

# HEINL RADIO BUSINESS LETTER

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## BROADCASTERS PONDER OVER SUCCESSOR TO PHIL LOUCKS

The main topic of conversation of members of the National Association of Broadcasters between now and the time of their convention in Colorado early in July, will be the question of who is to succeed Phil Loucks as Managing Director of the Association. Unquestionably there will be dark horses and many added starters, but up to now, comparatively few names have been mentioned. These include James W. Baldwin, Executive Officer for the Code Authority of the Broadcasting Industry, and former Assistant Secretary of the National Association of Broadcasters; Henry A. Bellows, former member of the Radio Commission, and formerly a Director of the NAB; H. K. Carpenter, of Station WHK, Cleveland; former Radio Commissioner H. A. Lafount; William S. "Bill" Hedges, former President of the NAB, and now manager of NBC operated stations; Oswald F. Schuette, formerly in charge of copyright matters for the NAB; and J. C. McNary, Technical Advisor of the NAB, who has been very satisfactorily "pinch-hitting" for Mr. Loucks of late when Loucks has been absent from Washington in connection with organizing State membership committees.

Although he has talked about it from time to time, the resignation of Phil Loucks, who has almost grown up with the Association, came as a distinct surprise to many. It was thought even by those most closely associated with him that at the last minute he would give up the idea of reentering law practice and remain with the National Association of Broadcasters, with which he has been connected for the past five years, indefinitely. The reelection of Phil Loucks as Managing Director was almost automatic and had he chosen to remain, he would unquestionably have been reelected at Colorado Springs in July.

It is yet entirely too early to forecast accurately as to Mr. Louck's successor. There is much to be said in favor of Mr. Baldwin, who not only was formerly Secretary of the old Radio Commission, but at the moment, through his work as Executive Officer of the Broadcasters Code Authority, is continually in touch with practically every broadcasting station in the United States.

The qualifications and outstanding ability of Henry A. Bellows, especially his legislative work in Washington, are too well known to need recapitulation. The same with former Commissioner Lafount. Mr. Hedges was very successful in his work at KDKA and is said to be doing equally as well in his present larger capacity in New York. It was pointed out that there might

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be some objection to Hedges' selection from members of the Association not affiliated with the networks.

Of late there has been considerable talk of developing an organization of the independent and smaller station owners, and the new Managing Director would have to be a man who could meet this situation.

Because of the fact that five of the nineteen Directors, who are to vote on the selection of a new Managing Director, are to be elected at Colorado Springs, and because a new President is likewise to be chosen there, there will be considerable uncertainty until the very last minute as to who is actually to succeed Mr. Loucks. Nevertheless there is considerable discussion on the subject and doubtless politics will be indulged in before the new active head of the industry is finally selected.

The Directors whose terms expire at the next meeting are J. Thomas Lyons, WCAO, Baltimore, Md.; I. Z. Buckwalter, WGAL, Lancaster, Pa.; Stanley Hubbard, KSTP, St. Paul, Minn.; Harold Wheelahan, WSMB, New Orleans, La.; and Powel Crosley, WLW, Cincinnati, O.

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#### FCC HEAD ENDORSING COLUMBIA MARKS NEW POLICY

Official endorsement by Anning S. Prall, Chairman of the Federal Communications Commission in connection with the Columbia Broadcasting System's new "three-point" program policy, sets a precedent. Up to this time, except where performances have been alleged to be obscene or otherwise objectionable, the Commission has taken no official notice of the character of the program.

Further approval of Columbia's policy was seen when Senator Burton K. Wheeler, Chairman of the Senate Interstate Commerce Committee, which has jurisdiction there over radio matters, asked that the statement of Chairman Prall and that of Columbia be printed in the Congressional Record. This was done on May 14th and copies of the Record may be obtained carrying the full text upon application to Senator Wheeler.

"This new pronouncement of policy by the Columbia Broadcasting System is gratifying not merely because it is one of the most forward looking steps ever undertaken in the great American radio industry but also because it is the considered undertaking of a network serving more than 100 stations from Coast to Coast", Chairman Prall declared.



