

HEINL RADIO BUSINESS LETTER

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ASCAP WILL NOT TRY TO ALTER PRESENT BROADCAST LICENSES

The American Society of Authors, Composers, and Publishers will take no steps "directly or indirectly, during the term of its present agreements with broadcasting licensees to reform the existing contracts in any manner whatsoever", E. C. Mills, General Manager, stated this week.

Dispatching letters to all licensed broadcasting stations in explanation of the significance of the return of the Warner Brothers music publishing houses to ASCAP, Mr. Mills also stated that all infringement suits will be withdrawn by Warner Brothers.

He pointed out, however, that the Shubert Music Publishing Co., which was one of the member-firms that withdrew from ASCAP on December 31, 1935, has not been reinstated as it did not apply for reinstatement.

James W. Baldwin, Managing Director of the National Association of Broadcasters, took a brief intermission from his vacation this week to request a statement from Herman Starr, President of the Music Publishers Holding Corporation, as to what steps have been taken "to refund the moneys which have been received from stations directly by MPHC since January 1, 1936."

Mr. Mills made no mention of refunds, however, farther back than July 31, and it appeared that Warner Brothers does not intend to make the refunds except in cases where W-B licensees have paid in advance beyond August 1st.

The reunion of ASCAP and Warner Brothers music publishing firms aroused speculation in the broadcasting industry regarding its effects on the anti-trust suit against ASCAP, but the consensus was that it would strengthen the Department of Justice's case. It was suggested that Warner Brothers may be forced to testify against ASCAP as a government witness if the case ever comes to trial.

Broadcasters generally were jubilant over the return of the W-B subsidiaries to the ASCAP fold as it meant larger repertoire without any increase in copyright rates. The major networks offered special programs as "salutes to Warner Brothers", and independent stations were able to broadcast music that has been banned from the air (unless the station held a W-B license) since the first of the year.

Variety estimated that Warner Brothers' half-year break with ASCAP cost it "considerably over \$500,000, this loss deriving not so much from performance income, but the effect the lack of network release had upon W-B's publishing interests in general."

The text of Mr. Mills' letter to broadcast station licensees of ASCAP follows:

"Supplemental to our telegram of last evening, we are now pleased to announce that effective as from August 1, 1936, memberships of the following named publishers in the American Society of Composers, Authors and Publishers have been fully reinstated and their respective copyrighted musical works are available for the use of all licensees of ASCAP under the terms and conditions of their said licenses, without any restrictions upon the non-dramatic performance of any of their respective copyrighted musical compositions:

"Harms, Inc.; T. B. Harms Company; New World Music Corporation; Remick Music Corporation; Victoria Publishing Company and M. Witmark & Sons.

"It will doubtless be noted that the Shubert Music Publishing Company which was amongst the member-firms which withdrew from ASCAP on December 31, 1935 is not listed as amongst the above named reinstated members. This for the reason that this particular firm did not apply for reinstatement. Therefore, as to any rights owned by this particular firm, the same are not to be considered as embraced under the ASCAP license.

"Between January 1st and July 31, 1936, suits alleging infringement by broadcasting stations of the copyrights of various of these firms were instituted. The re-admitted members have each of them agreed that all such suits filed as against licensees of this Society 'shall be forthwith discontinued without costs to any of the parties'. Therefore, if you are defendant in any such suit, you may anticipate the early discontinuance thereof upon motion of the plaintiff, and I would suggest that you advise your counsel accordingly.

"As to licenses held from the Music Publishers Holding Corporation by broadcasting stations which are presently licensees of ASCAP, it is understood that MPHC will accept notice of termination thereof from the licensee, and if you presently hold license from MPHC it is suggested that you immediately notify them of your desire to terminate the same as at the close of business July 31, 1936.

"No endeavor will be made by ASCAP, directly or indirectly, during the term of its present agreements with broadcasting licensees to re-form the existing contracts in any manner whatsoever. Rates will remain for the term of the present agreements in each case as at present for the respective terms thereof.

