

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

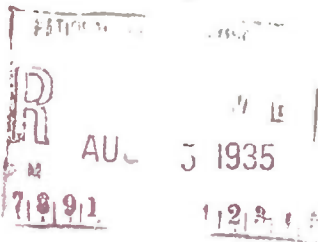
WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 848



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## WOULD INVESTIGATE FCC FOR MEXICAN PROGRAM WHITEWASH

A stinging speech was inserted in the Congressional Record by Representative Connery of Massachusetts because of the refusal of the Federal Communications Commission to cancel the licenses of NBC network stations which broadcast an alleged obscene song during a program sponsored by the Mexican Government. Mr. Connery said:

"The power and influence of the Power Trust is well known to all Members of the Congress. Some Members of the Congress have not as yet realized that the creature of the Power Trust -- the Radio Trust -- headed by the National Broadcasting Co., is just as arrogant, just as intolerant of proper supervision or governmental regulation, and just as influential as ever the Power Trust claimed to be.

"The head of the National Broadcasting Co., M. H. Aylesworth, is well known to the Federal Trade Commission. The reports of the Federal Trade Commission indicate that H. M. Aylesworth was formerly the managing director of the National Electric Light Association, the predecessor of the present Edison Institute. The National Electric Light Association is that body which the Federal Trade Commission found had spent large sums of money corrupting and influencing our college professors and our educators to work, under cover, for the best interests of the Power Trust.

"Correspondence, which Members of the Congress have had with the Federal Communications Commission illustrates the influence which the National Broadcasting Co. has with that governmental agency. The arrogant attitude taken by the Federal Communications Commission on the petition signed by 16 Members of the House of Representatives indicates the need of a congressional inquiry into the activities of this governmental agency. The protection which the Federal Communications Commission has accorded to the officers of the National Broadcasting Co. and those representing the Mexican Government who are alleged to have openly and flagrantly violated the Communications Act of 1934 is indicative of the fact that the Radio Trust is following closely in the footsteps of its parent body, the Power Trust.

"Further, the influence which the representatives of the Radio Trust apparently have with the members of the Federal Communications Commission is comparable with the power and

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the influence which the Power Trust is credited with having with State regulatory bodies.

"Surely, the present head of the Broadcast Division of the Federal Communications Commission, one credited with being a high-class lawyer, must have had some objective in writing to Members of the Congress and quoting to them language from a court ruling which is not to be found in the case cited. Surely, when the Supreme Court has ruled on a violation of the Radio Act in 1931 it is not necessary to go back to 1883 and compare a violation of the Radio Act with postal violations.

"A few months ago a prominent radio station, located in one of our larger centers, was cited before the Federal Communications Commission for renewal of its license and charged with broadcasting a program which was and is offensive to millions of our people. The hearing in this case, as shown by the official minutes, clearly indicated the attitude of the present members of the Broadcast Division toward types of programs which are clearly offensive to a majority of our people.

"When the case was called the only witnesses who appeared before the Commission were those who were officers of or those who had a direct and personal interest in the continuation of the station. Despite the fact that many complaints had been filed with the Commission, only one deposition was taken by those who supposedly act for the protection of the people and for the proper supervision of radio licenses.

"Last month, after citing in a number of stations for violations of the law or the regulations of the Commission in putting on programs which, to say the least, were offensive, some 16 of these complaints were dismissed on nothing more than the promise of the licensees that they would not put on such broadcasts again.

"Congress has appropriated and is spending billions of dollars for relief of those unable to secure employment. The diversion of advertising from newspapers and magazines to radio broadcasting has, according to the officials of the international printing trades unions, deprived more than 40,000 skilled printing-trades workers of permanent employment. In addition, the false statements put forth by radio-advertising solicitors that people listen into the radio and obtain the same type of entertainment that they would by patronizing the theater has resulted in much of the depression which exists in the theatrical industry.

"During the past year or more the radio networks have established theaters wherein they put on shows and permit free entry only to those who are advertisers or those who are friends of advertising agencies which control the placing of

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advertising. This constitutes an unfair trade practice toward the newspapers and the magazines which are dependent for their continued existence on the same advertisers.

"For the past few years there has been a great deal of complaint as to the type of motion pictures shown throughout our country. I believe, however, if taken as a whole, the type of radio programs poured forth into the homes of our American people are more offensive than many of the pictures complained of. At least, one does not have to patronize the pictures complained of unless he or she cares to. Yet, when one turns the dial of the radio we have but little knowledge of the type of program or address which will be dinned into the ears of our women and children.

"The national women's organizations, as well as many others, have made continual complaints as to the debasing influence of the type of programs weekly pouring into the homes of our people. Even the Chairman of the Federal Communications Commission has himself complained of the type of programs which are put on the air by many radio stations.

"Last year the Congress, as a result of the petition of numerous educational, religious, labor, and farm organizations, directed the Federal Communications Commission to study and report on what percentage of radio facilities should be assigned directly to organizations interested in educational, religious, labor, and agricultural promotion. The Commission, after listening to those who hold radio licenses, and to some others, reported that these non-profit-making bodies should continue to be dependent for radio facilities upon those who are interested, from past experiences, solely in profits.

"This and following correspondence, which I trust every Member will read carefully, clearly indicates that the only real cure the Congress can effect is to eliminate the profit motive from radio broadcasting, eliminate radio advertising, and then you will be able to substitute educational and cultural programs instead of the present debasing type of programs which those who listen in are forced to hear.

"There is pending before the House at the present time certain legislation which I sincerely trust will soon be enacted into law. A bill has been presented by Mr. Monaghan of Montana, providing for complete Government control and operation of all radio broadcast stations. This is the system which is now in force in most all civilized countries. This system is in successful operation in England and in Canada as well as other countries. This bill merits the active support of every forward looking and independently minded Member of the House. Another bill, presented by Mr. McKeough, of Illinois, will eliminate from radio broadcasting much of the alien propaganda heard now from time to time. This bill prevents the broadcasting of addresses or programs by, for, or, in the interest of any

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foreign nation unless such program or address has the approval of the Secretary of State. Surely, there is no Member of the House who believes that licensees of the Government should derive a profit for broadcasting alien propoganda into the homes of the American people. I sincerely trust that these two bills will be favorably reported by the Interstate Commerce Commission and soon enacted into law."

Following this there was a lengthy letter from Representative Connery to Secretary of State, Hull, and numerous letters exchanged by Mr. Connery, Chairman Anning S. Prall of the FCC, and Judge E. O. Sykes, head of the Broadcasting Division, occupying about four pages in the Congressional Record of July 31.

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#### AGAIN WIRED RADIO DEVELOPMENT TALK

The mid-summer season is bringing with it a revival of the talk of wired radio. This is based upon a resumption in Cleveland of a subsidiary of the North American Company supplying entertainment programs transmitted throughout the city by wire.

Also, the Ticker News Service, it is announced, will soon operate 250 loudspeakers in Philadelphia connected by wire from a central broadcasting point through which will be given flashes on news and sporting events with musical programs in between to help while away the time.

That the Cleveland proposition looks good to the American Society of Composers and that they believe there are possibilities for increasing their revenues is the report that the composers have already been conferring with the Cleveland people and they expect eventually that the royalties of the Society may be increased several million dollars annually with the development of wired radio.

A try-out of this form of entertainment was made several months ago in Cleveland at which time it was announced that it was felt that there was a public demand for wired radio there and that, with a reasonable assurance that the people wanted it, this would be given to them. A satisfactory conclusion was reached by the Company which resulted in the present continuance.

The rates vary from two to five dollars a month depending on the type of receiving set rented. The plan is to provide 250 hours of programs each week, a large part of which will be music. The transmission of the wired radio program is direct into the homes over electric light wires. The broadcasting is done from a centrally located studio of special

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records made by Electrical Research Products Incorporated.

There will be no advertising carried by the Cleveland people but commercial announcements will be a part of the Philadelphia wired radio news bulletins.

How successful wired radio will be in the United States remains to be seen. In some foreign countries it has been received with favor but evidently the residents of The Netherlands West Indies, the latest information reports, are not looking upon the innovation with any great favor.

"The Curacaosche Radio Centrale, a subsidiary of the N.T.M. Radio Holland, N.V., Amsterdam, has installed a central wired-wireless station at Willemstad for reception of programs from certain countries", Consul Russell M. Brooks of Curacao reports. "It is said that approximately 50,000 florins have been expended in placing wires and cables throughout Willemstad."

"The Curacaosche Radio Centrale proposes to give subscribers a choice of programs from the following countries: The Netherlands, England, France, Germany, Venezuela and Colombia. Programs from the United States are not included.

"The principle upon which the scheme is worked is to place in each subscriber's home an apparatus which allows the subscriber to plug into the station he prefers."

Reports indicate that the response to the offer of the Curacaosche Radio Centrale has been extremely small. In the first place, costs are high -- 12.50 florins per installation, the purchase of a loudspeaker, and 5 florins per month subscription; secondly, the radio amateur does not desire selected programs; and in the third instance, elimination of the United States from the list of broadcasting countries has greatly injured demand. American programs, on the whole, are much more popular than programs from European countries.

"It is understood that the Netherlands firm of N. V. Phillips Gloeilampen Fabrieken, Eindhoven, Holland, controls the Curacaosche Radio Centrale."

Still another invasion of the radio field is a new phonograph which the Electrical Research Products Incorporated is said to have just finished. This is an elaborate and mechanically perfect device for reproducing in high fidelity style and has all the latest gadgets from double turntables down. It is possible that it will not be sold, but rented or leased only, and will be suitable for use in public auditoriums, etc., and for other public entertainment purposes. The new ERPI product will probably play only on the ERPI machines and there will be no advertising on any of the records.

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## DUNLAP SKETCHES HISTORY OF RADIO

The recent strides in television, in photo radio in ultra-short waves, and radio applications in man's fight against body ailments, have led to an expansion of "The Story of Radio" by Orrin E. Dunlap, Jr., radio editor of the New York Times. All of the remarkable advances in radio since the book was first published in 1927 are included in additional chapters in this new and enlarged edition, enhanced by thirty-two illustrations. A complete new chapter deals with the sending of pictures by radio, and the march of research specialists into the ultra short-wave spectrum takes up another chapter in which the relation of microphones to television, power transmission by wireless broadcasting and other branches of this realm of radio science is unfolded. A most comprehensive chapter on the magic ultra-short waves discloses what the experts have learned about the mysterious channels and what they foresee ahead. Short waves and the associated all-wave receivers, having opened up international broadcasting on a world-wide scale, have intensified interest in the various systems of broadcasting and a new chapter compares the plans in vogue in Europe and America.

Various chapters are captioned as follows: "It Speaks for Itself"; "Transatlantic Triumphs"; "Dramatic Moments"; "Enrolled for War"; "With Pioneer Birdmen"; "Secrets of Marconi's Magic"; "Turning Points"; "Looking through Space!" (Television); "Minature Waves or Dark Light"; "Pictures by Radio" and "American versus European Radio".

Orrin E. Dunlap, Jr. is one of the world's foremost authorities on radio. He has been in direct touch with wireless development since 1912 and with every major advance in broadcasting and television. He is the author of five books on radio. The chapters he has added to "The Story of Radio" make it the latest and most informative book in the field. It covers radio from the time when Maxwell and Hertz pointed the way for Marconi, right up to the newest discovery in ultra-short waves as applied to television.

The new book is dedicated by Mr. Dunlap to his wife, Louise Leggett Dunlap. Among the thirty-two illustrations are photographs of Marconi, Dr. Lee De Forest, the late C. Francis Jenkins and Dr. E. F. W. Alexanderson. The price of "The Story of Radio" is \$2.75 and the publishers are the Dial Press, 152 West 13th Street, New York City.

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## WOULD PERMIT SENDING SHIP POSITIONS TO NEWSPAPERS

A bill was introduced by Representative McCormack of Mass. which would permit radio companies furnishing reports of positions of ships at sea to newspapers either at nominal charge or without charge provided the name of the company is used.

It has been the practice of ships to report their position to the nearest land station and up to a short time ago this information was supplied free to the newspapers. However the FCC, hot on the trail for anything free, issued an order discontinuing any such service.

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## REQUESTS FEDERAL FINANCING FOR RADIO

Further financing of radio sales under the Federal Housing Administration law has been applied for by Bond Geddes, vice-president of the Radio Manufacturers Association, with the active support of several large companies. The new proposal to the Federal Housing Administration is that the FHA financing privileges be extended to receiving sets selling at \$75 or more. In the past the federal agency has declined to extend its financing privileges to such radio sets and many other "movables". The FHA rules have specifically excluded radios, unless built-in, from its financing benefits. Built-in radio is eligible for FHA financing and it is now hoped to extend the federal financing system to the more expensive type of radio sets, similar to the financing privileges available in sales of refrigerators and recently extended by the FHA to washing machines.

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## FRENCH CITIES TO HOLD RADIO FAIRS

The Syndicat des Radioelectriciens du Nord de la France have announced the organization of a radio fair at Lille from September 20th to September 29th.

Another radio fair is to be held in Lyon from September 21st to September 29th, at the Palais de la Foire de Lyon. Approximately 250 manufacturers will be represented and a special part of the exposition will be devoted to phonographs, records, photography and cinema, Assistant Trade Commissioner, Lestrade Brown, Paris, advises.

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## RMA STANDARDS PROPOSED FOR NEW METAL TUBES

Introduction of the new metal tubes for radio sets, presenting many new engineering problems, has been met by the Radio Manufacturers Association in providing industry standards for the new tubes. The proposed Metal tube standards were adopted at a meeting July 25 in New York by the Tube Committee of which Roger M. Wise is chairman, and the proposed standards have been submitted to Association members by Chairman Virgil M. Graham of the Association's Standards Section. Many other tube engineering problems also will be considered at another meeting of the Tube Committee, August 2, in New York

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## CBS REPORTED OUT OF PRESS-RADIO IN MONTH

Indications are that CBS will by the end of August cease to be a member of the press-radio pact. Variety advises, "With the breakaway from the Press-Radio Bureau of the Publishers National Committee on Radio, the network will give up its thrice daily broadcast of news bulletins.

"NBC will, by virtue of the situation, probably be forced to follow suit if deal now pending is closed with the Atlantic and Pacific Stores for five 15-minute news programs a week. A. & P. shifted negotiations for the series from CBS to NBC after the former contracted to release a quarter-hour version of the 'March of Time' five times a week, starting August 26. With the store chain figuring on obtaining its material from the United Press and making the program a combination of news bulletins and dramatizations, NBC would, by accepting the proposition, have no alternative but to consider its adherence to the press-radio agreement as completely ended.

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## FTC GETS AFTER RADIO CORRESPONDENCE SCHOOL

The National Electrical & Automotive School, Inc., of Los Angeles, Calif., has entered into a stipulation with the Federal Trade Commission to discontinue misrepresenting its correspondence courses in radio engineering which include instruction in radio, television, sound pictures and general electricity.

The school agrees to stop advertising directly or indirectly that its salesmen do not sell correspondence courses and to discontinue implying that the salesmen represent industrial firms in selecting men for definite positions.

It was advertised that "a limited number of men are now being selected to train for positions in radio and television. Those accepted will be given preliminary training at home and then taken to Los Angeles for special practical experience in the 'National' studios. Transportation paid both ways". The school agrees to drop these claims which are not true.

## COPYRIGHT BILL MEETS STRONG SENATE OPPOSITION

The copyright bill, endorsed by the National Association of Broadcasters and opposed by the American Society of Composers met with spirited opposition when it was taken up for consideration in the Senate Wednesday afternoon. The debate was continued through Thursday's session and will be again taken up as the unfinished business of the Senate when it reconvenes Monday.

Senator Copeland (D) of New York who is backing the Composers in their opposition to the copyright bill vigorously protested consideration of the bill at this time. "There are very serious objections to the bill, according to my constituents; and, frankly, I do not understand why it is thrown into the Senate for discussion at a time when there is no urgency about it", Senator Copeland declared.

"This is not at all an emergency measure. The country is going to go on just the same whether or not the bill is considered; and I believe that by taking it up we shall open ourselves once more to the criticism of dealing with trivial things at a time when serious matters ought to be given consideration.

"This measure is in no sense vital. The great interests of the American people are not involved in it. I think that at this time, when we ought to be approaching adjournment, and when the country wants the Congress to adjourn, it would be a great mistake for us to take up another matter which would keep us here several days longer."

Senator Duffy (D) of Wisconsin, sponsor of the bill said that the copyright treaty had been on the calendar since April 18 and that the copyright bill was largely an ennobling act for the treaty.

"There has been pending for 5 years before the Foreign Relations Committee of the Senate a treaty dealing with safety of life at sea, a matter of great concern to everybody who goes upon the seven seas", the New York Senator retorted. "For 5 years it has been pending, but we have not been able to get any action upon it; and now suddenly we find that the most important thing which can engage the attention of the Senate of the United States is a copyright bill!

"I cannot see the force or the sense of the suggestion. I think we are losing our sense of proportion when we spend our time considering trivial things when there are matters of vital importance which do not attract our attention.

"We are making a spectacle of ourselves before the country by remaining in session when we ought to finish our business and go home.

"We are not going home to a vacation. Every Member of the Congress has duties to perform when Congress is not in

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session; but the country is sick and tired of the Congress of the United States and wishes to get rid of us as soon as possible; and so far as I am concerned, I confess that I share the popular belief that that is very good judgment on the part of the people."

There was another flare-up when Senator Wallace White (R) of Maine, said: "The statement was made that the bill comes before the Senate with the unanimous approval of the Committee on Patents. I do not dare say whether or not that is an accurate statement. I know that I attended one meeting, which I understood was a meeting of subcommittee, and I recall very definitely that I indicated my approval of the report of the bill, but, as I understood it, it was a report to the full committee and not a report to the Senate. If the record shows to the contrary, I am just in error, and was in error at the time in my understanding of the meeting which I attended.

"I confess with reluctance to a very hazy knowledge of this piece of proposed legislation. It is true I am on the committee, but I am on five other legislative committees, and I am on a number of special committees, and I have given no serious consideration to this measure. I know that there is substantial support for it, and I know that there is very strong opposition to it. So far as I am concerned, I am perfectly willing that the bill should be considered, but I rather hesitate to have it appear as a matter of record that I voted to report the bill to the Senate."

During the course of the debate, Senator Duffy said that even C. C. Mills, the general manager of A.S.C. A.P. who bitterly assails the feature of the bill which will do away with the \$250 minimum damage, said, in a letter of April 17, referring to the bill: "Regardless of those portions of it to which we may take exception, I do think the committee has attempted to do a sincere and a constructive job."

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#### RCA QUARTERLY EARNINGS GAIN

The Radio Corporation of America reports for the three months ended on June 30 a net income of \$671,110 after expenses, depreciation, amortization of patents and provision for Federal income taxes. This is equivalent, after dividend requirements on the 7 per cent preferred A stock of \$50 par value, to 31 cents a share on the 767,275 preferred B stock. In the June quarter last year the company reported a net income of \$535,856, or 13 cents a share on the preferred B stock.

For the six months ended on June 30 the company had a net income of \$2,289,135, equal after dividend requirements on the preferred A stock to \$1.85 a share on the preferred B stock. In the first half of 1934 the company reported a net income of \$1,771,581, or 1.18 a share on the preferred B stock. At the

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close of last year there were 13,130,690 common shares outstanding.

In the June quarter gross income from operations amounted to \$18,742,979, compared with \$17,285,873 in the corresponding quarter of 1934. Surplus on June 30 totaled \$10,425,632 against \$11,040,671 on June 30, 1934.

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::: INDUSTRY NOTES :::  
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The Broadcast Division of the FCC has granted the application of Station WCAE, Pittsburgh, for increase of daytime power from 1,000 to 5,000 watts.

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A favorable recommendation has been made by Examiner George Hill for Station WTAQ, Eau Claire, Wis., for unlimited daytime hours of operation on 1330 kc and to allow the voluntary assignment of its license to Station WHBY, Green Bay, Wis.

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Commissioner George Henry Payne has issued a lengthy opinion in which he explains his reasons for dissenting, in part, from the order of the Telegraph Division of the FCC setting the rates on Government telegraphic messages for the fiscal year which began July 1.

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The renewal of the license of Station WMCA, New York, cited for carrying the Bircongel advertising, has been granted by the Broadcast Division. Although WMCA lost no time dropping the objectionable advertisement it is just possible in the formal opinion of the Division now being prepared that there may be some form of censure but if so that will end the incident.

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BATHING SUITS  
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## NATIONAL 10-STATION NETWORK FOR SPAIN

A new 10-station governmental network of broadcasting stations, possibly to be supplemented later by a new 20,000 watt short-wave station for the dissemination of programs of international interest, is included in Spain's enlarged program of radio development, Assistant U.S. Trade Commissioner, Miles Hammond, at Madrid, advises.

The legislation authorizing the national network provides for a gradual elimination of existing stations as their concessions expire, with a proviso that stations will be continued where the replacing national stations are not operating by the date of such expiration.

The national chain is to include a 150,000-watt long-wave station at Madrid and nine stations on the broadcast band; a 60,000-watt station in Seville province; 50,000-watt stations in Madrid and Barcelona provinces; 30,000-watt station in Couina and Vizcaya; a 20,000-watt station in Valencia; and 5,000-watt relay stations in Murcia and Oviedo. The tenth station will be of 10,000 watts, in the Canary Islands.

With the construction of the 10 stations above described, receiving license fees will be materially increased, it is stated at Government offices. Although provision was made for license fee increases in a law passed in 1934, these have not been put into effect, pending the completion of the national "net work". Under that law crystal sets would be assessed 150 pesetas a year; one to five tube sets 12 pesetas a year; more than 5 tubes, 24 pesetas a year. A peseta is about 30 cents, U.S. Loud speakers in public places, casinos and those operated by all recreational societies and loud speakers in public places collecting entrance fees would be taxed.

A license fee of 5 pesetas a year has been in effect for sets installed in private homes and automobiles. When the set is to operate in a public place, restaurant, bar, etc., the fee is 50 pesetas a year.

Approximately 80 percent of all sets in Spain is estimated to be of the socket power receiving type and all-wave sets surpass all others in popularity, according to present sales information, and may for the present be considered the standard marketable type.

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It is estimated that since January 1, 40,000 radio receiving sets have been sold in Spain of which fully 30,000, it is stated, would be all wave sets. Of these, it is estimated fully 85 percent are portable or table type receivers. The percentage of all wave sets in operation is believed to be 25 percent of the estimated total of 500,000 receiving sets owned in Spain. It is expected that this percentage of all wave sets to total sets will markedly increase, owing to the present active demand for all wave receivers.

Generally it is estimated that American sets account for 60 percent of all sales. About 20 percent is allotted Philips of the Netherlands; about 8 percent to Germany and the remaining 12 percent among Great Britain, Belgium, and other countries. The outstanding foreign sets are "Philips," "His Master's Voice," "Telefunken," "Nora," "Seibt," "Blau - Punkt" (sold under the trade name, "Punto Azul"), and "Ericsson, S.A. This latter make, it is stated, has not obtained an appreciable amount of business as yet, inasmuch as it sells for 1,150 pesetas for the five tube set, which is higher than similar foreign products.

Tube imports by weight from the United States increased by 333.3 percent in 1934 contrasted to 1933, whereas total tube imports by weight during the same comparative period increased 187.1 percent.

