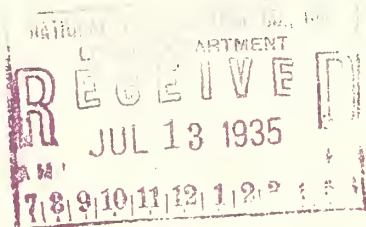


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BROADCASTERS FAVOR GOVERNMENT PRESSING COPYRIGHT SUIT

The upshot of all the discussion of the copyrighted music situation at the National Association of Broadcasters' Convention at Colorado Springs was affirming the action of their Board of Directors taken in New York last month that while the Board reiterated the so-called "per piece" or "measured music" plan of payment, it believed that every broadcaster must himself come to a decision as to whether or not he desires to extend his present contract with the American Society of Composers for a five year period beyond 1936.

At the same time, however, the Broadcasters at their Colorado Springs meeting passed two resolutions, one approving a condemnation of the activities of Attorney General Cummings against the ASCAP and expressing appreciation and gratitude to the Attorney General, and another which read:

"RESOLVED, That the officers and directors of the National Association of Broadcasters be instructed to support the suit of the United States Government against the American Society of Composers, Authors and Publishers, The Music Publishers' Protective Association and their affiliated defendants, to the end that royalties for the public performance of music may be determined by free and open competition among copyright owners."

The NAB commended the efforts of Joseph Hostetler for his endeavors to "obtain relief for the broadcasting industry from the ravages of the ASCAP" and recommended that he be given the opportunity to continue as copyright counsel.

Another resolution was that the Board consider the establishment of one or more annual NAB awards for conspicuous examples of public service rendered by American broadcasting stations.

Among the other resolutions adopted at the Colorado Springs Convention were:

"Resolved, that the NAB go on record as favoring the issuance of radio station licenses for a term of at least three years."

"Resolved, That the NAB hereby petitions the Congress of the United States speedily to enact Senate Bill No. 3047, generally known as the Duffy Copyright Bill, which brings the Copyright Act of 1909 into conformity with the pending Treaty which would permit American entry into the International Copyright Union, and which will afford relief to broadcasting stations,

hotels, restaurants, public gatherings, valet shops, and so forth, by eliminating the minimum statutory damage provision and permitting the Court to determine the amount of damages."

"Resolved, That the action of the Managing Director in authorizing the Technical Director of the Association to cooperate actively with the FCC and the stations contributing to the conduct of the Secondary Coverage Survey be and the same is hereby approved; and that the Managing Director be and he is hereby authorized to continue such participation particularly during forthcoming conferences at which the results of the survey are to be considered."

"Resolved, That the Managing Director be and he hereby is authorized to take such steps as may be necessary adequately to represent the best interests of the broadcasting industry in the forthcoming conferences preparatory to the Fourth Meeting of the CCIR (International Consulting Committee on Radio), scheduled for the Spring of 1937 (probably at Bucharest) and in the meeting of the CCIR."

"Resolved, That the President be and he hereby is authorized and directed to appoint a committee of three, one of whom shall be the Managing Director, to determine the procedure for most effective presentation of the United States' position and proposals to the next administrative International Conference scheduled to be held in Cairo early in 1938."

"Resolved, That the Managing Director be instructed to proceed immediately with the creation of a bureau of agency recognition in accordance with the plan approved and recommended by the Commercial Committee, with the understanding that the said bureau will be finally established only if the cost of its first year of operation is underwritten by the stations proposing to avail themselves of its services."

"Resolved, That the National Association of Broadcasters reaffirm its willingness to cooperate with the advertisers and agencies in the creation of a cooperative bureau, and that the President of the Association be directed to appoint a committee of not less than five members, to be approved by the Board of Directors and to be responsible to it, the said committee to conduct such activities as may be necessary to the establishment of such a bureau and to represent the National Association of Broadcasters in any discussions or negotiations with advertisers and/or agencies."

Also resolutions were passed commending the services of Philip Loucks, who has just retired as Managing Director; Henry A. Bellows, for his work as Chairman of the Legislative Committee; and Chairman Prall of the Federal Communications Commission, who addressed the Convention, and Andrew Cruse, of the Commerce Department for his television report.

