

HEINL RADIO BUSINESS LETTER

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BROADCASTERS FIGHT TO FORESTALL COPYRIGHT AMENDMENT

An urgent appeal has been made by the National Association of Broadcasters that every member who believes that the \$250 statutory minimum damages for innocent infringement of music copyright should be eliminated from the law should write, wire or telephone his Senator immediately asking that he use his influence to secure passage, without amendment of the Copyright Bill introduced by Senator Duffy, of Wisconsin. The Duffy Bill, which has been favorably reported to the Senate and which was introduced earlier in the week with quite a display of fireworks, does not carry the \$250 minimum damage clause to which the Broadcasters object.

Because of the sharp difference of opinion between the National Association of Broadcasters, which is making every effort to arouse its members as are the other organizations concerned, and the American Society of Composers and the Authors League of America, the latter two favoring the retention of the minimum damage clause, there will unquestionably be a heated debate when the Senate again discusses this provision.

Senator Duffy, when the Bill came up ~~this~~ week, fired the opening gun when he said:

"There is in this particular bill one matter to which authors object; that is, we have eliminated the provision for \$250 minimum statutory damages, which has been made a racket in this country by the organization familiarly known as the 'ASCAP', the American Society of Composers, Authors, and Publishers. The United States Government is now conducting a prosecution against that organization in a case which, I understand, was commenced in New York last week. The authors do object because the minimum of \$250 statutory damages has been eliminated. On the other hand, the maximum has been largely increased, from \$5,000 to \$20,000, and the courts will give the authors full protection, but they will not be able to go into a boot-black stand or a little pool hall somewhere and hold up the proprietor for \$250 as a minimum if this bill shall become a law. There are many things in the bill which the authors very much desire, and of which they are very much in favor."

Senator Copeland, of New York, said, when Senator Wagner of the same State objected to the consideration of the Bill until the Senators had had more time to inform themselves about it, that he was very glad his colleague had objected because he had been quite overwhelmed with protests from New York State against the Bill. Senator Copeland added:

"There seems to be a feeling that it will work a great injustice; that it will deny to American authors certain rights to which they feel they are entitled, and that it is not a good bill and ought not to be passed. I do not profess to have any knowledge of it at all and I am simply reciting to the Senator what is coming to my desk in the way of protests."

Senator Copeland said that he had received a telegram of protest from John Erskine, "one of the most popular writers of the day", and a similar message from Gene Buck, head of the Composers. Senator Copeland read the telegram from Mr. Erskine which was as follows:

"I sincerely hope you will oppose copyright bill S. 3047. The bill gives foreign authors basic copyright without formality, but denies it to American authors. The bill seems to protect chiefly the commercial enterprises which live on the authors."

Senator Copeland thereupon expressed the hope that Senator Duffy would not press the consideration of the Bill on that particular day in order to give the Senators more of an opportunity to look into it.

"I think that should be done; but I desire to give notice that as early as possible I shall try to have the bill considered by the Senate, because we are holding up the Copyright Union treaty until this bill can receive consideration by the Senate", Senator Duffy replied.

"If the bill is a meritorious one, of course, I have no desire to delay its consideration", Senator Wagner said. "I have received protests from a number of people in New York in whom I have very great confidence, who tell me that the bill is unfair to their profession. I did not, of course, wish to be discourteous to the Senator in making the objection. I thought he had in mind persuading me to withdraw my objection."

"In view of these protests, not having had an opportunity to study the bill in detail, I shall have to press my objection today. I will confer with the Senator a little later on."

Senator Vandenberg, of Michigan, served notice that he would have several amendments to offer to the Copyright Bill.

Senator Duffy, during the course of the discussion said that in a very large measure this bill is an enabling act.

"The Copyright Union Treaty, or convention, was reported to the Senate by the Foreign Relations Committee and is now on the Executive Calendar, although we had a gentlemen's understanding that it would be held on the calendar until the present bill could receive consideration by the Senate", the Senator concluded.

