

# HEINL RADIO BUSINESS LETTER

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No. 828

## EXPECT MORE STATIONS CITED IN ADVERTISING CLEAN-UP

It is believed in official circles that the citing of twenty-one radio stations, with the threat that their licenses may be cancelled, for the most part because the stations carried a program entitled "Marmola", a preparation represented to reduce fat, is only the beginning of further drastic moves on the part of the Commission in a national advertising clean-up.

Indications of what might possibly be the basis of further action was the submitting by Dr. Arthur J. Cramp, Director of the Bureau of Investigation of the American Medical Association, to the Broadcast Division, of a transcript of the advertising of part of five "patent medicine" broadcasts made during the last two or three weeks.

Anning S. Prall, Chairman of the Commission, has had his eye on the advertising situation ever since he took office. Shortly after Mr. Prall took up his new duties a complaint came in about the medical broadcasts on a certain station. Ordinarily the procedure in such a case would have been a lot of checking and double-checking. Then when the station came up a month or two hence for the renewal of its license, it would have been told that it would have to clean house before another license could be secured.

In this case, Mr. Prall "shot from the hip" by sending a telegram to the station warning it that if the offensive program was not eliminated immediately, he would move to cancel the station's license.

The stations cited to appear in connection with the Marmola advertising which, according to the Commission, has been under the ban of the Post Office Department for some years, and also is in disfavor with the Federal Trade Commission, are:

KNX, Los Angeles; WBAP, Fort Worth; WGAR, Cleveland; WBAL, Baltimore; WGR, Buffalo; WHEC, Rochester; WHO, Des Moines; WIOD, Miami; WIND, Gary, Ind.; WIRE, Indianapolis; WJAS, Pittsburgh; WJJD, Chicago; WJR, Detroit; WKBW, Buffalo; WOW, Omaha; WOWO, Fort Wayne; WSMB, New Orleans; WTMJ, Milwaukee, KKRC, San Francisco; KMBC, Kansas City; KNOX, St. Louis.

The products which Dr. Cramp, of the American Medical Association, has complained of to the Commission, are: "Peruna", "Willard's Tablets", "Ex-Lax", "Alka-Seltzer" and "Crazy Crystals".

"Peruna has always been highly alcoholic, the amount of alcohol varying from 27 per cent to the present 18 per cent", Dr. Cramp set forth to the Commission. "The drugs that are alleged to be in it, in addition to alcohol, have varied at different times. Thirty years ago the Office of Indian Affairs forbade the sale of Peruna to the Indians because they got drunk on it. About the same time the Bureau of Internal Revenue notified Hartman, who then put the stuff out, that he would have to put some drugs in Peruna or take out a liquor license. He added senna. This cut down the sale to such an extent that Hartman attempted to recoup his losses by putting the old Peruna back on the market under another name - 'Ka-tar-no' - to be sold under liquor license restrictions. The Peruna broadcast recommends that 'a tablespoonful or two' be taken about half an hour before each meal and before going to bed. Two tablespoonfuls is an ounce, or about half a wineglassful. As Peruna contains twice the amount of alcohol to be found in champagne, the amount of alcohol the purchaser may get is by no means negligible.

"The Willard Tablets radio advertising theme is that the preparation is a home treatment for poor digestion, heart-burn, acid dyspepsia and stomach ulcer. It isn't necessary to point out the very serious danger that is run by a person who attempts to treat himself for such a condition as stomach ulcer. The tablets themselves were reported in THE JOURNAL of the American Medical Association to be just another one of the ant-acid preparations containing, essentially, baking powder, bismuth subnitrate and magnesium oxide, a combination that is put up in non-proprietary form by most of the pharmaceutical houses and sold, not, of course, for stomach ulcer, but for the symptomatic treatment of hyperacidity.

"Ex-Lax is broadcast as 'the delicious chocolate laxative that will not form a habit.' The purgative drug in Ex-Lax is phenolphthalein, which, like all chemical purgatives, may form a habit. There have been numerous cases reported in medical literature of serious results following the use of phenolphthalein, albuminuria, cardiac weakness, irregular respiration, gastro-intestinal disturbances, blood in the urine, and especially skin eruptions. It is said that one of the most common causes of recurring ulcers of the mouth lies in the ingestion of drugs and that phenolphthalein comes first in the production of such untoward effects.