"Such an example of wise leadership can hardly fail to exert a profound influence on American broadcasting generally. The net effect of such a marked raising of broadcasting standards can only be to enhance further radio's unique influence on our modern ways of living and thinking, and to increase at the same time the interest of the listener and the value of the broadcast service to him."

The new "three-point" policy of Columbia, as outlined by William S. Paley, President, is, first, advertisers must cut down on the length of their announcements effective July 30, to a maximum of 10 per cent of the total broadcast may be devoted to the sponsor's commercial announcements, including contest and offers, on programs after 6 p.m. On daytime programs the maximum will be 15 per cent. Further, "unpleasantly rapid delivery of the sales message, to effect a crowding of excessive material into the period allowed for the commercial announcement, will not be permitted."

Secondly, advertising of articles which "by their nature present questions of good taste in connection with radio listening" will be prohibited. This policy is effective immediately in regard to new business. As to existing business, the policy is effective as the contracts expire. The last of these expires March, 1936.

Thirdly, Columbia cracks down heavily on children's programs. Prohibitions include features that exalt gangsters and criminals, glorify disrespect of parents, present greed and selfishness as a worthy motivation, or make dishonesty or deceit attractive. In an effort to improve these programs Columbia is engaging a child psychologist and an advisory board to steer the programs into proper channels.

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#### LABOR BOARD DISMISSES CHARGES AGAINST RCA RADIOTRON

The National Labor Relations Board has dismissed charges of violation of Section 7(a) brought against the R.C.A. Radiotron Company, Inc., by the Radio Metal Workers Industrial Union, Local No. 5. The case involved the dismissal of three employees at the company's Harrison, N. J. plant.

Upon appeal by the company from a recommendation by the New York Regional Labor Board that the three workers be reinstated, the National Board conducted a hearing on April 1, 1935. Evidence was found lacking, in the opinion of the National Board that the company was influenced in its discharge of the workers by any knowledge, or prejudice against, their union activities, and the Regional Board decision was hence reversed.

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## NEW STATION RECOMMENDED FOR INDIANAPOLIS

A favorable report has been submitted to the Federal Communications Commission with regard to granting the application of L. M. Kennett, for the construction of a new 1000 watt station in Indianapolis, Ind., to be operated daytime on a frequency of 600 kc.

The Communications Commission will pass upon the recommendation at a later date.

The conclusions of George H. Hill, who was the Examiner in the case, were as follows:

"1. The applicant is legally, financially, technically, and otherwise qualified to construct and operate the proposed station.

"2. There is need in the Indianapolis area for the service of a radio station devoted to the broadcast of local programs, and there is adequate local talent to meet the requirements of such a station.

"3. No substantial interference would be caused to any existing service by the operation of the proposed station in Indianapolis, Indiana.

"4. Public interest, convenience, and necessity would be served by the granting of the application of L. M. Kennett for a construction permit."

There are two broadcast stations now located in Indianapolis, WFBM operating on 1230 kilocycles with 1 KW power unlimited time and WIRE operating on 1400 kilocycles with 500 watts night, 1 KW day power, unlimited time. However, both of these stations are chain outlets, WFBM being affiliated with the Columbia Network and WIRE with the National chain, and it appears that during 1934 WIRE devoted 40% of its total time to National Network programs while WFBM devoted 60% of its time to the Columbia Network. During the period from January 1, 1935 to the date of the hearing WFBM carried network programs 70% of the time and WIRE carried such programs 50% of the time. The only consistently satisfactory daytime service received in Indianapolis from stations located elsewhere is that afforded by Station WLW in Cincinnati, Ohio, which station also is a chain outlet being affiliated with the National and Mutual Systems.

The State of Indiana is due 7.7 units in daytime broadcast facilities and is assigned 5.52 units while the Fourth Zone is due 65 units and is assigned 64.20 units. The granting of the proposed application would increase the daytime quota of the State and Zone by .5 units. There are 9 other applications pending from Indiana, involving an increase in the daytime quota of the State and Zone.

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## BROADCASTERS AND EDUCATORS AROUND KILOCYCLE MAYPOLE

With members of the Broadcast Division of the Federal Communications Commission looking on, educators and broadcasters joined hands to peacefully dance around a May Pole of kilocycle accord.

