

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JUNE 4, 1935

FCC Head Believes In "Ounce Of Prevention" Doctrine.....	2
N. Y. Radio Dealer Must Cut Out All-Wave Hokum.....	4
Wants Press To Grab Television.....	4
No Rebuke For Mexican Song Broadcast.....	5
NAB Convention To Hear European Television Report.....	5
Efforts Made For Eleventh-Hour Composers Agreement.....	6
Code Decision Assures Large NRA Chicago Gathering.....	6
RCA Continues Code Hours And Wages.....	7
Senate To Consider Copyright Bill Thursday.....	7
Two More Stations Joins WMCA.....	8
Wheeler Classed As "American Messiah".....	9
NBC Artists Service Reorganizes.....	10
U. S. Gives Sanction To CBS Estimates.....	11
Swedish Patent Decision May Help American Manufacturers.....	12
Congressman Praises Radio Results.....	12

No. 831

*[Handwritten signatures and initials at the bottom of the page]*

June 4, 1935

## FCC HEAD BELIEVES IN "OUNCE OF PREVENTION" DOCTRINE

Notwithstanding the fact that "Marmola", a patent medicine, the advertising of which has caused 21 stations to be called on the carpet, has been proceeded against for the second time by the Federal Trade Commission, there doesn't seem to be a chance that any of these stations will suffer loss of their licenses. "Marmola" will have its next bath of fire June 28th before the Trade Commission but the broadcasting stations cited will not have to face the music until next October. In the meantime, the purpose of the warning will have been served and it is believed the affair will pretty much have blown over.

Sometime before "Marmola", a treatment alleged to reduce fat, had been signled out by the Federal Communications Commission as a "horrible example", Chairman Anning S. Prall, discussing the elimination of a certain type of patent medicine broadcasts, said to this writer:

"I once knew a very famous police inspector in New York. A crime wave was rampant. This inspector said to me, 'Do you know how to stop all this crime?' 'No', I answered. 'Well Annie', the experienced old inspector answered, 'The way to stop crime is to prevent it.'

"I think the way to stop objectionable medical advertising over the radio is to prevent it, and I propose to use this method."

According to one estimate, if the Federal Communications Commission would exclude from the air all proprietaries, medicines, or medical services, it might mean the loss of between five and six million dollars in advertising revenue to the networks. One broadcaster believes that the situation is more serious than it looks, and the medical people will fight back on the ground that the Commission has no power of censorship.

On the other hand, having waved the big stick at the stations carrying "Marmola", and other remedies alleged to be offensive, it is believed in some quarters that the situation will now quiet down with the minimum amount of advertising casualties.

To prevent such a "bawling out" in the future, the Chicago Broadcasters' Association has requested that the National Association of Broadcasters establish a bureau in Washington to pass on the propriety of the acceptance of advertising accounts, and the conditions of such acceptance, to disseminate information

concerning advertising practices to its members, and to represent the members before the Federal Communications Commission when any of their advertising is questioned.

A resolution passed by the Chicago Broadcasters' Association reads, in part, as follows:

"As broadcasters, we are cognizant of our duties to the public. We are appreciative of the attitude of the Federal Communications Commission in its desire to see that broadcast advertising be of such a standard that the public will be pleased with its service and not offended by the advertising.

"We know that we must maintain our advertising revenues, if the high type of service to which the American radio audience has become accustomed is to be continued and constantly improved.

"We are aware of the difficulties encountered by the Federal Communications Commission, through their lack of the right of censorship, and the broadcasters, through their inability to secure unbiased information, in determining the propriety of certain advertising accounts."

Commending the Commission upon its broadcast advertising with regard to patent medicines, Dr. Arthur J. Cramp, Director of the Bureau of Investigation of the American Medical Association, said:

"Radio advertising of 'patent medicines' is more objectionable than newspaper advertising of the same products. Many newspapers, as a matter of enlightened self-interest, have developed certain standards of decency and censorship that keep out of their pages the advertisements of many products of this character. Further, the public has through several generations developed a defense mechanism against the printed word and is much less likely to be carried away by false or fraudulent claims made in cold type than it is when similar claims are made verbally by a plausible radio announcer.

"Then, too, claims that are to be made in printed form have a permanency that causes the maker of them to be much more cautious than when they are to have the ephemeral character of a radio broadcast. It is also to be remembered that impressionable young people do not, as a rule, read 'patent medicine' advertisements in newspapers or magazines. These same people can hardly avoid listening to the 'patent medicine' ballyhoo that comes into their homes over the radio.

"There is no doubt that the better type of broadcasting stations do make some attempt to reject 'patent medicine' contracts of the most objectionable type. Broadly speaking, however, broadcasting stations are still far behind newspapers and magazines in their recognition not merely of the dangers to the public health involved in the advertising of these secret nostrums, but also of the loss of public confidence in all advertising that such advertisements are bound to engender eventually. The action

of one broadcasting station in the past few weeks is worthy of special note: The Milwaukee Journal announced in its issue of April 8, 1935, that 'because the advertising of internal patent medicines was not deemed to be in the public interest, convenience nor necessity, WTMJ has cancelled all such contracts in an effort to clean up the air and rid it of offensive advertising matter.'

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#### N. Y. RADIO DEALER MUST CUT OUT ALL-WAVE HOKUM

Misleading representations of radio receiving sets is alleged in a stipulation between the Federal Trade Commission and Gus Stokley, of New York City, trading as Eilen Radio Laboratories. Stokley, a manufacturer, agrees to cease and desist from describing his sets so as to imply that users of his products could have foreign or world-wide reception at will and with satisfactory volume.

Stokley agrees not to present the merits and advantages of his products in such a way as to "conceal the difficulties and deficiencies of the same, inherent in the present state of the art, but unknown to the purchasing public."

Radio receiving sets sold by Stokley were advertised as "All-Wave" with "Foreign Reception Guaranteed", when, in fact, according to the stipulation, they were not capable of reception over the entire meter range covering all broadcasts and commercial transmission so as to be properly designated by those phrases.

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#### WANTS PRESS TO GRAB TELEVISION

Newspapers are advised by the Editor & Publisher to "get aboard" on television as follows:

"Television is today about where radio was in 1920. If the press had accepted radio then, completing its public communications service, there would be no press-radio problem today. The situation has changed, but the press should not make the same mistakes in reference to the development of television."

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## NO REBUKE FOR MEXICAN SONG BROADCAST

The Federal Communications Commission has declined to take any disciplinary action in the case of an alleged indecent song broadcast over NBC during the Mexican Government Hour.

In a letter to Rev. John C. Harney, Superior General of the Paulist Fathers, owners of Station WLWL in New York City, Judge E. O. Sykes, Chairman of the Broadcast Division, wrote, in part, as follows:

"The portion of the program referred to in your letter to the Commission was a song entitled 'En Ellogio De Silves", sung in Spanish.

"The question as to whether a matter which is broadcast is obscene or indecent must be determined by the application of the rule announced in Duncan v. U. S. 48 Fed. (2d) 128, and other leading cases, which is as follows:

"The true test to determine whether a writing comes within the meaning of the statutes is whether its language has a tendency to deprave and corrupt the morals of those whose minds are open to such influences and into whose hands it may fall by arousing or implanting in such minds obscene, lewd, or lascivious thoughts or desires."

"The Commission, Broadcast Division, after careful study of all the facts and circumstances in connection with this broadcast, has reached the conclusion that the program does not fall within the above definition."

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## NAB CONVENTION TO HEAR EUROPEAN TELEVISION REPORT

Andrew W. Cruse, Chief of the Electrical Division of the Commerce Department, now abroad making a two months' study of the European television situation, is expected to give a first-hand report at the annual convention of the National Association of Broadcasters to be held at Colorado Springs early in July. Invitations have gone to Anning S. Prall, Chairman of the Communications Commission, Dr. John W. Studebaker, U. S. Commissioner of Education, and Senator Burton K. Wheeler, Chairman of the Senate Interstate Commerce Committee, to speak at the convention.

Although the gathering is still sometime ahead, those who expect to attend the convention are urged to make their reservations at once as already hotel space is at a premium.

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## EFFORTS MADE FOR ELEVENTH-HOUR COMPOSERS AGREEMENT

As this is written (Tuesday), the Broadcasters and Composers are conferring in New York in connection with the forthcoming suit of the Government against the American Society of Composers, set for trial Monday, June 10th. Although nothing has been given out officially, word trickles through from one side that the Broadcasters are moving heaven and earth in a frantic last minute endeavor to persuade the Government not to try the lawsuit.

From the other side is the assurance that though consent decrees are sometimes signed "on the Court House steps", there is every indication that the trial will begin Monday.

Anthony W. Bennett, Special Assistant to the Attorney General, is in charge of the Government case. About 50 witnesses have been served with subpoenas to date with more to follow, including broadcasters, motion picture and hotel people, and many small users of music such as shoe-shining stands, restaurants, and others.

It is estimated that during the current twelve months' period, the Composers will derive between \$2,500,000 and \$3,000,000 for radio performing rights. This is said to be an increase of more than 200% over the flat fee paid prior to the writing of the three-year contracts which became effective in September, 1932.

While current contracts calling for 5% of the "net receipts" of stations, plus an arbitrary sustaining fee, ordinarily would expire on August 31st, the Composers have agreed to extend them until December 31st on the same basis. They however refuse to agree to an extension which would run indefinitely while awaiting the outcome of the Government suit.

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## CODE DECISION ASSURES LARGE NRA CHICAGO GATHERING

A record attendance is expected at the two-day annual convention of the Radio Manufacturers' Association, meeting in Chicago Tuesday, June 11th, due to the desire of the manufacturers to check up to see exactly where they stand as the result of being relieved of Code obligations by the Supreme Court. Bond Geddes, Executive Vice-President of the RMA, has already expressed the opinion that being released from the 36-hour minimum weekly restrictions of the Electrical Code, some radio manufacturers will immediately institute a 40-hour week for their employees.

6/4/35

The convention will elect a President, Directors and other officers. The impression at this time is that Leslie F. Muter, of Chicago, will be pressed to accept another term as president.

A late change has been made in the program, that of staging the RMA "Cabaret", which will be in the competent hands of Paul B. Klugh, of Chicago, on Tuesday instead of Wednesday night.

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#### RCA CONTINUES CODE HOURS AND WAGES

David Sarnoff, President of the Radio Corporation of America, said last Monday that the Radio Corporation and its wholly owned companies would continue the same hours and wage scales as were in effect under the NRA codes.

Mr. F. E. Basler, of Philadelphia, General Sales Manager of Atwater Kent Manufacturing Co., predicted that the larger radio manufacturers would continue operations under the majority of the Code provisions set up under the NRA. He said he believed the hour and wage scales would be continued.

Radio sales this year are in advance of those at this time last year, Mr. Basler said at the opening of the company's tenth annual distributors' convention in Atlantic City. Approximately 250 distributors attended.

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#### SENATE TO CONSIDER COPYRIGHT BILL THURSDAY

The Senate Patent Committee of which Senator McAdoo, of California, is Chairman, meets Thursday, June 6th, at which time the Committee will take up the question as to whether or not hearings will be held on the Copyright Bill.

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## TWO MORE STATIONS JOIN WMCA

WMCA programs will be fed to two additional stations in the East, it was announced Monday by Donald Flamm, President of the Knickerbocker Broadcasting Co.

WMEX in Boston, and WPRO, in Providence, are now part of the Inter-City group, thus giving WMCA program coverage from Boston to Washington on a full schedule basis. All stations are linked to WMCA with permanent twenty-four hour A. T. & T. service.

In announcing the additional outlets, Mr. Flamm said:

"With Boston and Providence added to our present group of Inter-City stations that include Philadelphia, Baltimore, Washington and Wilmington, WMCA is now able to offer coverage throughout the most populated section of the Atlantic Seaboard. As I stated before, this is not the beginning of a 'third network', but rather a practical association of progressive independent broadcasters who look to New York, through WMCA, for their program material.

"Now that the Inter-City group covers the country's choicest Eastern markets, we have a real sales story to tell to radio advertisers, particularly in view of the fact that the costly item of telephone line charges will not enter into the combined rate. The WMCA Sales Department is concentrating on the group as a unit. It is interesting to note that within a few hours after the addition of the two New England stations, several WMCA clients signified their intention of using the entire group in the Fall.

"I am indeed happy that other broadcasters want the WMCA programs and once more it is my privilege to say it is our pleasure to serve them."

Thirteen hours weekly of commercial programs are being broadcast over the WMCA, New York-WIP, Philadelphia tieup, in addition to several sustaining programs which are exchanged. Largest user of time is Rev. George A. Palmer, Philadelphia, using an hour every morning except Sunday. Other advertisers on the twin stations are Health Aids Inc., Fitch Publishing Co., Dr. Howard D. Norton, Rev. Percy Crawford and Reformation Fellowship. WCBM, Baltimore; WDEL, Wilmington, Del., and WOL, Washington, now receiving station programs from WMCA, in no way affect the relationship between WIP and WMCA, having made independent arrangements with WMCA for sustaining service but receiving none of the programs originating at WIP.

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## WHEELER CLASSED AS "AMERICAN MESSIAH"

After discussing Senator Huey Long, Father Coughlin and several others, Senator Burton K. Wheeler, Democrat of Montana, Chairman of the Interstate Commerce Committee, and czar of communications in the upper House, is taken up in the "American Messiahs", a book soon to be published by Simon & Schuster, Inc., in New York, and now appearing serially in the Washington Post.

"His prophecies are not always accurate", the anonymous author of the "American Messiahs", observes, "and when he hoists the cyclone signals, only a spring shower or a local thunder storm may follow. His particular importance lies in the fact that he hoists his signals early - he was for Roosevelt for President before the latter's re-election to the New York Governorship in 1930 - while others are still arguing over the portents or tapping the barometer."

Asserting that as a presidential candidate, Senator Wheeler would have a powerful grip on his home State of Montana, and considerable personal prestige in the other Northwestern and Rocky Mountain States, the writer declares his monetary policy carries him very close to Father Coughlin. In fact, Wheeler could say "aye" to almost every plank of the latter's National Union for Social Justice and there is some suspicion that he has been one of Coughlin's monetary coaches.

"Moreover, Wheeler stands ace-high with the Catholics - the backbone of his support in Montana being Catholic and Montana itself being a strongly Catholic State as a result of the late Jim Hill's land policy for the Northern Pacific (Hill having argued that the Catholics were more docile and orderly, politically and economically, than the Protestants and so, though himself a Protestant, deliberately favored Catholic immigration along the right-of-way of his railroad)", the writer continues.

"Wheeler is very friendly with Huey P. Long, for whom he has acted as guide, interpreter and friend. Excepting Senator Overton, of Louisiana, and Hattie Caraway, of Arkansas - both of whom owe their election to Long - Wheeler is Long's closest buddy in the Senate, lending Long friendly assistance without permitting him to exercise any control. When Huey failed to turn up for the opening of the 1935 session of Congress, he wired Wheeler a message of explanation, promising that he would have an important utterance to deliver as soon as he arrived, and Wheeler read the telegram to the Senate."

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## NBC ARTISTS SERVICE REORGANIZES

A new and expanded operating plan for the NBC Artists Service has been completed, after months of experimentation, and put in operation, according to an announcement by George Engles, Vice-President of the National Broadcasting Company, and Managing Director of NBC Artists Service. The enlarged and highly specialized organization is now prepared to serve artists in the fields of radio, motion pictures, theater, opera, concerts, recording, private entertainment, hotels, night clubs and resorts. It also offers an equally extensive service to talent buyers in the advertising, theatrical and film worlds.

Daniel S. Tuthill, Assistant Managing Director of NBC Artists Service, Engles said, will continue in the office to which he was appointed for the purpose of effecting closer coordination between various departments within the organization. Tuthill also will continue his direction of the department's sales and sales promotion activities.

New divisions in the Artists Service operating plan include Auditions, Bands and Sales Promotion. Other departments, more highly organized than ever before, are:

## SALES REPRESENTATIVES CONTACTING ADVERTISING AGENCIES:

Mrs. Ethel B. Gilbert, T. F. Allen, John Babb.

## SALES REPRESENTATIVES CONTACTING LEGITIMATE AND

VAUDEVILLE THEATERS: Ruby Cowan, Murray Bloom.

## SALES REPRESENTATIVE TO MOTION PICTURE PRODUCERS:

Harold Kemp.

## PRIVATE ENTERTAINMENT DEPARTMENT: Frances Rockefeller

King.

## SALES REPRESENTATIVE FOR MANAGED AND OPERATED LOCAL

STATIONS: S. L. Ross.

## PROGRAM DEPARTMENT REPRESENTATIVE: L. J. Fitzgerald.

## BAND DIVISION: Harold Kemp, Director; Paul Wimbish,

Assistant; John L. Flynn, Road Bookings.

## NBC MANAGED ARTISTS: A. Frank Jones, Chester Stratton.

## NBC REPRESENTED ARTISTS: S. L. Ross

## CENTRAL BOOKINGS DIVISION: Edmund Sickels, Miss M. H.

Campbell, James Stirton, George Sax, Frank Murtha.

## AUDITIONS DIVISION: J. Ernest Cutting, Director;

Robert Smith, Anne Taylor, Assistants; E. H. Strong, Engineer.

## STAR TALENT PROMOTION: William McCaffrey

## SALES PROMOTION: Edward de Salisbury, Director;

Edith deTakacs, Assistant.

CONCERT DIVISION: Marks Levin, Director; Elsie Illingsworth, A. F. Haas, Siegfried Hearst, Sales Representatives; Helen Moberg, Promotion and Publicity; Jeannette Green, Recitals.

Out-of-town offices, in addition to the new Hollywood office, will function as usual. Sidney Strotz remains in charge of the Chicago office, assisted by Henry Sellinger and Robert Kendall; San Francisco, Everett Jones; Cleveland, Warren Wade; Boston, Cleon B. White.

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## U. S. GIVES SANCTION TO CBS ESTIMATES

Protest against acceptance by the United States Government by figures on radio homes compiled by Columbia Broadcasting Company has been voiced by Wallace Witmer, Manager of Arkansas Dailies, Inc., Publishers' representatives. As regards Arkansas at least, Mr. Witmer cites figures conflicting with the CBS estimates. Newspapers, he points out, are unfairly handicapped by acceptance of radio claims as to the number of listeners.

"As a CBS promotion piece", he told Editor & Publisher, "these claims might be understandable, but it is difficult to reason why the Bureau of Foreign and Domestic Commerce should accept these estimates and publish them as authoritative Federal information."

The estimates in question were published in the first Annual Statistical Number of "Electric Foreign Trade Notes" issued by the Bureau of Foreign and Domestic Commerce of the Department of Commerce at Washington.

"We have made no effort to check these estimates outside of Arkansas", Mr. Witmer states. "There can be no question that in Arkansas the estimates are greatly exaggerated. The 1930 census credited Arkansas with 40,248 radio homes. The World Almanac of the New York World Telegram reports 82,696 radio homes in Arkansas January 1934. Now this latest report of the CBS, as republished by the Department of Commerce, credits Arkansas with 122,089 radio homes.

"They are claiming more radios in Arkansas than there are electrically wired homes - the Arkansas Power & Light Company reports 97,125 wired homes in the State. Compare this with 122,989 radio homes claimed by the CBS. Granting that every electrically wired home has a radio set, the difference would have to be made up by battery sets.

"However, it is unlikely that very many battery sets are located in the cities. A quick check shows that even in the cities, the CBS claims more radio homes than there are homes electrically wired. The figures as quoted in the Department of Commerce bulletin include only the cities of Little Rock and Hot Springs in Arkansas. In Hot Springs they claim 3,100 radio homes when the total number of homes electrically wired is but 3,015, and in Little Rock, they claim 16,800 radio homes when the total number of homes connected with electricity is 15,685.

"A casual survey by anyone will show there are many electrically wired homes without radio sets in both of these cities; yet in both instances the CBS claims show more radio homes than are supplied with electric connections."

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## SWEDISH PATENT DECISION MAY HELP AMERICAN MANUFACTURERS

A decision was rendered in the Borough Court at Malmo which Swedish experts on patent law believe will eventuate in opening wide the Swedish market to all American makers of radio apparatus who, for a number of years, have been blocked in their efforts in this market by the radio patent situation, Commercial Attache Osborn S. Watson, Stockholm, reports.

The case was one in which Telefunken sued an importer of American apparatus under the basic screen grid tube patent. The decision, based on a new interpretation of Swedish patent law, held that the law provided that where a license fee was paid on a patent in another country and goods manufactured under that license were imported into Sweden that a second fee could not be collected in Sweden even though the original patent was also registered in Sweden. The American patents in Sweden have been assigned to European manufacturers, principally Phillips of Holland, who have carried on a campaign to keep American competitors out. The case will be appealed but until a final decision is given, it seems certain that American radio will have a better chance in Sweden.

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## CONGRESSMAN PRAISES RADIO RESULTS

Apparently amazed at the results he secured speaking on the subject of international peace and disarmament over Stations WRC and WJSV, in Washington, Representative Louis Ludlow (D), of Indiana, said:

"Believe me, when I say that radio is the way to reach the public."

