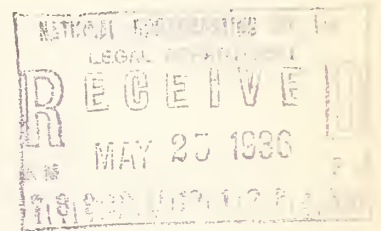


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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No. 930

MILLS SAYS NAB PLAN WILL BE BAD FOR RADIO AND ASCAP

Making his first public statement on the move of the National Association of Broadcasters to organize a Copyright Bureau with the aim of adopting a per piece method of paying copyright fees, E. C. Mills, General Manager of the American Society of Composers, Authors and Publishers, predicted that the scheme will prove a "headache" both to broadcasters and copyright owners.

The statement was made exclusively to the Heintz Radio News Service in answer to an inquiry as to his opinion. Mr. Mills emphasized that the views expressed are personal and do not represent the attitude of ASCAP, necessarily.

"There is no question but that in theory the 'per piece method' is the most scientific and intelligent of all possible methods which might be devised whereunder users of copyrighted music in public performances for profit would make payment to the owners of the copyrights thus used", he said.

"It is, of course, perfectly apparent that under such a plan the different and respective copyright owners could and would, each of them, fix his own schedule of tariffs for the use of his compositions, and the terms to govern payments to be made by each different class of stations. Each copyright owner could then elect whether he would license the use of a work direct to the broadcaster, and if so, at what price, or direct to the advertiser (in the case of sponsored programs) and at what price. The copyright owner could then decide individually whether his rate would be higher for a use on a sponsored program than for a use on a sustaining program; and of course each copyright owner could and would decide whether he desired his royalty returns to be made monthly or quarterly or semi-annually, etc.; and the individual copyright owner could and would decide what form of assurance he desired for prompt and satisfactory accountings, royalty statements and remittances to be made by each station, as well as the form of certification to be made by the station as to the correctness of the royalty statements as rendered.

"On the other hand, the broadcasting station, upon receipt from the respective copyright owners of their catalogues, or in receipt from the NAB or some other agency of an index to copyrighted compositions, is then under the necessity of

- "(1) Establishing in his station a more or less complete index of copyrighted musical compositions, showing on each card the current price or prices for a use or various kinds of uses of each copyrighted work;

- "(2) Building programs with reference to the royalty cost of such programs - and this would mean a careful advance checking of everything to be played;
- "(3) Each and every program of musical content would need to be very carefully and accurately listed by the station, item by item, and from these listings and the necessary transfers made to the books of account of credits accruing to the various copyright owners; and
- "(4) At the customary accounting periods, royalty statements would have to be prepared by the station either to the individual copyright owners, or a consolidated statement rendered through ASCAP (depending upon whatever final arrangements were made), and these would have to be certified and forwarded with royalty cheque to cover.

"While on the one hand I am prepared instantly to agree that this is the scientific manner in which to properly account for the use of copyrighted music, yet I seriously question whether in the long run it is going to be a good thing for either the broadcasters or the copyright owners. It is an absolute certainty that the cost of using copyrighted music will be very substantially increased for every station; and that there will be in addition a very substantial waste of money now not being spent by stations, incident to the employment of expert copyright and accounting personnel.

"Moreover, in the interests of broadcasting as an art, I question the wisdom of subjecting program directors to the economic pressure of building their programs as cheaply as possible from the musical standpoint, for the reason that ultimately this must have an adverse effect upon the quality of broadcast programs. Obviously, each program director is going to be anxious to show a minimum cost for copyrighted music royalties, and the natural economic pressure will result in his use of cheaper music. Obviously, too, the copyright owners will price their more desirable works substantially higher than their mediocre or 'run-of-the-mill' compositions.

