

HEINL RADIO BUSINESS LETTER

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No. 834

BULLETIN: ANNING S PRALL WAS CONFIRMED BY THE SENATE
LATE THIS AFTERNOON AS CHAIRMAN OF THE
FEDERAL COMMUNICATIONS COMMISSION FOR A
7-YEAR TERM

RMA CHICAGO CONVENTION IS BIG SUCCESS

A three-day program filled with future plans for developing the radio industry, many committee and group meetings, problems resulting from NRA code annulment, plus unusual entertainment features marked the eleventh annual RMA convention in Chicago, June 11-13. Over 100 manufacturers attended and the "RMA Cabaret" and membership dinner Tuesday evening was sold out at the 300 mark.

President Leslie F. Muter, of Chicago, and other officers were reelected.

Voluntary continuance of a few beneficial features of code operation were arranged for, but without any formal action or resolutions except for development of a plan to continue filing by set manufacturers of open prices. Existing wage scales will be generally continued voluntarily, according to those present.

In the discussions of industry problems resulting from annulment of NRA, a feature of the convention was an address by John W. Van Allen, of Buffalo, RMA general counsel, criticizing "New Deal laws". He declared many were contrary to the American plan of government and individual freedom. He deplored "usupation of political power", declared that the American plan was for a government of laws, not of men, and that the latter would lead to political despotism. He also criticized the tremendous debt burden and new laws oppressing business and industry. In discussing the proposal for amendment of the Constitution to meet the NRA decision of the Supreme Court, Judge Van Allen warned that this would give the President power to make "laws" and make Congress and the President the sole judges of their own powers, resulting in "dictatorship or downright despotism."

The industry leaders also were warned by Arthur T. Murray, of Springfield, Mass., Chairman of the Set Division and former Code supervisory agency, against "chiseling" on wages. Industry, instead of the Government, Mr. Murray declared, now has the problem of solving the unemployment situation. He said the electrical code under which radio manufacturers operated imposing a 36-hour maximum week was manifestly unfair when every other industry had 40 hours, and took steps to continue a voluntary plan of filing set prices. The latter, he said, was a tremendous step in the right direction toward a cleaner industry.

The RMA Cabaret, an innovation in industry entertainment, in charge of Chairman A. S. Wells of the Entertainment Committee was a marked success. During the evening the associates of President Muter on the RMA Board presented him with a beautiful silver service in appreciation of his work during the past year. The convention closed on Thursday with a golf tournament by the Radio Industries Golf Club, of Chicago, with nearly 100 entrants at the Olympia Fields Club.

Many veteran RMA officers and members made the convention a reunion. On Tuesday there was an "old guard" luncheon of former presidents, including Arthur T. Haugh, H. B. Richmond and Fred D. Williams, and former RMA Directors.

Further development and increased funds for national sales promotion were voted by the RMA Directors. Chairman Powel Crosley of the Sales Promotion Committee reported substantial success and need for enlargement of the RMA promotion projects.

The present RMA organization was continued for the coming year. In addition to President Muter, other officers and Directors were reelected including Fred D. Williams, of Philadelphia, as Treasurer; Bond Geddes, of Washington, D. C., Executive Vice-President-General Manager and Secretary, and John W. Van Allen, of Buffalo, as General Counsel.

Arthur T. Murray, of Springfield, Mass., was re-elected Vice-President and Chairman of the Set Division, and Arthur Moss, of New York City, Vice-President and Chairman of the Parts, Cabinet and Accessory Division. Two new RMA Directors are Roy Burlew, of Owensboro, Ky., succeeding S. W. Muldowny, of New York City, and Henry C. Forster, of Chicago, who succeeds Richard A. O'Connor, of Fort Wayne, Indiana. Ben G. Erskine, of New York City, was named a Vice-President and Chairman of the Tube Division. Director Forster also was elected a Vice-President and Chairman of the Amplifier and Sound Equipment Division.

Directors George A. Scoville, of Rochester, N. Y.; A. H. Gardner, of Buffalo; W. R. G. Baker, of Camden, N. J., and A. S. Wells, of Chicago, were reelected for three-year terms from the Set Division. Also Directors Arthur Moss, of New York, and N. P. Bloom, of Louisville, Ky., were reelected the Directors from the Parts, Cabinet and Accessory Division.

President Muter continued all RMA Committee Chairmen as follows: Credit Committee, Arthur Moss, Chairman; Engineering Committee, W. R. G. Baker, Chairman; Legislative Committee, Paul B. Klugh, Chairman; Membership Committee, Ben Abrams, Chairman; Trade Promotion Committee, Powel Crosley, Chairman; and Traffic Committee, J. C. Warner, Chairman.

