

HEINL RADIO BUSINESS LETTER

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No. 771

LABOR TO PETITION FCC FOR 50% OF RADIO CHANNELS

The American Federation of Labor at its recent convention in San Francisco unanimously adopted the report on four resolutions recommended by its committee on radio, dealing with radio educational program, radio facilities for organizations operating on a non-profit basis, radio allocations, and a clear channel for Station WCFL, the labor station in Chicago.

The Committee reporting on such matters recommended non-concurrence with the resolution that the 54th convention of the A. F. of L. advocate and support the enactment of legislation at the next session of Congress for the nationalization of broadcasting and the report of the committee was unanimously adopted.

Following are the resolutions in full, with the exception of the lengthy one dealing with a clear channel for WCFL, and the action taken on them:

Radio Educational Program (Resolution No. 55)

WHEREAS, There is a crying need for a more thorough exposition of the true meaning of the American Federation of Labor movement in American life; and

WHEREAS, Union periodicals, union speakers and union organizers are unable to reach a very large percentage of the individuals who make up the general public; and

WHEREAS, A large number of this general public must rely on papers, community leaders and employers hostile to the labor movement for their impressions of the American Union movement; and

WHEREAS, Various State Federations and other affiliated bodies have effectively influenced public opinion, in favor of the Labor movement, by the presentation of radio programs in the interest of Organized Labor; therefore be it

RESOLVED, That this Convention adopt a fuller use of radio broadcasting, as a means of influencing the opinion of farmers, unorganized workers, members of company unions and the general public to a more favorable consideration of the American Federation of Labor movement; and be it further

RESOLVED, That this Convention recommend that the Executive Board of the American Federation of Labor undertake the preparation of at least thirty programs each year, such as dramatization of Labor history, organization speeches and speeches to convince the American public of the true importance of the

true importance of the American Labor movement in the upbuilding and maintenance of the American standard of living, and that the Executive Board make these programs available for presentation by electric transcription to the general public, through the various available broadcasting stations.

Radio Facilities For Organizations Operating On A Non-Profit Basis (Resolution No. 171)

WHEREAS, The Congress of the United States recognizing the value of radio communication has reserved control of radio as a public property, placing authority to issue licenses for temporary periods to a governmental agency, namely, the Federal Communications Commission acting for the Congress; and

WHEREAS, The last session of Congress recognizing the growing dangers of a radio monopoly directed the Federal Communications Commission to investigate and to report to Congress prior to February 1, 1935, what percentage of radio facilities should be allocated to organizations or associations operating on a non-profit basis; and

WHEREAS, We recognize the value of radio as a means of molding public opinion and also the present tendency toward monopolistic control; therefore be it

RESOLVED, That the American Federation of Labor petition the Federal Communications Commission and the Congress of the United States insisting that not less than 50 per cent of all radio facilities be allocated to organizations or associations operating on a non-profit basis.

Radio Allocation (Resolution 200)

WHEREAS, As a result of the monopolistic control of radio on the part of national networks, controlled as they are by centralized financial interests, which networks defy the law of the land in maintaining, "Yellow Dog" company unions, thus enslaving their workers; and

WHEREAS, As most all of the powerful radio stations are the property of and controlled by these centralized financial interests which deprive local communities of programs on educational and other subjects which would advance the cultural interests of the American people during the evening hours when the workers have the opportunity of being at home; and

WHEREAS, Congress has recognized the unfairness of this monopolistic condition wherein radio broadcasting is under the control of a privileged few and has directed the Federal Communications Commission to investigate and to report to Congress before February 1, 1935, what percentage of radio facilities should be allocated to organizations operating on a non-profit basis, which bodies are organized for the purpose of advancing the cultural and educational interests of the American people; and

WHEREAS, The privilege of and power to operate radio stations has been specifically reserved as a public property to Congress, and Congress has designated the Federal Communications Commission to act as an agency of Congress only; and

WHEREAS, The American Federation of Labor is opposed to the continued allocation of public properties to financial interests wherein a privileged few profit at the expense of the people, therefore be it

RESOLVED, That the American Federation of Labor record its militant opposition to the allocation of more than fifty per cent of this public property to organizations operating for private profit; and further, that the American Federation of Labor notify the Federal Communications Commission and Congress of our opposition; and be it further

RESOLVED, That we register our protest against the continuance in public office of any members of the Federal Communications Commission who vote to surrender more than fifty per cent of this public property - radio - to profit making bodies.

