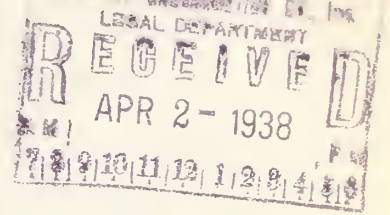


# HEINL RADIO BUSINESS LETTER

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No. 1113

## FRIENDLIER PRESS-RADIO RELATIONS UNDER ETHRIDGE

Broadcasters and newspaper publishers are expected to work more in harmony, at least for the time being, under the direction of the new "czar" of the broadcasting industry, Mark Ethridge, who was elected temporary President this week by the Directors of the National Association of Broadcasters.

A brilliant newspaper man, whose rise in the fourth estate has been meteoric in the last few years, will direct the broadcasting industry while remaining as General Manager of the Louisville Courier Journal and Times. He will serve the NAB without salary.

So long as Mr. Ethridge is at the helm, there will be an effective intermediary between the newspaper publishers and the broadcasters which will do much to relieve the growing tension between press and radio.

Mr. Ethridge's election came somewhat as a surprise because of his insistence since his election as Acting Chairman of the Executive Committee that he would not take the post. While no official explanation was given, it was rumored, but officially denied, that the NAB Directors were faced with financial troubles as well as the difficulty of hiring a big-game executive that they felt would do for the broadcasting industry what Will Hays has done for the movies.

Broadcasters and associates of Mr. Ethridge on the Executive Committee had urged him to take the post ever since he demonstrated his ability as a leader at the recent NAB convention in Washington.

In accepting, Mr. Ethridge said that he would serve with the understanding that the position would be non-salaried; that the Board would continue its active search for a permanent head of the industry, and that he would give the time necessary from his duties as General Manager of the Louisville Courier Journal and Times to perfect the trade association plans adopted by the NAB convention in February.

The new President of the NAB is a native Mississippian who has been in newspaper work for more than 25 years. He served ten years as editor of The Macon Telegraph, was with the New York Sun two years, was with the Associated Press, Consolidated Press and the Washington Post, and before going to his present post in Louisville was publisher of the Richmond, (Va.) Times Dispatch.



Mr. Ethridge's entrance into radio was fortuitous. The company of which he is Vice-President and General Manager is the owner of Station WHAS at Louisville. When the demand was made upon network affiliates by the American Federation of Musicians for the employment of additional musicians, Barry Bingham, President of the Louisville Times Company, which owns WHAS, was in Europe and it fell upon Mr. Ethridge to represent the station. The organization which later came to be the Independent Radio Network Affiliates made him Chairman.

He served as advisory member of the Reorganization Committee of NAB headed by Edwin Craig of Nashville, and then was made temporary Chairman of the Board of NAB to serve until a President was elected. His election as President makes him Chairman of the Board until his successor is elected.

"My interest in radio", Mr. Ethridge said, "arose from the feeling that an industry with such a great investment should have a strong trade association to handle both its external and internal problems. The more deeply I have become involved in it, the more strongly I realize that its problems are more fundamental than those that a mere trade association can handle.

"Radio is a business that is in actuality licensed by the people. Without that licensing, because of the restricted number of radio channels, there would be utter confusion. Because of that, and because, moreover, it has direct entry into the homes of America, it is certainly affected with the public interest. It has, of course, a commercial basis in this country as opposed to governmentally owned and controlled broadcasting systems of some European countries.

"The broadcasters of America believe that there is no essential conflict between privately-owned and operated radio and the public interest with which it is charged with serving. They recognize that there can be an intelligent reconciliation between the commercial aspects of their business and the public interest.

"Radio as a commercial enterprise is about 15 years old, but it is still a growing, changing business. Nobody is in position off-hand to say what its future will be or should be. In setting up their new organization the broadcasters have been merely trying to create the instrument through which they may help to carve the destiny of an industry in which they, while recognizing the public interest, still have sizeable financial investments. They believe that with whatever faults it may have, the American System is still superior to any other system of broadcasting in the world and that a great part of that superiority lies in the encouragement of individual initiative within proper limitations. They believe, moreover, that it can best serve a democratic people as a medium of information, entertainment, and education if it is kept free for creative endeavor and for full and fair and frank discussion of public questions.

"There is, in the long run no conflict whatever between the public interest and the concepts of good and decent business."

