

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

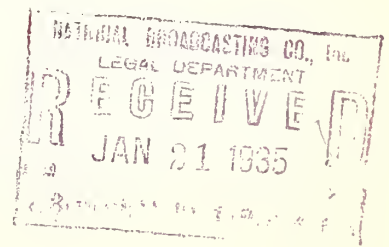
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No. 791



## WOULD PROHIBIT FEDERAL OFFICIALS RECEIVING RADIO PAY

An attempt was made by Representative Hamilton Fish, Republican, of New York, to tack on an amendment to a bill for additional appropriations for the Federal Communications Commission which would prohibit any public official receiving pay from the Federal Government, or member of his or her immediate family, from receiving pay or compensation for speaking over the radio. It is believed the amendment was directed at Col. Louis McHenry Howe, Secretary to the President, Mrs. Roosevelt and the latter's daughter, Mrs. Anna Dall, all of whom have been paid for radio talks.

While the amendment was lost on a point of order, it is understood that Mr. Fish proposed to bring it up in another form at a later date and that it will receive considerable support from Democrats as well as Republicans.

Once before Representative Fish denounced Colonel Howe's radio talks, saying that he received for each of his fifteen minute appearances "nine hundred dollars for a talk that wasn't worth nine cents." It was reported at the time that Walter Trumbull, a newspaper man who interviewed him, received \$300 each time and that Howe and Trumbull were together paid \$1200 for the period.

Mrs. Roosevelt was reported to have received as high as \$3,000 for each of her appearances but always stipulated that her earnings were to go to charity. Another person who would come under Representative Fish's classification would be Senator Royal S. Copeland, who is said to receive about \$1,000 apiece for his medical talks over the radio.

The bill to which Representative Fish attempted to add the Federal officials' radio talk amendment provided for an appropriation of \$480,000 in addition to the \$1,525,000 1936 Federal Communications Commission budget allowance passed recently by the House. Explaining that the extra \$480,000 furnishes the money for the Communications Commission to carry on until next July, when the million and a half dollar appropriation will be available, Representative Buchanan, Democrat, of Texas, said:

"The activities provided for in this bill were created during the last session of this Congress. The Congress never appropriated and never intended to appropriate sufficient money to carry them through this fiscal year. The money they did provide was sufficient to carry them until this Congress met, in order that we might go into their needs and necessities and make

a proper appropriation for the balance of the fiscal year. So, in fact, it is not a deficiency, but a supplemental appropriation, and intended to be so by the Congress.

"Now, as to the items, the Budget sent us an estimate of \$480,000 for the Federal Communications Commission. It had for this year only the appropriation made for the old Federal Radio Commission. The act of Congress last year greatly expanded its activities, and prescribed greater duties for it, such as regulation in telephone, telegraph, and cables, and the authority to fix the rates on those utilities, and evaluation of their property; also to prevent discrimination and to prevent refunds. So it was evident that the old appropriation for the Radio Commission alone was not sufficient. Therefore the Budget estimated \$480,000, and the committee after investigation allowed that amount."

"I have no objection to the passage of this resolution, but one or two provisions in it prompt me to predicate an inquiry thereon", Representative Lanham, Democrat, of Texas, remarked. "There are provisions in this measure for printing and binding for these various agencies. Of course, that is all right, but it seems to me that attention should be called to the fact that there is a great deal of printing being done, perhaps not all by the Government Printing Office, but some of it through mimeograph machines and otherwise, and a great deal of expense being entailed from the standpoint of the Government, in sending out promiscuously daily reports, codes, and other things of these various Government agencies.

"And the Congressional Record", Representative Buchanan interjected.

"Well, of course, the Congressional Record serves a different purpose", Mr. Lanham replied, "but these various reports we can get upon request, when we wish them, and the sending of them to Members of Congress and broadcast over the country to be thrown into the waste basket must involve considerable expense from the standpoint of material, of the employees in making these printed or mimeographic reports, and also from the standpoint of distribution through the mail. It seems to me that there is an element of economy that might well be observed in restricting this activity to absolutely necessary distribution."