As Resolutions Nos. 55, 171 and 200 dealing with the important question of the radio, its regulation and the necessity of maintaining its freedom so that this great avenue of communication may be used for public information, as well as entertainment, your Committee recommends that this convention instruct the Executive Council to prepare dramatization of Labor History, statements of the principles and purposes of the American Federation of Labor, organization addresses and other addresses dealing with the problems of Labor for electrical transcription so that these will be available to all broadcasting stations.

Your committee further recommends that the Executive Council be instructed to petition the Federal Communications Commission so that fifty (50) per cent of all radio facilities will be allocated to organizations or to associations operating upon a non-profit basis and that should it become necessary to accomplish this purpose that adequate legislation be introduced in Congress.

The report of the committee was unanimously adopted.

The resolution (No. 122) offered to secure national cleared radio channel for WCFL is summarized in the following manner in the last paragraph of the formal resolution:

RESOLVED, That the American Federation of Labor in convention hereby petition the Federal Communications Commission to recommend to the Congress of the United States and also petition the Congress of the United States to pass the necessary legislation to assign or to have assigned the channel of 970 kilocycles as a clear channel, with unlimited time and with power equal to the maximum power assigned to any channel in the United States to the owner

or owners of the broadcasting station or stations approved by the recognized labor organizations, which, in the opinion of the Commission, are most representative of Labor interests of the United States, and not to issue any license or licenses for the use of such frequency except with the written consent of such so recognized labor organizations to any other person, association, corporation, organization or co-partnership, excepting that the license now granted to radio station KJR shall not be interfered with so long as it does not interfere with any other station now or to be hereafter established by said labor organizations on said clear channel.

In recommending concurrence in the resolution, your committee commends the courage, persistence and constructive, far-sighted policy which led the Chicago Federation of Labor to establish Station WCFL.

The report of the committee was unanimously adopted.

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COMPOSERS DENY MONOPOLY CHARGE

The names of Stephen Foster, Victor Herbert and popular song writers and publishers of the present day are listed in the defense that has been prepared for filing in Federal court in answer to the charges of monopoly brought by the government against the American Society of Composers, Authors and Publishers and allied organizations, the New York Times reports.

The suit seeks to break up license-fee agreements between the organizations and radio broadcasting stations, as well as contracts regulating other use of copyrighted works of their members.

Denying the allegations of the Attorney General, the brief, which was drawn up by Nathan Burkan, as attorney for the defendants, outlines the purpose of the association, founded in 1914, "principally for the protection of writers and publishers of musical works against the infringement of their performing rights in their copyrighted works in all countries of the world, and for the granting of licenses for and on behalf of its members to perform for profit such works and to collect royalties for such licenses."

It points out that the membership is limited to those in the musical field, and that the royalties collected are distributed among its members.

Upholding its protection of members from "piracies" in the amusement field, which have spread rapidly since the war, the defense emphasizes that the individual is unable to cope with the many infringements.

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Foster, whose folktunes are still famous, lacked such protection and "died a pauper", the brief declares. On the other hand, Herbert, a member of the society, was able to protect his interests by legal action in 1915. "The expense of this suit", the brief adds, "was borne by all the members of the society. Herbert alone could not have carried it to a successful conclusion."

The advent of broadcasting, the defense explains, added to the difficulties of fixing and collecting royalties, until the present arrangement was made.

Denying charges that musical compositions have been kept from radio broadcasting, the brief declares "That such musical compositions are withdrawn only when the continued radio broadcasting of such numbers, if not restricted, would destroy the grand opera or stage or symphonic rights of the members in such works", adding that the society, "by virtue of the performing rights obtained under its license agreements with its members, is bound, in equity and good conscience, to do nothing that will destroy the value of the rights reserved to such members."

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EDUCATIONAL-RELIGIOUS HEARINGS START AGAIN NOV. 7

Further information will continue to be gathered in the form of testimony when the hearings on the educational and religious reapportionment of broadcasting facilities proceed again on November 7th.