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## LOUCKS RETAINED BY NAB; SPENCE TEMPORARY OFFICER

Philip G. Loucks, young Washington attorney, will continue to act as special counsel and administrative officer of the National Association of Broadcasters, pending the appointment of a permanent paid president.

The NAB Directors, recognizing his work in drafting and effecting the NAB reorganization, persuaded him to continue in the post this week. Mr. Loucks is a former newspaperman although more recently he was Managing Director of the NAB, and was largely responsible for building it up to its present membership.

The Directors named Edwin M. Spence, former Baltimore broadcaster and Chairman of the recent Convention Committee, temporary Secretary-Treasurer until permanent officers are set up.

Chairman Frank R. McNinch, of the Federal Communications Commission, was the guest of the NAB Board at a luncheon Wednesday. Cooperation between broadcasters and the regulatory body in the solution of the problems which confront both the industry and the Government was invited by Chairman McNinch in an informal talk.

The Board, acting upon the report of Lloyd Thomas of Rockford, Ill., Chairman of the Committee of Independent Stations, voted to recognize the demand made upon independent stations by the American Federation of Musicians as an industry problem and to underwrite the expenses of the Committee and counsel fees for those stations which desired to undertake consultations and negotiations with the National Board of the Musicians Union.

The Board adopted a resolution reaffirming the action of the broadcasters' convention in urging the Department of Justice not to drop the anti-trust suit against the American Society of Composers, Authors and Publishers.

The Executive Committee was instructed to begin at once exploratory consideration of the whole question of music copyrights with particular reference to the expiration of the industry's contracts with ASCAP in 1940.

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"Social Significance of Radio" is a subject of a talk to be given by Lenox R. Lohr, President of the National Broadcasting Company over Station WMCA, New York, April 7th at 1:15 PM. The talk will originate at a luncheon-meeting of the Advertising Club on Park Avenue.

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## NAB NAMES COMMITTEES TO CONDUCT MILITANT FIGHT

Preparing to wage a militant fight against foes of the broadcasting industry, the reorganized National Association of Broadcasters this week set up several committees with authorization to deal with immediate problems, and to make recommendations on future policies within thirty days.

Among these problems are moves in both administration and legislative circles to impose special taxes on the broadcasting industry and to establish a government-owned international radio station. There have been even suggestions of national government-owned stations.

The NAB has gone on record as being opposed to any special tax on broadcasters and to any entrance of the government into broadcasting.

The committees named by the NAB Directors at their meeting in Washington are as follows:

A Legislative Committee, composed of John Kennedy, Clarksburg, W. Va.; Edwin W. Craig, Nashville, Tenn.; Luther Hill, Des Moines, Iowa; William Dolph, Washington, D. C.; E. B. Craney, Butte, Montana; Frank M. Russell, Washington, D. C.; Harry Butcher, Washington, D. C.; Theodore C. Streibert, New York, N. Y.; and John Elmer, Baltimore, Maryland. It was instructed to make a study of pending legislation as it affects the industry and propose policies for consideration of the Board.

An Engineering Committee of John V. L. Hogan, New York, N. Y.; John Fetzer, Kalamazoo, Michigan; Jack DeWitt, Nashville, Tenn.; John Schilling, Kansas City, Missouri; Jack Poppele, New York, N. Y.; Paul Loyet, Des Moines, Iowa; Bill Edgerton, San Antonio, Texas; O. B. Hanson, New York, N. Y.; E. K. Cohan, New York, N. Y.; Carl Meyers, Chicago, Ill.; Albert E. Heiser, Lynchburg, Va.; William H. West, East St. Louis, Ill.; Porter Houston, Baltimore, Md.; Paul de Mars, Boston, Mass.; and Herbert Hollister, Wichita, Kans, was instructed to survey the engineering phases of all types of stations and propose a permanent set-up for meeting the informational needs of the industry as a whole.

The Accounting Committee, headed by H. C. Wilder, Syracuse, N. Y.; is composed of E. M. Stoers, New York, N. Y.; Frank White, New York, N. Y.; Mark Woods, New York, N.Y.; Ted Hill, Worcester, Mass.; L. A. Benson, St. Louis, Mo.; and Harold Wheelahan, New Orleans, La. This Committee was instructed, in behalf of the industry, to make a study of accounting proposals and report to the Board.

The Association's representatives on the Joint Committee on Radio Research, composed of committees of the American

Association of Advertising Agencies and the Association of National Advertisers, will be Arthur B. Church, Kansas City, Mo.; H. K. Boice and Roy C. Witmer, both of New York, N. Y.; J. O. Maland, of Des Moines, Iowa, and Mr. Loucks. The Joint Committee during the past three years has been studying standardization of station coverage methods.