To further develop radio export trade, a new export committee was authorized by the Set Division and Board of Directors. Under Chairman Murray, the Export Committee will be headed actively by Vice Chairman E. G. Hefter, of Chicago.

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CONGRESSMAN CONNERY TRIES TO BLOCK PRALL CONFIRMATION

Where, up to this time, everything appeared to be smooth sailing in the matter of President Roosevelt reappointing Anning S. Prall, Chairman of the Federal Communications Commission for a seven-year term, to begin at the expiration of the present tenure of office in July, a squall is in sight because of an objection raised to Prall's continuance by Representative William P. Connery, Jr., of Massachusetts. Mr. Connery has questioned Chairman Prall's fitness to continue in view of the ruling of the Communications Commission recently that a song complained of, broadcast during an hour sponsored by the Mexican Government, was not indecent and therefore the stations which carried it should not be deprived of their licenses.

Representative Connery has requested the Senate Interstate Commerce Committee, of which Senator Burton K. Wheeler is Chairman, which has Chairman Prall's nomination under consideration, for a hearing. It is doubtful, up to this time, if the Senate committee even intended to hold a hearing on the matter but if the Massachusetts Congressman's request is granted, doubtless many of his esteemed colleagues who joined in with him will likewise ask for a chance to be heard. They are:

Representatives McCormack (D), of Massachusetts; Healey (D), of Massachusetts; Daly (D), of Pennsylvania; Pfeifer (D), of New York; Stack (D), of Pennsylvania; Citron (D), of Connecticut; Kopplemann (D), Connecticut; O'Neil (D), of Kentucky; Igou (D), of Illinois; Higgins (D), of Massachusetts; Fitzpatrick (D), of New York; Welch (R), of California; Smith (D), of Connecticut; McGrath (D), of California; Casey (D), of Massachusetts.

The petition signed by these Congressmen asks that the licenses of all stations of the NBC involved be cancelled. However, the Communications Commission refused to take any disciplinary action in the matter. It was not, however, Commissioner Prall, but Judge E. O. Sykes, Chairman of the Broadcast Division of the Commission who took the action. This was in the form of a letter to Rev. John B. Harney, Superior General of the Paulist Fathers, and owners of Station WLWL in New York City, who ruled that the song, the title of which was "En Ellogio de Silves", sung in Spanish, was not indecent. Judge Sykes, quoting a previous decision, said that the true test to determine whether a writing comes within the meaning of the statutes is whether its language has a tendency to deprave and corrupt the morals of those whose minds are open to such influences and that the Broadcast Division, after a careful study of all the facts reached the conclusion that the program did not fall within the definition.

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There is no one at this time who seriously believes that Representative Connery may prevent the reappointment of Chairman Prall, but inasmuch as a religious issue is involved, the contention being made that the objection to the Mexican song was merely because of the religious controversy now under way in Mexico, Mr. Prall's reconsideration may receive considerably more publicity than it otherwise would have and one can never tell on the Hill what a thing like that is liable to start.

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NATIONAL NETWORK ADVERTISING SLIGHTLY OFF IN APRIL

Total gross time sales to advertisers during the month of April, the latest period reported by the National Association of Broadcasters, just now available for publication, amounted to \$8,064,921, a decline of 2.7 % as compared with March volume. This decline seems to be less than the usual seasonal one at this period of the year. National network revenues dropped 10.7% as against the preceding month. Regional network advertising rose 6.4%, national non-network volume 11.8%, and local broadcast advertising 6.7%. The increase in the latter two types of business showed a contrary trend from the preceding year, when both declined as compared to March.

Broadcast advertising continued to hold the gains recorded in recent months over the preceding year's volume. Total broadcast advertising during April was 20.9% greater than during the same month of 1934. National network business experienced a gain of 17.6%, regional network volume 32.0%, national non-network advertising 10.3%, and local broadcasting volume 40.0%. The last-mentioned is the largest gain recorded by this class of business since the establishment of these reports.

General non-network advertising rose 19.9% as compared with last April. Non-network business of stations over 1,000 watts in power gained 33.1%, that of stations between 250 and 1,000 watts in power rose 21.8%, while advertising volume of the 100-watt group increased 9.7% as against the same period of 1934. All classes of stations showed increases as against the preceding month.

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MONAGHAN INTRODUCES RADIO BILL

A bill was introduced in the House on Thursday, June 13th (H.R. 8475) by Representative Joseph P. Monaghan, of Montana, "to amend the Communications Act of 1934 by creating and establishing a Federal Radio Commission". The bill was referred to the House Committee on Interstate Commerce.

