

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

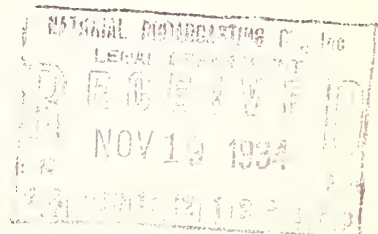
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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TRADE COMMISSION TO SCRUTINIZE SOUTHERN STATIONS ADS

Continuing its campaign for the elimination of false and misleading advertising from radio broadcasts, the Federal Trade Commission is making its fourth call upon broadcasting stations to file copies of their advertising continuities with the Commission. The call is for continuities used by stations in the Second Radio Zone of the United States for two weeks ending December 15th. This includes stations in the States of Kentucky, Michigan, Ohio, Pennsylvania, Virginia and West Virginia.

When the Federal Trade Commission issued its first call, the order went to all States and the Commission was swamped. It was then decided to call for continuities by zones. As a result of this calls were made upon stations of the First Zone which included Maine, New Hampshire Vermont, Rhode Island, Connecticut, Massachusetts, New York, New Jersey, Delaware, Maryland, District of Columbia and Puerto Rico for the period ending November 30th.

Following this, a call went to the Fourth Zone for the period ending December 1st to stations in Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North and South Dakota and Wisconsin. Thus the calls have been staggered over a considerable period of time and like the visits of a bank examiner, the stations did not know when they would come.

In response to its first call, covering advertising programs for the month of July, the Commission received 180,877 continuities. Of these, 161,466 were found to be subject to no criticism and were filed without further action. The remaining 22,411 continuities, representing several hundred advertisers, were referred for further examination. Of the ten network systems and 598 broadcasting stations in the country, all filed their continuities in compliance with the Commission's request, while the continuities submitted by transcription companies represent 95 per cent of the total volume of such advertising.

In issuing the latest call, officials of the Federal Trade Commission were again warm in their praise for the cooperation they have received from the broadcasting industry.

"They seem to be about as anxious to clean house in radio advertising as we are", one of the officials at the Commission said, "and apparently are pleased to have the Federal Trade Commission behind them. There have been cases where a station would gladly have turned down more or less questionable advertising but felt if they didn't take it, their competitors would, but now can turn it down saying, 'We don't believe that would get by the Federal Trade Commission'.

"We have had the response of everybody from the National Association of Broadcasters, and the large networks, down to the individual stations. It isn't censorship on our part. We don't see the continuities until after they have been broadcast. We don't say to them what they can broadcast but if what they have broadcast is, in our opinion, false or misleading, we tell them not to do it again."

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LEADER SEEN CAUGHT BETWEEN TWO FIRES IN AFL RADIO ACTION

There was considerable speculation as to why William Green, President of the American Federation of Labor, withdrew the three resolutions which had previously been presented to the Federal Communications Commission by William C. Hushing, National Legislative Representative of the A.F.L. in connection with the educational-religious program hearings.

One resolution carried with it the demand that not less than 50 percent of all radio facilities be allocated to organizations operating on a non-profit basis; another resolution was that the Federation of Labor register their protest against the continuance in office of any members of the Federal Communications Commission who votes against the 50-50 proposition, and a third that the AFL put on 30 radio programs a year of its own. The second resolution was construed as a threat on the part of the AFL to prevent the Senate from confirming the Communications Commission.

A theory of Mr. Green's withdrawal, advanced by a labor leader, was that he probably felt that it was hopeless to appeal to the Commission with such a drastic demand that the 50 percent of the radio facilities be given to labor and other organizations, and that he (Green) proposed to go direct to Congress. }

"There will be a pretty wild bunch on the Hill next January", the informant ventured, "and although the Federation of Labor isn't especially desirous of government ownership, it wouldn't surprise me if even that might be in the cards if Mr. Green were to present the resolution and express labor's dissatisfaction with the large proportion of the channels now in possession of the commercial interests."