"An item in the bill calls for an increase in the force of the Communications Commission in Washington from approximately 121 in the main office in the District of Columbia to 402", Representative Taber, Republican, of New York, who had previously attempted to prune \$300,000 from the main appropriation.

"The old Radio Commission had a force of approximately 121. The new Communications Commission will have a force of 402", Mr. Taber went on to say. "Frankly, I previously felt, when the independent offices bill was on the floor, that this was too large an increase. I believed that they ought to be able to get along



with considerable less, and I offered at that time an amendment which would reduce the appropriation by 20 percent. Of course, that amendment was not agreed to. I feel that this one could undoubtedly be cut 20 percent, and it would still provide funds permitting this Commission to function properly.

"It is a new activity, and they are going into the rates and the capital structure of the telephone and telegraph companies in this country. This activity, in my opinion, could be accomplished entirely with less money, but they are going along with it, and we have to see the results obtained in years to come."

Despite Republican objection, however, the bill for the additional \$480,000 for the Federal Communications Commission was passed by the House, along with extra appropriations of \$1,750 for the National Mediation Board, \$150,000 for the National Railroad Adjustment Board, and \$846,000 for the Securities and Exchange Commission.

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#### GENE BUCK AND WILL ROGERS AT V-P DINNER

Gene Buck, President of the American Society of Composers, an old friend of Vice-President Garner, a guest at the dinner given by the Vice-President to the President in Washington last Wednesday night, apparently "stole the show" by bringing with him the Magician Cardini to entertain the notables present.

Among those who attended the dinner, in addition to President and Mrs. Roosevelt and Vice-President and Mrs. Garner, were Mr. and Mrs. Buck, Mr. and Mrs. Will Rogers, and Mayor and Mrs. Fiorello LaGuardia.

Rogers left for a few minutes to keep a broadcasting engagement. While waiting at the microphone, he borrowed the watch of Carleton Smith, White House announcer, and when his time arrived, he dropped it, picked it up and remarked, "Nothing broken but the crystal and the works." However, he had the watch fixed, returned with apologies.

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#### CAPPER REINTRODUCES ANTI-LIQUOR ADVERTISING BILL

Senator Capper, Republican, of Kansas, reintroduced his bill (S 541) which would prohibit all interstate advertising of intoxicating liquors. This would preclude the use of radio for all such advertising. Although Senator Capper introduced the same bill early in the last Congress, he did not press it.

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## IKE LEVY ADVISES BROADCASTERS TO IGNORE "OLD 97" CLAIM

In the opinion of Isaac D. Levy, of Philadelphia, Chairman of the Copyright Committee of the National Association of Broadcasters, broadcasters who have been put on notice by a letter from Robert L. Nase, counsel for David Graves George demanding payment for infringement of use of the song "The Wreck of the Old 97", should stand pat.

"I think station owners would be foolish to pay a single penny in settlement of the alleged claim for infringement", Mr. Levy declared. "The demand is made because the press of this country have inaccurately reported the effect of the decision of the United States Supreme Court, involving a technical point in this case. The facts are as follows:

"George claimed authorship of the song, 'The Wreck of the Old 97'. He brought suit against RCA Victor and Judge Avis in the District Court of New Jersey filed an Opinion upholding his claim of authorship. A Master was appointed to assess damages.

"An Appeal was taken to the Circuit Court of Appeals, which Court reversed the findings of Judge Avis as to authorship of the song. A certiorari was then requested of the United States Supreme Court, which Court limited the argument to the technical point as to whether or not the Circuit Court of Appeals had jurisdiction to hear the case before the damages had been assessed. The United States Supreme Court ordered the Circuit Court of Appeals to dismiss the Appeal taken to it which brings the case back to the Master for the assessment of damages.