Sales in automobile sets have not been active. No steps whatsoever, it is stated, have been taken by the Government to conduct any experiments in television. Private activities in this matter have been likewise negative in recent years.

A 10 page mimeographed report "Radio Markets -- Spain" may be had by sending 25 cents to Andrew W. Cruse, Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, Washington, D C.

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#### HIS FAITH IN RADIO

Paul Thiesen, the vaudeville orchestra leader, was offered the conducting job on the original A. & P. Gypsies radio program 13 years ago, but turned it down because he had three stage weeks booked and didn't want to cancel them, Variety recalls.

Harry Horlick, who got the job when Thiesen turned it down, concludes on the air show shortly after a solid run of 13 years. That's the long-time record for radio.

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## WOULD DOUBLE WDRG HARTFORD DAYTIME POWER

The daytime power of Station WDRG , Hartford, will be increased from 2,500 to 5,000 watts daytime on 1,330 kc if the favorable recommendation of George H. Hill, Examiner, is approved by the FCC.

In his conclusions, Examiner Hill sets forth:

"The applicant is legally, technically, financially, and otherwise qualified to operate Station WDRG with the proposed increase in power. The programs broadcast by the applicant have been generally meritorious and designed to serve the Hartford area.

"The proposed operation of Station WDRG would make possible the extension of its service over an area and to a population greatly in excess of that now served, and would improve the reception conditions in the area now being served. There would be no interference during actual daylight hours to areas served by Station WFEA, Manchester, N.H. on 1340 kc if this application were granted, and if there were any interference it would be during the period of an hour or two before sunset, and then only on receivers which do not have sufficiently high selective characteristics. Due to high attenuation in the Hartford area and the frequency involved, no objectionable interference would be expected to any other existing service."

Station WTIC , operating with power of 50 kilowatts at Hartford, Conn. is the only station rendering consistent service to this area in the daytime.

The balance sheet of Station WDRG as of June 1, 1935 reveals according to the Examiner's report, total assets of \$93,781.88 consisting of cash \$257,72, bank accounts \$42,097.36, accounts receivable \$14,143.47, notes receivable \$1,767.45, building \$6,135.32, furniture and fixtures \$7,053.79, transmitter radio equipment \$17,499.03, studio equipment \$2,127.74, antenna equipment \$2,700.00, liabilities exclusive of capital stock and surplus \$2,899.87, consisting of accounts payable \$1,696.30, and reserve for State Income Tax \$1,203.57. The capital of the corporation is \$5,000.00 and the surplus amounts to \$85,882.01.

Franklin M . Doolittle is President and Treasurer of WDRG, Incorporated, and is the Manager of Station WDRG, which position he has occupied since 1922. Sterling Couch has been Program Director for the past seven years. The station maintains a staff of fifteen full time employees.

The station is affiliated with both the C olumbia and Yankee networks.

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## MAP SHOWS POLICE RADIO CO-OPERATION

Frank Jenkins, Radio Editor of the Boston Herald-Traveler, has forwarded to the Federal Communications Commission a map showing the police teletypewriter system now in operation in Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island and connections with Delaware and Ohio.

The map is most illuminating and describes in a graphic manner how extensively the police are utilizing radio in their fight against criminals and for the protection of law-abiding citizens.

Mr. Jenkins sent a copy of the map to the Federal Communications Commission where it is conspicuously displayed in the "Map Room."

In acknowledging receipt of the map, Lt. E. K. Jett, Assistant Chief Engineer, in charge of allocation of police channels, said:

"We consider this map a valuable contribution to the files of the Engineering Department and I wish to thank you for your courtesy in furnishing it."

The Bureau of Investigation of the Department of Justice also expressed considerable interest in the map.

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## CROSLY SHOWS SUBSTANTIAL PROFIT

The Crosley Radio Corporation of Cincinnati and subsidiaries, for the quarter ended on June 30, showed a net profit after royalties, taxes, depreciation and other charges, of \$180,213, equal to 33 cents a share on 545,800 no-par capital shares compared with \$340,668 or 62 cents a share in June quarter of 1934.

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## ORGANIZE CHICAGO RADIO CLUB

Radio Club, a new organization for radio talent and advertising men connected with commercial broadcasting, has been established at 433 North Wells Street, Chicago, under the management of Jack Deynzer. The club quarters are swanky and a unique feature of the restaurant service is the ordering of food and drinks by telephones connected with every table. Membership is selective. The roster includes many famous names, such as

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Amos 'n' Andy, Edgar A. Guest, Don Ameche, Lum 'n' Abner, Vice & Sae, Harlow Wilcox and Hal Totten. An added feature of the club is its radio service bureau through which all advertising agencies, radio executives and producers can contact radio talent.

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#### DUAL TRANSMISSION OF RADIO BEACON AND VOICE TRIED

A Bureau of Air Commerce radio station now undergoing practical service trials at Pittsburgh, Pa. represents four important advances in radio transmissions for airmen. This broadcast and radio range beacon station:

(1) Transmits voice and directional signals simultaneously, so that there is never any interruption of the radio beacon for radio telephone broadcasting.

(2) Transmits its directional signals so that they can be received aurally in the pilot's headphones, or in an instrument which gives visual readings with a needle on a dial.

(3) Is better for use with an airplane's radio direction finder than present standard radio range beacons.

(4) As a result of 1 and 3, gives more efficient assistance than present standard types for an approach to an airport under conditions of poor visibility. (However, it is not an alternative to the Department's instrument approach system.)

In a demonstration for representatives of scheduled air lines and manufacturers of radio equipment recently, the Pittsburgh station gave evidence that its new features are efficient and practicable. In flights of an hour to an hour and a half each, Bureau pilots simulated conditions under which an airman might be lost and searching for the radio range course, or for the airport and in each case the equi-signal zone was found promptly and followed to the landing area.

With a station of the Pittsburgh type, the pilot would have other assistance not now available at radio range beacon stations. In addition to features already mentioned, this station is equipped with a high frequency radio marker beacon which tells the pilot when he is passing through the cone of silence by flashing on a light on the instrument panel.

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### AGREES TO FEDERAL TRADE "ALL-WAVE" STIPULATION

Hugo Gernsback, of 101 Hudson Street, New York City, doing business as Radio Trading Co., has entered into a stipulation with the Federal Trade Commission to discontinue use of the words "All-Wave" in the sale of radio sets which are not capable of reception over the entire meter range covering all broadcast and commercial transactions.

Gernsback also agrees to cease representing in substance and effect that by the use of his radio receiving sets owners thereof can have worldwide continuous reception of short wave transmissions, with loud speaker volume, as dependably and as easily tuned in or "logged" as with long-wave or broadcast transmissions.

The stipulation points out that in the present state of the art the reception of foreign short-wave bands is difficult and uncertain and that these conditions are known to experts but not generally to the purchasing public. Gernsback agrees to stop presenting the advantages of his products in such a way as to conceal their difficulties and deficiencies.

He also agrees to stop using the phrase "Manufactured by Radio Trading Company, New York", when in fact he is not a manufacturer but purchases the products he sells from the manufacturers thereof.

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### COMPARES STATION ACCURACY TO CHRONOMETER

Some interesting data were provided by M. Brailard, President of the Technical Commission of the International Broadcasting Union and Director of the Brussels Control Center, with regard to the remarkable improvement in the technical precision of the European broadcasting stations in recent years. It was shown that whereas ten years ago broadcasting stations were known to fluctuate from 1000 to 3000 cycles from their nominal frequency during the course of a few hours, today the principal European stations do not fluctuate more than one cycle in a month from their established frequency. A better impression of this high degree of accuracy may be gained when it is realized that a station operating say on 300 metres emits electrical impulses of an order of one million each second. The accuracy of the best chronometer cannot be compared in performance with the accuracy of a well-installed and well-operated modern broadcasting station.

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## SENATOR ATTACKS ASCAP IN COPYRIGHT BILL DEBATE

Senator Duffy of Wisconsin, sponsor of the Copyright bill now under consideration in the Senate, which has the endorsement of the Broadcasters, bitterly attacked the American Society of Composers, opponents of the bill.

Senator Duffy said that as the law stands now no matter how innocent an infringement the minimum damages a court can avoid is \$250. The new bill does away with that but provides a maximum from \$5000 to \$20,000 which however would be determined by the court.

"In the present law there is a protection against innocent infringement", Senator Duffy declared, "which has been developed into a racket by means of spies and snoopers going around and getting a percentage of the statutory damages of \$250, which the court has had to impose. That is what the courts objected to; that is what the United States district attorneys have written about and objected to. It is not right, and it is not fair. It is that provision to which A.S.C.A.P. objects.

"By the way, A.S.C.A.P. is being prosecuted by the Federal Government in the southern district of New York by reason of alleged violations of the anti-trust law. I do not know, of course, how the case will come out, but at least it is serious enough to invite prosecution. A.S.C.A.P. has become so monopolistic, has secured such complete control, and has become so powerful -- and it is headed by a very good friend of mine, but that does not change the situation -- that it has been able to employ a system of snoopers to divide up the \$250 minimum that the court may award.

"Sometime ago I had a case called to my attention where in a pool hall, I think it was, returns were being received from a baseball game and some copyrighted music came over the radio. The man who turned on the radio did not know copyrighted music was going to come over the air; he had no means of knowing it. Those present were there to listen to the returns of the ball game and not to listen to music; but because of that innocent infringement although the broadcasters had paid A.S.C.A.P. for the privilege of broadcasting that particular song, the proprietor of the place was subject to the \$250 minimum statutory damages.

"When evidence is presented of music coming into a particular place by radio or on a phonograph, if the person responsible has not secured a license beforehand he is subject to the \$250 minimum of damages. I think that is one of the most shameful things in the whole Federal law; it savors very much of the abuses of prohibition times.

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"I feel certain that the man who composes music or composes a song should have protection, and if someone else wants to use it, he should pay the composer for it, and if it has been deliberately infringed, adequate damages ought to be paid. Because the broadcasting companies have such great facilities, we thought we ought to raise the \$5000 limit to \$20,000. That is the way it now appears in the bill. Whereas heretofore the courts would not have been able, as statutory damages, to give judgment for more than \$5000 now under this bill the courts can go as high as \$20,000."

The following day Senator Duffy again referred caustically to the fight the Composers were making on the bill.

"I cited yesterday, but some of the Senators now present were not here then, that if it were not for the elimination of the \$250 minimum statutory damage provision, which is cut out in the pending bill, I feel that the bill would have gone through on the Unanimous-Consent-Calendar, but the American Society of Composers, Authors, and Publishers, which is being prosecuted by the Federal Government for violation of the Sherman Anti-Trust Law at the present time, has made such effective use of that provision and has gone around and held up the little people around the country". Senator Duffy continued.

"I have a letter from a man who had a little place of amusement up in northern Wisconsin, open only during a season of 3 months. He tells me the representatives of this society came around to his place, having heard one day copyrighted music come over the radio, and the first thing he knew they said, 'You are subject to a penalty of \$250, statutory damages, the minimum damages, but it will be much cheaper to get a license.' So they let him start out with a license of \$15, then they got it up to \$25, then whooped it up to \$35, and there is no limit to where they could go. They have used that as a means for having snoopers and spies going around and reporting violations, getting a proportion of the \$250, which is the minimum a court may assess, or they have used it as a club to make little concerns take out licenses at their own figure.

"They certainly have used it; and the practice has been carried on for some years, and has caused great resentment in many parts of the country. What happens is as follows: We will say that an author belongs to this organization. He assigns his copyright to the organization, and the organization sends out its "investigators", as they are called; and what occurs is much like what occurred during the old prohibition days. The system followed by the investigators is something like this: They say, 'We have the goods on you. You are subject to a penalty of \$250 for each violation. That is the minimum. You had better take out a license, no matter whether your place of business is going to be open one day or not.'

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"One case, concerning which I received a letter, had to do with a barn where a barn dance was given. I do not know whether they had more than one dance in that barn in a year. In that case it was a question of taking out a license or being haled into the Federal court and being subject to a minimum penalty of \$250."

"The Senator from Wisconsin is eminently correct in his statement" Senator Russell (D) of Georgia, interjected. "I have had any number of similar letters from persons residing in the mountain districts of Georgia. Those persons during the summer months take in boarders who come up from the southern section of the State. The organization to which the Senator refers sent agents through those mountain districts and caused those persons no end of trouble. They are persons of very moderate means, and the organization put them to very great expense and caused them a great deal of annoyance. For that reason, I strongly support the bill offered by the Senator from Wisconsin."

"I wish to ask the Senator from Georgia", Senator Barkley of Kentucky inquired, "what connection the operation of a boarding house has with the copyright law. I do not get the connection."

"The persons who operate boarding houses get programs over the radio", Senator Russell replied. "Some of the copyrighted songs are played upon the radio program, and a small dance will be given, and perhaps four or five people will dance for a short while in the dining room of the boarding house."

"Dancing to the music which comes over the radio?"

"Yes", Mr. Russell answered.

"Confirming what the Senator from Wisconsin said", put in Senator Connolly of Texas. "I know of a specific instance which occurred in my State. A woman ran a small hotel. She had a phonograph and she played music on this phonograph for her regular boarders. She was haled into the Federal Court and had to pay \$250 and there was no way in which she could avoid the payment of the \$250 in the Federal court simply because she played on her phonograph a piece of music which someone had copyrighted."

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## RMA REQUESTS SPECIAL SALES STATISTICS FROM U.S. CENSUS

Following allotment by the administration to the U.S. Census Bureau of a special appropriation for a new 1935 census of commodity sales, the Radio Manufacturers Association through Bond Geddes, Vice President, has requested the Census Bureau to make the federal statistics more valuable by securing details of radio sales from jobbers and dealers.

Separate statistics to show sales of new radios, used or second-hand radios and also built-in radio equipment have been requested by Mr. Geddes and are now under favorable consideration by the Census Bureau. The commodity sales census to be secured from radio jobbers and dealers is distinct from the annual federal radio manufacturing census.

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## RCA AHEAD OF PARIS ON FALL STYLES

Next fall's styles in Paris hats were revealed by radio to New York women long before the average woman of Paris knew what it was all about. To the exclusive openings of Paris designers, which have just started, Miss Leona Evans, millinery buyer for James McCreery & Company, took a fashion artist. "Sketch that one," she told the artist, "and that one, and that one --" as models appeared wearing hats which Miss Evans considered most distinctive, and which she intended to buy.

The artist sketched; the sketches were hurried to an airplane; hopped to London, and placed on the photoradio circuit to America. Within twenty minutes after the London station started sending, the reproduction was completed in the New York offices of R.C.A. Communications, Inc. And that is how New York women, looking through their newspaper style sections were three or four jumps ahead of the women in Paris.

The designs sketched were creations of Agnes, Suzanne Talbot, Blanche et Simonne, and Rose Descat. Mrs. Pegeen Fitzgerald, publicity director of McCreery's who completed the arrangements for the store, said today that the store's work-rooms started at once on adaptations of the styles, and that they would be offered to New York women much sooner than under the usual plan of waiting for the originals to arrive from Paris. She said it was possible that the idea of sending sketches of new style creations by photoradio would be applied to other lines of merchandise.

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APPLICATIONS GRANTED FROM BROADCAST DIVISION OF FCC

WESG, Cornell University, Elmira NY, extension of spec. exp. auth. to operate daytime to sunset at New Orleans on 850 kc with power of 1 KW for period ending Feb. 1, 1936; WBAL, The WBAL Brdcastg Co., Baltimore Md, extension of Spec. Exp. Auth. to operate simultaneously with KTHS on 1060 kc, 10 KW, from 6 am to sunset at Hot Springs, Ark. and to operate on 1060 kc, 10 KW from sunset at Hot Springs to 9 pm, EST and to synchronize with WJZ daily except Sunday on 760 kc, 2½ KW after 9 pm, EST, Sunday, after 8:45 pm EST; KTHS, Hot Springs Chamber of Commerce, Hot Springs Natl Park, Ark., extension of special exp. auth. to operate simultaneously with WBAL from 6 am to local sunset and to remain silent from LS to 8 pm, CST, and to operate from 8 pm to midnight on 1060 kc, 10 KW for period of 6 months; WTIC, the Travelers Brdcastg. Serv. Corp., Hartford, Conn., extension of special exp. auth. to operate simultaneously with station KRLD, 1040 kc, 50 KW, unlt'd. for period ending Nov. 1, 1935; KRLD, KRLD Radio Corp., Dallas Tex., extension of special exp. auth. to operate simultaneously with station WTIC from Aug 1, 1935 to Nov. 1, 1935.

Also, WJAG, the Norfolk Daily News, Norfolk, Neb., extension of spec. temp. auth. to operate on 1060 kc, with 1 KW, ltd time for the period Aug. 1, 1935 and ending Feb 1, 1936; KWJJ, KWJJ Broadcast Co. Inc. Portland Ore., extension of spec. temp. auth. to operate on 1040 kc ltd time and resume operation from 9 pm to 3 am PST for the period Aug 1 to Nov. 1, 1935; New, Carter Publications, Inc., Portable-Mobile, Fort Worth Tex., CP for broadcast pickup station in temporary service for rebroadcast over station WBAP, freqs. 1606, 2020, 2102, and 2760 kc, 50 watts; New, The Pulitzer Publisher Co., Portable-Mobile, St. Louis Mo., CP for new gen. exp. station, broadcast pickup on exp. basis, freqs 31100, 34600, 37600, 40600, 86000-400000 kc; 5 watts. unlt'd time.

Also, New, Frank O. Knoll and Julian F. McCutcheon, St. Cloud, Minn., CP for new spec. gen. exp. station; freqs. 31600, 35600, 38600 and 41000 kc, 100 watts. unlt'd. time; New, Radio-Service Corp. of Utah, Portable-Mobile, Salt Lake City, Utah, CP for broadcast pickup station in temporary service; freqs. 1646, 2090, 2190 and 2830 kc, 200 w.; New, Westinghouse E and M Co., Portable-Mobile, Chicopee Falls, Mass., CP and license for new gen. exp. broadcast pickup station on an exp. basis; freqs. 31100, 34600, 37600 and 40600 kc, 150 watts; WIOXFH, National Brdcastg. Co. Inc., New York City, renewal of spec. exp. portable-mobile station license to be used to obtain propagation data in connection with a balloon flight to the stratosphere and to transmit messages for rebroadcast purposes in order to inform broadcast listeners of the progress of this scientific undertaking; 13050 kc, 10 watts, for period of 90 days from August 1.



# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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*Handwritten notes in red ink:*  
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## ALLEGING CENSORSHIP, DOCTORS ASK FOR RADIO FREEDOM

Although saying that it has been their experience that the broadcasting companies and local stations are liberal in their cooperation with the medical profession, Dr. W. W. Bauer, Director, Bureau of Health and Public Instruction, American Medical Association, declares a censorship exists nevertheless and has asked the Federal Communications Commission to provide even greater freedom of speech to members of the Association when broadcasting. Addressing the Commission, Dr. Bauer said:

"The American Medical Association, while duly appreciating the cooperation of the broadcasting interests, nevertheless is constrained to represent to the Commission that certain practises and situations in the field of educational broadcasting require attention and should be modified if possible in the interest of the listening public.

"Speakers on scientific topics are limited in what they may say, with particular reference to the following matters:

"(1) Medical speakers on health topics are not permitted to make general statements of established fact which may interfere with products advertised by radio, even when no specific product is mentioned and when the truth of the proposed statement is not in question. This is entirely aside from specific objections to certain medical advertising.

"(2) Speakers are limited with respect to certain topics, particularly the important public health problem of venereal diseases, by virtue of a public taboo on mention of these topics. It is recognized that this taboo is not a creation of the radio industry, but is merely reflected by that industry. Nevertheless, it puts a great handicap in the way of public health progress. The so-called social or venereal diseases, and particularly syphilis, constitute in the opinion of many competent observers, the most important public health problem before the United States today.

"(3) Radio speakers are required to accept censorship from the owners of broadcasting facilities or incur the penalty of being barred from the air.

"The American Medical Association has no authority to speak for any group other than itself. However, in behalf of its approximately 100,000 members, the American Medical Association and its county and state medical societies respectfully suggest to the Federal Communications Commission that provisions be made whereby:

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"(1) The duly authorized representatives of organized medicine, when speaking on behalf of a medical society, may have complete freedom to present scientific facts even tho these may be inconsistent with the claims made for fads, frauds, patent medicines, quackery, and other medical abuses, without liability on the part of the owners of radio facilities, such speakers in turn to accept on behalf of their organization and themselves full responsibility for whatsoever they may say. We are quite willing to concede that responsible organizations holding divergent views should have like privileges.

"(2) That provision be made whereby the medical profession, public health organizations, and the radio industry may arrive at some means by which the taboo against discussion of the venereal diseases and their prevention, may gradually be overcome in order that adequate public discussion, subject to the limits of good taste, may be facilitated.

"(3) The medical profession, as well as the public, is vitally interested in proposed social changes which will affect the delivery of medical service to the people. Considerable publicity by radio has been given to one point of view, namely that which proposes the establishment of state or socially controlled plans for the delivery of medical service by insurance or other prepayment schemes which are represented as advantageous from the standpoint of costs, general availability, and quality of medical services. A large majority of the medical profession holds that many such schemes are unworkable, detrimental to the best interests of the public as well as of the profession, and not proved as to economy claims made for them. This point of view has not found adequate expression in so-called forums which purported to present the subject from all viewpoints. The American Medical Association holds that forums should be such in fact, if they are so represented, and that presentations of a specific viewpoint to the exclusion of opposing or divergent views should be plainly so designated, and that the opposing or divergent views should be given equal opportunity to be heard, if not on that same occasion, then on a subsequent occasion as nearly as possible under equally favorable circumstances. In justice to the radio stations and the networks, it should be said that this has in fact been their spirit in most instances, when apparently biased programs have been called to their attention.

"(4) Free access should be provided to the filed copies of radio addresses which have been made, in the same manner as it is provided in the case of public records. In this way any responsible organization or individual may upon request be permitted to verify statements which are alleged to have been made in a radio broadcast. Such access to records should be permitted upon showing of any reasonable interest in the alleged statements,

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as, for example, the possibility of injury to the business or reputation of the applicant, or suspicion of misstatement of alleged facts, or of representations not in the public interest. Such access should be maintained for as long a time as possible without too greatly taxing the filing facilities of broadcasting stations.

"Organized medicine has no objection to filing with the owners of transmission facilities or the Federal Communications Commission, or both, copies of all proposed remarks, and is likewise glad to accept for consideration the suggestions of experienced radio broadcasters. For the most part, suggestions from the radio broadcasters would undoubtedly be accepted by health speakers on behalf of organized medicine. It is not the suggestions nor the acceptance of them to which objection is made but the censorship which exists and by virtue of which the medical broadcasters of health talks are to all intents and purposes compelled, if not actually to say what is dictated to them, at least to refrain from any statement which might be objected to by the owners of radio transmission facilities."

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#### MARCONI STALLS AIRPLANES AND AUTOS WITH ELECTRIC WAVES

Italian military circles have revealed that Marchese Guglielmo Marconi has built a device to send electric waves that will stall the motors of airplanes and motorcars, according to a special dispatch to the Yomirui from Rome. The device is said to have been tested with convincing success at a fortress in a suburb of Rome on Tuesday in the presence of Premier Mussolini, according to an article in the Trans-Pacific, Tokio.