Dr. Levering Tyson will appear either Wednesday or Thursday in behalf of the National Committee on Education by Radio. It is expected that Dr. Tracy Tyler, spokesman for the educators, will offer testimony in rebuttal.

Although the official calendar has not been made up at this date, it is expected the following will appear during the next two weeks, the length of time it is estimated the hearings will continue:

Edward Nockels for Labor; William Biederman, Christian Science Committee on Publications, District of Columbia; W. B. Dolph, NRA; Dr. E. Oppenheimer, Children's Bureau, U. S. Department of Labor; Owen A. Keen, Post Office Department; Morse Salisbury of the Agriculture Department; also representatives of the Pan American Union, the American Red Cross and probably of the War and Navy Departments.

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DECLARE CHAIN BROADCASTS HELPFUL IN VOLUNTARY WORK

Coming just now when the Federal Communications Commission is considering the question as to whether Congress shall allocate a fixed percentage of radio facilities to educational and religious programs, the report on the survey made by the National Advisory Council on Radio in Education and the Federal Office of Education is very timely. The report is based upon a questionnaire sent to national voluntary organizations and the results were compiled by Dr. Cline M. Koon, Senior Specialist in Education by Radio in the Federal Education Office.

Summary and conclusions of the survey are as follows:

"Forty-five national voluntary organizations out of a total of 312 included in this study reported that they had broadcast regular series during the past two years.

"One-third of the organizations reported that they had broadcast occasionally.

"Approximately one-third of the organizations contemplate broadcasting in the future.

"In a comparison of the types of organizations that have broadcast in the past, educational agencies rank highest, with over half of them having broadcast; social agencies, second, 46 per cent; religious, third, 41 per cent; health, fourth, 34 per cent; civic, fifth, 33 per cent; and funds and foundations, sixth, 16 per cent.

"The principal purposes of broadcast by national voluntary agencies are:

- To familiarize the public with the aims of the organization.
- To extend the services of the organization to the public.
- To assist in national drives
- To disseminate information gained by research and investigations.
- To unify the work of the local chapters and the national headquarters.

"The principal difficulties involved in utilizing broadcasting by voluntary organizations are:

- Lack of understanding of the advantages and limitation of broadcasting.
- Relations with owners of broadcasting stations
- Relations with other similar voluntary agencies
- Preparing and presenting effective broadcasts
- Creating and serving the radio audience

"Radio broadcasting is admirably suited to assist in the public service work of national voluntary organizations. Not only are chain broadcasts of service to the national headquarters, but regional and local stations are also of service to the state and local branches. Lack of understanding in the past has frequently led to misunderstandings between voluntary organizations and radio stations, resulting in failure to work together.

"The basis on which the broadcasting time is made available to voluntary organizations may be cited as an example. It appears that most of the time voluntary organizations have used for broadcasting has been donated by the chains and individual radio stations. The assumption is that the broadcast is to be in the public interest and that the organization presenting it is not anticipating any financial profit out of the broadcast. Without doubt, this assumption is true in most cases, but there are all degrees of public service just as the degrees of public service of the organizations vary.

"Under the guise of public interest, certain organizations with nice-sounding names, but purely selfish objectives, may secure free broadcasting time. It is obvious that such organizations should be required to pay the full commercial rate and that certain others with mixed motives should pay the actual cost that the station or chain incurs in putting on the broadcast. It is a significant fact that there does not appear to be any uniform practice followed by radio stations in dealing with various types of voluntary organizations. In the interest of the public, as well as the radio stations and the deserving voluntary organizations, steps should be taken to improve present practices.

"Undoubtedly, it has proved mutually advantageous for radio stations and deserving voluntary organizations to work in close co-operation. The public service functions of the station can be partially fulfilled in this way and public relations strengthened. The reports indicate that broadcasting benefitted national voluntary organizations in a number of ways in the past and that its potential uses have only been partially explored.

