others were originally assigned office space in rooms intended for dead filing, without windows, depending upon artificial light and ventilation. Frank managed to escape to an outside office but the supplies, telephone, and mails and files divisions are still housed in "blind" quarters with the rest of the employees ready to pray for them when the heat comes.

When anyone finds the man he is looking for in the new Radio Commission quarters, he is greeted as a traveler from the outside world. Even workmen who have been employed building the structure for a year or so can't tell you where anything is. This may seem exaggerated but it will be corroborated by broadcasters as they drift into Washington. Even when signs indicating the direction of room numbers are placed, they will not annihilate the magnificent distances.

Those intending to visit the Commission might paste the following room numbers in their hats:

Judge E. O. Sykes - 6205 (sixth floor); Commissioner Thad Brown - 6211; Commissioner Harold Lafount - 6215; Commissione James Hanley - 6233; Herbert Pettey, Secretary of the Commission - 7115 (7th floor); Dr. C. B. Jolliffe, Chief Engineer - 7233; George B. Porter, General Counsel - 7242; W. D. Terrell, Chief Radio Inspector - 7338; William P. Massey, Chief of License Division - 7213; Frank Wisner in charge of Information and Press Service - 7215.

The telephone number of the Radio Commission remains the same - District 1645.

A tip to visiting broadcasters is to stop off at the 3rd floor and see the new office of the Postmaster General, now practically completed but as yet unoccupied. The lavishness of the office of Secretary of Commerce Roper was criticized but Farley's office promises to be far more ornate.

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## CHARGES WHITE HOUSE INFLUENCES RADIO CONTROL

The influencing of decisions of the Federal Radio Commission is charged to the White House by Arthur Sears Henning, Washington correspondent of the Chicago Tribune.

"Of all the instances of White House dictation to the Radio Commission, probably the most notorious is that of the Shreveport-New Orleans case", Mr. Henning writes. "In this instance the White House summoned the Acting Chairman of the Commission (Col. Thad H. Brown) and procured his promise to reverse the Commission's decision.

"If the White House does not hesitate to use its tremendous power to shape the decisions of the quasi-judicial Radio Commission, contend opponents of the pending Communications Bill, it may be expected to dominate the quasi-judicial Commission which this legislation proposed to set up to control the telegraph and telephone systems and radio.

"In the manner in which the White House dictated the decision of the Shreveport-New Orleans case, the White House would cause the Communications Commission to prohibit transmission to newspapers by wire or wireless systems of dispatches critical of the Administration. Thus would a censorship of the press be achieved."

According to Mr. Henning, the Commission in executive session voted full time to Station WWL, operated by Loyola Catholic University at New Orleans, which would have meant the deletion of Old Man Henderson's station KWKH, at Shreveport, who, when realizing he was to be put off the air, had assigned the station to a new corporation. WWL was backed by Senator Huey Long so, the writer declares, the KWKH interests enlisted the aid of Senator Robinson of Arkansas, Democratic leader.

Whereupon, Henning relates, Senator Robinson called the White House with the result that Lous M. Howe, President Roosevelt's secretary, telephoned Herbert L. Pettey, Secretary of the Commission. Also Howe summoned Col. Thad Brown, Acting Chairman, to the White House.

"Mr. Howe painted a distressful picture of what would happen if Shreveport were taken off the air", Mr. Henning continues. "The New Orleans station, which Mr. Howe said was under the thumb of Huey Long, would pour forth a stream of propaganda designed to injure Senator Robinson, whom Long bitterly hates.

"Acting Chairman Brown is said to have assured Mr. Howe that he for one would be willing to change his vote to accommodate the White House but he pointed out that the decision had been unanimous and that it would be necessary to change three votes. Later Mr. Brown and two other members of the Commission changed their votes, the application of the New Orleans station for full time was denied and the Shreveport station was left on the air."



The influencing of decisions of the Radio Commission by the political lawyers is so notorious as to have loosed a flood of gossip the Chicago Tribune writer alleges, adding:

"Although the Radio Commission is supposedly a quasi-judicial body, many applicants for privileges, whether legitimate or illegitimate, have found themselves butting their heads against a stone wall until they hired one of the lawyers reputed to have the 'inside track' at the Commission. Tips on the lawyers to be employed for the most favorable results are procurable at the Commission itself."