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BROADCASTERS ADOPT REVISED CODE OF ETHICS

The following revised Code of Ethics was adopted by the Colorado Broadcasters' Convention:

1. Recognizing that the radio audience includes persons of all ages and all types of political, social and religious belief, each member station will endeavor to prevent the broadcasting of any matter which would commonly be regarded as offensive.

2. When the facilities of a member station are used by others than the owner, the member shall ascertain the financial responsibility and character of such client, that no dishonest, fraudulent or dangerous person, firm or corporation may gain access to the radio audience.

3. Matter which is barred from the mails as fraudulent, deceptive or obscene shall not be broadcast by a member station.

4. Each member station shall refuse any advertising matter regarding products or services injurious to health.

5. Each member station shall maintain a public record of its current rates charged to advertisers for the use of broadcasting time together with all discounts, rebates, refunds and agency commissions which shall be allowed to the users of such time or to their recognized agents.

6. Each member station shall refuse to accept any business on a cost per inquiry, contingent, or percentage basis, or to accord free time for commercial use.

7. No member station shall permit the broadcasting of advertising statements or claims which he knows or believes to be false, deceptive or grossly exaggerated.

8. No member station shall defame or disparage a competitor, directly or indirectly, by words or acts which untruthfully call in question such competitor's business integrity, ability to perform contracts, credit standing or quality of service.

9. No member station shall claim for its service a character, scope or quality which cannot be substantiated, nor shall it claim as regular characteristics of its service features which it knows to be purely temporary or accidental.

10. Where charges of violation of any article of the code of ethics of the National Association of Broadcasters are filed in writing with the Managing Director, the Board of Directors shall investigate such charges, give opportunity for hearing and afterwards notify the station of its findings.

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INDUSTRY FEELS SECURE WITH PRALL, NAB CONVENTION TOLD

That the broadcasting industry is breathing somewhat more easily under the new FCC regime with Anning S. Prall, as Chairman, is apparent from the tribute J. Truman Ward, President of the National Association of Broadcasters paid to the latter at the Broadcasters' Convention at Colorado Springs.

"Practices of the governing body of radio, the Federal Communications Commission, are fast becoming stabilized under the valiant leadership of Chairman Prall", Mr. Ward said. "It is my belief that the individual broadcasters and the industry as a whole, feel more secure in their position today operating under the new Commission, than at any time in its history."

Also, Mr. Ward spoke in reassuring tones with regard to the educational situation, as follows:

"Whatever may have been our fears before, in the end I am sure every station participating welcomed the opportunity to testify before the Commission. Stations participating presented their cases in a most interesting manner and all rallied to the leadership of NAB, making possible the presentation of a case which could not be broken. When the facts were known, I am quite sure the industry as a whole, was surprised to know that such a vast amount of time was being given to subjects of a general educational or informative nature. You are all aware of the favorable report given to Congress by the Commission, which in substance upheld the American system of broadcasting. May I pause here to pay my respects to Phil Loucks and Henry Bellows for their leadership and the admirable manner in which they conducted the case for the industry? Henry Bellows had a gigantic task in collecting all the data and putting it together into a most beautiful and logical summary of the case."

Mr. Ward also paid a high tribute to Phil Loucks, who is retiring as Managing Director of the Association, for his able work, in general.

With regard to the Copyright situation, Mr. Ward said:

"The American Society of Composers, Authors and Publishers has offered to the industry a renewal of their present contract for a period of five years. This contract, while it may not be desirable to the industry as a whole, does at least protect the industry from a further increase in payments to ASCAP for a period of five years from the expiration of our present contract, and would become void should the Government win its case before its expiration or a more desirable plan of operation be entered into between the industry and ASCAP."

The speaker concluded:

"We need much closer cooperation in our industry with the advertising agencies, represented by the AAAA, the AFA and the ANA, and through them, with the advertiser. Definite information must be compiled and made available for the time buyer."

