

HEINL RADIO BUSINESS LETTER

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No. 734

RADIO LEADERS APPRAISE NEW LAW AS REGARDS BROADCASTING

Outstanding authorities in the radio industry were asked this question: "What effect will the new Communications law have on broadcasting?" Their replies were as follows:

Senator C. C. Dill, of Washington, co-author of the Communications Act - "I don't know of any particular effect. I hope the new Commission may be able to solve some of the radio problems not solved up to this time. There is nothing revolutionary in the law which President Roosevelt has just signed. Everything depends upon the new Commission."

Senator Wallace White, of Maine, co-author of the 1927 Radio Act - "If I must give a 'yes' or 'no' answer as to whether the new Communications Act will affect broadcasting, I'll say 'no'."

Judge E. O. Sykes, Chairman of the Federal Radio Commission - "I believe the new law will prove highly beneficial to broadcasting. It is just possible that one of the two or three new divisions which are to be set up in the Communications Commission may devote itself to the study of broadcasting exclusively."

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters - "The question is perfectly unanswerable until you know who is going to be on the Commission. The law itself doesn't involve any material change in the broadcasting setup. Everything depends upon what the Commission may do and may recommend."

Frank M. Russell, Vice-President of the National Broadcasting Company - "The new Communications Act does not materially alter the administration of radio broadcasting, but it does give to the Federal Government for the first time a coordinated regulation over all forms of communication - radio, telephone and telegraph."

Thomas P. Littlepage, Counsel specializing in radio - "An important provision in the new law is that the Communications Commission recommend new legislation to the next Congress. Obviously they will grant hearings to interested parties in the industry so as to get their views on suggested legislation."

Paul D. P. Spearman, former Assistant General Counsel of the Federal Radio Commission - "The Radio Act of 1927 was enacted in an attempt to bring order out of chaos following the so-called

'break-down' of the law in 1926. The Act set up the Federal Radio Commission as a temporary regulatory body and its existence was extended from time to time and finally until otherwise ordered by Congress. The temporary nature of the Commission at the beginning, together with the constantly recurring talk with respect to the creation of a Federal Communications Commission, had the effect of holding radio regulation in a suspended state with some degree of doubt always in the minds of licensees.

"The action of Congress in creating a permanent Communications Commission will, in my judgment, stabilize radio regulation and remove from the minds of licensees any doubts which have haunted them heretofore because of the temporary nature of the Commission under which they have been regulated. With this stability and added security, I believe radio will make greater and more rapid strides than heretofore, particularly do I believe these factors will be conducive to improvements in the physical plant and equipment used in radio communication and to what will be recognized as noteworthy advances in a higher order of public service."

Louis G. Caldwell, former General Counsel of the Federal Radio Commission - "The Communications Act makes relatively few and comparatively unimportant changes in the law governing broadcasting stations. The changes are a mixture of good and bad and in my estimation the balance is about even. It is a matter of regret that certain defects of the Radio Act were not cured, notably the lack of adequate court review of Commission decisions, and the absence of restrictions on the indirect form of censorship exercised by the Commission. As is true generally of administrative tribunals, regulation under the new law will be as good or as bad as the personnel of the new Commission."

John Shepard, III, President of the Shepard Broadcasting Service, Boston - "There is very little change in the new law. I don't think it will affect broadcasting one way or another."

Judge Ira E. Robinson, former Chairman of the Federal Radio Commission - "It should have no depreciating effect and in time should better it, all of which will depend on the wisdom or lack of wisdom of those appointed to administer the new Act."

Philip G. Loucks, Managing Director, National Association of Broadcasters - "There are only a few changes from the existing law. Its administration should not materially affect the operation of broadcast stations."

Oswald F. Schuette, Radio Counselor, Washington, D. C., - "It all depends upon the makeup of the new Commission."

Bond Geddes, Executive Vice-President, Radio Manufacturers Association - "Immediately I think we need anticipate no important changes, but later there may be a new allocation involved."

James W. Baldwin, Executive Officer, Code Authority -
 "The result of the new legislation will be dependent entirely upon the way and manner in which it is administered."

Col. Thad H. Brown, Vice Chairman of the Federal Radio Commission - "The new law corrects some glaring defects in the Radio Act of 1927 as amended and should prove a boon to the listening public. Particularly beneficial, in my judgment, is the provision prohibiting the broadcasting of lotteries and games of chance."

Harold A. Lafount, Federal Radio Commissioner - "Radio broadcasting should be vitally improved under the administration of the Federal Communications Act which clothes the new regulatory body with broad powers to be exercised in the public interest."