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## INDEX TO ISSUE OF JUNE 7, 1935

100-Watters Fight For Recognition At NAB Parley.....	2
Networks Understood Ready To Extend ASCAP Agreement.....	3
Sarnoff and Young Honored By Marietta.....	3
Baldwin To Be Made Acting NAB Managing Director.....	4
N. Y. Radio Dealer Gets Federal Call-Down.....	4
Copyright Bill May Be Reported Soon.....	5
Capital Station Need Not Carry Out Hearst Agreement.....	6
Sabin Heads G.O.P. Radio Publicity Division.....	6
Complains Elmira Station Interferes With WABC.....	7
Pope Receives Marconi Family.....	7
Aylesworth G.E. Move Rumor Discounted.....	8
WLW Canadian "Suppressor" Called Ideal Solution.....	8
New Japanese Program Apparently Doesn't Come Through.....	9
Zenith Completes Year With Profit.....	10
New WMCA Artist Bureau To Function As Booking Office.....	11
Children's Programs Study Published By Audible Arts Institutell	

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## 100-WATTERS FIGHT FOR RECOGNITION AT NAB PARLEY

If present plans prevail, the smaller radio stations, those of 100 watts power and thereabouts, will form an organization of their own at the forthcoming convention of the National Association of Broadcasters to be held at Colorado Springs early in July. The object of the new organization, as explained by LeRoy Mark, of Station WOL in Washington, is to secure more adequate representation on the NAB Board of Directors.

"The smaller broadcasters now comprise one-third of the membership of the National Association of Broadcasters, yet out of the Board of 15 Directors, only two are from this class of membership", Mr. Mark said. "We are not going to the convention with a 'chip on our shoulder' or are we looking for a fight, but I predict if we do not secure adequate representation on the Board, the smaller broadcasters may withdraw from the National Association and further build up the structure of an independent body. As it is now, the Board is completely dominated by the networks, the NBC and Columbia, and the larger stations."

An organization meeting of the smaller broadcasters was held recently but it was decided to wait until the Colorado Springs convention to organize formally so that a larger number of broadcasters, especially those of the Middle West and Far West could have a part in it. However, an Organization Committee was named with Edward A. Allen, of WLVA, Lynchburg, Va., as Chairman. The members of the committee are as follows:

LeRoy Mark, WOL, Washington; William S. Pate, WMEX, Boston; Charles A. Hill, WIBM, Jackson, Mich.; Edward E. Bishop, WGH, Newport News; John Elmer, WCBM, Baltimore; C. W. Hayes, WHBC, Canton; Steve A. Cisler, WJTL, Atlanta; W. W. Gedge, WMBC, Detroit; Herbert Hollister, WLBF, Kansas City; Ben S. McGlashan, KGFJ, Los Angeles; Earl J. Smith, WNBZ, Saranac Lake; H. M. Loeb, WFDF, Flint; Winston L. Clark, WLAP, Lexington; Clair R. McCollough, WGAL, Lancaster; L. A. Benson, WIL, St. Louis; Ormond S. Black, WSGN, Birmingham.

The purpose of the group, which is to be known as "Local Broadcasters", is to sell advertising time to the national agencies who otherwise would not be able to deal with the numerous 100 watt stations scattered all over the country.

6/7/35

It is also understood that there may be a meeting at Colorado Springs of the representatives of newspaper-owned stations. The name of Walter J. Damm, of WTMJ, Milwaukee, has been mentioned as the leader of this movement. It was said, however, that though there was a likelihood of the newspaper people having their own meeting that this was not predicated upon any "grouch" or grievance with regard to the National Association.

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#### NETWORKS UNDERSTOOD READY TO EXTEND ASCAP AGREEMENT

Although there was no confirmation forthcoming, it was reported in Washington that the National Broadcasting Company, the Columbia Broadcasting System and several stations, including WOR, Newark, and WCAU, Philadelphia, had agreed to extend their present contracts for the broadcasting of copyrighted music with the American Society of Composers for the next five years.

On the eve of the time set for the trial of the Government anti-Trust suit against the Composers, which, if it is held, will begin Monday, June 10th, a meeting of Broadcasters and Composers was held in New York to consider an informal proposal for a five-year extension of the present agreement. However, no quorum was present and nothing was accomplished by those assembled.

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#### SARNOFF AND YOUNG HONORED BY MARIETTA

Following the graduation last week, Marietta College in Ohio conferred the honorary degree of Doctor of Science upon David Sarnoff, President of the Radio Corporation of America, and Doctor of Laws upon Owen D. Young, Chairman of the Board of the General Electric Company.

Among others who received degrees at Marietta was Dr. John H. Finley, Associate Editor of the New York Times, who received the honorary Doctor of Laws degree.

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## BALDWIN TO BE MADE ACTING NAB MANAGING DIRECTOR

Believed to be a forerunner of his holding the position permanently, James W. Baldwin has been named Acting Managing Director of the National Association of Broadcasters by Philip G. Loucks, the present Managing Director, who resigned recently and whose resignation will become effect following the convention of the Association at Colorado Springs in July.

Mr. Loucks said that he had taken this step because of the fact that it would be necessary for him to be constantly in attendance at the Government suit against the Composers set for Monday, June 10th, in New York which proceedings, if started, would probably take considerable time. Mr. Loucks felt that he could not give his undivided attention to these sessions and at the same time carry on the duties required of him as the Managing Director of the Association.

Furthermore, Mr. Loucks said that in his annual report to be submitted at the Colorado Springs convention, he expected to propose to the Directors of the Association that Mr. Baldwin be elected to succeed him.

Baldwin, as is well known, up to the time of the Supreme Court NRA decision was Code Officer for the Broadcasting Industry. Before that, he was Secretary of the old Radio Commission.

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## N. Y. RADIO DEALER GETS FEDERAL CALL-DOWN

(For Release Monday, June 10, 1935)

Selling a so-called "short wave converter" under the trade designation "Python", Irving S. Manheimer, of New York City, trading as "Grenpark Company", dealer in radios, has entered into a stipulation with the Federal Trade Commission to cease and desist from misleading advertising of this product.

Manheimer agrees to stop making representations to the effect that, by use of his converter in connection with a radio receiving set, the set will be able to intercept foreign transmission over short waves "from all the far corners of the world" or that "foreign stations can be obtained regularly or whenever they are on the air".

The respondent agrees also to cease the use of any representations which may tend to mislead buyers into believing that the user of a radio set equipped with his product can obtain continuous and satisfactory reception of short waves from foreign countries under all conditions, when this is not the fact.

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COPYRIGHT BILL MAY BE REPORTED SOON

Considerable progress has been made in connection with the Duffy Copyright Bill now under consideration by the Senate Patents Committee of which Senator McAdoo, of California, is Chairman. A sub-committee consisting of Senators Duffy, of Wisconsin, Bone, of Washington, and White, of Maine, met in executive session Wednesday morning. The next day they reported to the full committee which began considering the bill section by section. Another meeting was scheduled for this afternoon, Friday, June 7, and it is expected that the committee will continue its meetings until the bill has been entirely gone over.

Although the question as to open public hearings has not been decided upon, it is believed that such sessions will not be held; rather those in touch with the Committee are under the impression that the committee may call representatives of certain interests if they feel their advice is needed or that they should be heard.

In submitting his report on the Copyright Bill, Senator Duffy said that the new Copyright convention "specifically provides for authors' security in the matter of radio broadcasting and it otherwise has kept abreast of the times as new discoveries, inventions, and methods have magnified the importance to authors of the maintenance of copyright."

In reporting to the Senate Committee, Wallace McClure, Chairman of the Interdepartmental Committee on Copyright, said, in part:

"The Interdepartmental Committee's bill limits actionable infringement in respect of copyrighted works received by means of radio or 'canned music', to use in establishments such as theaters and restaurants where per seat or per cover charges are definitely and particularly made for the entertainment afforded. Accordingly, the bootblack stand, drug store, and similar establishments will be exempt when the bill becomes law.

"The question remained whether there should be a minimum statutory charge for any purpose. Various conferees argued for retaining the present minimum, for reducing it to \$150 or to \$100, and for the elimination of a fixed minimum altogether. In view of the enormous difference between the economic status of various types of copyright users, for instance between the street organ grinder and a great network of broadcasting stations, it seemed to the committee desirable to leave the minimum wholly to the discretion of the court and to raise the maximum from \$5,000 to \$20,000."

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## CAPITAL STATION NEED NOT CARRY OUT HEARST AGREEMENT

Justice Daniel W. O'Donoghue, of the District Supreme Court, indicated Thursday that the administrators of the M. A. Leese estate in Washington, D. C., cannot be compelled to carry out an agreement with Hearst Radio, Inc., for the sale of capital stock of Station WMAL in that city. The Justice withheld formal dismissal of the case, but said he felt filing of additional briefs by Hearst's counsel would not change his original intention.

The agreement, signed by Lorraine L. Good, Martin N. Leese, and William E. Leese, who are acting as administrators of their father's estate, called for a purchase price of \$285,000. The estate was to continue receipt of an annual rental from the National Broadcasting Co. for slightly more than two years.

Stipulation also was made in the agreement for a more formal agreement to be drawn up for clarification of certain points indefinitely mentioned in the first agreement. This was never signed, nor did Mrs. Fanny L. Leese, Mr. Leese's widow, sign the original draft.

Two features of the agreement met Justice O'Donoghue's disapproval. He said that the administrators purported to make the Leese Optical Co. a party in the plan and also attempted to dispose of real estate "they do not own or control." Signature of the contract in their "administrative capacity" by the administrators did not meet these objections.

Elisha Hanson and E. C. Lovett, representing Hearst Radio, sought opportunity to file additional briefs.

"I shall keep my mind open", the justice said, "but I don't think it's going to change my mind."

The law firm of Hamilton & Hamilton, representing the administrators, raised six objections to the suit, contending the agreement was neither a valid nor binding contract, that it was vague, indefinite and uncertain, that it was impossible of performance, that it was unenforceable under the statute of frauds, and that it was prematurely instituted.

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## SABIN HEADS G.O.P. RADIO PUBLICITY DIVISION

Plans for establishing a radio publicity division of the Republican National Committee with Thomas Sabin, of New York, at its head were announced in Washington by Chairman Henry P. Fletcher.

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6/7/35

COMPLAINS ELMIRA STATION INTERFERES WITH WABC

A formal complaint has been lodged with the Federal Communications Commission against Station WESG, at Elmira, N. Y., by Roscoe C. Peacock, President of The Moore- Cottrell Subscription Agencies at North Cohocton, N. Y. Mr. Peacock not only alleges that the programs of this station are of mediocre quality but further that it interferes with the broadcasts in that section of the country from the Columbia key station, WABC, in New York City.

Mr. Peacock's letter to the Communications Commission follows:

"I noted in some newspaper within the past day or two that your honorable body has demanded to know of some 150 radio stations throughout the country how they could justify further permission to make their broadcasts -- apparently because the air is so overcrowded now and these stations are the least worth while.

"In this connection I would like respectfully to make my protest against the station maintained at Elmira, New York, keyed WESG. This station, if I do say it, broadcasts the cheapest and most uninteresting programs one could well imagine. A good part of the broadcasts are made via phonograph records, and what broadcasting is done by flesh and blood performers is of a quality so poor that it would hardly do credit to the average Sunday School entertainment. Apparently they have no service from any of the national hookups such as the NBC and Columbia networks.

"Recently it would seem that their power must have been stepped up as I find they constantly interfere with my reception of broadcasts from Station WABC, New York. This latter station is the only one on which I have been able heretofore to get any satisfactory reception of the Columbia chain broadcasts. Either WESG has been given the right to broadcast on a higher wattage than would seem right or else they must be wobbling off their wave length as I find the interference with WABC practically shuts that station out a good part of the time.

"I see no reason why as uninteresting a station as WESG should be permitted to operate in such fashion."

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POPR RECEIVES MARCONI FAMILY

Pope Plus received Marchese Guglielmo Marconi, the inventor of the wireless, and his family in a private audience last Tuesday at Vatican City, according to an A.P. report.

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## AYLESWORTH G.E. MOVE RUMOR DISCOUNTED

A report from New York that M. H. Aylesworth, President of the National Broadcasting Company, would resign shortly to join the General Electric Company was discounted in Washington.

"I don't believe there is a thing in the story of Mr. Aylesworth's leaving the NBC at the present time", one close to him said. I am quite sure that he is not going to the General Electric Company. What would he do there? He is not a manufacturer and even if he were, no one has heard that either Mr. Owen D. Young or Mr. Gerard Swope expect to retire in the near future."

Several times in the past it has been reported that Mr. Aylesworth would leave the NBC to head the Hearst radio organization.

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## WLW CANADIAN "SUPPRESSOR" CALLED IDEAL SOLUTION

Interference suppression by means of directional antenna arrays, a comparatively new development in broadcasting, has been pushed one step forward with the installation of an unusual "suppressor" antenna for WLW's 500 kw station at Cincinnati. The new antenna is designed to lay down a 50 kw signal in the vicinity of Toronto, Canada, and a 500 kw signal in all other locations within reach of the station.

Following complaints made by listeners of CFRB, a station in Toronto, operating at 10 kc separation from WLW's frequency, that the high-power signal of the Cincinnati station was causing undue interference, the Canadian government made representations to the Federal Communications Commission, through the State Department, asking for a reduction of WLW's power output. At the request of the FCC, WLW was obliged to operate at 50 kw output after sun-down. Under this arrangement ninety per cent of the power output of the station was useless during the all-important evening hours, a situation which prompted the engineers of the station to develop an antenna system which would clear up the interference without reducing the power output below the full capacity of 500 kw.

"The system arrived at is an almost ideal solution to the problem, in that it reduces the interference in the locality from which complaints were received without reducing the signal strength in other localities", Electronics reports. "This is a distinct advance over previous methods of interference suppression using directive antennas, which reduced the interference in a given direction from station, rather than in a

particular locality. In particular, the signal at Toronto and surrounding territory within a radius of 150 miles, is reduced to 50 kw, the power output of WLW before its increase to 500 kw, and under which no complaints were received.

"According to J. A. Chambers, Chief Engineer of the station, WLW's secondary service area (that served by the sky-wave of the station) is much more important than that of lower power stations, since the sky-wave is powerful enough to give a useful service at distances up to a thousand miles or more. It was important, therefore, in designing the antenna system not to jeopardize the usefulness of the sky wave signal. Had a simple directional antenna been used, with a null point in the direction of Toronto, the secondary service would have been subjected to severe fading from unavoidable wave-interference patterns. In addition, since a line from Cincinnati to Toronto passes through several important industrial areas in Ohio, the primary service would have been greatly impaired in this direction. Early in the development of the new system, therefore, it became clear that a simple directional signal was to be avoided at all costs.

"Forced to a consideration of other possibilities, the engineering staff of the station started with the fact that the radiation which caused the interference in Toronto left the antenna of the station at an angle of 20° above the horizon, and was subsequently reflected into the Toronto area by the Heaviside layer. It was decided to suppress the radiation at the angle above the horizon in the direction of Toronto, and if possible to avoid suppressing the signal at any other angle, or in any other direction. The system finally worked out accomplishes this result by the use of two additional vertical radiators, fed with 85 kw power, and so placed with respect to the main radiator that the desired reduction of signal strength is obtained at the required angle. The cost of the additional facilities is estimated at \$30,000."

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NEW JAPANESE PROGRAM APPARENTLY DOESN'T COME THROUGH

Although the schedule was announced by the Japanese Embassy in Washington, apparently as yet no one has been able to pick up the Japanese International short-wave program supposed to come through every night between 8:30 and 9:30 P.M. EST.

It was said that these programs would be broadcast by JVH, Nazaki, a suburb of Tokyo, on 20.5 meters (14,600 kc.), 28 meters (10,600 kilocycles), or 40 meters (7,510 kilocycles).

No further word has been received by the Japanese Embassy with regard to these programs.

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## ZENITH COMPLETES YEAR WITH PROFIT

Despite increased costs and a rather heavy expenditure for advertising, the Zenith Radio Corporation completed the year with a profit of \$10,759.67, after taxes, liberal charge-offs and year end adjustments, E. F. McDonald, Jr., of Chicago, President of the company, reports.

"The company continues to maintain its liquid position", Mr. McDonald reported to the stockholders of the Corporation. "Substantial cash balances are kept in banks or invested in government securities. Receivables are in good condition with reserves more than ample for doubtful accounts. Inventories are low as a result of a substantial amount of spring business and represent only current merchandise. All obsolete or doubtful materials have been completely charged off.

"The corporation has no bank loans and all current obligations are being discounted when due. The ratio of current assets to all liabilities is 4 to 1, whereas it was less than  $2\frac{1}{2}$  to 1 a year ago and the year previous.

"During the past year the company marketed what was probably the most highly developed line of short wave receivers on the market. Their outstanding performance combined with a widely advertised money-back guarantee did much to further strengthen our position in the industry and enhance our long established reputation for a quality product.

"Our prospects for the coming year are very encouraging. The 25-tube Stratosphere, which was an outstanding achievement during the past season, is increasing in popularity. New developments by our laboratory which will very shortly be announced to our distributors will give us an advantage over competition.

"In addition, we are bringing out a line of receivers for the farm home. These will enable the rural resident to whom electricity is not available to obtain the same radio reception and performance that is now being enjoyed by the city resident. The farm field offers great sales possibilities for this type of receiver. Now that we are prepared to furnish it, we expect to be able to develop a new market which should produce a large volume of sales in addition to our regular electric home and automobile receiver business.

"The corporation has made arrangements with a well-known banking house to provide for its dealers a most economical and liberal finance plan for instalment sales. This finance plan is exclusive and available only to authorized Zenith dealers on Zenith receivers. It provides Zenith dealers, especially those with limited capital, with a means of making and financing many sales of Zenith receivers which they have been unable to handle heretofore."

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## NEW WMCA ARTIST BUREAU TO FUNCTION AS BOOKING OFFICE

The establishment of the WMCA Artist Bureau was announced on Wednesday by Donald Flamm, President of the Knickerbocker Broadcasting Company, owners of Station WMCA. The administration of the Bureau will be under the direction of Zac Friedman, prominent theatre executive, assisted by Charles S. Wilshin.

It is intended that the new department will function as a complete booking office, handling WMCA's artists and orchestras and a large number of new units in radio, vaudeville, motion picture and theatre bookings.

Formerly associate producer at the Radio City Music Hall, and more recently, Managing Director of the Fox Brooklyn Theatre, Zac Friedman brings to the WMCA organization valuable experience in the world of the theatre.

Charles S. Wilshin, who is assistant to the Director, was for twenty years associated with the B. F. Keith and Radio-Keith-Orpheum Offices as franchise representative. Through his franchise, the Artist Bureau will book talent into all the important RKO houses.

"A large number of new artists and units are being added to WMCA's roster of radio stars, including some of the most famous orchestras, dancing teams, singers and dramatic groups of the Variety stage", an announcement from WMCA reads. "These artists will be placed under exclusive contract to the WMCA Artists Bureau for placement with all the important radio stations, advertising agencies, theatre chains and motion picture companies in the East."

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## CHILDREN'S PROGRAMS STUDY PUBLISHED BY AUDIBLE ARTS INSTITUTE

A survey of radio programs for children, and the formulation of criteria for the evaluation of programs in this field has just been completed by the Radio Committee of the Child Study Association of America, and published by The Radio Institute of the Audible Arts concurrently with a study of "Radio and Children" by Sidonie Matsner Gruenberg, Director of the Child Study Association and lecturer in parent education at Teachers College, Columbia University.

The survey, made in recognition of the intense current interest in the subject of radio and children, and as a possible aid to parents and young people themselves in the selection of suitable programs for various age levels, reveals that not only has there been a marked improvement in broadcasting for children, but also that there are indications of an increasingly constructive approach.

6/7/35

The Committee lists the following typical children's programs, presented by the major networks, as illustrating the suggested standards of emotional emphasis, good taste, truthfulness, attitudes and sentiments, language and quality, and advertising: Singing Lady, Nursery Rhymes, Terry and Ted, Roses and Drums, Buck Rogers, Bobby Benson, Billy and Betty, Let's Pretend, Radio Theatre; and for special interests, Junior Radio Journal, The Puzzlers, and Chats About Dogs. News and sports commentators, and music on the radio are also mentioned as constructive features. It is stressed that the listing is intended only as a preliminary guide to current programs; that some programs not included may be unobjectionable for certain children; and some of those listed may be unsuitable for others, and that the individual child's age, and his special needs and interests must always be taken into consideration by parents and teachers. The list will be brought up to date in the Fall, at which time it will be revised and amplified.

The Committee which made the survey included Mrs. Case Canfield, Chairman; Mrs. Sidonie Matsner Gruenberg, Josette Frank, Zilpha Carruthers Franklin, Mrs. George Van Trump Burgess, Mrs. Nelson Doubleday, Mrs. Richard S. Emmet, Mrs. Walter Hirsch, Mrs. Frank E. Karelsen, Jr., Mrs. David Levy, Mrs. Zelda Popkin, Mrs. Haviland Smith, Mrs. Fred M. Stein, Jr., Mrs. Sherman Post Haight, Mrs. Everett Dean Martin, Mrs. William Barclay Parsons, Jr., Mrs. Hugh Grant Straus, Cecile Pippel, Ruth Brickner, M.D., Anna M. Wolf and Berthe Goodkind.

The Radio Institute of the Audible Arts, which published both the survey and Mrs. Gruenberg's study of "Radio and Children", was founded about six months ago by Phildo Radio & Television Corporation with Pitts Sanborn, prominent music critic, as Director, to act as a clearing house for information and ideas on radio; to quicken the public interest in worthwhile radio programs; and to encourage the fuller utilization of the radio as an instrument of entertainment and education.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JUNE 11, 1935.