"We sincerely hope that all ASCAP's broadcasting licensees will cooperate in establishing the status quo ante and that there may be no disposition upon the part of anyone toward punitive measures or any sort of retaliation.

"ASCAP is very pleased to again make available under its license for the use of radio stations and the entertainment of the radio audience, the very substantially increased repertoire effected by re-admission to full membership of the above named publishers."

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SHORT-WAVE SET BRINGS PROGRAM TO ISOLATED AREA

The short-wave or all-wave radio receiver is proving invaluable to listeners who are, for one reason or another, out of range in the daytime of the long-wave broadcasting stations, according to Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, Ill.

Quoting from a letter written by Paul Klugh, who was fishing at Fishing Bridge, Yellow Stone Park, recently, Commander McDonald recounted this story:

"It is cold and raining up here but the fishing is good", wrote Mr. Klugh. "The short-wave radio is wonderful. Europe always, and sometimes Japan, are easy to get. Landon's acceptance speech came in at 7 p.m. Thursday during a terrific electric storm and nothing could be received on the regular wave, yet on short-wave from Pittsburgh it came in perfectly.

"One doesn't appreciate what short-wave means until isolated."

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FCC ISSUES RULES RELATING TO BROADCAST STATIONS

Extracts from the Federal Communications Commission's Rules and Regulations applicable to broadcasting stations were released this week in mimeographed booklets by the FCC press division.

The booklet contains in convenient form all of the revised regulations recently promulgated relative to broadcasting.

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PHILCO CHARGES RCA WITH ESPIONAGE IN N.Y.C. SUIT

Presaging a bitter fight between the Radio Corporation of America and the so-called eleven independent radio receiving set manufacturers, the Philco Radio and Television Corporation, of Philadelphia, this week startled the industry by making sensational charges of espionage against RCA in a suit filed in the New York Supreme Court.

Philco charged that RCA and its subsidiary, the RCA Manufacturing Company, hired agents of a private detective bureau to furnish liquor and entertainment to women employees of the Philco company in an effort to obtain confidential information about the manufacture of radio sets.

Col. Manton Davis, Vice-President and General Counsel of RCA, immediately denied the charge and stated that a vigorous denial will be filed shortly.

While the "independent" manufacturers have been taking pot shots at RCA for some time with Samuel E. Darby, Jr., patent attorney, as their spokesman, the New York suit for an injunction was the first serious move made against RCA.

Philco charged that agents of the detective bureau took Philco women employees to hotels, night clubs and restaurants in Philadelphia and vicinity "involving them in compromising situations."

The plaintiff besides asking for an injunction to restrain the defendants from alleged unfair and illegal business practices, asked for an order forcing the return of any information obtained by such practices and for whatever damages the court may find the Philco Corporation has suffered as a result of the defendants' alleged acts.

Defendants named in the action include John S. Harley, Inc., described as a detective agency; Charles A. Hahne, said to be Vice-President of that agency, and Lawrence Kestler, Jr., an alleged agent for the detective bureau.

Colonel Davis said:

"We intend to answer this complaint and vigorously deny its allegations. There is no foundation whatsoever to the charge that RCA has by espionage or by any improper means attempted to obtain information as to the laboratory research, designs, distribution policies or any other trade secrets of Philco."

At the office of the Harley firm it was said that no statement would be made concerning the alleged activities of the company. It was denied that any one named Hahne is connected with the agency.

The Philco company said it has obtained a leading position in the sale of radio receiving apparatus in the United States and that 98 per cent of its stock is owned by its officers and employees. The Radio Corporation of America was described as having assets of more than \$100,000,000 and owning or controlling the great majority of patents covering radio appliances and apparatus.

"By the exercise of its financial power and patent monopoly it dominates and controls the radio industry of the United States and by the acts alleged herein is seeking further to extend and strengthen its domination and control of said industry", the complaint stated.

Philco asserted that the merchandising and distributing of radio receiving apparatus is "subject to the most intensive competition because the market is national and even international in scope.