Quite a different theory was suggested by a broadcaster,

"Mr. Green, as President of the American Federation of Labor, was plainly caught between two fires", he said. "He is in the record as praising the American system of broadcasting. Mr. Green, furthermore, realizes that labor in general has been able to get all it wanted from broadcasting stations without cost and that if given 50 percent of the facilities, the broadcasters

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are liable to say to him, 'you don't need us anymore.' In addition to this, he is a member of the Advisory Committee of the National Broadcasting Company. We believe Mr. Green is satisfied with broadcasting conditions insofar as labor is concerned and believing 'the boys' had made a mistake in passing such drastic resolutions, quietly withdrew them after they had been presented to the Federal Communications Commission."

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AYLESWORTH REFERRED TO IN UTILITY PROPAGANDA REPORT

The Federal Trade Commission, in its report to the Senate dealing with the publicity and propaganda activities of the electric, power and gas industries, quoted M. H. Aylesworth, who is now President of the National Broadcasting Company, but who was then connected with the electrical industry.

This Commission "finding that every publicity method except 'sky writing' was used in attempts to influence the public", reported:

"The total results which have been secured from all the various activities cannot be measured, but to such an extent has the utility program taken into consideration 'every public contact' that no campaign approaching it in magnitude has ever been conducted except possibly by governments in war time. The various utility associations have collected and disbursed probably more money for good will purposes than has been secured or paid out by any other group or organization not actually engaged in commerce or manufacture.

"The record indicates very substantial results both in increased public good will, and in a decrease in the number of legislative measures to which the utilities are opposed * * *.

"In emphasizing that the work was worth while, M. H. Aylesworth, then director of the National Electric Light Association, advised utility executives not to be afraid of the expense in permitting large numbers of their employees to attend conventions, because the 'public pays'. This is materially true, as the cost of all the public relations work is usually charged up as operating expenses by the utility companies, but the public's paying does not end with that, for whenever such original payments are used in successfully lulling the paying public into satisfaction with improper rates or charges, to such extent does the public pay for the privilege of continuing to pay excessively, as long as such rates continue in force."

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RADIO ASSISTS IN CAPITAL VICE EXPOSE

Harry Butcher, manager of the Columbia Broadcasting System's outlet in Washington, has assigned four of Station WJSV's best known features to a coverage of the numbers game, a gambling habit the police are trying to stamp out, in conjunction with stories now running in the Washington newspapers.

"Since the newspapers are uncovering the evil of the numbers game, by interviewing prominent Washingtonians", Mr. Butcher said, "I believe we can lend a helping hand by putting the same information on the radio. So I have asked Elder Michaux to devote his Church of the Air program to a numbers game broadcast next Sunday morning - from 8 to 9. Also, Arch McDonald, our sports reviewer, will tell of the racket in his evening programs, daily at 6:30 o'clock.

"Then Arthur Godfrey will broadcast bits of information about the numbers game each morning from 7 to 9. On top of this Bob Trout will interview 'the man on the street', asking the question: 'What do you think of the numbers racket?' This feature, which got started last Tuesday, will go on the air again Saturday at 5:30 P.M. and again on Monday at 4:45 P.M."

In the event the District Commissioners hold public hearings on the numbers game, with a view to shaping legislation the Columbia Broadcasting System will broadcast these hearings, Mr. Butcher said. Also any hearings before the House and Senate Committees.

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AUSTRALIANS REFER MUSIC DIFFERENCES TO ARBITRATION

A dispute between the "B" class (privately-owned) broadcasting stations of Australia and the Australasian Performing Right Association concerning the payment of fees by the "B" class stations for the use of music of which the A.P.R.A. owns the copyright, has been referred to arbitration at the instance of the A.P.R.A. The differences between the parties rest on the contention of the A.P.R.A. that royalty fees for the use of music for broadcasting should be based upon the revenues of the broadcasting station and that payment should be assessed as a proportion of the broadcaster's revenue. The proprietors of the broadcasting station consider that a flat rate payment such as has been made in the past, should be continued, and that, if the royalties are levied on a percentage of revenue, a tax will be imposed on enterprise. At this stage, it is declared, the extra royalties which would be involved by the proposed change in the basis of payment would be small, but the margin would increase as the revenue of the broadcasting stations rose.