Karol Defends Columbia Statistics Government Used.....	2
Americans Overcome Jap Radio Competition In Manchuria.....	3
Right Denied To Officers To Serve More Than One Company....	4
FCC Head Denies Station Speech Gum-Shoeing.....	6
WTMJ Throws Out Patent Medicine Advertising.....	7
If Demosthenes Had Had A Radio.....	7
Plenty Of Radio Regulations In Russia.....	8
Composers Trial Proceeds.....	9
Auto Radios Make Hit In France.....	9
European Correspondent Sues Transradio.....	10
Doctors Rap Radio Ads.....	11
Copyright Bill Consideration Goes Over.....	12
NBC Engineers Meet.....	12
WMCA Opens Chicago Branch Office.....	12

No. 833

*Handwritten signatures and initials:*  
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June 11, 1935.

## KAROL DEFENDS COLUMBIA STATISTICS GOVERNMENT USED

There was a spirited defense of the figures on radio homes, compiled by the Columbia Broadcasting System and used in a recent Government publication, by John J. Karol, Columbia's Director of Market Research.

Wallace Witmer, Manager of Arkansas Dailies, Inc., questioned the statistics which appeared in the annual statistical number of "Electric Foreign Trade Notes" issued by the Bureau of Foreign and Domestic Commerce in Washington. Mr. Witmer stated that he had made no effort to check the estimates outside of Arkansas but that insofar as that State was concerned, there could be no question but that the estimate was greatly exaggerated.

"It is conservatively estimated that there are 4,300,000 battery-operated sets in the U. S. Certainly the state of Arkansas is one of the best markets for battery-operated sets", Mr. Karol declares.

"It should be borne in mind that the figures on wired homes are as of January 1930, while the figures on radio homes are as of January 1935. Undoubtedly if a new survey of wired homes could be made in 1935, the totals for Arkansas would be considerably higher.

"These two factors should certainly account for the very slight discrepancies which Mr. Witmer points out.

"As you know, we were careful to explain that the breakdown of the figures by counties and principal cities was based on the sampling method and was not an actual count. We feel confident that the state figures are accurate and that the finer breakdowns are as reliable as can be adduced from all the information at hand. It is quite possible, of course, that there may be inaccuracies in the breakdown by cities, but certainly the data which Mr. Witmer provides serves to corroborate rather than to contradict the findings of the nation-wide study conducted for CBS by Daniel Starch and Staff. You will recall that this study comprised 125,000 personal interviews and included every state in the U. S."

Mr. Witmer asserted that in Hot Springs, Columbia claimed 3,100 radio homes when the total number of homes electrically wired in that city is but 3,015.

6/11/35

Replying to this, Mr. Karol said:

"I just noticed that the U. S. Department of Commerce report on wired homes as of August 1930 reveals a total of 4,318 for Hot Springs, Arkansas instead of the 3,015 which Mr. Witmer quotes. Since our estimate of radio homes in Hot Springs is 3,100, this appears quite reasonable and conservative."

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#### AMERICANS OVERCOME JAP RADIO COMPETITION IN MANCHURIA

Notwithstanding severe Japanese competition, American radio receiving sets have been able to maintain a strong position in the Manchurian market, according to advices from Vice Consul Arnold Van Benschoten, Dairen.

Japanese 3 and 4-tube sets in this market, it is pointed out, are sold at prices markedly under similar American sets, but starting with 5-tube sets Japanese prices are only approximately 10 per cent lower.

Prices for Japanese models range from 18 to 200 yen for the 3 and 4-tube sets and from 45 to 230 yen for sets from 5 to 8 tubes. The highest priced sets, it is pointed out, are phonograph combinations (Japanese yet equals approximately \$0.30).

Imports of radio sets and parts into Manchuria during 1934 were valued at approximately \$192,000 against \$115,000 in the preceding year. During the first two months of the current year imports declined to \$35,700 compared with \$38,600 in the corresponding period of 1934, statistics show.

The increasing popularity of American radio receiving sets in Manchuria, the report states, is due to the fact that there is a growing tendency on the part of prospective buyers in that market to insist on radios capable of satisfactory reception rather than seeking price concessions on low-grade makes.

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## RIGHT DENIED TO OFFICERS TO SERVE MORE THAN ONE COMPANY

Ten prominent officials of communications companies who sought permission of the Federal Communications Commission to serve as officers or directors of more than one carrier subject to the Communications Act, were denied that right yesterday (Monday, June 10) by the Commission en banc, presided over by Chairman Anning S. Prall.

The petitioners, whose applications were denied, were:

Sosthenes Behn, of the International Tel. & Tel. Co.; Newcomb Carlton, W. U.; Edwin F. Carter, A. T. & T.; John J. Halpin, Postal; David Sarnoff, RCA, Lewis MacConnach, RCA; Edwin F. Chinlund, Postal; E. Y. Gallaher, Western Union; Walter S. Gifford, A. T. & T. and Frank L. Polk, Commercial Cable.

Commissioners Walker, Payne, Case, Sykes and Prall voted in the negative, Commissioners Stewart and Brown voted in favor of granting the petitions.

The order was made effective August 9, and the following telegram was ordered dispatched to each of the individuals named:

"Your petition to hold the position of officer or director of more than one carrier under Section 212 of the Communications Act of 1934 was today denied by the Commission, the Commission's order to be effective August 9, 1935."

The opinion was ordered to be issued on June 17th.

Section 212 of the Communications Act reads:

"After sixty days from the enactment of this Act it shall be unlawful for any person to hold the position of officer or director of more than one carrier subject to this Act, unless such holding shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. After this section takes effect it shall be unlawful for any officer or director of any such carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends of such carrier from any funds properly included in capital account."

6/11/35

On December 31, 1934, the Commission issued the following order:

"1. It is ordered, That persons who did, on or before December 15, 1934, file personal application with the Commission for authority to hold the positions of officer or director of more than one carrier, under Section 212 of the Act and orders and regulations of the Commission, are authorized to hold the positions of officer or director of more than one carrier pending final order by the Commission on their respective applications, subject to all of the limitations set out in orders heretofore issued.

"2. It is Further Ordered, That the applications, under Section 212 of the Act and orders and regulations of the Commission, by and in behalf of the persons requesting authority to hold positions of officer or director of more than one carrier, being under consideration, there being no affirmative showing in their respective applications sufficient to convince the Commission that public and private interests will not be adversely affected thereby, each of said persons hereinafter named will be given a hearing at the office of the Commission in Washington, D. C., on Monday, January 21, 1935, at 10 o'clock, A.M."

Interested parties were given an opportunity to present their cases to the full Commission at the hearings held the first part of February having been postponed until that time from the original date set.

Some of those affected by the Commission's order to confine their official connections to a single company are:

David Sarnoff, President and Director of the Radio Corporation of America Communications and of Radio-Marine Corporation of America; Walter S. Gifford, President and Director of American Telephone & Telegraph Co., and a Director in 21 other companies (communication companies); Sosthenes Behn, President of the International Telephone & Telegraph Co., and Director in 3 other such companies; Edwin F. Carter, Vice-President of the American Telephone & Telegraph Co., and a Director in two other communications companies and Lewis Maconnach, Secretary of the Radio Corporation of America Communications and Radio-Marine Corporation of America.

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## FCC HEAD DENIES STATION SPEECH GUM-SHOEING

An absolute denial was made by Anning S. Prall, Chairman of the Federal Communications Commission that Dr. C. B. Jolliffe, Chief Engineer of the Commission had the field offices throughout the country to deliver secret reports on any attacks which had been made on Government officials or Government Departments over the radio. Chairman Prall said that he did not consider "the instructions which were issued in any way tended to restrict free speech or limit the lawful activities of any broadcast station."

Although Chairman Prall did not explain this angle, it was said that the instructions for inspectors to keep an eye on what the stations were saying was inspired by the speeches of Dr. Brinkley, thrown off the air in both the United States and Mexico, but now broadcasting by proxy in the latter country, and who up to a short time ago succeeded in having these talks rebroadcast in the United States.

Critics of the FCC declared that Dr. Jolliffe was "gum-shoeing" for evidence to cancel the licenses of those stations which had launched political attacks on President Roosevelt and the New Deal.

An official explanation issued by Chairman Prall follows:

"The Federal Communications Commission frequently receives reports and complaints from outside sources of questionable programs being broadcast, such as alleged lotteries, medical talks, etc. In order that the Commission might be promptly advised of such irregularities in the programs or operation of broadcast stations which may be construed as possible violations of the law or rules of the Commission, on January 3, 1935, the Chief Engineer, Dr. C. B. Jolliffe, in charge of the Field Service, issued instructions to the inspectors to report to the Commission any information which they might obtain concerning illegal programs or programs of doubtful public interest.

"Programs concerning which information was requested were those containing obscene or indecent language, lotteries, programs originating in the United States and broadcast from foreign stations without authorization, objectionable medical talks, schemes involving fraud, fortune telling, programs attacking religious faiths or creeds, libelous or slanderous attacks upon individuals, officers or Government officials, programs involving a large amount of time spent on selling and advertising, programs not considered to be of good moral content, advertising and soliciting business for professional men and boycotts.

"The Commission has 23 field offices in the United States and Hawaii to assist it in the administration of the radio provisions of the Communications Act of 1934. The men assigned to these offices keep the Commission informed on all phases of radio activity, including broadcasting, in their respective districts. These instructions were concerning one of their routine duties."

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#### WTMJ THROWS OUT PATENT MEDICINE ADVERTISING

Harry Grant, Milwaukee Journal publisher, has recently announced cancellation of offensive radio advertising sought to be broadcast over the paper's radio station WTMJ. The publisher's announcement states: "Because the advertising of internal patent medicines was not deemed to be in the public interest, convenience nor necessity, WTMJ has cancelled all such contracts in an effort to clean up the air and rid it of offensive advertising matter. From now on products which claim to be universal cures and others which cannot support the claims made for them will be barred from the air by WTMJ. Network programs presenting offensive advertising will also be cancelled for the same reasons if conditions warrant."

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#### IF DEMOSTHENES HAD HAD A RADIO

Owen D. Young, Chairman of the General Electric Company, while at the annual Alumni Day exercises of his alma mater, St. Lawrence University, encountered one of his old professors, Charles Kelsey Gaines, under whom he studied forty years ago, and proceeded to discuss with him a comparison of the democracies of Greece, Rome and America. One thing led to another when finally Mr. Young asked Professor Gaines:

"What do you think Demosthenes could have done for Greece if he had had a radio?"

"Why, he would have changed all of history", Dr. Gaines answered. "He almost accomplished miracles by his own voice and eloquence. The larger the audience an orator has, the larger his influence. I think the newspapers are even more influential today than the radio."

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## PLENTY OF RADIO REGULATIONS IN RUSSIA

As shown by a compilation just made public by the U. S. Department of Commerce, radio regulations in Russia are complicated and very strict for listeners, broadcasters and all concerned.

A preliminary authorization by the People's Commissariat for Communication is required in case of foreign citizens within Russia installing tube or detector receivers and for those listeners generally who install receivers within 100 kilometers from the Russian land or sea frontiers.

Installation of radio transmission stations and their operation is permitted only with the preliminary authorization of the local organs of the People's Commissariat for Communication.

All the owners of radio transmission stations, radio transmission points, and radio receiving sets must without hindrance admit controllers of the People's Commissariat for Communication both for the purpose of technical investigation of these installations and their auxiliary equipment and for the purpose of verifying in necessary cases permits registration documents.

The People's Commissariat for Communication has the right to exempt separate categories of radio transmission stations from the duty of obtaining preliminary authorization for installation and operation and also from the registration of separate categories of radio transmission stations.

The People's Commissariat for Communication may charge the owners of radio transmission stations a special fee for the registration of these radio transmission stations, for the issuance of permits, for technical control and for other actions performed by the organs of the People's Commissariat for Communication.

For stations of 200 to 500 watts, a fee of 500 rubles a year is charged, for stations above 500 watts, 750 rubles is the fee.

A fine of a half a year's subscription's fee for the radio set of a corresponding type shall be imposed upon the listener for failure to pay subscription fees in the periods fixed and for payment of such fees according to the wrong category.

A fine for the failure to pay the subscription fee is collected on the expiration of 15 days from the date the radio set was installed or from the date of the termination of the preceding period for which the subscription fee was paid.

The subscription fee for the radio reception is charged to the owners of the tube and detector receiving sets in the following amounts:

- a. For detector receiving set, 3 rubles a year;
- b. For tube receiving set used by individual persons, 24 rubles a year;
- c. For tube receiving set used collectively, 24 rubles a yr.
- d. For tube receiving set of public use (without a radio transmission station), 50 rubles a year.

A violation of the present resolution and a violation of the instructions issued by the People's Commissariat for Communication in pursuance of the present resolution entail liability under the laws of the constituent republics.

The Russian regulations comprise 5 pages multigraphed, single-spaced and a copy may be secured by sending 25 cents to the Bureau of Foreign and Domestic Commerce, Electrical Division, in Washington, and asking for "Radio Markets - Russia; Radio Regulations."

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#### COMPOSERS TRIAL PROCEEDS

When the Government anti-trust suit against the American Society of Composers was called for trial Monday morning, Nathan Burkan, representing the Composers, asked that the case be adjourned until Fall. Following this the Court recessed and Judge Goddard indicated that he might make a decision in the matter today (Tuesday, June 11). This he did, deciding against a postponement, and the trial got under way.

The National Broadcasting Company, Columbia, Stations WOR, Newark, and WCAU, Philadelphia, in the meantime have signed a 5-year extension of their contracts with the ASCAP.

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#### AUTO RADIOS MAKE HIT IN FRANCE

Taxis equipped with small radio sets which appeared recently in Paris have met with great success. At present there are 5,000 of these taxis running, and many others are being prepared, Assistant Trade Commissioner Lestrade Brown, of Paris, estimates. One hundred francs per year is paid by the taxi companies to the government for each one of these radio sets installed in their taxis.

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## EUROPEAN CORRESPONDENT SUES TRANSRADIO

Wythe Williams, European correspondent for the Transradio Press Service, has sued that organization for \$5,000 for news reporting "for which defendant agreed to compensate plaintiff".

In the meantime, without referring to the suit, the following statement was given out by the radio press organization:

"Herbert Moore, President of Transradio Press Service, Inc., June 1, denied emphatically that he was in negotiations with the United Press, or anyone else, for the sale of any interest whatsoever in Transradio or Radio News Association. Such a rumor has been given circulation this week through Variety and has orally been asserted in trade channels. Mr. Moore added that several months ago Mr. Karl Bickel, then president of United Press, initiated some conversations with him on the subject of the purchase or exchange of Transradio stock, which conversations could hardly be termed negotiations, as Transradio was not then, and never has been, interested in selling any part of its properties. With equal emphasis Mr. Moore stated that he was in no way interested in current rumors that Transradio was receptive towards compromise settlements with some of the defendants in the pending action of Transradio against the press associations and broadcast chains."

Columbia was still reported to be negotiating with the United Press for the privilege of broadcasting the latter's news.

Showing what a perplexing situation the radio news problem offers, is the following editorial from the Editor & Publisher:

"It seems to be a fact that the average publisher of a newspaper, whether it employs radio as an auxiliary function or not, is in an attitude of complete indifference to news broadcasting. There have been no protests, known to us, against the sale of press service to radio stations, although that practice involves prior 'publication', on the air, of newspaper news. We are assured that editors and publishers have taken no action, individually or collectively, even against broadcasting of the reports of the A.P., a cooperative publishers' association. The I.N.S. is selling its complete report to broadcasters and advertisers. The U.P. is selling a specially prepared report, made up from its day's grist to broadcasters. Some news is being broadcast by advertising sponsors. Trans-radio is, as usual, serving all comers, including a group of newspapers which maintain radio outfits. Nobody seems to object to any of this, at least audibly.

6/11/35

"There must be a reason for such an attitude. It would seem to be unnatural for a publisher to approve a prior publication of his news by a rival medium that is supported by advertisers. The debate on the question whether such prior broadcasting of news hurts or aids newspaper circulations has been long and fervid and it remains as doubtful as ever. Some statistics seem to show that circulations have not been hurt. From that fact some publishers hold that their newspapers can stand on their own feet regardless of what radio may do. Others, arguing logically, say that as the citizen does not need to be told twice that a given event has taken place, those who hear the stuff on the air will not read it in print, at least will only use print to confirm their impressions. The logician also asks if it is not true that the press must inevitably lose prestige, if not circulation, when the public begins to think that the place to get news first is by turning dials, rather than printed pages.

"Perhaps the reason publishers are not excited about the sale of radio-news is that they believe the present heavy use of news in broadcasting is only a flurry, that people will soon get fed up on serious current matter via radio and will start to demand more music, light feature and general entertainment on the air. There is serious doubt in routine news, except the more important break will hold the air audience after the novelty wears off. After all, we are subject to customs and habit and it is the American way to read, not listen to news. Besides radio does not accommodate the convenience of the public. News is read at certain fixed hours by most people.

"If these latter considerations are valid, and independent publishers are merely tolerating a condition which they think will soon adjust itself, the failure to protest against the broadcasting of newspaper news would be explained."

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#### DOCTORS RAP RADIO ADS

A report by the Bureau of Health and Public Instruction of the House of Delegates of the American Medical Association meeting at Atlantic City, said of radio advertising:

"The continued low advertising standards maintained by many broadcasting stations, with the resulting amount of fraudulent medical advertising that has gone out over the air, has been responsible for the bureau's receiving and answering thousands of inquiries about radio-advertised nostrum and quacks."

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## COPYRIGHT BILL CONSIDERATION GOES OVER

The meeting of the Senate Patents Committee scheduled for Tuesday morning for further consideration of the Copyright Bill, has been postponed until Thursday morning. The reason given was "rush of business on the Senate floor", but the real reason was that the Senators were probably watching the Shriners' Parade.

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## NBC ENGINEERS MEET

All divisional engineers of the National Broadcasting Company are meeting in New York this week for their first general conference since the company was founded in 1926.

The engineers will be entertained at a dinner Wednesday night at the Hotel Montclair.

They are A. H. Saxton, of San Francisco; R. H. Owen, of Denver; H. C. Luttgens, of Chicago; F. E. Leonard, of Cleveland; W. J. Purcell of Schenectady; A. E. Johnson, of Washington, D. C., and George O. Milne, of New York.

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## WMCA OPENS CHICAGO BRANCH OFFICE

Exclusive representation of WMCA in the mid-West has been assigned to Ray Linton, who will act as the station's representative in that trade area. The new WMCA offices are located at 360 North Michigan Avenue in Chicago.

Ray Linton has been prominent in station representation for several years. Five years ago he entered radio, joining the sales staff of the Columbia Broadcasting System's Chicago key station, WBBM. For the past two years, he has been associated with Gregg, Blair, and Spight, Inc., one of the largest of the mid-Western station representative firms.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

*all file*

## INDEX TO ISSUE OF JUNE 14, 1935

RMA Chicago Convention Is Big Success.....	2
Congressman Connery Tries To Block Prall Confirmation.....	4 —
National Network Advertising Slightly Off In April.....	5
Monaghan Introduces Radio Bill.....	6 —
Broadcasters Call Directors' Meeting.....	6 —
District Court Upholds FCC In Appeal.....	7
ASCAP Trial Grinds Along.....	8 —
Coast Guard Head Credits Low Tonnage Loss To Radio.....	9
Chilean Arsenal Begins Manufacture Of Radio Sets.....	10
Suggests President Taking Over Radio As He Did Gold.....	10
WXYZ To Join NBC Networks.....	11
Royal To Study European Radio On 7 Weeks Tour.....	11
Music Taboo In Arabia; But Radio Thrills Arabs.....	12
Applications Granted By FCC Broadcast Division.....	12

No. 834

BULLETIN: ANNING S PRALL WAS CONFIRMED BY THE SENATE  
LATE THIS AFTERNOON AS CHAIRMAN OF THE  
FEDERAL COMMUNICATIONS COMMISSION FOR A  
7-YEAR TERM

*7 April 1935*

## RMA CHICAGO CONVENTION IS BIG SUCCESS

A three-day program filled with future plans for developing the radio industry, many committee and group meetings, problems resulting from NRA code annulment, plus unusual entertainment features marked the eleventh annual RMA convention in Chicago, June 11-13. Over 100 manufacturers attended and the "RMA Cabaret" and membership dinner Tuesday evening was sold out at the 300 mark.

President Leslie F. Muter, of Chicago, and other officers were reelected.

Voluntary continuance of a few beneficial features of code operation were arranged for, but without any formal action or resolutions except for development of a plan to continue filing by set manufacturers of open prices. Existing wage scales will be generally continued voluntarily, according to those present.

In the discussions of industry problems resulting from annulment of NRA, a feature of the convention was an address by John W. Van Allen, of Buffalo, RMA general counsel, criticizing "New Deal laws". He declared many were contrary to the American plan of government and individual freedom. He deplored "usupation of political power", declared that the American plan was for a government of laws, not of men, and that the latter would lead to political despotism. He also criticized the tremendous debt burden and new laws oppressing business and industry. In discussing the proposal for amendment of the Constitution to meet the NRA decision of the Supreme Court, Judge Van Allen warned that this would give the President power to make "laws" and make Congress and the President the sole judges of their own powers, resulting in "dictatorship or downright despotism."

The industry leaders also were warned by Arthur T. Murray, of Springfield, Mass., Chairman of the Set Division and former Code supervisory agency, against "chiseling" on wages. Industry, instead of the Government, Mr. Murray declared, now has the problem of solving the unemployment situation. He said the electrical code under which radio manufacturers operated imposing a 36-hour maximum week was manifestly unfair when every other industry had 40 hours, and took steps to continue a voluntary plan of filing set prices. The latter, he said, was a tremendous step in the right direction toward a cleaner industry.

