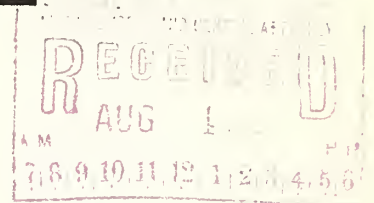
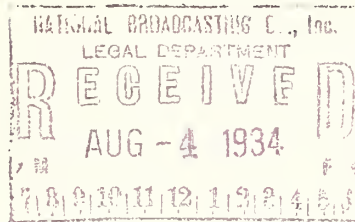


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August 3, 1934.

BROADCASTERS BUCKLE ON SWORDS FOR EDUCATIONAL HEARING

Commerical broadcasters are not under-estimating the fight they will have to make Monday October 1st, when the Broadcasting Division of the Federal Communications Commission will give them their chance to be heard in the Commission's study of the proposal that Congress by statute shall allocate fixed percentages of radio broadcasting facilities to particular kinds of non-profit radio programs.

"This action initiates the most important survey of broadcasting yet undertaken," Philip G. Loucks, Managing Director of the National Association of Broadcasters declared, calling the commercial broadcasters to arms.

"It opens the door to every person and group of persons who have from time to time opposed commercial broadcasting and gives them an opportunity to make public record of their objections.

"Upon the report made by the Commission, Congress in the next session undoubtedly will formulate a permanent policy with respect to the licensing of broadcast stations.

"The National Association of Broadcasters will act as the coordinating agency through which the broadcasters will present their side of the case. But every station, large and small, network and non-network, must cooperate closely with the Association in assembling the vast amount of data which must be presented.

"The National Association of Broadcasters as a body is opposed to the parceling of channels to special groups and will present facts to substantiate this position.

"This important hearing, which may last from four to eight weeks, calls for prompt action on the part of the Association and the Association must have the unstinted support of every station interested in the perpetuation of the American system of broadcasting. To collect the vast amount of data necessary to coordinate the presentation of this data, and to meet the challenge which is thrown out to all broadcasters by it will demand the closest cooperation from each and every broadcaster who is interested in a fair and adequate presentation of the broadcasters' case."

The commercial broadcasters are naturally aroused over any plan to increase the "non-profit time on the air as this would necessarily mean the taking away of some of the facilities of the commercial stations. Also the broadcasters, in principal, are opposed to Congress taking a hand in allocating radio facilities. This would make radio more of a political football than ever and would virtually amount to Congress becoming a super- Communications Commission.

Indirectly responsible for the Commission's present investigation is Rev. John B. Harvey, Superior General of the Paulist Fathers, owners of station WLWL in New York. Father Harvey after being turned down by the Federal Radio Commission for additional broadcasting hours for his station went on the warpath. He declared that WPG, a commercial station at Atlantic City was on the air 110½ hours a week while WLWL, because it was obliged to share the same channel, was only allowed to broadcast 15½ hours a week.

The Paulist Father asserted that the commercial broadcasts have corralled 97½ per cent of the broadcasting facilities of the United States. His contention was that educational stations should have at least one quarter of the country's broadcasting facilities.

"How has education fared at the hands of the Federal Radio Commission?" "Most ignominiously!" Father Harvey declared dramatically when testifying before the Senate Interstate Commerce Committee. "At one time there were in the United States 105 stations classified as educational. Today there are but 30. What has become of the other 75 and why?"

Following the priest's appearance in Washington thousands of telegrams and letters poured in to Congress from all parts of the country, resulting in several bills being introduced in the Senate and House that 25 per cent of all broadcasting facilities be allocated to cultural, educational, religious, labor and other non-profit making stations, notably one by Senator Robert Wagner, Democrat, New York, and Senator Hatfield, Republican of West Virginia.

Later the Wagner-Hatfield bill was incorporated as an amendment to the Communications Act. When the amendment came up for consideration in the Senate, Senator Fess, Republican of Ohio said; "Everyone must be impressed with the pollution of the air for commercial purposes until it is actually nauseating. The practice is to turn off the radio about as quickly as one gets to it, because so much of the matter broadcast is offensive.

"Senator Wagner will probably recall that sometime ago I offered an amendment to the Radio Act allocating not less than 15 per cent of the time for educational purposes. I never could get any reaction in favor of it.

As soon as it was offered the stations began a propaganda against it; just why I do not know, and the same thing would be true here."