"Following this assessment, an appeal will then be taken to the Circuit Court of Appeals, which Court has already determined that George is not the author of the song."

A portion of Mr. Nase's letter to broadcasting stations reads as follows:

"With our client's authorship of the song and his property right so firmly established by the Courts, we feel that those who have used it without his consent naturally prefer to dispose of his claim by a reasonable adjustment rather than litigate the case. We have been confirmed in this belief by the fact that several nationally known firms have settled the matter without litigation.

"As frequent broadcasts of this song have been made from your station, Mr. George has a right of action against you for the infringements. We would be glad to negotiate a settlement with you and thus avoid litigation, believing as we do that such a disposition of the case would be advantageous to both parties and much less expensive to you than a law suit, which in view of the Supreme Court decision, would resolve itself into an accounting by you of the number of infringements and the profits made by you from the unauthorized use of the said song."

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## FLAMM TAKES WMCA BACK AFTER ABS SUSPENDS

Following the suspension of the American Broadcasting System, Donald Flamm has resumed the operation of Station WMCA with his own staff, the lineup of which is - Mr. Flamm, President, and General Manager; William Weisman, Vice-President and General Counsel; Sidney Flamm, Assistant to the President; Burt Leibar, Sales Director; Stella Unger, temporary Program Manager; George F. Huston, Production Manager; Betty Glenn, Publicity; Don Clarke, Continuity; Maurrie Rubin and Val Olman, Musical Directors, and A. L. Alexander, Chief Announcer.

What remains of the American Broadcasting System network, built up by George B. Storer, has been organized into a new corporation, the American Broadcasting Company with WNEW, of Newark, as the key station. Those mentioned as being in the new network are John Hays Whitney, William Cherry of WPRO, Providence; Benedict Gimbel, Jr., of WIP, Philadelphia; George Schott, of WFBE, Cincinnati; James K. Norris, an ABS Vice-President, and Mr. Storer.

"The break with WMCA, as far as Storer was concerned", Variety reports, "followed the walkout last Tuesday by the Federal Broadcasting Corp. from its stations operating contract with Donald Flamm, owner of WMCA. After the Federal directors had notified Mr. Flamm that they were washed up with the broadcasting business and were dissolving the corporation, Flamm offered to let WMCA continue as ABS' sustaining program source if Storer would guarantee to pay the differences between the network and local rate for musicians used on network programs. Mr. Storer turned down this proposition and the next day the employees of the American Broadcasting System were given mimeographed notices advising them that their services would terminate as of Saturday.

"Notice to employees explained that the ABS had no operating agreement with WMCA and the web's tenure in the WMCA plant had been dependent entirely on the agency agreement between the Federal Broadcasting Corp. and the Knickerbocker Broadcasting Co. licensee holder for WMCA. The ABS employees were paid off on Monday last with each requested to sign a receipt in full.

"Mr. Flamm retained an appreciable number of the ABS employees, but none of these included any connected with the ABS Program Department. New York musicians union had insisted that Flamm retain the large studio orchestra that Bob Haring directed for ABS, but the WMCA owner induced the American Federation of Musicians to overrule this order. AFM, however, held that the ABS would be held liable for \$9,000 due the musicians in lieu of four weeks' notice."

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## SENATE COMMITTEE TO PUT FCC ON THE GRILL

The six members of the Federal Communications Commission who must be confirmed by the Senate have been notified to appear before the Senate Interstate Commerce Committee Tuesday morning, January 22nd, at which time their qualifications to serve on the Commission will be gone into. These Commissioners are Sykes, of Mississippi; Brown, of Ohio; Walker, Oklahoma; Stewart, Texas; Payne, New York, and Case, of Rhode Island.

Former Representative Anning S. Prall, of New York, succeeding Hampson Gary, has been confirmed by the Senate but to conform to Senate rules, his confirmation had to lay over until after three Senate executive sessions. This period expired Thursday night at which time President Roosevelt was formally notified of the confirmation. The White House is expected to issue Mr. Prall's commission today (Friday) and he will probably be sworn in Monday.

