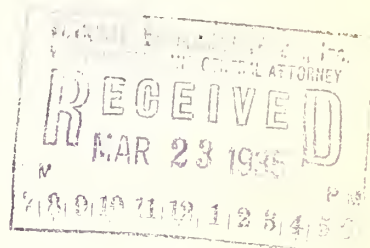
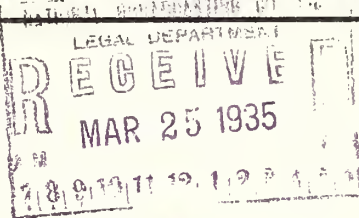


# HEINL RADIO BUSINESS LETTER

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## BELIEVE EDUCATIONAL-RELIGIOUS CONFERENCE WILL BE BRIEF

Although plans are still in the making, the belief is that the conference called by Anning S. Prall, Chairman of the Federal Communications Commission between the educational, religious and commercial broadcasters (i.e. profit and non-profit stations) for May 15 will not be the drawn out affair the hearings held on this subject were last Fall. They lasted from October 1st to November 12th.

Chairman Prall probably sounded the keynote when he said that he wanted to get the Conference out of the way before the hot weather sets in. It is believed in such matters, because of his long legislative experience at the Capitol, that Mr. Prall will prove a fast worker. Already he is known to have been in touch with Lucy Dodge Milligan, of the Women's National Radio Committee, said to represent a federated club membership of 11,000,000 women; M. H. Aylesworth, President of the National Broadcasting Company, and William S. Paley, head of the Columbia Broadcasting System, with regard to the character of certain programs and to forestall any such criticism as the movies encountered from the Catholics.

The educational-religious conference which Mr. Prall has called for later this Spring will be a logical follow-up of the October hearings, the record of which Henry A. Bellows, Chairman of the Legislative Committee of the National Broadcasters' Association described as constituting the most significant statement ever made of the aims, purposes and methods of radio broadcasting as conducted on the basis of competitive private initiative. It covered 14,000 typewritten pages of testimony and a condensation. A brief which Mr. Bellows later presented in behalf of the Broadcasters was itself a large sized book of almost 100 pages and was a unique and valuable compilation which no doubt the Federal Communications Commissioners, as well as commercial and non-commercial broadcasters, will keep on their desks for years to come.

The opinion seems to be that the forthcoming educational-religious-commercial broadcasters hearing will avail itself fully of the testimony taken at the October hearings. Where the latter was based upon what already had been done, the May conference will have as its theme, "What is to be done?" It is likewise the idea that the May conference is likely to be conducted along the lines of the old Hoover Radio Conferences, that is to say, the breaking down of the conference into small group committees, each composed of representatives of all sides of the question, and then the committees to report back recommendations to the Conference as a whole. In any case the

May conference will mark one of the most important gatherings in the history of radio and is being looked forward to eagerly by all those who will be called upon to take part.

All hearings will be open to the public and an attendance of somewhere between 500 and 1000 broadcasters is expected.

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## CANADA TO SPEND \$1,000,000 TO CLEAR UP DEAD SPOTS

The Canadian Radio Commission contemplates a construction program involving an expenditure of approximately one million dollars to give more complete radio coverage throughout the Dominion and to eliminate those dead spots which exist in some sections of Canada at which radio reception is very difficult, and in some instances without effect, H. M. Bankhead, Commercial Attache, Ottawa, reports. The execution of the contemplated plans would eradicate the numerous complaints which are received from the various sections of Canada complaining of poor reception, or none at all. Modern stations of reasonable power would be erected in various sections where coverage has been inadequate. The surveys by the Commission show that these areas exist particularly in the Maritime Provinces, a section of Quebec, part of Ontario, Saskatchewan, part of Alberta, and a great part of British Columbia. With the construction of these new stations and extension of hours of national broadcasting, new and modern studios would be provided at points where most of the principal Commission programs are produced.

Up to date no special appropriation has been provided by Parliament for this extension, and it is not known here whether the Commission will have the necessary funds to carry out their proposed extensions.

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## PRALL TO GO ON AIR MARCH 30

Anning S. Prall, newly appointed Chairman of the Federal Communications Commission, successor of Judge E. O. Sykes, will explain some of the Commission's problems when he speaks over the WEAf network on Saturday, March 30, at 7:45 P.M. EST.