"Yet this preparation Ex-Lax is put up in the enticing form of a candy and sold to all who wish to buy. In 1932 a case was reported in THE JOURNAL of the American Medical Association of a ten-year old boy who ate the contents of a box of Ex-Lax in mistake for candy and died. The medical profession has gone on record as being opposed to the indiscriminate sale of powerful drugs put up in the form of candy or chewing gum, because it knows that the public has a general idea that even products of an obviously medicinal character, when they are sold as package medicines for self-administration, are supposed to be more or less harmless. Dr. F. J. Cullen of the Federal Food



and Drug Administration issued a warning in 1933 against the dangers to the public health in the widespread exploitation of phenolphthalein put up in the form of confections.

"Alka-Seltzer is advertised so as to play up the idea that it is an 'antacid' and that it will relieve the pain and discomfort of every-day ailments caused by what is described as an 'over-acid condition.' The essential drug in Alka-Seltzer is aspirin. When you dissolve two tablets of Alka-Seltzer in a glass of water, as is suggested in the trade package, you get, according to the analysis of the chemists of the American Medical Association, nearly 9 grains of aspirin and nearly 1 grain of salicylic acid, together with the citric acid and baking soda that produce the effervescence. A person who follows the directions and takes 16 tablets a day would obviously consume over 70 grains of aspirin and over 6 grains of salicylic acid in that period. Originally the Alka-Seltzer advertising made not even a remote reference to the presence of aspirin.

"Since THE JOURNAL of the American Medical Association published an article on the subject, the Alka-Seltzer broadcasting has vaguely and incidentally referred to an acetylsalicylate being present in the preparation. Also, if one reads the small type on the trade package, he may learn that Alka-Seltzer, when dissolved in water, produces an acetylsalicylate of sodium described as a salt of aspirin. Nowhere, however, is any hint given as to the amount of aspirin present, and it is difficult to avoid the conclusion that the vast majority of people who take Alka-Seltzer are still quite ignorant of the fact that they are taking aspirin. While the public generally believes that aspirin is harmless, the medical profession has long known its potentialities for producing alarming symptoms in many instances, swelling of the lips, tongue, eyelids or the entire face, the production of hives, depression, nausea and sometimes cyanosis, while there have been reported in medical literature several cases of death from the use of aspirin.

"Crazy Crystals are said to be 'just the minerals taken from the natural water.' The water in question is Crazy Water, a preparation that in the past has been the subject of action by the Federal Food and Drug officials in at least sixteen cases. A large number of these cases were brought because the water contained, filthy, decomposed and putrid substances. Some of the cases were brought because Crazy Water was sold under the claim that it was curative in rheumatism, functional stomach diseases, infections of the bladder, diabetes, Bright's disease, etc., claims that were declared in court to be false and fraudulent.

"From the various published reports of the Crazy Water concern itself, it is admitted that the chief ingredient is sodium sulphate, commonly known as Glauber's salt or the horse salts of the veterinarian. It also contains some magnesium sulphate, or epsom salt, and sodium chloride, or table salt.



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Salts or saline cathartics are among the most abused medications used by the public. They should be classed among habit-forming drugs, for there is no question but that they are responsible for a large proportion of cases of cathartic habit. They are especially objectionable in those cases of chronic constipation where the intestines lack muscular bone, for they not only fail to overcome that condition, but tend to increase it."

According to a report from New York, because of "ad" copy restrictions under the Columbia Broadcasting System's new rules, "Ex-Lax", which has been on the network three years, will conclude its broadcasts early in June and will not fulfill its originally contracted time to expire next February.

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#### BALDWIN LIKELY NEW NAB MANAGING DIRECTOR

Apparently the selection of James W. Baldwin, Executive Officer of the Broadcasting Industry Code Authority, as the successor of Philip G. Loucks, Managing Director of the National Association of Broadcasters, is "in the bag". Although it will be a matter of more than a month until the new Managing Director is elected at the Colorado Springs Convention, most of those mentioned to take the place of Phil Loucks, whose resignation does not take effect until after the convention, have been eliminated for one reason or another.

Mr. Baldwin seems to have the field to himself.

Now 36 years old, Baldwin was born in Scott County near Seymour, Indiana, and was in the Department of Justice for 10 years, finally as Chief Clerk and Administrative Assistant. His first service in radio was as Secretary of the Radio Commission, leaving there in 1933 to become a member of the executive staff of the National Association of Broadcasters. Since that time Mr. Baldwin has been Code Officer.

Phil Loucks has been suggested as Advisory Counsel for the NAB, possibly to take charge of the copyright situation.