It is possible that Senator Bilbo, of Mississippi, will be present at Monday's session to oppose the confirmation of Judge Sykes. The opinion has been expressed, however, that his objections if entertained by the Committee will be overruled by the Senate.

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## WLW GETS READY FOR CANADIAN TEST

Applications have been filed with the Federal Communications Commission by Station WLW, at Cincinnati, which may lead to a court test of the Commission's ruling that either interference which the Canadian station CFRS, at Toronto, has complained of shall be eliminated by February 1st, or the Ohio station must cut its night-time power from 500,000 watts to 50,000 watts.

In its first application, WLW, through its chief engineer, Joseph Chambers, asked for a renewal of its existing 50,000 watt license which expires February 3. This the Commission has granted. The second application of WLW asks for a modification of its license from 50,000 to 500,000 watts. This has been set for a hearing by the Commission but as yet no date has been stipulated.

In a third application, the Cincinnati station has asked for special authority to increase its nighttime power from 50,000 watts to 500,000 watts. Because of the international aspect of the case neither the Federal Communications officials or anyone connected with the Crosley Company has talked for publication. An outsider, however, observed: "What I think WLW is trying to do is to get the Commission to say 'no' on one or the other of their applications, and if they do this will probably pave the way for a court test."

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## ZENITH SIX MONTHS' VOLUME LARGER

Zenith Radio Corporation reports an operating deficit for the six months ended October 31, 1934, of \$50,154.94, after all charge-offs, including liberal reserves for depreciation and taxes.

## Manufacturing Profit

After Excise Taxes, Royalties, Manu- facturing Expenses and Maintenance of Plant and Equipment	\$218,711.59
Selling and Administrative Expenses	230,851.20
Depreciation	<u>38,015.33</u>
Operating Deficit	\$ 50,154.94

"The Company did a substantially larger volume of business during the six months than it did in the same period a year ago", Hugh Robertson, Vice-President and Treasurer of Zenith reports. "An extensive advertising campaign was carried on during this period to introduce a new line of short-wave receivers. An additional line of higher priced receivers is now being placed upon the market. These receivers will meet a rapidly growing demand for quality merchandise and provide for a satisfactory profit.

"The Company is anticipating a substantial increase in its automobile set business during the Spring months. It is again supplying Hudson Motor Car Co. with their requirements for 1935 and expects to close other important contracts very shortly.

"The usual satisfactory liquid position continues to be maintained. All current obligations are discounted. There are no outstanding loans of any kind and no bonded indebtedness."

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## INTERLOCKING DIRECTORATE HEARING POSTPONED UNTIL FEBRUARY

Because of the appearance of the members of the Federal Communications Commission before the Senate Interstate Commerce Committee Tuesday, January 22nd, the hearings for officials to show why they should serve as officer and director of more than one communications company, which was to have been held Monday and Tuesday, January 21st and 22nd, has been postponed. The tentative dates set for the hearings are February 4 and 5.

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## COPELAND BILL WINS ADVERTISING FEDERATION SUPPORT

Support for the new Copeland Food and Drug Bill was decided upon by the directors of the Advertising Federation of America meeting in Washington, with reservations only as to minor points on which the group believes that clarification of language is desirable.

Members of the Board were said to believe that control of advertising in these industries is essential for the elimination of false and misleading advertising of the type which is harmful to consumers and lowers the effectiveness of good advertising. The provisions of the new Copeland bill, it was stated, should exert a constructive influence if enacted into law.

Edgar Kobak, Chairman of the Board, announced the appointment of G. R. Schaeffer, Publicity Manager, Marshall Field & Co., as Chairman of the Convention Program Committee for the next annual meeting to be held in Chicago next June.