Prall, formerly Representative from New York, and friend of Senator Rob Wagner of that State, will be heard from the NBC studios in Washington in an interview by Martin Codel, editor of "Broadcasting."

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## BROADCASTERS GIRD FOR STATE TAX BATTLE

The question whether States can tax radio stations is a major question now facing commercial broadcasters. Legislation of this type is now pending in many States and in the opinion of Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, "may represent a new and added burden on the broadcasting industry amounting to far more than the total tribute now paid to the American Society of Composers." The issue as to whether or not all broadcasting is in fact interstate commerce, and hence not taxable as to its revenues by the States is due before long for a definite decision.

Legislation is pending in numerous States calling for 1 to 4 and 5 percent. If the courts should hold that these taxes are constitutional, it will readily be seen what an amount even a 2 percent tax would mean in 48 States. With the aggregate annual gross receipts of broadcasting about \$80,000,000, the yearly tax to broadcasters would be \$1,600,000.

Arizona provides for a general sales tax of 1 per cent on gross revenues, specifically including radio advertising.

Kansas provides for a general sales tax on services, specifically including radio broadcasting. This bill has just been stricken from the calendar but may be introduced again.

Missouri provides for a tax of 3 per cent on gross receipts, specifically including radio advertising.

In New Mexico a bill which has passed both houses, provides a 2 per cent sales tax on gross receipts, specifically including radio broadcasting.

Oklahoma provides for a 3 per cent tax on gross sales, specifically including broadcasting.

Pennsylvania just introduced a bill which provides for special taxes on telephone messages and broadcasting, the tax on broadcasting being 2 per cent of the gross receipts.

Texas provides for general sales taxes, including a tax of  $2\frac{3}{4}$  per cent on the gross receipts of radio broadcasting. As a further measure of control, Texas provides that every broadcasting station must file detailed semi-annual reports with the State Comptroller.

Washington already has a sales tax bill which, in its application to broadcasting, is now under consideration by the State Supreme Court. In addition, the Washington House on March 10th passed a general tax bill, including a tax on all



on all radio broadcasting stations amounting to 10 cents per watt of rated power annually.

West Virginia already has a tax on all amusement enterprises, including broadcasting, and two bills propose an amendment to this act making the tax  $\frac{1}{2}$  of 1 per cent on gross revenue. Broadcasting is specifically included in both these bills.

A development which the broadcasters are watching closely is the announcement that the United States Supreme Court will review the findings of the Supreme Court of Georgia in the case of City of Atlanta vs. Oglethorpe University. This case is of vital importance to the entire broadcasting industry.

The City of Atlanta imposed a license fee of \$300 per year on all broadcasting stations. Oglethorpe University, operating WJTL, went to the courts, and a first decision was rendered by the Supreme Court of Georgia on February 14, 1934. This decision held, in substance, that even though some of the messages from WJTL might go beyond State lines, that fact did not make the broadcasting of the station interstate commerce. After this first decision the case went back for trial to the lower court on the merits. The trial judge directed a verdict for the defendant, the City of Atlanta, and the case was again appealed to the Supreme Court of the State of Georgia. The decision of this Court, handed down January 23, 1935, sustained the trial judge in directing a verdict for the defendant.

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#### FCC CRACKS THE WHIP OVER THE BROADCASTERS

Declaring that there has been a general laxity on the part of licensees of broadcast stations with reference to the observance of the Rules and Regulations of the Federal Communications Commission, the Commission warns that hereafter these rules must be observed in their strictest form.

One of the things complained of by the Commission is that recently broadcasters have gotten the habit of coming in at the eleventh hour for the broadcast of special programs. Commission rules require that 10 days' notice be given in such cases. If this time stipulation is not adhered to hereafter, the Commission threatens to return the application without acting upon it.

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## NBC WASHINGTON STAFF MOURNS DEATH OF MISS WHITNEY

A mass of flowers which completely covered the casket and a part of the room was evidence of the sorrow of the Washington staff of the National Broadcasting Company in the death of Miss Ynes Whitney, long-time Assistant to Kenneth H. Berkeley, NBC Washington Manager. Miss Whitney who had been ill for 14 months died last Monday afternoon at Pinecrest Manor, Southern Pines, N. C.

