

HEINL RADIO BUSINESS LETTER

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No. 766

October 16, 1934.

COMMERCIAL BROADCASTERS COUNTER STRONGLY AT FEDERAL HEARING

A most thorough and vigorous presentation of what commercial broadcasters are doing in behalf of educational and religious programs continues in Washington where the Federal Communications is gathering evidence to use in its recommendation as to whether or not Congress shall set aside a definite percent of the broadcasting privileges for this type of program. When the commercial broadcasters have finished their witnesses, directed by Philip G. Loucks, Managing Director of the National Association of Broadcasters, and Henry A. Bellows, Chairman of the Legislative Committee, will have occupied more than a week testifying. It is perhaps the greatest fight the industry has ever made in its history.

A statement read by Mr. Bellows from Station WSMB, a commercial station in New Orleans, was to the effect that in New Orleans "the so-called religious station puts on less religion and education than WSMB." A statement from WWAE, Hammond, Ind., presented by Mr. Bellows, set forth that the Methodist group, "the largest Protestant group in America", abandoned the hope of owning and operating their own stations for the following reasons:

"If the Methodist group demanded this privilege of broadcasting assignments every other denominational group, of which there are many, should rightfully have the same privilege. It would be impossible to grant to every group the same privileges because there wouldn't be enough channels to go around. The Methodist group decided they would not ask for anything for themselves that could not reasonably be granted every other group.

"The Catholic or Baptist group would not use a Methodist medium of publicity. Neither would a Methodist use that of a Catholic or any other group. It is simply not done. The same is true of educational institutions.

"The cost is too great and the service too restrictive when it is merely an institutional organ."

A picture of the operation of small radio stations in cities of 125,000 and less population in respect to their educational, religious and similar programs was given by Isaac Z. Buckwolder, of WGAL, Lancaster, Pa., a 100 watt station. Mr. Buckwolder cited his own station, which he said devoted 24 percent of its time to this type of program during the first six months of 1934, a total of 156 hours.

Mr. Buckwolder named as typical four small stations in Pennsylvania. They are on the average giving approximately 20 percent of their time in the interest of educational and other public service broadcasts.

Paul Shipman Andrews, Dean of the Law School of Syracuse University, said that no form of radio censorship had ever been exercised by the University. They have more time at their disposal right now than they possibly can use, Kenneth B. Bartlett, Director of the Syracuse University broadcasting station WSYR, declared.

"We have all the evening time that we can use", Mr. Bartlett continued, "and are perfectly satisfied as far as the evening arrangement is concerned.

Mr. Bartlett explained that most manuscripts for broadcasting are sent to his office about a week before the broadcast. If there is anything of a controversial nature in it they seek to find someone who will take the opposite side of the case and if so, offer him the same amount of time.

Station WCAE, Pittsburgh, has been most generous to the Carnegie Institute of Pittsburgh, Samuel Harden Church, president of that organization told the Commission.

Educational programs which come over the networks have done more than any other series which has been produced to make the national conscious of the benefits of education by radio, Ben G. Graham, Superintendent of the Pittsburgh Schools asserted. He also praised the local programs heard through WCAE.

Educational broadcasts can receive such time and be of such a nature as educational interests themselves would make them, Will Earhart, Director of Music in the Pittsburgh Public Schools said he believed from his experience with WCAE.

That they had definite evening time on WCAE, Pittsburgh, and that they had not been moved to accommodate commercials was the message from Mrs. Saul Levine, president of the Pittsburgh Council of Parent Education.

There was also praise for the station by Rev. H. P. Eckhart, pastor of St. Andrews Lutheran church, Pittsburgh. Rev. Eckhart said he believed the public was better served by religious broadcasts of complete services from church rather than by studio broadcasts of religious services.

Commissioner Thad Brown asked Reverend Eckhart if many contributions were received as a result of radio sermons. He replied that in the beginning yes, but that for some years now, no. Mr. Brown said that a Baptist minister in Columbus had told him that he received a great many contributions. Reverend Eckhart replied that for some years the radio collections have not been one percent, but added that his church had never made any appeal.

Dr. Leo Creip, of the Allegheney Medical Society, and Clarence A. Crooks of the American Legion, expressed satisfaction with the Pittsburgh broadcasts. Experiences in putting the Pittsburgh traffic court on the air were related by Niles Anderson of the Better Traffic Committee.