Others attending the Washington meeting were Chester H. Lang, President, Manager, Publicity Department, General Electric Co.; Gilbert T. Hodges, Past Chairman of the Board and member Executive Board of the New York Sun; Charles E. Murphy, Vice-President, New York attorney; John Benson, President, American Association of Advertising Agencies; Frank Braucher, Vice-President, Crowell Publishing Co.; Harry Tipper, Executive Vice-President, American Manufacturers' Export Association; Alfred T. Falk, Director, Federation's Bureau of Research and Education, and Earle Pearson, General Manager.

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## MUTUAL BROADCASTING SYSTEM TO INSTALL NETWORK LINES

The Mutual Broadcasting System held its first annual meeting at the Drake Hotel, Chicago, last week, and all officers and directors of the organization, with one exception, were re-elected.

Officers re-elected were: Chairman of the Board of Directors, Alfred J. McCosker, of WOR, New York; President, W. E. Macfarlane of WGN; Executive Secretary, E. M. Antrim, of WGN; Treasurer, Theodore C. Streibert, of WOR; Auditor, James A. Cotey, of WGN. Directors named were: W. E. Macfarlane, E. M. Antrim, Quin A. Ryan, Edward W. Wood, Jr., of WGN; and Jack I. Strauss, Hector Suyker, Alfred J. McCosker, and Theodore C. Streibert of WOR. The Directors all were re-elected with the exception of Edward W. Wood, Jr., new commercial manager of WGN, who was named in place of George F. Isaac, who recently resigned from WGN.

Also attending the meeting were: John Clark, of WLW, Cincinnati, and George W. Trendle and H. Allan Campbell, of Station WXYZ, Detroit.

The officers and directors of the Mutual Broadcast System approved a contract with the American Telephone and Telegraph Company for the rental of permanent lines, sufficient to take care of any commercial program at any given hour required by the advertiser, subject to clearance by stations in the Mutual group.

No changes are to take place in the present sustaining programs of the members of the group, because each member is self-supporting in respect to sustaining shows. This leaves for future consideration the exchange of sustaining programs which would be made between the stations of the group merely for the purpose of gaining a variety of programs. In all respects the Mutual Broadcasting System is to be in actuality a mutual working arrangement between a group of independent stations.

Members of the MBS also approved the establishment in the near future of a traffic department for the network programs and a sales promotion department to furnish market data. Announcement of appointments of heads of these new departments will be made in the near future.

The contract with the A. T. & T. Co. for permanent lines is to be signed at once and the lines placed in service as soon as the Telephone Company can make its lines and equipment available to the network.

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#### GOLDSMITH TO DEMONSTRATE RADIO AND SOUND EQUIPMENT

An advance demonstration of new scientific models of improvements in sound transmission and recording will be given over the air by Dr. Alfred N. Goldsmith, chief consulting engineer of the RCA Victor Company, in a broadcast to be heard on Tuesday, January 22, over the WEAJ network.

Speaking at 12:30 P.M. EST. before the Cleveland Chamber of Commerce and members of the Institute of American Engineers on the subject of "Radio and Motion Picture Achievements and Trends", Dr. Goldsmith will give the first public demonstration of a radical new system of sound motion picture recording, using a double sound track to remove all background noises from talking movies. For the broadcast Dr. Goldsmith will use the new lapel microphone which is about the size of a matchbox and which permits the speaker to move freely while broadcasting.

Other marvels of sound science which the RCA-Victor engineer will describe are the new "acorn" radio tube, a sound movie camera for amateur picture makers, and a higher fidelity system of sound reproduction.

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 ::::INDUSTRY NOTES::::  
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The indication is that the National Association of Broadcasters will approve the Copeland Food and Drugs Bill.

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It is reported that the Associated Press has engaged John W. Davis as counsel for appeal taken from the decision of Judge John C. Bowen at Seattle in the case brought in behalf of the A. P. against Station KVOS. Also that the United Press and the International News Service will intervene. Judge Bowen ruled that once published "news reports from that moment belong to the public."

