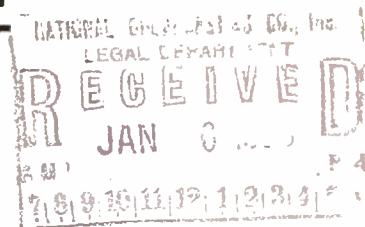


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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FLETCHER DEMAND ON NETS PORTENDS TROUBLE FOR BROADCASTERS

The New Year began with anything but a hopeful note for the two major radio networks and broadcasting stations whose facilities will be utilized for numerous political addresses within the next ten months.

The rapidity with which Henry P. Fletcher, Chairman of the Republican National Committee, made a demand for an allotment of equal time on NBC and CBS for Republican speakers to compensate for the President's address upon the opening of Congress forboded a year of troubles.

With such a national precedent before them, minor political spokesmen are expected to make similar demands every time a member of the opposition party takes the air to defend or criticize the New Deal.

The attitude taken by the two networks left broadcasting stations further perplexed. NBC, through M. H. Aylesworth, replied that its facilities would be made available to "representatives of the Republican party whom you (Fletcher) may select" from time to time.

William S. Paley, President of CBS, in a lengthy reply to Fletcher pointed out that he distinguished between the President of the United States and Franklin D. Roosevelt as a candidate for political office.

He refused to "accept the principle that all broadcasting activities of the government . . . are to be mathematically balanced by its opposition." He added that CBS will continue to allot time for rebuttal speeches "in fairness and in the exercise of our best editorial judgment."

His reply recalled the principal followed by the networks and stations during the 1932 campaign. President Hoover was given free time on the air until he was renominated by the Republican party; the party thereafter had to pay for radio time used by Hoover just as for any other political candidate.

The problem becomes more difficult, however, when prominent leaders in both parties who are not candidates for office desire time to make addresses which are not openly political.

Fletcher had demanded an allotment of time on both networks, equal to that consumed by Roosevelt and at a similar hour and over the same number of stations.

Because of the far-reaching importance of the radio in the 1936 presidential and associated campaigns, the issue of equitable time allotment unquestionably will arise in Congress.

While the Federal Communications Commission has made no announcement of policy, it will doubtless be called upon to make a pronouncement on the basis of Section 315 of the Communications Act which says in effect that all political candidates shall be treated alike.

While the networks and major broadcasting stations have no alternative when the President decides to address the country via radio at the most valuable commercial time, such as 9 o'clock at night, it is a different matter when a political candidate or spokesman for an opposition party desires corresponding time.

Such a demand as that of Mr. Fletcher, broadcasters realize. if followed up by other party leaders over the country would almost wreck the present commercial system of broadcasting and at the same time bore listeners to the point of junking their receivers.

Previously, it was easy enough for the networks and stations to make available ample time for the President's address to Congress as it customarily was delivered at noon, when commercial programs are few or unimportant. The 9 P.M. schedule raised much more difficult problems as it was necessary to cancel valuable commercial programs. The President, it is obvious, had come to the same realization as the advertisers, i.e., that night hours are best to find the majority of citizens at their radio receivers.

British and German broadcasting companies have solved the problem of reaching a national audience with important addresses much more effectively than have American broadcasters. When the King speaks in London or when Hitler talks in Berlin, the addresses are recorded and rebroadcast several times during the subsequent twenty-four hours in order to reach audiences which could not tune in on the original broadcast. While the major purpose, in Britain, is to reach far flung empire audiences with widely varying time, the repeated broadcasts also enable everyone who is interested to tune in on the King's address at one time or another.

The only American broadcaster who has followed this example in the case of President Roosevelt's speeches is Harry Butcher, Vice-President of CBS and General Manager of Station WJSV, Alexandria, Va., just across the Potomac River from Washington, D.C.

Several times he has made recordings of the President's speech, when delivered at morning or oca hours, and then rebroadcast it over WJSV at night the same day.

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NBC COUNSEL CITES LIBEL DANGER IN TALK TO TEACHERS

"He who broadcasts broadcasts at his peril."

Thus did A. L. Ashby, Vice-President and General Counsel of the National Broadcasting Company, paraphrase the ever-present danger of libel damage suits in an address December 27 at the meeting of Teachers of Business Law in Collegiate Schools of Business in New York.

"No Federal statute defines a broadcaster's liability for defamation", he said, "but the courts hold the broadcasters to be a joint tortfeasor" and apply to him the same rule as to newspaper publishers.

"The broadcaster is willing to take the risk as to programs submitted to him in the form of continuities. However, he recognizes an injustice in imposing damages upon him where the performer deviates from the manuscript or where the voice of the exuberant fan enters the portable microphone at the football game or where the politician's speech, concerning which the broadcaster has no control, defames another."

Judge Ashby explained the broadcasting setup, its dependence upon the Federal Communications Commission, and stated that operation of stations "is at government sufferance", there being "no vested rights in station licenses."

"Censorship is inhibited by the Communications Act, but there are those who contend that censorship after the fact is practiced."

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ORGANIZED DISTILLERS STOP ADVERTISING ON THE AIR

Apparently because of the fear that liquor advertising over the air may reach immature audiences and thus encourage a return to prohibition, the Distilled Spirits Institute, Inc., announced through J. M. Doran, its head officer, in Washington, January 2nd that members would discontinue radio advertising at once.

"This voluntary action by distillers", Doran said, "is another step in the direction of self-imposed regulation which is regarded in the public interest."

"Over a year ago our membership resolved to write their advertising copy so as to give an accurate and honest description of products offered the public. Distiller members submitted all advertising copy to the Institute for approval before publication. Careful scrutiny of advertisements has resulted in material improvement in all newspaper and magazine copy published by our members."

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STATIONS ACCEPT W-B TERMS AS ASCAP OFFERS RENEWALS

Independent broadcasting stations late this week were rushing forward to accept the temporary terms of Warner Brothers for use of their copyright music as the American Society of Composers, Authors and Publishers offered to renew all contracts for five years, under previous terms, except that the broadcasting rights will be limited to the catalogue as of January 1.

Approximately 175 stations were reported by Warner Brothers on January 3 to have signified their intention of accepting the provisional three months' contract offered late in December. Both CBS and NBC, however, continued to hold out and to bar all W-B music from their stations.

The ASCAP offer was wired to all stations on December 30 over the signature of Gene Buck, President. He challenged the claim of others to ownership in various compositions, thereby taking a rap at W-B, and stated that the ASCAP fee would not be reduced or the formula changed.

Previously ASCAP had relieved a tense situation as the New Year approached by granting a blanket extension of copyright licenses to all broadcasting stations for an indefinite time.

James W. Baldwin, Managing Director of the National Association of Broadcasters, was still in New York at the end of the week carrying out negotiations for the stations who had granted him power of attorney.

Warner Brothers on December 30 offered a revised temporary contract form to all independent stations following a conference with Baldwin. The principal features of the revised terms are:

1. The basis of payment for the use of W-B music will be a flat fee based on four times the quarter-hour (card) rate of each station per month.
2. Small stations -- approximately 35 per cent of all those in the country -- will be charged only half this rate.
3. Stations will be furnished with a complete catalogue of all compositions controlled by W-B.
4. The revised contract does not apply to networks.
5. No station will be allowed a more favorable rate than another station in the same classification.