"During the past year our industry has prospered - business has continued to gain during 1935 - gross time sales during the first four months of the current year, were approximately 20% greater than during the corresponding period of 1934. Particularly, encouragement is to be found in the use of radio advertising by retail establishments. Radio advertising of this type was 48.6% greater during the first quarter of 1935 than during the same period of the preceding year. April retail volume was 71.1% ahead of the same month of last year. Department store volume has exceeded that of the previous year by about 50%. The total gross revenue from the sale of broadcasting facilities representing only gross time sales for the year 1934, amounted to \$72,887,000. This equalled and probably exceeded the previous estimated peak which occurred in 1931. There has been an increase in the number of receiving sets, slightly more than 4,000,000 new sets being sold in 1934. There were approximately 21,000,000 radio homes in this country on January 1, of this year, representing a potential listening audience of approximately 70,000,000 people. This does not take into consideration the ever increasing number of automobile radios being sold. There are approximately 21,430,000 passenger cars in use today, representing a very fertile field for the continued sale of auto receiving sets, bringing with it a greatly increased constant listening audience."

"With general improvement in business conditions throughout the country, I am confident that our industry is on the threshold of a very profitable future, which will enable us to be of greater service to our country and its people."

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FITZPATRICK, WJR, DETROIT, NEW NAB PRESIDENT

Leo J. Fitzpatrick, Vice-President and General Manager of WJR, Detroit, was elected President of the National Association of Broadcasters at the Colorado Springs Convention. Mr. Fitzpatrick has been the radio advisor for Rev. Charles Coughlin for many years and he is credited, to a large degree, for the latter's success over the radio. Mr. Fitzpatrick succeeded J. Truman Ward, President of WLAC, Nashville, who was not a candidate for reelection.

Edward A. Allen, President of WLVA, Lynchburg, Va., was elected a Vice-President. WLVA is a 100-watt station and Mr. Allen's election is looked upon much as a concession to the complaint registered by the newly organized group, of which Mr. Allen

is President, composed largely of 100 watt stations, that the smaller stations were not adequately represented on the Board or among the higher officers of the NAB.

Quite a hot fight was waged over the treasurership with Isaac D. Levy, of WCAU, Philadelphia, reelected over John Shepard III, President of the Yankee Network, of Boston. The fact that any contest developed over the treasurership was attributed to the stand which Mr. Levy took in the copyright controversy.

There was a dramatic moment when Levy personally took the floor to explain his position on this, according to a dispatch from Colorado Springs, which states that he began by sarcastically intimating that not 20% of the membership understood the ASCAP problem. He had heard the stories about his selling them down the river, he stated, and then for 45 minutes he presented his side of the case. He referred to the weakness of the government's suit against ASCAP and the practical common sense of accepting the best terms possible. Levy stated that while the treasurership of NAB was a burden, he would stand for reelection.

At the conclusion of the session and after answering questions fired at him from all directions, Levy received a vote of confidence.

Apropos of the defeat of John Shepard by Levy for the treasurership, it was said that they had had previous business differences.

As had been anticipated, James W. Baldwin, former Secretary of the old Federal Radio Commission, and later Code Officer for the Broadcasting Industry, was appointed Managing Director to succeed Philip G. Loucks, who has resigned to return to law practice. Mr. Baldwin is a native of Indiana and had previously been connected with the National Association of Broadcasters. It is expected that Mr. Loucks will be retained in an advisory capacity by the Association, perhaps as counsel in copyright matters.

Although official figures are not as yet available as to the number of delegates who actually attended the convention, a new record was set with more than 300 registered at the Broadmoor Hotel and an estimated registration at other hotels which would probably bring the attendance up to 450.

A large proportion of the close to 100 stations which are owned and operated by newspapers were represented at a get-together meeting to organize a separate section of the Broadcasters' Association. Walter Damm, Dean Fitzer, and Lambdin Kay were appointed as a committee to perfect the organization of this group.

A Warning against gradual assumption by Federal Communications Commission, indirect censorship powers and prediction that this indirect government censorship will result in legislative action was contained in report of NAB Legislative Committee read before the convention Monday afternoon. The report declared recent wholesale citations in "Marmola" case raises the question whether Commission may use authority to revoke or renew broadcasting licenses for purpose of controlling programs' quality or character. If the Commission can, the conclusion is inescapable, it is in effect, censoring radio programs.