The RMA Cabaret, an innovation in industry entertainment, in charge of Chairman A. S. Wells of the Entertainment Committee was a marked success. During the evening the associates of President Muter on the RMA Board presented him with a beautiful silver service in appreciation of his work during the past year. The convention closed on Thursday with a golf tournament by the Radio Industries Golf Club, of Chicago, with nearly 100 entrants at the Olympia Fields Club.

Many veteran RMA officers and members made the convention a reunion. On Tuesday there was an "old guard" luncheon of former presidents, including Arthur T. Haugh, H. B. Richmond and Fred D. Williams, and former RMA Directors.

Further development and increased funds for national sales promotion were voted by the RMA Directors. Chairman Powel Crosley of the Sales Promotion Committee reported substantial success and need for enlargement of the RMA promotion projects.

The present RMA organization was continued for the coming year. In addition to President Muter, other officers and Directors were reelected including Fred D. Williams, of Philadelphia, as Treasurer; Bond Geddes, of Washington, D. C., Executive Vice-President-General Manager and Secretary, and John W. Van Allen, of Buffalo, as General Counsel.

Arthur T. Murray, of Springfield, Mass., was re-elected Vice-President and Chairman of the Set Division, and Arthur Moss, of New York City, Vice-President and Chairman of the Parts, Cabinet and Accessory Division. Two new RMA Directors are Roy Burlew, of Owensboro, Ky., succeeding S. W. Muldowny, of New York City, and Henry C. Forster, of Chicago, who succeeds Richard A. O'Connor, of Fort Wayne, Indiana. Ben G. Erskine, of New York City, was named a Vice-President and Chairman of the Tube Division. Director Forster also was elected a Vice-President and Chairman of the Amplifier and Sound Equipment Division.

Directors George A. Scoville, of Rochester, N. Y.; A. H. Gardner, of Buffalo; W. R. G. Baker, of Camden, N. J., and A. S. Wells, of Chicago, were reelected for three-year terms from the Set Division. Also Directors Arthur Moss, of New York, and N. P. Bloom, of Louisville, Ky., were reelected the Directors from the Parts, Cabinet and Accessory Division.

President Muter continued all RMA Committee Chairmen as follows: Credit Committee, Arthur Moss, Chairman; Engineering Committee, W. R. G. Baker, Chairman; Legislative Committee, Paul B. Klugh, Chairman; Membership Committee, Ben Abrams, Chairman; Trade Promotion Committee, Powel Crosley, Chairman; and Traffic Committee, J. C. Warner, Chairman.

To further develop radio export trade, a new export committee was authorized by the Set Division and Board of Directors. Under Chairman Murray, the Export Committee will be headed actively by Vice Chairman E. G. Hefter, of Chicago.

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## CONGRESSMAN CONNERY TRIES TO BLOCK PRALL CONFIRMATION

Where, up to this time, everything appeared to be smooth sailing in the matter of President Roosevelt reappointing Anning S. Prall, Chairman of the Federal Communications Commission for a seven-year term, to begin at the expiration of the present tenure of office in July, a squall is in sight because of an objection raised to Prall's continuance by Representative William P. Connery, Jr., of Massachusetts. Mr. Connery has questioned Chairman Prall's fitness to continue in view of the ruling of the Communications Commission recently that a song complained of, broadcast during an hour sponsored by the Mexican Government, was not indecent and therefore the stations which carried it should not be deprived of their licenses.

Representative Connery has requested the Senate Interstate Commerce Committee, of which Senator Burton K. Wheeler is Chairman, which has Chairman Prall's nomination under consideration, for a hearing. It is doubtful, up to this time, if the Senate committee even intended to hold a hearing on the matter but if the Massachusetts Congressman's request is granted, doubtless many of his esteemed colleagues who joined in with him will likewise ask for a chance to be heard. They are:

Representatives McCormack (D), of Massachusetts; Healey (D), of Massachusetts; Daly (D), of Pennsylvania; Pfeifer (D), of New York; Stack (D), of Pennsylvania; Citron (D), of Connecticut; Kopplemann (D), Connecticut; O'Neil (D), of Kentucky; Igoe (D), of Illinois; Higgins (D), of Massachusetts; Fitzpatrick (D), of New York; Welch (R), of California; Smith (D), of Connecticut; McGrath (D), of California; Casey (D), of Massachusetts.

The petition signed by these Congressmen asks that the licenses of all stations of the NBC involved be cancelled. However, the Communications Commission refused to take any disciplinary action in the matter. It was not, however, Commissioner Prall, but Judge E. O. Sykes, Chairman of the Broadcast Division of the Commission who took the action. This was in the form of a letter to Rev. John B. Harney, Superior General of the Paulist Fathers, and owners of Station WLWL in New York City, who ruled that the song, the title of which was "En Ellogio de Silves", sung in Spanish, was not indecent. Judge Sykes, quoting a previous decision, said that the true test to determine whether a writing comes within the maning of the statutes is whether its language has a tendency to deprave and corrupt the morals of those whose minds are open to such influences and that the Broadcast Division, after a careful study of all the facts reached the conclusion that the program did not fall within the definition.

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There is no one at this time who seriously believes that Representative Connery may prevent the reappointment of Chairman Prall, but inasmuch as a religious issue is involved, the contention being made that the objection to the Mexican song was merely because of the religious controversy now under way in Mexico, Mr. Prall's reconsideration may receive considerably more publicity than it otherwise would have and one can never tell on the Hill what a thing like that is liable to start.

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#### NATIONAL NETWORK ADVERTISING SLIGHTLY OFF IN APRIL

Total gross time sales to advertisers during the month of April, the latest period reported by the National Association of Broadcasters, just now available for publication, amounted to \$8,064,921, a decline of 2.7 % as compared with March volume. This decline seems to be less than the usual seasonal one at this period of the year. National network revenues dropped 10.7% as against the preceding month. Regional network advertising rose 6.4%, national non-network volume 11.8%, and local broadcast advertising 6.7%. The increase in the latter two types of business showed a contrary trend from the preceding year, when both declined as compared to March.

Broadcast advertising continued to hold the gains recorded in recent months over the preceding year's volume. Total broadcast advertising during April was 20.9% greater than during the same month of 1934. National network business experienced a gain of 17.6%, regional network volume 32.0%, national non-network advertising 10.3%, and local broadcasting volume 40.0%. The last-mentioned is the largest gain recorded by this class of business since the establishment of these reports.

General non-network advertising rose 19.9% as compared with last April. Non-network business of stations over 1,000 watts in power gained 33.1%, that of stations between 250 and 1,000 watts in power rose 21.8%, while advertising volume of the 100-watt group increased 9.7% as against the same period of 1934. All classes of stations showed increases as against the preceding month.

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## MONAGHAN INTRODUCES RADIO BILL

A bill was introduced in the House on Thursday, June 13th (H.R. 8475) by Representative Joseph P. Monaghan, of Montana, "to amend the Communications Act of 1934 by creating and establishing a Federal Radio Commission". The bill was referred to the House Committee on Interstate Commerce.

The Bill provides, among other things "That for the purpose of providing wholesome radio programs more free from monopolistic domination and control on the part of vested interests, and to make available to all our people adequate radio service, there is hereby created a Commission to be known as the Federal Radio Commission which Commission will be constituted as hereinafter provided, and which Commission shall have exclusive control and shall exclusively operate such radio broadcasting stations in such localities and communities as, in their best judgment, will best serve the interests of all our people."

One section of the Bill provides "That the Commission shall provide such programs as, in their judgment, will best permit the educational, cultural, civic and economic interests of all of our people irrespective of locality".

Provision is also made that advertising or sponsored programs shall not exceed more than two hours a day nor more than one hour after sun-down or a total of not more than 20% of the operating time of a station. It also provides that such advertising as is permitted shall be so restricted that not more than 10% of the program shall be devoted to sales or promotional talks.

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## BROADCASTERS CALL DIRECTORS' MEETING

A meeting of the Board of Directors of the National Association of Broadcasters has been called to be held in New York on Saturday, June 22nd.

No purpose of the meeting was indicated but it is supposed to be to discuss the music copyright situation.

A letter by Joseph Hostetler, copyright counsel for the National Association of Broadcasters charges the NBC, Columbia, Isaac Levy, of WCAU, Philadelphia, and A. J. McCosker, of WOR, with weakening the position of the NAB by signing new five-year contracts with the American Society of Composers on the eve of the Government's anti-trust suit against that organization.

Hostetler's letter charges that ASCAP, by making available the new licensing agreement, had succeeded in splitting radio's ranks. It indirectly admits that the Society has outsmarted broadcasting in the recent contract negotiations and states that if Levy and McCosker have received any advantages in their new contracts from ASCAP the facts should be made known to the industry.

In a letter addressed to members of the NAB giving his version of the situation, I. D. Levy declared that he had accepted the contract with the realization that regardless of who won the Government's suit against ASCAP, there would be no final adjudication for at least two years.

If the Government wins the suit, said the letter, the new contracts with ASCAP would be invalid, and if the Government lost, the broadcasters would still have a five-year extension. Arrangement, declared Levy, would be of benefit to broadcasting, with that industry, he felt, having everything to gain and nothing to lose.

Mr. McCosker was reported to have said that he had not as yet signed a new agreement with the Composers.

Walter J. Damm, of WTMJ, owned by the Milwaukee Journal, gave out the following statement:

"With the full realization: 1. That any decision handed down by the lower court in the ASCAP case will be appealed to the U. S. Supreme Court and as a result there is no possibility of a final adjudication before December 31, 1935, and possibly for not another year after that; 2. that WTMJ cannot operate without the ASCAP catalog; 3, that if the U. S. Government wins its case any contract between a broadcaster and ASCAP becomes null and void; 4, that if ASCAP wins WTMJ will be protected from any increase in rates for the duration of any renewal of contract; 5, that if Warner Bros. does not renew with ASCAP, then ASCAP is not delivering 'substantially the same catalog' it has been delivering and therefore WTMJ can cancel its contract. WTMJ is willing to consider ASCAP's offer of a five-year extension, operative January 1, 1936, of its license on the basis of present terms."

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#### DISTRICT COURT UPHOLDS FCC IN APPEAL

The District United States Court of Appeals has upheld the Federal Communications Commission in denying a rehearing to Station WREN, of Leavenworth, Kansas, which had sought permission to intervene in the case of Station WHB, of Kansas City, Mo., which latter station was given permission to operate at night.

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## ASCAP TRIAL GRINDS ALONG

At the end of the second day of the Government's suit, which began last Tuesday, charging the American Society of Composers with having a monopoly on the country's popular music supply, four witnesses had been heard.

Attorney

Andrew W. Bennett, Special Assistant/General, outlining the Government case to the court, made it clear that his principal quarrel with the society was over its system of licensing radio broadcasting companies and requiring each station that uses any music of a member to pay a flat royalty of 5 per cent on its annual gross.

He said the Society, made up of 102 publishers and 973 authors and composers, had compelled radio broadcasting companies to take out a general license. As an example of the alleged unfairness of this system, he told Federal Judge Henry W. Goddard that the Society received 5 per cent of what a broadcasting company got for Father Coughlin's hour, although the priest broadcast no music.

Nathan Burkan and Thomas D. Thacher, former Solicitor General, representing the Society, argued that it had been formed to protect the rights of composers and lyric writers and scoffed at the idea that it was strong enough, as charged, to dominate an industry, including interests such as the American Telephone and Telegraph Company and the Radio Corporation of America.

In 1921, Mr. Burkan explained, "broadcasting entered the picture, and there began a battle to secure rights against the newcomer." This ended, he said, in the licensing system established in 1932.

As another example of oppressive tactics, Mr. Bennett said that the Society charged an electrical transcription fee of 25 to 50 cents for each broadcast of a record, a double fee being charged for the use of a "restricted number."

Mr. Burkan explained that the double fee was charged to hold down exploitation of a song until sheet music and phonograph record sales had had a chance.

The argument seemed to be that even though songs controlled by the Society were broadcast across the continent this was strictly an ethereal business unrelated, for example, to workaday commerce such as the shipment of eggs across a State line.

It is the Government's contention that music is made up of very real and physical sound waves and that the transmission of these from one State to another is an act in interstate commerce.

C. B. Jolliffe, Chief Engineer of the Federal Communications Commission, testified that broadcasting stations frequently traversed State lines with programs and that the Columbia and National broadcasting networks had telephone connections with their stations all over the country.

Raymond P. Robinson, Chief of the Catalogue and Index Division of the United States Bureau of Copyrights, and William C. Siegfried, clerk in the Bureau, testified that from July 1, 1909, to Dec. 31, 1934, the 102 publishers of the Society and 100 of their subsidiaries, took out a total of 164,773 copyrights.

Thomas Belviso, Manager of the Musical Library of the National Broadcasting Company, testified that music of the Society was indispensable to the radio business. During a typical week, Nov. 11 to 17 last year, Station WJZ and the NBC network, he said, had used 2,125 musical compositions, 1,708 of these being those of the Society.

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#### COAST GUARD HEAD CREDITS LOW TONNAGE LOSS TO RADIO

Quite a tribute to the part radio has had in saving life at sea and reducing commercial loss is paid by Rear Admiral H. G. Hamlet, of the U. S. Coast Guard.

"The year 1900 may be said to mark the beginning of marine radio communication", Admiral Hamlet revealed. "In that year, the percentage of totally lost tonnage of American vessels over 100 gross tons (excluding vessels trading on the Great Lakes) amounted to 1.20 per cent. For the year 1933, a loss of .21 per cent is shown. These figures, hidden away on an obscure page of that great mass of data called 'Lloyd's Register of Shipping', tell, better than columns of print, the story of the part played by radio in the saving of property.

"At present, no figures are available showing the total number of lives saved through the medium of the radio, but the number of survivors indicated in the following cases is illuminating: 'Titanic', 712; 'Empress of Ireland', 453; 'Vestris', 173; 'Volturno', 521; 'Balmes', 159; and the 'Morro Castle', 423.

"With justifiable pride, the radioman may turn to these impressive facts to point out the importance of his calling, to feel that there is sea history written in terms of dots and dashes; to dwell upon the possibility that he may be permitted to write the next paragraph in the records of marine radio."

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## CHILEAN ARSENAL BEGINS MANUFACTURE OF RADIO SETS

Radio receiving sets are now being produced in Chile by the Government-owned factory at the Arsenal, according to a report from Consul F. B. Atwood, Santiago.

After experimenting with the manufacture of radio sets for the past twelve months, an initial delivery of 600 three and five-tube sets long-wave has been made by the Arsenal, the report states. Nearly all the materials used in the construction of the sets come from domestic sources, it is pointed out, and all the cabinet work is done within the country.

It is still necessary for the Arsenal to import radio tubes, loud speakers, gang condensers, enameled wire and a few other minor components that the Arsenal is not yet equipped to produce. American manufacturers are supplying nearly all the component parts and accessories imported by the Chilean Arsenal for use in the manufacture of the sets, the report states.

As soon as the long-wave sets are successfully established on the Chilean market, the Arsenal plans to undertake the manufacture of all-wave sets, with which it is now experimenting, and short-wave adaptors for the long-wave models are now being sold.

The production program of the Chilean Arsenal calls for the manufacture of another 2,000 radio receiving sets if its initial attempt to market radio sets in Chile proves successful. It is claimed that the new industry will give employment to 1,200 Chilean workmen, the Consul reported.

According to official statistics, there were 16,600 radio sets imported into Chile in 1934, nearly all of which originated in the United States. These sets were valued at \$458,200, U. S. currency, the report shows.

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## SUGGESTS PRESIDENT TAKING OVER RADIO AS HE DID GOLD

"The President took over the gold supply because he was forced to do so to protect the foundations of our national currency", says the June 13 Bulletin of the National Committee on Education by Radio. "In like manner, the Government sooner or later may be forced to take over radio broadcasting to safeguard the foundations of our national culture. The vast electrical corporations which control radio broadcasting are increasingly becoming the intellectual and moral bankers of America. They have even less sense of responsibility than the financial bankers of the 1920's."

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## WXYZ TO JOIN NBC NETWORKS

Station WXYZ, pioneer Michigan transmitter, will become associated with the National Broadcasting Company as the regular Detroit outlet for the NBC-WJZ network, effective September 29.

WXYZ, owned and operated by the Kunsky-Trendle Broadcasting Corporation, of which George W. Trendle is President and General Manager, broadcasts on a wave-length of 241.8 meters, 1240 kilocycles, with a power of 1,000 watts.

The station will replace WJR as the regular NBC-WJZ network outlet for Detroit. WWJ, Detroit News station, will remain as the NBC-WEAF network outlet.

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## ROYAL TO STUDY EUROPEAN RADIO ON 7 WEEKS TOUR

John F. Royal, National Broadcasting Company Vice-President in Charge of Programs, sails Saturday, June 15, on the "Rex" for a seven-weeks tour of European broadcasting centers. After his first stop in Italy, where he will pay an official visit to the Vatican, Royal will confer with government and radio officials in France, Germany, Russia, England, Sweden, Denmark, Switzerland, Austria and Poland. Educational programs will be his principal interest in this unusual survey.

"We hear a great deal about the progress Europe is making in educational broadcasting", Royal explained. "We often hear they are further advanced in this field than we are. Personally, I doubt that, but I am willing to be convinced. If they are doing anything over there that we could use to good advantage we ought to know about it. I intend to find out exactly what educational programs are being presented by the Polish Polskie Radjo, the German Reichsrundfunk Gesellschaft, the French Radio Coloniale and all the rest."

During his conferences with foreign executives, Royal will outline many international broadcasts to be exchanged in both directions during the coming year.

Max Jordan, NBC Director for Continental Europe, will accompany Royal through Central Europe and Russia and in France and England he will be accompanied by Fred Bate, NBC London and Paris representative.

If Royal's schedule permits he will attend the annual meeting in Warsaw of the International Broadcasting Union. He also hopes to find time for the Helen Wills Moody-Helen Jacobs tennis match in England - not as a program project but because he "collects" famous sports events.

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## MUSIC TABOO IN ARABIA; BUT RADIO THRILLS ARABS

The country of Arabia bans all musical instruments - the phonograph, since its inception, has been tabooed.

The wise old Arab would explain this unusual century-old custom by pointing to the inherent restlessness of Arabian tribes....whereas perhaps the real reason for music-prohibition has been caused by the religious beliefs to which these people hold.

However, even laws in effect for centuries can be changed and it appears as though Arabia, heretofore entirely free of the wails of the saxophone, the jazz-crazed chords of an out-of-tune piano, the piping of the piccolo - is to take to its bosom the marvels of modern radio.

An American manufacturer of radio has dared break this music-taboo and has a powerful Arabian personage, high in government circles, all agog listening nightly to his Zenith short wave radio - tuning in programs perhaps originating in London, Spain or Berlin.

It is to be expected that a liberal-minded government sensing the value of radio, will see fit to discard the old order for the new and permit Arabians the radio thrills Americans accept so glibly.

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## APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WTAL, Fla. Capitol Broadcasters, Inc., Tallahassee, Fla., Mod. of C.P. extending commencement date to 60 days after grant and completion date to 60 months thereafter; WSPA, d/b as The Voice of South Carolina, Spartanburg, S. C., license to cover C.P., 920 kc., 1 KW daytime hours only; Atlantic Broadcasting Corp., New York City, authority to transmit sustaining programs from stations WBBM and QABC-WOBQ to stations of the Canadian Radio Commission; WOL, American Broadcasting Co., Washington, D. C., license to cover C.P. authorizing changes in equipment; KRE, First Cong. Church of Berkeley, Berkeley, Cal., license to cover CP authorizing changes in eqpt. and increase in day power to 250 watts, 1370 kc., 100 w. night, unlimited time; WTCN, Minn. Broadcasting Corp., Minneapolis, Minn., mod. of CP approving changes in eqpt. and antenna system; extending commencement date to within 10 days after grant and completion date to within 90 days thereafter; license to cover CP authorizing new eqpt. and increase in daytime power from 1 to 5 KW, and move of station locally, 1250 kc., 1 KW night, specified hours.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JUNE 18, 1935

Mills Badly Outsmarts N.A.B. Leaders.....	2
Warns Press Associations Against Selling News To Stations.....	3
Michigan Governor Offers F.D.R. McDonald's Yacht.....	5
Prall On The Job Until 1942.....	6
Amended Copyright Bill Is Favorably Reported.....	6
I. T. & T. Shows Increased Net Income.....	8
Control Of Music By ASCAP Told.....	8
Arbitrators Find For China In Mackay-RCA Case.....	9
An Englishman's Idea Of An Announcer.....	9
Tests Give G.E. "V" Doublet Clean Bill.....	10
Measurement Of Sound Transmission.....	10
Operating Data From Monthly Reports Of Telegraph Carriers.....	11
Audible Arts Institute Compiles Radio Preferences.....	12

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June 18, 1935

### MILLS BADLY OUTSMARTS N.A.B. LEADERS

There were no cheers for the National Association of Broadcasters leadership which has resulted in the virtual splitting of the Association's ranks in the present Copyright mess. The general opinion is that E. C. Mills, General Manager of the Composers, has badly outsmarted the Broadcasters' leaders in so successfully causing a split in their membership.

Furthermore, it seems almost a foregone conclusion that the bold move of Mills in offering favorable music contracts to the networks, Ike Levy, of WCAU, Philadelphia and Alfred J. McCosker, of WOR, may serve to seriously weaken, if indeed not defeat, the Government's anti-trust suit against the Composers.

Nathan Burkan, chief counsel of the ASCAP has already asserted four times during the trial that the Government allegations that an excessive fee was being exacted by the Composers are completely answered by the fact that the country's two great networks, NBC and Columbia, and an outstanding independent station, WCAU, of Philadelphia, on the eve of the trial had voluntarily continued their present agreement for five years.