"The final influence of the 'per piece method' must therefore be to cheapen the quality of programs while at the same time substantially increasing the cost of using copyrighted music. At present the stations have the free use of a very substantial repertoire, ownership of which is vested in copyright owners not at this time demanding any fees. It requires no gift for prophecy to assure broadcasters that if and when they do pay on a 'per piece basis', they will, of course, pay for every piece they use.

"The proposed system would require a most careful advance checking, not now being made by a great many stations, as to the actual copyright ownership of compositions included in their programs; and it is to be remembered that a careful record will have to be made then of everything played, and that record

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will be in such form that if subpoenaed for an alleged infringement the station would by its own record confess the infringement and have no defence whatsoever.

"What I am saying here is my own personal statement, and does not represent the views of ASCAP. I am perfectly capable of advising the broadcasters - hundreds of whom are my warm personal friends, just as honestly for their own good, as I am of advising ASCAP for its good, because I realize that whether the broadcasters like or not, and whether the copyright owners are pleased or not, the two have got to live together - and they might as well do it without constantly barking at each other like a couple of bulldogs. The broadcasters are going to continue to have to pay copyright owners for the use of their product, and the copyright owners are going to have to continue to find their best market for performing rights licenses in the broadcasters as long as broadcasting maintains its present position of popularity. And so far as anyone can see now, there is no prospect of a diminution in that.

"Certain elements among the broadcasters are probably going to persevere in their request for the fancied freedom of opportunity to use what they want when they want it and pay for it as they please. But I do not mind making the statement right now, that if, as and when the 'per piece method' does finally go into general use the broadcasters will have their first real 'headache' in connection with the use of copyrighted music.

"In this very brief and hurried statement I have not had opportunity to analyze the subject fully."

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Renewal of the license of WSMB, New Orleans, for operation on 1320 kc., with 1 KW power, unlimited hours, was recommended to the Federal Communications Commission this week by Examiner George H. Hill. The renewal was proposed without restriction of radiation towards Des Moines, Ia., as requested by KRNT.

An increase in power from 250 watts to 1 KW for WDBO, Orlando, Fla., was recommended to the Federal Communications Commission this week by Examiner Walker on condition that the transmitter is moved and the application of WCHS, Charleston, W. Va., also on 580 kc., is also given a permit to use 1 KW.

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RADIO ADVERTISERS WIN IN NEW FOOD-DRUGS BILL

Broadcast advertising, as well as that of newspapers and periodicals, would remain under supervision of the Federal Trade Commission, rather than be transferred to the Food and Drug Administration in a modified Pure Food and Drug Bill reported to the House May 20th by the Interstate and Foreign Commerce Committee.

An attempt will be made to call up the bill before adjournment, but sponsors hold little hope of its passage, or at least of an agreement with the Senate, before adjournment.

Most food, drug and cosmetic manufacturers asked that the Federal Trade Commission retain jurisdiction over advertising. A provision is included in the House bill, however, which broadens the authority of the FTC by permitting it to start proceedings with the aim of protecting the consumer without waiting for a complaint to be filed as under current laws.

About 30 per cent, or \$25,000,000 annually, of the revenue of networks and broadcasting stations can be traced to the food, drug and cosmetic industries.

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SCRIPPS-HOWARD TO COMPETE WITH HEARST IN RADIO FIELD

Just as it competes with William Randolph Hearst in the newspaper field, the Scripps-Howard chain plans to broaden its string of broadcasting stations, it was disclosed at a recent hearing before the Federal Communications Commission.

Scripps-Howard, through Continental Radio Company, now owns and operates WCPO at Cincinnati and WNOX at Knoxville, Tenn., and has filed applications to build and operate stations at Toledo and Columbus, O. Hearst Radio, Inc., now owns eight outlets and is awaiting FCC approval of the purchase of two more.

James Hanrahan of the Continental Radio Company, appearing as a witness in the Toledo application, said that Scripps-Howard will operate stations in cities where it has papers providing adequate public service is not being furnished by existing stations.