The Bill provides, among other things "That for the purpose of providing wholesome radio programs more free from monopolistic domination and control on the part of vested interests, and to make available to all our people adequate radio service, there is hereby created a Commission to be known as the Federal Radio Commission which Commission will be constituted as hereinafter provided, and which Commission shall have exclusive control and shall exclusively operate such radio broadcasting stations in such localities and communities as, in their best judgment, will best serve the interests of all our people."

One section of the Bill provides "That the Commission shall provide such programs as, in their judgment, will best permit the educational, cultural, civic and economic interests of all of our people irrespective of locality".

Provision is also made that advertising or sponsored programs shall not exceed more than two hours a day nor more than one hour after sun-down or a total of not more than 20% of the operating time of a station. It also provides that such advertising as is permitted shall be so restricted that not more than 10% of the program shall be devoted to sales or promotional talks.

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BROADCASTERS CALL DIRECTORS' MEETING

A meeting of the Board of Directors of the National Association of Broadcasters has been called to be held in New York on Saturday, June 22nd.

No purpose of the meeting was indicated but it is supposed to be to discuss the music copyright situation.

A letter by Joseph Hostetler, copyright counsel for the National Association of Broadcasters charges the NBC, Columbia, Isaac Levy, of WCAU, Philadelphia, and A. J. McCosker, of WOR, with weakening the position of the NAB by signing new five-year contracts with the American Society of Composers on the eve of the Government's anti-trust suit against that organization.

Hostettler's letter charges that ASCAP, by making available the new licensing agreement, had succeeded in splitting radio's ranks. It indirectly admits that the Society has outsmarted broadcasting in the recent contract negotiations and states that if Levy and McCosker have received any advantages in their new contracts from ASCAP the facts should be made known to the industry.

In a letter addressed to members of the NAB giving his version of the situation, I. D. Levy declared that he had accepted the contract with the realization that regardless of who won the Government's suit against ASCAP, there would be no final adjudication for at least two years.

If the Government wins the suit, said the letter, the new contracts with ASCAP would be invalid, and if the Government lost, the broadcasters would still have a five-year extension. Arrangement, declared Levy, would be of benefit to broadcasting, with that industry, he felt, having everything to gain and nothing to lose.

Mr. McCosker was reported to have said that he had not as yet signed a new agreement with the Composers.

Walter J. Damm, of WTMJ, owned by the Milwaukee Journal, gave out the following statement:

"With the full realization: 1. That any decision handed down by the lower court in the ASCAP case will be appealed to the U. S. Supreme Court and as a result there is no possibility of a final adjudication before December 31, 1935, and possibly for not another year after that; 2. that WTMJ cannot operate without the ASCAP catalog; 3, that if the U. S. Government wins its case any contract between a broadcaster and ASCAP becomes null and void; 4, that if ASCAP wins WTMJ will be protected from any increase in rates for the duration of any renewal of contract; 5, that if Warner Bros. does not renew with ASCAP, then ASCAP is not delivering 'substantially the same catalog' it has been delivering and therefore WTMJ can cancel its contract. WTMJ is willing to consider ASCAP's offer of a five-year extension, operative January 1, 1936, of its license on the basis of present terms."

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DISTRICT COURT UPHOLDS FCC IN APPEAL

The District United States Court of Appeals has upheld the Federal Communications Commission in denying a rehearing to Station WREN, of Leavenworth, Kansas, which had sought permission to intervene in the case of Station WHB, of Kansas City, Mo., which latter station was given permission to operate at night.

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ASCAP TRIAL GRINDS ALONG

At the end of the second day of the Government's suit, which began last Tuesday, charging the American Society of Composers with having a monopoly on the country's popular music supply, four witnesses had been heard.

Attorney

Andrew W. Bennett, Special Assistant/General, outlining the Government case to the court, made it clear that his principal quarrel with the society was over its system of licensing radio broadcasting companies and requiring each station that uses any music of a member to pay a flat royalty of 5 per cent on its annual gross.

He said the Society, made up of 102 publishers and 973 authors and composers, had compelled radio broadcasting companies to take out a general license. As an example of the alleged unfairness of this system, he told Federal Judge Henry W. Goddard that the Society received 5 per cent of what a broadcasting company got for Father Coughlin's hour, although the priest broadcast no music.