Among other developments in the copyright fight, Powel Crosley, owner of WLW, Cincinnati, telegraphed Attorney General Cummings urging an investigation of "special arrangements, if any, between copyright holders, broadcasting networks, and other types of broadcasters." He protested against the Justice Department's withdrawal of the suit against ASCAP from the U. S. District Court of New York last month.

RULES GOVERNING NETWORKS IN NEW FCC REGULATIONS

For the first time since the organization of a government commission to control radio broadcasting, regulations governing network or chain operations will be contained in the revised rules to be issued shortly by the Federal Communications Commission.

The nature of the regulations is being kept secret until the complete rules are made public in about a week. The regulations, however, are understood to be aimed primarily at preventing duplication of programs on so many stations in areas which are dependent wholly on chain outlets.

Commissioner Irvin Stewart recently hurled a blast at the network program duplications and demanded an inquiry and adjustment of the Broadcast Division. The new rules are expected to constitute an answer to his criticism although it was scoffed at by Broadcast Division members at the time.

Meanwhile, it was indefinite as to when the engineering report on clear channels may be submitted to the FCC, thus paving the way for any proposed reallocations. It was promised at first by Christmas, but latest reports are that it may be delayed several weeks or even months.

Some FCC attaches have predicted that there would be no general shakeup in the broadcasting bands and probably no public hearings.

The FCC on January 7 will submit its annual report to Congress. Whether it will contain any recommendations for changes in the set-up has not been disclosed, but observers anticipate no revolutionary proposals.

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WTIC SALE TO CHERRY & WEBB AWAITS FCC APPROVAL

Sale of WTIC, Hartford, Conn., a 50 KW station, to Cherry & Webb, New England department store operators, for approximately \$675,000 is awaiting approval of the Federal Communications Commission. The station is expected to be moved to the Boston area.

Cherry & Webb also operate WPRO, Providence, R.I., while WTIC is owned by the Travelers Life Insurance Company, and is an NBC-WEAF outlet.

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KENNEDY APPOINTMENT LINKED TO SARNOFF WHITE HOUSE VISIT

One theory advanced in connection with the retention of Joseph P. Kennedy to examine the financial structure of the RCA is that it is an effort to get semi-official approval of the Administration on the new set-up. Several recapitalization plans have been drawn up. If Mr. Kennedy says O.K. to any one of these plans and the stockholders disapprove the RCA, according to this theory, will be in a position to say "well, the plan was approved by the man President Roosevelt picked to drive the money changers out of the Wall Street Temples."

Commenting upon this situation, Paul Mallon in the Washington Star, wrote:

"On the day after Christmas, President Roosevelt luncheoned David Sarnoff, sharp Chairman of the Board of the Radio Corp. of America. No one else was present.

"Twenty-four hours later, Mr. Sarnoff announced the appointment of Mr. Roosevelt's good friend, Joseph P. Kennedy, as a special executive to study the financial structure of R.C.A.

"It was something of a surprise because the R.C.A. structure did not seem to need much studying.

"As 1936 is the big political year and as radio broadcasting is a ticklish political business, those inside the trade have been nodding their heads knowingly ever since. They suspect Mr. Roosevelt may have arranged a spare wave length to assure a happy radio New Year for himself.

"What bolsters this conclusion is the inside background of White House radio relations.

"Mr. Roosevelt's pals have always had a feeling that NBC (subsidiary of RCA) was less favorable to him than were some of the other chains. There may have been insufficient reason for the feeling, but it existed."

Mr. Sarnoff, accompanied by Mrs. Sarnoff, was likewise a guest at the dinner which President Roosevelt gave to Vice-President Garner.

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NBC STARTS NEW YEAR WITH SECOND PACIFIC COAST NET

The National Broadcasting Company on January 1 inaugurated a second Pacific Coast Blue Network with six stations and realigned its two major networks so as to embrace its Pacific Coast stations. The new network, composed entirely of stations new to NBC, comprises:

KGO, San Francisco; KECA, Los Angeles; KEX, Portland; KJR, Seattle; KGA, Spokane, and KFSD, San Diego.

The older Pacific Coast hookup will be linked with the NBC Red Network. It comprises: KPO, San Francisco; KFI, Los Angeles; KGW, Portland; KOMO, Seattle; and KHQ, Spokane.

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MORE THAN 100 STATIONS ANNOUNCE GROUP RATES

More than 100 independent broadcasting stations on January 3 entered the commercial field as organized bidders against networks in an organization labelled the National Independent Broadcasters, Inc.

James O'Shaughnessy, formerly Executive Secretary of the American Association of Advertising Agencies, and one-time Business Manager of Liberty magazine, is in charge of the NIB offices with headquarters at 17 East 42nd Street, New York City.

The stations, which are growing daily, are divided into six territorial groups to be sold as units subject to rate discounts. Present enrolled outlets, according to Mr. O'Shaughnessy, embrace around 30,000,000 listeners.

Electrical transcriptions and recordings will be acceptable on all stations. Each group of stations, chiefly 100-watters, will offer a discount beginning at 2 per cent for a single group and cumulative up to 12 per cent if all six groups are bought.

Officers of the NIB are Edward A. Allen, WLVA, Lynchburg, Va., President; Mallory Chamberlin, WNBR, Memphis, Vice-President; W. Wright Gedge, WMBC, Detroit, Secretary; Ben S. McGlashan, KGFJ, Los Angeles, Treasurer.

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WESTINGHOUSE STOPS ACKNOWLEDGING SHORT-WAVE MAIL

Westinghouse short-wave stations W8XK, Pittsburgh, and W1 XK, Boston, announced January 1 they would discontinue acknowledging short-wave reception reports henceforth. The British Broadcasting Corporation recently took similar action.

The announcement explained that newspapers and magazines now carry listings of short-wave transmitters, their frequencies, and program schedules. The increasing volume of mail, it added, also makes acknowledgment impractical.

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C. H. LANG TO BEGIN NEW SCHENECTADY S.W. SERIES

C. H. Lang, Manager of Publicity and Broadcasting for General Electric, will be the first speaker on the "Backstage in Schenectady" short-wave radio program which will return to the air January 7 at 6:45 P.M., EST, over W2XAF. He will be interviewed informally by E. S. Darlington regarding General Electric's interest in short-wave broadcasting.

On consecutive Tuesday nights other well-known General Electric men will be interviewed in the "Scenes Behind the Microphone" series.

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ZENITH EXPECTED TO REPORT BEST BUSINESS SINCE 1929

Among the most outstanding earnings recoveries of the radio industry in the last few years is that scored by the Zenith Radio Corporation in the early part of its present fiscal year, which ends April 30 next, according to Edward A. Kandlik in the Chicago Journal of Commerce in a five column story captioned "Zenith Earnings Recovery in 1935 Is Radio Industry Stand-Out."

"Following four years of unprofitable operation the company was restored to an earnings basis in its fiscal year which ended April 30, 1934, but in the succeeding year its profits declined slightly. Present indications are that the current rate will eclipse any past showing of the company except 1929", Mr. Kandlik writes.