"It has required the greatest skill, invention, vigilance and effort successfully to develop and maintain such a business in the face of the highly competitive nature of the business, and particularly the competition of RCA directly or through its subsidiary, by reason of its financial power and patent monopoly."

The Philco company said it buys the greater part of its merchandise from the Philadelphia Storage Battery Company under a long-term contract.

"The defendants for many months have been seeking information and documents concerning the confidential methods, business methods, trade practices, designs and technical and scientific developments and processes of the plaintiff", the complaint says. In pursuance of these activities the plaintiff alleges that the defendants have "resorted to unfair, wrongful and illegal methods and practices, including the use of subterfuge, deception and false representation to corrupt plaintiff's employees and the employees of the Philadelphia Storage Battery Company, inciting them to breaches of trust and confidence.

"For example, Hahne and Kestler entered the plaintiff's place of business and made the acquaintance of numerous girls and young women in the plaintiff's employ and in the employ of the Philadelphia Storage Battery Company.

"Thereafter by misrepresenting their identity and business, and wholly concealing their connection with any of the defendants herein, and by a carefully planned course of conduct over a period of several months, the said Hahne and Kestler did ingratiate themselves with and win the confidence of said girls and young women and provided them with extensive and lavish entertainment at hotels, restaurants and night clubs in Philadelphia and vicinity and supplied them with intoxicating liquors and

involved them in compromising situations to induce them to furnish confidential information, documents and designs."

The complaint was filed by the law firm of Henry L. Stimson and was served on Lewis MacConnach, Secretary of the Radio Corporation of America.

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RADIO OUTLETS UNITE TO FIGHT FLORIDA STORMS

Public and private radio outlets in Florida are uniting to battle the common enemy of the State.

Four radio hookups in the future will flash warnings over land and sea in a concerted effort to reduce the life and property toll taken by tropical storms in Florida.

The Weather Bureau maintains an around-the-clock watch on the storms, receiving, charting and distributing reports on their movements from the time they first form until they dissipate. It uses an automatic teletype system between its principal offices.

To supplement the bureau service, four radio organizations will "keep watch" on the storms, broadcasting warnings issued by the forecasters and seeking to set up emergency communications if regular facilities should be swept out by the winds. Through this "before and after the storm" service the radio operators hope to lessen the damage done by the disturbances.

The Coast Guard and the Naval Reserve radio units have been engaged in hurricane work for some time. The Florida Association of Broadcasters, composed of all commercial broadcasters, recently organized with this service as one of its aims. The Works Progress Administration's radio project is about ready to be put into operation.

The Weather Bureau's teletype system, the four radio networks and the voluntary cooperation of individual amateur radio operators will cover all sections of the State.

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An increase in time from sharing to unlimited hours was recommended for KGFG, Oklahoma City, Okla., this week to the FCC by Examiner John P. Bramhall. He also recommended the approval of a transfer of control of the corporation from Hale V. Davis to Harold V. Hough through the sale of 133-1/3 shares of stock. Station KGFG operates on 1370 kc., with 100 watts power.

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SPONSORED PRESIDENTIAL BROADCAST IDEA GETS LAUGH

Ford Motor Co. has been approached through the N. W. Ayer agency on a proposition to underwrite a series of broadcasts on NBC which would alternately present President Roosevelt and Alfred M. Landon, in 15-minute talks, according to Variety.

As an alternate to the 15-minute idea, it has been suggested that Ford stand the expense of a weekly hour, with the broadcast taking on the form of a platform debate. Each candidate would be allowed 15 minutes for opening argument and another 15 minutes for rebuttal.

The idea brought a big laugh from Washington political writers.

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SPAIN RETAINS CONTROL OF TELEVISION RIGHTS

The Ministry of Communications in Spain recently rejected the petition of two Barcelona applicants for authorization to install and exploit a television station on the ground that "television constitutes a complementary part of the service of broadcast transmission, since there is practically no transmission of images without the simultaneous transmission of sounds; and radio transmission being an exclusive service of the State, according to the law of June 26, 1934, it devolves upon the radio Administration to apply to the national system of broadcasting the service of television insofar as is practicable and as its cost permits it to be placed within the reach of the majority of Spaniards."

