

HEINL RADIO BUSINESS LETTER

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WILL RADIO BE POLITICAL FOOTBALL OF 1936 Congress?

Members of the Federal Communications Commission and broadcasters alike are wondering whether radio will again be made a political football at the second session of the 74th Congress or whether more important issues will crowd it off the calendar.

The FCC members are sharply divided in their predictions, doubtless based on hopes, over what Congress may do about broadcasting. The Broadcast Division poo-poo's the threat of any investigations or the passage of any revolutionary legislation, while Telegraph Division colleagues hint of dire consequences unless the FCC revamps the broadcasting setup voluntarily. The most outspoken of them is Commissioner George Henry Payne.

Unbiased observers are inclined to believe that more important issues will forestall any action that might upset the present commercial radio system but that individual members will seize the opportunity to assail the broadcasting allocations as unjust to the rural communities and the educational and religious institutions.

The FCC itself will offer no significant legislation and will oppose, as a body, any move toward government operation of stations or the allocation of a definite number of frequencies to educational groups.

The most sweeping of the pending bills affecting radio is that sponsored by Representative Monaghan (Democrat), of Montana, an energetic and sincere but inexperienced legislator. His measure would establish a Federal Radio Commission and authorize it to operate a government broadcasting network on which advertising and sponsored programs would be limited to two hours daily or 20 per cent of the operating time. It is not likely that Congress would take any action on such a revolutionary proposal without at least conducting a thorough inquiry, and an election year is not the most appropriate time for Congressional inquiries. Congressmen are too busy mending their political fences.

The next most radical bill is that sponsored by Representative Rudd (Democrat), of Brooklyn, which revives the old proposal of allocating a fixed percentage, in this case one-fourth, of the broadcasting facilities to non-profit making organizations. It, however, stands little chance of enactment at the approaching session for the same reason that the Monaghan bill will be held up.

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Senator Wheeler (Democrat), of Montana, Chairman of the Senate Interstate Commerce Committee, has a much better chance with his bill to repeal the Davis equalization amendment, leaving allocations to the discretion of the Federal Communications Commission.

Other pending bills touching directly on radio are:

Neely Bill to compel losing applicants for existing radio station licenses to pay full costs of proceedings.

Walsh Bill to require State Department approval of all foreign broadcasts rebroadcast in this country.

McCormack Bill to permit ships to pick up radio news reports.

Scott Bills and resolutions to amend the Communications Act with respect to political broadcasts, censorship and broadcasters' liability for utterances and to set up a Broadcasting Research Commission to investigate the industry and the demands of outside groups for facilities.

In addition there are a number of non-industry bills which nevertheless will have varying effects on broadcasting if enacted into law. Chief among these is the Copeland Bill to regulate the manufacture, sale and advertising of food, drugs, and cosmetics. This bill has passed the Senate but faces serious opposition in the House and possible amendment.

The Duffy Bill to amend the Copyright Act of 1909 and afford new protections to users of copyrights, including broadcasters, has also passed the Senate and awaits House action. The current confusion over the music copyright situation doubtless will be injected into the consideration.

The Capper Bill to prohibit the advertising of intoxicating liquors in interstate commerce, including broadcasting, probably will never emerge from its pigeon-hole at the approaching session.

Other measures would bar radio stations and newspapers from carrying advertising for companies seeking to place loans at interest rates in excess of 15 per cent a year (by Sauthoff, of Wisconsin) and would prevent promotion of frauds operated over the radio and through other interstate agencies (by Copeland et al).

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FCC NAMES RADIO-EDUCATION GROUP; MEETING IN JANUARY

The eyes of Congress, educators, and broadcasters will be on the newly-formed Radio-Education Committee when it holds its first meeting about the middle of January. The Committee of forty was announced by the Federal Communications Commission, Broadcast Division, December 18, and Dr. John W. Studebaker, U.S. Commissioner of Education, as Chairman, immediately began drafting an agenda for the first meeting.

The Committee, which was promised by the FCC almost a year ago when it submitted a report to Congress on the place of education in broadcasting, comprises both educators and broadcasters. Its purpose will be to satisfy the demand of educational interests for time on stations and networks and at the same time refrain from encroaching on profitable commercial hours.