"Instead of the Magistrate warning one or two or ten people who were before him, he reached the thousands of potential violators in the community and considerably reduced the lack of knowledge which caused the accidents", Mr. Anderson observed.

How their New York station cooperated in presenting children's programs in order to educate the children to safety observance and educational work of their other stations, was described by Jesse L. Kaufman, business manager of the Hearst Radio Interests. Fourteen percent of the operating time of Station WOKO, Albany, is devoted to public service broadcasts according to Harold Smith, Manager.

Station WCBM, Baltimore gives 65 percent daytime and 35 percent evening, or $14\frac{1}{2}$ percent of the total hours to educational and religious programs, John Elmer, its director, affirmed, as he added, "It is our policy to give either day or night hours with equal readiness."

Unless our educational broadcasts of all types were kept within short spaces of time, as well as being closely preceded and followed by sparkling entertainment, they would not meet with the reception they now enjoy, Credo H. Harris, Director of Station WHAS, Louisville, observed.

Along the same line, Paul Oury, of Station WPRO, Providence, remarked: "I do not believe that this type of program is popular with the great masses of listeners unless it is endowed with the dressing up or showmanship to go ordinarily with commercial types of program."

"In most cases these sponsors do not have enough knowledge of broadcasting to make a program interesting if the ordinary system of schoolroom or pulpit methods are used."

It has been the observation of the Buffalo Broadcasting Corporation that programs of the type under consideration by the Commission usually have a relatively small audience and that many of these services, such as religious broadcasts, have a distinctly class following which represents a very small part of the general audience, I. R. Lounsberry, of Buffalo testified, and added:

"Only in rare instances have listeners of their own initiative asked for more programs of such a nature. This company has endeavored to interest educational institutions in presenting programs but in spite of the fact that such offers have been relatively frequent and made over a long period of time, there has been a general lack of interest on the part of educators."

Radio stations are not managed by men of inferior type, as claimed by Bruce Blevins, editor of the New Republic, Arthur B. Church, of KMBC, Kansas City, said.

"Certainly Mr. Blevin has not come in personal contact with very many representative station managers", Mr. Church observed. The witness said that he had been interested in the possibilities of developing informative and educational features and it seemed strange to him that advertisers have not demanded for sponsorship more of this type of program.

Waldo Abbott, director of broadcasting, of the University of Michigan, expressed the wish that some bureau or department of the government might gather broadcasting information from all educational institutions and tabulate it in such a way that universities might know what the others are doing.

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A.B.S. DISPLAYS SHOWMANSHIP IN DEDICATION PROGRAM

The dedication of the American Broadcasting System Sunday night was unique in that, instead of someone reading telegrams of congratulations, a monotonous procedure at best, the messages were presented by electrical transcription and the voices of the speakers themselves were heard. Some of the records were run a trifle too fast but at that very likely a large proportion of the radio audience believed they were actually hearing the distinguished speakers.

Altogether the presentation was effective, especially so because of the good showmanship exercised throughout and the brevity of the ceremonies. Including more than 25 Governors and Mayors and others heard via transcription and three speakers "in person", Postmaster General Farley, Herbert L. Pettey, Secretary of the Federal Communications Commission, and Hampson Gary, of the Broadcast Division of the FCC, the entire affair lasted only 35 minutes with the listener's attention well held for the entire period and the show finishing in plenty of time for him to pick up Will Rogers or Walter Winchell, if he so desired.

Those who extended congratulations to A.B.S. and George B. Storer, its president, by means of transcription, included Governor Lehman, of New York, Mayor LaGuardia, of New York City, Mayor Jackson, of Baltimore; Mayor Zimmerman, of Buffalo; Mayor Kelly, of Chicago; Governor White, of Ohio; Lieut. Gov. Sawyer, of Ohio; Representatives Hollister and Hess, of Ohio; Mayor Wilson, of Cincinnati; A. L. Ashby, Vice-President of the National Broadcasting Company; Mayor Couzens, of Detroit; Mayor Moore, of Philadelphia; Governor Green of Rhode Island; Mayor Dunn, of Providence; Mayor McNair, of Pittsburgh; Governor Park, of Missouri; Senator Clark, of Missouri; Mayor Dickman, of St. Louis; Mayor LeBar, of Trenton; Mayor Hayes, of Waterbury; Mayor Spear, of Wilmington; L. B. Wilson, of WCKY; and Governor Horner, of Illinois.

