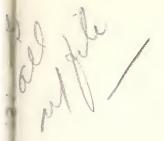
# HEINL RADIO BUSINESS LETTER

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# BROADCASTERS MAINTAIN DESIRE ONLY TO KNOW NEWS RIGHTS

Replying to a protest made by A. H. Kirchhofer, Managing Editor of the <u>Buffalo News</u>, which operates Station WBEN in Buffalo, the National Association of Broadcasters declared it was erroneous to assume that the action of the Association in providing machinery for the collection of voluntary contributions to back the appeal of Station KVOS, Bellingham, Washington, against the Associated Press' charge of news "piracy" meant that the broadcasters favored such a practice.

The Associated Press sought an injunction to restrain the station from reporting its news dispatches for a period of 24 hours after the news had been printed. The station admitted reading the dispatches but the Federal District Court in Washington dismissed the complaint, and the A.P. made an appeal.

It was stated that the National Association of Broad-casters' interest is simply in having the issue judicially determined once and for all so that radio stations and newspaper publishers alike may know their definite rights.

Furthermore the broadcasters set forth that it is not the intention of the Association to intervene in the case, that they simply asked for financial help for KVOS, which has retained former Senator C. C. Dill. Station KVOS is a small station of only 100 watts power which is unable to pay for the appeal.

The letter of protest from Mr. Kirchhofer to Philip G. Loucks, Managing Director of the NAB read:

"We will not contribute to such a wholly unwise and utterly indefensible effort on the part of the National Association of Broadcasters, or any other agency, to finance or promote a fight to break down property rights in news.

"I wonder if you stopped to consider, in taking such a preposterous position, that you say in effect you are going after the other fellow's property irrespective of his established legal rights? What will the situation be tomorrow if newspapers or other agencies apply the same reasoning to radio as a whole or to an individual station in particular?

"It is not my wish to usurp the functions of the higher courts, but it is my opinion that the previous decisions protecting newspapers and press associations against news pirates will be upheld in the higher courts. If that assumption be correct, there is all the more reason why radio should not be mirch itself in such a palpable effort to legalize theft.

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"Radio stations, whether newspaper owned or not, cannot gain from the program you propose, whether property rights in news as developed in the KVOS case are upheld or not. It seems to me bad enough for an individual station to attempt to justify news piracy without the agency representing the industry as a whole trying to uphold it in such an act.

"The course of action outlined in your letter is one of the most unwise acts NAB can commit. It seems to me capricious and irresponsible. We hope your Executive Committee, in reconsidering this matter in all its important aspects, will see fit to reverse a decision that is as short-sighted as it is unjustified."

"The radio industry's interest in the case is the same as the publishing industry's; namely, clarification of the law governing rights in news", the National Association of Broadcasters declared. "Teo Federal Courts have previously held that newspapers are protected in their news for a period of 24 hours after publication. Judge Bowen, after considering these previous decisions, rejected them and laid down a different rule of law and at the same time held that the AP-INS decision of the Supreme Court of the United States relates only to unfair competition between competing press associations and does not apply as between radio stations and newspapers. This leaves the law in a state of confusion and this confusion can only be clarified by a decision of the highest court of the land.

"In the interest of obtaining a sound decision on the issues it is necessary that both viewpoints be presented to the upper courts. Failure of the appeal certainly would not result in a determination of the issue."

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#### STATIONS ARE ON THEIR TOES

Measurements made during the past month by the Engineering Division of the Federal Communications Commission revealed the fact that 378 broadcasting stations had a maximum deviation within 0-10 cycles; with 133 stations within 11-25 cycles, 53 stations within 26-50 cycles, and 5 stations with over 50 cycles deviation.

During the month, the Division checked up on 569 broadcasting stations.

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# GERMANY RENEWS EFFORT TO EQUAL OTHER NATIONS IN RADIO

Despite the great assistance given to radio by the Government in that country, Germany, according to Vice-Consul C. T. Zawadski in Berlin, is still far back of other countries as far as use of the radio in private homes is concerned.

"Germany had, at the end of 1934, only 91 radio listeners per 1,000 inhabitans, as against 143 in Great Britain, 152 in Denmark, and 165 in the United States", Consul Zawadski reports. (According to Consul Damon C. Woods at Toronto, there is now one radio set in use for every 8 Canadian inhabitants.) However, the net gain in the number of subscribers in the German broadcasting system represented an increase of 22 percent as compared with 14 percent increase registered in Great Britain during the same period.