"All users of music are interested in having the \$250 statutory minimum damages infringement clause knocked out because very often it hits the little fellow like a man running a hot-dog stand, or a shoe-shining stand who has a radio, and instantly violates the law", a broadcaster said. "This is an injustice to the small user of music. On the other hand, we have no objection to the large increase from \$5,000 to \$20,000 in maximum damages, or the provision to allow the court to give the authors full protection."

It is not definitely known when the Copyright Bill will again be considered in the Senate but it is expected that it may come up at almost any time. There is apparently a consensus of opinion that the Copyright Act will be passed before the close of the present session.

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RCA NAMES TELEVISION COMMITTEE

Plans for RCA's field test of high definition television to begin some time next year are being developed under the direction of an inter-company committee named by David Sarnoff, President of Radio Corporation of America.

The committee, headed by Dr. W. R. G. Baker, Vice-President and General Manager of the RCA Victor division of RCA Manufacturing Company, Inc., will draw on the broadcasting, communication and manufacturing experience and resources of RCA in formulating the details of the field test. Five other leading authorities on radio and electronics who will serve with Dr. Baker in constituting RCA's Television Committee are - R. R. Beal, RCA Research Supervisor; C. W. Horn, Director of Research and Development, and O. B. Hanson, Chief Engineer for the National Broadcasting Company; C. H. Taylor, Vice-President in Charge of Engineering for R.C.A. Communications, Inc.; and J. C. Warner, Vice-President and General Manager of the Radiotron Division of RCA Manufacturing Company, Inc.

In a statement May 7th announcing RCA's plan to conduct a field test on high definition television, Mr. Sarnoff pointed out that from 12 to 15 months would be required for the construction of a transmitter and experimental receiving sets, and that then RCA would be in a position to test television possibilities under actual operating conditions.

"Nobody knows how long it will take to iron out some of the deep wrinkles in television as we know it today", Dr. Baker said following a meeting of the RCA committee. "We have made a great deal of progress in our research laboratories during the past three years, and we hope that the experience gained in the field test will enable us to determine more definitely the possibilities of television service with standards that will be

acceptable to the American public. In the meantime there are innumerable problems both technical and non-technical that can only be solved through the operation of a controlled field test. We must study transmission and reception factors, we must design and re-design, build and rebuild apparatus, and we must evolve an entirely new broadcasting technique. While the difficulties are many, we are confident of the ultimate results."

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HOUSE RIPS OUT LOUD-SPEAKER

Speaker Byrns was correct in his prediction that the loud-speaker system installed by the RCA Victor Company to help members and the gallery follow the discussions in the House of Representatives, "will be out of here in a couple of days; don't worry about that." As a matter of fact the system was only in use part of one hectic day and has now been taken out entirely.

Although Speaker Byrns has refused to be quoted further, it is generally understood that it was because of his annoyance at the reverberation of the hammering of his gavel that experiments ceased, rather than due to any imperfection in the loud-speaker system.

"The whole trouble in both the House and Senate is that they are so old-fashioned they will not tolerate any innovations whatsoever", an observer of the situation remarked. "It is a fact that a certain member tried to have a refrigerating system installed in the House where they could get ice water at any time but this was not permitted, the members preferring to stick to their old custom of drinking Poland water and putting ice in it."

Although the attempts to have amplifiers installed in the House and Senate, where oftentimes in the galleries it is impossible to hear what is being said on the floor, an RCA Victor loud-speaker system was used in the Senate Committee room in which Nye munitions hearings were held and worked very satisfactorily. Also the same system is used in calling Senators' cars from the Senate garage.

However, judging from the excitement created by the installation of the loud-speaker system in the House, during which time the Congressmen became so impatient that they wouldn't even give the engineers time to adjust the apparatus properly, it may be quite a long time before a similar installation may again be made in either House or Senate.

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TELEVISION CABLE HEARING SET FOR JULY 15

The application of the American Telephone and Telegraph Company and the New York Telephone Company for authorization to construct a coaxial cable from New York to Philadelphia, as a part of the experiment to determine the future possibilities of the coaxial cable in television as well as telephone and telegraph use, has been set for hearing before the Commission en banc for Monday, July 15th.