James H. Hanley, Federal Radio Commissioner - "The new Commission will be able to devote much time to the study and enforcement of constructive policies since routine matters concerning the regulation of radio are now well organized."

Dr. C. B. Jolliffe, Chief Engineer of the Federal Radio Commission - "Any changes in broadcast allocations will be due to changes in policy of the new Commission rather than changes in the law. The engineering phases of broadcasting are left unchanged except that additional 100 watt stations are permitted, with interference being the limiting factor instead of quota."

George B. Porter, Acting General Counsel of the Federal Radio Commission - "The Radio Act has been codified and brought up to date by its re-enactment in the Communications Act of 1934. Several new sections taken from bills have heretofore passed the Congress, as well as one or two suggestions of the Federal Radio Commission, have been added."

"I anticipate no immediate or drastic changes in the broadcasting allocation. However, the Act contains, as does the present law, ample authority for any improvements which the new Commission may decide to make in the public interest."

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PRESIDENT SIGNS COMMUNICATIONS BILL

President Roosevelt signed the Communications Bill late Tuesday afternoon (June 19) just before leaving the White House for his New England trip. This Bill, among other things, does away with the Federal Radio Commission and absorbs the power of the Interstate Commerce Commission over telephone and telegraph placing it in the hands of a newly organized Commission to be appointed to handle communications of all description - telephone, telegraph, cable and radio.

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RADIO BROADCASTING INDUSTRY HEARING ON LABOR PROVISIONS

Gross revenues received by the nation's two large radio networks during the period between December, 1933, to May, 1934, marks an increase of 38.5 per cent, over a similar period in 1932 to 1933, it was disclosed on Wednesday (June 20th) by the Research and Planning Division of N.R.A., at a public hearing held in the Hotel Raleigh, Washington, D. C., called for the purpose of considering the advisability of revising the wage and hours provisions of the approved code for the radio broadcasting industry.

The figures were obtained from Media Records, New York, according to David M. Kendall, who represented the Research Division at the hearing, and were cited by Deputy Administrator William P. Farnsworth, following a recommendation made by the N.R.A. Labor Advisory Board, under which radio broadcasting technicians would receive increased wages above present code provisions and decreased working hours.

Concurrently, the industry's Code Authority, represented by James W. Baldwin, Executive Secretary, urged that no changes be made in the existing labor provisions. Such a step as advocated by labor spokesmen, he said, would "oppress and eliminate many small radio broadcasting enterprises and may promote monopoly."

Broadcast technicians, he continued, work under excellent conditions, the work is not fatiguing, and they enjoy greater protection against accidents than is the case among other employees doing similar work in other fields.

He declared, however, that the increased earnings cited did not warrant changing wage and hour provisions, pointing out that there had been a sharp decrease in earnings during May and that during the last ten days there had been a wide cancellation of contracts for the coming summer period.

Philip Loucks, Washington, D. C., Managing Director of the National Association of Broadcasters, spoke briefly, concurring with the recommendation made by the Code Authority.

Mrs. Emily Holt, of New York, Administration member of the Code Authority, spoke on behalf of radio artists and performers, and urged a revision of the questionnaire sent out by the Code Authority, on which the latter group had based its findings. Charging that the artists had not been given proper consideration, she added: "Too much time has been lost in including our group under the Code". Mrs. Holt is also Associate Counsel of the Actors' Equity Association. Paul N. Turner, counsel, and Alfred Harding, editorial chief, both of New York, appeared on behalf of the Actors' Equity Association.

Specifically, the Labor Advisory Board, represented by Edward N. Nockels, and C. A. Wood, recommended maximum hours of 35 per week, and minimum wages for technicians of \$44 per week when employed by "clear channel" or high powered regional stations, \$33 per week when employed by "clear channel" part-time, or low powered regional stations, and \$22 for employees of all other stations. Other employees, less skilled, would be assured a \$16 weekly minimum. Artists and performers, too, would be guaranteed minimum wages and maximum hours under the plan advocated by the Labor Advisory Board.

Edward D. Bieritz, representing the Radio Division, International Brotherhood of Electrical Workers, an A. F. of L. affiliate, made similar recommendations, urging a 10 per cent increase in the present wage rate, and a 25 per cent reduction in hours.

Bieritz also referred to the earnings of the large broadcasting chains, and pointed out that the revenue received during the month of March, 1934, was greater than any other month in their history. The broadcasting industry, he said, has been one of the greatest beneficiaries under the N.R.A. He said he spoke for 2,000 broadcast technicians in the industry.