"A Communications Commission as proposed in the pending bill with its power of life and death over wire and wireless systems and the telegraphic news of the press, would be a bonanza for the political lawyers, if one may judge from their operations in and about the Radio Commission."

"They have garnered rich pickings at the Radio Commission, pickings that are small change, however, compared with the fees which might logically be exacted if the infinitely greater investment in the telegraph and telephone systems and the press for protection of rights threatened by governmental regulation, experimentation, censorship, and persecution were involved."

Arthur Mullen, floor manager for Roosevelt at Chicago, and Robert Jackson were referred to as having large Radio Commission practices.

"Both were forced off the Democratic National Committee by the President's declaration that he considered it improper for national Committeemen to be accepting retainers from clients on the assumption that the Committeemen had access to the back door of the Administration", Mr. Henning went on. "Commissioner James H. Hanley owes his appointment to the Radio Commission to Mullen, with whom he was associated in law practice. Elmer Pratt, former Chief Examiner of the Commission, now a radio specialist, handles all the radio business for the clients of Mr. Mullen."

Following this the writer tells of a case of a station in Peoria, WMBD, having lost the first round of a fight with a station at Quincy, Ill., hiring Pratt.

"The appearance of Mr. Pratt in the case generally was supposed to indicate that the powerful Mr. Mullen had been retained", Mr. Henning concluded. "After the second hearing of the case, Mr. Mullen's appointee, Commissioner Hanley, changed his vote and swung the decision in favor of Peoria."

The Henning articles appeared in the Chicago Tribune on May 7 and 9.

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## MARCH BROADCAST ADVERTISING PICKS UP

Broadcast advertising in March showed marked gains over the preceding month, official reports of the National Association of Broadcasters show, and presented the most encouraging picture exhibited by the industry since the peak period of 1931-32. Gross sales of time amounted to \$7,020,744, a gain of 11.8% over February. National network volume was 32.7% greater than in March 1933, practically equalled April 1932 time sales and was materially exceeded only by March of that year. Non-network volume rose 28.2% as compared with the previous month and was higher than any time since the Statistical Service was established.

Stations of more than five kilowatts in power experienced important gains in non-network volume, as did those in the 100 watt class. Marked increases in business occurred in the New England-Middle Atlantic Area, all sections of the country showing gains as compared with the previous month. Live talent volume rose appreciably, national spot business of this type increasing 48% during the month. Electrical transcription and spot announcement volume also rose materially.

Practically all industrial groups using radio advertising showed important increases during the month. Clothing advertising rose 43.1% as compared with February, due principally to local sponsorship. Marked gains were recorded in national network and national spot food advertising.

## TOTAL BROADCAST ADVERTISING VOLUME

1934 Gross Receipts

<u>Class of Business</u>	<u>February</u>	<u>March</u>
National networks	\$3,585,270.00	\$4,000,698.00
Regional networks	54,932.00	66,516.00
Individual stations	<u>2,303,618.00</u>	<u>2,953,530.00</u>
Total	\$5,943,820.00	\$7,020,744.00

National network time sales during March rose 11.5% as compared with February, being exceeded materially by but one month, namely, March, 1932. Marked gains were experienced in the non-network field, advertising volume of this type mounting to 10.9% above the peak month of November, 1933. The current month's non-network volume was 28.2% greater than in February. Regional network time sales increased 21.1% as compared with the previous month, but still were considerably short of the December high point.

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## CINCINNATI NEXT N.A.B. CONVENTION CITY

The 1934 convention of the National Association of Broadcasters will be held in Cincinnati early in the Fall, the Board of Directors of the organization decided at its meeting Monday. The tentative date of September 10th was selected but because six other conventions are meeting in Cincinnati at that time, Phil Loucks, Managing Director, said the date would probably be changed to September 3 or September 17.