All parties interested in, or who may be affected by, the use of the coaxial cable, if and when it may be devoted to general commercial use, will, upon application to the Federal Communications Commission, be afforded opportunity to participate in the hearing.

The Commission feels that it is in the public interest to ascertain in advance the facts surrounding the future uses to which the cable may be put.

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CHINA BEGINS TO WAKE UP ON RADIO

The Chinese Government Ministry of Communications is now operating Station XQHC, in Shanghai, is increasing the power of that station to 500 watts, with crystal control, and will use it for training center for Chinese radio technicians and announcers.

Within the next 12 months an increase to 1,000 watts is anticipated, German Telefunken equipment having been ordered. The station is now under the control of the Director of the Bureau of International Telegraphs of the Ministry of Communications. When alterations have been completed it will probably rebroadcast international programs, and will later serve as a feeder to the 75,000 watt station of the National Government at Nanking.

The City Government of Greater Shanghai is erecting a 500 watt station in the New Civic Centre in the Kiangwan district. and a 400-watt station is scheduled for construction in the French Concession at Shanghai by the French Municipal authorities during the year.

An order has been placed with the China Electric Company by the Canton authorities for a 15,000-watt broadcasting station (British equipment), which is expected to be one of the most modern stations in the Far East when completed during 1936.

Although there are 102 broadcasting stations in China, according to A. Viola Smith, Trade Commissioner, only some 10 are of commercial importance. Exactly half of these stations are located in Shanghai, the center of radio development. Only one of them, however, with the exception of XQHC, which the Government is bringing up-to-date, has crystal control. Studio equipment in all stations is very limited and in most stations, obsolete type.

In addition to commercial stations, Government stations now accept radio advertising. Such advertising is uncertain, however, as advertisers' control over programs is restricted. It is understood that these stations may be prohibited from receiving any advertising except for "native products". Efforts are being made to include "products manufactured in China" in the regulation so as to permit the advertising of products made under foreign control.

A number of American manufacturers are sending their own electrical transcriptions of American programs for use in China, and there appears to be accommodation for greater use of this method.

The Chinese programs rank about as follows in popular appeal: (1) Chinese Story Teller; (2) Chinese Comedy Act, consisting of two musicians and three comedy singers; (3) Novelty groups of five, two story-tellers, two musicians, and one singer. Lessons in English are enjoying a popular vogue. Many Chinese retail shops have sets receiving popular foreign music programs. Automobile dealers are sponsoring advertising over three or four Chinese stations between the hours of 12 midnight and 3 A.M. to reach a certain select Chinese audience. Some Chinese stations are carrying on programs up to 5 A.M., in order to reach the "mah jongg clientele."

Class "A" commercial stations charge about \$30 an hour for its time and pays the talent as follows:

"A" Class Orchestra, generally a remote - \$50.00 per Hour; Chinese Orchestra - \$35.00 per hour; Chinese Story Tellers - \$6.50 per hour; Chinese Comedians (group) - \$20.00 per hour; Vocal Artists - US \$3.50 to \$35.00 per hour.

Chinese

A complete report on the/broadcasting system and other phases of radio has been made by the Commerce Department comprising of a multigraphed bulletin of 25 pages. This is titled - "Radio Markets -- China", and copies may be had by sending 25¢ to C. T. Murchison, Director, Bureau of Foreign and Domestic Commerce, Washington, D. C.

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PAUL SPEARMAN RESIGNS AS FCC GENERAL COUNSEL

A veteran in the field and one who has helped to make considerable radio legal history, Paul D. P. Spearman has resigned as General Counsel of the Federal Communications Commission, a position which he has held since last July. He was the first one to serve in that capacity with the new Commission. Mr. Spearman, however, was associated with the old Radio Commission for two years as Assistant General Counsel.