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Postmaster General Farley, speaking from New York, said:

"Radio is playing a most important part in the present campaign and our people have a more accurate understanding of governmental problems than ever in the history of the nation. Misinformation is rapidly dissipated.

"It is common knowledge that radio has revolutionized political campaigns. Millions may now be reached, compared with thousands of former days.

"Candidates a few years ago made the welkin ring by misleading facts and statements. Now it is comparatively easy to reach the whole electorate and to present the issues in a calm and dispassionate manner. Once the American people are in possession of all the facts the verdict will always be fair and just."

Commissioner Gary, speaking from Washington was introduced by Mr. Pettey, the first time the latter has been heard over the radio since becoming secretary of the Commission.

"Radio is one of the marvels of all time", Mr. Gary said. "Merely an idea sometime ago it is now taken for granted along with the telephone and the movie. Government officials, statesmen and political candidates can address the whole people directly by radio."

Speaking of censorship, Mr. Gary said listeners exercised their own censorship. "If not satisfied, they turn the dial and consign the program to oblivion."

"I am informed that there are 18,000,000 receiving sets in more or less regular operation and that they are installed in three out of every five homes in the United States", the Commissioner concluded.

"Through this comparatively new medium of communication, our country is being now firmly welded into a homogeneous whole.

"At best we can only regard radio as a husky youth, with a pleasing adolescent voice. Tomorrow it will become a full grown man, with eyes that see as well as ears that hear. I will not venture to predict when television will emerge, but it is an experiment that holds more than mere hope. It is a definite promise of the future."

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SENATOR AND FARLEY BATTLE OVER RADIO-PRESS CENSORSHIP

Although the White House recently announced that it had washed its hands of Senator Schall, Republican, the latter has reiterated his charges of radio press censorship. Taking up the cudgel, Postmaster General Farley, at the dedication of the American Broadcasting System, declared:

"All this talk about the Administration establishing a censorship of radio and press in order to perpetuate its existence is only the cry of desperation on the part of a weak and discredited minority - which is growing more impotent daily. There is no desire or intention on the part of anyone in authority to establish any kind of censorship of the press or radio.

"And the charge that plans are about to set up a Government controlled news agency to disseminate propaganda via radio is equally absurd and groundless."

The accusation made by Senator Schall follows:

"Switching its plan to operate a Federal censored telegraph service to compete with the Associated Press, the Hearst News Services and the United Press from the appointment of Senator Clarence C. Dill to the post now held by Hampson Gary on the Communications Commission, the Roosevelt Administration has decided it will be more workable to have the matter handled by a private corporation. With Senator Dill as the head of the news gathering syndicate, it will thus have the man who drew the legislation creating the Communications Commission as its sponsor. Also, the new corporation will be in a position to borrow taxpayers' money from the PWA. In this manner it can be financed by the government and still assume to be a private undertaking.

"Arrangements are now being made to purchase radio receivers similar to the teletypes now in use by the wire services. The censored news service will have the inside track on all government news and will be available to all newspapers willing to print news colored to the satisfaction of President Roosevelt. Plans are now being made to join all foreign radio stations in the new service so that the Roosevelt News Service will have full coverage of all foreign events.

"In cities where daily newspapers do not publish news matter which endorses the New Deal in every particular, wealthy citizens may be encouraged to start new daily newspapers. They will be offered this domestic and foreign news service. The Roosevelt Administration in this fashion will have a club over the publisher of every daily newspaper and the editors will have to exert the utmost care to see to it that nothing exposing the failures of Roosevelt gets into their papers. Secretaries Wallace and Tugwell are said to have had a large part in working out this new plan to censor the press by this new 'club'."

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Senator Schall had previously charged that radio stations in response to Senator Dill's letter concerning "the establishment of a new Federal censored press service" had offered to subscribe \$500,000.

"This new news service will give Mr. Roosevelt a better grip on the newspapers of the United States than he contemplated by the passage of his press censorship bill or by the newspaper code of the NRA before it was amended permitting the right of free press", the Senator added.

"If, according to Dean Ackerman of the Columbia University, Germany has put out of business over 1000 newspapers by this form of censorship, how many will Roosevelt destroy in the United States?"

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RADIO MANUFACTURERS' CODE DELAYED BY JOHNSON RESIGNATION

A decision in the matter of whether or not there shall be a separate code for the radio manufacturers may be delayed for several months because of the resignation of General Johnson.