Nathan Burkan and Thomas D. Thacher, former Solicitor General, representing the Society, argued that it had been formed to protect the rights of composers and lyric writers and scoffed at the idea that it was strong enough, as charged, to dominate an industry, including interests such as the American Telephone and Telegraph Company and the Radio Corporation of America.

In 1921, Mr. Burkan explained, "broadcasting entered the picture, and there began a battle to secure rights against the newcomer." This ended, he said, in the licensing system established in 1932.

As another example of oppressive tactics, Mr. Bennett said that the Society charged an electrical transcription fee of 25 to 50 cents for each broadcast of a record, a double fee being charged for the use of a "restricted number."

Mr. Burkan explained that the double fee was charged to hold down exploitation of a song until sheet music and phonograph record sales had had a chance.

The argument seemed to be that even though songs controlled by the Society were broadcast across the continent this was strictly an ethereal business unrelated, for example, to workaday commerce such as the shipment of eggs across a State line.

It is the Government's contention that music is made up of very real and physical sound waves and that the transmission of these from one State to another is an act in interstate commerce.

C. B. Jolliffe, Chief Engineer of the Federal Communications Commission, testified that broadcasting stations frequently traversed State lines with programs and that the Columbia and National broadcasting networks had telephone connections with their stations all over the country.

Raymond P. Robinson, Chief of the Catalogue and Index Division of the United States Bureau of Copyrights, and William C. Siegfried, clerk in the Bureau, testified that from July 1, 1909, to Dec. 31, 1934, the 102 publishers of the Society and 100 of their subsidiaries, took out a total of 164,773 copyrights.

Thomas Belviso, Manager of the Musical Library of the National Broadcasting Company, testified that music of the Society was indispensable to the radio business. During a typical week, Nov. 11 to 17 last year, Station WJZ and the NBC network, he said, had used 2,125 musical compositions, 1,708 of these being those of the Society.

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COAST GUARD HEAD CREDITS LOW TONNAGE LOSS TO RADIO

Quite a tribute to the part radio has had in saving life at sea and reducing commercial loss is paid by Rear Admiral H. G. Hamlet, of the U. S. Coast Guard.

"The year 1900 may be said to mark the beginning of marine radio communication", Admiral Hamlet revealed. "In that year, the percentage of totally lost tonnage of American vessels over 100 gross tons (excluding vessels trading on the Great Lakes) amounted to 1.20 per cent. For the year 1933, a loss of .21 per cent is shown. These figures, hidden away on an obscure page of that great mass of data called 'Lloyd's Register of Shipping', tell, better than columns of print, the story of the part played by radio in the saving of property."

"At present, no figures are available showing the total number of lives saved through the medium of the radio, but the number of survivors indicated in the following cases is illuminating: 'Titanic', 712; 'Empress of Ireland', 453; 'Vestris', 173; 'Volturno', 521; 'Balmes', 159; and the 'Morro Castle', 423.

"With justifiable pride, the radioman may turn to these impressive facts to point out the importance of his calling, to feel that there is sea history written in terms of dots and dashes; to dwell upon the possibility that he may be permitted to write the next paragraph in the records of marine radio."

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CHILEAN ARSENAL BEGINS MANUFACTURE OF RADIO SETS

Radio receiving sets are now being produced in Chile by the Government-owned factory at the Arsenal, according to a report from Consul F. B. Atwood, Santiago.

After experimenting with the manufacture of radio sets for the past twelve months, an initial delivery of 600 three and five-tube sets long-wave has been made by the Arsenal, the report states. Nearly all the materials used in the construction of the sets come from domestic sources, it is pointed out, and all the cabinet work is done within the country.

It is still necessary for the Arsenal to import radio tubes, loud speakers, gang condensers, enameled wire and a few other minor components that the Arsenal is not yet equipped to produce. American manufacturers are supplying nearly all the component parts and accessories imported by the Chilean Arsenal for use in the manufacture of the sets, the report states.

As soon as the long-wave sets are successfully established on the Chilean market, the Arsenal plans to undertake the manufacture of all-wave sets, with which it is now experimenting, and short-wave adaptors for the long-wave models are now being sold.

The production program of the Chilean Arsenal calls for the manufacture of another 2,000 radio receiving sets if its initial attempt to market radio sets in Chile proves successful. It is claimed that the new industry will give employment to 1,200 Chilean workmen, the Consul reported.

According to official statistics, there were 16,600 radio sets imported into Chile in 1934, nearly all of which originated in the United States. These sets were valued at \$458,200, U. S. currency, the report shows.