Other witnesses representing the International Brotherhood of Electrical Workers, Mr. Singer of Station WOR; P. I. Merryman, International Vice President, Association of Technical Employees, H. Spears, and R. Turetsky, of the Columbia Broadcasting Technicians also appeared.

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DEMAND IN ARGENTINA FOR NON-ASSEMBLED RADIO SETS AND PARTS

Pointing out that there is little demand in Argentina for complete foreign radio sets, a report to the Commerce Department from its Buenos Aires office states that the demand for foreign-made chassis, non-assembled and partially manufactured apparatus, tubes and parts is now at its highest point.

The assembling of parts and sets by local firms and branches of American firms has become sufficient to more than supply the demand for radios in Argentina, the report declares. All chassis, whether imported or assembled locally, are supplied with locally-made cabinets which have not reached the perfection of those made in the United States but satisfy the Argentine trade. It is estimated that the plant capacity for assembling radios in Argentina is as high as 20,000 sets a month.

Argentine imports of radio apparatus in 1933 were valued at 6,932,317 paper pesos against 6,102,839 paper pesos in 1932. The present annual demand for radio sets in Argentina is estimated at between 130,000 to 150,000 sets of all types, the most popular

sets being those with 5.6 and 7 tubes. The total number of receiving sets in Argentina is roughly estimated at between 500,000 and 600,000, there being no Government licensing system and therefore no accurate data on this subject.

Exports of radio materials from the United States to the Argentine market during 1933, the report shows, were valued at \$1,835,753.

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NEW NRA CODE FOR RADIO INDUSTRY HAS UNANIMOUS RMA SUPPORT

With the unanimous endorsement of the Radio Manufacturers' Association, following formal approval of its members in annual convention last week at Chicago, and also the RMA Board of Directors, a Code of Fair Competition for the Radio Manufacturing Industry was submitted to the National Recovery Administration this week.

Withdrawal of radio and television manufacturers from the present electrical manufacturing code is provided upon approval of the new separate radio code. Self-government and permanence of the radio industry and the RMA under the principles of the NRA are the basic objectives of the new code.

Radio manufacturers will remain subject to the present electrical code until the NRA takes expected favorable and final action on the separate Radio Code. A formal hearing by NRA is planned soon on the RMA application for withdrawal from the Electrical Code, now in operation under the National Electrical Manufacturers' Association.

The new Radio Code submitted to the NRA was drafted to meet the special needs and independent administration of the radio industry. Proposals for a 40-hour week for factory labor, with minimum wages of 40¢ per hour for male employees and 32¢ per hour for females, are the principal labor provisions of the new code. It also includes many trade practices, industrial relations policies, a provision for open price filing, and sets up a separate Code Authority, selected from the radio industry, for enforcement and administration.

The RMA Code Committee is headed by Capt. William Sparks, of Jackson, Mich., as Chairman. Other Committee members are James M. Skinner, of Philadelphia; A. S. Wells, of Chicago; S. W. Muldowny, of New York, and Arthur Moss, of New York. An ex-officio associate is Arthur T. Murray, of Springfield, Mass. This Committee, with John W. Van Allen, of Buffalo, General Counsel of the RMA, and Bond Geddes, of Washington, Executive Vice President and General Manager, have charge of hearings and negotiations at Washington.

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COMMUNICATIONS COMMISSION LINE-UP?

Since the life of the Federal Radio Commission will end next Saturday, June 30th, the new Federal Communications Act being effective July 1st which calls for the appointment of seven members to form the new Communications Commission, President Roosevelt will doubtless give the matter consideration over this week-end which is being spent at his home in Hyde Park, N. Y., and make the announcement of his appointees to this Commission early next week upon his return to Washington.

It has been reported as almost a certainty that Judge E. O. Sykes, present Chairman of the Federal Radio Commission is to be appointed as Chairman of the new Federal Communications Commission, and that the other members of the group of seven to be appointed will be those named as guesses in our column on Tuesday, June 19, namely, Milo R. Maltbie, Chairman of the New York Public Service Commission; former Congressman Homer Hoch, now of the Kansas Public Service Commission; Capt. S. C. Hooper, Chief of Naval Communications; Col. Thad Brown, Vice-Chairman of the present Radio Commission; Harold L. Lafount, Federal Radio Commissioner, and that Herbert L. Pettey, present Secretary of the Federal Radio Commission will be appointed to the Commission with the idea of serving until Representative Prall's Congressional term expires, at which time he will take over the Secretaryship of the new Communications Commission.

If Mr. Maltbie is appointed, as it seems pretty definitely understood that he will be at this writing, the feeling seems to be that it is not going to please the telephone companies any too well as he is a vigorous foe of such organizations and if made Vice-Chairman of the division handling such matters, as anticipated, would be pretty apt to start a thorough investigation at once of telephone companies and their properties, as well as the fixing of rates.