Despite this severe criticism of the broadcasters Senator Fess nevertheless voted against the 25 per cent amendment. It was beaten in the Senate by a vote of 42 to 23. Subsequently, in conference a clause was inserted in the Communications Act calling for a study of the entire non-profit radio programs situation by the Commission, stipulating that a report with recommendations should be made to Congress not later than February 1st.

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INSURANCE PREMIUM COLLECTED THROUGH COIN-OPERATED RADIO

Insurance premiums and money to pay for a radio set are collected by a Paris, France, company through the use of a slot attachment, according to Radio World.

Intended to appeal to listeners who have young children for whom they desire to make provision, the scheme calls for supplying each client with a radio receiving set which can be operated only by the insertion of a coin.

For every franc put into the slot, the set works for 24 hours, it is explained. At the end of the month the money is collected by the company and placed to the policyholder's credit against the annual premium and the cost of the radio set. After 18 months the set becomes the property of the holder, provided payments have been met regularly, and a reduction is made in the amount which must be inserted to maintain the insurance.

Larger sets to operate with two or three francs are also available, it is stated, so that larger payments may be made.

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CBS NEW ACCOUNTS AND RENEWALS

RENEWAL -Wasey Products Inc.,New York(Kremel Hair Tonic and other Wasey Products)Starts - September 10,1934, Tues to Fri Incl. 12 noon to 12:15 P.M. EDST- Sunday 7:00 EDST(PM) 24 stations -Program "The Voice of Experience."

RENEWAL - American Home Products-A.S.Doyle Floor Wax starts Sept 30,1934-Sunday 2:30-5:00 PM-47 stations.Program - "Lazy Dan, The Minstrel Man with Irving Kaufman".

NEW - MacFadden Publications, Inc(True Detective Mysteries) Starts September 5,1934-Wednesday 10:30 to 11:00 PM Program True Detective Mysteries' Crusade Against Crime. Agency-Ruthrauff & Ryan,Inc.

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A. B. S. ADDS TO ITS STAFF

Numerous additions to the staff of the American Broadcasting System by George B. Storer, president of the new network, have been made, which include - Hampton G. Wall, Toledo attorney, general counsel. Mr. Wall has been a member of the law firm of Fraser, Hiett, Wall and Effler of Toledo. He will have his offices in New York.

Philip F. Whitten has been made sales director of WMCA. Mr. Whitten entered commercial broadcasting in 1931 as an account executive of the Columbia Broadcasting System. In March 1933 he resigned from CBS to become sales manager of WINS.

WMCA is the New York key station of the A.B.S. Karl Knipe, former sales manager of CBS is director of sales of ABS

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COURT HOLDS KEN-RAD MUST PAY TO RCA LICENSEES

Judge Dawson, sitting in the District Court of the United States for the Western District of Kentucky, has handed down a decision in the case of the Radio Corporation of America against the Ken-Rad Corporation, holding that, under a tube license agreement between the parties, the Ken-Rad Corporation, as licensee, must pay royalties on sales of tubes to all other licensees of the Radio Corporation of America, with the sole exception of sales to tube licensees licensed to make and sell radio tubes under license agreements similar to the one involved in the litigation.

In his opinion Judge Dawson stated that no ambiguity existed in the contract with reference to the obligation of the Ken-Rad Corporation to pay royalties on sales to licensees of the Radio Corporation of America. "I do not see", said Judge Dawson, "how it is possible for any one to misunderstand or to have any doubt of the meaning of Section 4 of Article 3, if it is read in connection with the entire contract and the subject matter of that contract is kept in mind. The words "licensee" and "Licensees", used in that section, to my mind so clearly refer to licensees licensed to make and sell radio tubes under the patents referred to in the contract that it is difficult for me to understand how any other construction of the language used can be seriously contended for."

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Mackay Radio and Telegraph Company has concluded negotiations with "Radio Austria" for the opening of 24 hour service handling all classes of relegraph traffic between the United States and Austria through the radio stations at Sayville, L.I. and Vienna. This is the only direct radio circuit between the United States and Austria, a Mackay announcement states.

Carlton Smith for NBC and Bob Trout, Columbia, White House announcers went to the Pacific Coast to join President Roosevelt. The plan is for Columbia to pick up the Glacier Park speech for NBC and NBC to handle the Green Bay job for Columbia.

William S. Paley, President of the Columbia, is believed to be in the midst of negotiations with local station owners for an outlet to be brought or leased by CBS, the Los Angeles correspondent of Billboard reports.

