

# HEINL RADIO BUSINESS LETTER

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No. 1115

April 11, 1939.

## MILLER AND GEDDES TO LAUNCH NAB-RMA CAMPAIGN

Neville Miller, President of the National Association of Broadcasters, and Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, will speak on the RCA Magic Key program over a country-wide NBC-WJZ network next Sunday, April 15th, at 2 P.M., E.S.T. They will explain to the radio audience the objectives of the National Association of Broadcasters and the Radio Manufacturers' Association's joint promotional campaign which begins Monday, April 17th. A. S. Wells, of Chicago, President of the Radio Manufacturers had intended to participate in Sunday's broadcast but will be prevented from doing so because of the fact that he will be in Florida at that time.

The all-radio national promotional campaign has drawn tremendous interest and support throughout the country. A. H. Gardner and Judge John W. Van Allen, Director and General Counsel respectively, of the Radio Manufacturers' Association, addressed a preliminary meeting in Buffalo. Mr. Geddes will speak at a gathering of Washington radio distributors and dealers in the National Capital Wednesday night.

The heads of the NAB and the RMA are both sending personal messages, via radio transcriptions, to all local broadcast stations, for the meetings of the broadcasters and local jobbers, dealers and servicemen. "Open house" will be held by many broadcasters during the week of April 17. There will be studio and lobby displays of a promotional nature. Dealers are to be provided also with window streamers, and special local events will be planned. A booklet for inclusion by manufacturers in all radio sets, and for distribution by dealers also is in preparation.

Booklets outlining the detailed program for the campaign have been sent to all broadcasters and manufacturers. Radio manufacturers are also sending copies of the booklet to their distributors, to complete the tie-in of the trade with the broadcasters in all communities. Special advertising, by broadcasters and manufacturers, also is being provided for through advertising departments and agencies of the radio interests. A special mailing to 55,000 radio dealers of campaign information is being prepared, for distribution through the joint "Radio Councils" of broadcasters and the trade in local communities.

Every element within the broad field of the radio industry is being "tied-in" with the campaign, the first effort in the history of the industry, of active cooperation between broadcasters, manufacturers, and the trade to "sell radio via radio".

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## SENATE CONFIRMS THOMPSON; OATH OF OFFICE WAITS

The Senate on Saturday confirmed the nomination of Frederick I. Thompson, Alabama publisher, as a member of the Federal Communications Commission to succeed Judge Eugene O. Sykes. The nomination had been reported by the Senate Committee on Interstate Commerce without hearings.

As all nominations must lie over two executive sessions of the Senate after confirmation, Mr. Thompson will be unable to take the oath of office before the latter part of this week.

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## ZENITH READY, TELEVISION NOT, SAYS McDONALD

Apprising Zenith dealers throughout the country of the attitude of the Zenith Radio Corporation towards television, Commdr. E. F. McDonald, Jr., President, has summed it up in the terse sentence: "Zenith is ready, but television is not." The communication, according to Commander McDonald, went to 60,000 Zenith dealers:

"Zenith has television sets", he said.

"Zenith's television transmitting station W9XZV is operating daily and is the only television transmitter licensed by the Federal Communications Commission in the whole Chicago area.

"Today Zenith's television receivers are loaned - - - not sold. Zenith is ready --- but television is not.

"Even Government television standards are not yet established.

"The Federal Communications Commission, in its annual report to Congress in January this year, stated: "However, it is generally agreed that television is not ready for standardization or commercial use by the general public."

"Zenith believes it is unfair to the public and knows it is unfair to the dealers to ask them to finance the television industry's experiments.

"Radio dealers have been penalized and punished by premature television publicity starting last Fall. Prospects were led to believe that television would cover the country overnight.

"Zenith will not break faith with its dealers.

"When Zenith believes television is ready for general use in the store and the home - - - Zenith will supply you with television receivers and not before."

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## 200 ATTEND FAREWELL DINNER FOR JUDGE SYKES

Tribute to Judge Eugene O. Sykes for his twelve years' service on the Federal Communications Commission and the Federal Radio Commission were paid Saturday night at a dinner attended by 200 radio and political personages at the Willard Hotel.

Neville Miller, President of the National Association of Broadcasters, which sponsored the dinner, was toastmaster. The dinner came just a few days after Judge Sykes had severed his connection with the Commission.