It is thought that Captain Hooper, if appointed, will perhaps be Vice-Chairman of the Communications Division, and that Mr. Pettey, will be named Vice-Chairman of the division dealing with radio until such time as Representative Prall takes up the reins January 1st, at which time he (Representative Prall) will become Vice-Chairman of that division.

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NEWSPAPER CRITICISM MAY PREVENT COMMISSIONERS' REAPPOINTMENT

It is believed if President Roosevelt intended reappointing members of the Federal Radio Commission to the new Communications Commission that their chances of being thus favored might have been lessened by criticism of the Commission by powerful newspapers. The New York Herald Tribune has just concluded a series of articles attacking the Commission. This followed a series written by Arthur Sears Henning, which appeared in the Chicago Tribune several weeks ago. Both newspapers alleged that through the Radio Commission the Democratic administration has been exercising a form of censorship and have been appropriating the radio to promote their interests with the result that the Democrats have had unlimited use of the networks to the exclusion of the Republicans.

The Herald-Tribune articles resulted from the Commission calling upon Ogden Reid, editor of the Herald-Tribune to submit "any facts or other material" in support of an editorial asserting that "the radio, controlled by the Administration, through its licensing power, was made spokesman of the New Deal and largely restricted to Government propaganda." Mr. Reid replied, declining to render an account concerning the editorial "which expressed our reasoned and sincere conviction."

Senator Schall, Republican, of Minnesota, introduced a resolution for the appointment of a committee to hear the evidence of the Herald-Tribune on the question of censorship by the Commission. It was allowed to die in committee. Senator Dickinson, Republican, of Iowa, also offered a resolution to investigate the Chicago Tribune charges of censorship, and Senator Huey Long, of Louisiana, introduced a supplemental resolution, but neither one passed.

One of the assertions made in the Herald-Tribune article was that one government agency alone - the N.R.A. - has estimated that, had it been obliged to pay normal commercial rates for all the time that has been given free by broadcasting stations to its speakers, the bill by now would amount to at least \$2,000,000, a fourth of which would be due to the two networks. Even now, the article declares, few are the Republicans who share the sound waves with Administration spokesmen.

"The tendency of the radio broadcasting industry to serve as hand-maiden and drummer boy to whatever administration happens to be in power in Washington was strengthened last week with the passage, by Congress of the Communications Bill", one of the Herald-Tribune articles reads. "It tightens, in peace time, the hold which the Government has upon the air and authorizes the government to take over the radio altogether in the event of war."

"There have been countless protests against the indirect censorship which the Administration exercises over radio programs."

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There have been hundreds of howls complaining that what is a heaping bowl of sauce for the goose is dished out only in thimbles to the gander in opposition. But these cries have been bootless.

"The compliant Congress proceeded to embrace in the new legislation almost the whole of the Radio Act of 1927. And it added a few new clauses giving the government an even stronger grip on radio, which the government controls through the licensing of stations and the power of the Federal Radio Commission to revoke a license whenever it deems that a broadcaster has failed to serve 'public interest, convenience and necessity.'

"With control over telephone and telegraph communications thrown in for good measure, the new legislation supplants the present five-man Federal Radio Commission with a seven-member board to be known as the Federal Communications Commission.

"Should the Senate adjourn before receiving from the White House the names of the seven whom President Roosevelt may decide to name to the board, recess appointments would be in order. In that case the seven men given the power of life and death over radio stations will be beholden, for their \$10,000 a year jobs, between their appointment and the convening of Congress next January, to the Administration alone. During that interim the country will have the biennial campaign for Congressional seats, with politics popping into many a broadcast speech."

Referring to Herbert L. Pettey, Secretary of the Radio Commission, the Herald-Tribune says:

"After Mr. Pettey had entered upon his duties with the Federal Radio Commission, Mr. Farley, as Chairman of the Democratic National Committee, notified the broadcasting companies, all Cabinet members and others that the only person authorized to represent the Democratic National Committee in radio matters was Mr. Pettey. Thus, the ruling party's 'contact man' with the broadcasting companies is the Secretary of the Federal Commission which holds the power of life and death over every broadcasting station in the land. That is something new, even for Washington. If the Secretary of the Interstate Commerce Commission were named by the Democratic National Committee to ask free passes for politicians on the railroads, the case would be analagous - and the secretary would get the sack for breaking the law."

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 ::BUSINESS LETTER NOTES::
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F. P. Guthrie, District Manager of the Radio Corporation of America in Washington, successfully passed an examination at the Radio Commission for an amateur radio operator's license.