"Rumor ties him up with Earle A. Anthony, owner of KFI and also interested in another station. Anthony's differences with National Broadcasting Company may have something to do with this particular angle, but the fact that Paley is after a Coast-owned CBS outlet appears to be quite definite."

The detailed tabulation just made by Lawrence D. Batson of the Electrical Division of the Department of Commerce showing the number of receiving sets in use in various countries of the world, and the number of broadcasting stations of each of the principal wavelength divisions, is now available in multigraph form.

"I am Milton Biow," said a voice over the telephone to Miss Alice Wood, hostess at the desk of the main studio floor of the NBC headquarters in Radio City. "My agency handles the Philip Morris program. Will you please prepare the clients room for me and my party? We are on the way over." Miss Wood blinked and looked around. There was Milton Biow, whose agency does have the Philip Morris advertising account, standing a few feet from her desk. She turned the call over to him. The voice on the wire repeated the request. "I'm sure there must be some mistake -I'm Milton Biow and I'm already here." "Are you sure?" the caller demanded. "Well I always have been, up to the present anyway." "My error," the strange voice answered weakly and hung up.

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FEDERAL GOLD PRICE LEAK PROBE STARTED BY TELEGRAPH DIVISION

The Federal Communications Commission last Wednesday launched an investigation into every phase of telegraph company operation, looking into the record of alleged monopolistic practices and probing into the long unsolved mystery of how speculators learned gold price quotations ahead of Treasury announcements.

The commission also began inquiries to determine what, if any, use was made of telegraph facilities by financial speculators in mysterious advance reports dispatched out of Washington last winter on Treasury gold price quotations.

One order of the commission called on telegraph companies to furnish full data on rates. Annexed to the order were 45 questions, asking information on classes of service, special handling of messages and extra charges.

The commission sought to discover if either Western Union or Postal Telegraph has contracts for exclusive rights to send out service on ball games. It was curious to learn whether big wire customers are perferred service, and whether attractive offers are made to get business.

By Oct 1, the telegraph companies must send the FCC copies of all their contracts, particularly those that may have to do with arrangements with railroads and other concerns for exclusive service privileges.

Another item was whether legitimate cash business is being diverted over sub-leased wires that amount to private systems. The FCC wanted to know whether such leased facilities are used for the business intended, or if everybody with access to the wires may use them for private telegrams.

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TELEPHONE DIVISION SEEKS ADDITIONAL DATA

The regular meeting of the Telephone Division of the FCC Thursday was not held because of the absence from the city of Commissioner Walker who is in Oklahoma. The day before the Division held a short meeting presided over by Commissioner Case at which the following General Order (No.4.) was adopted:

"That every carrier subject to the Communications Act, engaged principally in wire telegraph by October 1, shall file with the Commission, a verified report in duplicate showing the method by which and the extent to which it is furnishing interstate or foreign wire telephone service.

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"The Report shall indicate clearly among other things the types and classes of wire telephone service rendered by such carrier; the condition upon which the service is offered; the rates charged and whether such rates are the same as, or higher or lower than rates of competing telephone carriers for similar services; the facilities offered; the total income derived from such service and from each class of such service for each year beginning in 1925 and the ratio of such revenues to the total revenues of the carrier for each year reported; and where such service is offered on a subscription or contract basis, the number of subscribers or persons contracting for each class of service for each year beginning with 1925.

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MACKAY RADIO APPOINTS MARINE SUPT; AND WASHINGTON MANAGER

Mackay Radio announces the appointment of Mr. Arthur F. Wallis as Marine Superintendent of its Atlantic Division succeeding Mr. E. J. Girard who is appointed District Manager at Washington, D. C. in charge of Mackay Radio's new stations and offices there.

Mr. Wallis installed and operated some of the Navy's first radio equipment and served as radio operator and chief operator on shipboard and at shore stations in the Navy until 1910, and returned to the Navy as Communication Officer in the War, attached to Third Naval District in New York, serving as radio censor, traffic officer and officer in charge of aircraft radio.

Mr. Wallis resigned his commission in 1921 and joined the Independent Wireless Telegraph Company. In 1925 he entered the employ of the Tropical Radio Telegraph Company and went to Mackay Radio from that company in the Spring of 1934.