The test lasted 30 minutes, during which motorcars on a nearby highway suddenly stopped and could not be started again until the test ended. The drivers, unaware of the test, were at a loss to understand what had happened to their engines. When interviewed, Marconi would say nothing except that his invention belongs to the Italian army as a military secret. He intimated, however, that the time will come when details of the invention can be made public.

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## TRAFFIC ARREST BRINGS TERRE HAUTE NEW POLICE RADIO

The arrest of John F. Cummins, a cousin of the manager of Radio Station WBOW for a traffic violation in Terre Haute, Ind., which recently achieved world-wide fame through a general strike, was followed by termination of police use of the station's facilities for contact with squad cars. The step taken by the radio station, however, will not render the city without a radio police service for a very long period.

Following the discontinuance of the radio service, the Terre Haute police announced that a short wave radio station already is under construction at the City Hall and will be in operation in the near future.

The new radio system is a gift to the city from a number of public spirited citizens. The project has been discussed for several years but the financial condition of the city would not permit the expenditure. The use of WBOW had not proven entirely satisfactory for several reasons, it was said, among them that it was not available twenty-four hours per day and also permitted anyone with an ordinary auto radio to pick up police broadcasts.

Included in the new RCA high frequency outfit besides the transmitter and receiver will be two "two-way" police patrol cars and six regular patrol cars equipped only with receiving sets.

The break between the police department and Station WBOW came after Cummins, 26 years old, of Indianapolis, was taken into the Terre Haute City Court Wednesday morning. Cummins was fined \$2 and costs and the costs were later suspended, on his plea of guilty to charges of violating the city traffic ordinances. Cummins had been arrested Tuesday evening by Patrolmen Carpenter and Cavanaugh after he had parked his automobile in a safety zone downtown.

Later Wednesday the police department was notified by William W. Behrman, manager of the local radio station and reported to be a cousin of the traffic law offender that service for the police through the local station had been suspended.

Although Chief of Police Lewis A. Wheeler had not been formally notified of the "cut-off", desk officers said the police microphone had been removed.

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## LENGTH OF SESSION MAY DETERMINE COPYRIGHT BILL'S FATE

It was predicted that the Copyright Bill passed last Wednesday by the Senate and endorsed by the broadcasters might be lost in the shuffle in the House with adjournment probably so close at hand. Senator Wagner of N.Y. who along with Senator Copeland lined up with the Composers and fought the bill bitterly, declared there wasn't a chance for the House to pass it at this session.

Senator Wagner's prediction was re-echoed by Chairman Sirovich (D) New York of the House Patents Committee. Broadcasters encouraged by the Senate's approval of the bill declared otherwise and said there was still a good chance of the measure becoming a law at this session. They were successful through the excellent strategy of Senator Duffy (D) of Wisconsin in having the feature retained in the bill which would eliminate from the present law the \$250 minimum penalty for infringement.

Senator Wagner on the last day of the Senate debate moved to strike out the provision of the bill which provides recovery for infringement in case of the merely incidental and not reasonably avoidable inclusion of a copyrighted work in a motion picture or broadcast depicting or relating to current events.

"In other words, if a reel or a broadcast depicting current events inadvertently uses a song of great popularity and of great value to the copyright owner, he has absolutely no recourse if the use is 'incidental'. The large profits that the picture or radio company may reap are disregarded. To my mind, this is an extraordinary provision and I ask that it be eliminated from the bill", said Senator Wagner.

"The provision applies only to current events. It applies to incidents such as the broadcasting of a Rose Bowl football game or some great sporting event of Nationwide interest. It might be that, while they were taking the picture a band would pass by the camera and a few bars of a copyrighted song or piece of music perhaps the alma mater song of the University of California, might be registered. The provision applies only to current news events. It applied to something that is entirely incidental and which cannot be reasonably avoided," Senator Duffy replied.

"Such a case might arise" he continued, "by reason of an incident where some moving pictures were being taken of some big event and a band would march down the street playing at that particular time some piece of copyrighted music, and as a result a few bars of the music would be reproduced. Such a thing has been held to be an infringement. The committee thought such a situation ought not to be permitted to exist."

Senator Wagner's motion was rejected. He then proposed this amendment which would restore minimum statutory damages when a copyright has been infringed:

To pay in lieu of actual damages and profits such damages as to the court shall appear to be just: Provided, That such damages shall in no case exceed \$20,000 or be less than \$200, and shall not be regarded as a penalty. This paragraph shall not deprive the copyright proprietor of any other remedy given him under this law, nor shall the limitation as to the amount of recovery apply to infringements accruing after the actual notice to the defendant, either by service of process in a suit or other written notice served upon him.

"Suppose that I have written a song" Senator Wagner said, "which has made a hit. The song is used by a broadcasting station. Those who are familiar with the subject know that in many or most instances, the broadcast may absolutely destroy the value of my property. But under the rules of evidence I am unlikely to be able to prove the extent of damage. Thus, with impunity, the infringer may make tremendous profits by misappropriating my work."

"We are talking a good deal about the little fellow. I desire to say that there is hardly any composer of music in this country today who is not a member of the American Society of Composers, Authors, and Publishers; and if someone should go to one of those individuals -- Irving Berlin or anyone else -- and ask him to grant the right to use his music in a place such as a little boarding house he could not do it," Senator Duffy argued. "This is not a 'little fellow' by any means, but is so big that the United States Government is prosecuting it under the Antitrust Act; so big that, according to the hearings before the House Committee, it is able to pay salaries of \$50,000 to its general manager and \$35,000 to its president; it is so big and powerful that it has a monopoly. We by law are giving monopoly to private individuals, who get together and pool their monopolies into a great, gigantic powerful organization; and although I realize that the members of the organization say, 'We do not intend to go after the little fellows', I say that every taxicab driver in the United States who has a radio in his cab is subject to suit if any copyrighted music comes over it -- and almost all music that is at all popular is copyrighted. Even though the radio stations pay a fee for broadcasting it, the little fellow who is driving the taxicab is subject to have a \$250 damage suit brought against him as a minimum, and the court could not do anything about it under the present law.

"The Senator from New York the other day referred to a case where there was a Nation-wide broadcast. In such a case, I do not think the \$250 minimum-damage provision would have any effect whatsoever; but we raised that minimum so that if there were any cases of deliberate infringement, where the copyright owners did not feel it advisable to go into specific elements of damage, the court might award \$20,000 damages. The bill before us makes it mandatory upon the court to award such amount of damages that the copyright will no longer be subject to violation by infringement; in other words that it will discourage infringement

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"If Senator Wagner is interested in the individual, why not frame his amendment so that it would not give protection to a great society like the American Society of Composers, Authors, and Publishers, but limit it to individuals, and not allow it to apply to those who act in concert in such large organizations?"

"I will accept an amendment that will protect the individual. That is what I am interested in. I will accept any modification the Senator might suggest that will protect the individual artist and him alone," Senator Wagner replied.

"This is the Senator's amendment. At the time this subject was before the Senate at a previous session, I think it was former Senator Dill, of Washington, who made the suggestion that there never should have been a provision for minimum damages where two or more get together in concert, assignness of the original copyright owners, or where copyright owners acted in concert, because they have a gigantic concern, which is ruthless," said Mr. Duffy

"We do not agree upon that. I cannot believe that these gentlemen are the racketeers that the Senator has asserted them to be", the New York Senator said.

Senator Wagner's amendment was lost. Just before the Senate finally passed the bill, Senator Copeland in behalf of the Composers said:

"When there is strenuous opposition to a bill, when there is profound conviction that the bill is dangerous, that it infringes upon the rights and privileges of a group, I can quite understand how helpless that group feels and how bitterly will be resented any action taken which seeks to curtail their rights.

"I have been a Member of this body for a long time, something more than a dozen years, and I know how utterly hopeless it is to attempt any radical modification of a measure which has been reported by a committee, which has been debated for a long time in the Senate, and to which amendments have been voted down, indicating the intent of the Senate to follow the committee. With all this knowledge on my part, I recognize how hopeless it is to undertake any such thing as defeat of the bill.

"As I said in the beginning, I have friends on both sides of this controversy; but frankly all my sympathies are with those who are in opposition to the bill. I think they feel that they have not had an opportunity to be heard; that they have not had an opportunity to have their arguments presented and digested. They feel that the proposed action is hasty and ill-advised. However, my colleague, Mr. Wagner, has at great length presented the cause as it appears to us, coming from New York. He had



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done it in a far more capable manner than I could possibly do it; he has accomplished a great deal in the way of certain amendments which have been accepted; and, so far as I am concerned, I shall satisfy myself by entering my protest and by saying that I think the measure ought not to be passed. I protested against bringing it up at this particular stage of the proceedings of the Senate; but I would be untrue to my conviction that we ought not to be wasting any time here if I proceeded to waste any time in what I know, from the start, is a hopeless undertaking."

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#### RADIO EXPORTS INCREASE SLIGHTLY

The latest statistics on radio exports, for May 1935, of the U.S. Bureau of Foreign and Domestic Commerce, show a slight decrease compared with exports in May 1934, the last fiscal month reported. There were 41,302 receiving sets valued at \$1,078,377, exported in May 1935, compared with 48,439 sets, valued at \$1,160,205 during May 1934. Tube exports last May were 673,606 valued at \$281,941, compared with 597,947 tubes, valued at \$286,916 in May 1934. Exports of parts and accessories amounted to \$349,964 in May 1935, against \$350,658 in May 1934. An increase, however, in exports of loud speakers was reported from 7,468 speakers valued at \$23,781 in May 1934 to 27,615 speakers valued at \$55,279 last May. Other radio exports reported last May were \$38,306 of other receiving set accessories and \$88,684 of transmitting sets, tubes and parts.

The revised figures of total 1934 exports also have been issued by the U.S. Bureau of Foreign and Domestic Commerce. The 1934 exports broke all previous records and included 612,084 receiving sets, valued at \$15,338,143; 6,682,083 tubes, valued at \$3,209,946; parts and accessories valued at \$4,358,827; 144,768 loud speakers, valued at \$360,954; other miscellaneous accessories valued at \$498,453, and transmitting sets, tubes and parts, valued at \$1,090,269.

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## NEW LONG WAVE FOREIGN BROADCASTING LIST

A new official list of foreign broadcasting stations on middle and long-wave bands (160 - 1700 kc - 176 - 2000 meters) has just been compiled by Lawrence D. Batson of the Commerce Department. A copy may be secured by sending 25 cents to the Electrical Division Bureau of Foreign and Domestic Commerce, Washington, D.C.

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### MARVELS AT GERMAN TELEVISION TRUCK PICKUP

An innovation which caught the eye of Andrew W. Cruse, Electrical Equipment Division, Bureau of Foreign and Domestic Commerce, who has been studying the television situation abroad was the so-called television truck which he saw in Germany especially equipped to cover news events.

This truck, which was first used at the May Day ceremony at the Tempelhof Aerodrome at which Chancellor Hitler spoke, consists of a low powered ultra short wave transmitter for both sound and television using the intermediate film method. The program is relayed by the high powered Berlin transmitter and the transmission was declared most satisfactory by people who saw it. The interval of delay between the taking of the picture by the camera mounted on top of the truck and the time when that picture has been televised is approximately 90 seconds. The Broadcasting Company engineers feel that the high speed with which it is necessary to develop and fix the film does not give a satisfactory sound track and are consequently preparing to record the sound by the steel tape method developed recently by the Lorenz Company.

Television is moving ahead in Germany on what certainly appears to be a most thorough basis and the cost is being carried by the license fees plus an additional government appropriation.

In France, the Ministry of Posts and Telegraphs is extremely interested in having their country match the television developments in England and Germany and are doing everything in their power to speed up this work realizing that they are behind those two countries in this respect.

They have started experimental 60 line 25 frame transmissions on 175 meters but no regular schedule is maintained. The French hope to be able to go to 90 lines and then to 180 lines as quickly as practicable but "there is" doubt if much progress in this direction will be made before 1936.

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COMMISSIONER PAYNE GIVES DINNER FOR AMBASSADOR STRAUS

Honoring the United States Ambassador to France, Jesse Isidor Straus, the commissioner of the Federal Communications Commission, George Henry Payne, entertained Wednesday evening at dinner in the Chinese room of the Mayflower Hotel.

Other guests at the affair included the Ambassador of France, Andre de Laboulaye; the Minister of China, Mr. Sao-Ke Alfred Sze; the counselor of the French embassy, Jules Henry; the Secretary of the Treasury, Henry Morgenthau, Jr., the Secretary of War, George H. Dern; the Attorney General, Homer S. Cummings; the Secretary of Commerce, Daniel S. Roper; the Undersecretary of State, William Phillips; the Assistant Secretary of the Treasury, Stephen B. Gibbons; the Speaker of the House, Joseph W. Byrns; Senator Key Pittman, Senator Joseph T. Robinson, Senator Arthur Capper, Senator Burton K. Wheeler, Senator Henrik Shipstead, Senator Gerald P. Nye, Senator Hugo L. Black, Senator Alben W. Barkley, Senator Robert F. Wagner, Representative Sam Rayburn, Representative John J. O'Connor, Representative John J. Boylan; the director of the Pan-American Union, Dr. L. S. Rowe.

Also W. Forbes Morgan, Robert Jackson, Leon Henderson, George Rothwell Brown, Gen. William Mitchell, Theodore C. Wallen, Archibald R. Watson, Joseph E. Davies, Capt. S.C. Hooper, Mrs. Arthur J. Mellott, Hampton Gary, Gustavus A. Rogers, Harry Eaton, A. Miller, Eugene Meyer, John L. Lambert, Edward J. Flynn, Frank C. Walker, Charles William Taussig, Myron M. Cohen, Byron Price, George R. Holmes, Eugene O. Sykes, Mark Sullivan, Alfons B. Landa, Paul A. Walker, G. Franklin Wisner, Gerald C. Cross, Arthur Krock, Percy S. Strauss and Robert K. Straus.

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PANNILL RADIOMARINE PRESIDENT

At the regular meeting of the Board of Directors of the Radiomarine Corporation of America, August 7, Charles J. Pannill was elected President of that corporation.

Mr. Pannill joined the company in 1928, and is the holder of American Radio Operators License number one, the first operator's license issued by the American Government.

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## COLUMBIA ANALYZES DAY AND NIGHT LISTENING AREAS

A new Columbia publication, "Day and Night CBS Listening Areas" has just come off the press according to John J. Karol Director of Market Research. It contains individual listening area maps for each CBS station and for the first time reveals separately the daytime and evening coverage.

"You will note that these separate night and day maps make a station's coverage seem smaller than when night and day are lumped together," Mr. Karol observes. "We feel, however, that this new presentation is far more accurate and useful to broadcast advertisers than the inflated coverage revealed in a composite night and day map. In addition to current market data for each station this book contains the results of a special coast-to-coast study of 300,000 homes to determine the number of regular listeners to the local CBS station and to the CBS network in each station city."

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## ENGLISH CABLE-RADIO MERGER PROPOSES TO REDUCE CAPITAL

A new investment trust entitled Cables Investment Trust Ltd., was registered by Cable and Wireless (Holding) Ltd., on July 15, for the purpose of obtaining funds to reduce its outstanding preferred stock, Assistant Trade Commissioner Henry E. Stebbins of London advises Washington. Cables Investment Trust will have a share capital of £4,000,000 divided equally between preference and common shares. The preference shares will be 4½ percent cumulative shares. In addition £3,000,000 of 3½ percent debentures will be issued. The parent company will subscribe to the entire amount of the common stock of the new company at a premium, but the £10 preference shares and debentures will be floated on the market at £10 5s. and 99 percent respectively. The £7,000,000 thus raised will be used to purchase investments held by Cable and Wireless (Holding) Ltd., the latter then being able to retire an equal amount of its preferred shares. The contract provides that of the investments purchased, not less than 45 percent in value must be stocks, bonds and debentures, and not less than 70 percent must be investments within the British Empire. The value of the investments will be based on the prices ruling on July 22, 1935.

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## APPLICATIONS GRANTED FROM BROADCAST DIVISION OF FCC

KNOW, KUT Brdstg Co, Austin Tex, construction permit to move transmitter locally from Barton Springs Road to 114 W. 7 St. Austin, and to install new eqpt.; KIFO, Nichols & Warriner Inc., Portable-Mobile, license to cover construction permit for broadcast pickup station in temp. service on frqs 1622, 2060, 2150, 2790 kc 200 watts., A3 emission; WDGY, Dr. George W. Young, Minneapolis, Minn. modification of construction permit to extend completion date from 9/8/35 to 10/8/35; WPRP, Julio M. Conesa, Ponce, Puerto Rico, modification of construction permit to extend completion date from 8/18/35 to 10/18/35.

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 851

*[Handwritten signatures and initials]*

August 13, 1935.

### GERMANY THROWS OUT ALL BROADCASTING RECORDS

As a result of a fight which Germany is making against what it alleges to be a world-wide phonograph record trust, the German Broadcasting Company of Berlin has thrown out all its records and now is using only live talent. This is the result of a lawsuit between the broadcasting company and a phonograph concern.

The Broadcasting Company declares that though its listeners enjoy hearing phonograph records and are glad to know where these may be purchased, (an identification of the record played is always given over the air), nevertheless the radio audience expressed its intention of standing behind the Broadcasting Company in their fight. Also the listeners, it is said, are delighted with the fact that artists and performers among the unemployed are receiving a generous amount of extra work and pay because of the broadcasting with live talent instead of electrical transcriptions.

One of the discoveries which the Broadcasting Company in Berlin claims to have made is that not a cent of the royalties paid for the use of records in broadcasting has actually gone to the musicians who produce the programs. A war against discs, as they are called on the other side, has been declared in Germany and if it is true, as charged, that an international combine to regulate the price of these records has been formed, it is predicted that this controversy may extend to other countries as well.

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### ANOTHER DEALER AGREES TO MODIFY ALL-WAVE ADVERTISING

Advertising implying that his radio receiving sets can procure world-wide continuous reception will be discontinued by Leiba Sharn, also known as Leo Sharon, an individual trading as Leotone Radio Company with a place of business in New York City.

According to the Federal Trade Commission, it is stipulated, Sharn sold "Leotone Short-Wave Sets", advertising them as capable of regularly receiving programs from Italy, Spain, Germany and England, when in fact the meter limitation of the sets was not sufficient to cover all broadcasts.

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## BBC PUTS ON GREAT EXHIBIT AT RADIOLYMPIA

Our own broadcasting companies up to now have not made any particular effort to avail themselves of the interest of visitors to radio shows excepting to put in a broadcasting booth, but the British Broadcasting Corporation is again putting on a most elaborate exhibit at the Radiolympia to be held soon in London.

In 1933 the BBC was largely interested in a specially-built theatre with seating accommodation for over 2,000 people from which various performances were broadcast. In the following year this theatre was again used for BBC shows, and at this year's exhibition it has been built anew on a finer and more elaborate scale than ever before with increased seating accommodation.

The principal BBC exhibit at Radiolympia consists of two scale models of Droitwich National transmitter, which afford some opportunity of learning how a transmission takes place. Another exhibit includes an interesting array of microphones which date from 1923 to the present day. There is also a display of apparatus used for outside broadcasting in such places as the Queen's Hall and St. George's Hall. This apparatus is contained in two bays 5 ft. high. The whole of the equipment in one bay is associated with the microphones, while in the other are two A amplifiers, a Jackfield program meter, amplifier, and switching and meter facilities. Associated with the equipment is a mixer for selecting the right microphone point or points for fading from one position to another and for controlling.

An exhibit of general as distinct from technical appeal is that of a photographic mural 58 ft. long depicting the various activities of the BBC. The spectator first has an impression of Broadcasting House, then follow glimpses of studio performances, outside broadcasts, musicians, speakers, commentators, suggesting the manifold sources from which the microphone draws the material that feeds it, and finally the details of transmission showing the intricate machinery which is necessary to enable Home and Overseas listeners to hear their programs. There will also be maps showing the license figures, simultaneous broadcasting system, and a program analysis diagram.

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## JETT TO TALK ON POLICE RADIO

Lieut. E. K. Jett, Assistant Chief Engineer of the Federal Communications Commission, in charge of police radio, will address the Municipal Training Institute of New York State for City and Village Police Chiefs at Utica August 28th. Lieut. Jett will take for his subject, "Police Radio."

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## WGN BARS SPONSORED FOOTBALL PROGRAMS

In line with its policy of public service to the listener, WGN, Chicago Tribune radio station, announced last week all collegiate football broadcasts over that station will be carried on a sustaining basis and that no commercial sponsorship will be permitted, despite the fact that several Big Ten conference athletic departments have resolved to sell exclusive football broadcasting rights this Fall, according to the Editor & Publisher.

The National Broadcasting Company is supporting WGN in this policy. Niles Trammell, Vice-President in charge of the Chicago division of NBC, stated no sponsored football broadcasts will be carried locally by WMAQ and WENR, local stations operated by NBC.

Believing the new setup, with schools selling their rights directly to an advertiser, ignores public interest, WGN officials feel they would be losing control over broadcasts and would be forced to put on the air some games secondary to others available on a particular day.

A telegraphic survey by WGN last week disclosed that Illinois, Purdue, Indiana, Mennesota and Notre Dame will permit the Tribune station to broadcast without any commercial sponsorship strings attached. Michigan, however, has sold rights to a Detroit motor maker. Ohio has sold out to an oil company and its home games will be broadcast by WLW, Cincinnati. Although it is reported that Minnesota has sold its schedule to a sponsor for local broadcasting only, its home games will be made available to WGN at no charge. Northwestern and Chicago are the two local universities holding out for commercial sponsorship of broadcasts of their home games.

WBBM, CBS outlet, it is understood, has a chocolate concern as a sponsor for eight football games on the station but the advertiser has not yet set a schedule.

The following advertisers are sponsoring Big Ten football games:

Michigan - Chevrolet in place of Detroit motor maker  
Ohio - Ohio Oil Company  
Minnesota - Minneapolis General Mills  
Iowa - Iowa Ford dealers  
Wisconsin - Watham's Oil Company.

The chocolate concern referred to over WBBM is Sireen Mills, Chicago makers of chocolate products.



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Inasmuch as WGN plans to broadcast college football games as a sustaining feature, with no commercial sponsor, the Tribune station began negotiations with several of the Big Ten schools that are permitting commercial broadcasts of their home games to allow WGN to also broadcast in those instances where commercial sponsorship is not an exclusive arrangement.

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#### DAYLIGHT INCREASE DENIED TO VERMONT STATION

Examiner M. H. Dalberg of the Federal Communications Commission has recommended that the application of Station WQDM, at St. Albans, Vt., for an increase of from 100 watts on 1370 kc. to 1000 watts on 1390 kc., during specified daylight hours be denied. The reason given for this is as follows:

It is obvious that the finances of both of the co-partners, owners of Station WQDM, are in a meager and precarious state and that they are involved with obligations to a local bank which holds both a first and second chattel mortgage on the tangible assets of the station. The father of one of the applicants, C. A. Bostwick, appears to be in a relatively good financial position but the fact that he has endorsed notes for these applicants to the extent of \$7,000 and states that he is willing to cooperate in obtaining further credit for them to the amount of \$3,000 seems hardly sufficient to constitute the necessary financial background which would be required by the Commission for the increase in power requested.

