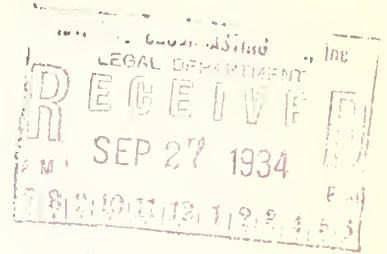


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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No. 760

September 25, 1934

ALL SET FOR BIG EDUCATIONAL PROGRAM TUSSLE

Representatives of commercial, educational and religious broadcasters on both sides of the proposal as to whether or not Congress shall "allocate a fixed percentage of radio broadcasting facilities to particular types or kinds of non-profit radio programs or to persons identified with particular types or kinds of non-profit activities", flocked to Washington on Monday to attend a conference held at the office of Paul D. P. Spearman, General Counsel of the Federal Communications Commission. This conference was called to so arrange and schedule the appearances of witnesses representing the various interested groups as to be most convenient to the respective interests. The hearing is to be held before the Broadcast Division of the Commission on October 1st.

Naturally it would take a month of Sundays to hear all who might wish to appear, so the suggestion was made that the various groups appoint representatives to speak for them and Monday's conference was for the purpose of conferring with Mr. Spearman and to fix the allocation of time to be used by each interested group.

Among the interested parties who have filed written desire to be heard on October 1st and those expected to represent them are the following:

American Federation of Government Employees, Washington, D. C. - E. C. Babcock, Pres.; American Civil Union, New York City; Association of College and University Broadcasting Stations, Champaign, Ill., Jos. F. Wright, Past Pres. Station WILL; Chicago Civic Broadcast Bureau, Chicago, Ill., Harris E. Randall, Manager; City Club of Chicago, Chicago, Ill., Arnolds R. Baer, President; Council of Church Boards of Education, Gould Wickey, Executive Secretary; International Council of Religious Education, Chicago, Ill., Hugh S. Magill, General Sec'y; National Advisory Council on Radio in Education, Levering Tyson, Director; John V. L. Hogan, of New York City; National Association of Broadcasters, Washington, D. C., Philip G. Loucks, Managing Director; National Committee on Education by Radio, Washington, D. C., Tracy F. Tyler, Secretary and Research Director.

Also, Ohio State University, Columbus, Ohio, John V. Bricker, Atty. General of Ohio; Pacific-Western Broadcasting Federation, Ltd., Los Angeles, Cal., Gross W. Alexander, Executive Manager and Secretary of Board; Peoples Pulpit Association; Paulist Fathers, New York City, John B. Harney, Superior General; State of Michigan, Dept. of Public Safety, East Lansing, Mich.,

Laurence A. Lyon, Dept. Supt. Uniform Division; State of Ohio, Department of Education, "Ohio School of the Air", Columbus, Ohio; University of Chicago, Chicago, Ill., Allen Miller, Director; Ventura Free Press, Ventura, Cal., S. Howard Evans, Garden City, N. Y.

Also the following broadcasting stations: WAAB, Boston, Mass.; WBEN, Buffalo, N. Y., A. H. Kirchhofer, Vice-President; WEAN, Providence, R. I.; WICC, Bridgeport, Conn.; WNAC, Boston, Mass.; The Yankee Network; WNBH, New Bedford, Mass., Irving Vermilya, General Manager; WSYR, Syracuse, N. Y., Harry C. Wilder, President; WHA, Madison, Wis., Glen Frank, President; KFGQ, Boone, Ia., J. C. Crawford, Manager and KWSC, Pullman, Wash., Frank F. Neider, Director of General Extension and Radio Programs.

Also the various Government agencies, such as the Army and Navy have been invited to appear if they so wished and the Federal Trade Commission has been invited to sit in as an observer.

These representatives of various non-profit making organizations are to be allowed to present their case first confining themselves strictly to a statement of facts. All arguments are to be presented in briefs submitted to the Commission. After these have all been heard, probably extending over several days, the commercial broadcasters will appear to stand up for their rights.