"Whether it will be that long or not, I don't know, but in any case, there will be considerable delay", one in touch with the situation said. "With General Johnson's leaving everything at the NRA is at a complete standstill. The place is like a morgue."

"It all awaits reorganization by Richberg. I feel that the industry has less to worry about in him than in Johnson. I believe he realizes his responsibilities and that he is as good an organizer as Johnson and there may be some hope in his accession."

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R. M. A. BOARD MEETS IN NEW YORK THURSDAY

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, is leaving Washington today to attend a meeting of the R.M.A. Board of Directors which will be held in New York Thursday.

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McCLELLAND SUICIDE LAID TO BUSINESS WORRY

Funeral services for George F. McClelland, former Vice-President of the National Broadcasting Company, who committed suicide last Friday were held Monday morning at St. Agnes Church, 43rd Street and Lexington Avenue, New York City. They were attended by representatives of the radio industry and the Veteran Association of the Seventy-first Regiment.

Mr. McClelland's tragic act was attributed to his failure to organize a broadcasting chain. A pencilled note was left by him to his secretary but much of it was illegible because of bloodstains. However, the conclusion reached by Dr. Robert C. Fisher, Assistant Medical Examiner was that the suicide was caused by worry over business troubles.

For the purposes of incorporation, he registered his organization, which he formed when he left the NBC, as the Broadcasting Stations Corporation but subsequently expected to change the name. At one time or another large interests were reported to be backing the network, among them a moving picture concern.

It was finally said that a definite announcement with regard to the new network would be made early in October. Instead there came the news of his death. Mr. McClelland shot himself through the head while seated at the desk in his office at 21 East Fortieth Street, New York City. That he should have ended his life in such a manner was especially hard for his many friends to realize because he was of apparently such a uniformly cheerful disposition.

Adding to the tragedy was the fact that he leaves a widow and two children. Although he looked considerably older, he was only 39 years old. At that Mr. McClelland, or "Mac", as he was generally called, was a pioneer in commercial broadcasting and known to practically everyone in the industry.

McClelland, along with W.E. Harkness, played a large part in the development of Station WEAf, then owned by the American Telephone and Telegraph Company. By some he was given credit of having originated the idea of broadcast advertising. At any rate, he was among the very first to apply the idea. Also among the first to link stations together in a network. Incidentally, Mr. McClelland always had an aversion to the word "chain".

Please call it a network of stations", he once said to this writer. 'Chain' has a sinister sound."

When the National Broadcasting Company was formed and bought WEAf, Mr. Harkness elected to remain with the A.T. & T. but Mr. McClelland and G. W. Johnstone, then also with WEAf, and at present in charge of the NBC press bureau, elected to go with the latter organization. This was in 1926, a year before the Federal Radio Commission was created. Mr. McClelland was made Manager of WEAf and Vice-President of the National Broadcasting Company which position he held until a year or so ago when he left the NBC to form his own company.

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ZENITH REPORTS OPERATING DEFICIT

Zenith Radio Corporation reports an operating deficit for the quarter ended July 31, 1934, of \$36,573.19 after all charge-offs, including liberal reserves for depreciation and taxes.

Manufacturing Profit

After Excise Taxes, Royalties, Manufacturing Expenses and Maintenance of Plant and Equipment

\$37,910.94

Selling and Administrative Expenses

56,090.34

Depreciation

18,393.79

Operating Deficit

\$36,573.19

"The Company, which pioneered short-wave development, is marketing a complete new line of receivers covering all wave bands and incorporating many new features including Split Second Tuning and Triple Filtering. Deliveries were retarded during the quarter reported because of general conditions, but there has since been a substantial improvement resulting in a profit for the month of August", Hugh Robertson, Vice-President and Treasurer reports.

"A 25-tube DeLuxe High Fidelity five wave band receiver of advanced design, listing at \$750.00 has been announced to the trade and will be ready for delivery shortly. The usual conservative policy of limiting production and expenses to immediate sales possibilities is being continued. Current obligations are being met promptly when due."

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BROADCASTERS' CODE MEETING POSTPONED

James W. Baldwin, Executive Officer of the Broadcasting Industry Code has advised that the Broadcasters' Code meeting has been postponed to Thursday, October 25th. It will be held in Washington.