The Board appointed Philip G. Loucks, of Washington, John F. Royal, of New York, N. Y., and Fred Willis, of New York, N.Y., to be its representatives on the Federal Radio Education Committee, created by the Federal Communications Commission to study the problem of educational broadcasting.

A committee consisting of John Elmer, Baltimore, Md.; John Gillin, Omaha, Nebraska; and Harold Hough, of Fort Worth, Texas, was appointed to consider the report of the Nab Bureau of Copyrights and report to the Board within thirty days.

A committee consisting of John Gillin, Omaha, Nebraska; Gene O'Fallon, Denver, Colo.; and Earl Gammons, Minneapolis, Minn., was appointed to study the question of Associate memberships thirty days hence and report to the Board.

The National Broadcasting Company and the Columbia Broadcasting System were elected to Associate memberships.

In addition to President Ethridge, the members of the Board of Directors are: Earl Gammons, Minneapolis, Minn.; Frank M. Russell, Washington, D. C.; Herbert Hollister, Wichita, Kans.; John Elmer, Baltimore, Md.; Harry C. Wilder, Syracuse, N.Y.; E. A. Allen, Lynchburg, Va.; Elliott Roosevelt, Fort Worth, Texas; John Kennedy, Clarksburg, W. Va.; Donald Thornburgh, Los Angeles, Cal.; Walter J. Damm, Milwaukee, Wis.; John Shepard, 3rd, Boston, Mass.; Lambdin Kay, Atlanta, Ga.; W. Walter Tison, Tampa, Fla.; Edwin W. Craig, Nashville, Tenn.; C. W. Myers, Portland, Ore.; Ralph R. Brunton, San Francisco, Cal.; Harold Hough, Fort Worth, Texas; O. L. Taylor, Amarillo, Texas; Eugene P. O'Fallon, Denver, Colo.; Clair R. McCollough, Wilmington, Dela.; John J. Gillin, Jr., Omaha, Nebr.; John Fetzer, Kalamazoo, Mich.

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The Minister of Posts and Telegraphs has decided to provide the national radio services with a large modern building, so as to centralize the various departments now scattered over Paris. The P.T.T. is in the Rue de Grenelle, Radio-Colonial in the Boulevard Haussmann, Radio-Paris in the Rue Francois Ier, and the Eiffel Tower is still further afield. Four architects have been commissioned to draw up the plans, but as they are expected to visit the principal foreign radio centers before making definite decisions, this matter will probably not be heard of again before next year.

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## GENEVA REPORTS BIG JUMP IN EUROPEAN RADIO AUDIENCE

Probably because of the growing use of the radio by dictators, Europe's radio audience is increasing at a rapid rate, some fifteen million listeners being added in 1937, according to a report just released by the International Broadcasting Office at Geneva.

At the close of the year, according to Arthur Burrows, Director of the Geneva office, there were 31,444,462 registered radio receivers in Europe as against 27,714,435 on December 31, 1936. Assuming that each of these receivers went into a new home where there were four potential listeners, the International Broadcasting Office concluded that the international radio audience has grown by nearly 15,000,000.

While there is some difference of opinion among authorities as to the actual number of radio receivers in the United States, all agree that there are probably more sets in use in this country than in all of Europe though perhaps not so many radio-equipped homes.

The Joint Committee on Radio Research has very recently estimated that there were 26,700,000 radio homes in the United States on January 1, 1938.

Radio Today estimates 25,800,000 homes but 36,800,000 sets, accounting 5,000,000 auto receivers.

Of the European countries, Germany has the greatest number of radio-equipped homes, according to the Geneva report. The International Broadcasting Office gives Germany 9,087,454 but does not include Austria, which it credits with 619,622. So that Germany's present count would be nearer nine and three-quarters millions.

Great Britain is second with 8,479,500, and France third with 4,163,692. No figures are given in the preliminary report on Soviet Russia.

Four countries joined the group of European states having more than a million radio homes. They were Sweden, Holland, Czechoslovakia, and Belgium.

The highest percentage of licensed receivers in proportion to population is still held by Denmark. That is 18.99 percent. This contrasts sharply with the percentage in the United States, which is estimated at between 77 and 88 percent.