Upon the outcome of this rather difficult task doubtless will depend the attitude of Congress on the demands of reformers for a specified allocation of radio frequencies for non-profit educational and religious organizations.

Some educators and even members of the FCC, such as Commissioner George Henry Payne, are frankly skeptical of the ability of the Committee to settle amicably the rather delicate problem. Others believe that it will settle the controversy that has raged almost since the inception of broadcasting to the satisfaction of all concerned.

In announcing the personnel of the Committee, the FCC called attention to its inquiry in the Fall of 1934 and its subsequent report to Congress recommending against the allocation of fixed percentages of radio facilities to non-profit groups. The Commission asserted in that report that the interests of non-profit organizations would be better served by the use of existing facilities.

The Commission proposed in its report to hold an educational conference at which time plans for mutual cooperation between broadcasters and educational organizations could be made. That conference was held on May 15, 1935.

"It is the sincere belief of the Commission", a FCC statement said, "that the hearings, conferences, and constructive thought and experience given to this subject have produced a situation whereby within the present broadcast structure the educators on the one hand, and the broadcasters on the other can combine forces which will:

- "1. Eliminate controversy and misunderstanding between groups of educators and between the industry and educators.
- "2. Promote actual cooperative arrangements between educators and broadcasters on national, regional and local bases.

"A sufficient budget for expenses of the Committee has been pledged, half of it by the National Advisory Council on Radio in Education on behalf of educational interests and half by the National Association of Broadcasters on behalf of broadcast stations. It is expected that a small planning committee will be organized for the purpose of collecting and correlating data on which the main committee may base its deliberations, thus reducing to a minimum the amount of time the full committee will have to give, consistent with a fair and impartial consideration of the subject. This small committee may also undertake certain definite projects in keeping with the general purposes of the committee.

"The Commission is too familiar with the whole scope of educational broadcasting, its limitations and its possibilities, to expect any panacea, but we do believe that coordination and cooperation at this time will give results to the end that radio broadcasting can be further utilized as an effective medium for education."

The Committee, in addition to Dr. Studebaker, comprises:

Waldo Abbott, University of Michigan; Merlin H. Aylesworth, President, National Broadcasting Company; James W. Baldwin, Managing Director, National Association of Broadcasters; Edgar Bill, Station WMBD; Dr. S. Parks Cadman, Federal Council of Churches of Christ in America; Dr. Morse A. Cartwright, Director, American Association for Adult Education; Dr. W. W. Charters, Director, Bureau of Educational Research, Ohio State University; Dr. Harry W. Chase, Chancellor, New York University; Gardner Cowles, Jr., Des Moines Register; Lester E. Cox, Station KWTO; Edwin Craig, Station WSM; Dr. A. G. Crane, President, University of Wyoming; Dr. Walter Damrosch, National Broadcasting Company; Milton S. Eisenhower, Director of Information, Department of Agriculture; John Elmer, Station WCBM; O. I. Fisher, Station KOMO; Leo J. Fitzpatrick, President, National Association of Broadcasters; Willard Givens, Secretary, National Educational Association; Tom C. Gooch, Daily, Times Herald; William Green, President, American Federation of Labor.

Also, Mrs. Rose Jacobs, President, Hadassah Womens Zionist Organization; Father George W. Johnson, Catholic University of America; Dr. C. B. Jolliffe, Radio Corporation of America; Lamdin Kay, Station WSB; John F. Killeen, Director, Broadcast Division, Federal Communications Commission; Dr. Cline M. Koon, Office of Education; Mrs. B. F. Langworthy, President, National Congress of Parents and Teachers; Miss Luella S. Laudin, Women's National Radio Committee; H. B. McCarty, President, National Association of Educational Broadcasters, University of Wisconsin; A. J. McCosker, President, Bamberger Broadcasting Service, Inc.; Mrs. Harold V. Milligan, President, Women's National Radio Committee; Dr. Robert A. Millikan, President California Institute of Technology. William S. Paley, President, Columbia Broadcasting System; A. D. Ring, Assistant Chief Engineer, Federal Communications Commission; John Shepard, III, President, Shepard Broadcasting Co.; Dr. Levering Tyson, Director,

National Advisory Council on Radio in Education; Miss Judith C. Waller, Mid-West Educational Director, National Broadcasting Company; Frederick A. Willis, Columbia Broadcasting System; and George F. Zook, President, American Council on Education.