It is believed the trial may last for weeks and weeks. As this goes on, in the meantime more and more stations having signed up in the scramble to get aboard the band-wagon, the Composers will surely not let the Court lose sight of their smashing victory resulting from the coup d'etat of their Field Marshal Claude Mills.

Insofar as the National Association of Broadcasters is concerned, their next move will probably not be known until after the meeting of the NAB Board of Directors which has been hastily called in New York for Saturday, June 22. Whatever may result from this gathering will only be a preliminary to the controversy over the Copyright situation which doubtless will be waged at the annual convention of the National Association of Broadcasters to be held in Colorado early in July.

"If the Composers were offering the remaining broadcasters who are now expected to sign up such an advantageous contract as Ike Levy, of WCAU, has secured for himself, that would doubtless be very satisfactory", a member of the industry said. "I understand that Ike pays no sustaining fee, that he only pays on the music he actually uses instead of on the entire program, is allowed to deduct his selling expenses and other important concessions.

"If that were the kind of a contract Mills was offering to all of us, it would be fair enough, but it isn't and I believe those who sign up now will do so with heavy misgivings and the feeling that they have been unnecessarily placed in this position by weak NAB leadership and the daring strategy of Mills. The latter will not only seriously influence the outcome of the Government's trial but may very seriously impair the future usefulness of the Broadcasters' Association."

Judge Henry Goddard, in the Federal District Court for Southern New York, where the suit against the Composers is being tried, announced that he had definitely been assigned to another court on July 1 and that if the Composers' case ran beyond that date, which there is every indication that it will, that the completion of the case would have to go over until Fall.

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#### WARNS PRESS ASSOCIATIONS AGAINST SELLING NEWS TO STATIONS

Addressing the Inland Daily Press Association at Chicago, E. H. Harris, Chairman of the Publishers National Radio Committee, sponsors of the Press-Radio Bureau, assumed a threatening attitude towards press associations who sell news to broadcasting stations.

"In contemplating the future of Press-Radio relations, many of us are opposed to the press associations selling news to radio broadcasters for advertising sponsorship", Mr. Harris said. "We cannot overlook the fact that the responsibility for the actions of the press associations rests with us individually as publishers. We are the principal clients of these press associations.

"The three newspaper press associations depend upon the newspapers of this country for their existence. But the newspapers are not dependent upon them. It is always within the power of an individual newspaper or a group of newspapers to set up a new agency for obtaining news.

"The unlimited free use of radio facilities by members of Congress and the administrative department of our Government offers a challenge to our newspapers. If the Government officials use radio to destroy the public confidence in the matter which the newspapers print, it may not be long before our form of Government will be changed and full dictatorial powers will be lodged in the Washington Government. Should this take place American journalism will be killed.

"You have it within your power to prevent such a situation. Adhere to your functions as disseminators of information in the form of news; advertising and editorial comment; reject propaganda when you know it to be what it is; and treat as

6/18/35

advertising anything which one is willing to and does pay for in order to bring about its dissemination to the public through other agencies and you have little to fear.

"There is a vast difference between the methods of handling news in a newspaper and in sponsored programs emanating from broadcast stations. Can you imagine a great newspaper - great in tradition, great in its sense of responsibility to its reading public - leading off its principal story on Page One with a paragraph something like this:

"Ladies and Gentlemen: The double-column story of vast national importance which is herewith presented to you in these columns is presented through the courtesy of Messrs. Blank and Blank, the largest manufacturers and distributors of hot-air appliances in the world. When you read this story, just recall that it has come to you through the courtesy of Messrs. Blank and Blank.

"We hope you will enjoy it and we especially hope that when you next buy a hot-air appliance you will keep Messrs. Blank and Blank in mind. Try their appliances once and you will never use any others."

"Or can you imagine a newspaper breaking a news story, or a series of news stories, right in the middle to insert items puffing the products of an advertiser without indicating clearly and unequivocally that the puffs are really what they are?

"Even if they were foolish enough to do such a ridiculous thing, newspapers by law are compelled to mark as advertising all reading matter which is paid advertising.

"When news becomes commercialized it immediately becomes subject to prostitution.

"So again we are faced with the dual problem of protecting our property rights in the news which we gather or pay to have gathered for us and of protecting the public's right to have news which is factual, actual, and presented in a manner where its identity cannot be confused with something else."

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6/18/35

## MICHIGAN GOVERNOR OFFERS F.D.R. McDONALD'S YACHT

In the hope of making the invitation extended by the State of Michigan to President Roosevelt to spend the Summer on historic Mackinac Island, more to the taste of a seafaring man, such as the President is, Governor Frank D. Fitzgerald has offered Mr. Roosevelt the use of the yacht "Mizpah", owned by Commander E. F. McDonald, Jr., of Chicago, prominent explorer and radio manufacturer. The "Mizpah" is described as the finest and largest yacht on the Great Lakes and was considered by President Roosevelt a year ago when there was some talk about the presidential party making a Great Lakes cruise.

Governor Fitzgerald's letter to the President follows:

"The legislature of Michigan recently adopted a resolution inviting you and your family to spend a vacation this Summer on historic Mackinac Island.

"In the hope of making this invitation even more alluring, I am taking the liberty of supplementing it with a suggestion that you include a visit to Isle Royale, and the waters of Northern Georgian Bay.

"Isle Royale, as you probably know, is an unspoiled wilderness in Lake Superior which both the National and State government are considering as a splendid spot for public recreational purposes. A herd of moose on this island has grown to such proportion that the State recently found it necessary to move some of the animals to the mainland. It abounds in other game and is unsurpassed in scenic beauties.

"Commander E. F. McDonald, Jr., of Chicago, one of the many conservationists interested in the movement to preserve the beauties of Isle Royale, has offered the use of his yacht, the 'Mizpah', for your voyage. Likewise, he would be honored by an opportunity to pilot you from Isle Royale into the waters of McGregor Bay, off Northern Georgian Bay, for a fishing expedition. He assures me the fish of McGregor Bay are actually as large as those described by fishermen who have been there.

"I trust, Mr. President, that Michigan's invitation impresses you as offering opportunities for rest and recreation that meet both your personal inclinations and your convenience."

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## PRALL ON THE JOB UNTIL 1943

The Senate confirming President Roosevelt's appointment of Chairman Anning S. Prall of the Federal Communications Commission for a 7-year term, assures Mr. Prall's service with that body until July 1942. It is thought that Chairman Prall's confirmation was hastened by the objection raised by Representative Connery, of Massachusetts and 16 other Democratic Congressmen who objected to the FCC refusing to take action in the broadcast of an alleged indecent song on the Mexican Government program over the NBC.

One of Mr. Prall's first official appearances following confirmation will be his speech at the National Association of Broadcasters' convention in Denver early in July at which time he is expected to tell station owners what they may or may not safely broadcast in the way of medical advertisements upon which he has lately been waging war.

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## AMENDED COPYRIGHT BILL IS FAVORABLY REPORTED

An amended Copyright Bill introduced by Senator Duffy, of Wisconsin, has been favorably reported by the Senate Patents Committee. Few changes are noted from the previous bill which are of importance to the broadcasters. Its early passage in the Senate is predicted.

To provide more protection to the author, Section 1 has been amended to include radio facsimile as well as television, and other phases of broadcasting.

Section 9. Section 11 of the original bill has been amended to read as follows:

"Sec. 11. That copyright may also be had of any work of an author which has not been published, upon the deposit, with claim of copyright, of one complete copy of such work if it be a book, monograph, essay, article, story, poem, lecture, or similar production, a map, a dramatic, musical, or dramatico-musical composition, a choreographic work or pantomime, or a work prepared expressly for radio broadcasting or electrical or mechanical recording; of a title and description, with not less than five prints taken from different sections of the film, if the work be a motion picture; of a photographic print, if the work be a photograph; of a description and drawings or plans sufficient to identify the work, if it be a work of architecture; and of a photograph or other identifying reproduction thereof, if it be a work of art, a plastic work or drawing, or a model or design for an architectural work.\*\*\*"

Sec. 17. Section 25 of the new bill is amended to read as follows:

"Sec. 25. (a) That if any person shall infringe the copyright in any work protected under the copyright laws of the United States, such person shall, subject to the stipulations of this section, be liable:

"(1) To an injunction restraining such infringement except as otherwise provided in this Act. No temporary restraining order shall, however, be issued which would prevent the broadcasting of a program by radio or television, the publication or distribution of a newspaper, magazine, or periodical, or the production substantially commenced or the distribution or exhibition of a motion picture\*\*\*\*\*"

"(d) In the event that advertising matter of any kind carried by a newspaper, magazine, or periodical, or broadcast by radio shall infringe any copyrighted work, where the publisher of the newspaper, magazine, or periodical, or the broadcaster, shall show that he was not aware that he was infringing and that such infringement could not reasonably have been foreseen, the person aggrieved shall be entitled to an injunction only (1) before work of manufacture of the issue has commenced, or, in the case of broadcasting, before the rehearsal of the program has begun;\*\*\*\*\*Provided, however, That no injunction shall lie against the completion of the publication and distribution of any issue of such newspaper, magazine, or periodical, or the broadcast of any radio program, containing alleged infringing matter where the work of manufacture of such issue has commenced, or, in the case of broadcasts, where rehearsals have begun\*\*\*\*\*"

"(h) There shall be no liability, civil or criminal, under this Act, on the part of any person for the following:

"(2) The auditory reception of any copyrighted work by the use of a radio receiving set, wired radio, or other receiving, reproducing, or distributing apparatus, or the performance, other than by broadcasting, of any copyrighted work by a coin-operated machine or machine mechanically or electrically operated or by means of a disk, record, perforated roll, or film, manufactured by or with the consent of the copyright owner or anyone claiming under him, except where admission fees, other than for the ordinary occupation by a guest of a hotel or lodging-house room, are charged to the place of operation or, in the case of restaurants, cover charges distinct from the charges for food, or other minimum charges, are made;

"(4) The merely incidental and not reasonably avoidable inclusion of a copyrighted work in a motion picture or broadcast depicting or relating current events."

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## I.T.&amp;T. SHOWS INCREASED NET INCOME

In a statement of consolidated income account of the International Telephone & Telegraph Corporation and subsidiary companies for the three months ended March 31, Sosthenes Behn, President, reports the net income of \$1,228,758 for this period compares with the corresponding net income of \$1,075,477 for the first quarter of 1934 after eliminating the losses of the Postal Telegraph and Cable Corporation and Subsidiary Companies in the amounts of \$661,965 and \$176,710, respectively.

The number of shares of capital stock (without par value) of your Corporation outstanding in the hands of the public at March 31, 1935, remained the same as at December 31, 1934, namely 6,399,002 shares.

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## CONTROL OF MUSIC BY ASCAP TOLD

The Government adduced more testimony yesterday (Monday) in the Federal Court in New York to prove that the American Society of Composers, Authors and Publishers has a monopoly on the nation's popular music in violation of the anti-trust law.

William J. Benning, program and musical director of Station WTMJ, Milwaukee, told Federal Judge Henry W. Goddard that all his efforts to prepare a musical program without using products of the Society had been futile.

The station, he said, had found only 329 suitable orchestrations of popular songs by non-members of the Society, compared with a total of 9,092 by members. The station's musical library, he said, contained 6,753 popular songs by members and only 294 composed by others.

Nathan Burkan, attorney for the Society, pointed out that there was a large body of music in the public domain.

"But the arrangements required for these are copyrighted by the Society", said Mr. Benning.

"You could hire arrangers yourself if you wanted to, couldn't you?" Mr. Burkan asked.

"We couldn't stand the expense and stay in business", Mr. Benning said.

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## ARBITRATORS FIND FOR CHINA IN MACKAY-RCA CASE

The Board of Arbitration selected last year to determine whether the Chinese Government had violated its traffic agreement with the Radio Corporation of America by making a subsequent traffic agreement with the Mackay Radio and Telegraph Company has handed down a decision in the negative and ordered costs shared equally between both parties.

In finding for the Chinese Government, however, the Board pointed out that the plaintiff had overlooked certain practical considerations in its pleas and it went at length into actions which China could not perform validly under the RCA agreement, which it said might be submitted for arbitration later, if desired, by either party.

Dr. J. A. van Hamel, of Holland, Auguste Hubert of Belgium, and Dr. Reinhold Furrer of Switzerland, were the arbitrators who decided the case, the traffic agreement of Nov. 10, 1928, between China and the RCA having provided for arbitration of disputes. The RCA contended that conclusion of a radio traffic agreement between China and the Mackay company on June 27, 1932, and a supplemental agreement of April 7, 1933, had violated the RCA agreement and asked the arbitrators to order China to cease operating the Mackay circuit, to give the RCA account of all telegrams transmitted over that circuit, and to pay to RCA all sums that would have accrued to it if such telegrams had been handled over its circuits. The RCA asked for costs also.

The arbitrators, after finding that the RCA contract had not been violated and ordering an equal sharing of the costs, said that the other demands made by the plaintiff do not come up for consideration. They did find, "with regard to any other question, concerning the defendant government's practical observance of its positive obligations established by the Radio Corporation traffic agreement", that certain recommendations could be made to the parties concerned, but that such questions were not specifically discussed and brought before the Board for a decision. They could be submitted subsequently for arbitration by either party, if desired, the Board of Arbitration held.

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## AN ENGLISHMAN'S IDEA OF AN ANNOUNCER

Professor A. Lloyd James, British Broadcasting Company's expert on spoken English, has revealed what he considers the necessary qualifications for a good radio announcer. They follow: Read a news bulletin full of Japanese, Chinese, Bolivian, Indian, Portuguese, Persian, French and German names without turning a hair; give an S.O.S. in French that has a remote chance of being recognized as French where that language is spoken; read a weather report in such a way that people will really take an interest in that depression off Iceland.

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## TESTS GIVE G.E. "V" DOUBLET CLEAN BILL

A test of the General Electric "V" doublet antenna erected directional northeast and southwest and compared with three straight doublets, an underground serial and an "L" was made by Charles A. Morrison, President of the Dx'ers Alliance at Bloomington, Ill. Conclusions reached by Mr. Morrison were:

"(1) The "V" Doublet reduced local QRM more than 50% over the other serials. In fact when not a single station could be tuned in through certain types of QRM by switching to the V Doublet, the louder stations would pop right out of the noise. (2) The aerial showed a better all-around efficiency than the other aerials, turning in a better performance on the BCB than any other type. Very efficient on the Ultra-high frequencies, Excellent on 16 meters, Good on 19 meters; Fair on 25 meters, Fair on 31 meters; Average on 49 meters.

"Although it did not show as much signal gain as a Doublet tuned to a given frequency, it did show a much higher ratio of signal to QRM."

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## MEASUREMENT OF SOUND TRANSMISSION

RP800 in the June number of the Journal of Research gives a description of the equipment and method now used in making sound-transmission measurements at the Bureau of Standards. The method of measurement is essentially the same as that described in an earlier paper, but the equipment has been improved in line with developments in amplifier circuits, loud speakers, and microphones.

To determine the transmission of sound through the test panel it is necessary to know the average sound pressure in the immediate vicinity of the panel. To make the sound pressure as uniform as possible a revolving loud speaker is used as a moving source, and the frequency is varied through a certain range to give a "warble note" and hence a continuously shifting interference pattern. A thermoelement is used as an integrating device to give the average sound pressure. Measurements are taken at a number of points on each side of the panel at nine frequency bands covering a range from 128 to 4,096 cycles per second.

The results of sound transmission measurements on a number of floor and wall panels are given. Results on the transmission of impact noises are also given for the floor panels, and there is a brief discussion of methods of reducing this type of noise.

Specifications for the construction of the various panels are appended.

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## OPERATING DATA FROM MONTHLY REPORTS OF TELEGRAPH CARRIERS

Compilations by the Federal Communications Commission subject to revision, from reports of revenues and expenses of telegraph, cable, and radio carriers

Name of carrier	For the month of January, 1935			
	Total operating revenues	Total operating expenses	Operating income <u>1/</u>	Net Income
	(b)	(c)	(d)	(e)
All America Cables, Inc.:	\$398,947.52:	\$291,471.10:	\$82,759.53:	\$92,094.88
Canadian Pacific Ry.Co.:	:	:	:	:
(Lines in U.S.)	163.78	1,404.75:	<u>1,240.97:</u>	<u>2/</u>
Central Idaho T. & T. Co.:	219.01	37.80:	172.01:	172.01
Central Radio Telegraph Co	-	110.48:	<u>133.12:d</u>	<u>133.12</u>
Colorado & Wyoming Telegraph Co.:	1,203.07	669.22:	453.85:	190.76
Commercial Cable Co. (N. Y. & Ltd.):	345,134.56	286,082.56:	45,664.73:	<u>d 37,991.37</u>
Commercial Pacific Cable:	96,598.23	62,391.32:	28,150.52:	45,357.19
Continental Telegraph Co.:	960.93	2,196.39:	<u>d 1,370.07:</u>	<u>2/</u>
Globe Wireless, Ltd.:	25,296.49	19,956.09:	5,208.83:	5,235.97
Great Northwestern Telegraph Co. of Canada:	-	-	<u>d 53.65:</u>	<u>3/ 1,044.94</u>
Mackay Cos., The (Postal Teleg. & Cable Co.):	1,765,149.79	1,696,978.18:	11,504.95:	<u>d 213,571.95</u>
Mackay Radio & Telegraph Co., Inc. (Calif.):	79,026.08	75,358.09:	1,921.97:	<u>d 11,712.72</u>
Mackay Radio & Telegraph Co., Inc. (Del.):	65,006.73	86,460.00:	<u>d 20,585.33:</u>	<u>d 49,600.70</u>
Magnolia Radio Corp.:	209.10	319.38:	<u>d 109.98:</u>	<u>d 109.98</u>
Michigan Wireless Telg.Co.:	-	213.73:	<u>d 213.87:</u>	<u>d 213.87</u>
Minnesota & Manitoba Railroad (Lines in U.S.):	250.82	281.40:	<u>d 30.58:</u>	<u>d 30.58</u>
Mount. in Telegraph Co.:	270.49	266.62:	<u>d 14.77:</u>	<u>d 77.86</u>
Mutual Telephone Co. (Wireless Dept. Hawaii):	4,235.25	3,759.58:	80.67:	80.67
Northern Telegraph Co.:	5,173.41	3,535.02:	1,297.45:	1,414.62
Peru Marquette Radio Corp.:	788.48	788.48:	-	-
R.C.A. Communications, Inc.:	353,398.11	304,492.26:	31,512.91:	32,931.26
Radiomarine Corp. of America:	71,069.38	62,023.16:	6,650.22:	7,053.69
Tidewater Wireless Telg.Co.:	367.55	388.97:	<u>d 28.12:d</u>	<u>28.12</u>
Tropical Radio Teleg. Co.:	71,776.53	45,743.60:	29,956.46:	29,229.81
U.S. - Liberia Radio Corp.:	4,925.94	4,641.72:	27.65:	28.04
Wabash Radio Corp.:	957.37	957.59:	<u>d 0.22:</u>	<u>d 0.22</u>
Western Radio Teleg. Co.:	252.74	505.25:	<u>d 258.31:</u>	<u>d 258.31</u>
Western Union Teleg. Co.:	6,906,716.66	6,111,462.40:	545,000.46:	29,080.31
<b>Total</b>	<b>:10,280,098.22</b>	<b>: 9,062,495.16:</b>	<b>766,323.22:</b>	<b><u>d 69,814.65</u></b>

d Deficit or other reverse item.

1/ Represents difference between columns (b) and (c), also includes deductions for uncollectible operating revenues and Taxes assignable to operations.

2/ Operating deficit assumed by parent company.

3/ Operated by Western Union Telegraph Co., Lessee.

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## AUDIBLE ARTS INSTITUTE COMPILES RADIO PREFERENCES

Pitts Sanborn, Director of the Radio Institute of the Audible Arts, which is sponsored by Philco, recently compiled a list of radio program preferences of famous people. It is a painstaking and thorough listing, the report of which covers twelve typewritten pages.

Among those who contributed to the survey were Mrs. James Roosevelt, mother of the President; Mme. Ernestine Schumann-Heink, Rosa Ponselle, Geraldine Farrar, Frederick Jagel, Paul Althouse and Giovanni Martinelli, singers; Arthur Bodanzky, famous conductor; Daniel Carter Beard, Boy Scout pioneer; Grace Morrison Poole, Pres. General Fed. of Women's Clubs; Belle de Rivera, pioneer clubwoman; Booth Tarkington, Faith Baldwin, Gertrude Atherton, Ellis Parker Butler, Julia Peterkin, Thornton Wilder and Sophie Kerr, novelists; Cecilia Beaux, James Montgomery Flagg, Neysa McMein and Howard Chandler Christy, artists; Daniel C. Roper, Secretary of Commerce; Gov. Harold G. Hoffman, New Jersey; Gov. Edward C. Johnson, Colorado; Gov. Louis J. Brann, Maine; Dr. Karl A. Menninger, psychiatrist; Dr. Morris Fishbein, Editor, Journal of the American Medical Association; Dr. Willia R. Whitney of General Electric, winner of the 1934 Edison Medal; Cecil B. DeMille, Motion picture executive; H. W. Phelps, Pres. American Can Co.; James R. Leavell, Pres. Continental Illinois Bank & Trust Co.; Judith Anderson, actress; Mary Anderson, Director, U.S. Women's Bureau; Martin Johnson, explorer; Percy Crosby, cartoonist and creator of Skippy; Robert L. Ripley of Believe-It-Or-Not fame; Charles E. Clark, Dean of the Yale Law School; and other equally prominent personages from all walks of life.