Speakers were Senators Pat Harrison, of Mississippi, native State of Judge Sykes, and Burton K. Wheeler, Chairman of the Senate Interstate Commerce Committee; Representatives Sam Rayburn, Majority Leader of the House, and Clarence F. Lea, Chairman of the House Committee on Interstate Commerce Committee; Chairman Frank R. McNinch, of the FCC, and Lambdin Kay, General Manager of Station WSB, Atlanta.

Senator Wheeler, in his address, noting the size of the attendance, remarked that it was unusual for so many persons to turn out for a farewell dinner.

"But if Mr. McNinch were to quit", he added jokingly, "you could fill a room twice this size."

Among those present at the dinner were:

Judge A. L. Ashby, NBC, New York; K. H. Berkeley, NBC, Washington; Thad H. Brown, FCC Commissioner; Harry C. Butcher, Columbia, Washington; Louis G. Caldwell, Radio Counselor; Martin Codel, Broadcasting Magazine; Senator Tom Connally, from Texas; Commdr. T.A.M. Craven, FCC Commissioner; Roland C. Davies, radio writer; William J. Dempsey, General Counsel, FCC; Donald Flamm, Station WMCA, New York; Bond Geddes, Executive Vice-President, RMA; Gerald C. Gross, FCC; F. P. Guthrie, R.C.A. Communications, Washington; William S. Hedges, NBC, New York; P. J. Hennessey, Jr., radio counsel; Lieut. E. K. Jett, FCC; Lynne Lamm, radio writer; John M. Littlepage, radio counselor, Thomas P. Littlepage, Sr. and Jr.; Alfred J. McCosker, Mutual Broadcasting System, New York; Duke Patrick, radio counsellor;

Also, Andrew Ring, FCC; Elliott Roosevelt; Frank M. Russell, NBC, Washington; Oswald F. Schuette, RCA; Frank D. Scott, radio counsel; Senator Ellison D. Smith, from South Carolina; Paul D. P. Spearman, radio counsel; Sol Taishoff, Broadcasting Magazine; Paul A. Walker, FCC Commissioner; A. D. Willard, Jr., Columbia Broadcasting System; Frederic A. Willis, Assistant to President, Columbia Broadcasting Company, New York.

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## TWO TELEVISION STATIONS FOR CAPITAL PROPOSED

The Federal Communications Commission has received applications from the Allen B. DuMont Laboratories, Inc., at Passaic, N. J., for permission to construct two television stations in the National Capital. One of the permits calls for construction of a station in the National Press Building, Fourteenth and F Streets, N.W., and the other for a portable mobile station. The latter would be the scanning device for picking up the events and sending them to the main station in the Press Building.

The quest for the Press Building station asks for assignment of the frequencies 42,000-56,000 and 60,000-86,000 kilocycles, for both aural and visual service at 1,000 watts power. The application for the portable mobile station asks for assignment of 60,000-86,000 and 156,000-162,000 kilocycles at 50 watts power, both aural and visual.

The DuMont Laboratories have had an experimental license for some time and have been carrying on extensive work in their Passaic laboratories.

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## KURT LETS THE LADIES IN ON HIS EASTER PARTY

Kurt G. Sell, representative of the German Broadcasting Company and the German News Bureau of Berlin, in the United States and a popular member of the Capitol Press Galleries, was the host for a large Easter Party in Washington last Saturday night.

Famous for his stag affairs, Mr. Sell this time tried, as he laughingly put it, the "noble experiment" of inviting the ladies. Attesting to the success of the idea was the fact that though it happened to be held the same night as the dinner to Judge Sykes, Mr. Sell's guests, close to a hundred, when seated at supper completely filled the Garden Room of the Mayflower Hotel.

German delicacies prepared under the expert direction of Mr. Sell, himself an excellent cook, featured the supper, as did steins of beer imported from Germany especially for the occasion. Moving pictures were shown and later there was dancing to the music of a genuine Bavarian orchestra.

Mr. Sell leaves in about two weeks for a visit to his mother in Berlin. During that time his assistant, Fraulein Stumpke, formerly secretary to the German Ambassador, will carry on Mr. Sell's newspaper and radio work in Washington.