Mr. Spearman, a native of Mississippi, who was formerly associated with the firm of Littlepage & Littlepage in Washington, has not as yet announced his plans. His letter of resignation to the Commission follows:

"Because of the personal sacrifice involved, I should have hesitated to become your General Counsel but for the fact that I realized my doing so would give me the opportunity and privilege of serving, at least in a small way, the administration of President Roosevelt. Moreover, I have had the honor and privilege of working with you for a year and believe I can say, without being immodest, that the Commission's work and accomplishments during this year have been of such an order that you must take personal pride in them. If I may be permitted to claim a small share of the credit for this success, I shall be happy.

"The honor which comes from serving with an important commission, especially during its most important year - its first - and the pleasure which has been mine from associating with the Commission and its staff, more than compensates for any personal loss to me.

"I believe that the present staff of the Law Department is equal to any problem which may confront it. In view of this, and in view of my desire to return to private practice, I hereby tender my resignation, to be effective at the close of business on June 30, 1935.

"During the year many problems have confronted your Law Department. Some of them will arise time and again in the future and if the occasion presents itself when I can be of service to the Commission I shall be only too glad to respond to your command. To be of service to you in the future would be an honor and a privilege which I would welcome.

"May I take this opportunity to say that I shall ever think of the Commission and its staff as my warmest friends?

"With kind personal regards to each of you and an earnest prayer for the continued success of the Commission and its staff."

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Chairman Anning S. Prall, replied as follows:

"The Commission yesterday (June 26) received and accepted your letter of resignation as General Counsel to become effective June 30, 1935.

"At that time the Commission requested me to acknowledge your letter. In your letter you paid this Commission and the members of its staff a very high compliment on the work which they have performed, and you ask that you be permitted to claim a small share of the credit for the success of the work that has gone before. I believe I may say, and I am sure my colleagues will join me in saying, that a large measure of the success is due to your efficient and painstaking studies of the problems which have come before us during this past year.

"In your return to private practice, the Commission wishes you a full measure of success and is sincere in its appreciation of your offer of further service."

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MACKAY CONTRACTS FOR DIRECT RADIO TO NORWAY

A contract has been made between the Government of the Kingdom of Norway and the Mackay Radio and Telegraph Company, a subsidiary of the International Telephone and Telegraph Corporation for the opening of a direct radio telegraph circuit between the United States and Norway.

Mackay Radio has filed application with the Federal Communications Commission to obtain approval for this new circuit. It will add one more European link to the Mackay Radio System which also has radio circuits to the major countries of South America and to China and Japan as well as ship-shore and domestic radio telegraph services.

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TEXAS 100-WATT FAVORABLY RECOMMENDED

The application of the Palestine Broadcasting Association of Palestine, Texas, for 100 watt station on a frequency of 1420 kc., daytime operation, has been favorably reported on by Examiner Ralph L. Walker. The president of the Palestine Association is John Calvin Welch, a clergyman.

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NBC PROGRAM POLICIES PRAISED

Messages from the Federal Communications Commission, the Women's National Radio Committee, the American Association of Advertising Agencies and other organizations praising the progress made by the National Broadcasting Company during the past year and a half in eliminating objectionable advertising from the air were read last Tuesday by Edgar Kobak, NBC Vice-President in charge of sales, at the second day of the NBC Sales Management Conference at the Westchester Country Club, at Rye, N.Y.

Richard C. Patterson, Jr., Executive Vice-President of NBC, presided at the session, which centered about a discussion of the Continuity Acceptance Department, which was established by NBC early in 1934 in an effort to clear the air of questionable advertising copy.

Anning S. Prall, Chairman of the Federal Communications Commission, expressed himself as follows in a message to NBC officials:

"I have been advised of and have noted with interest the policies you have effected in the handling of broadcast advertising by your company. This work is in the right direction and I hope you will continue to give the Continuity Acceptance Department the authority and freedom of action it must have if it continues to operate in the interests of good advertising. You have my best wishes in your efforts and the results you have secured."

John Benson, President of the American Association of Advertising Agencies, commented on the part NBC has played in making broadcasting more acceptable and welcome in the American home.