The following stations, among others, have asked for increases in watts:

WOR, Bamberger Broadcasting Service, Inc., Newark, N.J. modification of C.P. for 50 kilowatts to make changes in antenna system; WRC, National Broadcasting Co., Inc., Washington, D. C., modification of license to increase power from 500 watts to 500 watts night, 1 kilowatt daytime; WHEC, WHEC, Inc., Rochester, N. Y., modification of license to increase power from 500 watts to 500 watts night, 1 kilowatt daytime; WMCA, Knickerbocker Broadcasting Co., Inc., New York, N. Y., modification of license to increase power from 500 watts to 500 watts night, 1 kilowatt daytime; WSPD, Toledo Broadcasting Co., Toledo, Ohio, C.P. to install new equipment and increase power from 1 KW to 1 KW night, 2½ KW - day.

A hearing has been set for next Thursday, June 28, for WEAN, Shepard Broadcasting Service, Inc., Providence, R. I., for modification of license and to increase power from 250 watts to 500 watts unlimited time.

At this writing, approximately 500 questionnaires have been received by the Radio Code Authority with respect to free broadcast performances. These have not yet been tabulated but it is expected that they will be in the near future and reports will be available to all interested parties. Only two stations of those returning questionnaires thus far, charge admission, namely WLS, Chicago and WSGN, Birmingham, Ala.

In the radio shack of the settlement at Little America, Clay Bailey tunes up his apparatus and makes contact with Mackay radio stations at New York, Buenos Aires and San Francisco, according to the New York Times, and J. N. Dyer and Guy Hutcheson are building new radio equipment for the trail parties, and in the generator shack Armory Waite is overhauling the machines. It is the dead of Winter for the expedition.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted
(June 22, 1934)

WOW, Woodmen of the World Life Ins. Assn., Omaha, Neb., C.P. to move transmitter to new site, make changes in equipment and increase day power from 1 KW to 2½ KW; KGBZ, KGBZ Broadcasting Co., York, Neb., C.P. to make changes in equipment and increase day power to 2½ KW LS; application to increase night power from 500 watts to 1 KW set for hearing; WHEC, WHEC, Inc., Rochester, N. Y., modification of license to increase day power from 500 w. to 1 KW; WRAK, WRAK, Inc., Williamsport, Pa., C.P. to move transmitter locally in Williamsport; WTOC, Savannah Broadcasting Co., Inc., Savannah, Ga., C.P. to install temporary Composite DCC-Max. 100 watt transmitter, for period of 30 days pending completion of new permanent transmitter; WJBC, Kaskaskia Broadcasting Co., LaSalle, Ill., C.P. to move transmitter to Normal, Ill., and studio to Wesleyan College Campus, Bloomington, Ill.

Also, WWAE, Hammond-Calumet Broadcasting Corp., Hammond, Ind., and KVL, KVL, Inc., Seattle, Wash., C.P. to make changes in equipment; WHDL, Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y. license covering local move of transmitter and studio, 1420 kc. 100 w., daytime; WJJD, WJJD, Inc., Mooseheart, Ill., license covering installation of new equipment, 1130 kc., 20 KW, limited time; WOR, Bamberger Broadcasting Corp., Kosciusko, Miss., modification of C.P. to make changes in equipment and extend commencement date to within 10 days of grant of this and completion date to 60 days from date; WAAB, Bay State Broadcasting Corp., Boston, Mass., modification of license to use the transmitter of Station WNAC; WRAX, WRAX Broadcasting Co., Philadelphia, Pa., special temporary authority to operate station without approved frequency monitor for period July 2 to Aug. 1, 1934.

Action On Examiners' Reports

WJBW, Charles C. Carlson, New Orleans, La., denied modification of license from sharing time equally with WBBX to unlimited, 1200 kc., 100 watts (facilities of WBBX), Examiner Walker sustained; WBBX, Samuel D. Reeks, New Orleans, La., granted consent to voluntary assignment of license to Coliseum Place Baptist Church, and granted renewal of license, 1200 kc., 100 watts, shares equally with WJBW, Examiner R. L. Walker reversed; KFYO, T. E. Kirksey, d/b as Kirksey Bros., Lubbock, Texas, granted renewal of license 1310 kc., 100 watts night, 250 watts day, unlimited time, sustaining Examiner Hill; Pittsburgh Radio Supply House, Greensburg, Pa., granted C.P. for new station to operate on 620 kc., 250 watts, daytime hours (7 A.M. to local sunset, sustaining Examiner R. L. Walker.

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