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CBS ANALYZES LISTENING HABITS OF MOTORISTS

With more than 3,000,000 family automobiles equipped with radio receivers and an expectation that this number will reach 5,000,000 before the end of 1936, the Columbia Broadcasting System has just issued the first analysis of this new horde of listeners, who above all assure a steady radio audience in the hot Summer months.

"Three million families, and over, is a sizeable circulation in any man's language", commented Victor M. Ratner, Sales Promotion Manager of CBS. "In the automobile listening habits of these families you find a new index to the vitality of radio."

Ten questions were asked of the auto-radio set owners, and from the answers the following data was obtained:

Average Weekday listening to auto-radio. . .	2.6 hrs. per day
Average Sunday listening to auto-radio . .	3.2 hrs. per day
Average number of Listeners per auto-radio	2.7

% of owners who tune-in radios while driving

in Evening	90.6%
in Afternoon	62.1%
in Morning	61.3%

% of auto-radios used equally the Year-'Round 47.5%

used more in Summer	46.9%
use more in Winter	5.6%

% of auto-listeners who discover New programs 77.4%

% of auto-listeners who follow Familiar programs. 86.9%

Price class of automobiles checked in this study:

\$1,000 and under	64.7%
\$1,000-\$2,000	33.3%
\$2,000-\$3,000.	1.2%
\$3,000 and over.8%

The first question, "How long do you listen to your automobile radio per week-day?" disclosed that 7.9 per cent tuned in six hours or more, while larger groups used these mobile sets five, four, three, and two hours.

While the average number of listeners per set is 2.7, many owners interviewed reported audiences of five or more.

Some of the random comments scribbled on the questionnaires are as interesting as the figures. For instance:

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"I find it helpful in reducing the amount of backseat driving."

"Don't have to worry about getting home for special programs."

"When it's hot we sit in the car rather than use the house radio."

"I'm convinced it makes night-driving much safer. Keeps me from falling asleep."

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ZONE AND INTER-ZONE POLICE STATIONS AUTHORIZED

Paving the way for a broadening of the police radio communication service, the Telegraph Division of the Federal Communications Commission this week modified its rules (325 to 338, inclusive, and 348) to provide for establishment of two new classes of stations.

The new transmitters are to be labelled zone and inter-zone police stations. Nine frequencies have been set aside and a radio operating procedure has been established. The United States has been divided into zones. Zone boundaries, tentatively, are to coincide with State boundaries although departures from this plan may be authorized.

Stations within a zone, in general, may communicate only with each other. If a message is to be transmitted to a point within another zone, its normal channel is through a central station within the zone, known as the interzone police station, to the interzone police station in the zone of destination for final delivery.

In order to permit the immediate establishment of this system of message distribution the present rules with regard to municipal and State police stations have been modified to permit those stations to operate as zone police stations to handle emergency police message traffic until suitable radiotelegraph apparatus has been installed. This authorization expires January 1, 1938, at which time the radiotelephone relay of messages will be prohibited.

Copies of the revised rules and regulations are being furnished all police departments now authorized to use radio equipment and may be obtained by others upon request.

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PICKARD TO RETIRE AS CBS VICE-PRESIDENT

Sam Pickard, long a prominent figure in broadcasting, will retire from active service and as Vice-President of the Columbia Broadcasting System in charge of station relations at the end of this month. It is understood he will remain on the network payroll as consultant until the end of 1936.

The retirement is reported to be due to ill health and a desire to get away from the strain of active business. Mr. Pickard will spend much of his time now on a farm he has purchased in North Carolina.

The first Secretary of the old Federal Radio Commission, Mr. Pickard later became a Commissioner. A pioneer in the field of farm and educational programs, he came to Washington as head of the radio service of the Department of Agriculture. He has at various times owned, in whole or in part, Stations WDRC, Hartford; CKLW, Detroit-Windsor; WKRC, Cincinnati; and WGST, Atlanta.