Credit for getting the convention to Cincinnati was given to Joe Chambers of Station WLW, and a big attraction of the meeting will be a close-up of the new 500 KW Crosley transmitter.

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## CODE AUTHORITY FOR RADIO WHOLESALERS NAMED

Announcement was made last Saturday (May 12) by the National Recovery Administration of its recognition of the following as the duly chosen members of the Divisional Code Authority for the radio wholesaling trade:

Benjamin Cross, New York, N. Y.; David M. Trilling, Philadelphia, Pa.; Francis E. Stern, Hartford, Conn.; Harold J. Wrape, St. Louis, Mo.; James E. Aitken, Toledo, Ohio; H. G. Erstrom, Chicago, Ill.; A. C. Marquardt, Boston, Mass.; A. Meyers, Los Angeles, Calif.; and Lawrence Luckner, Minneapolis, Minn.

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## ADVISORY COPYRIGHT COMMITTEE APPOINTED

Directors of the National Association of Broadcasters have appointed an Advisory Committee in copyright matters. The members of this Committee are A. J. "Hollywood" McCosker, President of the NAB, and Director of Station WOR, Newark; Isaac Levy, of WCAU, Philadelphia; "Scoop" Russell, of NBC, Washington; Walter J. Damm, of WTMJ, Milwaukee; Joseph Hostetler, Newton D. Baker's law partner, and Phil Loucks, of the NAB.

The entire radio copyright situation has been placed in their hands.

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:::BUSINESS LETTER NOTES:::  
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President Roosevelt has written to Robert Underwood Johnson, Secretary of the American Academy of Arts and Letters approving the ratification of the Rome Copyright Treaty now being considered by the Senate.

"Needless to say", the President wrote, "I fully concur in your sentiments and assure you that it would be most pleasing to me if, early in my administration, I should be empowered to make the United States a party to this convention."

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Charles Thomas, general manager of the London (Ont.) Free Press was elected President of the Canadian Newspaper Radio Association, a newly formed organization of newspaper owners of radio stations. Other officers named were Howard P. Robinson, St. John (N.B.) Telegraph-Journal, Vice-President; Philip H. Morris, London Free Press, Secretary-Treasurer.

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There was an increase of 5.7 per cent in radio factory employees in March, 1934.

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Collections of the 5 per cent tax on radios and phonographs for March, 1934, were \$268,136.45, an increase of 79 per cent over March, 1933.

The collections on mechanical refrigerators during March, 1934, totaled \$295,307.92, as against \$125,340.70 in March, 1933.

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Donald Mackenzie, 35 years old, Eastern representative of several radio manufacturing companies, died in Brooklyn last Saturday. Mr. Mackenzie was a son of the late Augustus Mackenzie, an insurance broker, who left an estate of more than \$1,000,000. His second wife, Mrs. Ethel Mackenzie, was cut off in the will, and to the children of her marriage, Donald and Dorothy Mackenzie, he left \$1,000 each. Mrs. Mackenzie has filed objections to the will.

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Word comes that Paul W. Morency, of Station WTIC, is convalescing. For the information of those who want to write to Paul, his address is 1 Kingswood Road, West Hartford, Conn.

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Emily Holt, a New York attorney representing the Actors' Equity Association, has been appointed a labor representative on the Broadcasting Industry Code Authority. She has suggested numerous changes in the questionnaire to be sent to all radio stations about radio talent. It will be sent out within the next two weeks.

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It is believed by the National Association of Broadcasters that stations generally will cooperate with the special board of investigation of the Federal Trade Commission by complying with its request for copies of advertising announcements and thereby make unnecessary the work of monitoring stations. The survey is not a campaign against radio, it is explained, the Trade Commission simply decided to include radio in its routine investigation of all advertising in the future.

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#### TELEGRAPH CODE MEETING WEDNESDAY PROMISES FIREWORKS

Although Gen. Hugh Johnson denies that he intends to crack down in imposing his Telegraph Code, there is plenty of assurance that the Code hearing set for Wednesday afternoon (May 16) will be a spirited one. The Western Union openly charges the Postal with having inspired the Code regulations and the two sides are lining up for the fray.