The Commission, the report admits, may have this right but broadcasters are entitled to know what standards it proposes set up. The Legislative Committee thinks it is utterly illogical that a station be threatened with loss of license by reason of broadcasting programs which so far as is known are not against existing laws. If the advertisement is illegal the same methods which would bar its publication in newspapers should be adequate to prevent its being broadcast.

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WIRED RADIO TICKER NEWS SERVICE CONTEMPLATED

According to reports from New York, the Ticker News Service, Inc., known as the Lang-Worth Feature Programs, Inc., will soon begin and experiment with wired radio in Philadelphia and New York. This will be a bulletin service intended for grills, restaurants, hotel bars and other places where the usual ticker news service is found. The International News Service will supply ticker news with general news and bulletins.

The Ticker News Service claims 600 subscribers in New York and about 200 in Philadelphia.

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SMALL STATION APPLICANTS FAIL TO APPEAR

Apparently some of the applicants for 100 watt station licenses are not so eager to press their cases when they find out what they must go through with before starting up. An instance of this was M. B. Scott, of Prescott, Arizona, who applied for an operating assignment with a power of 100 watts on 1500 kc. and Radio Service, Inc., of Las Vegas, Nevada, on 1200 kc. No one appeared at the Commission in behalf of either station and both applications went by default.

In the case of Eugene DeBogory, of Brownsville, Texas, asking for 100 watts license on 1370 kc., at Brownsville, Texas, and 1420 kc. at Denton, Texas, Ralph L. Walker recommended that both applications be denied.

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BROADCAST ADVERTISING AHEAD OF LAST YEAR

Broadcast advertising volume still remains materially ahead of last year's level, according to the National Association of Broadcasters.

Broadcast advertising in May exhibited the usual seasonal trends. Total gross time sales during the month amounted to \$7,546,285, a decline of 6.4% as compared with April volume. National network advertising decreased 7.2%, national non-network volume 8.2%, and local broadcast advertising 4.1%.

Regional network advertising alone increased rising 5.5% as compared to April.

The Association has issued a special report on the subject of retail broadcast advertising. Despite the fact that retail institutions were among the first to own broadcasting stations, retail advertising over the radio, until recently, has progressed more slowly than has its national counterpart. Retail broadcast advertising during the current year, however, has shown a large gain over the same period of 1934. Department and general store advertising has increased particularly.

In spite of the fact that the highest proportion of retail to total advertising is found on the local stations, it is the regional stations - the 250-1,000 watt group - on which the majority of retail advertising is placed. It is estimated that in 1934, approximately \$4,000,000 was spent by retailers over stations of this class. Approximately \$1,750,000 was spent over the 100 watt stations, while the remaining \$1,400,000 was placed over stations in the high power group.

The average expenditure by retailers over each class of station, reveals another aspect to the situation. Respectively, for each class of station, this is as follows: over 1,000 watts, \$22,000; 250-1,000 watts, \$13,000; 100 watts, \$7,000. The concentration of the larger retail establishments on the higher powered stations, and the effect of the higher station rates, are clearly illustrated.

The question is asked "how much retail advertising is there?" And the NAB answers it as follows:

"In 1934 total gross time sales to retail establishments amounted to \$7,183,000, or 44.9% of all local broadcast advertising. The retail classifications used in arriving at this figure were conservative, only indisputably retail establishments being classified as such. If all advertisers, invested with any retail interest whatsoever - as for example, bakeries, or dairy companies selling through retail establishments as well as through their own wagon routes or outlets - had been

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included in the classification, it is probable that more than 60% of local broadcast advertising would have been included under the retail heading. Retail broadcast advertising in 1934 constituted 24.3% of all non-network gross time sales, and 9.9% of all advertising over the radio."

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BROADCASTER-EDUCATOR COMMITTEE TO BE ANNOUNCED SOON

One of the first things the Federal Communications Commission will turn its attention to after various officials from the Broadcasters' Convention in Colorado Springs have returned, will be the appointing of new committees of broadcasters and educators to cooperate with the Federal Communications Commission in educational broadcasts.

This matter is now being considered by John W. Studebaker, U.S. Commissioner of Education, and Judge E. O. Sykes, Chairman of the Broadcast Division of the Commission. They will submit a tentative list of broadcasters and educators to the full Commission which will undoubtedly be approved and announced at a fairly early date.