Representatives of the two groups met in Washington at a conference called by the Commission to formulate plans for mutual cooperation in presenting educational programs over the radio.

Among the broadcasters in attendance at the meeting were John Royal, NBC Vice-President and Program Director; Alfred J. McCosker, of Station WOR, Newark; Frederic K. Willis, Assistant to the President of Columbia; H. K. Carpenter, of WHK, Cleveland; Joseph Ries, Educational Director WLW, Cincinnati; Harry C. Butcher, Washington representative of Columbia; Frank M. Russell, Vice-President, NBC, and Edwin M. Spence, Director of WBAL, Baltimore.

Of the many suggestions offered at the conference, one which apparently met with most favor among the delegates was that offered by Allen Miller, Director of Radio at the University of Chicago, and head of the University Broadcasting Council.

He pointed out that the University Council was formed in Chicago to act as a coordinating link between the Universities and the broadcasting stations in that area. It will stage educational programs from a central studio in downtown Chicago. This studio will be linked with sub-studios at the various universities and will also be connected by wire with the various radio stations airing its programs. The schools joined in this radio venture are Northwestern, Chicago and De Pauw.

The cost of operation was estimated by Miller at \$55,000 a year. Both the stations and universities will contribute to the operating expenses. The matter of programs will be left entirely up to the Board operating the Council.

This Board, according to Miller, hopes to overcome what it deems the reasons for the failure of educational broadcasts to date. They are: lack of expert guidance and supervision, inadequate financial support, lack of cooperation between broadcasters and educators and poor program design.

Educators who have been the leaders in a fight for the reallocation of radio frequencies to give educational groups a larger percentage of wavelengths indicated at the hearing that they would drop this demand if the broadcasters would work with them. Broadcasters present at the meeting announced through J. Truman Ward, President of the National Association of Broad-

casters, that they were ready and willing to do this. Both Ward and John W. Studebaker, U. S. Commissioner of Education, favored the appointment of a committee to develop a plan favorable to the two groups.

"If there could be appointed some sort of committee to consider the viewpoints presented at this Conference and then to study the situation there might no longer be such a lack of unity in plan and philosophy concerning education by radio", Mr. Ward said. "There might then be a greater organized effort on the part of our universities and school systems in developing the use of radio at the reception and to supplement their regular class room work. This might then result in the development of approved educational broadcasts meriting the wide public interest accorded the best commercial programs.

"Thus we believe that the chief constructive consideration of this Conference should be the thought of organizing a committee for the cooperative study of this problem and to present some suggested plan for the application of the radio to education, and for the coordination of the educators' efforts."

Studebaker commended the Parent-Teacher groups for their fight to raise the standard of juvenile programs. He called upon the Commission to assume more responsibility on this matter than it has in the past.

Patent medicine advertising on the radio was attacked by Drs. W. W. Bauer, and Arthur J. Cramp, both of the American Medical Association. They asked for the right to attack over the air statements made by these advertisers. Dr. Bauer also asked for the right of medical men to discuss the cause and prevention of social diseases, on the radio.

In pointing out what he termed "misstatements of medical facts", in commercial announcements on certain patent medicine programs, Dr. Cramp stated:

"Radio advertising is more objectionable than newspaper advertising of the same product. The public has developed a defense mechanism against this type of advertising print. Sponsors of these products are also much more cautious about statements they make in the newspapers. Young people don't read them, but they do hear them on the air. Broadcasting stations are far behind newspapers and magazines in handling this type of advertising."

That the intelligence of the average listener is three years older now than it was, was the assertion of Dr. J. H. Upham, Dean of the School of Medicine of Ohio State University. Dr. Upham said the intelligence of the average listener today is between 15 and 16 years old instead of 12 and 13 as it used to be.



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Dr. Arthur G. Crane, President of the University of Wyoming, and a representative of the National Committee on Education by Radio, called for the establishment of a public broadcasting system to supplement, but not supplant, the present commercial system. This plan was offered to give American listeners programs free from advertising and to present entertainment and information to promote public welfare.