The order adds that even though the State should decide not to exploit this service on its own account, but to confide it to some national organization, the concession would have to be awarded on a competitive basis in accordance with the laws governing public services.

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Denial of the applications of Jack E. Brantley et al, and W. T. Knight, Jr., both of Savannah, Ga., for construction permit to operate 100-watt broadcasting stations on 1310 kc., unlimited time, was recommended to the FCC this week by Examiner Melvin H. Dalberg.

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CBS LEASES HAMMERSTEIN THEATRE FOR RADIO USE

The Columbia Broadcasting System announces the leasing and conversion of the Hammerstein Theatre into a radio playhouse in New York's Broadway sector. It will be opened on Columbia's ninth anniversary next month.

CBS officials said the house, seating about 1,300, was acquired to meet increasing demands for studio facilities; that it will be elaborately equipped for broadcasting purposes and redecorated. The same need for expansion recently prompted CBS to purchase a large site on Park Avenue, running from 58th to 59th Street in Manhattan, on which it proposes to erect the world's most modern broadcasting center.

In September, 1927, Columbia broadcast its first series of programs over a chain of 17 Eastern radio stations. That same month witnessed the laying of the cornerstone of the Hammerstein Theatre on 53rd Street. Next month, just nine years after that first CBS broadcast, the Hammerstein Theatre will have another ceremony - this time the formal opening of the "CBS Radio Theatre", sending out programs to more than 100 affiliated stations comprising the world's largest network.

Edwin K. Cohan, CBS Technical Director, is supervising the engineering features of the reconstruction of the theatre. Columbia will spare neither effort nor expense to make it represent the last degree of perfection in the science of radio and acoustic engineering. When the revamped structure opens on the network's anniversary, results will be apparent to studio audiences and radio listeners alike.

Programs from the new CBS playhouse will be enacted on a stage which literally floats on a cushion of noise-deadening material. The cyclorama, likewise mounted on sound-absorbing bases, will be treated to eliminate all echoes from the stage. On all exits, specially constructed doors known technically as "sound locks" shut out all noises from the street.

The CBS Radio Theatre will be operated in addition to others now in use. They are CBS Playhouse #1, 141 West 44th Street, and CBS Playhouse #2, 251 West 45th Street.

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NORTON QUILTS AS AIDE TO SARNOFF

Henry K. Norton, Assistant to David Sarnoff, President of Radio Corporation of America, and Vice-President of the Radio-marine Corporation, has resigned both posts, it was announced August 6th. Mr. Norton was formerly Treasurer of the National Broadcasting Company. Mr. Norton's plans for the future were not stated.

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REA PROGRAM OPENS NEW RADIO MARKETS

New markets for radio sets will be opened under a program just announced by the Rural Electrification Administration.

Over 4,200 miles of rural electric lines in 12 States will be financed with more than \$4,500,000 allocated from funds available to the Rural Electrification Administration under the Rural Electrification Act of 1936, according to REA Administrator Morris L. Cooke. With these allocations REA has definitely changed its status from that of an emergency to a permanent agency as provided in the Act.

Over \$1,000,000 of the funds will be available to build seven new rural line projects in Georgia, Kentucky, Massachusetts, North Carolina, Ohio, Washington, and Wisconsin. The remaining funds will be used to finish projects which had previously received partial allotments.

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INDIA GOVERNMENT BAN POLITICAL BROADCASTS

The Government of India has decided not to allow the Indian broadcasting stations to be used for political talks during the forthcoming general election next autumn, according to World-Radio, organ of the British Broadcasting Corporation. For the first time, thirty-five million people of India are being enfranchised, and political leaders have asked the Government to allow them to use the broadcasting service for political addresses on the model of the BBC.

The Government of India, after carefully considering the matter, has come to the conclusion that politics should be kept out of the broadcast talks for some time yet.