The total number of registered receiving sets in Germany on January 1, 1935, was 6,142,921, compared with 5,574,001 on October 1, 1934, an increase of 568,920.

The radio most in demand in Germany is the "People's" one-circuit receiver which is produced by practically all radio manufacturers in the country. The turn-over in these sets during the last quarter of 1934 totalled 368,749 units, a figure 105,429 larger than in the corresponding period of the preceding year. Increased sales of these low-priced radio sets, the report points out, are of special economic importance in view of the fact that the production of these models forms the backbone of the existence of numerous medium and small manufacturers of sets and radio parts.

Exports of radio receiving sets from Germany in the last quarter of 1934 registered a decline as compared with the like period of the preceding year, the report shows. Sales abroad fell from 56,877 units valued at 5,171,400 reichsmarks in the October-December period of 1933 to 43,461 units valued at 4,045,900 reichsmarks in the final quarter of 1934.

All-wave sets are being produced specially for the tropical markets.

It is to be expected that the favorable development in the German radio industry will continue throughout 1935, although this will probably take place at a slower rate than the preceding year. The number of registered radio listeners will no doubt exceed 7,000,000. The industry also expects a better development of exports.

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## RECOMMENDS GRANTING LICENSE TO "BROOKLYN DAILY EAGLE"

A report by George H. Hill, Examiner, to the Federal Communications Commission has recommended denial of the applications of four Brooklyn stations, all sharing time on the same channel, for renewal of their licenses, and advised that the channel be given to The Brooklyn Daily Eagle, which has filed an application for a construction permit.

He also recommendats that if the application of the Brooklyn Daily Eagle Broadcasting Co., Inc., is granted, then the application of Arde Bulova and Norman K. Winston for a construction permit for a new station should be denied, but if the application of Brooklyn Daily Eagle Broadcasting Co., Inc., is denied, the application of Bulove and Winston for a construction permit should be granted.

It was also recommended that the applications of the licensees of Stations WHAZ, Troy, N. Y., WFAB, New York, N.Y. and WBBR, Brooklyn, for renewal of licenses, be granted.

The stations adversely reported on by the Examiner are:

WARD, United States Broadcasting Corp., Brooklyn, N.Y.; WBBC, Brooklyn Broadcasting Corp., Brooklyn, N. Y.; WLTH, Voice of Brooklyn, Inc., Brooklyn, N. Y., and WVFW, Paramount Broadcasting Corp., (formerly Station WFOX), Brooklyn, N. Y.

Denial of the application of the Debs Memorial Fund, Inc., Station WEVD, for unlimited operation was also recommended although the report praised the station's programs. It said that the application would require transfer of three other stations from the 1300 to the 1400 kilocycle frequency and that this transfer would result in objectionable interference with still other stations.

The Examiner, in making the recommendation with regard to the Brooklyn Daily Eagle Broadcasting Co., and Arde Bulova and Norman K. Winston, set forth the following facts:

"The applicants, Brooklyn Daily Eagle Broadcasting Co., Inc., and Arde Bulova and Norman K. Winston, are each legally, technically, financially, and otherwise qualified to construct and operate the proposed station, and the tentative programs submitted by each appear to be well balanced, of the highest type, and designed to serve the Brooklyn area. It also appears that the equipment which will be used by either applicant is of modern design and meets all the requirements of the Commission. Upon consideration of the entire record, the evidence presented in behalf of each of these applications appears to be almost evenly balanced, and in the opinion of the Examiner the public interest, convenience, and necessity would be well served by the granting of either of them.

"In addition to an adequate showing as to financial responsibility, however, it appears that the Brooklyn Daily Eagle has been identified with the social, civic, and economic life of Brooklyn for almost a century and would be conversant with the radio program needs of this area, while Bulove and Winston reside in New York City and would not be in a position constantly to have first hand knowledge of such needs. The record also indicates that Mr. Bulova owns 50% of the capital stock of the WODAAM Corp., licensee of Station WNEW, and that this station is located approximately 12 miles distant from Brooklyn and operates with 1 KW power at night and 2½ KW in the daytime, thus rendering some degree of service to this area, as a consequence of which the granting of the application of Brooklyn Daily Eagle Broadcasting Co., Inc., would tend to distribute the radio facilities available to this area.