R. B. White, President of the Western Union, testifying before the House Interstate Commerce Committee assailed the National Recovery Administration's move to regulate the telegraph industry by code, a step favored by his competitor. He urged that a new Commission be created to have exclusive jurisdiction over communication systems, alleging that Postal Telegraph had provided a basis for the proposed code.

Opposing the House (Rayburn) Communications Bill, Sosthenes Behn, President of the International Telephone & Telegraph Company, however, added:

"The companies which I represent are in favor of the enactment of legislation providing for the transfer to a new Commission of the existing powers of Government over communications and a mandate to that new Commission to make a complete study of the problems involved upon which to base recommendations to the next session of Congress for additional legislation."

General Johnson said that the proposed code will not affect newspaper leased wires.

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## SHANGHAI CONTEMPLATES PUBLIC RECEIVING SETS

Radio is making consistent progress in Shanghai, according to Assistant Commercial Attache A. Bland Calder. Broadcasting conditions in the Shanghai area, he points out, are much improved over what they were a year ago; there is very little interference and transmitting stations can keep to their own wave lengths satisfactorily. Advertising by radio is steadily increasing and rates are rising.

The demand for radio receiving sets in Shanghai, Calder states, is chiefly for the small or midget types, with diminishing sales of the console models. American radios predominate, with Gemran distributors now putting on a more intensive advertising campaign to promote sales.

Plans are under consideration to install a small broadcasting station at or near the Civic Center of Shanghai, China's most populous city, with receiving sets in public places for the enlightenment and entertainment of the laboring and farming classes now embraced within the city limits of Greater Shanghai. Efforts are being made to register all receiving sets in Shanghai for the purpose of determining the number of sets in use, their location, type, and certain other details so that policies may be developed as to location of broadcasting stations, type of broadcasting equipment and like matters. So far, however, only 3000 receiving set owners have registered, although there are probably no less than 50,000 sets in use in Shanghai and the immediate vicinity.

Imports of radio sets and parts into China during the two months January and February of the current year were valued at 287,936 gold units as compared with 221,391 gold units in the corresponding period of 1933.

The approximate average value of the Customs gold unit in terms of U. S. currency for the first two months of 1934 was 65.8 cents as compared with 40 cents in the corresponding period of 1933 before the devaluation of the U. S. dollar.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(May 11, 1934)

KRKD, Fireside Broadcasting Co., Los Angeles, Cal., consent to voluntary assignment of license to Radio Broadcasters, Inc.; WLBF, WLBF Broadcasting Co., Kansas City, Mo., C.P. to install new transmitter; WJDX, Lamar Life Insurance Co., Jackson, Miss., extension of special temporary authority to operate with 250 watts power for period beginning May 11 and ending not later than May 15, 1934; KPCB, Queen City Broadcasting Co., Seattle, Wash., special experimental authority to change frequency from 650 to 710 kc.; WKBO, Keystone Broadcasting Corp., Harrisburg, Pa., C.P. to move transmitter and studio locally, and make changes in equipment; KBTM, Beard's Temple of Music, Jonesboro, Ark., modification of C.P. to extend completion date from May 2 to July 15, 1934; KSOO, Sioux Falls Broadcast Assn., Inc., Sioux Falls, South Dakota, license covering move of transmitter locally and making changes in equipment 1110 kc., 2½ KW, limited time; KGHL, Northwestern Auto Supply Co., Inc., Billings, Mont., special experimental authority to make changes in equipment and change frequency from 950 to 780 kc.; WAAT, Bremer Broadcasting Corp., Jersey City, N. J., temporary license to operate on 940 kc., 500 watts, daytime, pending outcome of hearing on application for renewal of license.