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Senator Huey Long, of Louisiana, put over a fast one (probably without knowing it) when he announced at the conclusion of his talk over Columbia, "I'll be with you on Saturday on NBC."

Apparently the networks are able to hold Huey down to his allotted time but individual station owners will doubtless watch their step in putting him on after having been allotted 30 minutes on a New York station he continued to talk another 15 minutes regardless of the rest of the program.

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The Department of Commerce issued a bulletin this week to all airways operating companies and aviators advising them the aeronautical lights which were recently installed at the new WOR 50 k.w. transmitter are now in operation, and can be seen between sunset and sunrise every day in the year.

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#### LITTLEPAGE RECEIVES WASHINGTON CIVIC MEDAL

Thomas P. Littlepage, prominent radio attorney, former President of the Washington Chamber of Commerce and outstanding civic worker, was awarded the distinguished service medal of the Cosmopolitan Club for the most outstanding service to Washington during 1934.

The citation accompanying the medal drew attention to the work of Mr. Littlepage in helping to obtain the return of 10 per cent of the pay reduction of Federal workers; his work in bringing about the street car merger; his activity as Chairman of the N.R.A. of the District of Columbia, and with the Federal

Housing Commission. The presentation was broadcast over WRC.

In accepting the honor, Mr. Littlepage modestly minimized his efforts in the various activities which had brought him the medal. He spoke of the restoration of salaries to Government employees and declared that "throughout that work I had the strong, consistent, unselfish support of William Green, President of the American Federation of Labor and without his help I could not have done this alone. He is really a great man and a fine man, whom I have always found ready to support everything good.

"None of the matters on which I have worked, have benefitted me personally to the extent of one penny", Mr. Littlepage continued, "yet no one can translate into money the compensation which your distinguished club has bestowed on me today. The legendary pot of gold, even if it were a fact, could add nothing to the beauty of the rainbow. Perhaps no higher virtue swells the heart of man than that of gratitude, and I will cherish this expression of your appreciation to the end of my life."

Previous winners of the medal are the late Martin A. Leese, former owner of WMAL, in Washington; Theodore W. Noyes, editor of The Washington Evening Star; E. C. Graham, President of the Hamilton National Bank; Miss Mary Virginia Merrick, President of the Christ Child Society, and Robert V. Fleming, President of the Riggs National Bank.

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#### APPLICATIONS GRANTED, BROADCAST DIVISION

New, Attala Broadcasting Corp., Clarksdale, Miss., C.P. to erect a new station to operate on 1210 kc., 100 watts, unlimited time; WREN, Jenny Wren Co., Lawrence, Kans., C.P. to install new equipment and increase day power from 1 to 5 KW; WSVA, Marion K. Gilliam Staunton, Va., modification of C.P. to extend completion date to April 4, 1935; KGIX, J. M. Heaton, Las Vegas, Nev., modification of C.P. to install new equipment, increase power from 100 watts to 100 watts night, 250 watts day, also to make change in specified hours; WPAD, Paducah Broadcasting Co., Inc., Paducah, Ky., license to cover C.P. authorizing changes in equipment and increasing daytime power from 100 to 250 watts, on 1420 kc., 100 w. night, unlimited; WPAX, H. Wimpy, Thomasville, Ga., license to cover C.P. authorizing changes in equipment, change in hours of operation and authority to move transmitter to new site, 1210 kc., 100 watts daytime; WTRC, Truth Radio Corp., Elkhart, Ind., license covering C.P. authorizing changes in equipment 1310 kc., 50 watts night, 100 w. day, unlimited; WWAE, Hammond-Calumet Broadcasting Corp., Hammond, Ind., license to cover CP authorizing installation of new equipment, 1200 kc., 100 w. shares with WFAM; WLW, Crosley Radio Corp., Cincinnati, Ohio, renewal of license, 700 kc., 50 KW, unlimited time.

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