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MUSSOLINI MAKES FRIENDLY GESTURE THROUGH NEW STATION

Reports to Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, in Chicago, are that Prato Smeraldo, the new shortwave station in Italy, is coming into the United States with excellent volume. It is heard on both 40.70 and 30.27 meters at 6:30 o'clock EST. Commander McDonald is advised by his Italian representative that the new station, which is located at Rome, has directional antennas directed to the United States for special "American Hour" programs, some of which follow, the one for Friday, November 23rd, including a talk by Vittorio Mussolini, oldest son of the Premier:

Monday, November 19

American anthem. Giovinezza.
Speech by D. H. Rossoni, Undersecretary of State
Selections from the opera, "La Gioconda" by Amilcare
Ponchielli
News bulletins of sport, commerce, literature
"Inno a Roma" by Puccini

Wednesday, November 21

American Anthem. Giovinezza
Speech by H. E. DeStefani (former Minister of Finance)
Concert of the "Banda del Regio Corpo dei Metropolitani",
conducted by Maestro Andrea Marchesini (Rome Police Corps)
Conversation of Senator Puricelli "Tourism and Roads"
Regional Songs
News bulletins of sport, commerce, literature
"Inno a Roma" by Puccini

Friday, November 23

American Anthem. Giovinezza.
Speech by H. E. Marshall Badoglio (Chief of Staff)
Selections from the opera, "Suor Angelica", by Giacomo Puccini
Conversation by Vittorio Mussolini (Duce's eldest son) on
Journalism of young people
Regional songs, among which are "Villotta", "La Rosina
bella sul Merca", "Mazzolani", "Rataplan"
News bulletins of sport, commerce, literature
"Inno a Roma" by Puccini

Monday, November 26

American Anthem. Giovinezza
Speech by On. Delcroix (Member of Parliament and war veteran)
Selections from the opera, "Il Rigoletto", by Giuseppe Verdi
Conversation by Gr. Uff. Alberti, Secretary-General of the
Senate, on Giuseppe Verdi
Songs - "Leoncavallo", "Valzer delle Rose", "Pietri", Marcia
di Tuffolina"
News bulletins of sport, commerce, literature
"Inno a Roma" by Puccini.

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LONG EXPECTED A. T. & T. INQUIRY ORDERED

In the cards ever since Senator Dill, of Washington, demanded it last session, and possibly even before that, an investigation of the American Telephone and Telegraph Company is soon to become a reality. Senator Dill, who did not seek re-election, did not press his investigation resolution upon assurances that it would be one of the first matters taken up by the shortly thereafter to-be-created Federal Communications Commission.

In fact, it was reported in Washington that President Roosevelt's main interest in the creation of the Commission was that it afforded a medium of giving the Telephone company, "a good spanking". Furthermore, it seemed to be understood that Paul A. Walker, who had made it warm for the public utilities in Oklahoma, was hand-picked by the President for the telephone job. Also, it is said that was why Paul D. P. Spearman, who has a reputation as an aggressive cross-examiner, was selected as the Commission's general counsel.

As it appears now, the public hearings will not begin until after the 1st of January, and if so, with the new Congress in session and all, there will be plenty of excitement.

That the Telephone Company will not take it "lying down" was indicated by the attitude of Walter S. Gifford, President of the American Telephone & Telegraph Company, at the Senate hearings on the Communications Commission Bill. Mr. Gifford bristled with facts and figures and was not one of those kind of witnesses who had to have a staff of people to prompt him. He apparently had the affairs of the company, down to the smallest details, at his fingers ends. Time and again Dill and other Senators went after him, but Mr. Gifford, never losing his composure, parried the questions and proved well able to take care of himself even in the rough and tumble debate to which the Senate is so accustomed but which is frequently so disconcerting to those called upon to testify.

The investigation, which will cover besides the A. T. & T., its associated or related companies or organizations, services and contracts, will not concern rates, although they may be inquired into later. In describing its purpose, the Telephone Division outlined this tentative program:

"(A) The investigation and study of the corporate history and the financial structure of the American Telephone and Telegraph Company, including the connections and relationships with the Associated Bell Companies and the other subsidiaries of the American Telephone and Telegraph Company.