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#### WEST INDIANS WANT AMERICAN DAYTIME PROGRAMS CONTINUED

Radio dealers in the British West Indies complain that they have been handicapped in the sale of American radios this year by the lack of daytime programs from the United States. All during last year one of the American radio stations sent out short wave programs daily from 10 A.M. to 3 P.M. in sufficient volume to be clearly received. This program has been discontinued, Consul Perry N. Jester, at Barbados advises. The British Broadcasting Company sends out a strong program in the morning up until 8 A.M., which is well received, but from that time on until 4 o'clock in the afternoon, no program comes through with sufficient strength to be picked up by 6 and 8 tube sets.

Night-time reception on both 6 and 8 tube sets is very good, Consul Perry said.

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## SENATE GETS NEWSPAPER SHIP POSITION BILL

A duplicate of the Bill recently introduced in the House which would permit radio companies furnishing reports of positions of ships at sea to newspapers either at nominal charge or without charge provided the name of the company is used, has been introduced in the Senate by Mr. Copeland, of New York.

It has been the practice of ships to report their position to the nearest land station and up to a short time ago this information was supplied free to the newspapers. However the FCC issued an order discontinuing any such service.

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## RADIO GAINS OVER OTHER ADVERTISING MEDIUMS

Broadcast advertising during the first half of the current year showed a gain of 17.9% as compared to the corresponding period of 1934, the National Association of Broadcasters reports. Important gains were recorded by all phases of the medium, with regional networks making an especially strong showing. Radio as a whole fared better than any major medium during the period.

Non-network advertising increased on all sizes of stations. The largest gain in non-network volume occurred in the Southern States where volume rose 32.1% as compared with the first half of the previous year.

A gain of 26.7% in national non-network live talent volume, and a decline of 2.4% in national transcription business were the principal developments of importance in the rendition field.

Specialty and shopping goods advertising showed important increases during the period, with automotive, clothing and housefurnishing volume showing marked gains. In the convenience goods field, soap and kitchen supply advertising increased materially in the national and regional network and national non-network fields. Tobacco advertising showed most important gains in the regional network and national non-network fields.

General retail advertising experienced an increase of 50.3% as compared with the corresponding six months of the preceding year. Department store volume rose 41.7%. Automobile dealer advertising and that of clothing stores and similar shops and housefurnishing retailers showed the most important increases.

Radio broadcast advertising showed the greatest improvement in volume of any major medium during the period under consideration. As contrasted to a gain of 17.9% on the part of

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radio, national magazine advertising increased 10.7%, national farm paper volume 3.5% and newspaper advertising 5.0%.

Details regarding major media are as follows:

Advertising Medium	Gross Time and Space Sales	
	<u>1934</u>	<u>1935</u>
Radio broadcasting	\$38,221,480	\$45,075,972
National magazines	61,409,805	67,954,820
National farm papers	2,870,927	2,973,225
Newspapers (estimated)	<u>242,535,000</u>	<u>254,551,000</u>
Total	\$345,037,212	\$370,555,017

Broadcast advertising volume in June amounted to \$6,583,976, a decline of 12.7% as against the preceding month's level. This decline was considerably less than during the previous year, when June volume dropped 21.6% below that of May. National network advertising during June on the current year declined 13.1% as against the previous month, regional network advertising 1.5%, national non-network business 7.1% and local broadcast advertising 16.6%.

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#### U.S. TAKES INDIA'S RADIO TRADE AWAY FROM BRITISH

A review of India's import trade for the year, published by the Department of Overseas Trade, at 35 Old Queen St., London, S.W.1, shows that during the year the amount of radio imports rose from £84,000 to £119,250.

"Unfortunately, United Kingdom manufacturers are losing ground in this valuable market, and at the present time the U.S.A. appear to be securing a very substantial hold which it will be difficult for United Kingdom manufacturers to loosen", says the report.

During the year imports from the U.S.A. increased from £13,500 to £62,250, while those from the United Kingdom fell from £42,750 to £34,500. In the year 1932-33 imports from the U.S.A. were only £4,500. The only other serious competitor in this market is Holland, whose imports last year rose from £7,500 to £11,250.

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 ::: INDUSTRY NOTES :::  
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Alfred J. McCosker, President of the Bamberger Broadcasting Service, owners of WOR, sailed Saturday, August 10th, on the "Ile de France" for a month's vacation in Europe. He was accompanied by Mrs. McCosker.

While in London, McCosker will visit Sir John Reith, Managing Director of the British Broadcasting Corporation, and in Paris he will visit several French broadcasting officials.

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Denials of the application of William A. Schall, of Omaha, and the Omaha Broadcasting Company, also of that city, each applying for a 100-watt station on 1500 kc. frequency, were recommended by R. H. Hyde, FCC Examiner.

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The New York News in a full-page advertisement in the Chicago Tribune, stated last week that "There were more copies of the News in use today in New York City...then there will be radio sets in use tonight." News' weekday circulation is over 1,500,000. It is one of the most direct attacks of a daily on radio circulation.

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Gen. James G. Harbord, Chairman of the Board, Radio Corporation of America, will be heard over an NBC-WJZ network, Friday, August 16th, when he appears as guest speaker on the special Kellogg College Prom "Army Night" program to be broadcast from 7:30 to 8:00 P.M., EST.

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The Mackay Radio Telegraph Company announces the fact that new offices will be established at Philadelphia, Pa., Camden, N. J., and Detroit, Mich. The service will be rendered by means of wire circuits between these cities and New York, leased from Postal Telegraph-Cable Co.

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There will be radios in most of the homes in the Government's Matanuska Valley colony, the Associated Press reports. A survey of furnishings has just shown this.

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The Minneapolis Journal has announced affiliation with KSTP, Minneapolis-St. Paul radio station, in a radio-news hook-up. The move places all three of Minneapolis' daily papers on a radio basis, the Star having arranged with WCCO a short while ago for a news outlet, and the Tribune, with the St. Paul Pioneer Press-Dispatch, having purchased WTCN more than a year ago.

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### BRITISH MARCONI ALMOST DOUBLES PROFITS

Profits of the Marconi Wireless Telegraph Co. for 1934 were nearly double the figures for 1933, the respective totals being £225,733 and £126,553, Alfred Nutting, American Consulate General, London, reports. While the ordinary dividend is kept at 6 percent, contingencies has been credited with £78,000 and a staff bonus made of £11,000, against nil in each case. Results for the past three years (ended December 31) are compared as follows:

	<u>1932</u>	<u>1933</u>	<u>1934</u>
Revenue . . . . .	£348,890	£382,136	£485,713
Brought in. . . . .	21,521	23,353	11,198
Salaries. . . . .	161,967	140,810	146,664
Rent, rates, etc. . . .	73,493	84,611	87,465
Depreciation. . . . .	24,196	23,660	25,850
Interest to Assoc. . . .			
companies. . . . .	14,499	6,502	---
Preference dividend . .	17,500	17,500	17,500
Ordinary dividend . . .	40,403	121,208	121,208
Ordinary dividend rates	2%	6%	6%
Bad debts . . . . .	15,000	---	---
Contingencies . . . . .	----	---	78,000
Forward . . . . .	23,353	11,199	79,224*

\*After £11,000 to staff bonus.

The balance sheet shows that the issue capital still stands at £2,270,133. Reserves continue at £1,469,152. Investments total £2,163,714. The earnings of Cable and Wireless for 1934 attributable to Marconi holdings in that company of £1,565,051 represent £5,17s. 7 d. percent. Regarding the £1,176,784 sundry debtors, £637,745 represents debts owing by foreign governments, a large part of which is on long credit terms. Part of these debts are overdue, but any loss that may be ultimately realized is regarded as being more than covered by the amount held as reserve for contingencies.

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## OFFICIALS GIVE UP INTERLOCKING POSTS

The ten radio, telegraph and telephone officials affected by the recent order of the Federal Communications Commission that they not serve on more than one Board of Directors or as officials of more than one company, relinquished their interlocking positions on August 9th.

Those affected were Edwin F. Carter, A. T. & T. official; Sosthenes Behn, President of the International Telephone & Telegraph Company; Edwin F. Chinlund, Postal Telegraph official; Joseph J. Halpin of the International Telephone & Telegraph Co.; Newcomb Carlton and E. Y. Gallaher of Western Union Telegraph Co., David Sarnoff and Lewis MacConnach of R.C.A. Communications, Inc., and Frank L. Polk, a Director in several companies.

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## HOUSE COPYRIGHT CONSIDERATION DEPENDS ON LENGTH OF SESSION

What consideration the House gives the Copyright Bill depends entirely how long the present session of Congress will last. If they adjourn the latter part of this week, or early the next, of course the bill hasn't a chance. On the other hand, if the Tax Bill is taken up by the Senate, the House will have plenty of time on its hands to consider the Copyright, or any other Bill, the leaders bring before it.

In the meantime, Senator McAdoo, Chairman of the Senate Patents Committee, in replying to a letter from Irving Berlin, of the American Society of Composers, vigorously defends the new bill.

Senator McAdoo writes to Mr. Berlin, in part as follows:

"You state that the bill removes the minimum-damage provision embodied in the existing law and that this change will work a hardship upon the 'little fellow.'

"The pending bill does indeed remove the stated minimum-damage fee of \$250. The reason for this is that persistent complaints have been received by Members of Congress from all parts of the country to the effect that this provision of the present law is used to bring undue pressure upon 'little fellows' who are users of copyrighted works to require them to take out costly licenses if they wish to continue such use.

"But the bill does not leave the author or composer unprotected. It provides definitely that there shall be what is in effect a provision for minimum statutory damages. The court before which a case asking for such damages is brought must, under mandate of the bill, make an award sufficient to stop infringement. The amount is left to the discretion of the court

because it is not believed that it is possible to fix in a statute an amount that will be in all cases just. There is fully as great a possibility of obtaining a verdict, and hence of assuring to the poor author his costs, as there is under existing law. There is nothing to prevent the award of attorney fees; moreover, the terms of the bill practically assure substantial damages if substantial infringement is proved. But the bill does not offer returns disproportionate to the infringement, as does the present law.

"You will, I am sure, recall in this connection that illegitimate use of copyrighted works may be the act of all manner of people, from the street-organ grinder to the world-wide broadcaster. Obviously a damage fee of \$250 would be absurd in the case of a single tune in a crossroads dance hall, just as the present maximum of \$5,000 might be wholly insufficient in the case of a continental hook-up. Accordingly, the minimum amount is left to the court and the maximum amount is quadrupled, from \$5,000 to \$30,000.

"At the same time, the bill undertakes to encourage a concentration of payments and to discourage more than one payment for the same use of the copyrighted work. Thus, if a broadcaster pays for the right to broadcast, it is not deemed to be generally sound procedure to require the owner of a receiving set to be liable also. The bill makes an exception of this rule, however, in cases of the use of receiving sets or other such instruments by profit-seeking establishments whose customers are clearly charged for the music or other entertainment so received. Theaters which display sound pictures, the scores of which include copyrighted music, must pay the owner of the copyright, notwithstanding the fact that the motion-picture producer has paid for production rights. Dance halls, as well as restaurants that make cover or similar charges, must, if they use broadcast music, or any sort of 'canned' music, pay the copyright owner just as though they employed their own orchestras. The bill will not affect the present practice of taking out licenses for the purpose of using copyrighted music. This seems a fair compromise in the interest of all concerned."

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### THREE STATES TAKE ACTION AGAINST ASCAP

The American Society of Composers have been attacked on several fronts during the past week in addition to the attention it has been receiving in connection with the Copyright Bill in Washington, D. C.

A bill licensing and taxing organizations such as the American Society of Composers, Authors and Publishers that impose fees for the commercial use of music on which they hold copyrights, was enacted into Wisconsin law last Friday in Madison.

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In the absence of Governor LaFollette, Lieut. Gov. O'Malley signed the measure after its speedy passage by the Legislature. Lieut. Gov. Thomas J. O'Malley signed the measure to conclude a speedy ride through the Legislature. Governor Phillip F. LaFollette was out of the city.

The bill provides that any music broker, except the original composer, who wishes to make contracts for playing of copyrighted music must obtain a State license. He also must give complete information on officials of the company, their salaries, rates charged the player and fees paid the author, and must pay a tax of 5 per cent of the broker's gross receipts for the preceding year whether obtained inside or outside the State.

A \$500 fine also is provided for any person who requests performance of a copyrighted piece to start an infringement suit.

In the State of Washington last Wednesday, Superior Judge D. F. Wright at Olympia enjoined the American Society of Composers from entering into additional agreements in that State, asserting that it had built up a monopoly on "hotcha syncopation" and fixed prices. All existing agreements were ordered placed in status quo until the Society, which has a membership of 900, shows it is complying with the law. The court found that the Society had pooled copyrights.

The Colorado broadcasters have formed an organization to combat the Composers, according to newspaper dispatches. In addition, the organization will unite in battling for favorable legislation and opposing such enactments viewed as injurious.

Attending the organization meeting were Rex Howell, KFZJ; Lou Koplinger, KVOR; Elmer Beehler, KGER, Sterling; A. E. Nelson, KOA; E. S. Sprague, of New York, representing NBC; F. W. Meyer, KLZ; W. D. Pyle, KVOD, Denver, and Gene O'Fallon, KFEL. In addition, a number of other Colorado broadcasters have shown interest in joining and will be invited to do so. Included are Senator Curtis Richie, of KGHF; Harr Green, KFKA; D. E. Bennett, KGIW, and Bishop White, of KPROF.

The meeting was an aftermath of the recent NAB convention. Organization is as yet unnamed. Plans include appointment of a paid secretary, probably an attorney.

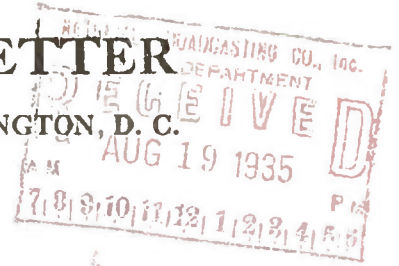
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



**CONFIDENTIAL — Not for Publication**

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## "TELEFLASH" MAKES BID FOR N.Y. RADIO SPORT AUDIENCE

Stating that it is not radio, but rather voice description by news commentators brought instantly by telephone wires, "Teleflash", described as "sporting news by voice - as it occurs", is making a strong bid for the sporting audience in New York City now served by commercial broadcasting stations. According to preliminary announcement, "Teleflash" will soon be available in large cities and small towns everywhere in America as rapidly as equipment can be installed.

A network of leased wire service extending throughout the entire United States is said to be available exclusively to "Teleflash" alone. The new company, which gives its address as 551 Fifth Avenue, New York City, states that all equipment will be installed and maintained by the telephone company.

The announcement concludes as follows:

"The blow-by-blow account of prizefights; the second-by-second action of the horse races; the play-by-play account of the baseball and football games; the intimate descriptions of tennis and golf matches, hockey and polo games. These and other sporting events are now brought to you instantly and authoritatively by voice through 'Teleflash' loudspeakers. Enterprising merchants, hotels, restaurants, clubs, grills, smokeshops, barber-shops - are installing this new service to win your patronage. 'Teleflash' is free to the public.

"This service is now available to merchants, hotels, restaurants, smokeshops, etc., for a few cents a day. It frequently pays for itself in a single sale. It is the greatest business stimulator conceived in years.

"Your customers can sit in comfort in your place of business and listen to dramatic descriptions telling how the horses are running at the quarter, the half, the three-quarter and in the stretch - at all tracks in the United States and Canada."

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## RADIOTELEGRAPH SCHOOL MUST STOP UNFAIR ADVERTISING

Walter H. Candler, of Chicago, an individual trading as The Candler System Co. and engaged in selling the "Scientific Code Course" for instruction of radio operators, has entered into a stipulation with the Federal Trade Commission to stop unfair advertising practices.

Candler will cease using in advertisements any false, misleading, disparaging or derogatory representations concerning a competitor.

Candler also agrees to stop using in advertisements letters from officials of the United States Army and Navy, the U. S. Marine Corps, U. S. Coast Guard or any other branch of the United States Government or foreign government or of any corporation for the purpose of discrediting or embarrassing a competitor in his business.

A further representation to be discontinued by Candler is the assertion that he has trained more than 45,000 telegraph and radio operators.

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## RCA TO CONSTRUCT POWERFUL STATION

A construction permit for the highest-powered short-wave telegraph transmitter in the Western Hemisphere, and possibly in the world, has been granted to R.C.A. Communications. Designed for about 200 kilowatts output power, the apparatus is now under installation at Rocky Point, L. I., and will be ready for operation by November 16.

Engineers of the communication company said the station, under the call letters WEF, will be used from time to time for relaying radio programs to Europe for rebroadcasting purposes. The installation will be considered experimental until results determine if such power is economical. The present WEF equipment is capable of delivering about 40 kilowatts of power.

Better telegraph service to foreign countries at higher speeds of transmission, hence eventually lower rates, and much stronger signals in Europe of program material intended for rebroadcasting are improvements expected by the engineers when the new transmitter goes into operation.

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## COAXIAL CABLE SEEN GREATLY EXTENDED IF TRYOUT O.K.

There is reason to believe that if the tryout of the coaxial cable by the American Telephone & Telegraph Company between New York and Philadelphia is successful that it will be an immediate forerunner to extending this type of cable to other parts of the United States. Such was indicated in the testimony of Dr. Frank B. Jewett, just made public, in the report and order of the Federal Communications Commission formally granting permission to the A. T. & T. to install a cable between New York and Philadelphia experimentally.

Dr. Jewett told the Commission that when the 100-mile circuit between those two cities is demonstrated to be practical, the A. T. & T. will know how to go about the demonstration of a 1000-mile circuit with a million frequency band. He further said that the development indicates for the first time the possibility of the transmission of the television image of good definition over long distances by cable circuit. In addition to this, it is capable of transmitting multiplex telegraphy; also 240 simultaneous telephone messages. The A. T. & T. research head said that the development of the coaxial cable goes back seven or eight years.

In making public its findings upon which the authorization of the construction of the New York-Philadelphia coaxial cable was based, a statement of the Communications Commission said:

"The Commission finds that the experiment which the petitioners wish to make is necessary for the advancement and improvement of communication and communication facilities, practice, and service; that the petitioners propose to carry on the experiment at their own expense and without cost to the public; that the installation of the coaxial cable under consideration is for experimental purposes only and without any intention or claim of right on the part of the petitioners to put said cable into public use or service without further authorization by the Federal Communications Commission; and that if the experiment contemplated is carried out, and the coaxial cable is demonstrated to be a success, the petitioners will, before attempting to use the same in public service, apply for permission to do so and later abide by such order as the Commission may make after a full and complete hearing held pursuant to notice, in which the petition in such case, and the objections and protests of all other parties appearing, shall be fully heard and considered upon the record made at that time, and without any regard to or for anything that the petitioners may do or cause to be done under and pursuant to the order permitting the installation of the coaxial cable for experimental purposes.

The Commission finds that experimentation, such as that proposed in the present proceeding, should be encouraged for the public welfare and in the public interest. The record indicates, and the Commission finds, that the introduction of the coaxial cable would have a tendency to reduce rates for services rendered by use of such cable.

The Commission finds that during the experimental stage of the coaxial cable under consideration parties interested in the transmission of television images should have access to and the use of the said cable for the use of experiments for themselves, provided the petitioners and such other parties may agree upon terms and conditions whereby such access and use may be accorded by the petitioners and had by the other parties; and in case the petitioners and other parties can not agree upon such terms and conditions, such other parties may apply to the Commission for rules and regulations whereby they may have access to and the use of said coaxial cable for their proper purposes and uses; and the Commission finds that under these circumstances the coaxial cable in its demonstration period cannot be used by the petitioners for the development of the right to television patents, to the exclusion of other parties having access to the coaxial cable through agreement with the petitioners or by order of the Commission; and under the circumstances proposed herein the Commission is of the opinion that the petitioners can not monopolize the experimental advantages, features and uses of the coaxial cable to the disadvantage, exclusion and detriment of other parties.

The Commission at this time is not going into the accounting and engineering features of the project under consideration, for the reason that it does not want to jeopardize the public interest by specifying, and thus limiting, requirements which the Commission has the authority and right to impose upon the petitioners when the proper time arrives, if at all, for the consideration of such matters; and the Commission hereby asserts its right to make any other and further order, whether supplemental to or derogatory of the order now being issued; and the Commission hereby serves notice that it reserves the right to revoke the order about to be issued, either in whole or in part, after hearing upon 10 days' notice to the petitioners.

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ON THE LETTER CARRIER'S DAY OFF

In Madrid, it is reported that a letter carrier during his off hours in the past two years, has turned out about 300 radio sets which he has sold to friends and acquaintances.

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## RADIO IMPORTANT ITEM IN GERMAN P.O. BUSINESS

The business of the German Post Office for the fiscal year ended March 31, 1935, compared with the previous year, insofar as radio was concerned, according to Vice Consul Zawadzki at Berlin, was as follows:

<u>Radiograms Handled (number):</u>	Fiscal Years Ended	
	<u>March 31, 1935</u>	<u>1934</u>
Sent to European countries	526,100	560,700
Received from European countries	684,500	694,900
Sent Overseas	344,300	349,600
Received from overseas	315,700	322,800
Total	1,870,600	1,928,000
<u>Merchant Marine:</u>		
Ships equipped with radio	922	922
Ships with radio-bearing apparatus	553	513
Ships with radiotelephone transmitters	135	108
<u>Radio Service of Coastal Stations:</u>		
Radiograms sent to ships	21,036	16,287
Radiograms received from ships	79,284	59,026
Total	100,320	75,313
Radio conversations with ships	1,409	1,162
Radiograms rec'd from and sent to ships through radiotelephony	9,962	8,760
Total	11,371	9,922
<u>Air Radio Service:</u>		
Airports with radio	18	18
Stationary radio-bearing installations	15	15
Airplanes equipped with radio	334	263
Airplanes with radio-bearing apparatus	37	35
<u>Radio Broadcasting subscribers</u>	6,725,216	5,424,755
<u>Receipts - Radio service</u>	63,407,000	57,070,000

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## SAYS WIRED RADIO SET TO GO

It seems that another challenge to commercial broadcasting, as well as to the movies, is Wired Radio, non-advertising entertainment to the domestic subscribers on a 5-15¢ daily rental basis.

Wired Radio, based on its Cleveland tryout, is now set to go, according to Variety, theatrical magazine, which devotes almost a page of its publication in the current issue to the innovation. No sets are to be sold; all rented by the month. Entertainment will be chiefly recorded, but live talent will also be used.

"Sponsored by a big utilities holding corporation - the North American Company, of which Wired Radio is a subsidiary -

Muzak is an arbitrarily coined word for a 'wired wireless' which has been in the process of experimentation since 1922", the magazine declares. "With recent experiments in the Lakewood section of Cleveland showing the highest quotient of favorable results, Muzak is all set to go.

"Figuring on a start of maybe 1,000,000 subscribers, at a \$3 average monthly rental (as the mean between \$1.50 and \$4.50 per month), a monthly yield of \$3,000,000 or \$36,000,000 per annum is the economic equation of Muzak's intensive preparations.