The Broadcast Division will then decide whether or not it shall recommend to Congress that a certain percent of the broadcasting facilities of the country shall be allotted to these non-commercial, non-profit making types of institutions, having called for a report on this question by February 1st.

While the machinery for broadcasting programs has long been regulated by the Government, this will be the first time programs will have been officially considered. Broadcasters maintain that if the Commission should specify the percentage of facilities for broadcasting a certain type of program, it will amount to censorship of which there is no authority under the present law.

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.

Attacks on commercial programs are expected to be made and it is believed before the October 1st hearing is over that educational and religious representatives may succeed in putting on trial the entire American system, i.e. advertisers paying for the programs.

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.

Indirectly responsible for the Commission's present investigation is Rev. John B. Harney, Superior General of the Paulist Fathers, owners of Station WLWL in New York. Father Harney, 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 110 $\frac{1}{2}$ hours a week while WLWL, because it was obliged to share the same channel, was only allowed to broadcast 15 $\frac{1}{2}$ hours a week.

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 Bill. 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.

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ENTHUSIASTIC BROADCASTERS' CODE MEETING HELD

There were about one hundred who stayed over for the meeting to discuss the Broadcasters' Code which followed the annual N.A.B. convention at Cincinnati. As a whole the Code was heartily and enthusiastically endorsed and no objections were raised against it.

John Shepard, III, of Station WNAC, Boston, opened the session with a few brief remarks, after which he turned the meeting open to anybody who wished to talk. There was a general discussion by members of the industry on various questions arising under the Code but no real controversy.

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Eight or nine resolutions were recommended to James W. Baldwin of the Broadcasters' Code Authority. Among these was one suggested by Edward Nockels, of Station WCFL, Chicago, recommending the formation of local and regional Code Authorities throughout the country to sit and pass upon rate differences and other violations of the Code. Another resolution recommended was that the Code Authority investigate the question of wages of broadcast technicians sharing time on clear channel stations.

It was recommended in another resolution that means be found to prevent the sale by broadcasters of time to any individual or organization for resale unless the rates for the resale facilities were stated on the rate card of the station.

Still another resolution recommended that the Code Authority amend the Code so as to make it unfair to give special discounts to broadcasting facilities sold in combination with newspaper or other publication space.

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SENATOR DILL AGAIN DENIES RADIO AFFILIATION

Senator C. C. Dill, of Washington, last week, when told persistent reports link him with an executive position with American newscasters, thundered, "I'll join anything I damn please", according to Editor & Publisher.

"Plainly angry, the Senator demanded to know how many times he must deny reports of this nature, adding that he has no present connection with any organization to broadcast news, nor any immediate plans in that direction. Then followed his emphatic declaration to follow his own dictates in the matter.

"The Senator made it clear that he is 'tired' of recent newspaper publicity and spoke in a belligerent vein of libel suits if they continue."

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COMMISSIONER CASE DISCUSSES TELEPHONE OVER RADIO

Norman S. Case, formerly Governor of Rhode Island, and now a member of the Federal Communications Commission, Telephone Division, spoke last evening (Sept. 25) from Washington over an NBC network.

Commissioner Case, in answer to the question put to him by Martin Codel, who was interviewing him, as to just how large an industry the telephone service is, replied that "the telephone is one of the major industries of the Nation. In support of this, let me cite a few statistics. The largest telephone system -- the Bell -- employs more than a quarter of a million men and women; it controls a plant investment of more than four billion dollars; its total assets are nearly five billion dollars; it has three-quarters of a million stockholders; and they say one person in every hundred in the United States either works for, or owns, securities of this system."

Commissioner Case replied in the affirmative when asked if that was the company Congress expected the Commission to regulate when it enacted the Communications Law. But he added "to the extent that its operations are in interstate and international commerce. But there is more to the telephone industry than the Bell System."

"The duties of the Commission as to interstate and intrastate service represent only a very small part of its work.*** Congress has directed the Commission investigate any conflicts to service between telephone and telegraph carriers, the existence of contracts or interlocking directorates creating monopoly or other conditions detrimental to public service at reasonable rates, and the Commission is directed to recommend to Congress such additional legislation on these or other subjects relating to carriers by wire or radio."