Also, WPJ, Press Wireless, Inc., Hicksville, N. Y., modification of license to delete Buenos Aires as primary point and substitute Madrid, Spain; Borough of Deal, N. J., C.P. 30100, 33100, 37100, 40100, 86000-400000, 401000 kc. and above; 20 watts, to communication on experimental basis in police service; Same, Mobile - 2 C.P.s same as above, except power 4.5 watts; City of Modesto, Cal., C.P. 30100, 33100, 37100, 40100 kc. 15 watts; W9XAU, City of Chicago, Dept. of Police, license, frequencies 30100, 33100, 40100 kc., 15 watts; W3XU, City of Philadelphia, Dept. of Public Safety, Mobile, renewal of experimental special experimental license 2474 kc., 25 watts; City of Bethlehem, Pa. C.P. 30100, 33100, 37100, 40100, 86000-400000, 40100 kc. and above, 25 watts; Same, Mobile - two C.P.s same as above, except 4.5 watts.

Also, D. Reginald Tibbetts, Portable & Mobile, Berkeley, Cal., C.P. 31600, 36600, 38600, 41000 kc., 1 KW; Ronald G. Martin, Portable & Mobile, San Francisco, C.P. 34600, 35600, 37100, 37600, 38600, 40100, 40600, 41000, 86000-400000, 401000 kc. and above, 15 watts; W10XBU, W10XBV, Lehigh Valley Railroad Co., Portable-Mobile, modification of C.P. extending commencement date to May 1 and completion date to August 1, 1934; WQEH, RCA Communications, Inc., Boston, Mass., modification of C.P. extending completion date from May 16 to August 16, 1934; WQEI, RCA Communications, Inc. Chicago, Ill., modification of C.P. to change proposed transmitter location from Chicago to St. John, Ind., change frequency 5100 to 5180, and extend completion date to August 16; and to operate station with licensed operator at control point in lieu of transmitter location.

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Also, National Broadcasting Co., Inc., New York, license to use transmitter licensed to W2XF, frequencies 1614, 2398, 3492., 4797.5, 6425, 8655, 12862.5, 17310, 23100, 25700, 26000, 27100, 30100, 31100, 31600, 33100, 34600, 35600, 37100, 37600, 38600, 40100, 40600, 41000, 86000-400000, 401000 kc. and above, 5 KW power; Same, Chicago - license to use transmitter licensed to W9XAP, same frequencies as above, power 2.5 KW; W10XDF, William G. H. Finch, Portable & Mobile, license, 31600, 35600, 38600, 41000, 86000-400000, 401000 kc. and above, 250 watts; W3XAQ, City of Camden, N. J., Police Dept., license, 30100, 33100, 37100, 40100 kc., 25 watts; W8XAU, City of Huntington, W. Va., license, 30100, 33100, 37100, 40100 kc., 15 watts; W5XH, W5XJ, New, license 31600, 35600, 38600, 41000 kc., 15 watts; W3XY, Bell Telephone Laboratories, Inc., Mendham Township, N. J., modification of license to add frequency 2110 kc.; City of High Point, N. C., Police Dept., C.P. 30100, 33100, 37100, 40100 kc., 15 watts.

#### Miscellaneous

WMPC, First Methodist Protestant Church, Lapeer, Mich., reaffirmed original grant to operate specified hours on 1200 kc., since Capital City Broadcasting Co., Lansing Mich., has withdrawn protest; WIBM, WIBM, Inc., Jackson, Mich., full time on 1370 kc. since Capital City Broadcasting Co. has withdrawn protest - granted; WJBK, James F. Hopkins, Inc., Detroit, Mich., granted full time on 1500 kc., Capital City Broadcasting Co. has withdrawn protest.

#### Notice To All Broadcasting Stations

The Commission authorized the following letter to be sent to all radio broadcasting stations over the signature of Secretary Herbert L. Pettey:

"Your attention is specifically invited to Rule 16 of the Commission's Rules and Regulations:

"'Unless otherwise directed by the Commission, each application for renewal of license shall be filed at least 60 days prior to the expiration date of the license sought to be renewed.'

"Because of the limited personnel of the Commission, in the future, licensees of Radio Broadcast Stations will not be notified of expiration dates of licenses. In cases where stations also have special authorizations and an extension of the same is desired, request for such extension shall be filed with the Commission at least ten days prior to the expiration date.

"Appropriate action will be taken in each case when these rules are not complied with."

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