"The evidence available indicates that the National Advisory Council on Radio in Education has been doing very satisfactory work as a "liaison" agency, as far as the financial limitations of the Council would permit it to go. It has not been able, so far, to extend its activities to all national voluntary organizations that are entitled to consideration. Neither has the Council been able to extend its activities much beyond the national chains. It appears, therefore, that either the Council or some other agency working along similar lines should be given ample financial support to conduct further investigations and more fully explore the potential uses of the radio in strengthening the public service activities of national voluntary organizations. By doing so at this time, it will be possible to give proper consideration to the radio interest of these public service agencies during the formative years of our broadcasting system. Further exploration along this line will strengthen the fiber of our broadcasting system, and perchance, it will give the programs a richer and finer flavor."

In a foreword, Levering Tyson of the National Advisory Council on Radio in Education, writes:

"The extent to which use is being made of broadcasting facilities for various public service objectives is not realized. There are those who contend that broadcasting in America is merely a commercial enterprise. From some points of view, they may be right. Undoubtedly the American system is a commercial

system. In that commercial system, however, there are a great many programs which are designed to meet the specific needs of various public service institutions. The identity of this type of program is lost in the welter of commercial advertising."

In his introduction, Dr. Koon said that radio broadcasting is the speediest means for the dissemination of information and certainly is admirably suited to assist in much of the public service work of national voluntary organizations. He, however, added that "available data indicated that the lack of understanding of the proper functions of broadcasting and broadcasting technique on the part of representatives of voluntary organizations and the lack of understanding of the public service functions of the voluntary organizations by representatives of broadcasting stations frequently led to misunderstanding."

The study is divided into four chapters. The first chapter states the purpose of the study and briefly indicates the procedure followed and the plan of the report. The second chapter considers the nature and extent of broadcasting by various voluntary organizations. The third chapter analyzes the use of broadcasting, including the purposes served and the problems involved. A summary and conclusion in a fourth chapter complete the study.

The work is captioned, "Some Public Service Broadcasting" by Dr. Cline M. Koon, and it has been printed in booklet form by the University of Chicago Press.

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SAFEGUARD SOUGHT FOR POLICE RADIO

The Federal Communications Commission has stepped into Baltimore to find out how lawyers and private towing trucks manage to appear so suddenly on the scene of accidents to which police cars had been directed by radio, according to an Associated Press dispatch.

Police Commissioner Charles D. Gaither told police officials this week that such interception of police calls by private individuals was a violation of the law. He instructed police to cooperate with the Federal men in breaking up the practice.

Police officials said certain garages and lawyers tuned in one police calls and rushed to the scene of accidents reported over the police broadcasts. Police said garage towing trucks and lawyers sometimes arrived almost as soon as they did.

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FCC TO INVESTIGATE INTERFERENCE IN PINCHOT'S SPEECHES

The Federal Communications Commission has today made public the following correspondence which deals with the complaint of Governor Gifford Pinchot, of Pennsylvania, that several times his speeches over the radio have suffered from interference. The Governor's letter of October 29th to the Commission reads as follows:

"My dear Judge Sykes:

"Last April a campaign speech of mine was cut off the air on the ground that it was not received properly by KDKA in Pittsburgh from the Harrisburg studios of WHP. Various charges and countercharges were made by KDKA and by officials of the American Telephone and Telegraph Company, but I do not know to this day where or by whom the sabotage was committed. The Pittsburgh newspapers took the matter up, with the result that I broadcast the same speech over KDKA the next night without additional charge.

"During the present campaign this sabotage has started again.

"On Thursday, October 18th, my speech at Charleroi through Stations KQV, WHP, WIP, WGBI and WRAU was ruined by a loud buzz from beginning to end of the speech. Listeners throughout the State, I am told, were barely able to distinguish what I was saying. The lines were tested and shown to be clear immediately before I began to speak. They were clear again immediately after I ceased speaking, when the voice of another campaign speaker came through as clear as a bell.

"I went on the air again at Erie on Friday, October 26th, over a State-wide hook-up. The first five minutes of my speech came through perfectly, but I am informed that the moment I mentioned the 'Sugar Trust' the buzz came on again.

"I do not believe I am called upon to submit in silence to sabotage of this kind. If the voices of other speakers can be delivered without trouble, it is beyond explanation that interference such as I have described should constantly happen to me.

"Night after night, week after week, month after month, programs from all parts of the world are delivered to the homes of thousands of Pennsylvanians without interference or trouble of any kind, but not when I am speaking.

"I am entirely satisfied that it is your intention to see to it that all proper communications are delivered clearly and fairly, and I am confident I may count upon your help to set this matter right."