"In the first seven months of its fiscal year, from April 30 to November 30, the company has had a net operating profit of \$720,066 before Federal taxes, equal to \$1.44 a share on the 500,000 shares of capital stock, according to a recent announcement by E. F. McDonald, Jr., President. This compares with a net loss of \$72,000 in the like period of the preceding fiscal year.

"While results for the entire present fiscal year are not available, it is expected that some addition to net income will accrue from December operation. That month, which normally marks the close of the peak season, usually has about two weeks of heavy business with demand tapering off before the period of intense retail selling just before Christmas. This year the early December operations were highly satisfactory, shipments for about the first half of the month running 200 per cent above the like 1934 month. With a heavy demand and its factory stocks depleted, Zenith during the current month resorted to transferring of dealer stocks in order to satisfy demands."

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INDUSTRY NOTES

Station KMPC, Beverly Hills, Calif., has been sold to William S. Paley, Columbia Broadcasting System President, and G. A. Richards, owner of WJR, Detroit. The purchase price is reported to have been around \$150,000. The sale produced the report that KMPC will displace KHJ, Los Angeles, as the CBS outlet.

The Arkansas Centennial Commission is considering a proposal to levy a tax on every radio set in the State as a means of raising money for the Exposition.

The Grigsby-Grunow Co., Chicago, has announced that the second dividend to its unsecured creditors, amounting to 9 per cent, which was declared on December 3, is now payable. A previous dividend of 16 1/2 per cent was paid in March, 1935.

The Lincoln Star and The Lincoln Journal, of Lincoln, Nebr., on December 24 bought a half interest in Stations KFAB and KFOR, of Lincoln, and KOIL, of Omaha-Council Bluffs. The newspapers explained the purchase was in keeping with the trend toward closer alliance between the publishing and broadcasting business.

WOR, Newark, reported just before Christmas that it has received 975,798 pieces of mail during 1935 and expected the total to exceed 100,000 before January 1st.

The Columbia Broadcasting System is reported to be preparing to expend \$2,000,000 on its Program Department in 1936 with the largest allotment it has ever made to the sustaining features. Plans will be announced around the first of the year.

Broadcasters will be interested observers at the hearing set for January 7 by the Federal Alcohol Administration on the advertising and branding regulations to govern the beer industry.

Reports on the radio markets in Japan and Australia are now available at the Bureau of Foreign and Domestic Commerce, Department of Commerce, at 25 cents each.

The American Federation of Labor has promised to decide at its Miami meeting this month whether to grant an international charter to the Radio Workers and Allied Trades Union, thereby recognizing it as an industrial union. The union ended a meeting in Pittsburgh in a rebellious mood because of the refusal of the A.F. of L. to grant the charter at once.

The Philadelphia Inquirer, which has had radio tie-ups with WIP and WFIL since September, has expanded its agreement with WIP for an indefinite period. The extended service adds a nightly 5-minute news broadcast.

The new Western Electric non-directional microphone was given its first test in service when WOR, Newark, and the Mutual network picked up a special entertainment from the S.S. "Majestic" New Year's Eve.

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NEW ELECTRON TUBE PENETRATES THE DARK

A new electron tube which for the first time enables man to see through the dark was described and demonstrated in St. Louis January 2 before the American Association for the advancement of Science by Dr. V. K. Zworykin and Dr. George A. Morton, of the Radio Corporation of America Laboratories.

The assembled scientists witnessed the projection of motion pictures focused on the tube, which converted light rays into electrons. The electrons sped through the tube and reproduced the pictures in enlarged form on a screen in its further end. Continuing the demonstration a dark glass filter was placed in the beam of the motion picture projector. All visible light rays were stopped dead, yet, the electron image tube continued to reproduce the enlarged pictures with hardly noticeable loss in clarity. Dr. Zworykin explained that the tube was then functioning entirely on "black light" or infra-red rays, which were all that could reach the tube through the light filter.

The new device, which is sensitive to ultra-violet as well as infra-red rays, known as "black light", makes electrons behave exactly as light rays and marks a great advance in the use of electron lenses. Its large photoelectric cathode allows the efficient employment of large diameter high power optical lenses.

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NBC OFFICIALS INTRODUCE MAJOR LOHR TO HIS HOME TOWN

Frank M. Russell, Vice-President, and Washington officials of the National Broadcasting Company, on January 3 entertained at a luncheon and an afternoon informal reception to introduce the new NBC President, Major Lenox Lohr, to his home-town, Washington. Major Lohr was accompanied by Mr. David Sarnoff, who had come to Washington to attend the Vice-Presidential dinner at the White House.

A luncheon was given for members of the Federal Communications Commission and afterwards newspaper men, radio lawyers, and others were introduced to Major Lohr at a reception in the NBC offices in the National Press Building.

Major Lohr recalled that he had been born and had grown up in Washington, being a graduate of Washington Tech High School.

It was explained that the election of Major Lohr to the NBC presidency came about through his meeting with Mr. Sarnoff, who is on the Board of Directors of the New York World's Fair. Major Lohr had made a tremendous success as General Manager of the Century of Progress in Chicago and was under consideration for a similar position with the forthcoming New York Exposition. For some reason this connection was not made but resulted in Mr. Sarnoff recommending Major Lohr to head the NBC.

Major Lohr was highly endorsed by Gen. Charles G. Dawes of Chicago, an intimate friend of Gen. J. G. Harbord, Chairman of the RCA.

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THREE STATIONS ENTER STIPULATIONS WITH THE FTC

Three broadcasting stations have entered into stipulations with the Federal Trade Commission to abide by action taken in a case involving advertising matter issued by K. A. Hughes Co., of Boston, dealer in "Salicon", a cold remedy. The broadcasting companies are: Shepard Broadcasting Service, operating Station WNAC, Boston; Congress Square Hotel Co., Station WCSH, Portland, Maine; and the WGAR Broadcasting Co., Station WGAR, Cleveland.

In their stipulations with the Commission, the radio stations admit broadcasting advertisements of this company, and agree to observe and abide by a stipulation previously signed by the advertiser and accepted and approved by the Trade Commission.

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January 7, 1936

RURAL SOUTH NOW MOST OVER-QUOTA IN RADIO FACILITIES

The more sparsely-settled areas, particularly in the South, have been given a more equitable share of the country's broadcasting facilities during the last year than heretofore, according to a table just issued by the Federal Communications Commission.

From the one-time position of being most under-quota, the Southern, or Third Zone, now leads, it being most over-quota in night-time broadcasting facilities with a surplus of 10.485 units or 29 per cent.

The most populous area, the Northeastern Zone, on the other hand, is now most under-quota with 0.275 units, or 1 per cent below what is due it under the Davis Equalization Amendment.

The Commission issued the table, showing the distribution of broadcasting facilities as of January 2, 1926, without comment, but members of the Broadcast Division were obviously proud of the record in view of the criticism that has recently been directed at the Commission, even by its own members, for failing to serve the rural areas properly.

There is pending in Congress a bill, introduced by Senator Wheeler (Democrat), of Montana, to repeal the Davis Equalization Amendment, now a part of the Communications Act, and to substitute a provision which would merely require the Commission to "make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide an equitable distribution of radio service to each of the same."