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RMA TAKES UP CUDGEL AGAINST SPAIN'S DISCRIMINATION

Following the report that Holland was endeavoring to negotiate a treaty with Spain whereby Dutch interests would be allowed to export 70% of the receiving sets into that Country and the rest of the World only 30%, Bond Geddes, executive vice president of the Radio Manufacturers Association has filed a stiff protest with Secretary of State Hull and Secretary of Commerce Roper.

Mr. Roper acted immediately by cable advising commercial attaches in both countries of the displeasure of the United States. Secretary Hull has promised to take similar action.

VOICE OF SAFETY TO WARN CAPITAL TRAFFIC

"The gentleman with the purple spats and orange tie will kindly step back to the curb until traffic passes. Thank you."

It is the courteous "Voice of Safety" speaking and the scene is apt to be most anywhere downtown in the National Capital after 10 a.m. Wednesday. The described gentleman must do as he is told, or else - - . This or something like it will be in order as the second step in Washington's new traffic safety campaign is taken. The white automobile, spic and span with black lettering - "Voice of Safety" will make it's official debut at ceremonies near the Capitol Plaza.

From a loud-speaker on the automobile police will issue polite warnings and instructions to motorists and pedestrians.

Captain Milton D. Smith, second in command of the Traffic Bureau, recommended four of his policemen as alternating crews for the car. The men work in 8-hour shifts, patrolling downtown streets 16 hours a day.

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DO RADIO STARS EARN THEIR PAY?

"Every penny the sponsors spend on radio programs and the cost runs into millions of dollars a year, must come back and show a profit. Yet stars are hired at salaries which are stated to range from \$1,000 to \$7,500 for a single broadcast, and "time" on a major network costs as high as \$15,000 an hour," Robert Eichberg writes in "Radio Stars". Add these together, then add the cost of an orchestra and other artists in the show. Put the broadcast on two networks instead of one, and it can run into as much as \$50,000 a performance, more than it costs to stage many Broadway shows for an entire run," the writer continues.

"How can the sponsors afford it? Salaries paid radio artists are said to be \$100,000 a year for "Amos 'n' Andy", \$3,500 a performance for Rudy Vallee, \$7,500 each for Eddie Cantor, Ed Wynn and Will Rogers, \$5,000 for Al Jolson and equally astounding fees for other stars.

"Surely these entertainers must be super-salesmen of the air if their broadcasts are to pay for themselves. Of course, they make us listeners more familiar with the names of the products they advertise, but do they bring new customers into the sponsor's retail outlets?

"Let's look at some confidential figures and find out. Here, for example, is Ed Wynn, who heads a show on 54 stations of the red network at 9:30 E.D.S.T. Tuesday nights. Wynn is said to get \$7,500 for his appearance, to which must be added fees paid to Graham McNamee, the Fire Chief Band, Don Vorhees, and the male quartet. Then on top of that add about \$7,700, the cost of time on the network for one-half hour. Texaco has to sell quite a few gallons of gasoline to write off the weekly cost of that show which runs into about \$20,000.

"Well what results do they get?

"Remember that silly little fireman's hat Wynn wears when he poses for publicity pictures? That "kady" gives the key to an analysis of Texaco gas sales which are directly attributable to Wynn's broadcast, for during his program it was announced that you could get a copy of the foolish fedora by going to any Texaco filling station and asking for it.

"Optimistically the sponsors ordered 1,000,000 hats for sale to their dealers. Bango! In a few days the hats were all gone, and they ordered that many more to satisfy the demand; 2,000,000 hats, surely that was enough. But was it? Not on your life. They had to buy 1,000,000 more!

"Three million - count 'em, 3,000,000 - hats costing the service stations 7 cents each were demanded by auto-owning, gasoline-buying radio listeners. And each hat given away meant a sale of Fire Chief gas, many to new customers at least some of whom, it is hoped, remain users.

Ed Wynn himself says, "I spent 29 years plugging the name 'The Perfect Fool.' Now, in a few short weeks, it's of no use. I am now 'The Fire Chief' and not even my best friends will call me anything else."

"Why he is so popular that when ex-President Hoover over-lapped Wynn's time with a campaign talk in one of the hottest political battles of history of the United States, some 6,000 people telephoned the network and complained about it.

"That'll do for the Chief. Let's look back a year or two at the Stebbins Boys, who as aerial representatives of Swift & Co., put on a sketch in which they were supposed to be editors of a small-town newspaper. On three nights they announced that anyone writing to them would be given free copy of the paper. Then the fun began.