"This newest perfection in a mechanicalized-electrified show business is headed by Waddill Catchings, President of Wired Radio, Inc., formerly head of Goldman-Sachs, member of the Board of Warner Bros. Pictures, Inc., Chrysler Corp. and other big interests. Associated as Vice-President and General Manager of Wired Radio, Inc., is Harris D. H. Connick, former film man and the original Kuhn-Lieb financial agent on the Paramount-Famous-Lasky Board.

"Originally one channel of entertainment looked possible. And the telephone line seemed best suited. Now with recent perfections and research, either the phone or the normal power lines (illumination) are just as good. And instead of one channel being the limit, three to five different types of 'wired' shows can be projected.

"Muzak is starting with three. Class A will be 100% rhythmic; i.e., dance and popular stuff, grinding constantly from 7 A.M. until 1 A.M. the following morning.

"Class B will be a compromise between 'A' and 'C' (symphonic, lectures), in that the familiar classics, lighter operetta stuff and vocal instrumental music, a shade better than the pop jazz on 'A' will be exclusively projected via the 'B' channel.

"The 'C' groove will be a hybrid for educational stuff; lectures, news bulletins (intended to be projected on the hour, every hour), an occasional heavy symphony orchestra and a marathon of church services Sunday morning. Muzak (or Wired Radio, Inc.) officials believe that there are many religious Americans in this country and if the kids want the pop stuff on the A-B channels, the old folks must also be seriously considered for their Sabbath choirs, pulpit talks and the like.

"There are two other channels possible, subject to additions, but only three types of shows will be initiated for the home receivers. The other two grooves will be pumped into a large model receiver intended for small cafes, ice cream parlors, poolrooms, restaurants, lesser auditoriums and dance pavilions, and the like. Thus, Supplementary Channels D and E would give out big brass bands (for pavilions, eateries, etc.) or ticker tape results of sports events, racetrack odds and winners, etc. But this phase, while intended to yield important

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revenue, is being deferred until the home installations are under way.

"A host of artists have been extensively recording a catalog for Muzak for the past eight months in anticipation of its start, which should occur by Jan. 1 next, and possibly a bit sooner. Selvin has purposely selected his numbers for longevity or for distinction of quality.

"The following are some of the artists who have made records for Muzak, some with the proviso that their names can't be publicly used because of prior contractual reasons, such as in the case of Ray Noble, Hal Kemp, Andre Kostalenetz, Casa Loma, etc. Others are Gertrude Niesen, Isham Jones, Irene Beasley, Green Bros., Marimba Band, Enrie Madriguera, Lew White, Victor Arden, Louis Katzman, Johnny Green, Leon Belasco, Fats Waller, Louis Prima, Willard Robison, Sam Lanin, Emil Coleman, Dorsey Bros. Joe Venuti, Goldman Band, considerable Met. Opera stuff and the like.

"From present indications, each municipality will have to have its own broadcast central. Interstate Commerce Commission regulations, as it now appears, may militate against a gigantic hookup from one central source, say New York, which otherwise is quite feasible, save for the Governmental restrictions. The ICC angle figures because of the separate corporate utilities in each locale.

"Connick points out that while Muzak's cabinets are equipped with an added compartment for space radio (i.e. the ordinary receiving set), that idea is being dispensed with as Muzak doesn't want to step on anybody's toes, much less the space radio industry. Besides, that's not their business - they don't want to disturb the space radio manufacturer; Muzak is in a licensing field for wired entertainment.

"On the other hand, says Connick, the Philco Radio & Television Corp., among other radio manufacturers, is already taking recognition of Muzak's potentialities by permitting space in the new Philco models for a supplementary Muzak receiving set, so that radio users won't have two cabinets in their homes, but combine both. The Muzak apparatus can thus be installed in the customer's own radio cabinet.

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## FCC REFUSES TO SUSPEND GLOBE WIRELESS TARIFF

A petition by four large companies for the suspension of the proposed tariff rates of Globe Wireless, Inc., was denied by the Federal Communications Commission. The Commission reserved for later consideration the request for a hearing as to the "legality and propriety of the charges, classifications, regulations and practices."

R.C.A. Communications, Inc., The Western Union Telegraph Company, Mackay Radio Telegraph Company and Commercial Pacific Cable Company have protested that the "radiomail" rates of the Globe Wireless constitute "ferocious" competition.

Denial of the petition was accompanied by the following statement:

"In a special meeting of the Telegraph Division of the Federal Communications Commission, August 14, 1935:

"Upon consideration of the 'Complaint and Request for Suspension of Tariff' filed by R.C.A. Communications, Inc., The Western Union Telegraph Company, Mackay Radio Telegraph Company, and Commercial Pacific Cable Company in the matter of the proposed Tariff No. 3 filed by Globe Wireless, Inc., it appearing that the said Tariff No. 3 makes no change in the charges for 'radiomail' service but does change certain regulations with reference to the method of handling traffic, the Division declined to issue an order suspending said filing. The decision upon the request for a hearing as to the 'legality and propriety of the charges, classifications, regulations and practices' described in said Tariff No. 3 is reserved for later consideration.

"The denial of the request for suspension of the Tariff is not to be construed as an expression of any opinion as to the legality and propriety of any of the charges, classifications, regulations and practices described therein.

"The complainants will be notified of this action."

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## U.S. MANUFACTURERS KEEP CUBAN RADIO TRADE CORNERED

So far as can be ascertained from the statistics, Assistant Trade Commissioner Kathleen Molesworth, at Havana, says the only non-American makes imported in June, the last fiscal month reported, were 7 Phillips units, which compare with 2 units in May and 17 in April. From January 1, 1935, through June 30, the total imports of Phillips radios was only 55 units.

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Imports of radio apparatus through the port of Havana during June, 1935, totaled 1,535 units, which was not only a decrease from the 1,639 units imported in May, but also less than the 1,898 units imported in June of last year. However, radio importations have held up extremely well this year, the total for the first 5 months being 11,007 units as compared with 5,903 in the first 5 months of last year, so that the decrease in June is considered to be due to adequate stocks in the country rather than to any actual decline in business.

The total value of the 1,535 units imported in June was \$32,466, and approximately 40 different makes were represented. Six outstanding American makes of radio apparatus accounted for 1,009 units, or approximately 65 percent of the total imports.

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#### ALMOST A YEAR SPENT PREPARING LISTENING AREA SURVEY

In response to the favorable comment occasioned by what is said to be one of the most comprehensive treatments of its kind ever attempted, John J. Karol, Director of Market Research, said that Columbia spent almost a year compiling its third Listening Area survey.

"The new market data are based on the special research conducted by Dr. Daniel Starch and staff during 1934", Mr. Karol declares. "This survey comprised 125,000 personal interviews in 321 communities throughout the U. S. and is, we believe, the largest study of its kind ever conducted in radio. It was on the basis of this study that we were able to determine the number of radio homes by counties as of January 1935, and this latest information is included with each Listening Area map."

Mr. Karol declined to say anything about the cost of Columbia's latest advertising presentation but in the opinion of one familiar with such publications, it must have been plenty, if, indeed, it did not set a new top figure in merchandising expenditure. Quite aside from what the actual survey must have cost, the printed document itself looks easily as if it might have run the bill up into five figures.

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## MACKAY ADDS PHILADELPHIA AND DETROIT TO RADIOTELEGRAPH

Philadelphia, Detroit, and Camden were added last Monday to the network of principal American cities inter-connected by the radiotelegraph service of the Mackay Radio and Telegraph Company, operated in conjunction with Postal Telegraph.

"A pioneer since 1911 in the development of point-to-point radio service within this country, Mackay Radio has built a most comprehensive domestic network for the service of the American telegraphing public", a Mackay statement sets forth.

"It now serves an aggregate population of approximately 25,000,000 which includes the cities of New York, Washington, Philadelphia, Camden, Boston, Chicago, Detroit, New Orleans, Los Angeles, San Francisco, Oakland, Seattle, Tacoma, San Diego and Portland, Oregon.

"The service in the three new cities served by Mackay Radio is available to the public through any of its offices or those of the Postal Telegraph Company. This close coordination of its radiotelegraph operations maintains throughout the entire network."

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## PHILCO USES HISTORIC ADVERTISING

There was an ingenious combination of history, radio, and first-class advertising showmanship in a page taken by Philco in the current issue of the Saturday Evening Post of August 10th. This page carried an old engraving of the "Battle of New Orleans" and was captioned, "A President Was Made Because News Arrived Three Weeks Late." Then followed this historic sketch:

"'Andrew Jackson has arrived', shouted the people of New Orleans. There was magic in the news. The British had come by sea, and were marching toward the city. Soon Jackson had an army of 3,500 behind a crude parapet. They waited all night. At dawn they descried the scarlet line of the British, perhaps 14,000 strong. The cannon roared. The infantry opened fire. Twenty-six hundred of the British fell, including their commander. The American loss was next to nothing. It was a glorious victory... and here General Jackson won the reputation that made him President of the United States.

"Peace had been signed three weeks before, but the news was unknown at New Orleans. Had there been radio, the battle would not have been fought."

To which Philco added this conclusion:

"So great a delay in the transmission of news is inconceivable today. Philco 116X, a product of modern science and invention, not only brings you an instant report of the signing of any important treaty or agreement between governments but keeps you in touch with every preliminary step."

The rest of the page was devoted to general advertising carrying an announcement of the new Philco 116X set in connection with which, by the way, was advertised Philco's all-wave aerial.

The historic advertising idea is carried out in other current magazines also, but with different subjects and historical facts depicted.

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#### APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

KDKA, Westinghouse E & M Co., Pittsburgh, Pa., C.P. to make changes in eqpt.; KELD, T. H. Barton, El Dorado, Ark., Mod. of CP to make changes in eqpt.; KDON (formerly KFUH), Richard Field Lewis, Del Monte, Cal., Mod. of CP to move transmitter from Del Monte to Monterey and make changes in eqpt.; KGVO, Mosby's, Inc., Missoula, Mont., Mod. of CP to make changes in eqpt.; WGBI, Scranton Broadcasters, Inc., Scranton, Pa., Extension of Spec. Auth. to operate with 500 w. night, 500 w. day, for period Sept. 1, 1935 to March 1, 1936, or until pending application ow in hearing docket is granted; KPCB, Queen City Broadcasting Co., Seattle, Wash. Extension of Spec. Exp. Auth. to operate on 710 kc., 250 w. unlt. time, for the period beginning Aug. 1, 1935 to Feb. 1, 1936; also granted license covering CP authorizing installation of new eqpt.; 650 kc., 250 watts, Ltd. time; WCAL, St. Olaf College, Northfield, Minn., Mod. of license to make changes in specified hours; KHSL, Trustees of Golden Empire Brdcstg. Co., Ltd., Chco, Cal., consent to Vol. Assign. of license of Station KHSL to the Golden Empire Broadcasting Co.

WBAL, WBAL Brdcstg. Co., Baltimore, Md., authority to determine operating power by direct measurement of antenna; KROC, Southern Minn. Brdcstg. Co., Rochester, Minn., Mod. of CP approving transmitter site at  $\frac{1}{2}$  mile north; also make changes in antenna; WBZA, Westinghouse E and M Co., Springfield, Mass., license to cover CP authorizing changes in eqpt; 990 kc., 1 KW; unlt. when synchronized with WBZ); WELL, Enquirer-News Co., Battle Creek, Mich. license to cover CP authorizing local move of station, installing new equipment and increasing power to 100 watts, 1420 kc., unlt. time; KVOL, d/b as Evangeline Brdcstg. Co., Lafayette, La., license to cover CP for new station to operate on 1310 kc., 100 watts, unlt. time; KFNF, Henry Field Co., Shenandoah, Ia., consents to assignment of lic. to KFNF, Inc.; also renewal of license for the regular period, 890 kc., 500 w., night, 1 KW day; S-WILL and KUSD.; WSXAO, The Crosley Radio Corp., near Mason, Ohio, renewal of special Exp. license for period of 90 days from Aug. 21, 1935; New, General Electric Co., Portable-Mobile (Schenectady, N.Y.), CP for new broadcast pickup station in temporary service; freqs. 1606, 2020, 2102, and 2760 kc., 50 w.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 853

*Handwritten signatures and initials at the bottom of the page.*

August 20, 1935.

## THE NIGHT WILL ROGERS GAVE THE BROADCASTERS A BAD SCARE

Here is how Will Rogers and the Broadcasters became acquainted. Paul B. Klugh, of Chicago, then President of the National Association of Broadcasters, for one, will never forget the incident.

It was years ago when broadcasting was young. One of the largest networks in the history of the industry, up to that time, had been arranged. The speeches and entertainment in connection with the banquet of the annual meeting of the National Association of Broadcasters in the Hotel Astor in New York were to be broadcast. Although commonplace now, the proposed network and the up to then unheard number of great stars to appear was the talk of the country.

Mr. Klugh, one of the best toastmasters in the business, and famous for the success he has made of radio banquets, was in full charge of arrangements, as usual. His bright particular star for the big night was Will Rogers, then playing in Ziegfeld "Follies" at the New Amsterdam Theatre.

Everything was all set for the history-making broadcast when at four o'clock on the afternoon of the banquet, Mr. Klugh was stunned to receive word that Will Rogers would not be able to go on. Never having met the man and not knowing a thing about him, but realizing that at all odds Rogers must be made to appear, because such a fall-down before such a vast radio audience was unthinkable, Mr. Klugh began to think of every inducement which might be offered to the supposedly temperamental artist to keep his engagement.

Although he was reluctant to believe that such a thing could be possible, the thought lurked in the back of Mr. Klugh's mind, "Could this may be holding out on us for more money?" Whereupon he called a hasty council of his associates who quickly pledged a tremendous sum. Having done all this, the delegation, headed by Mr. Klugh, made a hasty trip to the dressing-room of the theatre where Mr. Rogers was playing.

The comedian appeared even more dejected than the broadcasters as he explained that his contract, he had found out in the eleventh hour, with his new lecture manager would not permit him to talk over the radio. There was considerable argument back and forth but they didn't get anywhere.

Finally, Mr. Klugh, with some hesitancy because by then he had been considerably reassured as to the sincerity of Rogers, mentioned the large sum of money which had been raised. This seemed to cut the great comedian to the quick.

"No, he said sadly, "it is not a case of money but a case of breaking my word in that contract."

Upon hearing this, Mr. Klugh and those with him realized what an honest man they were dealing with and the mistake they had made in thinking otherwise. Will Rogers held their respect and esteem until his daying day.

Also by using his wit and ingenuity, Mr. Rogers saved the face of the Broadcasters on that memorable banquet broadcast. It was his own idea.

"I'll tell you what I'll do", he said to Mr. Klugh and the downcast group in his dressing-room. "I'll go to my manager and see if he'll let me go on the air to explain to the radio audience how I didn't read my contract, didn't know what was in it and wouldn't have promised to broadcast had I known this was out."

The manager who, if recollection serves correctly, was Charles Wagner, a very fair man, readily consented, with the result that Rogers went on the air, and in his own inimitable way told the radio audience what great trouble he was in, how he would not have disappointed them for anything in the world, and altogether made one of the funniest talks ever heard on the radio.

The big hit Will Rogers made at this time was unquestionably the first stepping-stone to his later unprecedented success as a broadcaster.

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#### NEW ELECTRIC RADIO-PHONOGRAPH WITH 20-RECORD CAPACITY

A new electric radio-phonograph has just been constructed by the Electromortrest in Russia which can be loaded with 20 records, which are then placed automatically on the revolving disk, and changed or repeated at will. A change of record or repetition is accomplished by pressure on one button; another switches the phonograph to radio, and it then receives programs from the air; while the third cuts in a microphone for broadcasting speeches, concerts, etc. This radio-phonograph is a great improvement over most of those of foreign make, which will carry only 6 records, and where these are changed mechanically. The Sofiet machine takes current from any room outlet.

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## MAXWELL HOUSE OBLIGED TO CHANGE RADIO CONTINUITY

That the Federal Trade Commission is carefully scrutinizing the radio continuity submitted to it by advertisers, as well as their printed copy, is shown by changes required in the Maxwell House Coffee broadcasts.

As a result of the Trade Commission's investigation, General Foods Corporation, General Foods Sales Co., Inc., and Maxwell House Products Co., Inc., of New York City, have entered into a stipulation with the Federal Trade Commission to desist from misleading representations in the sale of Maxwell House coffee, a bulleting from the Commission states, and continues:

"Advertising by radio broadcasts, these companies asserted that loose or bag coffee loses 45 per cent of its flavor 9 days after roasting, and that the loss in flavor of bean coffee is only slightly less rapid, so that the buying of unground coffee offers little, if any, advantage to the consumer as far as flavor goes.

"However, the stipulation points out that bean coffee when exposed to the air does not lose 45 per cent of its flavor in 9 days, but, on the contrary, the loss of flavor in coffee beans under such conditions is materially less than alleged. It is also explained that the loss in flavor of bean coffee as compared with ground coffee when exposed to the air is substantially slower and not merely slightly so.

"The respondents agree to stop advertising that bean coffee, when exposed to the air, loses 45 per cent of the flavor in 9 days, that the loss in flavor of bean coffee is only slightly less than ground coffee, and that tests of the comparative flavor of Maxwell House coffee and other coffees have been made by a great eastern university, when in fact the tests in question actually were made by scientists in this university."

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## ROWCLIFF NEW NAVAL COMMUNICATIONS CHIEF

Capt. Gilbert J. Rowcliff, formerly in command of a battle force squadron at San Diego, who will become a Rear Admiral, has succeeded Capt. Stanford C. Hooper, who has held that post for about seven years, as head of Naval Communications. Captain Hooper will become Technical Aid to the Chief of Naval Operations. In his new position, Captain Hooper will be in charge of communications and other technical developments. Commander E. C. Raguet will continue to serve as Assistant Chief of Naval Communications.

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## BOOM IN RADIO SETS SEEN NEXT SEASON

With the course for steel production fairly definitely set - automotive output for the Summer exceeding expectations and new models indicating an increased impetus for that industry in the Autumn, and construction having taken an upward trend - the financial community now is turning its eye toward the radio industry.

In radio, Wall Street sees the next factor contributing to a greater recovery, according to the New York Times. A survey by this newspaper of the outstanding radio manufacturers in the United States indicates that plans for the coming season provide for increases in production ranging from 60 to 100 per cent. In the case of the larger companies the output may even surpass the higher figure, it is indicated.

"The new models for the 1935-36 season are being introduced now to the wholesale and retail trade and the enthusiasm shown by the dealers is prompting manufacturers of sets to chart their most optimistic course since the boom year of 1929.

"The obsolescence of more than 25 per cent of the receiving sets in use today - a parallel to the situation in the motor industry at the opening of the 'model year' now drawing to a close - is given by manufacturers as the outstanding basis for the belief that a record year for sales of units is about to be established.

"Officials of the Radio Corporation of America have announced that their program for the new year contemplates an increase in production of approximately 100 per cent over the total for the year now closing.

"In addition to the expanding foreign markets, manufacturers of sets have found an ever-increasing field in the automobile market.

"Units sold in the United States in 1934 amounted to 4,084,000, the highest mark since 1929, when 4,438,000 units were marketed, against 3,806,000 in 1933. Estimates now in preparation indicate that sales for this year will reach, if not surpass, the 5,000,000 mark.

"Leaders in the industry, mindful of the drop in sales two years ago when prices were increased, are tending toward a lower price list for the new season. While the so-called 'midget sets' will continue in vogue, retailing anywhere from \$8 up, the regular or standard sets will have a starting figure of \$18 to \$20."

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## CALDWELL SEES 35% INCREASE IN RADIO SET SALES

Radio dealers throughout the country expect increased sales of radio receivers to run 35 percent and more ahead of last year, for the same Fall period, according to a nation-wide survey of radio merchandising channels just completed by "Radio Today", under the editorial direction of Dr. Orestes Caldwell.

At least 90 per cent of the radio dealers interviewed declared they expected a marked increase in radio business this Fall. Some estimates ran only ten per cent; other enthusiasts expected 300 per cent, or a tripling of 1934 sales. But the majority reported an expected increase of 35 to 40 per cent.

The unit price of radio sets is again increasing, as purchasers demand higher quality in both performance and cabinet design. Improved radio-set design, better broadcast features, vast advertising campaigns, better crops in local communities, and improved economic conditions were among the reasons cited by the radio men responding to the poll.

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## SMALLER INLAND AND N. E. PAPERS PROPOSE RADIO NEWS SALES

The Inland Daily Press Association, publishers of smaller newspapers in the Middle West, view radio as a direct competitor of newspapers both as a news and advertising medium, according to a survey just completed, and as such, it is the consensus of Inland publishers that radio should be "played down" both as to programs and press service dispatches dealing with speeches or features that have previously been broadcast.

The survey, according to Editor & Publisher, representative of 52 per cent of the Inland membership, brings out several interesting attitudes of non-metropolitan daily publishers on the subject of press-radio relations. It shows, for instance, that of the papers responding to the questionnaire, 54.74 per cent are not using radio programs as news as compared with 45.26 per cent who are printing such programs. While most Inland papers carry radio programs as paid advertising, the survey shows a decline, rather than an increase, in this type of advertising in the smaller daily papers.

Public resentment to "sandwiching" of news and advertising in radio broadcasts was reported by 87.59 per cent of those replying. Over half of those answering expressed approval of, or satisfaction with Press-Radio Bureau operations, although 72.26 per cent declared that "newscasting" as done at present is not beneficial to newspapers.

Only four Inland papers own radio stations, one has an interest in a station and another is about to purchase a station.

Of the 45.26 per cent who print radio programs as news, many were particular to point out they use only Associated Press or similar listings, and emphasized they permit publication only in skeletonized form.

Relative to further extension of news broadcasting, 25.80 per cent program-news users declared it would not retard newspaper circulations, while 74.20 per cent said it would. This expression came only from afternoon papers, it was pointed out. None of the 45 per cent who reported they use radio programs as news, print sponsors' names; 21 per cent of this group delete orchestras' names and 18 per cent omit celebrities' names.

Considering the 54.74 per cent who do not publish radio programs as news, the survey revealed that one Inlander not using such programs owns a local radio station. Of those not publishing radio programs as news, 17.33 per cent voted they regard newscasting as now done as beneficial to newspapers in creating and stimulating interest in newspapers. Among this same group, 22.66 per cent believe that further extension of news broadcasting will not tend to retard circulation progress of afternoon papers. No Inlander not using radio programs favored sale of advertiser-sponsored news for radio broadcast purposes.

None of the dailies, reporting radio station ownership, sells advertising cooperatively at a joint rate for use in the paper and over the radio. One publisher now purchasing a station, stated his paper would try such a plan, however.

While few Inland dailies have radio news bulletin tie-ups with local broadcasting stations, several indicated they believe broadcasting of news bulletins by radio is helpful to the paper if tied up directly with the name of the publication. They also feel that use of radio program news is beneficial to the paper when the station mentioned is newspaper-owned.

Included among the 3.45 per cent of total returns expressing disapproval of the Press-Radio Bureau, were several emphatic complaints. Included in this group were those who suspect that news broadcasts of any kind intrigue only those who read newspapers specializing in street sales and "numerous hectic" editions, resulting in this type of reader buying a paper on the street when "big news" breaks, rather than subscribing for a regular home-delivered paper.