The Davis amendment states that the equitable distribution shall be based upon population, but experience of the FCC and its predecessor, the Federal Radio Commission, has shown that such a rule, if observed to the letter, fails to provide sparsely-settled areas with adequate facilities.

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BROADCASTERS PUSH DUFFY BILL AS NETWORKS MARK TIME

While NBC and CBS report "excellent public reaction" to their revisions of programs necessitated by the deletion of Warner Brothers music, broadcasters are preparing to bring pressure upon members of Congress for action on the Duffy Copyright Bill.

Judge James R. Curtis, who operates KFRO, Longview, Texas, has circularized all broadcasting stations suggesting that they write to their Representatives and Senators and insist that the Duffy Bill, already passed by the Senate, be acted on by the House.

The Duffy Bill, which removes the \$250 minimum penalty for the broadcasting of each piece of copyrighted music for which the station has no license, is now pending before the House Patents Committee.

Judge Curtis complains against the treatment accorded radio stations by both Warner Brothers and ASCAP and intimates that the two may have plotted in advance to split in order to derive more revenue from broadcasters.

Harry Butcher, Washington Vice-President of CBS, stated that the reaction of both listeners and advertisers to the deletion of W-B music has been "fine". He said that the networks are handicapped by the failure of Warner Brothers to make public a list of the copyright music it controls and by the incompleteness of the ASCAP list.

He pointed out that the networks' attorneys are daily adding more music to the lists not controlled by Warner Brothers and therefore available to the chains. Among the latest additions is music from "Jumbo" and "George White's Scandals of 1936."

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BERLIN MINISTRY OF PROPAGANDA STOPS RADIO ADS

Advertising broadcasts by German radio stations have been discontinued by the Ministry of Propaganda and Public Enlightenment, which exercises control over the stations, according to a Berlin correspondent.

The purpose of the change is to eliminate competition with German newspaper as advertising mediums. Esthetic reasons also were advanced, presumably because of the interference with musical programs and other forms of broadcast entertainment.

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DEMOCRATS OWE TWO CHAINS \$140,000 FOR USE OF RADIO

Among the outstanding debts of the Democratic National Committee as the 1936 campaign gets under-way are two unpaid accounts with the two major broadcasting networks.

Reports filed with Congress show that the Committee owes the National Broadcasting Company \$99,554 and Columbia Broadcasting System \$42,960 for time used on the chains. The Republican National Committee owes nothing for broadcasting time, according to the report.

While the address of President Roosevelt at the opening of Congress cost the Democratic party nothing, the National Committee will have to pay for straight political speeches and addresses of Mr. Roosevelt after he is renominated.

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A. T. & T. LOSES FIRST ROUND IN COAXIAL CABLE HEARING

The Federal Communications Commission over-ruled the plea of the American Telephone & Telegraph Company that testimony as to possible commercial uses of the proposed New York-to-Philadelphia coaxial cable be excluded from a public hearing, the second phase of which got under way January 6. The A. T. & T. was joined by Western Union and Postal Telegraph in entering objections to the ruling.

The FCC at a hearing several weeks ago went into the experimental aspects of the coaxial cable after the case had been reopened upon request of the A. T. & T. The Commission is obviously seeking to make the telephone company consent to open the cable to other television experimenters besides the Radio Corporation of America.

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DENIAL OF CALIFORNIA APPLICATION IS RECOMMENDED

Denial of the application of Leon S. Packard, Lewis Stebbins, and Alden C. Packard for a construction permit to build a new station and to operate on 1160 kc. with 250 watts daytime was recommended to the Federal Communications Commission this week by Examiner R. H. Hyde.

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RADIO SANCTIONS AGAINST ITALY SEEN AS POSSIBILITY

The application of "radio sanctions" as well as economic pressure against Italy by the League of Nations is being discussed seriously in Geneva, according to a correspondent of the New York Sun. In a copyright dispatch to the Sun, William Bird says, in part:

"The 'radio sanctions' would consist in broadcasts of news by some of the powerful European stations in the Italian language. The purpose would be to enable Italian listeners to get fuller reports of what is happening in the military and diplomatic field than they are able to get through their own censored radio and newspapers.

"The Italian Government has already issued orders forbidding listening to foreign stations, but admittedly such an order is difficult to enforce.

"Ever since broadcasting began, the ethics of broadcasting news in the language of neighboring countries has been a problem. Italy has gone further than most other countries in that direction. There are news broadcasts in French, English and German every day from the principal Italian stations, and less frequently in other languages, such as Serb, Croat and Greek. These broadcasts, since the war with Ethiopia began, deal chiefly with war news from the Italian viewpoint, with heavy stress on the Italian attitude toward the sanctions policy of the League.

"Consequently, many League officials and statesmen of League countries hold that there is no impropriety in broadcasting the League's point of view in Italian.

"Italian listeners, incidentally, are complaining that their own stations give too much time to foreign language broadcasts. Between 6 and 8 P.M. the time is largely taken up with English, French and German news, incomprehensible to most Italians, and at other hours there are lessons in Italian for foreign listeners."

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FCC AUTHORIZED TO NAME CHIEF ACCOUNTANT AND AIDS

The first piece of radio legislation enacted by the second session of the 74th Congress was passed by the House January 7. It authorizes the Federal Communications Commission to appoint, without regard to Civil Service laws, a Chief Accountant and not more than three assistants.

The bill, which had previously passed the Senate, amends paragraph (f) of Section 4 of the Act and is labelled S 1336.

The Commission about two months ago appointed W. J. Norfleet, Accountant with a salary of \$5600. The new legislation will enable the Commission to raise him to a status similar to that of the Chief Engineer and will also make possible the appointment of three assistants.

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CLEARING AIR WAVES FOR PRESIDENT COSTLY TO NETWORKS

The decision of President Roosevelt to address Congress upon its opening at night instead of in the morning proved costly to the two major networks, which cancelled commercial programs to broadcast the speech on all stations.

The Columbia Broadcasting System is reported to have lost \$12,000 in revenue, while the National Broadcasting Company sacrificed \$15,000.

President Roosevelt, however, has heretofore been considerate of the commercial contracts of the networks. Out of 21 radio addresses made in 1935, only five were delivered during valuable radio night time. Two were talks to Boy Scouts, one was on the Community Chest drive, one was a "Fireside Chat" on unemployment relief, while the fifth, on the President's birthday, dealt with the national fund for treatment of infantile paralysis.

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NOVEMBER RADIO ADVERTISING 13.6 PER CENT ABOVE 1934

Keeping pace with the previous ten months, November radio advertising showed a gain of 13.6 per cent over the corresponding month of 1934 and amounted to \$8,211,349, according to the National Association of Broadcasters.

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Broadcast advertising for the first 11 months of 1935 totalled \$78,837,579, an increase of 19.8 per cent over the similar period of 1934.

National network advertising for the 11 months was 18.1 per cent above 1934. Other percentage gains: regional networks, 50; national non-network advertising, 24.8; local, 18.6.

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CAMPAIGN LAUNCHED AGAINST MAN-MADE STATIC ON WEST COAST

A drive against man-made static has been launched on the Pacific Coast by Frank Andrews, over KFI, Los Angeles, who speaks each Saturday night over the station.