The first day there were only about 2,000 letters and everybody was disappointed. The next day 28,000 were received and the third day an additional 35,000. Then came the week-end, and Monday found 157,000 more letters from subscribers until finally at the end of a week their paper had a circulation of nearly 350,000 which is bigger than that of most newspapers in the large cities, or of the national magazines.

"John and Esley Stebbins, in case you have forgotten were the characters played by Arthur Allen and Parker Fennelly, both veterans of the legitimate stage. Allen jumped from stock to Broadway where he played character parts; Fennelly played Hamlet on the road, touring and playing New York alternately for some 15 years. Their radio acting, however, won them more fame on the legitimate stage than did all the years they trod the boards, for the acme was reached when the curtain line of a melodrama hit was, "Now my dear sir, you may go home to your radio and listen to the Stebbins Boys."

"Was Swift & Co.'s advertising manager, pleased with their work? He said, "In 8 weeks they made Brookfield Butter over 50 percent better known in 28 major cities."

"That's a bold comment, but now let's see some figures on a proven check-up of directly traceable sales as made by that pair of supersalesman, Freeman Gosden and Charles J. Correll, better known as "Amos 'n' Andy" - so much better in fact that I could not recall their real names.

"When I phoned NBC neither could the man who answered the 'phone in the press department; he had to look them up.

"But you can bet the Pepsodent people know those names, know them with a touch of awe and reverence, for they sold 2,000,000 tubes of tooth paste through a single brief campaign. Before and after the darky dialogue sketch, the announcer said that any listener sending in two cartons in which Pepsodent toothpaste was packed would be given a free bottle of mouth wash. The announcement was continued for a limited time or until 1,000,000 bottles of mouth wash had been requested. These requests were accompanied by cartons representing \$500,000 worth of tooth paste.

"In a recent magazine article a writer kids radio advertisers who say that your purchases of a product make their programs possible, urge you to continue buying. The effectiveness of such appeal was demonstrated by another Pepsodent Show, The Rise of the Goldbergs.

"You may recall when an announcement was once made during their program to the effect that "Although this program is presented for your entertainment, we cannot continue it unless it is making new users for Pepsodent Tooth Paste and antiseptic. If you want it continued, write us a note on the back of a Pepsodent carton." As an added inducement a bathroom tumbler was offered to all carton senders.

(TO BE CONTINUED)

PRALL, COMMUNICATIONS COMMISSIONER DESIGNATE IN AUTO ACCIDENT

Considerable concern was felt in Communications' circles as to the extent of the injuries of Representative Anning S. Prall, of New York, who along with Senator Robert F. Wagner of New York, was injured when their car was crowded off the road by a truck at Westport, N.Y. They were en-route to the Seigneur Club at Lucerne, Quebec.

Dr. H.J. Harriss attending them said, the day following the accident: "Both men are comfortable and cheerful and have recovered from the shock that accompanied their injuries. They will remain here for the next few days, after which Representative Prall will be sent to a New York hospital for treatment of the double compound fracture of the lower right leg. After a few days rest I anticipate that Senator Wagner will be able to leave of his own accord with complete discharge."

Senator Wagner, driving, in attempting to pass one truck on a mountain curve turned off the highway to avoid hitting another truck coming from an opposite direction. His car dropped 20 feet but didn't turn over.

Representative Prall, who is 64 years old, upon his defeat for renomination was appointed to the Federal Radio Commission by President Roosevelt but never took his seat. The assumption is that Mr. Prall, a personal friend of the President will be appointed to the Federal Communications Commission to succeed Commissioner Hampson Gary when his (Prall's) term in Congress expires January 1st. Owing to the fact that Representative Prall was a member of the House at the time the Communications Act was passed, he cannot serve on the Commission during his present term of Congress.

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NORMAN BAKER TRIES TO COMEBACK

Norman Baker of Iowa whose station KTNT was closed down upon complaint of medical authorities and charged by the Radio Commission as being "inimical to public health", filed an application for a new station at Muscatine with 5 K.W. power on 1170 kilocycles frequency, limited time.

The application was returned to Baker by the Communications Commission as not being properly filled out.

"The State of Iowa is overquota and even if it weren't Baker wouldn't have a chance to get another station. Since the State is overquota he must now apply for the facilities of some Iowa station." a Commission official observed. "Norman is just taking a flier with the new crowd in the hope of coming back, but it will not do him any good as the older ones around here know him. Also there is the record of his previous case."

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