It was, however, the consensus of 51.82 per cent replying to the questionnaire, that the Press-Radio Bureau has been quite satisfactory from a newspaper standpoint.

A survey similar to that circulated among the members of the Inland Daily Press Association has been done in the New

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England field and the results reported by the New England Daily Newspaper Association.

The questions asked by the association were answered in the following proportion:

1. Do you regard further development and extension of news broadcasting as dangerous to all newspapers? Ans.: Yes, 21; No, 7.

2. Do you object to sale of regular news bulletin services to broadcasting stations by the various press associations? Ans.: Yes, 20; No, 8.

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#### NO REPORT AS YET TO FCC ON CUTTING OFF OHIO GOVERNOR

At this writing no report has been received by the Federal Communications Commission with regard to Station WAIU at Columbus cutting off Gov. Martin L. Davey for allegedly using offensive language. What, if any, action the Commission will take when the report comes in is not known.

According to an Associated Press dispatch last Monday, WAIU cut Gov. Martin L. Davey off the air for 2 minutes because he told a "dirty story", Robert French, production manager, said. The Governor was speaking before a convention of the Ohio Federation of Labor. French pointed out "the Federal Communications Commission holds us absolutely responsible for such things."

A few minutes before the Governor had told his audience that if Dr. George W. Rightmire, President of Ohio State University, could not get along on the budget allotted him by the State, "he should get the hell out of there."

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Andrew W. Cruse, Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce, in Washington, who made a study abroad of the television situation, is quoted as saying that to reach only one-third of this nation's population with television would require \$200,000,000 for transmitter equipment alone, which would take four years to build.

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### MINNEAPOLIS DAILY TIES UP WITH WCCO

Plans for joint activities between WCCO, Minneapolis and St. Paul, and the Minneapolis Star were announced when the radio station paid special tribute to the newspaper during a half-hour broadcast Monday evening, August 12. Entitled "A Salute to The Star", the musical program was interspersed with introductions of several members of the Star staff, including Davis Merwin, publisher; John Thompson, General Manager; Charles Johnson, Sports Editor; Dave Silverman, Managing Editor, and other department heads.

The new arrangement between the radio station and the newspaper, marks the enlargement of an association which was the first newspaper-radio alliance in the Twin Cities.

Under the new agreement, several news broadcast will be made each day with the cooperation of the Star, the United Press, and WCCO from the news offices of the newspaper. A new series of daily five-minute programs entitled "The Star Gazer" began Monday, August 12.

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### PACKARD AND TIBBETT MOVE OVER TO COLUMBIA

A well-known manufacturer and an equally distinguished artist will make their debut on the Columbia network when the Packard Motor Car Company inaugurates its new radio series featuring Lawrence Tibbett. The program will be broadcast on 80 coast-to-coast stations of the Columbia Network beginning September 24th and each Tuesday evening thereafter at 8:30 o'clock P.M. EST.

Tibbett was heard under the auspices of the same sponsor last season on an NBC hookup. This year, the program switches to the Columbia Network, using, however, the same time period on the same day of the week.

The program's sales approach, commercial announcement technique, and the method in which it will tie-in with other phases of Packard's fall promotion, will be announced later. Young & Rubicam is the agency in charge.

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 ::: INDUSTRY NOTES :::  
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The Georgia Broadcasters' Association has adopted a business policy against all programs submitted on a contingent, cost-per-inquiry or free commercial advertising basis. The Atlanta "Georgian" whose recorded series plugs the American weekly supplement has been classified as unacceptable.

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"Radio Markets - Lithuania" revised up to July 1925 by Vice Consul MacGowan at Kaunas, a multigraphed publication of 14 pages, has just been issued by the Electrical Division of the Bureau of Foreign and Domestic Commerce. Copies may be had for 25 cents.

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Newspapers have frequently accused radio stations of pilfering the news but just the opposite view is implied in the following paragraph from "Newsdom":

"WMAZ, Macon, Ga., installed Transradio Press service one week and hostile newspapers installed radio receivers the next. The radio men suspect the newsmen of listening-in on the news bulletins to get up to the minute news.

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An adverse recommendation has been made by Examiner Bramhall of the Federal Communications Commission on the application of the Howitt-Wood Radio Co., Inc., of Binghamton, N. Y., operates of WNBF now broadcasting on a frequency of 1500 kc., with 100 watts power which requested experimental authorization for 500 watts night, 1000 watts daytime on 1240 kc.

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Omaha "World-Herald" will enter the radio picture via a deal pending for acquisition of Station WAAW now owned by the Omaha Grain Exchange.

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The application of the Hauser Radio Company, of Ventura, Calif., for a construction permit for a station on 1310 kc., 100 watts power, unlimited hours of operation, has been dismissed.

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Station KGW, Portland, Ore., lost its appeal in the D. C. Court against a decision of the Federal Communications Commission granting KTAR an increase in power from 500 to 1000 watts. The Court held that no interference would be occasioned KGW by the power increase.

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Both the Editor & Publisher and Newsdom, newspaper trade papers, seem to be taking more interest in radio. Editor & Publisher recently got out a radio issue; Newsdom has started a new column "Radio and the Press" by J. S. Canfield.

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A portable radio transmitting set has been invented by the Peiyang Engineering College of Tientsin in China. Trial tests with the radio stations at Tangshan, northeastern Hopei, Chinkiang, provincial capital of Kiangsu, Canton, and other places have proved satisfactory. The special advantage of the new apparatus is that it weighs only 10 pounds, has a power of 2 watts and is easy to carry around.

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#### APPEALS BOARD GETS RCA INCOME TAX CASE

An income-tax controversy involving \$886,720, in which the Government contends that the Radio Corporation of America underpaid its 1929 income taxes by \$199,006, while the corporation insists that it actually paid \$687,723 too much, was laid before the United States Board of Tax Appeals in Washington yesterday.

The centre of the controversy is a write-down of RCA and its subsidiaries in the value of their inventories and amortization of patents and properties.

In the original Federal claim for \$199,006 in additional taxes, RCA's 1929 income of \$10,815,004, as reported by the company, was "adjusted" up by the government to \$11,120,393 by disallowing deductions for patent and other amortizations. The Government also estimated that the consolidated income of RCA and its twenty-one subsidiaries principally Victor Talking Machine Company, was \$18,202,884 in 1929.

The company paid an income tax of \$1,662,086 for 1929 which the Bureau of Internal Revenue seeks to increase to \$1,861,092.

In its counterclaim for the refunding of more than a third of its 1929 income taxes, RCA declares that together with its subsidiaries it had to charge off millions of dollars in the

estimated value of its inventories because of the changing styles in radio sets.

A \$5,293,666 write-down in the value of its own inventories, which it shifted from \$13,418,763 to \$8,093,424, is claimed by RCA. Victor Talking Machine Company stated it lost \$932,347 on the sale of radio sets and wrote down its inventories by \$904,765.

The company claims that these adjustments were necessary because "changes of style, development in the art", and other improvements made radio sets on hand unsalable.

The Government asserts that the "goods in hand have not proven to be unsalable at normal prices" and that the "goods were actually sold or taken over by a newly organized subsidiary at prices equal to cost."

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#### TRANSRADIO SEEKS U.S. AID IN PRESS-RADIO LITIGATION

Further taking the initiative in its \$1,170,000 restraint of trade suit against the three big press services and the chain broadcasters, the Transradio Press Service has completed two moves intended to interest the national government in pressing Transradio's charges of a conspiracy in arranging the Press-Radio Agreement.

Isaac W. Digges, attorney for Transradio, has petitioned the Federal Communications Commission in Washington, that Transradio be allowed to be heard in opposition to renewal of broadcasting licenses to stations owned by the National Broadcasting Company and the Columbia Broadcasting System.

It is also learned that Transradio is trying to interest the United States Attorney General's office in its case. Its petition, in substance, read as follows:

"The petitioner is possessed of information and intelligence which in the opinion of the petitioner clearly and conclusively demonstrate that to renew the broadcast licenses of the above named stations would contravene the public interest, convenience, and necessity, in that:

"(a) The above named stations have entered into restrictive covenants and contracts, the effect of which is to prevent them from broadcasting 'fresh' news, whereas such stations formerly were able to, and in many instances did, broadcast 'fresh' and vital news of deep interest to the public of the United States;

"(b) The above named stations have entered into restrictive covenants and contracts, the effect of which is to prevent them from broadcasting any news, save in very limited quantities and for very limited periods, whereas formerly such stations were able to, and in many instances did, broadcast fresh and vital news of deep interest to the public of the United States; and

"(c) The above named stations have presumed to exercise powers of censorship over the news broadcast to the public at large with resultant derogation of public interest and convenience and have conspired to and have restricted and destroyed the radio broadcast of news to the public at large; and (d) have been guilty of monopolistic practices and unlawful restraints, and have entered into combinations and contracts in restraint of trade in respect of interstate radio communications."



# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## ADJOURNING CONGRESS LEAVES MANY RADIO BILLS PENDING

No less than twenty-six bills affecting communications and radio in one way or another were introduced in the First Session of the 74th Congress. Those enacted into law were few and far between. The rest will automatically go over to the Second Session of the same Congress, which is scheduled to begin January 3rd of next year.

No action was taken whatever, not even a hearing, on the bill introduced by Representative Monaghan, of Montana, "For the purpose of providing wholesome radio programs, free from monopolistic domination and control on the part of vested interests, and to make available to all our people adequate radio service." To accomplish this purpose, Representative Monaghan desired to have created a Federal Radio Commission which would have nine members instead of five, as the old one had.

Representative Culkin, of New York, introduced a bill which would make it unlawful to broadcast any advertisement of intoxicating liquor or the solicitation of an order for intoxicating liquor. Senator Capper, of Kansas, reintroduced into the Senate a similar bill. Neither Representative Culkin or Senator Capper, however, pressed their bills for action.

Other bills were introduced by Senators Copeland and Vandenberg and Representatives Buckbee and Sauthoff, which one way or another would affect broadcast advertising.

Senator Walsh, of Massachusetts, introduced a bill to amend the Communications Act of 1934, as follows:

"Any radio address or radio program broadcast by or for or in the interest of any foreign government, or subdivision thereof, or person interested therein shall not be broadcast by any licensee until such radio address or radio program has been submitted to the Department of State and the approval of the Secretary of State has been secured in writing and is filed with such licensee. Any licensee permitting the broadcasting of any radio address or radio program by or for or in the interest of any foreign government, or subdivision thereof, or any person interested therein, without having on file, prior to such broadcast, the written approval of the Secretary of State, shall be penalized by the immediate revocation of such licenses."

An identical bill to that of Senator Walsh to have foreign radio programs approved by the State Department was introduced into the House by Representative McKeough, of Illinois.

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Although it is generally believed that Congress will readily approve the State Department keeping an eye on foreign programs, it did not get to a hearing stage even in the First Session of the 74th Congress.

Senator Wheeler, of Montana, introduced a bill offering the following amendment to the Communications Act:

"In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide an equitable distribution of radio service to each of the same."

No action whatever was taken on this.

Neither did Congress bestir itself regarding the bills introduced by Senator Copeland, of New York, and Representative McCormack, of Massachusetts, which would allow ships at sea to report their positions by radio to newspapers either at a nominal charge or without a charge provided that the name of the radio company be used with the report.

During the session, Senator McAdoo, of California, introduced a resolution to create a new committee in the Senate on aviation and radio to consist of 15 Senators. No action was taken on this.

Representative Sirovich, of New York, introduced a bill "Providing for the establishment of an executive department to be known as the 'Department of Science, Art and Literature.'" Lengthy hearings were held on this bill, which would include certain phases of radio, but the bill itself went over to the next session.

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#### TO INVESTIGATE SHIP SAILING WITH ONLY ONE RADIO OPERATOR

The Federation Communications Commission this week decided to make an investigation into the circumstances and lawfulness of the voyage of the SS "Munargo" of the Munson Steamship Line, which departed on July 17, 1935, from the Port of Miami, Florida, and proceeded to the Port of Havana, Cuba, with only one radio operator aboard.

The hearing will be held at Washington, D. C., at such time as the Commission may designate.

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## EXCHANGE HAMPERS SALES AMERICAN RADIO PARTS IN ARGENTINA

The current exchange situation in Argentina is reacting unfavorably on the sale of radio parts in that market, according to a report to the Commerce Department from Trade Commissioner D. G. Clark, Buenos Aires.

A number of radio sets are assembled in the country and sold under recognized trade names while other sets are assembled and sold under names known only in that area, the report states.

It is estimated that purchases by the larger Argentine independent assemblers of such parts as coils, transformers, chassis, condensers, dials and loud speakers have declined approximately 30 per cent as compared with last year. In addition to this slackening of trade, the exchange situation is prejudicing purchases from the United States, as importers are finding that most of this equipment must be paid for with exchange bought at the open market rate, and a surtax must be paid which amounts to the difference between the official exchange rate and 20 per cent above this figure. The natural consequence of this situation, that report states, is that assemblers are turning more and more to European sources of supply.

Parts and accessories for American branded lines which are assembled locally will undoubtedly continue to come from the United States regardless of conditions in the exchange market, it is pointed out. However, it is feared that the really important business which is offered by the independent assemblers will, unless there is an improvement in the exchange market, drift more and more in the direction of European suppliers.

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## LA GUARDIA PEEVED AT WNYC FALL-DOWN

Mayor LaGuardia, of New York City, was so angered at the failure of Christie Bohnsack, Program Director of the city-owned broadcasting station WNYC, and Isaac Brimberg, radio engineer at their failure to have the microphone in readiness at the breaking of ground for the construction of a new city market, that he has given them forty-eight hours to explain the fall-down. In addition to that, he suspended Brimberg from duty, an action which was not within his power.

As a result of the Mayor's irritation, however, F. J. H. Kracke, Commissioner of Plant and Structures, who is in charge of WNYC, ordered a hearing. It was after the hearing that it was learned for the first time that Mr. Bohnsack, a Civil Service employee, who, during the Walker administration, took an active part in arranging city receptions for distinguished guests, was involved. At the hearing it developed that Mr. Bohnsack was notified several days before to prepare for the market ceremonies.

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## VERMONT FAVORED FOR NEW 1000 WATT TRANSMISSION

If the recommendation of Melvin H. Dalberg, Examiner, is followed by the Federal Communications Commission, to allow Station WNBX which, up to this time, has been confined to day-time broadcast to go on the air with 1,000 watts power at night as well, it will amount to virtually a new station for that State. WNBX, which is located in Springfield, Vermont, is at present transmitting on a frequency of 1260 kc. but is required to go off the air at sunset.

In his conclusion, Examiner Dalberg said:

"The granting of this application would permit WNBX to expand its program service to a very considerable extent and to supply a considerable area and a substantial number of listeners. The proposed improvement in the nature and extent of broadcast material, a large percentage of which would apparently consist of live talent, appears to be of both a satisfactory and meritorious nature and would result in a better grade of service within the station's present service area.

"It appears from the testimony of the Commission Engineer that the granting of this application would cause no serious interference to the other stations, namely between WHIO (Dayton, O., 665 miles away) and WTOG (Savannah, Ga., 910 miles distant); one of these stations, WHIO, whose primary interest is apparently to serve Dayton, Ohio, is considerably below the separation recommended by this Commission. The granting of this application would cause a very slight deviation with respect to quota and would be in accordance with the public interest, convenience or necessity."

It was testified to that the present cost of operating WNBX is approximately \$1,000 a month and that its present revenues range between \$1,000 and \$1,500 per month. It was further stated by the applicant that the increased cost which would arise by reason of the granting of this application would be approximately fifteen per cent more than the present overhead but that this increased expenditure for operation would be more than offset by the revenue which would be derived, should the application be granted. The broadcast service supplied by the applicant provided for the area in the neighborhood of Springfield, Vermont, includes a listening public of approximately two hundred and fifty thousand people.

The only Vermont stations which broadcast at night are WCAX at Burlington with 100 watts power which operates from 6 to 9 P.M. on Mondays, Wednesdays and Fridays, and WSYB in Rutland which operates from 6 to 9 P.M. with 100 watts power on Sunday evenings only.

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## HOW BBC HELPED ADVERTISE AMERICAN STORE IN LONDON

An interesting radio angle was revealed by Harry Gordon Selfridge in telling the whys and wherefores of the great Selfridge Department Store in London, now known all over the world. Mr. Selfridge, who formerly was one of the owners of Marshall Field in Chicago, and is an American, is writing a series of articles currently appearing in the Saturday Evening Post. Here is what Mr. Selfridge wrote in connection with a wonderful publicity break he received having to do with radio:

"Of course, if you can get other people to spend the money for you, it is all to the good. This is what happened when the British Broadcasting Corporation were casting around about 1925 for a suitable place to erect new radio masts from which to distribute their programs to the listeners of London and the provinces. They finally decided that the roof of Selfridge's was just about the best spot they could find for their purpose. I don't think Sir John Reith, that dour, silent Scot who has been responsible more than any other man for the position British broadcasting occupies in the world today, stopped for a moment to consider the appropriateness of putting up his masts on an American building. As a matter of fact, I have a suspicion that he and his corporation had rather a soft side to our organization, and I will tell you why. Several months previously, the British papers had closed down their columns to the free publication of the corporation's daily programs, holding that they were entitled to be paid at ordinary advertising rates for the space used, running to considerably more than a column per day. The corporation had distinctly opposite views and for a week or two no programs were published. Radio without programs is not, of course, a radio service at all.

"This was an obvious Selfridge opportunity. We started to print the programs in a special column which we have used for many years now in various London papers to give a daily exposition of the policies, principles and opinions of the house of Selfridge on matters of public interest. In other words, we acted as a sort of strike-breaker. Our advertisements were read by tens of thousands of people who had probably never read them before. Both readers and newspaper proprietors appreciated the humor of the situation, and in a few days the papers withdrew their opposition and started again to publish the broadcasting programs. Nobody harbored any animosity against us for what we had done; it was simply another advertising point for the house.

"We were perfectly willing to give our roof to the corporation for the masts, and came under a promise not to make use for publicity purposes, on any consideration whatever, of the association of our establishment with the British broadcasting authorities. In due course the towering masts were installed. I was half afraid that they might prove an eyesore and in some way detract from the appearance of the building. On the contrary, the masts were so artistic that they had, if possible, the

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opposite effect; certainly I never heard any complaints. Not one person in the organization ever mentioned the masts save in the most casual way of conversation. But this did not prevent thousands of people daily making their way up to the roof - it was no part of our bargain with the B.B.C. that the masts should not be on view to our customers - and gazing skyward at these silent miracles of the wireless age. The result was exactly as might have been anticipated from the outset - the British public was quick to seize on the fact that the principal radio programs of Britain were 'sent out from Selfridge's'! And once again the store got a lot of credit - and free publicity - for something none of us had really any active part in.

"It was sheer circumstance, too, in the shape of these wireless masts, that transformed the Selfridge building into a key position of the British state at the time of the general strike in 1926. During the fateful days which preceded that tragic effort on the part of organized labor to take over the control of a nation, we at the store watched the course of events with more than ordinary concern, for we realized, as did His Majesty's government, that it was absolutely vital that the wireless service should be preserved and maintained intact. Without the dissemination of news and instructions by radio, the plight of Britain might have been inconceivably worse as a result of the general stoppage of newspapers and all means of transportation.

"At that serious moment in the history of England I deemed it my duty to call all the male members of our staff together and ask them if they would be willing to put themselves at the disposal of the Metropolitan Police Force. There was no need to explain why the Selfridge store occupied a strategic position in the clash. Our people volunteered to a man. The Metropolitan Police gratefully accepted our offer of assistance, and a large body, composed entirely of members of the Selfridge organization, was sworn in as special constables. Because so many of our men had seen service in the war, it was left to the house to form its own companies and to perfect its own arrangements.

"My son Gordon and Mr. H. J. Clarke, one of the directors, were appointed inspectors and placed in full command of the Selfridge station. They were assisted by two other executives, with army experience, who were given temporary commissions as assistant inspectors. Night and day throughout the strike period, our own specials guarded the roof with its wireless masts and broadcasting station. No serious attempt was made to interfere with these very alert watchers; it would have gone ill with any man or body of men trying to get a footing on Selfridge's roof during these days and nights - perhaps the tensest in British politics for a hundred years.

"The remainder of the volunteers from the store were formed into flying squads with headquarters throughout the building. They were ready at a moment's notice to be rushed off to any danger spot in London on receipt of a telephone message from Scotland Yard. I remember that our fellows had their full share of adventures in protecting amateur bus and tram drivers, escorting food supplies, and making possible the distribution of the government newspaper hastily organized and edited by that very brilliant person, Mr. Winston Spencer Churchill. Hard knocks were given and received, but there were no major casualties. The store carried on its functions as usual; but at night, one or two of the departments assumed the appearance of a military barracks, for many of the special constables refused to leave the premises.

"On the happy conclusion of the general strike I had the pleasure of receiving the thanks of the British Government for the assistance rendered by the store, and every member of the staff who had done his bit also received a letter of appreciation."

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#### FIRE AT GERMANY'S RADIO SHOW

Germany's largest exhibition hall, located on the city's exhibition grounds, was burned to the ground this week as the result of a short circuit in a booth of the National Radio Show, which was opened by Propaganda Minister Joseph Goebels on Saturday.

Twenty-six persons were reported injured and the stands of leading German radio firms as well as the exhibition of the Reich postal and telegraph system and auxiliary sender on the second floor of the hall were destroyed.

Two other halls on the exhibition grounds were damaged. The radio tower, except for the destruction of the lofty restaurant, does not appear seriously damaged.

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#### ENGLISH CABLE AND WIRELESS TRAFFIC INDEX

The traffic index number for June of Cable and Wireless works out at 70.2 against 70.1 for both June 1934, and 1935. It is the highest June figure since 1930, when it was 86.0. The figure for May was 72.5, which showed the usual seasonal decline when compared with the previous month. (1929 equals 100).

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## BROADCASTERS PROTEST EXCLUSION OF ALIEN MUSICIANS

A protest by the National Association of Broadcasters against the passage of two bills introduced in the House, aimed to protect the artistic and earning opportunities of American musicians has been lodged with Samuel Dickstein, Chairman of the committee which has the bills under consideration. These bills contain substantially the same provisions that:

"(a) An alien musician may not be imported into this country unless it is conclusively proved that there is not at that time within the United States an unemployed musician of that class and equal ability, and

"(b) It must be conclusively proved that the country of origin of such alien musician has made arrangement to engage an equal number of American musicians in employment of a similar nature."

The Broadcasters oppose the enactment of either of these bills on the grounds:

"1. The condition which requires conclusive proof of musical ability of both the alien and all American musicians of the same class is equivalent in practice to a positive inhibition against any musical performance in this country by an alien artist.

"2. Such legislation will effectively reduce the opportunities for the employment of American musical talent."