Appealing to listeners to join the campaign for municipal and State legislation to restrict interference, Andrews said recently:

"It is possible to detect and arrest the source of electrical man-made static, and it is possible to make installations so they do not interfere with the peaceful enjoyment of radio entertainment by your neighbors. Those of you reading this, who operate any electrical apparatus take it to heart, and make an investigation to see that you are not blighting your neighbor's most precious enjoyment in the leisure hours after his difficult tasks of the day.

"The Federal Government of the United States has effectively stopped interference of programs from harmonics and stations on interfering wavelengths. Also the code interference that once blighted the broadcast bands have been eliminated. Now it is up to the Municipal and State Governments in their legislative bodies to appoint committees and enact laws, appropriating enough money to police the laws passed, and prosecute offenders who ruin the clean entertainment of thousands of families.

"Apparently the automobile manufacturers will equip their cars this year at the factory with suppressors as standard equipment. States should have a law to silence motor cars from radio interference just as rigid as the law regarding mufflers for the engine. Suppressors could be handed out with license plates.

"The American public bought a half a million long and short wave combination sets in 1933. In 1935 about five million long and short wave combinations have been sold - ten times the number for 1933 which represents a yearly investment by the American public of over 350 million dollars poured into radio. This investment must be protected. It is estimated that about

one-third of America's twenty million radio sets are equipped for shortwave, and 80 per cent of all the manufacturers' output are of this type. Shortwave is practically useless without a ban on interference. This should interest the radio manufacturers as they are dependent upon the public enthusiasm to continue to purchase the modern combinations. Something must be done to curb interference or the public's enthusiasm in shortwave will wane if they are compelled to listen to buzz and plops louder than the program.

"It seems strange that a modern and progressive country like the U.S. is caught with a problem like this, when the former little Russian province of Estonia, now independent, can pass progressive laws for the enjoyment of radio. The president of Estonia is an ardent radio fan, and for many years he had been sorely vexed by the annoying cracks and buzz emanating from his loudspeaker whenever he tuned for a distant station in faraway lands. At last he became wroth over the situation and called his council about him. After nights and days of debate, a law was passed, or a decree was issued, prohibiting all types of man-made static, no matter what its origin may be. Owners of electrical apparatus were compelled to register same, and to fit suitable anti-interference devices at once. Failure to do so is to be punished by severe penalties, and possibly imprisonment. This law went into effect October 1, 1935, and since that date all the Estonian shortwave enthusiast has to do when he hears a spark plug in his radio is to jump on his bike and peddle to the nearest post office to file his complaint. The offender will be seized and thrown into the brig. We have more than half the radio sets in the world in the United States and can boast of 90 per cent of the man-made static."

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RADIO EXCISE TAXES, EXPORTS SHOW GAINS

During November, the U.S. Revenue Bureau reports, the 5 per cent radio and phonograph excise tax collections were \$571,479.61, an increase of 23.5 per cent over the collections of \$462,638.47 in November, 1934. This does not include excise taxes on automobile radio which are not separately reported but are included among automobile accessories taxable at 2 per cent.

The radio excise tax collections for the eleven months ending November 1935, according to tabulations of the Radio Manufacturers' Association, totaled \$3,706,420.65, an increase of 25.5 per cent over the similar excise tax collections of \$2,952,737.48 for the similar eleven months' period of 1934. The radio tax collections for eleven months of 1935, with the December returns yet to come, were already larger than the total 1934 radio taxes of \$3,520,855.47.

Substantial increase in American radio exports were reported for October 1935 by the U. S. Bureau of Foreign and Domestic Commerce. They approached the \$3,000,000 mark for the month, compared with \$2,143,756 in September, and were ahead of the \$2,378,592 exports in October 1934. During October, 1935, the total value of radio exports was \$2,714,113. The October exports included 63,552 receiving sets, valued at \$1,659,892, compared with exports of 57,678 sets valued at \$1,454,593 in October 1934.

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TEN COMPANIES DID 77% OF RADIO SET BUSINESS

More than 5,500,000 radio sets were made and sold in 1935, by 140 manufacturers, yet 7% (or ten makers) did 77% of the business, according to surveys made by Dr. Orestes H. Caldwell, former Radio Commissioner, and M. Clements of Radio Today.

Nearly 70,000,000 radio tubes were made by 13 manufacturers; of these, four did 84% of the total. Some 40,000 radio dealers of all kinds were in business during 1935; yet 15,000 did 82% of the business. Similar concentration is found among the 634 broadcast stations where 29 stations have 76% of all the power allotted to all 634 stations.

The replacement of present outdated home radios by modern receivers is proceeding slowly, only about one set in seven being replaced yearly. Out of the 5,600,000 sets sold in 1935, 1,100,000 were automobile units; 600,000 sets were exported abroad; and 550,000 were battery sets, leaving only about 3,000,000 to be sold to 20,000,000 homes.

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POLICE CAPTAIN FAVORS S.W. SETS FOR AUTOISTS

Indiana State Police Captain Matt Leach, of Indianapolis, believes private citizens should be encouraged to install short-wave radio sets in their automobiles, rather than be forbidden to do so, as they now are by law.

Speaking recently at a dinner-meeting of the Technical Committee responsible for installation of the State Police radio system, Captain Leach pointed out that law-abiding citizens can aid police officers by owning short-wave sets and keeping them tuned in on the State Police system.

Motorists may receive descriptions of fleeing holdup men and other law-breakers and relay information to police units, Captain Leach said.

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MAURICE L. GAFFNEY HEADS CBS TRADE NEWS DIVISION

The Columbia Broadcasting System announced this week the appointment of Maurice L. Gaffney as head of its Trade News Division. He assumed his new duties on January 6.

For two years Mr. Gaffney has been a member of the staff of Advertising & Selling in the capacity of Managing Editor. During the previous three years he was with Batten, Barton, Durstine & Osborn.

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NBC CITES REMARKABLE RESPONSE TO ONE-TIME OFFER

What the NBC calls "the most sensational response to a one-time offer in the history of broadcasting" is described in a folder just distributed by the network.

The folder recounts how on the night of November 14 the Sinclair Oil Company offered a Dinosaur Stamp Album to every child who would go to a Sinclair service station accompanied by an adult. One million albums were made available. Before 48 hours had passed the supply was exhausted, and dealers were frantically calling for more. Thousands of listeners were turned away disappointed. On the night of November 21 two million more albums and 48 million more stamps were made available to listeners.

The program is the "Sinclair Minstrels", one of the oldest radio shows on the air, which is carried on the NBC Blue network.

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SHECKLEN MADE R.C.A. COMMUNICATIONS VICE-PRESIDENT

William A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc., has announced the election of George F. Shecklen, representative in China for the company since 1928, as Vice-President. Mr. Shecklen sailed on January 10 to resume his duties in Shanghai after spending the holidays in San Francisco.