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NO ADDITIONAL CHARGE FOR MUTUAL SYSTEM TRANSMISSION LINES

Each station of the newly organized Mutual Broadcasting System, including WGN, Chicago, WOR, Newark, WLW, Cincinnati, and WXYZ, Detroit, will receive its card rates for time, less agency commission, making no additional charge to the advertiser for transmission lines, W. E. Macfarlane, President of the System said. Mr. Macfarlane, who is Vice-President of WGN, and Chicago Tribune Business Manager added:

"The name clearly describes our plan of operation. Through this new organization we will endeavor to make suitable time arrangements for advertisers seeking to broadcast in important markets through the use of a few stations having high power and a vast listening audience. We are thinking in terms of markets and their importance.

"Our plan will develop in some measure according to the demand of advertisers. Each station will remain independent and make its own decision in accepting programs. Thus we believe we have established a truly mutual arrangement between a group of independently owned stations.

"Several programs are now broadcast over this group of stations by mutual agreement."

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WKZO, KALAMAZOO NIGHT TIME REQUEST FAVORABLY REPORTED

Examiner George H. Hill has recommended that a construction permit be granted to Station WKZO, Kalamazoo. The station had made application to move its transmitter locally, install directional antenna for use at night, and increase the operating hours from daytime only with 1000 watts power, to unlimited time with power of 250 watts at night and 1000 watts day.

The application was granted without a hearing but later was reconsidered upon protests from Stations WOW, Omaha, and WEEI, Boston, following which the hearing, at which Mr. Walker sat, was held.

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OPERA BROADCAST PROBABLY UPWARDS OF \$375,000

It is estimated that the broadcasts of the Metropolitan Opera, which are to resume December 24th, will cost at least the amount paid last year, \$375,000, maybe more.

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APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

New - William J. Sanders, New Britain, Conn., C.P. for new station to operate on 1380 kc., 250 watts, daytime hours; New, Head of the Lakes Broadcasting Co., Hibbing, Minn., C.P. for new station to operate on 1210 kc. watts, unlimited time; KPAC, Port Arthur College, Port Arthur, Tex., license covering move of station from Brownsville to Port Arthur, Texas, and changing hours of operation from sharing with KRGV to daytime on 1260 kc., 500 watts, subject to decision of Court of Appeals in re case of Magnolia Petroleum Co. vs. Sabine Broadcasting Co., Inc. (KFDM), protesting the move of KPAC; WBBM, WBBM Broadcasting Corp., Chicago, Ill., modification of special experimental authorization for synchronous operation with Station KFAB from local sunset, Lincoln, Neb. to midnight; KFAB, KFAB Broadcasting Co., Lincoln, Neb., modification of special experimental authorization for synchronous operation with Station WBBM from local sunset to midnight.

Also, WCPC, Americus Broadcast Corp., Albany, Ga., modification of license to change hours from daytime to unlimited, 1420 kc. 100 watts; KGIR, KGIR, Inc., Butte, Mont., C.P. to make changes in equipment; increase day power from 1 KW to 2½ KW; WEED, William Avera Wynne, Rocky Mount, N. C., modification of license to change hours from daytime to unlimited day, sharing with WEHC night, also to move studio locally; KOOS, H. H. Hanseth, Inc., Marshfield, Ore., modification of license to change hours of operation from daytime to daytime and from local sunset to 7 P.M. PST, months of September, October, November, December, January, February and March, with 100 watts power; KSEI, Radio Service Corp., Pocatello, Idaho, modification of C.P. to move transmitter locally; move studio to Yellowstone-LL Highway, employ directional antenna system, and extend commencement date to within one day from this date and completion date to within 120 days hereafter, subject to decision of the Court of Appeals in this case and to further order of the Commission thereon.

Miscellaneous

WQDM, A. J. St. Antoine & B. J. Regan, St. Albans, Vt., application for C.P. to move station locally, heretofore granted, was retired to closed files, for want of prosecution; WCFL, Chicago Federation of Labor, Chicago, Ill., C.P. to install auxiliary transmitter heretofore granted, was retired to closed files as applicants advised construction has been abandoned; WNOX, WNOX, Inc., Knoxville, Tenn., modification of license to change frequency from 560 to 1010 kc. (The Broadcast Division on July 18, 1934, suspended the action of June 15, 1934, in granting the above application, affirmed its action of June 15 inasmuch as on Sept. 25, 1934, the grant previously made to station WIS to change its frequency from 1010 to 560 kc., and increase power from 500 w. night, 1 KW day, to 1 KW night, 2½ KW daytime, was affirmed and the granting of WNOX's application was contingent thereon.

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