The plan calls for the following: A national radio system to be managed by a series of national, regional and State boards, about 50 in number, with representatives of agriculture, labor, music, drama, schools, religion, science, medicine, law and arts on the boards. Members of the State boards are to be nominated by the Supreme Courts of the various States and confirmed by the Governors. The system shall be available for public forums and operated by a chain of non-profit welfare stations. The Government shall make provision for operating funds and allocation of radio channels. The various State Boards shall study the desires of listeners and prepare programs to appeal to them.

Dr. Crane believes that \$3,600,000 can be raised for the operation of such a supplementary radio chain through the contribution by the Government of a penny a month for each pupil enrolled in the public schools of the land.

Support of the plan was voiced by Frederick A. Ballard, representing the American Civil Liberties Union. He also offered a resolution for the formation of a new Radio Commission to investigate the American Radio System from the ground up to determine what future action should be taken.

The Rev. Fr. John B. Harney, representative of the Paulist Fathers, who operate WLWL in New York, demanded 25 percent of the available radio facilities for non-profit groups and 50 percent of the evening time on commercial stations for educational broadcasts. He also attacked a program on NBC sponsored by the Mexican Government and praised Columbia's recent plan for program purification. He suggested that the Commission adopt the Columbia plan and make it binding on all stations under its jurisdiction.

Broadcasting of alien propaganda and obscene programs should be penalized by immediate revocation of license, Father Thorning, who represented America, a national Catholic review, told the Commissioners. He said thus far the Mexican Government was the only foreign nation to put foreign propaganda on the radio, but he pictured Japan and Russia as doing likewise in an effort to obtain the aid of the United States.

After the shouting had all died down, Judge E. O. Sykes, Chairman of the Broadcasting Division of the Commission, announced that a committee would be formed to further study the matter of cooperation between educators and broadcasters. He appointed U. S. Commissioner of Education John W. Studebaker Chairman of the Committee. What the Commission, or anybody else for that matter, will do with the report of this committee, was not revealed.

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#### ASCAP READY TO BEGIN GOVERNMENT BATTLE NEXT MONTH

With Federal Judge John C. Knox, of New York, heading the Government anti-trust suit against the American Society of Composers up for trial on June 10th, the Composers have indicated that they are ready to go ahead. The progress of the suit naturally will be followed with great interest by the broadcasters.

One report is to the effect that there will be a continuance of existing broadcasting station contracts with the Composers for six months beyond September 1st when the present licenses expire. This decree would mean that the Composers under court offices would consent to the elimination of certain practices subject to court action if violated.

As it stands now, the broadcasters pay 5% of their net receipts each year, plus arbitrary sustaining fees, making the annual payment to the Composers something like \$2,500,000.

In his argument for an early trial, Andrew W. Bennett, Special Assistant to the Attorney General, in charge of the Government suit, said that past experience led the owners of the businesses involved to believe that greatly increased royalties will again be demanded by the American Society of Composers, and that they will be forced to pay such increased amounts or go out of business.

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#### CENTRAL BROADCASTING BUILDING FOR VIENNA

At a recent meeting, the Board of Management of the RAVAG, the Austrian Radio Company, resolved on the construction of a central broadcasting building on the land of the "Theresianum" in the center of Vienna at an estimated cost of 6,700,000 schillings. This building is to contain all the offices, the technical rooms and the studio of the RAVAG, which are now located in two separate buildings. Construction will be started this summer so that the buildings can be completed before next winter sets in, Commercial Attache Gardner Richardson at Vienna, reports.

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## GOVERNMENT WAKING UP ON TELEVISION

About the first interest in television officially shown by the Government, is the Commerce Department sending Andrew W. Cruse, Chief of the Electrical Division, abroad to see what England, France and Germany are doing.

Mr. Cruse has been instructed to get first-hand information on television developments in these countries with a view to presenting them to American industry. How long he will remain abroad is not known.

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## PROPOSED CATHOLIC STATION SHIFT MUST AWAIT HEARING

The Federal Communications Commission has turned down a petition from Rev. John B. Harney, Superior General of the Paulist Fathers of New York, owners of WLWL for immediate action in connection with a proposed shift of eight or nine stations which would allow WLWL to share time with WWL, another Catholic station, Loyola University, of New Orleans, La.