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ANNUAL REVIEW CITES RECORD OF RCA AND POSTAL

The following reference to RCA and Postal communications operations during the year 1935 were carried in the financial review of the New York Times January 2:

"The combined operating loss of the Postal Telegraph and Cable Corporation and subsidiaries for the ten months was \$1,187,000. The latest report of the land lines division for the ten months showed gross of \$18,368,861, against \$17,524,709, and operating loss of \$1,458,005, against \$2,064,806 loss in the 1934 period. The parent company reported for nine months a net loss of \$1,442,176 this year, against a loss of \$1,051,280, in the 1934 period.

"In the radio field, RCA communications had gross revenue of \$3,418,455 and net operating income of \$204,696 for ten months of 1935, compared with \$3,505,465 and \$490,113, respectively, in the 1934 period, while the Radio Marine Corporation had gross of \$764,925, against \$771,866, and net of \$91,509, against \$96,233, indicating that radio revenues have not fared as well in 1935 as in 1934."

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CBS DECEMBER BILLINGS SET NETWORK RECORD

CBS network billings for December, 1935, set an all-time high for any one month on any network, according to a Columbia press statement which continued:

"December's total of \$1,885,977 substantially tops previous record months in 1934 and 1935. December 1935 ran 12.7% ahead of the same month in 1934 and is 3.1% ahead of March which was the network's largest month in 1935. 1935 set another Columbia Network record - yearly billings of \$17,637,804 showing a 19.0% gain over 1934.

"CBS Billings: December, 1934 - \$1,674,087; December, 1935 - \$1,885,977; 12 Months 1934 - \$14,825,845; 12 Months - 1934 - \$17,637,804."

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 ::: INDUSTRY NOTES :::
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One of Washington's pioneer announcers, Stanley W. Bell, has joined the Sales Staff of Stations WRC and WMAL in the National Capital. Mr. Bell, who knows the business from the ground up and who was among the first of the regular presidential announcers at the White House, has been connected with Station WMAL for many years even before it was acquired by the National Broadcasting Company.

C. Stuart Heminway, former Chicago advertising manager of Fortune magazine, has joined the sales staff of WOR, Newark, Walter Neff, WOR Sales Manager announces. Hemingway was Eastern Sales Manager of American Weekly for four years and was previously Advertising Manager of Judge magazine.

Regarding the observations of William A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc., on "the shadow" in short-wave transmission (Letter of December 17) E. S. Darlington, in charge of short-wave broadcasting for General Electric, writes that the following was sent out by the American Radio Relay League:

"Mysterious ACCW interference mentioned Page 58, January QST has been traced to operation of inductotherm diathermy and short wave medical machines radiation 500 watt direct from circuit and supply mains. Was copied at great distances when machines were keyed in series of tests arranged by Navy Dept."

The Federal Communications Commission has issued revised regulations governing the use of radio in aviation service and has ordered all licensees of aircraft radio stations to submit their equipment for inspection at least once during each license period.

According to "Believe It Or Not" Ripley, when the 500,000 watt transmitter of Station WLW, at Cincinnati, is in action, it causes the electric lights to burn in nearby homes.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

Red Legal
9:00
1/13/36

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FCC CONSIDERING LICENSE FEES AND PERMITS, SAYS PRALL

The Federal Communications Commission is seriously considering charging broadcasters a license fee, but it does not look with favor at this time upon issuing permits to operate for more than six months at a time, a House sub-committee on appropriations has been told.

A transcript of hearings on the FCC estimates for fiscal year 1937, made public this week, revealed the Commission's attitude in testimony given by Chairman Anning S. Prall and Herbert Pettey, Secretary.

The hearings were made available at the same time that the independent offices appropriations bill, carrying \$1,450,000 for the Commission, was reported to the House of Representatives. The FCC item is \$50,000 under the current appropriation.

Members of the sub-committee conducting the inquiry on FCC estimates expressed interest in the information that Judge E. O. Sykes is making a survey to determine the feasibility of collecting license fees from broadcasters. The survey, Pettey said, is being made by the Legal and Engineering Departments.

Representative Woodrum (Democrat), of Virginia, Chairman of the sub-committee, suggested the advisability of assessing some of the cost of the regulation of broadcasting upon broadcasters.

"The Communications Commission does render very valuable service to the broadcasters", he said. "There would appear to me to be no logical reason in the world why the broadcasters could not pay a reasonable charge for that."

To this Pettey replied: "That is a feeling that I might say is shared by people in the broadcasting industry, Mr. Chairman. They realize they are getting something for nothing and the opinion is so apparent, many statements having been made on and off the record by broadcasters that they would be willing to pay for services which are now rendered."

The suggestion that the Commission might do well to issue licenses for longer periods than six months also came from Chairman Woodrum.

"Is it the experience of the Commission", he asked, "that this is a wise provision of the law, that those things should come up for renewal every six months, or could conditions be made whereby the Commission would still have control over it, but where the applicant, during good behaviour, or in the

absence of complaint, would continue until such time as the Commission has due notice and desires to qualify the applicant?"

Commissioner Prall, in defending the present half-year limitations, said:

"The situation, Mr. Chairman, with respect to that is this, we have about 621 stations. I would say about three-quarters of them are what I would call absolutely reliably owned stations, well conducted, and in good condition in every way and well operated. Then, we have the balance of them that are what I would classify as a 'poor station.' They have a hard time making ends meet. They do not get the advertising sufficiently large to meet their expenses and they are liable to take almost anything that comes along to get the money, and we have most of our trouble with respect to bad programming over those stations, and I think it is the opinion of the Commission that until we succeed in bringing about a very great improvement in the standards of the programming that the 6-month period should be left as it is. Otherwise, if we had 90 percent of the stations as careful in their selection of programs and continuities as perhaps three-quarters of them are now, there would be no reason why we could not give them a year's license, but we have - well, I think at this moment we have something like 300 charges against stations, not against 300 stations, but 300 charges."

Mr. Woodrum. "Well, how many stations do you suppose are involved in those 300 charges?"

Mr. Prall. "Perhaps 100."

Mr. Woodrum. "Do these charges involve hearings, field, examinations, inspections, and so on?"

Mr. Prall. "It involves neglect in following the law in respect to operation, having the proper persons in charge, and violating the rules of operation. Then, we have others that are permitting lotteries and fortune-telling schemes whereby they tell fortunes and charge a fee, and the fee is divided between the broadcasters and the station, and they have all kinds of schemes for defrauding people of money and misrepresenting articles for sale, and all that sort of thing. Until we get that in shape - and we are working very hard on that and have been for six or eight months, to improve the status of programming and get them to understand that they must be careful about what goes over the air - we do not feel justified in extending that period of the license."

In response to questions of other members regarding lack of authority to control programs, Prall said punishment could only be administered when stations sought renewals of licenses.

"If we had the right to suspend a station for a week or ten days or a month, in my judgment, that would stop more of this bad programming and other violations than anything else, but we have no such right", he added.

Representative Wigglesworth (Republican), of Massachusetts, asked:

"What supervision, what control, if any, does the Commission exercise over the actual material that goes out from the broadcasting station?"

"Well, we have no rights of censorship", said Mr. Prall. "The responsibility is entirely up to the owner of the station. If a complaint comes in and would warrant it, then, at the time of expiration of that license, we would have the right to refuse the renewal of it."

"A man might get a license and preach communism in his station for six months without any interference?" interposed Representative Bolton (Republican), of Ohio.