"The entire record considered, the Examiner is of the opinion that the granting of the applications of the licensees of Stations WARD, WBBC, WVFW, and WLTH for construction permit, modification and renewal of licenses and the applications of the licensees of Stations WARD, WVFW, and WLTH for assignment of licenses to the Broadcasters of Brooklyn, Inc., would not serve public interest, convenience, and necessity."

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# CBS 1934 PROFIT \$2,274,120

Columbia Broadcasting System and its subsidiaries have reported consolidated net profit of \$2,274,120 in 1934, after depreciation, Federal taxes, etc. For 1933 the corresponding figure was \$923,794. Earnings per share on the 852,335 combined Class A and Class B shares outstanding amounted to \$2.67 for 1934, against \$1.08 in 1933.

Figures on total income were not available this week, but the CBS time sales are reported by National Advertising Records to have been \$14,825,845. Disregarding other sources of income, the figures indicate that net profit amounted to about 15 per cent of time sales. Time sales for 1933 were reported as \$10,063,566, and for 1932 \$12,601,885.

Current assets as of Dec. 29, 1934, including \$784,936 cash and \$2,175,000 United States Treasury notes, amounted to \$4,609,947, and current liabilities were \$1,167,380.

Mr. Paley, in making his annual report, referred to a survey recently made public by his company after extensive research in cooperation with the statistical staffs by Dr. Daniel Starch and the McGraw-Hill Publishing Company.

"Trained field investigators", said Mr. Paley, "made 125,000 house-to-house interviews, in 321 communities and determined that at least 21,400,000 American homes were radio homes, representing at least 64,200,000 radio listeners in these homes as of Jan. 1, 1935. There were 2,295,770 homes with two or more radio sets and 1,800,000 automobiles with radios, a total of more than 25,500,000 radio sets in the whole country."

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## A. T. & T. EARNS \$1.61 A SHARE

The American Telephone and Telegraph Company reported this week a net income of \$30,097,288 for the first quarter of 1935, which was equal to \$1.61 a share earned on 18,662,275 shares of capital stock. This income compared with \$32,992,340 or \$1.77 a share, in the same period of 1934.

A consolidated income account of the Bell System, comprising the American Telephone and Telegraph Company and its twenty-four associated companies, was issued for the first two months, the first partial report ever put out by the system. The earnings applicable to A. T. & T. shares were \$18,616,727, or \$1 a share, compared with \$18,552,942, or 99 cents a share, for the first two months last year.

These earnings include the system's proportionate interest in the deficit of the Western Electric Company and in the earnings or deficits of other controlled companies not consolidated.

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#### NEW A.A.A. OFFICERS

The following new officers of the American Association of Advertising Agencies were elected as the Annual Convention of the Association held at White Sulphur Springs:

Chairman of the Board - Raymond Rubicam, Young & Rubicam, Inc., New York City; Vice President - Maurice Needham, Needham, Louis and Borby, Inc., Chicago, Ill.; Secretary - William Benton, Benton & Bowles, Inc., New York City; Treasurer - E. DeWitt Hill, McCann-Erickson, Inc., New York City; New Board Members-at-Large - Arthur H. Kduner, Erwin, Wasey & Co., Inc., New York City; Gilbert Kinner, J. Walter Thompson Co., New York City, and Guy C. Smith, Brooke, Smith & French, Detroit, Mich. X X X X X X X X X X X X X

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# RADIO NOTABLES ATTEND GRIDIRON JUBILEE DINNER

Those in one way or another connected with the radio industry who attended the Golden Jubilee Dinner of the Gridiron Club in Washington last Saturday night were Capt. Taylor Branson, leader of the United States Marine Band, and one of the country's pioneer broadcasters; Gene Buck, American Society of Composers, New York City; Louis G. Caldwell, Washington; Senator Royal S. Copeland; Senator James Couzens; Archer Gibson, New York City; Edwin C. Hill, New York City; C. B. Jolliffe, Federal Communications Commission, Washington, D. C.; Frank E. Mason, National Broadcasting Co., New York City; Alfred J. McCosker, Station WOR, Newark, N. J.; Commissioner George Henry Payne, Federal Communications Commission; F. M. Russell, Station WRC, Washington, D. C.; David Sarnoff, Radio Corporation of America, New York City and Frank W. Wozencraft, Radio Corporation of America, New York City.