Miss Whitney, who is survived by her mother, had been associated with broadcasting almost since its beginning in the National Capital. She was engaged many years ago by F. P. Guthrie, Washington head of R.C.A. Communications, who then also had Station WRC in his charge. In Miss Whitney's conscientious devotion to duty her strength was badly overtaxed. Her associates tried to persuade her to take things a little easier but to no avail.

Funeral services were held in Washington Wednesday afternoon. The pallbearers were Frank M. Russell, Vice-President of the National Broadcasting Company; Vincent F. Callahan, Assistant to Mr. Russell; Albert E. Johnson, NBC Washington Chief Engineer; Carlton Smith, Assistant Manager, WMAL, Washington, and Stanley Bell, NBC Announcer. The burial was in Cedar Hill, Washington.

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## NEW COPYRIGHT BILL TO BE INTRODUCED WITHIN WEEK

A new copyright bill, drafted by a committee of representatives of the Departments of State and Commerce and the Copyright Office of the Library of Congress, will be introduced in Congress early next week. Broadcasters, music publishers and others interested were given an opportunity to be heard by the interdepartmental group before the proposed copyright legislation was written.

"I haven't seen the new bill", Phil Loucks, Managing Director of the National Association of Broadcasters, said. "However I think it will probably be one the broadcasters will be able to support."

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## A BOUQUET FOR THE RADIO INSTITUTE OF AUDIBLE ARTS

This praise of the R.I.A.A., an organization headed by Pitts Sanborn, the well-known music critic, and sponsored by Philco, appeared March 21st in the column of Katherine Smith, Radio Editor of the Washington Post:

"If this column appears to fill too much space with news of the Radio Institute of Audible Arts, it's because that organization sends in, every week or so, new evidence that it is doing a grand job of critical radio analysis.

"Yesterday morning's mail brings a couple of new bits of useful information, including another of the Institute's series of pamphlets, 'Men and Radio Music', by Prof. Peter W. Dykeman, which is a polite plea to listen, learn and love the good music available through the radio. He gives brief directions for the analysis of individual listening - comments upon the fact that radio makes it possible for the audience to be entirely comfortable. 'They (the listeners) may dress as they please and stand or lie down or sit or walk about as the music plays.' He concludes with the observation that one's taste and joy in music will increase with added listening.

"Other welcome news from the Institute is that they are adding another leaflet to their weekly program services. This will be listings of 'Entertainment' programs, containing comedy and dramatic offerings, variety programs and the like. Their other leaflets are, you remember, on music and informative talks.

"There is one more service that would be appreciated. A listing of good programs for children would be useful in school and home, for the benefit of radio-minded teachers and parents. Such a service, including educational, musical and entertainment programs suitable for children of various ages, would fill a large need.

"Could the Radio Institute give us this service at some future date?"

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## NEW GERMAN RADIO RECEIVER DESCRIBED

A six-page single-spaced multigraphed supplement has just been issued by the Commerce Department. It describes in detail the new German radio receiving sets and is written by Vice-Consul, C. T. Zadawaki, in Berlin. The sub-titles of the supplement are:



Radio Tubes, Iron-Cored Coils, Insulating Materials, Condenser Insulation, Short-wave Reception, Tone Control, Tuning Scales, One-circuit Sets, Two-Circuit Sets, Four Tube Three-Circuit Sets, Superheterodynes, Five-Tube Superheterodynes, Battery and Special Sets, Loudspeakers, and Amplifiers.

Introducing the Supplement Mr. Jawadzki writes:

"Although no startling changes were introduced at the last German Radio Show, the new German receivers are superior to those of the previous season in that they possess better and higher selectivity as well as extreme ease of manipulation. Additional progress is represented by several universal sets, that is, sets permitting the use of direct or alternating current. An increase in long-range sensitivity was also attained through the use of new tubes, the iron-cored coil, and new insulating materials."

Copies of the report on the German receiving sets may be had by sending 25 cents to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign & Domestic Commerce, Washington, and asking for "Radio Market Supplement - Berlin - dated March 13, 1935).