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"This examination will also include subsidiaries which manufacture equipment and supplies for the parent American Telephone and Telegraph Company and for the Associated Bell Companies, including all subsidiaries or related companies which affect the communications industry, under the jurisdiction of this Commission.

"The examination will include the financial arrangements between the American Telephone and Telegraph Company and its subsidiaries, and the agreements, financial and otherwise, of the various subsidiaries with each other.

"(B) - A general inquiry into the license and service contracts between the American Telephone and Telegraph Company and the various Associated Bell Companies.

"(C) - A general inquiry into the contracts between the American Telephone and Telegraph Company and the Western Electric Company, Inc., also the contracts between the Western Electric Company, Inc., and the Associated Bell Companies."

After witnesses from the A. T. & T. and subsidiaries are heard, the hearings will be adjourned, and witnesses from independent companies will appear later.

"This inquiry will be directed at the financial structures, services, agreements and contracts" of independents engaged in interstate commerce, it was announced.

The investigation will probably be used as the basis for a report to Congress. How long the hearings might last was a matter of conjecture.

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ABS GETS FIRST COMMERCIAL

The first commercial program on the new American Broadcasting System-WMCA network will be heard tonight (November 16) when the Adam Hat Company will present at 9:55 P.M. EST over the ABS-WMCA network, the ringside description of the Maxie Rosenbloom-Bob Olin fight at Madison Square Garden in New York.

The broadcast will be heard over stations WMCA, New York; WAAB, Boston; WPRO, Providence; WIP, Philadelphia; WCBM, Baltimore; WOL, Washington; WJBK, Detroit; WEBR, Buffalo, KQV, Pittsburgh, WFBE, Cincinnati, and WDEL, Wilmington.

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MACKAY OPENS ALL RADIO JAPAN SERVICE

Direct high-speed radiotelegraph service between the United States and Japan opened last Wednesday by the Mackay Radio and Telegraph Company, a subsidiary of the International Telephone and Telegraph Corporation, and the Japanese Government radio administration.

This new service with Japan is available to all parts of the United States through the facilities of Postal Telegraph. In Japan, direct communication is provided to all points through the Japanese Government telegraph system which connects with the radio station at Tokio.

From New York and the eleven other principal cities in which Mackay Radio operates, the circuit with Japan is radio all the way.

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NEWSPAPER REPRESENTATIVE OBSERVES RADIO TREND

As evidence of the growing tendency on the part of manufacturers to increase their expenditures in other media, John T. Fitzgerald, of Reynolds-Fitzgerald, Inc., President of the Newspaper Representatives' Association, of Chicago, referred to a special report compiled recently for Sales Management by Advertising Record Company, showing radio expenditures for the first eight months this year as compared with the same period in 1933. Of the three general product classifications mentioned as still heavy users of national newspaper advertising, all show substantial increases in radio expenditures for national network broadcasting. One of the three, drugs and toilet goods, has nearly doubled its radio advertising during the past year, according to Sales Management figures.

A comparison of network radio broadcasting expenditures for these product classifications follows:

	<u>Eight-Month Totals</u>	
	<u>1933</u>	<u>1934</u>
Cigars, Cigarettes and Tobacco	\$2,096,164	\$2,199,843
Drugs and Toilet Goods	4,507,761	8,531,568
Foods and Food Beverages	5,551,375	7,291,954

Note - The network radio broadcasting figures cover all national or chain broadcasting carried over the networks of the National Broadcasting Company and Columbia Broadcasting System. The figures cover facilities only and do not include talent charges.

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NEW EDITION OF RCA WORLD MAP

A new edition of the world-wide telegraph system of RCA Communications, Inc., has been received from William A. Winterbottom, Vice-President and General Manager. This shows radio telephone as well as radio telegraph circuits operated by R.C.A. Communications. The telephone circuits go to Honolulu and Manila and from Manila, by automatic relay to Java, Siam and Berlin. In the United States the domestic circuits to Washington, Boston, New Orleans, Chicago and San Francisco are now shown by solid lines instead of dotted lines as heretofore, showing the completion of these circuits.