"We have jurisdiction over the American end of the international and ship radiotelephone service", Commissioner Case went on to say, "and all other uses of radio for telephone communication, such as intercity, coastal harbor and aviation telephony."

"There is no other agency except the Federal Government which can regulate this interstate business, and, as it is a natural monopoly, the citizens of our country have a right to expect from their Government a proper supervision of these services to assure efficient service at reasonable rates."

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N.A.B. WOULD MODIFY COPYRIGHT INFRINGEMENT PENALTY

Congress was petitioned by the National Association of Broadcasters which met at Cincinnati to amend the existing copyright law by omitting the language which fixes the minimum innocent infringement penalty for the public performance of musical compositions at \$250 and attorney's fees, leaving the Court free, in each instance, to fix such penalty as in its discretion the Court deemed proper.

The Association endorsed the government anti-trust suit against the American Society of Composers. It sanctioned organizing a music pool, possibly by a reorganization of the Radio Program Foundation to obtain for broadcasting stations air rights to music not otherwise available.

Because the custom of holding of the N.A.B. convention in the Fall months during the busiest season of the year for the broadcasters works a hardship on its members to get away, it was decided hereafter to hold the convention in June or July. The city in which the convention is to be held next year has not yet been decided upon but will be taken up at the October meeting of the Board of Directors.

The Association backed the Federal Trade Commission's radio advertising cleanup. A committee to be appointed will study what is pertinent information for the advertising agencies and the advertisers who are buyers of radio advertising, and to invite discussions with representatives of the American Association of Advertising Agencies and the Association of National Advertisers, with a view to setting up a bureau for the broadcasting industry.

Where Variety, the theatrical magazine was severely criticized at the Convention by Isaac D. Levy, of Station WCAU, of Philadelphia, its competitor, Billboard, which is published in Cincinnati, received the official thanks of the Broadcasters' Association "for its fine cooperative work". Billboard mimeographed all speeches and reports of the Convention for the Association which had neither the funds nor the facilities to do this work.

The Association adopted the following recommendations of the Committee:

1. That units of sales be standardized as follows: one hour, one-half hour, quarter hour, five minutes, one minute transcriptions, one hundred words, half-minute transcriptions, fifty words or less.
2. That all quantity discounts be given within a period of one year, with discounts retroactive to the first broadcast within that year, discounts to apply within the same time classifications.

3. That operating companies or holding companies operating more than one subsidiary be permitted to buy under a group plan allowing discounts for each of the separate companies under a blanket order to apply even if more than one agency is involved in placing time.

4. That all stations put on their rate cards, in addition to the regular standard units of time, under a separate heading called "special service features", such features as time signals, weather reports, sports events, participation programs and any other service features, with an adequate description of what the individual station allows.

5. That no station quote quantity discounts on consecutive times other than 13, 26, 52, 100, 150 and 300.

Another resolution was to the effect that the N.A.B. establish and maintain an advertising agency recognition bureau at the Washington office of the Association; and that such machinery as may be necessary be set up by the Managing Director with such funds as may be deemed necessary and approved by the Board of Directors as a part of the regular annual budget; that, in general, agency recognition be extended to only those agencies which can satisfy the bureau as to credit responsibility, character or operation and radio service facilities; that said bureau be given full power to study applications of agencies for such recognition and to determine whether or not such recognition should be extended, subject to approval of the Board of Directors; and that the bureau furnish a list of those agencies which are extended recognition, together with all supplements thereof, with the strong recommendation of the Association that its members pay agency commission only to those advertising agencies extended recognition by the said bureau.

The Association urged the fullest possible cooperation in merchandising that is consistent with good business practices; but since the merchandizing requirements of advertisers are wholly lacking in uniformity, the Association recommends, in fairness to all advertisers, that the cooperation of the stations be limited to such activities as do not entail direct expense, and that where any direct expense is involved such costs should be borne by the advertiser.