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#### ARE DEMANDING FEE FOR RECORDINGS BROADCAST

An organization known as the "American Society of Recording Artists" is asking, beginning May 15th, from 5 to 15 cents from broadcasting stations every time a record is played and a sustaining fee of \$5 a month. As one broadcasting expert figures it, this would yield approximately \$5,000,000 a year, twice what the ASCAP receives.

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#### NEWARK CONCERN APPLIES FOR TELEVISION LICENSE

An experimental license has been applied for by the National Television Corporation of 260 Sherman Avenue, Newark, N. J. Chester H. Braselton, 52 Vanderbilt Avenue, New York City is president of the corporation.

Visual broadcasts would be sent out over a 500-watt station, already completed, using frequencies of 2000 to 2100 kc.

Assets of the corporation were listed as cash, \$2,395.14; investments, \$13,348.40; patents and patent rights, \$1,105,640.42; equipment, etc., \$141,982.48.

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A radio program commemorating the fiftieth anniversary of the American Telephone and Telegraph Co. will be broadcast Sunday evening, April 28th, over the Columbia Broadcasting System, at 6 P.M. EST. The program will feature Edwin C. Hill, Channing, Pollack, Ted Husing, and Andre Kostelanetz and his 50 piece orchestra and chorus. The celebration will close with a statement by Walter S. Gifford, President of the Company.

Station WJR, Detroit, Mich., will become an outlet of the Columbia Broadcasting System on September 29th. Known as "The Goodwill Station", WJR operates on a wavelength of 750 kc. and with a power of 10,000 watts. WJR will replace Station CKLW as the CBS outlet in the Detroit area.

The annual report of the Marconi International Marine Communication Co., Ltd. (England) for 1934 shows: Net profit after depreciation, income tax reserve of £5,000 and other charges, was £115,891, compared with net profit of £98,222 in 1933 after depreciation and income tax reserve of £11,000. Balance carried forward after dividends, and general reserves were £18,250, against £11,813 at end of 1933.

Columbia has notified Mayor Bachrach of Atlantic City that it will not continue the operation of WPG, municipally owned station in Atlantic City, after June 30th. WPG has been a steady money loser.

Commenting upon the cancellation Mayor Bachrach said: "I am inclined to believe the city might run the station itself for publicity value out of our advertising appropriation unless we receive very good offer for its use from private interests."

Edgar H. Felix and his assistant, J. C. Waller, engaged by the Bamberger Broadcasting Service to make a field strength measurement survey of WOR's new 50,000 watt transmitter, were arrested in Wilmington, Del., as suspicious characters by the Wilmington constabulary. The police were under the erroneous impression they were conducting short wave communications in behalf of a bootleg racket. Following several hours of courteous grilling, they were finally released for lack of evidence.

A new monthly bulletin, "The Television Times" has been started by Benn Hall, of 326 W. 4th Street, New York City. The price is \$2 a year.

Kolster-Brandes, Ltd. (England) shows for 1934: Net loss after expenses, depreciation, directors' fees, reserve for doubtful debts and other charges, £32,062, compared with £150,057 loss in 1933.

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STATION WRDO, AUGUSTA, ME., JOINS YANKEE NETWORK

On Saturday, April 6th, Station WRDO, of Augusta, Me., became associated with the Yankee Network. The acquisition of WRDO as an associate station makes a total of twelve stations on the Yankee Network, which now covers the New England States from Bridgeport, Conn., to Bangor, Maine, and from Boston to the Western part of New England.

The new Yankee Network associate is a 100-watt station operating on a frequency of 1370 kilocycles, and it is located in the capital city of Maine. Centrally located in the State, WRDO makes an ideal outlet for programs that are designed to reach the heart of the Down East section of the United States.

The Yankee Network's key station, WNAC in Boston, was established on July 31, 1922, operating as a single, independent station until October, 1928, when it became affiliated with Station WEAN, of Providence, R. I.

Almost immediately John Shepard 3rd, President of the Yankee Network, saw the advisability of increasing radio coverage of the New England States, but it was not until February, 1930, that Station WLBZ, of Bangor, Me., became associated with the new network.

In the following months expansion was very rapid. WNBH, of New Bedford, Mass., one of New England's oldest stations, adopted the Yankee Network aegis in May of 1930. WORC, Worcester, Mass., joined in July, and WICC, Bridgeport, Conn., came along in November. Another Nutmeg State station affiliated when WDRC, Hartford, Conn., entered the Yankee Network in January of 1931. This was followed on April 20, 1931, by the establishment of an alternate key station, WAAB, in Boston.