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## BRITISH SPENT \$1,750,000 ON TELEVISION IN 1938

A disclosure that the British Broadcasting Corporation spent 352,846 Pounds (approximately \$1,750,000) on television last year was made in the House of Commons recently by Sir W. Womersley, Postmaster General.

The British cabinet officer, however, was unable to answer a question as to how many television receivers are in operation in Great Britain although television has been on a public entertainment scale for three years.

The following is extracted from the official report of the parliamentary debate:

"Mr. R. Morgan asked the Postmaster General the present approximate number of licenses in force in respect of television receivers; the approximate annual revenue therefrom; the annual cost of the television service since its introduction; and who has borne the difference between this cost and the revenue from television licenses."

Sir W. Womersley: "The reception of television is at present regarded as covered by the ordinary wireless receiving licenses and no special television license is required. I am informed by the British Broadcasting Corporation that the annual revenue costs of the television service, together with depreciation on capital expenditure, were: in 1936, £111,500; in 1937, 277,149; in 1938, 352,846.

"The proportion of the revenue from wireless license fees paid to the Corporation during these years was increased to take account of the estimated cost of the television service."

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## MUTUAL MARCH BILLINGS UP 31.8%

An increase of 31.8 percent in time billings for the Mutual Broadcasting System for the month of March, 1939, was reported last week. March billings totalled \$306,976. Billings for March of 1938 were \$232,877.

Billings for the first quarter of 1939 totalled \$898,659, an increase of 15.8 percent over the first quarter of 1938. The first three months' billings of 1938 totalled \$776,021.

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## RADIO NOTABLES FIGURE IN HIGH SALARY LISTS

Persons prominent in the radio industry figured in the list of salaries of \$50,000 or more in 1937 made public last week by the House Ways and Means Committee. Included were:

American Telephone and Telegraph Company: W. S. Gifford, President, Director, \$209,650; C. M. Bracelen, Vice-President and General Counsel, \$73,958; C. P. Cooper, Vice President and Director, \$99,383; B. Gherardi, Short Hills, N. J., Vice President and Chief Engineer, \$73,958; F. B. Jewett, Short Hills, N. J., Vice President, \$64,166; A. W. Page, Huntington, L.I., Vice President and Director, \$65,366; K. W. Waterson, Summit, N. J., Vice President, \$50,565.

William S. Paley, Director and President, Columbia Broadcasting System, Inc., \$190,196; Edward Klauber, Director and Vice President, \$80,540; Maj. Edward Bowes, Executive Director, Edmar Enterprises, Inc., \$427,817; International Telephone and Telegraph Corporation: Sosthenes Behn, President \$66,240; Edwin F. Chinlund, Vice President (resigned) \$60,960; Phillips H. Lord, President and Treasurer, Phillips H. Lord, Inc., \$65,000;

A. J. McCosker, President, Bamberger Broadcasting Service, Newark, \$88,363; Paul V. Galvin, Evanston, President, Galvin Manufacturing Corporation (Motorola), \$60,420; Philco Radio and Television Corporation, Philadelphia; L. E. Bugg, Abingdon, President, \$62,538; S. M. Ramsdell, Churchville, Vice-President, \$54,611; David Sarnoff, President, Radio Corporation of America, \$83,333; James G. Harbord, Chairman of the Board, \$56,000.

Also, the National Radio Institute, Washington, D. C.: J. E. Smith, President, \$36,000, and E. R. Haas, Treasurer, \$36,000.

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## GERMANY CONSIDERS GUATEMALA EXHIBITION

The German Post Office Department has again brought up the question of exhibiting television apparatus in Guatemala during the current year, American Commercial Attache, at Guatemala, reports. It was reported last year that the German Legation had asked permission to bring in television apparatus for exhibition at the National Fair in November, but no action was taken in the matter. The present reports do not say yet that permission has been granted, but they state that the Director of the Post Office has been asked for information as to the electric current of the city, the laying of an underground cable, and the availability of technicians to assist with the installation. A German engineer has been designated to supervise the installation if it is decided to carry out the project.

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TRADE NOTES

A meeting of the RMA General Standards Committee will be held at 10:00 o'clock, Wednesday, April 19, at the Hotel New Yorker, New York City, to consider several important proposed standards which are pending. On the following day and also at the Hotel New York,er there will be a meeting of the RMA Committee on Vacuum Tubes.