Since it is the belief of the Commercial Committee that special rates filed with the Code Authority may be used as a means of making concessions contrary to the intent of stabilized rates provisions of the Code, the National Association of Broadcasters resolved to petition the Code Authority to take steps to amend and clarify or to repeal its regulations permitting this practice.

The Association recommended that the work of the cost accounting committee be recommended and that a copy of the standard accounting system be sent to members if possible by Dec. 1st.

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Reaffirming a resolution passed last year urging that the existing regulations be altered requiring that electrically transcribed programs made especially for broadcasting be so announced, the Association directed its officers to bring the resolution to the attention of the Federal Communications Commission.

Finally the Association ordered By-Law No. 1 repealed and substituted therefor the following:

Effective October 1, 1934, quarterly dues shall be payable each January 1, April 1, July 1 and October 1, on the following basis.

(a) Each member operating a station authorized to operate 40 hours or less per week shall pay a sum equal to one-third of the highest rate published by such member for one-quarter hour of broadcasting time.

(b) Each member operating a station authorized to operate 41 to 60 hours per week shall pay a sum equal to one-half of the highest rate published by such member for one quarter hour of broadcast time.

(c) Each member operating a station authorized to operate 61 to 80 hours per week shall pay a sum equal to two-thirds of the highest rate published by such member for one quarter hour of broadcast time.

(d) Each member operating a station authorized to operate 81 hours or more per week shall pay a sum equal to the highest rate published by such member for one-quarter hour of broadcast time.

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NOMINATIONS ARE MADE BY RADIO ENGINEERS

Stuart Ballantine, President of the Boonton Research Corp., Boonton, N. J., and William Wilson, Assistant Director of Research of the Bell Telephone Laboratories, New York City, have been nominated for the 1935 presidency of the Institute of Radio Engineers, leading fraternity of American radio technicians. Ballots are now being submitted by mail to be opened on or about November 1, according to an announcement by C. M. Jansky, Jr., of Washington, 1934 President.

Nominated for Directors for 1935-1937 terms are the following, three of whom must be chosen; L.C.F. Horle, New York consulting engineer; E. I. Nelson, radio development engineer of the Bell Laboratories; Haraden Pratt, Chief Engineer of Mackey Radio & Telegraph Co.; B. E. Shackelford, Manager of the Patent Department, R.C.A. Radiotron Co., Harrison, N. J.; H. A. Wheeler, Engineer of the Hazeltine Corp., Bayside, N.Y., and Laurens E. Whittemore, Special Radio Representative of the American Telephone & Telegraph Co.

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SARNOFF NBC CHAIRMAN

David Sarnoff, President of the Radio Corporation of America, was elected Chairman of the Board of the National Broadcasting Co. at a meeting of the Board of Directors at their meeting last week. M. H. Aylesworth was reelected President and Richard Patterson, Jr., Executive Vice President.

Other officers reelected were Mark Woods, Assistant Executive Vice-President; John F. Royal, Vice-President in charge of programs; Frank Mason, Vice-President in charge of public relations; George Engles, Vice-President in charge of Artists' Bureau; Edgar Kobak, Vice-President of Sales; A. L. Ashby, General Attorney; R. C. Witmer, Vice-President of Eastern Sales; D. E. Gilman, Vice-President in Charge of Pacific Coast Division of the NBC; F. M. Russell, Vice-President, Washington office; Niles Trammell, Vice-President, Chicago headquarters.

H. K. Norton was reelected Treasurer; Lewis MacConnach, Secretary, and R. J. Teichner, Assistant Treasurer.

David Rosenblum, formerly associated with Trade-Ways, Inc., was elected to the NBC as a new Vice-President.

David Sarnoff, as Chairman of the Board, fills the vacancy created by the death of H. P. Davis, Vice-President of the Westinghouse Electric and Manufacturing Company.