"Yes, we could notify him that complaint had been made about it, and we could call for continuity, and I believe in case where - I do not know whether it would be communism", replied Mr. Prall. "I do not believe the law includes that. Anything that is obscene."

Mr. Bolton: "Let us say obscene instead of communism."

Mr. Prall. "In that case we could act."

Mr. Woodrum. "You can act peremptorily, suspend his license?"

Mr. Prall. "Yes; we can stop that. That is about the only thing."

Mr. Wigglesworth. "That is the only ground on which you can suspend a license?"

Mr. Prall. "Yes."

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KNX WINS LIBEL SUIT AGAINST LOS ANGELES TIMES

KNX, Los Angeles, this week won its libel suit against the Los Angeles Times and was awarded \$2,500 damages in lieu of the \$500,000 asked. The trial grew out of an editorial carried by the Times accusing KNX of broadcasting false news reports.

Stations KHJ and KMTR face similar suits for allowing the editorial to be read before their microphones. The editorial appeared April 13, 1934.

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FCC ANNUAL REPORT HITS SNAG AS PRESS OFFICE MOVES AGAIN

The First Annual Report of the Federal Communications Commission was practically ignored by the press of the country when it appeared on January 7 with a "confidential" marking and a release date because of the failure of the Commission to cooperate with its own Press Relations Officer, Frank G. Wisner.

Unlike most departments and bureaus, the FCC did not make copies available several days in advance. The report came out of the Government Printing Office late in the afternoon that it was expected to be published. To make matters worse, someone instructed the Press Relations Office to move - for the third time - on the very day that the report was to be released. As a consequence Mr. Wisner and his staff were without telephones throughout the day, and newspaper men interested in obtaining copies were unable to communicate with him.

The report was released for the Tuesday evening papers, but the first news story was published Thursday morning because of the FCC muddling.

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INSULL'S RADIO CHAIN LINING UP 14 MID-WEST OUTLETS

Contracts have been mailed to fourteen Mid-West broadcasting stations by Samuel Insull's proposed radio chain, the Affiliated Broadcasting Company, according to a report from Chicago. The network, it was said, will begin operations within 90 days.

Stations to which contracts have been mailed are: WCLS, Joliet; WTAX, Springfield, and WHBF, Rock Island, all in Illinois; in Indiana, WWAE, Hammond; WTRC, Elkhart; WBOW, Terre Haute, and WOE, Evansville; in Wisconsin, WKBH, LaCrosse; WHBL, Sheboygan; KFIZ, Fond du Lac; WHBY, Green Bay; WOMT, Manitowoc; WIBY, Poynette, and WRJN, Racine. All are 100-watt stations except those at LaCrosse and Sheboygan, which are 1,000 and 500 respectively.

The promoters of the chain are understood to have leased the old WENR quarters in the Civic Opera Building for a five-year term. Station WWAE, Hammond, Ind., is reported as being counted upon as the Chicago outlet for the chain, although no deal has been made, according to the Rev. George F. Currier, President of the Hammond-Calumet Corporation, which operates the station.

Five hours of free sustaining programs in exchange for three hours of commercial time daily has been promised the stations, it is reported.

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\$3,000,000 OFFERED FOR STATION, PRALL TELLS COMMITTEE

An anonymous offer of \$3,000,000 for an unnamed broadcasting station was cited by Anning S. Prall, Chairman of the Federal Communications Commission, in decrying speculation in radio properties before the House Appropriations Sub-Committee handling the FCC budget.

Declaring that prices are being paid for broadcast stations "far and beyond the value of their assets", Mr. Prall said:

"Another thing that is quite serious is the possibility of a racket following this thing in the way of stock issues. They are beginning to get wise now to the fact that they might, by a stock issue, still retain control of their stations and sell enough stock to not only pay the cost of the station but some profit in addition to that.

"We are conducting now, through the Legal Department, sort of an investigation of that subject because there are some stations that are issuing stock at this time. Now, just how much they can issue before they get into the value of the license given them by the Government, for which they pay nothing, is a question.

"I know of a case where within six months a corporation able to pay offered \$3,000,000 for one station. Now, of course, that station has no such value but in the scheme of things it would have fitted into this other corporations' assets to that extent that it would have been, for their purpose, worth \$4,000,000."

"Has the Commission given any thought to various licensees pooling their interests and joining in a corporation, the propriety of it or not?" asked Representative Bolton (R.) of Ohio. "I know of one or two instances where four or five stations have joined together under one corporation."

"We have gone into that and also into the matter of the ownership by one concern of many stations", Commissioner Prall replied.

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CHAINS GROSS \$48,786,735 FOR 15% GAIN OVER 1934

The major networks, - the National Broadcasting Company and the Columbia Broadcasting System - ended the year 1935 with a gross business of \$48,786,735 or about 15 per cent over 1934.

NBC's total was \$31,148,931, or 11.9%, over the previous year, while CBS grossed \$17,637,804, or 19%, above 1934. The Mutual Broadcasting System during the last six months of 1935 had a gross income of \$697,821.

NBC and CBS set new December highs. NBC's revenue for both Red and Blue networks was \$2,893,793, which was 4.2% better than for December, 1934. CBS took in \$1,885,977, or 12.7% over the gross for the corresponding month of 1934.

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FCC NOTES INCREASE IN COMPLAINTS AGAINST AIR ADS

Complaints against certain types of broadcast advertising showed a substantial increase during the past fiscal year, the Federal Communications Commission stated in its annual report to Congress. The statement, made by the Applications Section, did not cite specific cases. It read:

"In the past fiscal year there has been a notable increase in complaints to the Commission of stations broadcasting objectionable programs, and the Commission has made an extensive inquiry into these complaints under the provisions of the Communications Act of 1934 and its rules and regulations promulgated pursuant thereto. Formal action was taken with regard to 226 separate objectionable programs broadcast over 152 stations.

"Some action was taken with regard to a much larger additional number of complaints involving several more stations, but these were adjusted informally. The broadcasting of false, fraudulent, and misleading advertising in various guises has been the chief source of complaint. In many instances the Federal Trade Commission, the Post Office Department, and the Food and Drug Administration had taken action to curtail the objectionable activities of medical advertisers in printed form, the result being that these advertisers resorted to broadcasting in order to disseminate their misleading and often fraudulent sales propaganda. This section handles all matters of inquiry and enforcement from their initial stages to final Commission action."

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W-B MAKES PUBLIC LETTERS IN SCRAP WITH NETWORKS

As both the Warner Brothers and the two major networks, National Broadcasting Company and Columbia Broadcasting System, appeared to be intrenching themselves for a fight to the end over the copyright issue, the former made public photostatic copies of correspondence exchanged with the chains. The whole matter seemed headed for the New York courts.

At the same time Warner Brothers stated that 170 independent broadcasting stations have accepted the three months' contracts required for use of the music controlled by the four W-B music publishing houses.

E. C. Mills, General Manager of the American Society of Composers, in response to an inquiry from the Heintz News Service, stated there "is no controversy between ASCAP and Warner Brothers involving any bitterness or hostility."

In a statement accompanying the correspondence, Warner Brothers asserts that the effect of the withdrawal of its music from the big networks and stations which have refused to sign W-B contracts is noticeable in the programs.