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STATIONS GIVE BALDWIN ATTORNEY POWER IN ASCAP PARLEYS

Daily conferences are being held between James W. Baldwin, Managing Director of the National Association of Broadcasters, and E. C. Mills, General Manager of the American Society of Authors, Composers, and Publishers, in an effort to work out a solution of the copyright muddle before January 1, when present contracts expire.

Unable to solve the enigma, the NAB Board of Directors adjourned early this week and authorized Baldwin to continue negotiations as a one-man committee. The Directors also authorized him to sign renewal contracts for station members providing their consent is obtained.

Many stations were reported to be telegraphing the power of attorney to Baldwin as he continued his negotiations. Broadcasters believe that if he obtains such authority from enough stations he will be able to get a more favorable contract renewal basis from ASCAP than the present 5 per cent of gross plus a sustaining fee.

Baldwin will remain in New York, with headquarters at the St. Regis Hotel, until January 1, or as long as necessary to reach an agreement with ASCAP.

Just what will be done with regard to separate contracts with the publishing houses controlled by Warner Brothers is conjectural. The latter has submitted a tentative proposal for three months' contracts on a basis of 2 per cent of station commercial billings and 40 per cent of the sustaining fee collected by ASCAP during the last quarter of 1935.

In a resolution adopted by the NAB Directors before adjourning stations were advised not to broadcast any musical number after January 1 unless it has either a license to broadcast that number or else "a sufficient guarantee of indemnity from a satisfactory source".

Besides recommending that stations accord Baldwin authority to act for them in further negotiations, the Board looked with favor on the "per-piece" plan of paying for copyrighted music. It recommended that:

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"(1) No opportunity should be overlooked to work out a per piece or measured service plan which the NAB at its conventions for three years has requested.

"(2) Insistence on any one system, however, should not be carried to the point where it endangers the ability of stations to broadcast acceptable music on and after Jan. 1, 1936."

Meanwhile, the copyright confusion was further muddled from another source as the Attorney General of the State of Washington filed through former Senator C. C. Dill a notice of registration of all ASCAP copyrighted music with the U. S. Registrar of Copyrights in the National Capital. This action, the significance of which is still problematical, followed a victory of the State of Washington in its judicial scrap with ASCAP in the refusal of the U. S. District Court to take a hand in the case.

Washington State officials and broadcasters predicted that the ASCAP case is consequently confined to the State courts, where vigorous prosecution is promised. Some months ago a receiver was appointed for ASCAP, which had been held illegal under the State constitution. ASCAP counsel plan to appeal the case to the Circuit Court of Appeals. If necessary, according to Nathan Burkan's office, ASCAP will contest the Washington action as far as the United States Supreme Court.

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PRESIDENTIAL YEAR SEEN BENEFICIAL TO RADIO INDUSTRY

"The radio industry faces the New Year in a most fortunate position", says Leslie F. Muter, President of the Radio Manufacturers' Association. "Public interest has been greatly increased by the new all-wave sets and the excellent broadcasting which have resulted in the largest year in our history, with an increase far greater than that of general business. Presidential years have always been very beneficial in the past and with political interest more extensive than ever before, 1936 will undoubtedly assist us to greater heights of progress and service."

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PAYNE ASSAILS SHORT-WAVE BROADCASTS TO LATIN AMERICAS

Federal Government officials are concerned over the "fact" that American short-wave broadcasts are "riling" the people of South American republics because of the character of their advertising and an over-emphasis of commercialism, Commissioner George Henry Payne asserted this week in an address at the University of Syracuse.

"Fortunately", said Commissioner Payne, "this disagreeable situation is about to be cleared up by the Government itself utilizing the five channels which were placed at its disposal at the conference held at Montevideo in 1932.

"The people of South America do not believe that our 'faulty elimination' and 'cure-all blackheads' programs are representative of our culture or intelligence, and even if they are, they don't like them. I am sure that any reasonable-minded person will admit that while we may not be unwilling to have blatant and objectionable stuff pumped into our own home over the radio, we haven't the right to inflict the same stuff on the people in the homes of a friendly and unoffending foreign nation.