The responses indicate that tastes vary sufficiently to provide an appreciative audience for most of the well-known programs on the air. Of approximately seventy-five responses received by The Radio Institute of the Audible Arts, no two listings were alike in all groups. Two persons from the same profession might agree on one, two or even three choices, but on the fourth choice they would split widely.

The reponses in general support the oft-stated theory that "A little nonsense now and then is relished by the wisest men" -- and women; and that it is not at all unusual for famous writers, musicians, industrialists and civic leaders to derive pleasure from both the Philharmonic Symphony broadcasts and Ed Wynn; from the You and Your Government programs and "Amos'n' Andy".

The New York Philharmonic Symphony program was the only program upon which the majority of those participating in the survey seemed to agree. It is listed as a favorite in forty cases.

In the field of music, 56 current programs are named as favorites, with the Philharmonic leading. Nineteen news programs are named, with Boake Carter, Lowell Thomas and Edwin C. Hill grouped for the lead. Popularity of educational programs is evenly distributed among some 40 broadcasts, while the same lack of agreement on the superiority of any one program is noted in the entertainment field, where 49 programs are reported as "favorites."

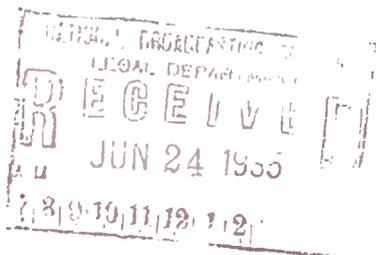
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



## INDEX TO ISSUE OF JUNE 21, 1935

Hazard Of Establishing Fixed Network Copyright Damages Cited...	2
Increased Demand In Canada For Automobile Radio Sets.....	4
Wired Radio In Cleveland.....	4
Composers' Trial Abruptly Adjourned Until November.....	5
Hotel Sues Jolson For Radio Slander.....	5
Changes Offered For Recorded Program Announcing.....	6
Canadian Radio Commission O.K. Until 1936.....	7
Sol Introduces Copyright Bill In House.....	7
16 Stations Which Broadcast "Marmola" Program Saved.....	8
Ben Bernie Stirs Dry Congressman's Ire.....	8
Huey Plans Country-Wide Sound Truck Trip.....	11
Hitch In Fcc Interlocking Directorate Opinion.....	11
Business So Good Philco Had To Get Bigger Ship.....	12
Decisions Of FCC Broadcast Division.....	12

No. 836

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## HAZARD OF ESTABLISHING FIXED NETWORK COPYRIGHT DAMAGES CITED

Following a recommendation made by the Patent Committee, of which Senator McAdoo, of California, is the Chairman, the new Copyright Bill would pass the responsibility of fixing the minimum amount of infringement damages incurred by a National network to the Court for adjudication.

"The Senate Committee is firmly of the opinion that to eliminate the statutory minimum of \$250 for infringement without proof of damage is to eliminate the chief factor in the use of the law for bargaining, sometimes for coercive purposes, between producers and consumers of copyrighted works", Senator McAdoo reported. "Moreover, since 1909, when the present law was enacted, the methods of using copyrighted works have developed with amazing rapidity. The range of the use of such works has correspondingly increased. A piece of copyrighted music may thus be publicly performed on a phonograph in a bootblack stand or on a broadcasting network covering the continent. For the law to attempt to fix a specified sum as minimum damages, in view of the breadth of this usage, would seem wholly unreasonable.

"Accordingly, entirely apart from the ulterior use of the minimum statutory damages under the present law, it is deemed necessary to make the change which the bill contains. This change does not lessen the value of the section so far as its purpose is concerned. That purpose is to accord a remedy for infringement, not a weapon under which the owners of copyright may stimulate the sale of their works.

"In place of the stated minimum, the bill provides that the courts shall award sufficient statutory damages to prevent infringement and such as may be just, proper, and adequate in view of the circumstances of the particular case. The maximum is fixed at \$20,000, four times the amount specified in the present law. This seems appropriate in view of the vast increases in recent years in the value of copyrightable works."

A remedial provision in the new Copyright Bill, about which there has been important controversy, is that of injunctive relief. Of this, Senator McAdoo's report says:

"Producers of copyrighted works claim that, unless full rights of injunction are accorded them, users of copyrighted works will pay no attention to their rights and will simply remunerate them in damages after having callously used their works in whatever manner was desired. Users of copyright works, on the other hand, claim that unless given a large exemption from the full implications of the law of injunction, they may be put to vast and

and unwarranted losses in cases that would be of small use to copyright owners and might, indeed, enable copyright owners to indulge in practices differing little from blackmail.

"For instance, a publication about to go to press might, under present law, be enjoined because of the appearance of a single small item which infringed some copyright. Or a radio broadcaster might be about to begin a program and have that program seriously interfered with through the deletion of some part in which, quite unknown to the broadcaster, claim of copyright existed. In such cases it is obviously better that the copyright holder should run the risk of some loss, which could in all cases be reimbursed in damages, than that the copyright user should be thus placed in jeopardy in the course of his business. Accordingly, the present bill reduces the injunctive remedy, but quadruples the maximum of statutory damages, and continues the present unlimited amount of damages recoverable when actually proved."

Outlining the need for a revision of the Copyright Act, the McAdoo report said:

"More than a quarter of a century has elapsed since there was any comprehensive alteration in the law of the United States granting and regulating copyright. During this period a veritable revolution has occurred in the means whereby literary and artistic works are communicated to the public. So profitable has it become to be a successful author that, perhaps for the first time in history, authorship has been added to the list of professions which the fortunate may pursue as possible avenues to great material riches. Authors and composers have united into powerful associations and corporations for the purpose of protecting their interests and increasing their worldly wealth.

"The newspaper and magazine with circulation measured in the hundreds of thousands, or even millions, the Nation-wide or world-wide broadcaster, and the motion picture, exhibited throughout the cities and villages of the country and of the world, have developed into vast industries, absolutely dependent, of course, upon high-grade authorship for their raw material and furnishing to authors a magnificent and unprecedentedly remunerative market for their products."

It is not known when the Senate will formally take up the Copyright Bill but the supposition is that it is on the President's "Must" legislation and that the consideration will take place at an early date. Likewise, judging from the speed with which the Senate passed the Copyright Treaty, it seems to be an assured fact that no time will be lost in passing the Copyright Bill.

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## INCREASED DEMAND IN CANADA FOR AUTOMOBILE RADIO SETS

The seasonal decline in the Canadian demand for standard radio sets which occurs at this time of the year is being practically counterbalanced by increasing sales of battery and automobile sets, Assistant Trade Commissioner A. F. Peterson, Ottawa, informs the Commerce Department.

Radio sales data, compiled by the Radio Manufacturers' Association of Canada, shows that total sales of radio receiving sets to dealers during April amounted to 8,877 units, valued at list prices at \$762,112, as compared with 8,966 units and \$791,718 in the preceding month. April sales of automobile sets totaled 2,010 units, a gain of 25 per cent over March. Sales of battery sets in April numbered 1,224 units, compared with 778 the preceding month while April sales of A.C. sets, numbering 5,643 units, were 900 units under the March figure.

A generally lower trend in prices of automobile sets, the report states, is indicated by the fact that in March average list value of sales was \$70.40, whereas in April the average was slightly less than \$62.00. Prices of battery sets appear to have been well maintained.

Projected production May 1 to June 30 as reported by members of the Radio Manufacturers' Association totalled 24,314 sets, the report reveals. Canadian radio manufacturers, it is stated, will concentrate on dual wave and A.C. chassis, but in battery sets more than half of the production will be Standard Band sets.

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## WIRED RADIO IN CLEVELAND

Wired radio is now reported to be an actuality in Cleveland. It is reported that a program service is being supplied over electric-light wires in the Lakeside Section of that city.

Three programs are supplied simultaneously, one of light music, one of classical selections, and one of special features. Wired-radio receivers are to be supplied at monthly rentals from \$1.50 to \$7 per set. Certain models have space-radio attachments. Wired-radio attachments can also be added to customers' regular space-radio sets.

The wired radio service is supplied by The Musak Corporation of Ohio, a subsidiary of Wired Radio, Inc., and the North American utility interests. Waddill Catchings, prominent financier and manufacturer, is Chairman of the Musak Board, and T. J. Smith, General Manager. Music for Cleveland wired radio is being supplied from recordings produced by the Associated Music Publishers of New York.

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## COMPOSERS' TRIAL ABRUPTLY ADJOURNED UNTIL NOVEMBER

There was a sudden adjournment of the Government anti-Trust suit trial against the American Society of Composers in New York last Wednesday, as the proceedings were just entering their second week, when Federal Judge Henry W. Goddard, before whom the trial was being held, announced its adjournment to the first Monday in November. The reason given was that Judge Goddard had other court assignments after July 1st and since it was apparently impossible to complete the Government presentation by that time, the present seemed an appropriate time to adjourn, it was explained.

While Judge Goddard has previously spoken of his July 1st commitment, the parties to the suit had expected that he might be able to make other arrangements so that the litigation involving the Composers would not be interrupted.

The sudden adjournment evidently came as a surprise to both sides. A leading broadcaster predicted as late as last Saturday that the trial would probably continue for "weeks and weeks". That the Composers thought they were in for a long siege of it was evidenced from the fact that they had taken a suite of offices on the same floor as the courtroom in the Woolworth Building in New York in which they stored their files which had to be repeatedly referred to in connection with the case.

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## HOTEL SUES JOLSON FOR RADIO SLANDER

A damage suit for \$100,000 was filed against Al Jolson and the National Broadcasting Company by the Summit Hotel Co. of Uniontown, Pa. It is alleged that Jolson, in an interview with Sam Parks, Jr., International open golf champion, said, referring to the Summit Hotel, "That's a rotten hotel."

Leo L. Heyn, President of the Hotel Corporation, said that he had asked Senators Davis and Guffy, of Pennsylvania, to demand an investigation of the whole practice of commercial broadcasting.

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## CHANGES OFFERED FOR RECORDED PROGRAM ANNOUNCING

It seemed to be the general opinion of those who testified at the hearing with regard to the announcement of electrical transcriptions and phonograph records used in broadcasting, held by the Federal Communications Commission last Thursday, that there was need for the Commission to revise its present regulation which are apparently causing the industries considerable inconvenience. The hearing was held at the request of the World Broadcasting System, which seeks to have transcription announcements removed, and was concluded after an all-day session. It is expected that it will be at least a month before the Commission reaches a decision in the matter, and it wouldn't be surprising if, before they were heard from, it might be well along in the Fall.

Arthur Church, of Station KMBC, of Kansas City, Chairman of the Commercial Division of the National Association of Broadcasters, said that the Association favored the removal of present restrictions.

Philip Hennessy appeared as counsel for the National Broadcasting Company, and Duke Patrick for the Columbia Broadcasting System. The case marked the first appearance of the newly organized Local Broadcasters, Inc., a group of 100-watt stations, which were represented by George O. Sutton, counsel, who sought to have restrictions lightened on phonograph records as well as electrical transcriptions.

Mr. Sutton made a proposal to the Commission which seemed to be favorably received which was, briefly, that it was to be a "recorded program" and not have it interrupted every few minutes, as it now is, with "This is a phonograph record", or "This is a player-piano record".

Also Mr. Sutton suggested that in the case of a musical performance or a speech which could not be concluded on the dot, that it be allowed to run on a little longer without interruption. He argued that symphony orchestras, or even political speakers, like Huey Long, were allowed to run over their time without an interruption and he thought the same privilege should be accorded to all classes of broadcasting.

Mr. Sutton's suggestion, in part, was as follows:

"Each licensee shall make a clear and concise announcement at the beginning of every program as to the use therein of any mechanical reproduction, phonograph record, electrical transcription or other recording, unless the use thereof is merely incidental as for identification or background."

Mr. Sutton did not define the exact form of the announcement but added this proviso:

"The announcement hereby required shall be repeated every 15 minutes until the conclusion of the program unless such repetition would interrupt a single consecutive recorded speech or single consecutive recorded program and in such cases the announcement shall be made as soon as possible thereafter and in no event later than the next station identification announcement time."

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#### CANADIAN RADIO COMMISSION O.K. UNTIL 1936

The life of the Canadian Radio Commission in a bill about to be introduced at Ottawa has the assurance of being extended to March 1936, and perhaps considerably longer if further legislative action is taken.

Anticipating the continuance of the Commission, a budget of \$1,500,000 has been approved for the Commission and elaborate plans are being made to erect new stations by way of further building up the Canadian coast-to-coast network, which is claimed to be the largest in the world.

Declaring that propoganda is evidently being used to overthrow the present system, Premier Bennett declared that it will be strengthened by the Government, and not weakened.

"The truth is that the effort to destroy this public utility is very well known", the Premier intimated. "A country as poor as we cannot spend at once the money that is required to make this facility as perfect as it should be. The more I see of it, the more determined I am that this facility should not be yielded to any private enterprise. That is my firm conviction and I say that very strongly. The life or death of our adventure in the field of public ownership depends largely on our willingness to nurse this infant until it can become strong enough to fend for itself."

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#### SOL INTRODUCES COPYRIGHT BILL IN HOUSE

A Copyright Bill identical to that which Senator Duffy introduced in the Senate, has been introduced in the House by Representative Sol Bloom, of New York. The Bill has been referred to the Patents Committee of which Representative Sirovich, of New York, is Chairman. No decision has been reached or date set with regard to hearings.

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## 16 STATIONS WHICH BROADCAST "MARMOLA" PROGRAM SAVED

Sixteen broadcasting stations cited to appear before the Broadcast Division on October 3, 1935, and prove they are operating in the public interest were removed last Wednesday from the hearing docket and granted licenses for the regular period, except WBAP whose facilities are being requested.

These stations were in the group of twenty-one reported to have carried a program entitled "Marmola", an alleged fat-reducing preparation, condemned by the Federal Trade Commission, the Post Office Department, and the Supreme Court.

Upon further consideration and review of the technical and service records of these stations, the Commission decided to remove them from the hearing docket and grant regular renewal licenses. Evidence was also submitted to the Commission showing that these stations carried the program in question for very short periods, discontinued it after receiving complaints or when informed the Commission had received complaints, and no other comparable programs were carried.

The sixteen stations removed from the hearing docket on this issue were: WGAR, Cleveland, Ohio; WHEC, Rochester, N.Y.; WIOD-WMBF, Miami, Fla.; WIRE, Indianapolis, Ind.; WKBW, Buffalo, N. Y.; WBAP, Fort Worth, Texas; WBAL, Baltimore, Md.; WGR, Buffalo, N. Y.; WHO, Des Moines, Ia.; WIND, Gary, Ind.; WJAS, Pittsburgh, Pa.; WJJD, Chicago, Ill.; WJR, Detroit, Mich.; WOW, Omaha, Nebr.; WOWO, Fort Wayne, Ind., and KMOX, St. Louis, Mo.

The five stations left on the hearing docket are: WSMB, New Orleans, La.; WTMJ, Milwaukee, Wis.; KFRC, San Francisco, Cal.; KMBC, Kansas City, Mo.; and KNX, Los Angeles, Cal.

These stations not only carried the "Marmola" program but have been cited for violating various Rules and Regulations of the Commission. Some of them also carried other medical programs condemned by the Federal Trade Commission.

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## BEN BERNIE STIRS DRY CONGRESSMAN'S IRE

As a result of one of Ben Bernie's "Alma Malter" broadcasts, Representative Culkin, of New York, has gone on the warpath not only denouncing Bernie, demanding that Commissioner Prall shall do something about it, but has introduced a bill in the House to prohibit the advertising of alcoholic beverages by radio. A similar bill has been introduced at each of the past sessions of the Senate by Senator Capper, of Kansas, but have not been pressed.

Declaring that the "shameless abuse of radio broadcasting" was contributing to the breakdown of the morale of the American people, Representative Culkin said:

"When the eighteenth amendment was repealed we were assured that the bar was gone and that the liquor interests had learned their lesson. Despite these promises the bar is back and thousands of people are being killed on the highways through the operation of cars by drunken drivers. In addition to that there comes over the radio nightly a glorification of booze. This goes into the homes of our people, where children and youths are indoctrinated with the fictitious merits of 'John Barleycorn.' I have introduced a bill today (June 18) which will prohibit the sending of this destructive antisocial advertising into the homes of America. I invite the sympathetic support of the Members of the House.

"At this time I particularly wish to call the attention of the House to the fact that this group of advertisers, who are trying to make the youth of America 'alcohol conscious', have no respect for American tradition, however sacred. A national broadcast on last Tuesday night used Lincoln's Gettysburg address as a medium for this nefarious practice.

I have filed a protest with the Chairman of the Communications Commission, Hon. Anning S. Prall, and am appending it and his answer hereto."

-----  
"June 6, 1935.

"Hon. Anning S. Prall,  
Chairman, Federal Communications Commission,  
Washington, D. C.

"My Dear Commissioner:

"On Tuesday night of this week I had the misfortune to be listening in on a Nation-wide broadcast which came from Hollywood and was made by one Ben Bernie.

"He was indoctrinating the youth of the country on the fictitious merits of alcohol and used as his vehicle a paraphrase of Lincoln's Gettysburg address. There is no spoken word in the English tongue more beautiful in thought and expression than this same brief but matchless oration. I have seen it stated that it is the first classic of the English tongue. This musical mountebank paraphrased the Gettysburg address into an appeal to the country to drink a certain brand of beer. He mutilated the address to this end and subjected it to his misplaced and vulgar comedy.

"I realize that you have no power of censorship over these stations, but you do have the right to refuse to issue a license.

Cannot this power be exercised in some way so that this shameless performance will not be repeated?

"With regards, I am,

"Very sincerely yours,

(Signed) Francis D. Culkin,

Member Congress, Thirty-second District  
New York"

-----  
"Federal Communications Commission  
June 12, 1935.

"Hon. Francis D. Culkin,  
House of Representatives, Washington, D. C.

"My Dear Congressman Culkin:

"The receipt is acknowledged of your letter of June 6, 1935, making reference to a broadcast over a Hollywood station by Ben Bernie.

"With regard thereto, you are advised that although the Commission may not take any action directly or indirectly to censor programs broadcast by radio stations, the Commission has the power to take into consideration the past activities of stations when acting upon their applications for renewal of license.

"This matter is being given appropriate attention by the law department of the Commission. In order to aid it in this work, the Commission will appreciate your advice as to the station or stations which, to your knowledge, have carried the program in question.

"Sincerely yours,

(Signed) Anning S. Prall, Chairman"

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The bill which Representative Culkin introduced in the House (H.R. 8404) has been referred to the House Committee on Interstate Commerce and has as its objective prohibiting the transportation in interstate commerce of advertisements of intoxicating liquors. One section of the bill referring to broadcasting, is as follows:

"It shall be unlawful to broadcast by means of any radio station for which a license is required by any law of the United States, or for any person operating any such station to permit the broadcasting of any advertisement of intoxicating liquor or the solicitation of an order for intoxicating liquor."

## HUEY PLANS COUNTRY-WIDE SOUND TRUCK TRIP

Senator Huey P. Long, Louisiana's Kingfish and the Roosevelt Administration's constant critic, will make a barnstorming tour of the country this Summer, preaching his share-the-wealth gospel, his secretary, Earle J. Christenberry, said.

Moreover the Kingfish will take along his two famous sound trucks to facilitate his speechmaking. Christenberry said that the schedule had not been completed but that Senator Long would open his tour in New England and gradually work his way around the country.

His first speech is scheduled for July 13 at Stamford, Conn. All the meetings will be held under the auspices of the Long share-the-wealth societies which he has organized throughout the country. Most of the share-the-wealth members will get their first opportunity during this tour to see and hear the Kingfish in person.

Kingfish Long and his sound trucks are famous in the swamplands of Louisiana and Arkansas, as well as the mountainous sections of the latter States. In those districts his meetings attract huge crowds to find amusement, if not always political inspiration, in the Kingfish's words and antics. Whether conservative New England will react in the same way remains to be seen.

Senator Long's sound trucks first became nationally famous in 1932 when he stumped Arkansas and concededly carried the State over strong opposition for Mrs. Hattie Caraway for the Democratic senatorial nomination. He works the trucks in relays. As he speaks from one truck in a small town, the other proceeds to another town and on arrival immediately begins playing popular tunes to attract an audience.

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## HITCH IN FCC INTERLOCKING DIRECTORATE OPINION

It was said at the Communications Commission today (Friday) that there would be at least another week's delay in giving out the basis for the opinion reached by the FCC in coming to the conclusion that officers or directors could not serve on more than one common carrier. The detailed opinion was supposed to have been given out Monday, June 17, but has been held up since then.

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## BUSINESS SO GOOD PHILCO HAD TO GET BIGGER SHIP

"The hum of Philco's factories in the mass production of high quality, popularly priced home and automobile radio receivers, proves that realization is sometimes even greater than anticipation."

So say officials of the Philco Radio & Television Corporation, Philadelphia, in stating that their factory-distributor, eight-day Caribbean Cruise - May 18th to 26th, 1935 - to Kingston, Jamaica, B.W.I., "was a great success from every standpoint."

So eager and so many were the distributors who wanted to see the new 1936 line, that it was necessary to charter an even larger ship than had been already engaged. So enthusiastic was the reception given the current models, priced from \$20 to \$600, that Philco is employing over 8,000 skilled workers full time at the highest wages paid in the radio industry.

To again increase the lead over the 103 radio manufacturers, which it claims to have held during the past five years, Philco has added a dealer and consumer financing plan to its record breaking advertising and merchandising campaigns.