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## PRALL 7-YEAR REAPPOINTMENT QUIETS POLITICAL OPPOSITION

The action of President Roosevelt in reappointing Anning S. Prall, Chairman of the Federal Communications Commission for a 7-year term to begin at the expiration of his present temporary appointment, puts a quietus on the political rumors that Chairman Prall would eventually go. One of these was to the effect that his principal backer, Senator Bob Wagner, of New York, had gone back on him, and that Dr. Irvin Stewart, Vice-Chairman of the Commission, would be groomed for the Chairmanship.

Dr. Stewart informally denied this, and while Senator Wagner was non-committal, it was noted that recently, following the appearance of Chairman Prall at the Fifth Annual Assembly of the Council of Radio in Education at Columbus, the Senator moved to have Mr. Prall's speech printed in the Congressional Record, which was done on May 20th. This was construed as a friendly gesture for if Senator Wagner did not have a personal interest in Senator Prall, it is not believed that he would have gone to the length of having the latter's speech read before the members of Congress.

This is really President Roosevelt's fourth appointment for Mr. Prall in the comparatively short space of time since the latter lost out for renomination in Congress. The New Yorker was first named as a member of the old Radio Commission, but that body expired at about the time Representative Prall concluded his term in Congress. On January 17 of this year, the President honored Mr. Prall with an appointment to the Federal Communications Commission; then on March 4th, President Roosevelt designated him as Chairman of the Commission.

Mr. Prall took over the Communications Commissionership under physical difficulties inasmuch as he was still suffering from an automobile accident which occurred last Summer, in which both he and Senator Wagner were severely injured. He was born in New York and is 64 years old. In 1918, he was appointed as a member of the Board of Education of New York City. For three years he served as President of that Board. In 1921, he became Commissioner of the Board of Taxes and Assessments. Two years later he was elected to Congress where he served continuously for 12 years.

Mr. Prall's new term beginning in July to run for seven years will not expire until 1942.

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## W. U. AND POSTAL OPPOSE A. T. & T. TELEVISION CABLE

Opposition to granting the application of the American Telephone & Telegraph Company permission to install the latter's new telephone-television cable between New York and Philadelphia has been registered by the Western Union and Postal Telegraph. The A. T. & T. has applied for the privilege on an experimental basis but if the time comes to use it commercially, the telegraph companies ask for the opportunity to be heard before this permission is granted.

The reason for this is that the invention of Bell Laboratory engineers, the "coaxial" cable will make it possible to transmit the equivalent of 200 or more telephone calls simultaneously between New York and Philadelphia over one circuit. Single-wire lines now in use, with the aid of all modern contrivances such as "carrier-current multiplex systems", are each limited to about four simultaneous telephone conversations.

The new "wire" is really a wire in the centre of a metal tube. Because it is capable of transmitting a wide range of electrical vibrations and, therefore, "television images of good definition" are held possible.

The cost of the experimental installation by the telephone company would be pretty close to \$6,000,000.

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## MUSIC COPYRIGHT LICENSES EXTENDED TO AWAIT SUIT OUTCOME

Awaiting the outcome of the Government suit the American Society of Composers, Authors and Publishers has agreed to extend all existing broadcast licenses from September 1, 1935, to December 31, 1935.

This announcement was made during a conference between the NAB Copyright Committee and the Committee of the ASCAP Board held in New York recently.

All contracts are to be extended under present terms and conditions and the ASCAP will send to all stations a brief form of extension provision which, when executed by the station, will become a part of the contract itself.

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## TRANSRADIO SUES NETWORKS AND NEWSPAPERS FOR \$1,100,000

The Transradio Press Service, Inc., and its affiliate, the Radio News Association, began suit last Tuesday in United States District Court in New York City, for more than \$1,100,000 damages. They charge that three major press associations and two radio network systems have conspired to destroy their business of selling news to be broadcast.

The plaintiffs not only charge violation of the Sherman and Clayton Anti-trust Laws, but appeal for relief under provisions of the Federal Communications Act in the first action of this kind to be instituted here.

The defendants are The Associated Press, Inc.; United Press Association, Inc.; International News Service, Inc.; The American Newspaper Publishers' Association, Inc.; The Columbia Broadcasting System, Inc.; and the National Broadcasting Company, Inc.

Named as co-defendants are Lloyd Stratton of The Associated Press; Hugh Baillie, of the United Press; Roy Howard of the Scripps-Howard Newspapers; Joseph V. Connolly of the International News Service; Merlin H. Aylesworth, of the National Broadcasting Company; William S. Paley, of the Columbia Broadcasting System; E. H. Harris, Chairman of the Press Radio Committee; G. B. Parker, Paul White, Frank E. Mason and J. D. Gortatowsky.