"With the tremendous increase in all-wave receiving sets has come a corresponding increase in the interest of the ordinary broadcast listener in programs emanating by short-waves from far-off lands. It is estimated that of approximately twenty million receiving sets in this country today, at least two million are now equipped to receive long distance short-wave programs directly, and that number is increasing by leaps and bounds. Unfortunately, while the saturation limit for receiving sets is a long way off in the future, and is largely dependent upon the purchasing power of the receiving public, this is not the case for transmitting stations, and indeed the saturation limit for transmitters has been reached in the bands made available for short-wave broadcasting service.

"Is it not a matter of pride for Americans to see that programs which are addressed to international audiences in other countries are of the very highest type, and particularly that they are free of the type of objectionable advertising to which American listeners, through long suffering, are becoming inured? Of the total number of short-wave broadcasting stations in the United States 75% are affiliated with the major chains and are carrying the regular chain broadcasting programs to foreign lands together with all of its advertising. Is it not time to provide a new type of program for distribution to foreign countries which will reflect the high standards of American ideals and good taste?

"Inasmuch as I have, at various times, seemed to be a sharp critic of commercial broadcasters, I believe it is only fair that I should say, what I have said before, that they deserve great credit for some of their programs. I am personally deeply

grateful always for the two hours on Sunday of the New York Philharmonic, and other philharmonic societies elsewhere are building up respect for radio, while at the same time they are intensifying the feeling that what can be of such noble use should not be debased by a mercenary spirit and frequently vulgar high pressure salesmanship. As I said at Columbia University, I do not think this country is in favor of such a system as that in Great Britain and other countries where no advertising is permitted and where the radio is either government-owned or government-administered or dominated.

"What the people want, I believe, and I am very glad to say that in my talks with some of the important top figures in the radio industry they are inclined to consider most favorably, is some standard applied to the advertising. Surely nobody could but praise the good taste with which the Ford Motor Company puts on its programs, or the Philco, or as one educator wrote me from California, with which the Standard Oil furnishes the symphony concerts to the people on the West coast."

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NEW SALT LAKE CITY RADIO STATION IS RECOMMENDED

A construction permit to authorize establishment of a new 100-watt radio station in Salt Lake City, Utah, by Paul R. Heitmeyer, for operation on 1210 kc. with unlimited time was recommended this week to the Federal Communications Commission by Examiner P. W. Seward.

Salt Lake City has KSL, a 50 kw. station and KDYL, a 1 kw. station, but the Examiner held that there was a need for a purely local broadcasting outlet.

An increase in daytime power from $2\frac{1}{2}$ kw to 5 kw on 1320 kc., unlimited time was recommended by Examiner Melvin H. Dalberg.

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B.B.C. CHIEF ENGINEER TO TALK

There will be an address from overseas by the Chief Engineer of the British Broadcasting Corporation at 10 P.M., EST Wednesday, January 8th.

The talk will come from London via short-wave over GSD, 25.5 m. (11,750 kc.), or GSC, 31.3 m. (9,580 kc.), or GSL, 49.1 m. (6,110 kc.).

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RMA DIRECTORS WILL MEET IN CHICAGO ON JANUARY 29

Radio industry promotion plans for 1936 will be considered by the RMA Board of Directors at a meeting scheduled by President Leslie F. Muter for January 29 at the Stevens Hotel in Chicago. This will be the first meeting in 1936 of the RMA governing board and on the same date Chairman Arthur T. Murray of the Set Division will hold a meeting of the set directors.

Several cooperative measures with the National Association of Broadcasters and other affiliated organizations are being promoted, including the plan for a Radio Foundation to make industry awards for outstanding achievements in 1936.

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ELDER MICHAUX SAYS BUTCHER'S APPOINTMENT HAS DIVINE FAVOR

The recent appointment of Harry C. Butcher, of Washington, and WJSV, as Seventh Vice-President of the Columbia Broadcasting System has met with divine favor, according to Elder Lightfoot Solomon Michaux, famed colored pastor of the "Radio Church of God".

"God completes all of his work and puts his approval upon it in cycles of '7'", Elder Michaux said, "making '7' God's perfect number.