Writing to Representative Dickstein, James W. Baldwin, Managing Director of the NAB said, in part:

"A part of the first condition which must be observed is that of conclusively proving the 'ability' of the foreign musician. This evidently has reference to musical ability, although it is not specifically so provided. 'Ability' includes capacity, skill, power to perform, talent and proficiency, competency, aptitude, knowledge and artistic perception. It embraces both native and acquired capacity. How is it possible to meet this part of the condition? A well-known Polish conductor is engaged by an American musical organization. It is intended that he should conduct one performance of an American manned philharmonic orchestra in Boston. His appearance is desired not because he is a foreigner or the world's greatest conductor but because of his prominence in the musical world and because of his special appeal to the American musical public. Before he may enter this country these bills require that the American musical organization must conclusively prove the ability of the foreign conductor and then conclusively prove the ability of all American conductors not employed. Having done that, the musical organization must then conclusively compare the ability of the one against the ability of the other. What standard shall be employed to make this comparison? We submit that not even

the roughest comparison of artistic ability of musicians of the same general class can be made. There simply is no yardstick by which one may prove musical ability beyond its meager fundamentals. The subject involves art, not mathematical science.

"The second condition is equally restrictive. It requires conclusive proof of the actual employment of American artists in the homeland of the alien in order to offset the employment of the alien here. If Toscanini is engaged to conduct one Philharmonic performance in the United States then some American conductor must be employed to conduct one Philharmonic performance in Italy. This condition is obviously impossible of compliance except in unusual circumstances too rare to even require mention here, and will in effect banish from the American musical world every performance except that which is wholly American.

"The enactment of either of these bills would not improve the employment condition of American musicians. The opportunity for greater employment here for American artists would not be added to by forbidding employment of foreign artists. To the contrary, some American instrumentalists contemplating labor with foreign impressarios here would discover that the engagement had necessarily been cancelled and nothing, American or foreign, added in its stead. It is a fallacious notion that for a planned performance by a given foreign artist there would be substituted a performance by an American artist. If, for example, Madam Flagstead is not permitted to exhibit her artistic talents in a concert scheduled here for a given time then no concert whatever will take place and American musicians will therefore lose rather than gain. In other words, it is our conviction that the enactment of either of these bills will defeat the purpose for which they are intended."

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#### FRENCH COLONIAL RADIO EQUIPMENT TO BE MODERNIZED

The modernization of radio equipment of the French colonial stations has necessitated new coastal stations in the following localities: Djibouti, French Somaliland, acquires a new 2 k.w. transmitter. Guadeloupe will have a new medium wave transmitter for interior service. Makatea, in French Oceania, will have a 500 watts transmitter for connections between Tahiti and Port-de-France (Noumea), capital of New Caledonia.

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## JOHN ROYAL REPORTS ON EUROPEAN TOUR

"Radio is the healthiest thing in Europe today. Governments may disagree - and do. War may be just over the horizon. But," said John F. Royal, NBC Vice-President in Charge of Programs, who has just returned on the "Normandie" from a two months' tour of England and sixteen continental countries, "radio is an international factor for good-will."

Royal gave impressions of the foreign broadcasting situation in Germany, Italy, Russia, Austria and a dozen other countries.

How do American programs stack up against those in foreign lands?

"I say, modestly, we have nothing to be ashamed of in this country. Generally speaking, I didn't find them doing anything any better abroad than we are doing it here."

"Every place I went I found them clamoring for more American dance music. You don't know what the term 'popular music' means till you see how popular our dance tunes are abroad. In Russia they asked me for broadcasts that would feature week-old tunes. They can't get them quick enough or hot enough, it seems."

As for programs NBC will broadcast during the 1935-36 season from Europe:

"Probably" from the near-war zone in Ethiopia. At least, when pressed to the wall by reporters, Royal admitted NBC would try its best to bring direct broadcasts from the battlefield when, as and if there should be one.

"Radio has been in the front line every place else. We certainly ought to be in the front line trench in case of war - although that's a difficult thing to promise", he explained.

Another experiment probably will take the form of ancient history lessons, to be broadcast from the Colosseum, the Acropolis, the Appian Way and other Greek and Roman historic spots.

Royal said that Germany is planning a huge new building for short-wave broadcasting only. This will contain forty-four small and eight large studios; two new transmitters. Its purpose - to "Sell Germany to the world."

Among Royal's many official conferences was his private audience with the Pope in Vatican City. Of this he says, "The Pope is the best-posted ruler in the world on radio. His conversation shows a definite knowledge of the radio situation all

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over the world. He keeps statistics in his desk, showing just what's happening according to latest developments. He spoke to me earnestly of the responsibility of those who run broadcasting companies and voiced a warning to people who use the air, to be careful in their choice of words."

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#### WALLINGTON LEAVES NBC TO JOIN EDDIE CANTOR

Jimmy Wallington leaves the National Broadcasting Co. September 12 to join Eddie Cantor. Wallington resigns after five years with NBC and four years' broadcasting with Cantor. When circumstances forced Cantor to move his show to Columbia Broadcasting System networks, he was frank to admit he "felt lost" without the young announcer. For several months Wallington has been struggling over the problem - how to keep his places both at NBC and with Cantor. The present solution was finally agreed upon and NBC has bid Jimmy a regretful farewell, wished him all luck and - a speedy return to the "home" networks.

Only 28 years old, Wallington went to NBC headquarters after breaking in over WGY, Schenectady, as the "Byrd announcer", broadcasting news of the world to the 1929 Byrd expedition at the South Pole. He holds the 1933 award of the American Academy for good radio diction.

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#### A. T. & T. PLANS RADIOPHONE TO FRANCE

The American Telephone and Telegraph Company has recently asked the Federal Communications Commission to modify the license of its radio telephone station at Lawrenceville, N.J. so that it might have direct communication with Paris.

In a statement filed with the application, Theodore G. Miller, Vice-President of the company, said it was planned to establish the new circuit as soon as the French telephone administration could complete construction and installation of new equipment in France, which would require six months or more. The American company plans to use the circuit eight hours a day, the official added, routing messages for France by way of London at all other times.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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August 27, 1935.

## POLITICAL TALK BARS DOWN AND RESEARCH BODY PROPOSED

In the closing hours of Congress, Representative Byron N. Scott, (D), of California, introduced three amendments to the Radio Act which would ease things down considerably for political candidates, who are frequently required to pay an advanced rate in campaigns, and which would relieve stations of censorship responsibilities.

"This means that the American system of private ownership, control, profit, and responsibility would be continued, except that during periods reserved for public discussion there would be no revenue to the station and no responsibility by the station to the Commission or the public", Representative Scott said.

Also the California Representative introduced a resolution proposing the appointment by President Roosevelt of a Broadcasting Research Commission to investigate the radio industry and to lay down a radio policy and program for the future.

"It should be noted that the proposed Broadcasting Research Commission would be a temporary body, appointed by and responsible to the President, the Chairman, who would, presumably, give full-time attention to the work", Mr. Scott explained. "The object of proposing a Commission of this type is to make available for the investigation the services of persons who could and would not ordinarily accept appointment on a Federal Commission. It is believed that distinguished and disinterested citizens would be attracted by the opportunity of taking part in a non-partisan attempt to formulate a sound and permanent policy regarding broadcasting."

The Congressman from California said that he introduced the amendments and resolution at this time so that the members of the House could have an opportunity to look them over and be prepared to act when Congress convenes next January.

Scott, who is 32 years old, hails from Long Beach, and is serving his first term in Congress. He was graduated from the University of Kansas, taught school at Tucson, Arizona, later moved to Long Beach, where he taught for eight years, and was later awarded an M.A. degree by the University of Southern California for his work in American History and Economics.

Scott asserted that as the Radio Act now stands the networks and certain stations have reaped a harvest from the major political parties in national elections and from leading factions in State and local contests. The provision has, he said, favored the party or person with the largest war chest to the prejudice of minority groups and individuals of small means.

Also he said that Section 315 of the Act provides that stations shall afford equal treatment - that is. time, rates, and so forth - to legally qualified candidates for public office, and prohibit censorship on political speeches which is unsatisfactory.

"The provision is fundamentally unsound in assuming that the public desires only the uncensored discussions on social, economic, and political issues of legally qualified candidates for office", Representative Scott declared. "Campaign periods are relatively short; candidates are not always the leading or most capable advocates of the parties' or candidates' views; controversial discussion is not a seasonal product demanding attention only before elections; too frequently political campaigns are used to avoid or obscure rather than meet and illuminate issues.

"The censorship provision is of little value. Though it protects the candidate himself from censorship by networks and stations, and protects stations from actions for slander or libel when a candidate is on the air, it does not extend to speakers other than candidates, and stations have been found guilty of defamation for the remarks of such other speakers.

"It is law at present that network and station owners, managers, program directors, and even announcers and technicians in charge of the electrical controls, must, at the peril of the station, determine at the moment of utterance whether a remark is actionable, a feat that no responsible judge or lawyer would presume to perform except in the plainest cases. This has led necessarily to direct and indirect censorship, to the vicious practice of requiring the submission of manuscripts for approval of networks and stations on an editorial basis.

"At certain times networks and stations are delighted to obtain political broadcasts. They fill time and supply revenue. But at other times and in certain communities, especially with the growth of volume of profitable advertising, this is not the case. Political broadcasts are refused. It is believed that all stations as an incident of the right to operate as public callings under Federal franchises should be required to devote certain periods to political broadcasts without profit or censorship.

The second amendment which Mr. Scott introduced would require stations to keep complete and accurate records open to reasonable inspection of applications for time, rejected applications, and the reasons for such rejections, additions, and

changes requested in programs on public issues and on educational subjects and interference with programs on public issues and on educational subjects and interference with programs on public issues and on educational subjects.

His third amendment recommended additional language which will free licensees from responsibility to the Commission or in the courts for broadcasts on public questions, except where licensees are responsible for defamatory or improper remarks.

"Under present conditions there is a very real danger that the licensee will be sued for a defamatory utterance that goes out from its transmitter", Mr. Scott went on. "There is also a very real danger that the Communications Commission (like the old Radio Commission) will consider defamatory or improper utterances for which the licensee is not responsible in acting on applications for renewal of license and other privileges. Censorship has flourished under fear of these dangers, and in many, many cases the act of censorship has been performed by persons who have no qualification whatever to determine the very delicate question of what is and is not actionable or in bad taste.

"The suggested addition will put an end to the danger of punitive action against the networks and stations and will thus obviate the necessity for editorial treatment of public discussion. It will not, of course, free the speaker himself from responsibility in the courts and elsewhere for his remarks or his conduct on the air."

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#### EUROPEAN BROADCASTERS QUOTE COMMERCIAL RATES

Broadcasting is now reaching the international stage. Not only are broadcasts from abroad being featured on American networks but American-sponsored programs are going out over European transmitters for short-wave consumption here and abroad.

A chain of European stations - "Radiodiffusion Europeene" has also opened offices in Radio City, for the sale of time on the "Chaine Rouge" and the "Chaine Bleue", in France, Italy and Spain, according to Electronics. A 15-minute program, including concert music, on the 60-kw. Radio-Toulouse transmitter on Isle de France, is quoted at \$265, while the 1-kw. Radio-Bordeaux and Radio-Agen stations each cost \$55. The 60-kw. Poste Parisien costs \$365 for 15 minutes. The 6-kw. Radio-Morocco in Northern Africa costs only \$53 per quarter-hour.

Italy's Chaine Rouge, including the 50-kw. Milan, 50-kw. Turin, 20-kw. Genoa, and 10-kw. Trieste, Florence and Bolzano (total 150 kw.), is quoted at \$1,390 per quarter hour. Radio-Rome (50 kw), Radio Naples (20 kw.) and Radio-Bari (20 kw.), make up the Italian Chaine Bleue, at \$693 for 15 minutes. In each instance above, musical program material is furnished, together with two 30-second announcements.

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## PAYNE ALLEGES BROADCASTERS ARE ACTIVE POLITICALLY

In telling the American Association of Agricultural College Editors at Cornell University gathering the difference between the broadcasting systems of foreign countries and ours, George Henry Payne, Federal Communications Commissioner, said:

"In this country the political activity of broadcasters is a regrettable fact. It would be unfair to place the entire responsibility for the situation on them, for in the early days of chaos possibly it seemed to them the only way of obtaining what they considered their rights. One nevertheless cannot help feeling that energy that has been put into politics, if devoted to the cultural aspects of the art, would have led to much better programs.

"In the year that the present Commission has been in existence, there has been a decided improvement, I sincerely believe; although someone has said that, even now, you cannot come out of an office in the Communications Commission without stepping on one or two broadcast lawyers.

"The present Commission is cognizant of this intolerable condition and from time to time has taken steps to put relations with this arm of the Government on a higher plane. It was a man famous in his day, John J. Ingalls, of Kansas, who made the pungent observation that 'Purity in politics is an iridescent dream.' If that is so, it has always been so, but it also is true that the bright pages of the past are those where some dreamer has put his visions into action."

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## CANADIAN IMPORTS OF RADIOS DECLINE

Canada's purchases of foreign radios and radio parts showed an appreciable decline in the first half of 1935 as compared with the similar period of last year, a report from Assistant Commercial Attache O. B. North, Ottawa, reveals.

Total imports of radio and wireless apparatus into the Dominion in the January-June period of this year were valued at \$616,235, a decrease of 14 per cent from the corresponding period of 1934. Imports from the United States declined 13 per cent to \$577,600, the report shows.

Sales of radios and radio apparatus in Canada during the first six months of 1935 amounted to 47,370 sets having a list value of \$4,216,170. Comparable figures for last year are not available, it is pointed out.

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Total sales of radio receiving sets in the second quarter of this year amounted to 22,349 units and showed a seasonal decline of 2,672 units from the preceding quarter. The decline of 7,395 in A.C. sets was to a considerable degree offset by the increases of 1,115 in battery sets and 3,608 in automobile sets, according to the Commerce Department report.

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#### WOULD ALLOW OGLETHORPE UNIVERSITY TO SELL STATION

A favorable report has been submitted by Examiner John P. Bramhall in the matter of a voluntary assignment of license by Station WJTL, Oglethorpe University, at Atlanta, to J. W. Woodruff and S. A. Cisler, Jr., d/b as the Atlanta Broadcasting Company. A tentative arrangement has been made to sell the station equipment to J. W. Woodruff and S. A. Cisler, Jr., doing business as the Atlanta Broadcasting Co., for the sum of \$16,500, to be paid in cash, and represented in this case by John M. Littlepage, and Frank D. Foley.

At the time the University commenced the operation of the station (WJTL), it was the intention of the officers of the school to devote the station's time to education alone but after a short period it developed that the cost of operation of the station was a heavy drain on the treasury of the school and in order to continue the operation of the station, the school was compelled to enter into the commercial field to sustain the station. This brought the school in competition with some of the people upon whom the University depended for financial assistance and necessarily created some feeling against the school because it had entered the commercial radio field. This had the effect of reducing certain contributions which the school otherwise would have received. Following this situation came the depression and the loss of many other sources for obtaining funds for the sustenance of the University. The school became financially embarrassed and its officials deemed it to the best interests of the University to dispose of the station.

The Examiner recommended that the motion of David Parmer, who had applied for the facilities of WJTL, but had later asked to withdraw his application, be granted with prejudice as through the filing of his application, Oglethorpe University had incurred the expense of employment of counsel in preparation for a hearing.

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## COMMISSIONER LAUDS CONFIDENTIAL REPORT MADE TO WHEELER

In his speech at Cornell University, Federal Communications Commissioner, George Henry Payne, revealed that a confidential report had been prepared for Senator Burton K. Wheeler, of Montana, by S. Howard Evans. And then added:

"It is one of the ablest documents that I have read on the present problems and perplexities of the entire broadcasting situation", Mr. Payne told the Ithaca gathering. "It has the unusual quality of meeting these problems with complete frankness and courage, and while some of the suggestions made, such as that for 'legislation compelling a complete reallocation of broadcasting facilities' and the one compelling 'all radio licensees owning radio patents to put them in a patents pool', will stir up a great deal of agitation and discussion, I cannot see but that the discussion, even on these two points, will be beneficial.

"Inasmuch as Senator Wheeler has given me permission to quote from this report which has hitherto been regarded as confidential, I am hoping that in due time he will see his way to having it printed and give it the broadest possible circulation, and that a discussion of the matters gone into most thoroughly therein will give the public some idea as to what the problems are and how necessary it is to concentrate on them if there is to be improvement.

"I should like to quote from Mr. Evans' report his very pointed suggestion as to the establishment of a bureau of standards with regard to the character of programs by those stations applying for licenses:

"'One possible way to extend protection', he says, 'might be through the establishment of a procedure with regard to the programs of stations, similar to that which the Commission now requires in connection with the technical operation of stations. The Commission has decreed standards of mechanical operation to which stations must conform. It has required stations to put in new equipment and to change existing equipment so that they may render better technical service. Had the Commission set forth these technical requirements for a single station, it would have been guilty of a kind of discrimination which could not have been sustained in the courts. However, when the Commission merely insisted on standards which could be applied to all stations equally, the courts consistently supported its action.

"'It seems reasonable to believe that the Commission could establish similar general standards for program service. Certainly there are standards which can be applied. If they are applied without discrimination, the probability is that the courts will sustain the Commission in insisting on them.'

"The Commission might compel every station in applying for a license, to submit not only evidence of its financial and technical qualifications, but also a statement of the standards which it would require programs to meet. This would be demanding on the program side of broadcasting nothing more than the Commission has required for a long time with regard to technical matters. It would be compelling the chains and independent stations to apply to every hour of their operating schedules the same kind of program standards which the chains have applied advantageously to religion.

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"Somehow the Communications Commission has to adopt responsibility for the kind of programs broadcast over stations which the Commission has in granting their licenses certified to be operating in the public interest. If the Commission cannot exercise this control through the requirement of standards, some other method must be found."

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(Confidential Note: Mr. Evans about referred to is said to be connected or to have been connected with the Ventura (Cal.) Press, which for some time has been critical of the radio industry.)

R.D.H.

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RADIO DONKEY BASEBALL GAME NETS \$1800 FOR HOSPITAL

A donkey baseball game sponsored by the representatives of the National Broadcasting Company and the Columbia Broadcasting System in Washington one night recently netted the Children's Hospital in the Capital, \$1,800. Exactly 8,930 people paid to see Washington's first donkey baseball game. This was a bigger crowd than the Washington baseball team has been able to attract in some time, and was likewise the largest assemblage since the Canzoneri-Klick bout.

Admission prices of 25 and 50 cents swelled the "take" to more than \$4,000, and thanks to a contribution by both Griffith and the donkey promoter, the Children's Hospital fund was benefited by \$1,800. Griffith gave \$300 out of his percentage for the use of the ball park, and the donkey owner lopped off \$200 from his share, which still netted him in the neighborhood of \$1,500.

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## FATHER HARNEY DECLARES RADIO LEADERS NOT QUALIFIED

Father John B. Harney, Superior General of the Paulist Fathers, owners of Station WLWL never loses an opportunity to take a shot at the broadcasting industry.

"In my judgment - a judgment that is shared by millions both within and without my Churst - abundant proof has been given by leaders in the radio industry, by officials with a nationwide power, that they are not qualified to act as arbiters or judges of what should be permitted to enter into American homes", Father Harney declared in a protest to the Federal Communications Commission.

"In common with an ever-increasing multitude of our fellow citizens we have long deplored the fact that radio broadcasting has been apparently looked upon in our country as an almost exclusively commercial enterprise - that in one way or another those who have sought to make its commercial possibilities subservient to the higher interests of the people - to their educational cultural, social, ethical, and religious advancement - have been jostled about, elbowed aside, ridiculed, pinched, and starved into a state of exhaustion not far removed from death, while those who have used the radio for the accumulation of private wealth have been so favored and pampered that they have become very arrogant. That arrogance has been shown time and again toward educational and other non-profit-making broadcasting stations."

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## HSINKING RADIO STATION LARGEST IN FAR EAST

The 2,500,000 yen Hsinking radio station (about \$625,000), completed in June, 1934, by the Manchuria Telegraph and Telephone Co., is unquestionably the largest in the Far East. It functions primarily as a transmitter and receiver of radio messages throughout Manchuria, between Japan and Manchuria, and between Japan and North China. It will eventually serve as a connecting link in the world's radio system. The Hsinking station really consists of 4 separate sections, viz., the Kuanchengtzu transmitting station, the Mengchiatun receiving station, the Hsinking radio-telegraph control station, and the Hsinking radio-telephone control station.

It is now a simple matter for the Hsinking radio station to communicate with Tokyo, Osaka, San Francisco, Berlin, and other distant cities. It is also possible for telephone subscribers in Hsinking to converse with anyone in Japan by direct radiotelephone services. It is the intention to eventually open direct telephone service with Britain, the United States, France, South China, Malay archipelago, and British India. At the Kuanchengtzu transmitting station there are 9 towers with inverted aerials, designed for service with Europe and America; The station can transmit 200 words a minute.

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## NEW CBS STATISTICS INDICATE 4TH QUARTER RECORD FOR RADIO

On the basis of contracts now on file for September broadcasting over the Columbia network, the CBS Market Research Department estimates a nine-months' total earnings figure for 1935, 23.5% greater than the total for the same period in 1934. A statement from the Trade News Division of Columbia follows:

"September billings are expected to run slightly over \$1,000,000 - an increase for the month of 43% over September, 1934, and the highest September total for the network to date.

"A breakdown of expenditures by network advertisers for CBS time for September and the Fall season indicates substantial increases in the automotive, tobacco, drug, oil and gas, and radio set industries. Tobacco advertising on the Columbia Network in September will be eight times higher than it was last year; oil and gas expenditures will be more than four times higher than a year ago. Drug advertising will show a thirty percent increase, and the program of radio set manufacturers will involve appropriations 68% larger than last year.

"The highest monthly gain in the history of the network was scored last month when Columbia Broadcasting System July earnings figures soared 44% above the total for the same month in 1934. With a total of \$910,470 in time sales, the month set a record for July for all time.

"Radio's previous top Summer month was recorded in July, 1931, with CBS earnings figures totalling \$877,366.

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## RCA DECLARES QUARTERLY ON "A" PREFERRED

The regular quarterly dividend on the "A" Preferred stock of the Radio Corporation of America for the third quarter of 1935 was declared last Friday by the Board of Directors, General James G. Harbord, Chairman of the Board, announced at the close of the Board's regular meeting.

The dividend is one and three-quarters per cent for the quarter, amounting to 87½ cents a share. It is payable October 1, 1935, to holders of record at the close of business on the fourth day of September, 1935. It applies to all outstanding shares of "A" Preferred stock, including shares of "A" Preferred represented by outstanding unexchanged certificates of original Preferred stock - ten of such unexchanged shares being equal to one share of "A" Preferred.

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BERTHA BRAINARD OF NBC NAMED AS ONE OF OUTSTANDING WOMEN

Among the 16 U. S. women who stand out in business, according to an article in the current issue of Fortune Magazine in a series on "Women in Business", Bertha Brainard, Commercial Program Manager of the National Broadcasting Company was named as being one of those who have invaded man's industrial territory and made good on a large scale. The writer - or writers - of the article point out that the women have succeeded in capturing only one of the many sectors of the industrial front - the business office.

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ASCAP MAY CLOSE WISCONSIN OFFICE BECAUSE OF NEW LAW

Divergent views are being expressed on the recently enacted music tax law which was railroaded through the Wisconsin Legislature and which is aimed specifically at the American Society of Composers, Authors and Publishers.

E. S. Hartman, Chicago counsel for the Society, told a Billboard representative that he regards the law as highly discriminatory. It only means confusion, he says, and probably will cause more or less trouble for the very people it is supposed to benefit. It is possible ASCAP may withdraw its offices from Wisconsin, in which event those wishing to do business with the Society would be compelled to deal with the Chicago office or an office in some State other than Wisconsin. It is the opinion of the Society that the law may conflict with Federal statutes and might be declared invalid if it came to a showdown.