WFEA, of Manchester, N. H., associated with the Yankee Network on March 1, 1932. On September 1 of the same year WMAS, of Springfield, Mass., opened up and became a Shepard associate immediately. Similarly, WLLH, of Lowell, Mass., became associated with the Yankee Network with its initial broadcast on October 10, 1934.

# HANSEN, ACCOUNTS CHIEF, FCC DIES

A heart attack brought death Sunday afternoon to Arnold C. Hansen, Chief Accountant for the Federal Communications Commission at his home in Washington. At the age of 56 he had had a distinguished career in business and in the Government service. He had held executive positions in the Interstate Commerce Commission and the Bureau of Internal Revenue.

Hansen was born in Marstel, Denmark, on January 17, 1879. Coming to the United States, he studied at New York University and George Washington University, Washington, graduating in law from the latter.

From 1892 to 1906, he served the Erie Railroad as accountant and then became general auditor of the Bush Terminal companies in New York. He entered the Interstate Commerce Commission in 1908 as an accounts examiner, wrote many classification forms prescribed for railroad accounts and headed the New York office until 1915 when he resigned.

He later returned to the Government service as an Internal Revenue Bureau Senior Auditor, was appointed Senior Examiner of the Accounts Bureau of the Interstate Commerce Commission in 1926. During 1933 and 1934, he supervised the investigation of communications companies under a House resolution. Dr. Walter M. W. Splawn was General Director of the inquiry. Its special report helped found the Federal Communications Commission for which Hansen became Accounts Chief last October.

The Commission at a special session held yesterday adopted the following resolution of appreciation and Sympathy in connection with Mr. Hansen's death:

"Whereas on Sunday, the 14th day of April, 1935, Mr. Arnold C. Hansen, Chief of the Accounting, Statistical and Tariff Department of this Commission, departed this life;

"Whereas Mr. Hansen rendered highly efficient and meritorious service to this Commission in organizing that Department and continued to render such service up to the time of his death in supervising and directing that Department; and

"Whereas Mr. Hansen by his unselfish loyalty and devotion to this Commission and to the public and by his high professional and personal character has ingratiated himself with the members of this Commission who are therefore profoundly grieved by his death:

"Now, therefore, as an expression by this Commission of its appreciation of his invaluable service, of his unselfish loyalty and devotion, and of his high professional and personal character, and as an expression of its sympathy with the bereaved members of his family and with his friends;

"It is ordered, That this resolution of appreciation and sympathy be adopted and that a copy thereof be filed in the archives of this Commission and a second copy thereof be sent to members of his family with the condolences of this Commission."

Surviving are his wife, the former Ida Kornhoff; his son, Arnold; his mother, Mrs. Emilie S. Hansen and his sister, Mrs. Arthur Krug, both of Garfield, N. J.

Services will be held at Garfield, N. J. at 2 P.M. Thursday; interment will be in Cedar Lawn Cemetery, Jersey City.

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## PERU SIGNS CONTRACT WITH MARCONI FIRM

A new agreement has been signed between the Peruvian Government and the Marconi Wireless Company who had been at odds since 1930, when President Augusto B. Leguia was ousted in the Arequipa revolution.

Under the new agreement for operation of Peru's telegraph and radio service, the Marconi company's foreign staff of specialists is limited to seven persons. The entire foreign personnel must not exceed 2 per cent of the total employed.

The company expressly renounces the right originally accorded to it to erect an international radio station in Lima but receives preferential position regarding any future international communication program adopted by Peru.

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## WTMJ "VOX POP" CLICKS

Taking a leaf from the experience of newspapers with their "letter" columns, WTMJ last Fall made provisions for public self-expression via radio. Broadcast circuits were installed at a busy point on Wisconsin Avenue in Milwaukee and there for 15 minutes each day WTMJ announcers gave passersby opportunity to express their opinions on current affairs.

The feature has become one of the station's most popular programs. Only disapproval came from out-of-town listeners and Milwaukeeans who could not get downtown and have their say-so. To remedy this WTMJ is changing its Voice of the People broadcast to three days on the outside and three days in the studio. The latter broadcasts will be limited to reading letters from listeners who will be invited to write their opinions on given subjects.

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