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MACKAY SEEKS TO EXPAND FOREIGN RADIO SERVICE

Although the Federal Communications Commission has not yet decided the ticklish question of whether to grant the application of the Mackay Radio & Telegraph Co., to establish point-to-point communication with Oslo, Norway, the Mackay Company this week filed two more applications with the FCC for expansion of its foreign services.

The FCC has given no indication when it will rule on the Oslo case, which will establish a precedent by deciding whether Mackay is to be permitted to compete with R.C.A. Communications, Inc., for world radio communications trade.

Some of the points which Mackay asks permission to join to its radio services are: Vienna, Vatican City, Copenhagen, Budapest, Prague, Madrid, Buenos Aires, Lima and Bogota (Colombia).

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FCC ADOPTS NEW RULES FOR STATIONS OUTSIDE 550-1500 KC.

Bringing its rules in accord with the changes made in the high frequency allocations (See May 15 issue), the Broadcast Division of the Federal Communications Commission on May 21st issued new regulations governing all broadcast stations except the ordinary outlet for entertainment over the air, operating on the band 550 to 1500 kc.

The stations affected by the new rules are:

- Relay broadcast stations (formerly broadcast pickup stations).
- International broadcast stations (formerly experimental relay stations).
- Visual broadcast stations, including television and facsimile.
- High-frequency broadcast stations (formerly general experimental stations authorized to operate as broadcast stations).
- Experimental broadcast stations.
- Special broadcast stations (formerly experimental broadcast stations on the frequencies of 1530, 1550 and 1570 kilocycles).

So that the new regulations and allocations may be understood by all stations concerned, the FCC has called an informal engineering conference for June 18th to which all licensees affected are invited.

These rules provide certain new restrictions and principles of operation. All outstanding rules concerning these stations which are in conflict with the new rules are automatically cancelled.

The name "relay" broadcast station now applies to stations which were formerly called broadcast pickup stations. The new name "relay" is considered more in keeping with the actual service rendered by these stations. In the future these stations will be licensed only to the holders of regular broadcast station licenses. Two groups of frequencies are provided, one in the medium frequency band and the other in the very high frequency band. In both groups the licensees are required to notify the Commission two days before each operation for the purpose of relaying programs to be broadcast. Certain of the frequencies in the medium frequency band have been changed by two kilocycles to provide better frequency separation from other services.

The name "international" broadcast station now applies to those stations which were formerly called experimental relay stations. These stations are licensed for international service.

The frequency bands 2000 to 2100 kilocycles and 1750 to 2850 kilocycles have been dropped for the television service. Experience to date has shown that a satisfactory picture in keeping with the development of the art cannot be transmitted successfully

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in these narrow bands. The stations now assigned these frequencies which are carrying on active programs of research and experimentation will be assigned specific frequencies in the bands 42,000 to 56,000 kilocycles and 60,000 to 86,000 kilocycles. One license will authorize both the visual and aural broadcast.

High-frequency broadcast stations will be required to carry on active programs of research to hold a license. Licensees not carrying on this active program cannot be considered as making proper usage of the assignment and full consideration will be given at the time of the renewal of license.

Experimental broadcast stations are provided for specific experimentation along lines other than those prescribed by other broadcast rules. Certain frequencies throughout the entire useful radio spectrum are made available for this purpose by Rule 229 as modified.

The name "special broadcast station" applies to stations formerly named "experimental" stations licensed to operate on the frequencies of 1530, 1550, and 1570 kilocycles. The new rules provide that all rules that apply to regular broadcast stations (Rules 69 to 181, inclusive) shall apply to special broadcast stations. This means that these stations must have frequency monitors, modulation monitors, protected equipment, etc.

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CRUSE TO BE CHIEF SPEAKER AT RMA CONVENTION

Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, will be the principal speaker at the annual convention of the Radio Manufacturers' Association at the Stevens Hotel, Chicago, June 17-19, Bond Geddes, Executive Vice-President, announced this week.