To which the Commission replied as of this date (Nov. 2):

"My dear Governor Pinchot:

"Permit me to acknowledge receipt of your favor of the 29th ultimo, complaining of some interference over the radio to the reception of your speech delivered at Charleroi on Thursday, October 18th.

"The Commission en banc, this morning, has given consideration to the matter and has ordered a complete investigation to be made."

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TELEGRAPH HEARING TO BE HELD MONDAY, NOVEMBER 5

A hearing will be held Monday, Nov. 5th before the Telegraph Division of the Federal Communications Commission in line with its Order No. 10 which was an authorization to make an inquiry into the provisions and effect of contracts between telegraph carriers subject to the jurisdiction of the Communications Commission and the common carriers not subject to the Communications Act of 1934.

Those who will appear and the order of their appearance are: Western Union Telegraph Company, Postal Telegraph Cable Company, Northern Telegraph; Intervening railroads, and others interested.

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CANADIAN RADIO EXECUTIVE JOINS NBC

The appointment of R. M. Brophy, veteran radio executive, as Assistant Manager of Station Relations of the National Broadcasting Company, is announced by Richard C. Patterson, Jr., Executive Vice-President of the company. Mr. Brophy, who resigned his position as Assistant General Manager of the Canadian Marconi Company to join the NBC, has been connected with broadcasting since 1920, the year of the industry's birth.

Mr. Brophy's experience has embraced practically every phase of the business. After becoming a licensed wireless operator, he went to work in the Canadian Marconi factory, then moved on to the experimental laboratories and later held positions in the service and sales departments. After rising to the post of Sales Manager, Mr. Brophy was for eight years in charge of the broadcasting activities of the Canadian Marconi Co., as well as set and transmitter sales and advertising.

In his new position with the NBC, Mr. Brophy will work with Donald Withycomb, Manager of Station Relations.

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:::::INDUSTRY NOTES:::::
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Stations WCOA, Pensacola, Fla., and WOC, Davenport, Ia., have been added to the Columbia Broadcasting System. There are now 102 outlets associated with the chain. Seven years ago, the original Columbia unit network consisted of 16 stations.

WCOA is owned and operated by the Pensacola Broadcasting Co. in the San Carlos Hotel, has 500 watts power and broadcasts on a frequency of 1340 kilocycles. WOC is owned by the Palmer School of Chiropractic in Davenport, Ia., and operations on 1420 kilocycles.

A financial report of the Crosley Radio Corporation for the six months ended Sept. 30 shows a net profit after royalties, depreciation, Federal taxes and other charges, \$412,942, equal to 75 cents a share on 545,800 no-par capital shares, against \$169,805, or 31 cents a share, in six months ended Sept. 30, 1933. Quarter ended Sept. 30: Net profit, \$72,274, equal to 13 cents a share, ~~inxxxx~~ compared with \$340,668, or 62 cents a share, in previous quarter and \$64,894, or 12 cents a share, in third quarter of 1933. Sales for six months totaled \$8,401,651, against \$4,633,578 in same period a year before.

A general expansion of the activities of the National Broadcasting Company Artists Service is announced. One major change in the set-up of the department, which is under the direction of George Engles, Vice-President, will result in the separation of the activities of Talent Supply and Management, and of Talent Sales into two main divisions of Artists Service. D. S. Tuthill is appointed Sales Manager to direct talent sales.

There will be a band booking division, a Hollywood office for Artists Service and representatives for motion picture, hotel and night club booking. Artists Service representatives under the new arrangement also will make direct contacts with advertising agencies and other clients of the company, and a central booking office will be established within the department.

Mayor Laguardia has decided to continue the municipal radio station, WNYC, as it is now operating on a non-commercial basis. At the same time he expressed the hope that funds may be found to provide modern instead of the present "obsolete" equipment for it.

The Committee, composed of Richard C. Patterson, Jr., Executive Vice-President of the National Broadcasting Company, Chairman; William S. Paley, President of the Columbia Broadcasting System, and Alfred J. McCosker, President of the Bamberger Broadcasting System reported that only two courses are open to the city. The first, they asserted, is to continue the station as it now functions, and the second is to "go into first-class operation."

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