A hearing on this case had previously been set for the latter part of June, and the Commission ruled that Father Harney would have to await the outcome of this.

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## SHRINE CONVENTION TO HAVE LARGEST SOUND EQUIPMENT

The setup being installed for the Shrine Convention to be held in Washington early in June is believed to be the largest sound installation of its kind ever employed in the United States.

The amplification devices will be set up to cover the line of march on Pennsylvania Avenue from Fourth Street to Seventeenth Street; the water sports carnival off Haines Point; divine services on Temple Heights and the National Theater headquarters for the Shrine.

The system on Pennsylvania Avenue is to be operated on a complete network or as 12 separate units for the carnival features. More than 75 R.C.A. high fidelity speakers and 55 velocity microphones are to be used.



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One of the first efforts made to amplify the speeches and to carry the music of bands playing along the line of march through loud speakers was attempted when the Shrine held its convention in the National Capital a number of years ago. This was thought to be a marvelous thing at the time but in the light of future developments was looked upon as a faint carbon copy of what will be done at the forthcoming convention.

"The reproduction of music of the Shrine bands and of voices of the speakers through the system being installed for the June convention will be natural and not be discorded", said F. N. Chase of the National Electrical Supply Co. "There will be no over-amplification and the reproduction will be correct. When John Smith talks, it will sound like John Smith.

"We gave this system a tryout when Admiral Byrd arrived at the Washington Navy Yard recently. Also, it was used at the White House with highly satisfactory results, when President Roosevelt addressed a large group of farmers from the south portico of the Executive Mansion. We have every expectation that the system will establish a new high standard of amplification when the Shriners assemble in Washington in June."

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#### ALL-WAVE RADIO RECEIVING SETS POPULAR IN EGYPT

The introduction of all-wave sets into Egypt has resulted in a noteworthy stimulation to radio sales in that market, according to a report from Consul General H. Earle Russell, Alexandria, Egypt.

While American makes have shared in the increased business, they have been somewhat at a disadvantage, it is pointed out, as while prices of European sets have been declining, the cost of American sets has advanced. Furthermore, American manufacturers have usually demanded terms of cash in advance or cash against documents, whereas European firms have been granting a certain amount of credit, the report states.

Midget types of all-wave sets were most in demand in the Egyptian market during the past year, the report shows. The native trade demanded a low-priced apparatus, while the more expensive units were favored by the foreign element. Wherever electric current was available, electric sets were in demand, but in many of the interior villages, where current was not obtainable, battery sets were called for.

Imports of radio receiving sets into Egypt during 1934 amounted to approximately 25,000 units, valued at £156,000 (Egyptian), with the United States accounting for 13,460 units valued at £80,000, the Consul reported.

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## "LEAGUE FOR RADIO DECENCY" OPENS UP

There has been formed an organization in New York City known as the "National League for Decency in Radio." Its purpose is "to eliminate unclean and indecent items in radio programs."

The League issued a statement to the press which reads, in part, as follows:

"The publishing and distribution of a successful newspaper or magazine requires a tremendous expenditure of energy, worry and money. The service you have rendered, and the employment you have made possible, merits you something better than that which is permitted to your competitor to monopolize at little expense, namely, the broadcasting of news items to your readers.

"In addition, you are further handicapped in that your competitor is able to offer a combination of radio and newspaper advertising at a rate which surely does not help you. Such a condition is not tolerated by either the public, or the workers in newspaper and magazine offices of Great Britain, or Canada. Why should it be permitted to exist in the United States?

"Surely, the Power Trust does not as yet control the press?

"The amount of advertising diverted in 1934 from newspapers and magazines to radio approximated \$77,000,000. Based on the first four months of 1935, it is estimated that nearly \$100,000,000 will be spent by commercial sponsors in radio advertising. In addition, and no doubt of far more interest to you, is the fact as the enclosed broadside indicates, that unclean and offensive utterances, as well as alien propaganda, of a type that no self-respecting publisher would originate, is now being broadcast by radio.

"We would appreciate your cooperation and endorsement in making possible the purposes herein set forth by the National League for Decency in Radio."

The League has its offices in Suite 2515 at 11 W. 42nd Street, New York City.

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