Proponents of the law say they have found unfair methods used in the collection of copyrighted claims and that the law is designed to do away with such abuses.

"For some time past", says W. J. Damm, Manager of Station WTMJ, Milwaukee, "there has been an outcry in the State, particularly from the owners of small dance halls and other amusement places who have been threatened with suit by the American Society of Composers, Authors and Publishers. These people eventually found a champion in Assemblyman Frank Grass, of Sturgeon Bay, who for four months has been on the trail of what he terms 'the biggest racket in the State.' He says the collection of copyright fees from proprietors of amusement places whose orchestras entertain with copyrighted musical numbers is a business that runs into hundreds of thousands of dollars every year and that it is operated through prompters and informers who aid in placing the victim on the spot. He claims that a prompter, for example, will send to a hotel orchestra a 'request' that a certain number be played. When

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the orchestra complies the proprietor is presented with a bill for the rendition of copyrighted music. Spotters are alleged to frequent places where there is musical entertainment and to report each performance on which a claim can be made."

Mr. Damm further stated: "No report has been made as yet by the Legislative Committee appointed to investigate the Society. The resolution introduced by Mr. Graass, under which the Committee was named, alleged among other things that the complaints from over the State are such as to indicate that the activities of said American Society of Composers, Authors and Publishers have reached the status of a well developed, organized and extensive racket which should be effectively suppressed."

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#### HEARST RADIO SALES DEPARTMENT FORMED

Effective October 1, radio sales efforts of Hearst Radio Stations (WINS, New York; WCAE, Pittsburgh; WBAL, Baltimore; WISN, Milwaukee; KYA, San Francisco; KEHE-KELW, Santa Monica) will be transferred to a new Hearst department under M. H. Peterson, national sales manager since February. Hearst Radio is under contract to Paul H. Raymer, sales representatives, until October 1.

To date the Hearst stations have been selling time individually. Mr. Peterson said this policy would be continued. It is thought in some quarters, however, that this is another step leading to a Hearst network. Homer Hogan will head a Chicago office. Manager for a San Francisco office has not been named. Mr. Peterson is assisted in New York by E. B. Foote, formerly of the World Broadcasting System, and Burton Lambert, formerly of Sales Manager and Crosley Radio Corporation.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

1935  
AUG 31 1935  
U.S. DEPT. OF COMMERCE  
BUREAU OF BROADCASTING

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No. 856

BECAUSE THE GOVERNMENT DEPARTMENTS ARE TO BE CLOSED  
OVER LABOR DAY, THERE WILL BE NO ISSUE OF THE  
BUSINESS LETTER ON TUESDAY, SEPTEMBER 3RD.

*Er. T. G. A.*

## "DOC" BRINKLEY VISITS CAPITAL BUT COMMISH SEEKS HIM NOT

Although Dr. John R. Brinkley, famous as the Kansas goat-gland specialist and for having had his broadcasting station closed down, visited the Capital last week aboard his private yacht, which he said cost \$650,000. He apparently gave the Federal Communications Commission a wide berth. Although these officials have it in their power to restore Dr. Brinkley's goat-gland talks to the air, a thing he very much desires, because when he left the United States, the Mexican Government also closed down a station he bought in that country, the Commission say the "Doc" not.

Invitations to dine on the palatial yacht, which is 150 ft. long and carries a crew of 14 men, were extended to such notables as former Vice-President Charles Curtis, who went to Mexico as Brinkley's counsel to try to get him restored to the good graces of that Government. So far as known, no official who might have been helpful in restoring the goat-gland specialist to the air, was invited to break bread with Brinkley.

Dr. Brinkley said that he stopped at Washington simply to renew old acquaintances from Kansas and declared that it was not to continue his fight for the right to broadcast in the United States.

An interviewer, who was received by Brinkley aboard his yacht, said that the latter was adorned much after the style of "Diamond Jim" Brady. On each hand was a huge diamond ring, the largest holding a stone of 12.92 carats. A clasp on his tie was a cluster 2 or more inches long,  $\frac{3}{4}$  of an inch wide. A stickpine, more than an inch-high arch, over several larger stones, was in his tie. Two diamond-studded lodge pins were in his coat lapel and a diamond-studded charm hung across his vest.

While Brinkley, who was narrowly defeated for Governor of Kansas after his name had been ruled off the ballot was mum with regard to radio, he had quite a little to say about politics even to his own candidacy.

"I'm not a candidate - I don't want to be President. And I'm not presidential timber", Dr. Brinkley said modestly.

Dr. Brinkley is against the Roosevelt administration, against Senator Huey P. Long, against Dr. Townsend's plan, against Father Coughlin.

"I believe Long will run for President", he said, "and if he does, he may make it possible for the Republicans to win."

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The doctor's chief criticism of the Roosevelt administration: "They've spent too much."

Of Dr. Townsend's old-age pension plan: "It would defeat itself."

Of Senator Long's share-the-wealth plan: "I'm just like any other rich man."

Dr. Brinkley came to Washington after a lazy cruise in Northern waters that began the middle of June. He expects to be back to Galveston next month.

On the trip he landed a 690-pound tuna, shot a buck on the island of Anticosti, off Labrador, and was grounded in a fog for 12 hours off Yarmouth.

The understanding in Washington is that Brinkley's Mexican station is still closed down. However, up to a comparatively short time ago, his broadcasts were plainly heard in various parts of the United States from a Mexican station over which he was evidently buying time. It was Dr. Brinkley's "Doctor Book" talk but given by a spokesman for the well-known doctor.

After being closed down in Kansas, Brinkley used to broadcast across the border by remote control from Del Rio, Texas, but an amendment to the Radio Act was enacted to prevent this. One report was that Brinkley himself was again broadcasting over a Mexican station into the United States late at night. If he did this, however, he would either have to go to Mexico or protect himself by electrical transcription because his old remote control method of sending the stuff across the border by wire into Mexico for rebroadcasting is a thing of the past.

While in Washington, Dr. Brinkley was accompanied by Mrs. Brinkley, and their son John R., Jr., and if any financial hardship had been worked upon him as a result of the closing down of his broadcasts in the United States, it was not apparent to the casual observer.

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#### AIRPLANES ROUTED AWAY FROM TEXAS STATIONS

An allotment of \$14,700 to the Bureau of Air Commerce for an airways radio station at Houston, Texas, has been announced by Public Works Administrator Harold L. Ickes. The money, which comes from the old public works appropriation, will provide a new station in a new locality so that planes will not pass close to the proposed radio stations KPRC and KTRH.

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## EXPERTS DON'T TAKE MARCONI WARPLANE RAY SERIOUSLY

The announcement by a press association that Marconi, the great Italian who invented wireless, had perfected a secret ray which he believed would enable him to stop airplane motors high in the clouds, was greeted with smiles by Government short-wave experts in the National Capital.

"That story has been bobbing up in one form or another for the past twenty-five years and I am rather inclined to believe that its reoccurrence is due to Italy's approaching war rather than any serious pronouncement on the subject by Marconi", one official said, who asked that his name not be used. "We heard during the World War that the Germans had invented a device which would broadcast the rays to stop the automobile transports. Later, and repeatedly, the version was that such a ray had been discovered for stopping airplanes' motors in battle."

"Did you ever hear of a motor actually being stopped by such a ray?" the Government expert was asked.

"No", he replied laughingly.

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## BRITAIN STILL EXPECTS TELEVISION EARLY IN YEAR

Despite decided impressions to the contrary in the United States, television is expected to be in full swing in Great Britain within a year, a report to the Commerce Department from Assistant Trade Commissioner H. E. Stebbins, London, states.

The Postmaster-General, it is pointed out, has just authorized the British Broadcasting Corporation to make arrangements with the Baird Television Company and the Marconi-E.M.T. Television Company for the provision of complete transmitting equipment for the operation of their respective systems.

It is anticipated that the work of manufacture and installation will be completed in approximately six months. The first test transmissions will probably start in the early part of the coming year, to be followed by a regular public service as soon as practicable thereafter, the report states.

In connection with the Postmaster General's announcement, the managing director of Baird Television declared that it would not be long before every radio set in the country would be equipped with a television screen and that vision would be as usual as speech is today. He pointed out that with the ultra-short waves it will be possible to broadcast scenes in much greater detail than can be done with the medium waves. It will now be possible, he stated to broadcast outdoor events such as air pageants and persons listening in will be able to see all the details as well as hear the commentary.

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NEW 500 WATT STATION RECOMMENDED FOR SPRINGFIELD, MASS.

The application of the Connecticut Valley Broadcasting Co., of Springfield, Mass., to construct a new 500-watt station to operate on 1140 kc., limited time, has been favorably recommended by Melvin H. Dalberg, Examiner.

It appears from the testimony to be the plan of the applicants to provide a regional station in western Massachusetts, and it is stated that the station, which would be locally owned and operated, would devote itself to the interests of the area sought to be served with an available outlet for local programs. It is evident that no such service is available at the present time from WBZA and WMAS, as their time is largely devoted to national chain programs, being associated with large networks.

It is apparently the intention to provide a service to compensate for that which would ordinarily be expected from stations in Boston, Worcester and other New England cities, but which is not available on account of the high radio attenuation indigenous to this district, as evidenced by the necessity for the WBZ-WBZA synchronized arrangement, which eliminates service from Boston, Providence and other nearby centers and materially reduces service from New York. Applicants contend that with the exception of the local station no useful service exists from Boston or any other place to the east of Springfield. There is some service from the two stations in Hartford, one of which, however, WDRC, carries substantially the same programs as one of the local stations, namely, WMAS, which is on the Columbia chain. The applicants further state that WTIC carries the Red Network program and is available to the Springfield district, but is not received over WBZA, which is synchronized with WBZ, of 50 kilowatts power, in view of the larger number of non-selective receiving sets in use in the locality.

Applicants plan to use electrical transcriptions employing the service of the World Broadcasting System, which they contend is not used now in Springfield.

The granting of this application would involve an increase of the night time quote of the State of Massachusetts and Zone of 9.05 units and an increase in the day time quota of the State and Zone of 0.3 units.

From the testimony of the Commission engineer it does not appear that there will be any objectionable interference during daytime hours with Station WHAM, at Rochester. If any interference should be caused during the brief period of evening operation, it would be within the .5 millivolt contour of the proposed station and not within that of the contour of Station WHAM.

In his conclusions the Examiner said:

"In view of the evidence presented, it is improbable that the proposed station would cause any interference in the reception of other stations and certainly no objectionable interference in the recognized good service area of other stations.

"It is believed that the applicants are legally, technically, financially, and otherwise eligible to hold the construction permit which they seek and that there is need for local service in the Springfield, Mass., area for a proposed new broadcasting service."

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An Examiner's report has recommended that the application of Station WHBL, of the Press Publishing Co., Sheboygan, Wis., now on 1410 kc., 500 watts, sharing time with WBOK, Rockford, Ill., requesting a change to 1300 kc. with the reduced power of 250 watts, unlimited time, be granted.

In the same case, the application of WMBC, Michigan Broadcasting Co., Detroit, Mich., now on 1420 kc., with 100 watts, requesting 500 watts on 1300 kc., was unfavorably reported.

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An Examiner has reported favorably upon the application of Station WRJN, Racine Broadcasting Corp., Racine, Wis., on 1370 kc., for an increase of daytime power from 100 to 250 watts.

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A favorable report has been filed in the case of Charles C. Theis, of Wichita, Kans., applying for a new 100 watt station on 1210 kc.

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#### FTC MAKES CONCESSION TO COMMERCIAL BROADCASTERS

Much of the confusion and uncertainties attending the broadcast of commercial copy is seen eliminated in the latest developments at the Federal Trade Commission. Henceforth, the Federal Trade Commission will afford to members of the radio broadcasting industry the same notice, and opportunity to sign stipulations as heretofore has been extended to other forms of advertising media. Approval of this procedure, which was requested by James W. Baldwin, Managing Director of the National Association of Broadcasters, was given on Wednesday of this week.

According to an agreement between Judge Ewin L. Davis, Chairman of the Federal Trade Commission and Mr. Baldwin, hereafter when a radio commercial continuity or a published

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advertisement has been examined by the preliminary reviewer and noted for further attention, it is referred for consideration from a legal point of view after which it is submitted to the Special Board of Investigation. If the Board decides there is prima facie evidence of false or misleading representations, a questionnaire, is sent to the advertiser.

Upon receipt of the information called for in the questionnaire together with samples of advertising copy and all follow-up literature, etc., the formula, for example, in cases of drugs and cosmetics is submitted to appropriate departments of the government for opinion. The Board then considers the matter in the light of scientific opinion. If the statements contained in the advertising copy appear to be justified, the matter is reported to the Commission for filing without action.

If the statements contained in the advertising copy are not justified in the light of such scientific opinion the Board forwards to the advertiser a list of the statements in question and a copy of the scientific opinion relative thereto, and the advertiser is afforded the opportunity to produce all the evidence he can to support his claims.

When this has been done, either through correspondence or by personal conferences, the advertising copy is again reviewed in the light of new evidence, if any, and those statements which have not yet been justified in the opinion of the Board are thereupon reported to the Commission accompanied by all evidence in the case with the recommendation that an application for a complaint be docketed, but that before further action is taken the matter be referred back to the Board to negotiate a stipulation with the advertiser in settlement of the matter.

If the Commission concurs in the recommendation of the Board a stipulation is prepared reciting the objectionable statement and providing inhibitions wherein the advertiser agrees to cease and desist publishing such claims in the future. If, however, the Commission is of the opinion that the statements contained in the advertising copy are justified, the case is reported for filing without action.

At the time the case is docketed as an application for complaint the advertising medium, if a publisher, is notified and extended an opportunity to sign and return a publisher's stipulation enclosed with the notice. In the stipulation, the publisher agrees to observe and abide by the terms of any stipulation signed by the advertiser in the case, or of any cease and desist order entered by the Commission against the advertiser in such case.

Each case will require a separate stipulation. In order that stations may be brought up to date stipulations will be sent to cover all cases now pending before the FTC for which the broadcaster has submitted copy. That is to say, for each piece of copy that has been submitted by a broadcaster, and which has reached the investigation stage, the broadcaster will receive a stipulation which he may sign and return to the FTC.

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#### SOUTHERN STATES MOST OVER NIGHT-TIME QUOTA

Quota facilities due and assigned to broadcast stations as of August 26, 1935, show that the States of the Third, or Southern, Zone, such as Alabama, Arkansas, Tennessee, Texas, and others, are now 28 percent over their allotted quota, which is more than any other zone in the country.

The Fifth, or Western, Zone, is 27 percent overquota, composed of such States as California, Montana, and New Mexico, is a close second.

The First, or Eastern, Zone, with New York and the New England States, is 4 percent under its broadcasting quota. The Second Zone, Kentucky, Michigan, Ohio, Pennsylvania and adjoining States, is 5 percent over its nighttime quota, and the Fourth Zone, Indiana, Iowa, Kansas, Wisconsin, and other States, is 10 percent over its nighttime quota.

Also, all zones are underquota - the daytime broadcasting facilities - except the Fourth Zone. The Third Zone leads by being 47 percent underquota; the First - 30 percent; the Second - 26 percent, and the Fifth - 11 percent. The Fourth Zone is neither over nor under its quota with regard to daylight broadcasting facilities.

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#### CZECHO LISTENERS INCREASE DESPITE TAX

In Czechoslovakia, where radio listeners pay the cost of program service, the number of listeners has increased 120,585 in a year, or more than 17.3 percent. The number of receiving sets used for educational purposes in schools is now over 3000 and is increasing rapidly. These are official figures representing the number of licenses issued to listeners by the government.

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## PHILCO EXPANDS TO MEET INCREASING DEMAND

With more than 9,500 workers on a payroll which amounts to nearly one million dollars a month, Philadelphia Storage Battery Company, makers of Philco radios, are employing many additional workers to keep pace with the increasing demand for radio instruments.

"The hours and working conditions are better than the NRA code for the electrical industry", said G. E. Deming, Executive Vice-President of the Philadelphia Storage Battery Co. "Philco's hourly rate is 25.2 per cent above the average of the balance of the radio industry as shown by figures compiled by the United States Department of Labor.

"The advances of science and invention in the field of high fidelity radio reproduction during the past year have made possible a fuller enjoyment of the many excellent programs offered the radio listeners of America. Greater public appreciation of the wealth of available radio entertainment, music, news comment and education, has translated itself into an increased demand for quality instruments. The result has been record-breaking production for Philco during the first half of 1935, with indications pointing to even greater production during the next six months. Philco will continue to use the tried and tested glass tubes in the sets it manufactures. The increased demand for our sets reflects consumers' confidence in our product. In spite of claims made for the metal tubes, Philco does not believe in experimenting on the public.

"The remarkable ability of short-wave sets to bring in foreign stations with surprising regularity and clearness; the advantage of having all the broadcasting services in one radio; and the improved reception obtained with all-wave noise-eliminating aerials have contributed to the popularity of radio.

"Not only in home sets is the increased production during the Fall months anticipated, but also in automobile radios. The greater enjoyment of motoring in radio-equipped automobiles has become so apparent that it is expected public demand will soon establish radio as standard equipment for all leading makes of automobiles.

"When the Philadelphia Storage Battery Company began to manufacture storage batteries for electric vehicles in 1906, the entire force could have come to work in one trolley car. In 1928, when the first Philco radios were produced, Philco finished in twenty-seventh place in the industry. By 1930, with the addition of smaller sets at popular prices, Philco moved into first place, a position it has held up to the present."

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In commenting upon Philco's labor policies, Mr. Deming said: "Philco accepted and bettered NRA working conditions; recognized the American Federation of Labor Unions on a closed shop basis; signed a working agreement providing an orderly way of handling industrial relations; increased rates to the highest in the industry; paid additional bonus at Christmas when earnings permitted; and believes that fair-minded labor and management can work together in harmony to produce quality in its products at a fair price at which the public can buy in volume and thus maintain its leadership in the industry which has as future products wired radio and television."

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#### OFFICIALS REGRET PASSING OF A. Y. TUEL

The news of the death of Austin Y. Tuel, Vice-President and General Manager of the Mackay Radio & Telegraph Company, was received with regret by Commissioner Irvin Stewart, Chairman of the Telegraph Division of the Federal Communications Commission, and other Government officials. Mr. Tuel died suddenly in New York from a heart attack. Although only 53 years old, he was a veteran in radio telegraphy, having been closely identified with wireless for almost a quarter of a century.

Mr. Tuel was born at Mount Carmel, Ill. In 1910 he was appointed Superintendent of the Federal Telegraph Company's first station at San Francisco and remained in that capacity until April 12, 1917, when he joined the United States Navy as a lieutenant. He became Communications Officer at San Francisco. On Dec. 1, 1919, he returned to Federal Telegraph and was appointed resident engineer at Washington, D. C.

Early in 1921 he was appointed General Manager for the same concern and was transferred to headquarters at San Francisco. In 1927 he became Vice President and General Manager of Mackay Radio and Telegraph Company when that concern was organized.

As an executive, Mr. Tuel presided over the operation of the Sayville (L.I.) sending station, which the Navy commandeered from the German Government at the beginning of the World War.

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NBC TO TELL OF DAYTIME ADVERTISING ADVANTAGES

Entitled "Sales Begin When Programs Begin", containing a complete presentation of the special advantages of daytime broadcast advertising, a new book will be issued by NBC in about ten days.

"NBC now has a complete 'time-table' which shows, for the first time, the availability of radio listeners from early morning to late at night", Edgar Kobak, Vice-President in Charge of Sales, said in announcing the new publication. "We have conducted an exhaustive study of the variations in the number of reachable radio families, half-hour by half-hour, from breakfast time to bedtime.

"This searching analysis of radio's day and night potential circulation was particularly designed to meet the demands for more factual information on the daytime hours, including data which permit comparison with the evening hours. That's the big story which will be told in our new book."

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WEST COAST TELEGRAPH STATIONS CITED

The Telegraph Division of the Federal Communications Commission has ordered an investigation into the circumstances and lawfulness of the operation of the general experimental station W7XK following a report of their inspector at Seattle, Wash. The Northern Radio Company is made respondent to this proceeding and a hearing will be held in Washington, D. C. at a date to be announced later.

The Telegraph Division also ordered an investigation and hearing of the report of its inspector at San Francisco, to the effect that the installation and operation for entertainment purposes of a broadcast receiver in the radio room of Station WGCN aboard the S.S. "Emma Alexander" of The Pacific Steamship Lines, Ltd., interfere with the duties required by law of the operator on watch, and the responsibility of the parties concerned.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

KVOR, S. H. Patterson, Colorado Springs, Colo., CP to move transmitter outside city limits of Colorado Springs and make changes in equipment; WMAQ, National Broadcasting Co., Inc., Chicago, Ill., Mod. of CP to extend completion date to Nov. 4, 1935; KGMB, Honolulu Brdcstg. Ltd., Honolulu, T. H., Mod. of CP to move station locally, make changes in equipment extnd commencement date to 60 days after this date and completion date to 90 days hereafter; WDBO, Orlando Broadcasting Co., Inc., Orlando, Fla., extension of special temp. auth. to operate with 1 KW daytime power for period ending March 1, 1936; WTCN, Minn. Broadcasting Corp., Minneapolis, Minn., Mod. of license to make changes in specified hours so as to relieve station WCAL of the period 9:43 to 9:45 AM, CST, on Monday, Tues. Wed. Thurs. Fri. and Sat. of each week until such time as WCAL might again desire such period.

WPHR, WLBG, Inc., Petersburg, Va., consent to transfer of control of WLBG, Inc., licensee of WPHR, to John Stewart Bryan, Tennant Bryan and Douglas S. Freeman; KFAB, KFAB Broadcasting Co., Lincoln, Neb., renewal of license for a period of 30 days; KFRU, KFRU, Inc., Columbia, Mo. renewal of license for a period of 30 days; WPEN, Wm. Penn Broadcasting Co., Philadelphia, Pa. and WCFL, Federation of Labor, Chicago, Ill., renewal of license for the regular period; also WCFL extension of special Exp. Auth. to operate on 970 kc., 1500 watts unlimited time instead of limited time for period ending Feb. 1, 1936; KEHE (formerly KTM), Evening Herald Pub. Co., Los Angeles, Cal., KELW, Evening Herald Pub. Co., Burbank, Cal.; WIP, Penna. Broadcasting Co., Philadelphia, Pa., and WIBW, Topeka Broadcasting Asso. Inc., Topeka, Kans., renewal of licenses for a period of 30 days; WOEB, Agricultural Brdcstg. Co. Portable (Chicago, Ill.) license to cover CP (Temp. Brdcst. Pickup service), frequencies 1606, 2020, 2102, 2760 kc., 100 w.; W9XHD, Same - Portable-Mobile, Chicago, Ill, license to cover CP (Exp. Gen. Exp. service), frequencies 31100, 34600, 37600, 40600 kc., 25 watts; W9XHE, W9XHF, Same, except 2 watts power.

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An announcement of special interest to American composers will be made by M. H. Aylesworth, President of the National Broadcasting Company, during a special NBC Music Guild program over the WEAT network Tuesday night, September 3, at 9 P.M. EST.

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