The average increase in radio owners throughout Europe in 1937 was 13.5 percent, but in the case of Turkey the increase rose to 143.56 percent and Bulgaria to 70 percent apparently because of the expansion of local broadcasting services.

While the International Broadcasting Office has not received all official reports on the growth of radio set ownership over the world, it made a preliminary estimate of approximately 69,700,000 receiving sets in use as of January 1, 1938.

This is equivalent to an increase in 1937, the report stated, of about twenty-five million listeners, counting four to a receiver.

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#### AYLESWORTH NAMED PUBLISHER AS PRESS AND RADIO TRADE

Coincidental with the election this week of a newspaper General Manager to the President of the National Association of Broadcasters, a former radio network head was named publisher of the World Telegram of New York City.

Merlin H. Aylesworth, organizer and first President of the National Broadcasting Company became a publisher; while Mark Ethridge, manager of the Louisville Courier-Journal and Times, became "czar", temporarily at least, of the broadcasting industry.

Mr. Aylesworth, who has been a member of the Scripps-Howard executive staff for the last thirteen months, left the NBC in 1936.

Upon his appointment this week, he declared he has always been of the opinion that newspapers and radio stations are complementary and neither could take the place of the other.

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#### MARCONI MEMORIAL RESOLUTION GOES TO PRESIDENT

With the passage this week of a resolution to authorize the erection in Washington of a memorial to Guglielmo Marconi, "father of radio", the measure now goes to the White House for the President's signature.

The legislation merely authorizes the Marconi Memorial Foundation, Inc., to erect a memorial on public space in the National Capital. The statue is to be paid for by donations from the American people.

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## FOUR NEW STATIONS AUTHORIZED BY FCC

Four new low-power radio stations were authorized this week by the Federal Communications Commission after a brief period of tightening up.

The applicants and the assigned frequencies are:

Kenstone Broadcasting Co., New Castle, Pa., 1250 kc., 250 watts, daytime. New Castle has no station now, but is only 42 miles from Pittsburgh.

Gila Broadcasting Co., Sanford, Ariz., 1420 kc., 100-250 watts, unlimited time.

Roberts-MacNab Co., Bozeman, Mont., 1420 kc., 100-250 watts, unlimited time. At the same time the FCC denied an application of the Gallatin Radio Forum, of Bozeman, for the same facilities.

Sims Broadcasting Co., Globe, Ariz., 1210 kc., 100-250 watts, unlimited time. One of the partners of the company, W. J. Sims, is a pastor of a church in Globe.

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## COMPOSERS TO HEAR MUSIC OF FUTURE VIA RADIO TUBES

Radio-tube musical development and amplified musical instruments will have a unique demonstration at the Town Hall Club, New York, May 5th, under the auspices of the League of Composers.

This organization is backed by such musical leaders as Leopold Stokowski, Mrs. Otto H. Kahn, Paul D. Gravath, Arthur Rodzinski, Mrs. Arthur M. Reis, Marion Bauer, Aaron Copland, Rudolph Ganz, Albert Stoessel and others.

Dr. Orestes H. Caldwell, editor of Radio Today, will preside as chairman of the evening's program and interpret the demonstrations which are designed to show musicians and composers the new possibilities of the new electronic pianos and organs, amplified musical instruments, and radio-tube music sources.

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## WJSV AND KSTP BLOCKED ON POWER INCREASE

An unfavorable report was filed with the Federal Communications Commission this week on the applications of WJSV, CBS outlet in Washington, and KSTP, of St. Paul, Minn., for permits to increase their power from 10 KW to 50 KW. Both operate unlimited time on 1460 kc.

Examiner P. W. Seward said that while the increase would cause little or no interference that the applicants failed to show substantial proof of a need for the additional service in the areas concerned.

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#### NBC MAKES NETS MORE FLEXIBLE IN NEW RATE CARD

With the issuance of a new network rate card (No. 24), effective April 15, the National Broadcasting Company this week announced a new and more flexible policy for sponsors who wish to use parts of both the major NBC chains - the Red and the Blue.

"It is now possible", explained Roy C. Witmer, Vice-President, "to build from NBC facilities, whether Red Network or Blue Network, the strongest possible set-up to fit an advertiser's requirements."

All NBC facilities are listed on one card, a change from the previous system whereby separate cards were issued for the Blue and Red networks and the various supplementary groups identified with them. No supplementary groups are designated Red or Blue on this card, as all groups are available, if not in use already, to advertisers using either the Blue or Red basic networks.