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One of the Moscow daily papers, in collaboration with the broadcasting committee, recently instituted a competition for the best program broadcast during a stated period. No fewer than 1,100 different transmission by different artists were listened to. The program eventually chosen as being most popular had as a theme "the literary world and music", which included items on Dante, Shakespeare, Goethe, Heine, Gogol, and others. Among the musical works, those by Beethoven, Tchaikovsky, Verdi and Rimsky-Korsakov obtained the largest number of votes.

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RADIOS DON'T ATTRACT LIGHTNING, SAYS NBC

Keeping pace with the modern trend debunking popular superstitions, engineers of the National Broadcasting Company have found that lightning is not attracted by radio sets.

The report on lightning is the by-product of a survey made by engineers on radio reception conditions in major cities of the United States. The statement was issued by R. M. Morris, NBC development engineer, whose own house was struck a few years ago.

"Contrary to popular belief", Morris said, "radios in the home do not attract lightning, nor do radio antennas. In fact, a properly installed radio antenna, with good lightning arresters, serves as a measure of protection to a house during a thunderstorm. The lightning arresters, found on most antennas, serve to lessen the force of the lightning, deflecting the dangerous current into the ground where it will do no harm."

"The chances during one year that your house will be struck by lightning", said the NBC engineer, "are about one in 1,000, as proven by statistics on the subject. Radio will not prevent a house from being hit by an electrical bolt during a storm, but if it is properly installed, a radio antenna may prevent the lightning from doing any damage. Of course, if you live in a building with a steel frame, such as the Manhattan sky-scrapers, you need have no fear of lightning. The steel frame serves to ground the current."

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RCA GROSS UP BUT NET DECLINES

The report of the Radio Corporation of America and subsidiaries for the second quarter of 1936 showed a consolidated net profit of \$477,088, covering \$431,148 Class A preferred dividends but not the \$805,242 dividends paid on the new \$3.50 convertible first preferred stock. This compared with \$671,111 earned in the second quarter of 1935.

For the six months ended on June 30, net profit was \$1,764,780, comparing with \$2,289,136 in the same period of 1935. Class A preferred dividends were \$862,291 in the first half of 1936, while dividends of \$805,242 were paid on the new \$3.50 first preferred stock, or total disbursements of \$1,667,533. In the first half of 1935 dividends paid on the Class A preferred stock were \$5,381,857, including provisions for all arrears on the shares.

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Gross income from all sources was \$21,839,782 for the June quarter, including \$21,682,215 from operations, compared with \$18,742,980 from operations and \$19,162,899 total for the 1935 period. Net operating profit after costs and expenses was \$1,635,028, against \$1,860,078.

For the six months, gross income was \$44,382,101, including \$43,942,526 from operations, compared with \$40,428,688 and \$39,663,321, respectively, in the 1935 period. Net operating profit was \$4,028,696, against \$4,770,753.

Surplus on June 30 amounted to \$12,497,346, compared with \$13,256,643 on March 31 with \$12,401,099 on December 31, and with \$10,425,633 on June 30, 1935.

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Radio market reports on France, the United Kingdom, Canada (regulation), Libya, and Aden have been issued by the Electrical Division, Bureau of Foreign and Domestic Commerce and are available at 25 cents each.

National Broadcasting Co.'s studio tour business at Radio City, New York, is running approximately 25% higher than at this time last year. Present indications are that the three big months of June, July and August, when NBC studio tour obtains its greatest returns from tourist trade, will hit nearly 200,000 guests. July produced 60,000 paid guests against 48,000 in same month of 1935.

The Ministry of National Defense of the Uruguayan Government has authorized the Uruguayan Automobile Association (Centro Automovilista del Uruguay) to employ radio broadcasting for the purpose of imparting to its agencies located throughout the country information in regard to the location and nature of automobile wrecks or breakdowns in order that service cars of the association may reach the scene of trouble with despatch and a foreknowledge of the equipment needed in a particular case.

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