"You have done pioneer work in this regard", he stated, "for which advertisers and agencies should be deeply grateful. Undoubtedly, there have been a number of objections on the part of broadcasting sponsors who wish to use more license than is good for the medium and for those who use it, and you are to be commended for taking a firm position in this regard."

Stuart Peabody, Chairman of the Board of the Association of National Advertisers and Director of Advertising and Commercial Research for the Borden Company, wrote Mr. Kobak as follows:

"Personally, I believe that recent activities have stirred this matter up beyond its real importance. As opposed to the method of adopting and publishing a so-called Code of Ethics, I personally prefer the quiet way in which you work with your advertisers."

In discussing the broadcasting company's policies, Mr. Kobak said:

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"The National Broadcasting Company took the lead more than a year and a half ago in insistence upon good taste standards and has refused a number of accounts which we considered not suitable for the air. This work is going along quietly and efficiently with one thought in mind, to protect the consumer and the listener and at the same time to give the conscientious manufacturer a fair opportunity to sell his products. As broadcasters, we have the right to censor all advertising, but I have found recently that manufacturers are doing everything they can to abide by our suggestions to clean up advertising copy and thus make censorship unnecessary."

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FCC FIXES GOVERNMENT TELEGRAPH RATES

of the Federal Communications Commission
The Telegraph Division/Thursday fixed the rates for government telegraph messages for the fiscal year beginning July 1, 1935. For the most part the existing rate of forty per cent (40%) of the commercial rate now in effect was continued. For serial messages and time wire service, however, where the commercial rate is substantially below that for full rate telegrams, the government rate was fixed at eighty (80) per cent of the commercial rate. Commissioner Payne voted against filing the rate at eighty (80) per cent and favored establishing it at forty (40) per cent for these two services. The minimum charges for serial messages and timed wire service were fixed at fifty-four cents and forty-five cents respectively. Previous orders by the Postmaster General had fixed the minimum charges for day messages, day letters, night messages and night letters at approximately the commercial minimum and the Division's action carried that same principle into the more recently established serial messages and time wire service.

The new order also provides that if any new telegraph services are established during the fiscal year covered, the government rate will be fixed for such services at the time they are placed in operation. The text of the order will be released within the next few days.

The principal telegraph companies coming under the order had requested that the government rate be made the same as the commercial rate. The Telegraph Division of the Commission will continue its study of the proper level for government rates with a view to determining what changes, if any, should be made at the time of issuance of the order covering the fiscal year beginning July 1, 1936.

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HOUSE FOOD AND DRUG BILL HEARING UNDECIDED

In all probability a decision will not be reached as to whether or not hearings will be held, and if so when, on the Copeland Food and Drug Bill in the House until Representative Sam Rayburn, Chairman of the Committee on Interstate and Foreign Commerce, appoints a sub-committee to take up the matter which will be about Monday, July 1st. The Food and Drug Bill was recently referred to the Rayburn Committee for consideration but Mr. Rayburn said that the whole committee will not be able to take it up until the Wheeler-Rayburn Utilities Holding Company Dissolution Bill is out of the way, which may be sometime.

As the Copeland Bill now stands, publishers, radio broadcasters, advertising agencies and others would not be liable for the false advertising penalties under the conditions which are described thus:

"No publisher, radio broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising shall be deemed to have violated the provisions of Subdivision (4) or (5) of Paragraph (a) of this section by reason of the dissemination or any false advertisement when such dissemination is caused by the manufacturer, packer, distributor, or seller, residing in the United States, of the article so advertised; but such manufacturer, packer, distributor or seller shall be amendable to the prosecution and penalties provided for violation of such subdivisions.

"It shall be unlawful for any publisher, radio-broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising wilfully to refuse on reasonable request of an officer or employee duly designated by the Secretary to furnish to such officer or employee the name and post office address of the manufacturer, packer, distributor or seller, residing in the United States, who caused him to disseminate any such advertisement and any publisher, radio-broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising who so refuses shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed by Paragraph (b) of this section."

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