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#### EDUCATOR CALLS CHILDREN'S PROGRAMS MORONIC

Picturing the radio as a Frankenstein monster that has entered the home and usurped the leisure time of the school children, Dr. Jay B. Nash, Chairman of the Physical Education Department of New York University, urged parents this week to throw off the "strangling" influence of Tarzan, Buck Rogers and other "moronic" children's programs.

In an address before the Jewish Vacation Association at the Hotel Commodore, the New York Times reported, Professor Nash declared that Americans spent 150,000,000 hours before the radio every day. Of especial concern to educators and parents is the effect on the children, the speaker asserted. The quiet "children's hour" of Longfellow's day has been displaced by the "radio hour".

"It's the moronishness, the stupidity, the inactivity of it, rather than the badness, that gives us the greatest concern", Professor Nash told the 200 persons, representing seventy-five organizations, who were attending the one-day conference.

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## NEELY CITES REASONS FOR WIRE INDUSTRY PROBE

Speaking in support of his resolution to authorize an investigation of the wire communications industry, Senator Neely (Democrat), of West Virginia, on Wednesday read the following statement on the Senate floor:

"There is an apparent tendency toward monopoly in the industry. Telegraphic traffic for decades has been divided between two large companies. Competition between them has practically ceased. These companies now simultaneously withdraw their services from various sections of the country and from many interests which they previously served. When the branch office of one company closes, by a strange coincidence the nearby branch office of the rival company also closes down.

"For example, there are Postal and Western Union offices in the lobby of the Willard Hotel in Washington. Until a few days ago both of these offices remained open until midnight. Now both of them close at 6 o'clock in the evening.

"Recently in the city of Philadelphia by the joint action of the superintendents of both companies an attempt was made to force patrons to use one type of service rather than another.

"Information has just been supplied me concerning a joint conference between officials of the Western Union and the Postal companies for the purpose of devising means of carrying out policies in restraint of trade.

"These cessations of competition seem to indicate that the two great telegraph companies are preparing for a merger. These moves toward merger and increased monopoly are accompanied by wide-spread dismissal of employees. This is particularly true of the Western Union.

"It is well known that labor represents more than 60 percent of the total cost of operating the telegraphic industry. The joint actions above mentioned enable the companies to reduce their personnel and their labor costs.

"During the last few months thousands of semi-skilled telegraphers have been added to the list of the unemployed. The drop in employment is especially noticeable in the main offices of the companies which are also the relaying points for messages to and from various points throughout the country.

"The efficiency of the service rendered has been seriously impaired as a result of the reduction of the operating personnel. The speed of the service has been sacrificed for the sake of economy.

"It is reported that office floors in some centers are littered with tape from the telegraphic machines from morning till night, and that wires which convey important messages are without operators for excessive periods of time. The general picture is one of greatly decreased efficiency.

"The public naturally suffers from this inefficiency. Complaints against unsatisfactory service are made without avail. Rates remain as high as ever and an attempt is now being made to increase them. The business of certain governmental bureaus, which are large users of the telegraph, is slowed down by poor

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telegraphic service. It is alleged that messages to the Capitol from the Washington main office are often allowed to accumulate and are then transferred by messengers because the force is inadequate to handle the business in the regular way. The telegraphic industry is vital to the Nation in war as well as in peace, and its efficient functioning is therefore very much a matter of public concern.

"Labor in particular is interested in this industry. Technical transformations have resulted in a steady diminution in the number of people employed by the two great companies. Both the skilled and semi-skilled employees, instead of drifting to other industries where their training and experience would mean nothing, remain on the part-time lists of the companies in the hope of being called to service for at least a few hours a week.

"In this industry little of the fruit of progress has been shared by the employees. Despite the importance and the strenuousness of the work of a telegrapher, he is still required to be on duty 48 hours a week. Wages in the industry have been depressed to an unparalleled degree. The facts concerning unemployment conditions in the industry are not a matter of public record.

"Approximately 23,000 children are employed by the two great telegraph companies. These children work 48 hours a week or more for wages which average between \$6 and \$7 a week. The accident rate among telegraph messengers, as revealed by investigations made by the United States Children's Bureau, averages 17 per 100 a year. Here is a striking example of unregulated child labor in urban centers.

"The telegraph companies represent a comparatively small, but nevertheless complete unit of industry in which changes are still taking place before our eyes and in a setting in which they can be advantageously studied.

"Senate resolution 247 should be adopted and the study should be made without delay."

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