It is expected that Philco's sales during the coming twelve months will be higher than ever before.

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## DECISIONS OF FCC BROADCAST DIVISION

Applications Granted - WNAX, The House of Gurney, Inc., modification of C.P. for approval of transmitter site and make changes in equipment; WREN, Jenny Wren Co., Tonganoxie, Kans., consent to voluntary assignment of C.P. to Wren Broadcasting Co., Lawrence, Kans.; KGHL, Northwestern Auto Supply Co., Inc., Billings, Mont., special experimental authorization to operate on 780 kc., 1 KW night, 2½ KW day, unlimited time for a period of 90 days; KMBC, Midland Broadcasting Co., Kansas City, Mo., mod. of license to determine operating power by direct measurement of antenna; KGKO, Wichita Falls Broadcasting Co., Wichita Falls, Tex., regular license for 1240 kc., 1 KW unlimited time; KTAT, KTAT Broadcast Co., Inc., Fort Worth, Texas, regular license for 570 kc., 500 w. night, 1 KW day, unlimited time; WJW, WJW, Inc., Akron, Ohio, license to cover C.P. to operate on 1210kc. 100 watts, unlimited time (C.P. authorized new equipment); WHBY, WHBY, Inc., Green Bay, Wis., license to cover C.P. to operate on 1200 kc., 100 w. night, 250 w. day, unlimited time;

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JUNE 25, 1935.

Radion Engineers Already For Detroit Meeting.....	2
Cuban Radio-Imports Show Appreciable Improvement.....	4
Pittsburgh Station Favored For Daylight Increase.....	4
N.A.B. Says Members Must Reach Own Copyright Decisions.....	5
A Bowl For Prall.....	7
Copyright And Television In Spotlight At NAB Convention.....	8
Trial Of Loud Speaker Stirs Up Loud Speaker.....	9
Cable-Radio Merger Shows Increased Profits For 1934.....	10
Adverse Report On KALE's Frequency Change Application.....	10
Industry Notes.....	11
Kentucky Colonelship May Bring More Honors To Phil.....	12

No. 837

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June 25, 1935

## RADIO ENGINEERS ALREADY FOR DETROIT MEETING

Arrangements have been completed for the Tenth Annual Convention of the Institute of Radio Engineers to be held in Detroit for three days beginning Monday, July 1st. After an official greeting by Stuart Ballantine, President of the Institute, and H. L. Byerlay, Chairman of the Convention Committee, the Engineers will lose no time in getting down to business.

There will be two technical sessions each day, the first in the morning and the other in the afternoon. The program follows:

### Monday Morning, July 1st

- "Electron Beams and Their Application in Low Voltage Devices", by H. C. Thompson, RCA Radiotron Division, RCA Manufacturing Company, Harrison, N. J.
- "Frequency Control by Low Power Factor Line Circuits", by C. W. Hansell, F. H. Kroger and P. S. Carter, R.C.A. Communications, New York, N. Y.
- "Design and Equipment of a 50-Kilowatt Broadcast Station for WOR", by J. R. Poppele, Station WOR, Newark, N. J.; and F. W. Cunningham and A. W. Kishpaugh, Bell Telephone Laboratories, New York City.

### Monday Afternoon

- "Automatic Selectivity Control", by G. L. Beers, RCA Victor Division, RCA Manufacturing Company, Camden, N. J.
- "Automatic Frequency Control", by Charles Travis, formerly of RCA License Laboratory, New York City, read by D. E. Foster, RCA.
- "Radio Panel Lamps and Their Characteristics", by J. H. Kurlander, Westinghouse Lamp Company, Bloomfield, N. J.
- "Magnetron Oscillators for Generating Frequencies from 300 to 600 Megacycles", by G. R. Kilgore, RCA Radiotron Division, RCA Manufacturing Company, Harrison, N. J.
- "An Unattended Ultra-Short-Wave Radio Telephone System", by N. F. Schlaack and F. A. Polkinghorn, Bell Telephone Laboratories, New York City.
- "Some Notes on Piezo Electric Crystals", by Isaac Koga, Tokyo University of Engineering, Tokyo, Japan.

6/25/35

Tuesday Morning, July 2

- "Recent Developments of Class B Audio and Radio Frequency Amplifiers", by L. E. Barton, RCA Victor Division, RCA Manufacturing Company, Camden, N. J.
- "General Theory and Application of Dynamic Coupling and Power Tube Design", by C. F. Stromeyer, Revelation Patents Holding Company, New York City.
- "Notes on Intermediate-Frequency Transformer Design", by F. W. Scheer, S. W. Sickles Coil Company, Springfield, Mass.
- "Some Theoretical Considerations Relating to Vacuum Tube Design", by G. D. O'Neill, Hygrade Sylvania Corporation, Salem, Mass.
- "Ratings and Operating Information on Large High Vacuum Tubes", by R. W. Larson, General Electric Company, Schenectady, N. Y., and E. E. Spitzer, RCA Radiotron Division, RCA Manufacturing Company, Harrison, N. J.
- "Analysis of the Operation of Vacuum Tubes as Class C. Amplifiers", by I. E. Mourontseff and H. N. Kozanowski, Westinghouse Electric and Manufacturing Company, East Pittsburgh, Pa.

Wednesday Morning, July 3

- "A New Tube for Use in Superheterodyne Frequency Conversion Systems", by C. F. Nesslage, E. W. Herold, and W. A. Harris, RCA Radiotron Division, RCA Manufacturing Company, Harrison, N.J.
- "A New Type of Gas-Filled Amplifier Tube", by J. D. LaVan and P.T. Weeks, Raytheon Production Corporation, Newton, Mass.
- "Ultra Short Wave Propagation Overland", by C. R. Burrows, Alfred Decino, and L. E. Hunt, Bell Telephone Laboratories, New York City.
- "Comparison of Cosmic Data with Characteristics of the Ionosphere at Washington", by E. B. Judson, National Bureau of Standards, Washington, D. C.
- "A Study of Radio Field Intensity Versus Distance Characteristics of a High Vertical Radiator at 1080 Kilocycles", by S. S. Kirby, National Bureau of Standards, Washington, D. C.

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## CUBAN RADIO IMPORTS SHOW APPRECIABLE IMPROVEMENT

Although imports of radios into Cuba during May were appreciably under the preceding month, aggregate receipts for the first five months of the current year were markedly in excess of the corresponding 1934 total, according to the Commerce Department.

Radio receiving sets imported into the Cuban market in May, the report shows, totaled 1,639 units compared with 2,605 units in April, and 1,521 units in May, 1934. Total imports during the January-May period of 1935 amounted to 11,007 units, as against 5,903 units in the corresponding period of last year.

Cuba's import trade in radios, it is pointed out, continues to be characterized by a constant shifting in the position of the various makes entering the trade. Five or six of the outstanding makes maintain a fairly steady month-to-month business, but the remainder of the business fluctuates widely, with large imports one month in a brand or make that does not appear again for several months, and with small quantities of new makes appearing each month.

Cuban imports of Dutch Phillips radios - the only non-American competitor - continued at a low level, with only two units reported in May, and a total of only 48 units for the first five months of this year.

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## PITTSBURGH STATION FAVORED FOR DAYLIGHT INCREASE

The application for an increase of its daytime power of 1,000 to 5,000 watts of WCAE, Pittsburgh, has been favorably recommended to the Federal Communications Commission by George H. Hill, Examiner in the case. In his conclusions, Mr. Hill set forth that there is need in the Pittsburgh area for the increased daytime power and that no objectionable interference would be caused by it.

Examiner Hill also said that the station was technically and financially qualified to make the improvements requested. WCAE, which is the only outlet of the Red Network of the National Broadcasting Company in the Pittsburgh area, the next nearest being Station WTAM, at Cleveland, which latter station is reported to be received unsatisfactorily during the daytime hours in the Pittsburgh area, showed a net operating profit for 1934 of \$93,468.98.

Counsel for WCAE in the case were John M. Littlepage, Thomas P. Littlepage, Jr., William A. Porter and R. F. McCauley.

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## N.A.B. SAYS MEMBERS MUST REACH OWN COPYRIGHT DECISIONS

The Board of Directors of the National Association of Broadcasters in New York City last week passed a resolution standing pat on their previous position with regard to the use of copyrighted music but at the same time advising broadcasters they must come to their own decision in the matter. The resolution follows:

"Whereas a full report covering the recent negotiations with ASCAP has been made to the Board by A. J. McCosker, Chairman of the Copyright Committee, heretofore appointed, and certain of the members of the committee; and by Edward Klauber, representing the Columbia Broadcasting System; A. L. Ashby, representing the National Broadcasting Company; and I. D. Levy, representing Station WCAU; and Mr. J. G. Hostetler, Copyright Counsel for the Nab, the Board makes the following declaration of principles and facts:

"1. The Board reiterates that the so-called 'per piece plan' or 'measured service plan' is the fairest and best to be followed in paying for the use of copyrighted music, in that it enables each broadcaster to pay a price fixed by the individual owner of copyrights, competitively, and compels no person to buy or pay for more than he actually uses.

"2. The Board believes that the two networks and Station WCAU when they accepted a five year extension of the present contract, did so only after the NAB Copyright Committee found it impossible to work out with the Copyright Committee of ASCAP a 'per piece' or 'measured service' plan prior to the expiration of present contracts; and that when they accepted such contracts it was because the networks and WCAU felt that it was necessary for the industry to have available upon the best terms possible, the repertoire controlled by ASCAP; and for the reason that it was impossible to operate a radio broadcasting station without the use, to a greater or lesser extent, of the music so controlled.

"3. The Board of Directors believes that every broadcaster must come to a decision as to whether or not he desires to extend his present contract for a period of five years from January 1, 1936 (1) in the light of the requirements of his station; (2) his contract commitments, if any, either to the networks or advertisers, and (3) the fact that the suit being prosecuted by the United States has been continued until early in November, 1935, and therefore in all probability cannot be decided by the trial court prior to the date of the extension of the present license already granted which is January 1, 1936.

"Accordingly the Board attaches hereto a letter from E. C. Mills of the American Society of Composers, dated June 17th, which was sent to the Chairman of our Copyright Committee, and which was presented to the Board on June 22nd."

The letter from Mr. Mills reads as follows:

"This confirms my previous telephone conversation with you as Chairman of the Copyright Committee of the National Association of Broadcasters to the following affect:

"ASCAP offers all broadcasting stations an opportunity, regardless of membership in your Association, to extend the terms of their present license agreements, as now in effect, for a period of five additional years, as from January 1st, 1936. As you have been previously advised, pursuant to understanding reached with your Committee, ASCAP agreed that all present license agreements with broadcasters would be extended to December 31, 1935. The purpose now is to offer all broadcasters without exception an opportunity to extend their existing agreements for an additional five years from January 1st, 1936.

"All licenses are renewable under their present terms, except as to Stations WEAf, WJZ and WABC, the sustaining fees of each of which has been by agreement increased \$25,000 per annum, effective January 1, 1936.

"We shall be glad to receive the written request of any station for an extension of its present agreement as above provided for. All of such requests will be promptly covered by a brief rider to be attached to the present agreement, providing for the extension."

According to reports from New York, NBC, Columbia, et al signing up new contracts appeared to doom the Government's case against the Composers from the very beginning of the trial. According to one observer, the real reason for the Government asking for an adjournment until November was that their case went poorly and was badly handled and that they asked for time out because they were about "on the ropes". The Composers were said to have consented to an adjournment with the greatest reluctance.

The Broadcasters' Directors at their New York meeting unanimously ratified the act of Philip Loucks, Managing Director of the NAB, in sending out the letter of Mr. Hostetler to the membership at the time the advance copyright agreements were signed. Isaac D. Levy, of Station WCAU, had questioned the authority of Mr. Loucks to do this. Loucks and Hostetler still cling to the idea that the signing of the 5-year contracts on the eve of the Government suit was a mistake and that it will greatly weaken the Government case. Doubtless more will be heard on this at the Colorado convention.

The impression got out that James W. Baldwin would be elected to succeed Phil Loucks, who recently resigned, at the New York meeting but this has gone over to the July convention at which time the term of Loucks expires.

6/25/35

A committee of five was appointed at the New York to study ways and means of continuing any benefits resulting from the Code. The members are: A. J. McCosker, WOR, Newark, Chairman; John Shepard III, Yankee Network, Boston; Stanley Hubbard, KSTP, St. Paul; A. B. Church, KMBC, Kansas City; and E. A. Allen, WLVA, Lynchburg, Va.

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### A BRAWL FOR PRALL

The following invitation has been extended to the radio industry in Washington to celebrate the confirmation of Chairman Anning S. Prall for a 7-year term on the Federal Communications Commission by Sol Taishoff, of Broadcasting Magazine, Chairman of the Arrangements Committee:

"Come one, come all  
To Brawl for Prall  
Friday, June 28  
7 o'clock, don't be late

"Hay-Adams House is the place  
Plenty of good parking space  
Barrels 'n' barrels of good beer  
Spiked to knock you on your ear.

"We'll fill the joint with good cheer  
Eats include right side of steer  
Real spirits too, if you choose  
But you'll have to order booze.

"Prall's 7-year term, we'll celebrate  
So lend a hand you hardy mate  
And haul aboard the foamy deck  
By sending in your \$3.50 check.

"Do it now - don't hesitate  
So we can plan this royal fete  
Send your filthy dough  
Or else be labelled a so 'n' so."

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## COPYRIGHT AND TELEVISION IN SPOTLIGHT AT NAB CONVENTION

Lively topics of discussion at the 13th Annual Convention of the National Association of Broadcasters will include the copyright situation and a Government report on the present status of television here and abroad. Those attending the sessions will assemble at Colorado Springs Sunday, July 7, at which time the Fifth Annual NAB Championship Golf Tournament will be held. The sessions will conclude Wednesday, July 10th.

A tentative program follows:

Monday, July 8 - 9:30 A.M.

Address of the President: Mr. J. T. Ward, WLAC, Inc.,  
Nashville, Tennessee

Hon. Anning S. Prall, Chairman, Federal Communications Commission,  
Washington, D. C.

"Television in America and Europe", Mr. Andrew W. Cruse,  
Chief, Electrical Division, U. S. Department of Commerce

Report of the Managing Director: Mr. Philip G. Loucks,  
National Association of Broadcasters, Washington, D. C.

Monday - 2:00 P.M.

Report of Commercial Committee: Mr. Arthur B. Church, Chairman,  
Midland Broadcasting Co., Kansas City, Missouri

Report of Special Committee on Trade Practices; Mr. Alfred J.  
McCosker, Bamberger Broadcasting Service, Inc., New York City

Report of Engineering Committee: Mr. Joseph A. Chambers, Chairman,  
Crosley Radio Corporation, Cincinnati, Ohio.

Report of Legislative Committee: Mr. Philip G. Loucks, Managing  
Director, National Association of Broadcasters, Washington,  
D. C.

Tuesday, July 9 - 9:30 A.M.

Report of NAB Copyright Committee: Mr. Alfred J. McCosker,  
Bamberger Broadcasting Service, Inc., New York, N. Y.

Report of Treasurer, Copyright Fund: Mr. Isaac D. Levy, WCAU  
Broadcasting Co., Philadelphia, Pennsylvania

Report of Mr. Joseph C. Hostetler, of Cleveland, NAB Copy-  
right Counsel.

'No afternoon session scheduled for Tuesday

Tuesday - 6:45 P.M.

Annual NAB Banquet: Presentation of Trophies to winners of Golf Tournament.

Wednesday, July 10

Report of Resolutions Committee  
 Report of Nominating Committee  
 Election of Officers  
 Installation of Officers  
 Adjournment

The Convention Committee is composed of Edwin M. Spence, Baltimore, Md., Chairman; Guy Earl, Hollywood, Cal.; E. B. Craney, Butte, Mont.; Ralph R. Brunton, San Francisco, Cal.; Glenn Snyder, Chicago, Ill.; P. J. Meyer, Bismarck, N. Dak.; William H. West, East St. Louis, Ill.; Hugh A. L. Halff, San Antonio, Tex.; Hoyt B. Wooten, Memphis, Tenn.; E. D. Gluck, Charlotte, N. C.; Credo Harris, Louisville, Ky.; Campbell Arnoux, Norfolk, Va.; Roy F. Thompson, Altoona, Pa.; Paul W. Morency, Hartford, Conn.; Charles Burton, Boston, Mass., and C. D. Mastin, Binghamton, N. Y.

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#### TRIAL OF LOUD SPEAKER STIRS UP LOUD SPEAKER

Reminiscent of the days when Senator Carter Glass, of Virginia, refused to use the first dial telephone, was a row stirred up in the House during a try-out of an RCA-Victor amplifying system. It was installed as the result of a resolution introduced by Representative Stephan, of Nebraska, former editor and radio announcer. Mr. Stephan's secretary said that evidently the machine had not been properly adjusted and that Mr. Stephan was disappointed in the first day's performance. A representative of the RCA-Victor Company, who asked that his name not be mentioned, said the apparatus seemed to him to be working all right, that he sat in one of the galleries, and if anything the amplification was not loud enough.

Speaker Byrnes was understood to be annoyed because of the loud reverberations when he pounded his gavel and after adjournment was quoted as saying, "This loud speaker foolishness will be out of here in a couple of days. Don't worry about that." Congressman Blanton of Texas was another complainant.

It was believed after another day or so's trial, if that is permitted, the Congressmen would get used to the apparatus and perhaps like it. Several other systems have been installed in the past but none has been allowed to remain.

The fact is, if for no other reason than service to the Press Gallery, an amplification is badly needed for both the House and Senate as half the time it is impossible to hear what those on the Floor are talking about. Not long ago Ed Wynn, the comedian, sitting in the visitors' gallery of the House said the Congressmen must be telling off-colored jokes because they were speaking so softly no one could hear them.

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#### CABLE-RADIO MERGER SHOWS INCREASED PROFITS FOR 1934

A substantial improvement in earnings is recorded in the annual report of Cable and Wireless for 1934, Alfred Nutting, Clerk, American Consulate General, London, reports. Receipts from messages and wayleaves amounted to £4,787,993, or £181,872 more than in 1933. Revenue from shares in subsidiaries was £3,966 higher at £64,090. Government and other securities yielded £16,429 more at £31,105, and receipts from the charter of cable ships, etc., increased by £19,075 to £97,776. On the other hand, investments in traffic and other companies gave £9,759 less at £102,966.

The total revenue comes out at £4,777,281, compared with £4,576,532, after £306,649 (against £295,813 in 1933) to taxes. Expenses totaled £4,151,735, a reduction of £215,246. Included in the sum are £135,882 (£137,097 in 1933) to cable renewals and £68,000 (£88,500 in 1933) written off in respect of losses of subsidiaries and the cost of terminating a joint purse agreement and other outgoings. Working expenses at stations were £107,047 lower at £2,252,563.

Net profit amounted to £625,546, an increase of £415,994 over 1933. Including £60,576 brought in, the total available is £686,122. The net profit of £625,546 compares with £209,000 in 1933, £80,000 in 1932, and £75,000 in 1931. The directors recommend a dividend of 2 percent on the £30,000,000 of share capital, as against 11s. 8d per cent for 1933. This will require £600,000, and leaves £86,122 to be carried forward, an increase of £25,546 over the sum brought in.

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#### ADVERSE REPORT ON KALE'S FREQUENCY CHANGE APPLICATION

Examiner John P. Bramhall has recommended to the Federal Communications Commission that Station KALE of Portland, Ore., be denied permission to change its frequency from 1300 kc. to 1250 kc. and from specified to unlimited hours of operation. The Examiner set forth that Portland, Ore., is now being served by 7 broadcasting stations in addition to KALE, with two unlimited station, one of which is owned by the stockholders of KALE, Inc., and therefore believed that no additional service is needed for that area.

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 ::: INDUSTRY NOTES :::  
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Cooperating with the Department of Justice, the National Association of Broadcasters has sent to every broadcasting station in the United States and to all members of the Association, an identification card of William Mahan, wanted in connection with the kidnaping of George Weyerhaeuser at Tacoma, Wash. This included two excellent photographs of Mahan, a full face and profile, a complete description of him, his criminal record and a reproduction of his fingerprints.

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If and when the Transradio Press Service suit for \$1,170,000 against the Associated Press, United Press, Columbia Broadcasting System, National Broadcasting Co., and others, charging them with a broadcast news conspiracy in restraint of trade, comes to trial, it may be as long as two years before the case can be heard owing to the overcrowded condition of the U. S. court docket.

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More than 200 Zenith radio distributors gathered at the Edgewater Beach Hotel in Chicago last week to learn of Zenith's Fall advertising program.

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Favorable report has been submitted to the Commission with regard to granting the applications for 100 watt stations to the Paris Broadcasting Co., Paris, Texas, on 1500 kc., frequency, and the East Texas Broadcasting Co., Tyler, Texas, on 1500 kc. The Dalls Broadcasting Co. was favorably recommended for a 100 watt station on 1500 kc. for daytime operation hours and from 8 P.M. to midnight but denied 7-8 P.M. operation.

An adverse report was submitted with regard to Centennial Broadcasting Corp. at Dallas, for a 100 watt station on 1200 kc., unlimited time.

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A regular television-telephone service between Berlin and Munich, Germany, will be inaugurated early next year, a United Press dispatch from Hamburg reports.

"What was claimed to be the first practical two-way television apparatus was demonstrated to scientists in the institute of German electro-technicians gathered here. Each partner to the telephone conversations clearly saw the other during the demonstration."