Station WHK, Cleveland, joined the Mutual Facsimile Network on April 8th, increasing the number of participants to four. Station WGN, Chicago, WLW Cincinnati, and WOR, Newark, are the original members of this experimental facsimile hookup.

The Federal Communications Commission has adopted a proposed modification of Ship Service Rules 285(c) and (d) and Coastal Service Rule 275 (c), in order to provide for the appropriate assignment of frequencies above 30,000 kilocycles, effective April 13, 1939, pursuant to revised Rule 229.

The Federal Communications Commission has postponed to July 1, 1939, the effective date of the revised rules governing commercial radio operator licenses.

Maj. E. H. Armstrong, of Columbia University, led a discussion on frequency modulation for radio, at a meeting of the Institute of Radio Engineers, in Washington this week. I. R. Weir, of General Electric Company, and G. W. Fyler, in the General Electric Radio Division, also spoke.

In connection with an expansion program, the Columbia Broadcasting System, Inc., paid \$1,000 for all of the capital stock of the 49 East 52nd St. Corporation last month, according to an amendment to the company's registration statement filed with the Securities and Exchange Commission and made public this week at the New York Stock Exchange. The statement also revealed that Columbia lent \$10,000 to its newest subsidiary on March 9, "for corporate purposes".

The statement also reports that contract between the broadcasting company and Isaac D. Levy, a Director, entered into on Dec. 27, 1938, has been terminated. The contract was ended last month when Columbia repurchased from Mr. Levy ten shares of the American Record Corporation for \$112,500. Mr. Levy purchased, for others, the ten shares for \$70,000.

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## COLLIER'S CARRIES STORY ON ASCAP SERVICES

Under the title, "Pay the Piper", Collier's last week carried an article by Fred J. Ringel on the services performed by the American Society of Authors, Composers, and Publishers for the song writers. The article discusses the current controversy between the broadcasters and the music copyright owners and concludes that the only thing at issue is what constitutes a "fair" price for the music.

"Radio is afraid of ASCAP's present and potential power", Mr. Ringel writes. "ASCAP members write the smash hits that the public wants. Ninety per cent of radio songs are ASCAP tunes. A top feature like the Hit Parade consists almost entirely of ASCAP songs. In its nightmares radio sees ASCAP raising its price and refusing to renew the license until radio accedes to its terms. Radio is a "continuous-operation" industry, and could not afford to have such a strike last a day. For its show must go on, no matter at what price, even though its business heart may be torn with the sorrows of a Pagliacci!"

"In the \$250 minimum statutory damages fixed by law, radio sees a Damoclean sword hanging over its head. Radio cites a classic example of a well-known singer who, before going on the air, heard of the band leader's birthday. She interrupted her program to sing a few bars from 'Happy Birthday to You'. Two old ladies, the composers and copyright owners of the 'Happy Birthday' song, demanded and received a small sum for the performing rights. But since this program went over ninety stations, the ladies could have claimed ninety times \$250. It is generally believed that each station in the hookup could be sued for copyright infringement.

"Radio wants the \$250 minimum damages abolished. The author and composer should be allowed to sue for any amount that the infringement may warrant. But few artists are worldly and affluent enough to hire legal aid on a par with the networks' large expert staffs.

"Radio has fearfully witnessed ASCAP's phenomenal transformation from a crusading force into what it terms 'big business'. And radio knows it has been the unwitting creator of this new power . . . which it now regards as a Frankenstein. For twenty years radio has used every legal means to crush the monster - and for twenty years it has lost practically every important battle.

"More than 1,000 composers, authors and publishers belong to ASCAP in the U.S. About 45,000 foreign composers are affiliated with it. ASCAP now controls the exclusive right to license the public performance for profit of some five million of the world's most popular musical compositions. For the performance rights to this tremendous repertory the users pay ASCAP some \$6,000,000 annually. (More than four million comes from

radio. Another million comes from the movie theaters - ASCAP's 10¢-per-seat-per-year share of the colossal \$1,560,000,000 paid by the movie audiences at the box office every year).

"Apportioning the Society's income among its members is far more than a matter of adding machines - it is a matter of heartening sentiment as well. Four times a year a committee of twelve songwriters meets in solemn conclave and appraise their colleagues. These are rated, first, in a Permanent Class A Honor Group, which includes such veterans as Raymond Hubbell ("Poor Butterfly"), Harry von Tilzer ("Wait Till the Sun Shines, Nellie") and Percy Wenrich ("Put on Your Old Gray Bonnet"). These composers are no longer actively writing but as the creators of songs that still enjoy a widespread popularity they are entitled to a fair emolument for the continued use of their work.