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ORDER NO. 7-A, TELEPHONE DIVISION, FCC

In a special meeting of the Telephone Division of the Federal Communications Commission, Sept. 24, 1934:

The Telephone Division having under consideration its Order No. 7, adopted August 16, 1934, and a petition in the form of a letter from the National Association of Railroad and Utilities Commissioners dated September 14, 1934, requesting postponement from October 1, 1934, to January 1, 1935, of the date for the filing of exceptions, objections, or suggested amendments to the report in Interstate Commerce Commission Docket No. 25705;

IT IS ORDERED, That an extension of time be granted to November 1, 1934, for the filing of such exceptions, objections or suggested amendments;

IT IS FURTHER ORDERED, That Order No. 7 be set down for hearing and oral argument by the parties on November 16, 1934, before the Telephone Division in its hearing room at Washington, D.C.

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::::INDUSTRY NOTES::::
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Station WEEI, NBC Boston affiliate, will celebrate its tenth birthday on Saturday, Sept. 29th. The special anniversary broadcast will be heard over an NBC-WEAF network from 7 to 8 P.M. E.S.T. The station is owned and operated by the Edison Electric Illuminating Co. of Boston.

Columbia Broadcasting System, Inc. - For 1933: Net income after expenses and other charges, \$923,794, equal to \$8.21 a share on 112,444 shares of combined Class A and Class B stock.

George H. Hill, Examiner, has recommended that the Federal Communications Commission affirm its grant of the application of the Red River Broadcasting Co., Inc., for the removal of Station KGFX from Moorhead to Duluth, Minn.

The colorful ceremonies attending the launching of the largest ship in the world, the Cunard liner Victoria, during which American listeners will hear the voices of King George and Queen Mary, will be presented over an NBC-WJZ network in an international broadcast from Glasgow on Wednesday, Sept. 26th.

Russia now has nearly 90 radio broadcasting stations.

More than 500 musicians, members of the Emergency Council, Professional Musicians of Greater New York, attended a meeting recently in New York. Resolutions were proposed at the meeting demanding local autonomy for Local 802 of the American Federation of Musicians and that a petition be sent to President Roosevelt requesting the elimination of synchronized music from all theatres.

Arthur Pryor, Jr., head of the Radio Department, and James W. Wright, manager of the Chicago office have been elected as Vice-Presidents of Batten, Barton, Durstine & Osborne.

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NEW ZEALAND RADIO FANS TURNING TO SHORT-WAVE SETS

Short-wave radio sets have recently become extremely popular in New Zealand, according to a report from Vice Consul Walter W. Hoffman of Wellington.

The sudden enthusiasm of the public for this type of receiver, the report states, caught the local trade without adequate supplies. However, considering the stocks of these sets available, a very satisfactory volume of business was done, radio sales in the second quarter amounting to almost a small boom.

Total imports of radio sets into New Zealand in the quarter ended in June were valued at £89,316 compared with £73,422 in the corresponding period of 1933, an increase of approximately 20 per cent.

A striking indication of the growing popularity of radio in New Zealand is shown in the increased number of registration licenses which have been issued during the current year. On April 1, the beginning of the radio licensing year, 109,000 licenses had been issued, which figure represented 93 per cent of those previously in force. By the end of May this number had grown to 120,893, an advance of 3,109 over the number which expired on March 31.

Very little progress has been made in the introduction of automobile radio sets into New Zealand, the report states. This situation, it is pointed out, results from the fact that no attempt has been made to promote the sale of such sets. Moreover, there is an almost total lack of facilities for servicing and installing automobile sets at the present time.

Effective September 14, the New Zealand general tariff rates on radio sets, applicable to imports from the United States, were increased from 35 percent to 45 percent ad valorem when mounted in cabinets, and from 25 percent to 35 percent when not mounted in cabinets, according to a cablegram received in the Department of Commerce from Vice Consul Walter W. Hoffman, Wellington. The British preferential tariff rates remained unchanged respectively at 10 percent ad valorem and free of duty, subject to the provision that on and after June 1, 1935, radio sets mounted or unmounted would be admitted under the British preferential tariff free of duty.

The New Zealand radio duties have been subject to several changes within the last few months.

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