In order to simplify the map, the very numerous relay circuits from foreign destinations of the RCA direct circuits have been omitted. France has relay circuits to all French Colonies; Great Britain, of course, Holland the same, and so on.

Subsidiary circuits are noted between San Juan and New Orleans, Havana and New Orleans and Manila and Shanghai, supplementing direct circuits to New York and San Francisco, Manila and Tokio and Honolulu with Manila, Tokio and Saigon.

It is noted that the terminus of the Manchurian circuit has been transferred from Mukden to Hsinking.

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COMPOSERS TO MOVE INTO RADIO CITY

On or about November 30th, the American Society of Composers, Authors and Publishers will be moved to the 45th floor of the R.C.A. Building at 30 Rockefeller Plaza, New York City.

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COPELAND ALL SET TO INTRODUCE NEW FOODS & DRUGS BILL

Aided and abetted by Under Secretary of Agriculture, Rex Tugwell, Senator Copeland of New York, just reelected for six years, will introduce a Foods & Drugs Bill modelled very much along the lines of the one to which broadcast advertisers so vigorously objected last session. It will be drafted by Ole Salthe, formerly Director of the Bureau of Foods and Drugs of the New York State Health Department.

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SHORT WAVES AS MEDICINE DEMONSTRATED

The use of radio apparatus to transmit heat in the treatment of certain diseases was demonstrated at the opening session of the American Congress of Physical Therapy in Philadelphia by two young Frenchmen, Dr. A. Halphen and Dr. J. Auclair.

Under the patient's bed, Dr. Halphen explained, are electrodes and at a distance, some times in an adjoining room, is the generator.

"There is no wire or cable, nothing to disturb the patient, he proceeded. "His temperature - in cases where medication is made speedier and more effective by raising the temperature - goes to the desired height and in the desired time by means of the short waves.

"By this method we can bring to the physician a patient ready for the best results of treatment, in a certain social disease which responds to heat treatments. A patient can be heated to 104 or 105 degrees for 100 hours, a 100 per cent cure being effected by this single treatment. Ordinarily this disease takes at least six weeks to cure."

An American short-wave frequency apparatus was demonstrated at the meeting. It differs from the Frenchmen's device in that the electrodes are applied directly to the patient. The apparatus resembles an ordinary radio set, except that it is a broadcasting instrument rather than a receiving set.

It may be used, it was explained, for electro-surgical, electro-coagulation or to induce artificial fever.

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ALARM ON PARIS PHONES TO WARN OF BURGLARS.

The engineers of the Ministry of Posts, Telegraphs and Telephones have just perfected an alarm to warn of burglars. The device, called a "Sygnaphone", consists of a small phonograph-like apparatus which is hooked up with an ordinary telephone, and by multiple contacts with various parts of the house and a direct connection with the police headquarters constitutes, it is claimed, a foolproof burglar alarm.

If a contact is established, the phonograph apparatus is set in motion, notifying the police of the address of the residence which is being robbed. Not only do the Posts, Telegraphs and Telephones officials hope to place the burglar alarm in hundreds of Paris homes, but also to install hundreds of additional telephones.

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MAY ASK END OF PRESS CODES

An assertion that all newspapers might be advised to withdraw from NRA codes if the Labor Relations Board accepted jurisdiction in a dispute between the San Francisco Call-Bulletin and one of its former employees, was expressed recently in Washington.

The complaint was brought before the Board by Dean Jennings who said he was forced to resign his position as the Call-Bulletin's chief rewrite man because of activities with the newspaper guild.

Elisha Hanson, who also is counsel for the American Newspaper Publishers' Association, held the dispute was one which should be handled by the newspaper industrial board, the Code Authority.

Alexander Lindey, speaking for the guild, contended the Labor Relations Board was given authority to treat with such cases by the law establishing it, enacted by Congress last Spring.

The hearing was closed, but subsequently Hanson gave this version of the hearing to newspapermen:

"I was asked what would happen if the Board issued an order in this case. I said that Mr. (William Randolph) Hearst (owner of the paper) would not comply with it.

"I was asked if I was authorized to state the position of Mr. Hearst. I said his position was that if the code was meaningless insofar as the Government was concerned, it was meaningless insofar as he was concerned."

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