"The estates of about ninety composer or author members are protected from need by their shares of the Society's income. No ASCAP songwriter has been on the relief rolls; the Society distributes about \$600 every day in relief and royalty advances.

"Top rating is Class AA. ASCAP pays composers in this group about \$14,000 a year. It's the goal of every young composer; and boasts of such Tin Pan Alley gods as Irving Berlin, Jerome Kern, Rudolf Friml, Sigmund Romberg, the estates of Victor Herbert, John Philip Sousa, and George Gershwin. Thereafter the ratings taper off through classes A, B, C and D. These ratings are 'subject to change', but rarely does a member who has enjoyed a high ranking find himself consigned to a lower group.

"Radio endorses a good deal of ASCAP's mission and claims that it wants to deal with it as equal partners in a 'business' that is vital to them both. It wants to pay a 'fair' price - and most of the present difficulties seem to hinge on who is to determine what is 'fair'."

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#### CONFIDENCE MAN POSES AS RADIO REPRESENTATIVE

Chicago police on Sunday arrested what the New York Times correspondent called "a de luxe confidence man" who had posed as a representative of some of the leading mid-Western radio manufacturers. His career was ended because of the suspicions of a Chicago theatre manager after hundred of complaints had been registered against him from many parts of the United States.

The alleged swindler is Ronald Brawer, 34 years old, of Jersey City, N. J. The strange trail of Brawer's alleged crimes covers the nation from Boston to Hollywood and from Seattle to Miami. It started, police say, when he became Pacific Sales Manager for the Philco Radio Company and stayed long enough to



learn radio production and broadcasting technique thoroughly. For the last year he is alleged to have been passing himself off as a factory representative of Philco, Howard, Zenith, Stewart-Warner, or any other radio maker whose name happened to come handy. One of his pet victims was said to be the radio broadcasting studios. He would make it appear that he would sign a \$100,000 contract for time on the air or agree to sponsor a fifty-two-week program, it is charged.

Then, in the flush of studio excitement over a big customer, he would let it be known that if any of the studio folk wanted a real radio at about a tenth of its actual value, he could fix that up, too, according to police, and then would accept \$6 to \$10 from half a dozen of the employees and vanish. Sometimes he gave bad checks when the studio demanded a deposit on the contract, it is alleged.

Once Brawer is alleged to have gone to the Union Pacific and chartered two trains to take Philco talent on a cross-country tour. Another time he is said to have ordered \$1,700 worth of hats "for Philco". Again he "bought" \$25,000 worth of toilet preparations from the Mennen Company and had the goods sent to Philco, it is alleged. He chartered a boat to Bermuda for a radio company, and he rented the Joseph Urban room of the Congress Hotel, in Chicago, and each time he sold radios to employees and pocketed the cash, it is alleged.

Complaints have poured into the police since the arrest. The Federal Bureau of Identification also has been investigating.

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#### SARNOFF LAUDS AMITY BETWEEN U.S. AND CANADA

Thankfulness that the United States and Canada do not have to regard the border radio station "as an instrument of nationalistic and hostile propaganda" was expressed by David Sarnoff, President of the Radio Corporation of America, last Saturday in felicitating the Canadian Broadcasting Corporation on the inauguration of service over its new 50,000-watt Station CBA.

"There are some nations in the world today", said Mr. Sarnoff, "where the installation of a powerful radio transmitter in a nearby country would not be welcome. It would be viewed with suspicion and distrust, as an instrument of nationalistic and hostile propaganda. Happily, no such spirit exists between the citizens of Canada and the United States."

Mr. Sarnoff, the only American participant in a dedicatory program heard over the nationwide networks of the Canadian Broadcasting Corporation, spoke from the National Broadcasting Company's studios at Radio City. His message was not heard in the United States. The Hon. C. D. Howe, Minister of Transport of the Federal Government; Mr. Leonard Brockington, Chairman of the CBC Board of Governors, and the premiers of Prince Edward Island, Nova Scotia and New Brunswick also spoke. The new Canadian station is located at Sackville, New Brunswick.

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