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SUGGESTS PRESIDENT TAKING OVER RADIO AS HE DID GOLD

"The President took over the gold supply because he was forced to do so to protect the foundations of our national currency", says the June 13 Bulletin of the National Committee on Education by Radio. "In like manner, the Government sooner or later may be forced to take over radio broadcasting to safeguard the foundations of our national culture. The vast electrical corporations which control radio broadcasting are increasingly becoming the intellectual and moral bankers of America. They have even less sense of responsibility than the financial bankers of the 1920's."

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WXYZ TO JOIN NBC NETWORKS

Station WXYZ, pioneer Michigan transmitter, will become associated with the National Broadcasting Company as the regular Detroit outlet for the NBC-WJZ network, effective September 29.

WXYZ, owned and operated by the Kunsky-Trendle Broadcasting Corporation, of which George W. Trendle is President and General Manager, broadcasts on a wave-length of 241.8 meters, 1240 kilocycles, with a power of 1,000 watts.

The station will replace WJR as the regular NBC-WJZ network outlet for Detroit. WWJ, Detroit News station, will remain as the NBC-WEAF network outlet.

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ROYAL TO STUDY EUROPEAN RADIO ON 7 WEEKS TOUR

John F. Royal, National Broadcasting Company Vice-President in Charge of Programs, sails Saturday, June 15, on the "Rex" for a seven-weeks tour of European broadcasting centers. After his first stop in Italy, where he will pay an official visit to the Vatican, Royal will confer with government and radio officials in France, Germany, Russia, England, Sweden, Denmark, Switzerland, Austria and Poland. Educational programs will be his principal interest in this unusual survey.

"We hear a great deal about the progress Europe is making in educational broadcasting", Royal explained. "We often hear they are further advanced in this field than we are. Personally, I doubt that, but I am willing to be convinced. If they are doing anything over there that we could use to good advantage we ought to know about it. I intend to find out exactly what educational programs are being presented by the Polish Polskie Radjo, the German Reichsrundfunk Gesellschaft, the French Radio Coloniale and all the rest."

During his conferences with foreign executives, Royal will outline many international broadcasts to be exchanged in both directions during the coming year.

Max Jordan, NBC Director for Continental Europe, will accompany Royal through Central Europe and Russia and in France and England he will be accompanied by Fred Bate, NBC London and Paris representative.

If Royal's schedule permits he will attend the annual meeting in Warsaw of the International Broadcasting Union. He also hopes to find time for the Helen Wills Moody-Helen Jacobs tennis match in England - not as a program project but because he "collects" famous sports events.

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MUSIC TABOO IN ARABIA; BUT RADIO THRILLS ARABS

The country of Arabia bans all musical instruments - the phonograph, since its inception, has been tabooed.

The wise old Arab would explain this unusual century-old custom by pointing to the inherent restlessness of Arabian tribes....whereas perhaps the real reason for music-prohibition has been caused by the religious beliefs to which these people hold.

However, even laws in effect for centuries can be changed and it appears as though Arabia, heretofore entirely free of the wails of the saxophone, the jazz-crazed chords of an out-of-tune piano, the piping of the piccolo - is to take to its bosom the marvels of modern radio.

An American manufacturer of radio has dared break this music-taboo and has a powerful Arabian personage, high in government circles, all agog listening nightly to his Zenith short wave radio - tuning in programs perhaps originating in London, Spain or Berlin.

It is to be expected that a liberal-minded government sensing the value of radio, will see fit to discard the old order for the new and permit Arabians the radio thrills Americans accept so glibly.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WTAL, Fla. Capitol Broadcasters, Inc., Tallahassee, Fla., Mod. of C.P. extending commencement date to 60 days after grant and completion date to 60 months thereafter; WSPA, d/b as The Voice of South Carolina, Spartanburg, S. C., license to cover C.P., 920 kc., 1 KW daytime hours only; Atlantic Broadcasting Corp., New York City, authority to transmit sustaining programs from stations WBBM and QABC-WOBQ to stations of the Canadian Radio Commission; WOL, American Broadcasting Co., Washington, D. C., license to cover C.P. authorizing changes in equipment; KRE, First Cong. Church of Berkeley, Berkeley, Cal., license to cover CP authorizing changes in eqpt. and increase in day power to 250 watts, 1370 kc., 100 w. night, unlimited time; WTCN, Minn. Broadcasting Corp., Minneapolis, Minn., mod. of CP approving changes in eqpt. and antenna system; extending commencement date to within 10 days after grant and completion date to within 90 days thereafter; license to cover CP authorizing new eqpt. and increase in daytime power from 1 to 5 KW, and move of station locally, 1250 kc., 1 KW night, specified hours.

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