Transradio demands judgment for \$977,500 and Radio News judgment for \$192,500, each alleging that it is a victim of a combination and conspiracy "which has eliminated and excluded from the plaintiffs a large market for their services."

The suit attacks a so-called "Press Radio Agreement" drawn up among the defendants in March of 1934 to govern the broadcasting of news. The two broadcasting stations, it is alleged, agreed not to send out news except "under the control or domination of the American Newspaper Publishers' Association" and the press associations.

The networks, it is also charged, agreed not to allow their stations to be used by any present or future competitor of the press associations. As a result, it is held, newspapers ceased to give notice of broadcasts of the plaintiffs.

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## MANY STATES REPRESENTED IN CONVENTION COMMITTEE

All parts of the country are covered in the Convention Committee selected by Edwin M. Spence, of WBAL, Baltimore, for the Thirteenth Annual Meeting of the National Association of Broadcasters to be held at Colorado Springs July 6th. The members of Mr. Spence's committee are as follows:

Guy Earl, KNX, Hollywood, Cal.; Ed Craney, KBIR, Butte, Mont.; Ralph Brunton, KJBS, San Francisco, Cal.; Glen Snyder, WLS, Chicago, Ill.; P. J. Meyer, KFJR, Bismarck, N. D.; William West, WTMV, East St. Louis, Mo.; Hugh Half, WOAI, San Antonio, Tex.; Hoyt Wooten, WREC, Memphis, Tenn.; E. D. Gluck, WSOC, Charlotte, N. C.; Crede Harris, WHAS, Louisville, Ky.; Campbell Arnoux, WTAR, Norfolk, Va.; Roy Thompson, WFBG, Altoona, Pa.; Paul W. Morency, WTIC, Hartford, Conn.; Chas. Burton, WEEI, Boston, Mass., and C. D. Mastin, WBNF, Binghamton, N. Y.

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## CHICAGO RADIO CONCERN GETS GOVERNMENT CALL-DOWN

Broadcaster Radio Co., Chicago, has entered into a stipulation with the Federal Trade Commission to cease and desist from representing to prospective salesmen that there are opportunities to make money in excess of what has actually been accomplished by regular salesmen.

This company also agrees not to represent its sales plan as a "brand new give away deal" or the "greatest value ever offered". The company agrees to desist from distributing to prospective purchasers any plan designed for conducting a lottery.

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## RADIO ENGINEERS TO MEET IN DETROIT

Preparations are under way for a three-day meeting of the Institute of Radio Engineers to be held in Detroit beginning July 1st.

Because Detroit is the automobile center of the country, it is expected that automobile radio installation will be one of the topics of discussion.

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## ROOSEVELT BONUS VETO SPEECH ELECTRICALLY REPRODUCED

The bonus veto speech of President Roosevelt delivered to Congress was electrically recorded and the same evening at a more convenient hour for listeners, was broadcast over Station WMAL in Washington. Owing to the unwritten rule that the networks have against broadcasting records, the electrical recording was not used on the chain.

When President Roosevelt last addressed Congress, the speech was electrically recorded and reproduced over Station WJSV in Washington. Nevertheless the electrical recording of noted events or speeches is still a comparatively rare thing in this country.

It is safe to say that had King George made a speech of equal importance to England as President Roosevelt's bonus veto, or, in fact, any kind of a speech, or had Chancellor Hitler done the same thing in Germany, it would have been electrically recorded and produced at intervals throughout the day not only over the long-wave stations of those countries but sent to the rest of the world by short-wave.

It was said by one of those who listened to Mr. Roosevelt that the radio audience heard more than did the audience actually in the House of Representatives.

"Applause sounded louder and the radio listeners could not see the rows of Senators and Representatives sitting with grim mouths, hands folded, on the occasions when a loyal few clapped their hands", he said. "Microphones scattered about the hall picked up the applause and carried it out to the country, but it was too weak to reverberate strongly through the vast chamber."

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## PREDICTS TELEVISION ADVERTISING PREDOMINANT

Frank Presbrey, noted advertising man of New York, who has made a fortune in the business, said on his 80th birthday that the biggest thing the future held for advertisers was television. Mr. Presbrey predicted that we would sit in our homes, both men and women, and see either tailors or dress-makers demonstrate a new garment and then having seen this garment in its natural colors, and knowing exactly what it was like, the price and all, we would go to that particular store and buy it.