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#### EDDIE - THE NEW RADIO CONSULTANT

Eddie Cantor, the comedian, has opened offices at 113 West 57th Street, New York, and announces himself as a "Radio Consultant" in full page advertisements in several magazines, the text of which follows:

"Advertisers and advertising agencies are now offered the benefit of my twenty-five years of theatrical experience.

"I am prepared to consult with users of radio, prescribing corrective treatment for increased efficiency, entertainment value and resultfulness from present and proposed programs.

"We are equipped to build an entire radio production or to assist advertisers and agencies in an advisory capacity on all phases of radio - script, continuity, casting and staging."

(Signed) Eddie Cantor

Radio Consultant

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## TELEGRAPH FRANKS AND FREE TELEGRAPH SERVICE

The Telegraph Division this week authorized the issuance of the following statement (Federal Communications Commission):

"On the basis of present information, the Telegraph Division is of the opinion that radio operators aboard ship may be considered employees or agents of the communication company which is the licensee of the ship's radio station within the meaning of Paragraph 13 of the Rules Governing the Issuance of Telegraph Franks adopted February 13, 1935, and of Section 210 of the Communications Act of 1934. It is further of the opinion that the officers and other personnel aboard ships may not be considered as employees or agents of the communication company and that franks issued to such officers or other personnel are governed by the rules mentioned, unless the radio station license is issued to the owner, or operator under charter, of the vessel.

"The rules governing telegraph franks do not apply to free service which any cable company may be bound to render pursuant to the obligations of its landing license."

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### I. T. & T. EARNINGS CONSIDERABLY HIGHER

The preliminary annual report of the International Telephone and Telegraph Corporation and associated companies for 1934, showed a consolidated net income of \$2,079,570, equal to 32½ cents a share on 6,399,002, no par, capital shares, compared with \$694,126, or 10.8 cents a share, in 1933.

Gross earnings were \$79,258,493, against \$73,959,948 in 1933, and net earnings, after operating expenses, were \$14,362,873, against \$12,430,301.

Most of the operating and manufacturing subsidiaries operated at a profit in 1934, Sosthenes Behn, President, said in his report. The two major exceptions were the Cuban Telephone Company, which had a loss of \$1,590,500 after similar charges.

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## SWISS RADIO MARKET PROMISING BUT QUOTAS WORK HARDSHIP

Switzerland, with a population of about 4 million, and with an average standard of living ranking among the highest in the world at the present day, offers an expanding market for radio sets, American Consul General A. C. Frost, Zurich, Switzerland, advises. This market has steadily grown year by year during the past decade and in the years since the depression the demand has expanded very rapidly, as shown by the number of licenses issued by the Swiss Federal Post and Telegraph Department. The following table gives the number of registered radio listeners from 1929 to date:

1929	81,800
1930	101,000
1931	150,000
1932	230,000
1933	300,000
1934	329,771 (1st 9 months)

It will be noted that at the end of September 1934 the total of registrations amounted to 329,771, or considerably less than one for each ten of the population. In Great Britain at present there is about one radio for every seven persons and Switzerland is still some distance from the saturation point. Of the number mentioned, only 298,882 represent registrations for radio apparatus, the rest consisting of 18,562 for telephone broadcasts and 12,387 for broadcast by a special telegraph wire installation. The Government fee for radio permits is 15 francs (all conversions made at the rate of 3 francs to the dollar), with some additional petty charges. The registration figures do not indicate the exact number of radios in use as they do not take into consideration obsolete sets or illicit listeners but these elements are considered small and the official figures represent a fairly close approximation. The market in 1934, in trade circles, is estimated at between 50,000 and 55,000 sets, of which number American sales account for not over 3,000 to 3,200, which represents about the maximum that may be imported under the arbitrary limitations of the contingent quota system.

On April 1, 1933, the first restrictive measures on radio imports were taken by increasing the duty on radios and parts from 60 francs to 200 francs for 100 kilograms gross weight.

Even with the large increase in duty and patent litigation, American radios would doubtless still have maintained a good share of the market were it not for the imposition of the quota system by the Swiss Government. Imports of American radios declined from 5,800,000 francs in 1932 to 1,938,900 in 1933 and to only 455,400 for the first three quarters of 1934.