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FCC COMMISSIONER IS CAVALRY COLONEL

Commissioner Norman S. Case, Vice Chairman of the Broadcast Division of the Federal Communications Commission, a Colonel in the Reserve Corps of the Army, is at present in camp at Fort Ethan Allen in Vermont, in command of the 351st Cavalry. Colonel Case will not return to Washington until about July 23rd. Inasmuch as Chairman Prall is at the Colorado convention of the National Association of Broadcasters, Chairman E. O. Sykes of the Division has been authorized to pass on all pending matters.

Colonel Case, in addition to the time he has devoted to military affairs, was also formerly Governor of Rhode Island.

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 ::::: INDUSTRY NOTES :::::
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E. C. Grimley of New York has been elected President of the RCA Victor Company, Ltd., in Canada, succeeding B. Gardener of Montreal. He was for many years connected with the Radio Corporation of America and prior to that with the Victor Talking Machine Company.

The Columbia Broadcasting System has announced the appointment of the following to serve as an Advisory Committee on children's programs: Mrs. Henry Breckinridge, Chairman of the Municipal Arts Committee; Mrs. Harold V. Milligan, Chairman of the Women's National Radio Committee; Mrs. William Barclay Parsons, Jr., President of the Parents League; Newel W. Edwon, National Chairman of the Social Hygiene Committee of the National Congress of Parents and Teachers, and Gilson Gray, Commercial Editor of the Columbia System.

The earnings of the Radiomarine Corporation of America for May and five months were:

	<u>1935</u>	<u>1934</u>
May gross	\$76,864	\$76,331
Net income	9,915	8,897
Five months' gross. . .	370,931	368,015
Net income.	47,704	37,165

Radio's war against the American Society of Composers, Authors and Publishers moved last week to the western front, when Attorney General G. W. Hamilton of the State of Washington obtained in the superior court at Olympia an order temporarily restraining ASCAP from making any further collections from the users of copyright music in the State. This action is believed to have been pushed by Kenneth C. Davis, Managing Director of the Washington State Broadcasters' Association who won for the Bellingham station, KVOs, its news suit with Associated Press last Fall.

At a meeting in New York of stockholders of the Sonotone Corporation, an issue of 50,000 shares of cumulative preferred stock was approved by the stockholders.

Dr. Hugo Lieber, President, said sales for the first half of 1935 were \$870,000, a gain of 37 per cent over the 1934 period.

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MC COSKER'S CONTRACT EXTENDED AS WOR PRESIDENT

The contract of Alfred J. McCosker, President of the Bamberger Broadcasting Service, Inc., owners and operators of radio station WOR, has been given a long term extension beyond February 1, 1936. The extension was announced in the following statement:

"McCosker, in addition to being President of the Bamberger Broadcasting Service, Inc., is also Chairman of the Board of the Mutual Broadcasting System, Inc. and Vice-President of Radio Quality Group Service, Inc.

"McCosker, who has been with WOR twelve years, has been President of the Bamberger Broadcasting Service, Inc. since October, 1933. Before that time he was Director and General Manager of WOR for seven years. He has served two terms as President of the National Association of Broadcasters, being elected in 1932 and reelected the following year. In 1933 McCosker was also appointed a member of the Executive Committee of the NRA by President Roosevelt.

"Before joining WOR, McCosker was a daily newspaper and magazine editor and on entering the broadcasting industry his success in applying newspaper practices to the then infant radio field was largely responsible in his being appointed the station's director and general manager.

"McCosker was the first to inaugurate the 'spot' feature type of broadcast and to install remote control lines in almost every possible source of such programs. He brought the last three Presidents before the station's microphones, as well as kings, queens, statesmen, persons high in diplomatic circles and many other world-famous figures.

"McCosker was the first radio executive to be appointed a member of the Board of Directors of the Advertising Federation of America. He is a member of the Advertising Club of New York, the New York Athletic Club, the New York Electrical Society, the Economic Club and many others. Recently McCosker was appointed Chairman of the National Association of Broadcasters Committee to devise methods by which the advantages which accrued from the NRA code may be retained."

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