Mr. Cruse will explain how the Department of Commerce is opening new markets and aiding radio manufacturers to expand their foreign trade. He will speak on June 19th.

Leslie F. Muter, President of the RMA, will make his annual report on the same day, and John W. Van Allen, General Counsel, will speak. An elaborate dinner, with cabaret entertainment, is scheduled for the night of June 18th.

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NEWSPAPER HELD ABOVE RADIO IN EDUCATION

The daily newspaper was called supreme as a broadcasting agency in the field of adult education, while the radio was regarded as a yet undeveloped instrument of educators at the closing sessions May 21st of the American Association for Adult Education in New York City.

The press as a medium for the dissemination of science was appraised by Frank Thone, editor in biology, Science Service, while in another sectional meeting, Levering Tyson, director, and William J. Donovan, treasurer, of the National Advisory Council on Radio in Education spoke of the importance of the radio in the spread of knowledge.

Mr. Tyson noted that it was a commonplace for a radio speaker to state that "broadcasting is the most important social phenomenon since the invention of printing." He agreed that this was likely true.

"It is also true, no doubt", he continued, "that when Gutenberg and Claxton were fussing around with the first movable type, they did not anticipate the social effects of their invention. They could not realize the dynamic social power the wide distribution of printed materials would unleash in the twentieth century by means of the book, the newspaper, the tabloid and the pulp magazine. Today we are in an analogous position."

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ASCAP AIDING STATIONS IN DEFENDING W-B SUITS

The American Society of Composers, Authors and Publishers, through its Legal Division, headed by Nathan Burkan, is helping broadcasters defend themselves against copyright infringement suits filed by the Warner Brothers music publishing houses, James W. Baldwin, Managing Director of the National Association of Broadcasters, disclosed this week.

About 135 actions started by Warner Brothers have been referred to the ASCAP Legal Division, he said, on the basis of provision in ASCAP-station contracts in which the Society agrees to defend the licensee. After ASCAP prepares the answer in each suit, it returns the document to the station with the request that it be filed by local counsel.

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::: INDUSTRY NOTES :::

The Telegraph Division of the Federal Communications Commission on May 19th approved the following Rule:

"241 (a): Upon application being made, the Commission may grant a license or modification of license for fixed public press service to authorize secondary use of the assigned frequency, or frequencies, for transmission of multiple-address messages simultaneously to two or more fixed points, in accordance with the provisions of Rule 232. The points to which such transmission is authorized need not be named either generally or specifically in the license, provided the applicant makes satisfactory showing that (a) the public interest, convenience or necessity will be served thereby, and (b) such transmission will not interfere with the fixed public press service to the primary fixed point or points of communication designated in the license. After such application is made and granted, specific authorization for transmission to each new point shall be contingent upon the licensee's immediate notification to the Commission of the first transmission to said point and the location of the station or stations from which such transmission is made, and shall continue to the expiration date of the said station license or licenses unless within thirty days the licensee is otherwise notified by the Commission."

False and misleading representations in advertising an electric comb designed for use in treating the hair and scalp are alleged in a complaint issued by the Federal Trade Commission against G. Lindholm Co., Inc., 316 Flatbush Avenue, Brooklyn, N. Y. The respondent company in radio broadcasts, newspapers and other advertising matter made assertions which are untrue.

The British Broadcasting Corporation reports the following appointments for the television station at Alexandra Palace: Hyam Greenbaum, Music Director; Stephen K. Thomas and Dallas Bower, producers; Harry Pringle and Peter Bex, stage managers; Maj. L. G. Barbrook, film producer; and G. More O'Ferrall, Assistant Producer.

A resolution asking that the Federal Communications Commission investigate the three Houston radio stations to determine if they are operating in violation of the Federal anti-monopoly laws was adopted last week by the Texas State Federation of Labor in annual convention. The resolution also asked cancellation of radio station KXYZ's license for allegedly "ousting" Dr. William States Jacobs, Houston's labor pastor, from his weekly program recently.

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