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6/25/35

The purchase of WDAG and KGRA, two radio broadcasting stations at Amarillo, Tex., by the Plains Radio Broadcasting Co., owned by Wilbur C. Hawk and Gene A. Howe, owners of the Amarillo (Tex) Globe News, recently took place. The combined station will be known as KGNC, with Tex Taylor and Wes I. Izzard, managing editor of the Globe, as managers of the station.

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The number of persons in Germany subscribing to the Federal broadcasting service totalled 6,734,745 on May 1, 1935, which represents an increase of only 9,529, or 0.14 percent, over the preceding month, Vice Consul C. T. Zawadski, Berlin, reports.

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E. C. Layman, owner of Layman Distributing Co., Oklahoma City, handbill distributors, was fined \$11 in police court on charges of operating a "sound truck" for advertising purposes in violation of city ordinances.

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Theodore C. Streibert was made a member of the Board of Directors of the Radio Quality Group, Inc., of Station WOR. The Board of Directors of the Radio Quality Group, Inc., in addition to Mr. Streibert and A. J. McCosker, also includes the following: Jack I. Straus, Paul Hollister, Donald K. David, and Hector Suyker.

Mr. Streibert is assistant to Alfred J. McCosker.

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#### KENTUCKY COLONELSHIP MAY BRING MORE HONORS TO PHIL

Gov. Ruby Lafoon, of Kentucky, made Phil Loucks, retiring Managing Director of the NAB, a Colonel last week.

"Having achieved such great prominence", a friend remarked, upon hearing that Loucks had failed to escape a Kentucky Colonelcy, "I am now going to use my influence to get Phil's name placed on the mailing list to receive a Sears-Roebuck catalogue."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JUNE 28, 1935

Broadcasters Fight To Forestall Copyright Amendment.....	2
RCA Names Television Committee.....	4
House Rips Out Loud-Speaker.....	5
Television Cable Hearing Set For July 15.....	6
China Begins To Wake Up On Radio.....	6
Paul Spearman Resigns As FCC General Counsel.....	8
Mackay Contracts For Direct Radio To Norway.....	9
Texas 100-Watter Favorably Recommended.....	9
NBC Program Policies Praised.....	10
FCC Fixes Government Telegraph Rates.....	11
House Food And Drug Bill Hearing Undecided.....	12

No. 838

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

## BROADCASTERS FIGHT TO FORESTALL COPYRIGHT AMENDMENT

An urgent appeal has been made by the National Association of Broadcasters that every member who believes that the \$250 statutory minimum damages for innocent infringement of music copyright should be eliminated from the law should write, wire or telephone his Senator immediately asking that he use his influence to secure passage, without amendment of the Copyright Bill introduced by Senator Duffy, of Wisconsin. The Duffy Bill, which has been favorably reported to the Senate and which was introduced earlier in the week with quite a display of fireworks, does not carry the \$250 minimum damage clause to which the Broadcasters object.

Because of the sharp difference of opinion between the National Association of Broadcasters, which is making every effort to arouse its members as are the other organizations concerned, and the American Society of Composers and the Authors League of America, the latter two favoring the retention of the minimum damage clause, there will unquestionably be a heated debate when the Senate again discusses this provision.

Senator Duffy, when the Bill came up **this** week, fired the opening gun when he said:

"There is in this particular bill one matter to which authors object; that is, we have eliminated the provision for \$250 minimum statutory damages, which has been made a racket in this country by the organization familiarly known as the 'ASCAP', the American Society of Composers, Authors, and Publishers. The United States Government is now conducting a prosecution against that organization in a case which, I understand, was commenced in New York last week. The authors do object because the minimum of \$250 statutory damages has been eliminated. On the other hand, the maximum has been largely increased, from \$5,000 to \$20,000, and the courts will give the authors full protection, but they will not be able to go into a boot-black stand or a little pool hall somewhere and hold up the proprietor for \$250 as a minimum if this bill shall become a law. There are many things in the bill which the authors very much desire, and of which they are very much in favor."

Senator Copeland, of New York, said, when Senator Wagner of the same State objected to the consideration of the Bill until the Senators had had more time to inform themselves about it, that he was very glad his colleague had objected because had had been quite overwhelmed with protests from New York State against the Bill. Senator Copeland added:

"There seems to be a feeling that it will work a great injustice; that it will deny to American authors certain rights to which they feel they are entitled, and that it is not a good bill and ought not to be passed. I do not profess to have any knowledge of it at all and I am simply reciting to the Senator what is coming to my desk in the way of protests."

Senator Copeland said that he had received a telegram of protest from John Erskine, "one of the most popular writers of the day", and a similar message from Gene Buck, head of the Composers. Senator Copeland read the telegram from Mr. Erskine which was as follows:

"I sincerely hope you will oppose copyright bill S. 3047. The bill gives foreign authors basic copyright without formality, but denies it to American authors. The bill seems to protect chiefly the commercial enterprises which live on the authors."

Senator Copeland thereupon expressed the hope that Senator Duffy would not press the consideration of the Bill on that particular day in order to give the Senators more of an opportunity to look into it.

"I think that should be done; but I desire to give notice that as early as possible I shall try to have the bill considered by the Senate, because we are holding up the Copyright Union treaty until this bill can receive consideration by the Senate", Senator Duffy replied.

"If the bill is a meritorious one, of course, I have no desire to delay its consideration", Senator Wagner said. "I have received protests from a number of people in New York in whom I have very great confidence, who tell me that the bill is unfair to their profession. I did not, of course, wish to be discourteous to the Senator in making the objection. I thought he had in mind persuading me to withdraw my objection.

"In view of these protests, not having had an opportunity to study the bill in detail, I shall have to press my objection today. I will confer with the Senator a little later on.

Senator Vandenberg, of Michigan, served notice that he would have several amendments to offer to the Copyright Bill.

Senator Duffy, during the course of the discussion said that in a very large measure this bill is an enabling act.

"The Copyright Union Treaty, or convention, was reported to the Senate by the Foreign Relations Committee and is now on the Executive Calendar, although we had a gentlemen's understanding that it would be held on the calendar until the present bill could receive consideration by the Senate", the Senator concluded.

"All users of music are interested in having the \$250 statutory minimum damages infringement clause knocked out because very often it hits the little fellow like a man running a hot-dog stand, or a shoe-shining stand who has a radio, and instantly violates the law", a broadcaster said. "This is an injustice to the small user of music. On the other hand, we have no objection to the large increase from \$5,000 to \$20,000 in maximum damages, or the provision to allow the court to give the authors full protection."

It is not definitely known when the Copyright Bill will again be considered in the Senate but it is expected that it may come up at almost any time. There is apparently a consensus of opinion that the Copyright Act will be passed before the close of the present session.

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#### RCA NAMES TELEVISION COMMITTEE

Plans for RCA's field test of high definition television to begin some time next year are being developed under the direction of an inter-company committee named by David Sarnoff, President of Radio Corporation of America.

The committee, headed by Dr. W. R. G. Baker, Vice-President and General Manager of the RCA Victor division of RCA Manufacturing Company, Inc., will draw on the broadcasting, communication and manufacturing experience and resources of RCA in formulating the details of the field test. Five other leading authorities on radio and electronics who will serve with Dr. Baker in constituting RCA's Television Committee are - R. R. Beal, RCA Research Supervisor; C. W. Horn, Director of Research and Development, and O. B. Hanson, Chief Engineer for the National Broadcasting Company; C. H. Taylor, Vice-President in Charge of Engineering for R.C.A. Communications, Inc.; and J. C. Warner, Vice-President and General Manager of the Radiotron Division of RCA Manufacturing Company, Inc.

In a statement May 7th announcing RCA's plan to conduct a field test on high definition television, Mr. Sarnoff pointed out that from 12 to 15 months would be required for the construction of a transmitter and experimental receiving sets, and that then RCA would be in a position to test television possibilities under actual operating conditions.

"Nobody knows how long it will take to iron out some of the deep wrinkles in television as we know it today", Dr. Baker said following a meeting of the RCA committee. "We have made a great deal of progress in our research laboratories during the past three years, and we hope that the experience gained in the field test will enable us to determine more definitely the possibilities of television service with standards that will be

acceptable to the American public. In the meantime there are innumerable problems both technical and non-technical that can only be solved through the operation of a controlled field test. We must study transmission and reception factors, we must design and re-design, build and rebuild apparatus, and we must evolve an entirely new broadcasting technique. While the difficulties are many, we are confident of the ultimate results."

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### HOUSE RIPS OUT LOUD-SPEAKER

Speaker Byrns was correct in his prediction that the loud-speaker system installed by the RCA Victor Company to help members and the gallery follow the discussions in the House of Representatives, "will be out of here in a couple of days; don't worry about that." As a matter of fact the system was only in use part of one hectic day and has now been taken out entirely.

Although Speaker Byrns has refused to be quoted further, it is generally understood that it was because of his annoyance at the reverberation of the hammering of his gavel that experiments ceased, rather than due to any imperfection in the loud-speaker system.

"The whole trouble in both the House and Senate is that they are so old-fashioned they will not tolerate any innovations whatsoever", an observer of the situation remarked. "It is a fact that a certain member tried to have a refrigerating system installed in the House where they could get ice water at any time but this was not permitted, the members preferring to stick to their old custom of drinking Poland water and putting ice in it."

Although the attempts to have amplifiers installed in the House and Senate, where oftentimes in the galleries it is impossible to hear what is being said on the floor, an RCA Victor loud-speaker system was used in the Senate Committee room in which Nye munitions hearings were held and worked very satisfactorily. Also the same system is used in calling Senators' cars from the Senate garage.

However, judging from the excitement created by the installation of the loud-speaker system in the House, during which time the Congressmen became so impatient that they wouldn't even give the engineers time to adjust the apparatus properly, it may be quite a long time before a similar installation may again be made in either House or Senate.

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## TELEVISION CABLE HEARING SET FOR JULY 15

The application of the American Telephone and Telegraph Company and the New York Telephone Company for authorization to construct a coaxial cable from New York to Philadelphia, as a part of the experiment to determine the future possibilities of the coaxial cable in television as well as telephone and telegraph use, has been set for hearing before the Commission en banc for Monday, July 15th.

All parties interested in, or who may be affected by, the use of the coaxial cable, if and when it may be devoted to general commercial use, will, upon application to the Federal Communications Commission, be afforded opportunity to participate in the hearing.

The Commission feels that it is in the public interest to ascertain in advance the facts surrounding the future uses to which the cable may be put.

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## CHINA BEGINS TO WAKE UP ON RADIO

The Chinese Government Ministry of Communications is now operating Station XQHC, in Shanghai, is increasing the power of that station to 500 watts, with crystal control, and will use it for training center for Chinese radio technicians and announcers.

Within the next 12 months an increase to 1,000 watts is anticipated, German Telefunken equipment having been ordered. The station is now under the control of the Director of the Bureau of International Telegraphs of the Ministry of Communications. When alterations have been completed it will probably rebroadcast international programs, and will later serve as a feeder to the 75,000 watt station of the National Government at Nanking

The City Government of Greater Shanghai is erecting a 500 watt station in the New Civic Centre in the Kiangwan district. and a 400-watt station is scheduled for construction in the French Concession at Shanghai by the French Municipal authorities during the year.

An order has been placed with the China Electric Company by the Canton authorities for a 15,000-watt broadcasting station (British equipment), which is expected to be one of the most modern stations in the Far East when completed during 1936.

6/28/35

Although there are 102 broadcasting stations in China, according to A. Viola Smith, Trade Commissioner, only some 10 are of commercial importance. Exactly half of these stations are located in Shanghai, the center of radio development. Only one of them, however, with the exception of XQHC, which the Government is bringing up-to-date, has crystal control. Studio equipment in all stations is very limited and in most stations, obsolete type.

In addition to commercial stations, Government stations now accept radio advertising. Such advertising is uncertain, however, as advertisers' control over programs is restricted. It is understood that these stations may be prohibited from receiving any advertising except for "native products". Efforts are being made to include "products manufactured in China" in the regulation so as to permit the advertising of products made under foreign control.

A number of American manufacturers are sending their own electrical transcriptions of American programs for use in China, and there appears to be accommodation for greater use of this method.

The Chinese programs rank about as follows in popular appeal: (1) Chinese Story Teller; (2) Chinese Comedy Act, consisting of two musicians and three comedy singers; (3) Novelty groups of five, two story-tellers, two musicians, and one singer. Lessons in English are enjoying a popular vogue. Many Chinese retail shops have sets receiving popular foreign music programs. Automobile dealers are sponsoring advertising over three or four Chinese stations between the hours of 12 midnight and 3 A.M. to reach a certain select Chinese audience. Some Chinese stations are carrying on programs up to 5 A.M., in order to reach the "mah jongg clientele."

Class "A" commercial stations charge about \$30 an hour for its time and pays the talent as follows:

"A" Class Orchestra, generally a remote - \$50.00 per Hour; Chinese Orchestra - \$35.00 per hour; Chinese Story Tellers - \$6.50 per hour; Chinese Comedians (group) - \$20.00 per hour; Vocal Artists - US \$3.50 to \$35.00 per hour.

Chinese

A complete report on the/broadcasting system and other phases of radio has been made by the Commerce Department comprising of a multigraphed bulletin of 25 pages. This is titled - "Radio Markets -- China", and copies may be had by sending 25¢ to C. T. Murchison, Director, Bureau of Foreign and Domestic Commerce, Washington, D. C.

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## PAUL SPEARMAN RESIGNS AS FCC GENERAL COUNSEL

A veteran in the field and one who has helped to make considerable radio legal history, Paul D. P. Spearman has resigned as General Counsel of the Federal Communications Commission, a position which he has held since last July. He was the first one to serve in that capacity with the new Commission. Mr. Spearman, however, was associated with the old Radio Commission for two years as Assistant General Counsel.

Mr. Spearman, a native of Mississippi, who was formerly associated with the firm of Littlepage & Littlepage in Washington, has not as yet announced his plans. His letter of resignation to the Commission follows:

"Because of the personal sacrifice involved, I should have hesitated to become your General Counsel but for the fact that I realized my doing so would give me the opportunity and privilege of serving, at least in a small way, the administration of President Roosevelt. Moreover, I have had the honor and privilege of working with you for a year and believe I can say, without being immodest, that the Commission's work and accomplishments during this year have been of such an order that you must take personal pride in them. If I may be permitted to claim a small share of the credit for this success, I shall be happy.

"The honor which comes from serving with an important commission, especially during its most important year - its first - and the pleasure which has been mine from associating with the Commission and its staff, more than compensates for any personal loss to me.

"I believe that the present staff of the Law Department is equal to any problem which may confront it. In view of this, and in view of my desire to return to private practice, I hereby tender my resignation, to be effective at the close of business on June 30, 1935.

"During the year many problems have confronted your Law Department. Some of them will arise time and again in the future and if the occasion presents itself when I can be of service to the Commission I shall be only too glad to respond to your command. To be of service to you in the future would be an honor and a privilege which I would welcome.

"May I take this opportunity to say that I shall ever think of the Commission and its staff as my warmest friends?

"With kind personal regards to each of you and an earnest prayer for the continued success of the Commission and its staff."

6/28/35

Chairman Anning S. Prall, replied as follows:

"The Commission yesterday (June 26) received and accepted your letter of resignation as General Counsel to become effective June 30, 1935.

"At that time the Commission requested me to acknowledge your letter. In your letter you paid this Commission and the members of its staff a very high compliment on the work which they have performed, and you ask that you be permitted to claim a small share of the credit for the success of the work that has gone before. I believe I may say, and I am sure my colleagues will join me in saying, that a large measure of the success is due to your efficient and painstaking studies of the problems which have come before us during this past year.

"In your return to private practice, the Commission wishes you a full measure of success and is sincere in its appreciation of your offer of further service."

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#### MACKAY CONTRACTS FOR DIRECT RADIO TO NORWAY

A contract has been made between the Government of the Kingdom of Norway and the Mackay Radio and Telegraph Company, a subsidiary of the International Telephone and Telegraph Corporation for the opening of a direct radio telegraph circuit between the United States and Norway.

Mackay Radio has filed application with the Federal Communications Commission to obtain approval for this new circuit. It will add one more European link to the Mackay Radio System which also has radio circuits to the major countries of South America and to China and Japan as well as ship-shore and domestic radio telegraph services.

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#### TEXAS 100-WATT FAVORABLY RECOMMENDED

The application of the Palestine Broadcasting Association of Palestine, Texas, for 100 watt station on a frequency of 1420 kc., daytime operation, has been favorably reported on by Examiner Ralph L. Walker. The president of the Palestine Association is John Calvin Welch, a clergyman.

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## NBC PROGRAM POLICIES PRAISED

Messages from the Federal Communications Commission, the Women's National Radio Committee, the American Association of Advertising Agencies and other organizations praising the progress made by the National Broadcasting Company during the past year and a half in eliminating objectionable advertising from the air were read last Tuesday by Edgar Kobak, NBC Vice-President in charge of sales, at the second day of the NBC Sales Management Conference at the Westchester Country Club, at Rye, N.Y.

Richard C. Patterson, Jr., Executive Vice-President of NBC, presided at the session, which centered about a discussion of the Continuity Acceptance Department, which was established by NBC early in 1934 in an effort to clear the air of questionable advertising copy.

Anning S. Prall, Chairman of the Federal Communications Commission, expressed himself as follows in a message to NBC officials:

"I have been advised of and have noted with interest the policies you have effected in the handling of broadcast advertising by your company. This work is in the right direction and I hope you will continue to give the Continuity Acceptance Department the authority and freedom of action it must have if it continues to operate in the interests of good advertising. You have my best wishes in your efforts and the results you have secured."

John Benson, President of the American Association of Advertising Agencies, commented on the part NBC has played in making broadcasting more acceptable and welcome in the American home.

"You have done pioneer work in this regard", he stated, "for which advertisers and agencies should be deeply grateful. Undoubtedly, there have been a number of objections on the part of broadcasting sponsors who wish to use more license than is good for the medium and for those who use it, and you are to be commended for taking a firm position in this regard."

Stuart Peabody, Chairman of the Board of the Association of National Advertisers and Director of Advertising and Commercial Research for the Borden Company, wrote Mr. Kobak as follows:

"Personally, I believe that recent activities have stirred this matter up beyond its real importance. As opposed to the method of adopting and publishing a so-called Code of Ethics, I personally prefer the quiet way in which you work with your advertisers."

In discussing the broadcasting company's policies, Mr. Kobak said:

6/28/35

"The National Broadcasting Company took the lead more than a year and a half ago in insistence upon good taste standards and has refused a number of accounts which we considered not suitable for the air. This work is going along quietly and efficiently with one thought in mind, to protect the consumer and the listener and at the same time to give the conscientious manufacturer a fair opportunity to sell his products. As broadcasters, we have the right to censor all advertising, but I have found recently that manufacturers are doing everything they can to abide by our suggestions to clean up advertising copy and thus make censorship unnecessary."

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#### FCC FIXES GOVERNMENT TELEGRAPH RATES

of the Federal Communications Commission  
The Telegraph Division/Thursday fixed the rates for government telegraph messages for the fiscal year beginning July 1, 1935. For the most part the existing rate of forty per cent (40%) of the commercial rate now in effect was continued. For serial messages and time wire service, however, where the commercial rate is substantially below that for full rate telegrams, the government rate was fixed at eighty (80) per cent of the commercial rate. Commissioner Payne voted against filing the rate at eighty (80) per cent and favored establishing it at forty (40) per cent for these two services. The minimum charges for serial messages and timed wire service were fixed at fifty-four cents and forty-five cents respectively. Previous orders by the Postmaster General had fixed the minimum charges for day messages, day letters, night messages and night letters at approximately the commercial minimum and the Division's action carried that same principle into the more recently established serial messages and time wire service.

The new order also provides that if any new telegraph services are established during the fiscal year covered, the government rate will be fixed for such services at the time they are placed in operation. The text of the order will be released within the next few days.

The principal telegraph companies coming under the order had requested that the government rate be made the same as the commercial rate. The Telegraph Division of the Commission will continue its study of the proper level for government rates with a view to determining what changes, if any, should be made at the time of issuance of the order covering the fiscal year beginning July 1, 1936.

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6/26/35

HOUSE FOOD AND DRUG BILL HEARING UNDECIDED

In all probability a decision will not be reached as to whether or not hearings will be held, and if so when, on the Copeland Food and Drug Bill in the House until Representative Sam Rayburn, Chairman of the Committee on Interstate and Foreign Commerce, appoints a sub-committee to take up the matter which will be about Monday, July 1st. The Food and Drug Bill was recently referred to the Rayburn Committee for consideration but Mr. Rayburn said that the whole committee will not be able to take it up until the Wheeler-Rayburn Utilities Holding Company Dissolution Bill is out of the way, which may be sometime.

As the Copeland Bill now stands, publishers, radio broadcasters, advertising agencies and others would not be liable for the false advertising penalties under the conditions which are described thus:

"No publisher, radio broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising shall be deemed to have violated the provisions of Subdivision (4) or (5) of Paragraph (a) of this section by reason of the dissemination or any false advertisement when such dissemination is caused by the manufacturer, packer, distributor, or seller, residing in the United States, of the article so advertised; but such manufacturer, packer, distributor or seller shall be amendable to the prosecution and penalties provided for violation of such subdivisions.

"It shall be unlawful for any publisher, radio-broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising wilfully to refuse on reasonable request of an officer or employee duly designated by the Secretary to furnish to such officer or employee the name and post office address of the manufacturer, packer, distributor or seller, residing in the United States, who caused him to disseminate any such advertisement and any publisher, radio-broadcast licensee, advertising agency or other agency or medium for the dissemination of advertising who so refuses shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed by Paragraph (b) of this section."

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