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The quotas of the various countries not only vary from year to year but differ arbitrarily one from another. While the United States' quota was 13 percent of its entire imports of 1932, it is understood that the Netherlands received 28 percent, Great Britain 20 percent, Austria 5 percent, Belgium 50 percent, Hungary 90 percent, France 92 percent, and Italy 100 percent. Countries with low imports are given the higher quota. In the case of Italy it was 100 percent because there were no imports in 1932, but there are no Swiss distributors who had a quota in 1932. The actual amount of a quota is not final, however, but is the subject of constant change and readjustment, based on personal representations at Bern.

The subtitles of Consul Frost's report are as follows:

Expanding Market; Swiss Imports of Radios and Parts; Swiss Imports of Radio Apparatus and Parts by Countries of Origin; Swiss Radio Manufacture; Swiss Import Restrictions; Radio Tubes; Further Quota Restrictions; Wholesale and Retail Prices; Credit Terms; Slot Machine; Special Trade Handicaps; Broadcasting; Radio Clubs and Publications; Type of Entertainment; Telephone Broadcasting; Radio Broadcasting by Wire; Use of Radios in Automobiles.

Copies of the report on the Swiss radio market may be had by sending 25 cents to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign & Domestic Commerce, Washington, D. C., and asking for "Radio Markets Supplement - Switzerland" dated March 13, 1935.

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### C O R R E C T I O N

A statement was made in our last issue in which Senator Huey Long was reported as saying that before he got through he would separate Herbert Pettey from one or both of the positions which Senator Long charged him with now holding (Secretary of the Federal Communications Commission and Broadcasting Director of the Democratic National Committee).

With regard to this a friend of Mr. Pettey's called up to say that Pettey had resigned from the Democratic National Committee position sometime ago.

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APPLICATIONS GRANTED BY COMMISSION

WELL, Enquirer-News Company, Battle Creek, Mich., C.P. to move transmitter and studio locally; make changes in equipment, and increase power from 50 to 100 watts; WBOW, Banks of Wabash, Inc., Terre Haute, Ind., C.P. to make changes in equipment and change power to 100 watts night, 250 watts day, unlimited time; KGMB, The Honolulu Broadcasting Co., Ltd., Honolulu, T. H., C.P. to move studio and transmitter locally and increase power from 250 watts to 1 KW; WCOL, WCOL, Inc., Columbus, Ohio, C.P. to make changes in equipment and move transmitter locally; New, Louis Wasmer, Inc., Mobile (Spokane, Wash.) 2 C.P.s (Gen. Exp. Station), frequencies 31100, 34600, 37600, 40600 kc., 2 watts; WAWZ, Pillar of Fire, Zarepath, N. J., authority to install automatic frequency control; WAIM, Wilton E. Hall, Anderson, S.C., modification of C.P. to move studio and transmitter locally and make changes in equipment; KPLC, Calcasieu Broadcasting Co., Lake Charles, La., modification of C.P. to make changes in equipment and make change in studio and transmitter locally.

Also, WQER, Georgia School of Tech., Atlanta, Ga., license to cover C.P. (Temp. broadcast pickup station), frequencies 1646, 2090, 2190, 2830 kc., 5 watts; WQET, Same, same except 10 watts power; KLO, Interstate Broadcasting Corp., Ogden, Utah, license covering C.P. authorizing changes in equipment; WTAX, WTAX, Inc., Springfield, Ill., modification of license to change hours of operation from sharing with WCBS to unlimited; KFH, Radio Station KFH Co., Wichita, Kans., modification of license to move studio location to Hotel Lassen, Wichita, Kans.; KGIW, Leonard E. Wilson, Alamosa, Colo., modification of license to change hours of operation from sharing with KIDW to specified hours; KIDW, The Lamar Broadcasting Co., Lamar, Colo., modification of license to change hours of operation from sharing with KGIW to specified; New, Florida Capitol Broadcasters, Inc., Tallahassee, Fla., C.P. for a new station to operate on 1310 kc., 100 watts, unlimited time; WCBA, B. Bryan Musselman, Allentown, Pa., extension of special exp. authorization to operate with 250 watts additional power for 90 days; WSAN, WSAN, Inc., Allentown, Pa., same as for WCBA.

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