"If you'll notice in Genesis 2nd Chapter, first and second verses, that God created the heaven and earth in six days and on the seventh day He rested. And you'll also notice that in establishing His church in the earth, it was manifested by Jesus Christ by appearing in the midst of seven golden candle sticks, and holding in His right hand, seven stars, to show that the work of His church was complete in the resurrection of Jesus Christ from the dead. You'll find this in Revelations 1st chapter, 18th to 20th verses.

"You'll also notice that the book of God which held the plan of man's salvation and damnation was sealed by Him with seven seals. You'll find this in Revelations 5th chapter, 1st verse. You'll also notice that in winding up all things, the Scriptures teach that God will announce the end with seven Angels, which calls the world a great Harlot, Babylon, which means confusion. You'll find this in Revelations 17th chapter, 1st to 5th verses. I've quoted all these passages that you might see that God's work is completed in '7'".

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The Telegraph Division of the Federal Communications Commission in answer to numerous inquiries, has announced that the 1935 uniform system of accounts will remain in effect as to all telephone companies until the Commission is advised of the disposition of the case of the American Telephone & Telegraph Co. et al vs. the U. S. and the FCC.

A brief radio market report on Liberia has been issued by the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce and may be purchased at 25 cents a copy.

The Hearst and Scripps-Howard newspaper chains are preparing to make their syndicate features available for radio use, according to Variety. King Features, the Hearst unit, has established a radio department under the direction of J. V. Connolly, who is aided by Fred Smith, once director of WLW and later connected with "The March of Time". United Features, the Scripps-Howard subsidiary, is preparing scripts for sale to agencies under direction of Jean Grombach.

The Federal Communications this week in general session extended the effective date of the Broadcast Division's order of October 1 in the so-called Brooklyn cases, pending consideration of the petition of WVFV for a rehearing.

The British Broadcasting Corporation reports that its recorded programs of the more important original broadcasts have been heard via short-wave by listeners in Australia, New Zealand, Africa, India, Ceylon, Hong Kong, Shanghai, Southern Rhodesia, and Malaya.

Colgate-Palmolive-Peet Co. early in January will inaugurate three radio features on CBS. For Palmolive shaving cream, never before advertised on a radio network, Colgate will present a weekly series on the nation's peace officers by Phillips Lord; for Palmolive soap, the "Beauty Box Theatre" will be extended to a coast-to-coast network; and for Super-Suds, Colgate will offer a new series of human interest dramas by Gertrude Berg.

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ROPER MAY TAKE OVER NRA FUNCTIONS SOON

Because of the radio industry's refusal to participate in the recent business conferences, called by Maj. George Berry, the following comment by Raymond Clapper, political columnist on the Washington Post, should be of interest:

"Discussions are going on which look to putting the old NRA out of sight and tucking it away safely under the arm of Secretary of Commerce Roper before Congress comes back.

"Specifically, Ernest G. Draper, Assistant Secretary of Commerce, a business man of broad experience (Dromedary dates most recently), would be made custodian of the remnants.

"Specifically, also, a silencer would be put on Maj. George Berry so there would be no more scenes like the one which broke up his recent industrial conference. That show, which ended in a riot, rubbed both business and important Administration quarters the wrong way. It interfered with the breathing spell. In certain Administration quarters it is desired to get everything quieted down before Congress starts a clamor."

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TWO STATIONS AGREE TO ABIDE BY FTC STIPULATIONS

Two broadcasting stations have agreed to abide by stipulations with the Federal Trade Commission in cases involving advertisers.

Western Broadcast Co., operator of Station KNX, Hollywood, Calif., has entered into stipulations with the FTC to abide by action taken in five cases involving advertising. The five companies which had previously entered into stipulations with the Commission to cease and desist from certain unfair advertising practices, are: Nourishine Manufacturing Co., Los Angeles; Germania Tea Co., Minneapolis; Old Mission Tablet Co., Pasadena, Calif.; King's Better Vision Institute, Los Angeles, and Tablet Sixty-Six Co., Los Angeles. In its stipulations with the Commission, the station admits broadcasting advertisements of these companies.

Truth Publishing Co., Inc., operator of Station WTRC, Elkhart, Ind., admitted broadcasting advertisements for Deuel's, of Centerville, Mich., distributor of an ointment, and agreed to abide by a stipulation previously entered into by the advertiser with the FTC.

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