The aged advertising man said that advertisers, alert for new business, were always the first to avail themselves of innovations.

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## AUDIT BUREAU FOR NAB SEEN

The possibility of the creation of an independent bureau to authenticate broadcasting stations' advertising information is now being actively considered by the broadcasters, advertisers and agencies.

The Committee appointed at Cincinnati to represent the National Association of Broadcasters in this are Arthur B. Church, KMBC; Edgar Kobak, NBC; John Karol, CBS; A. J. McCosker, WOR; John Elmer, WBCM; J. O. Maland, WHO-WOC, and J. V. L. Hogan, W2XR.

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## ROXY SUES R.-K.-O. CORP.

Samuel L. Rothafel, better known as Roxy, filed a bill of particulars in United States District Court on a claim for \$211,404.33 against the Radio-Keith-Orpheum Corporation.

The sum, he asserted, is owed to him on a contract calling for the payment of \$2,000 a week. R.-K.-O., he charged paid him only \$1,000 a week for the first fifty-two weeks of the contract, and this resulted in a loss to him of \$57,333.33. The last \$1,000 payment was made, he said, on Feb. 6, 1934 though the contract was for two years and fifty-one days. As a result, his loss, he charged, was \$222,571. Receipts outside of his R.-I.-O. contract, he said, came to \$68,500, and this sum was deducted from the total loss.

From the Paramount Publix Corporation he received \$15,000; from Cletcher's Castoria \$49,500; and from the Roxy Philadelphia Corporation, \$4,000.

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## COURT HOLDS UP MOVING STATION TO DULUTH

A stay order has been granted to the City of Moorhead, Minn., and Station WEBC, of Superior, Wis., against the decision of the Federal Communications Commission which recently granted permission to KGFK to move from Moorhead to Duluth.

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## APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WKBB, Sanders Bros. Radio Station, E. Dubuque, Ill., consent to transfer control of Sanders Bros. Radio Station license of Station WKBB, from R. W. Hoffman to Walter E. Klauer; WLVA, Lynchburg Broadcasting Corp., Lynchburg, Va., license to cover C.P. to make changes in equipment; KINY, d/b as Northwest Radio Advertising Co., Juneau, Alaska, modification of C.P. (as amended) approving studio and transmitter sites to Goldstein Bldg., and changes in equipment; also to change frequency from 610 to 1310 kc., and power from 250 watts unlimited to 100 watts night and day; KWBG, W. B. Greenwald, Hutchinson, Kans., modification of C.P. to change type of equipment; WDAG, National Radio & Broadcasting Corp., Amarillo, Tex., consent to voluntary assignment of license to Plains Radio Broadcasting Co. (1410 kc., 1 KW, S. H.)

Also, W9XES, Midland Broadcasting Co., Inc., Portable-Mobile, Kansas City, Mo., license to cover C.P. (Gen. Exp. station), frequencies 31600, 35600, 38600, 41000, 86000-400000 kc., 50 watts, unlimited time; Isle of Dreams Broadcasting Corp., New, Miami, Fla., Portable, C.P. for new broadcast pickup station, frequencies 1606, 2020, 2102 and 2760 kc., 50 watts power; New, WBNS, Inc., Portable-Mobile (Columbus, O.), (2 applications), C.P. (Exp. Gen. Exp.), frequencies 31100, 34600, 37600, 40600 kc., 2 watts; New, WCBD, Inc., Portable (Waukegan, Ill), same as for WBNS above, except 5 watts.

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## R.T.D.G.A. ISSUES RADIO BROADCASTING MANUAL

The "Radio Broadcasting Manual - The Radio as a Publicity Medium for Retailers. An Appraisal with a Resume of Experience", has been published by the Sales Promotion Division of the National Retail Dry Goods Association. This manual, according to the foreword, is based on experiences of many department stores during the past five years.

The headings of the 11 chapters give a good idea of the contents and treatment of the material presented: Radio as a Publicity Medium; The Retail Store and Broadcast Advertising; Relative Popularity of Programs; Selection of Station, Announcer, Hours; What Merchandise to Feature; Use of Music in Retail Programs; Other Program Problems; The Budget and Results; Radio Promotional Ideas; A resume of Retailers' Experiences; A Glimpse into the Future Appendices contain typical continuities and a bibliography.

The book is available from the Association, 225 W. 34th St., New York City, at \$2.50 a copy.

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