"Old tunes are being played again and again", the statement says. "Formerly a restriction existed against the use of any given tune more than once in three hours. This restriction has apparently been abandoned as a result of the shortage of music created by the refusal of the chains and certain stations to meet the requirements of the new Warner contract. To the stations which have accepted the contract the entire list of compositions published by the Warner firms is available."

Warner Brothers in both replies to the networks denies that ASCAP "claims, for any reason whatsoever, to have the right to license you to perform the works published or copyrighted by our companies." Warner Brothers, the letters add, had a right to withdraw both their membership and their composition from ASCAP.

The letters also deny the authors and composers of W-B works have continued their membership in ASCAP and state that Warner Brothers do not feel any responsibility to furnish the networks with a list of its compositions as no contractual relations exist.

Mills, after reviewing the events leading up to the withdrawal of Warner Brothers from ASCAP, says:

"Generally speaking, users of music in public performance for profit will be safe in regarding compositions copyrighted by any of those firms as not now coming within the purview of ASCAP's license as from January 1, 1936.

"I understand that an item by item catalog listing all compositions, the performing rights of which are claimed by these firms, is now in preparation and will be off the press in about a week. Immediately it is issued it will, of course, be carefully checked and then such questions as may appear reasonable regarding the actual ownership of performing rights in particular compositions will be threshed out between ASCAP and the respective publishers.

"ASCAP has never made it a policy to increase its rates when catalogs were added to the repertoire and now that some catalogs are to be removed therefrom, it is not decreasing its rates. A five-year renewal of our present agreement with each and every broadcasting station is available to the broadcasters if they wish it, at present rates. Many broadcasters have already effected such renewals and there are presently a great many requests on my desk for similar extensions. As rapidly as possible these are being issued.

"There is no controversy between ASCAP and the Warner Brothers involving any bitterness or hostility. It is a plain matter of business. The Warner Brothers invested a huge amount in the purchase of some music publishing firms. The business of music publishing has fallen to such a low ebb that if those firms are to survive the Warner Brothers say that their revenue from performing rights must be very substantially increased over the sum which ASCAP has been able to collect. They have, therefore, elected to administer their own properties directly instead of through ASCAP's agency."

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SMALL GROUP PREPARES AGENDA FOR RADIO-EDUCATION MEET

An agenda of varied proposals for providing more time on the air for non-profit and cultural programs is being prepared by a small group in anticipation of the first meeting of the Radio-Education Committee as yet unscheduled.

Several conferences were held this week in the U. S. Office of Education as John W. Stuebaker, Commissioner of Education, is Chairman of the committee. The next group parley will be held on January 20, at which time a definite agenda will be submitted.

Those participating in the preliminary conferences were Dr. Levering Tyson, Director of the National Advisory Council on Radio in Education; James W. Baldwin, Managing Director of the National Association of Broadcasters; Dr. Cline M. Koon, of the Office of Education, and Andrew D. Ring, Assistant Chief Engineer of the Federal Communications Commission.

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VETERANS GET WVFW; PROFITS FOR PUBLIC WELFARE

New studios and equipment at Station WVFW, Brooklyn, N. Y., were dedicated January 9 by the Brooklyn Council of the Veterans of Foreign Wars following the filing of an application of the Paramount Broadcasting Corporation to transfer control of the station to the Council with the Federal Communications Commission. The station will be operated in the interest of the veterans and the public. The income will be split among the King's County welfare organization, the State welfare activities, and the Veterans' Home at Eaton Rapids, Mich.

Those who will direct the future activities of the veterans' station are Thomas F. Twyford, County Commander of the Veterans of Foreign Wars; Harold J. Burke, Past County Commander, and Thomas W. Gorth, who holds a similar position in the organization; Herman R. LaTourette and Salvatore D'Angelo, Brooklyn radio pioneer and first owner of the station, who is to be the Managing Director. The King's County veterans have an enrollment of more than 5,000.

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RADIO POPULARITY GAINS IN CZECHOSLOVAKIA

Radio is making progress in Czechoslovakia, a report to the Commerce Department from the commercial attache at Prague reveals.

On December 6, 1935, the number of licensed receiving sets in the country totaled 773,000, an increase of approximately 80,000 sets compared with the corresponding figure of last year. Socket power sets account for 75 per cent of the sets.

At the end of 1934 the country had 46 licensed radio receiving sets for each 1,000 inhabitants, giving it a rank of tenth among European nations. On a per capita basis, Czechoslovakia follows Denmark, Great Britain, Sweden, Netherlands, Germany, Switzerland, Austria, Belgium and Norway, the report states.

Czechoslovakia has seven broadcasting stations in operation, with an eighth station now under construction. It is expected to begin broadcasting in May, 1936. Czechoslovakia broadcasting stations are owned and operated by the Ministry of Posts and Telegraphs while the studios as such are operated by the broadcasting company "Radiojournal", in which the Government holds a majority interest.

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FCC HOLDS TELEVISION STILL IN THE EXPERIMENTAL STAGE

Television is not yet out of the experimental stage despite substantial development within the last year, the Federal Communications Commission's Engineering Department stated in the Annual FCC Report submitted to Congress. The engineers explained:

"Although the Commission licensed no new visual broadcast (facsimile or television) stations during the past year, the general interest of the public in television has increased substantially. Interest in television has been stimulated greatly by the activities in certain European countries. Great Britain and Germany have given considerable publicity to their activities in this field. Technically, television has been as highly developed in the laboratories of the private companies of the United States as has been accomplished in Europe.

"The several companies carrying on television experiments in the United States have not standardized the several essential elements of transmission. Due to the wide band width necessary (approximately 3,000 to 4,000 kilocycles) and other requirements, frequencies above 40,000 kilocycles are the only ones available for high quality television transmission. In order to transmit a picture of approximately 350 lines and 60 frames per second accompanied by voice, the wide band width is required. If this band is reduced, the detail or clearness of the pictures is reduced accordingly. No commercial receivers are at present available to receive such programs. In order to give television service it is necessary for the different manufacturing companies to standardize their transmissions, and produce receivers which can receive all programs transmitted. In short, from a laboratory standpoint television programs can be satisfactorily transmitted and received locally at the present development of the art but before it is finally useful to the public there are many commercial problems to be solved."

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Denial of the application of the Wisconsin Broadcasting Co., Oshkosh, Wis., for a construction permit to build a new station and operate on 1310 kc., with 100 watts at night and 250 watts daytime, unlimited time, was recommended this week to the Federal Communications Commission by Examiner John P. Bramhall.

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INDUSTRY NOTES

Joseph P. Kennedy, former Chairman of the Securities & Exchange Commission, who was selected by the Radio Corporation of America to devise a recapitalization plan for the Radio Corporation of America, may have his report ready within 45 days, according to information from New York.

Radio market reports are available at the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C., at 25 cents each, on the following countries: France, India, United Kingdom, El Salvador, Germany, Canada, and Czechoslovakia.

The Telegraph Division of the Federal Communications Commission has modified its rules in several particulars regarding aviation services. Copies of the revised order may be obtained from the FCC.

Among the salaries listed in the 1934 report of the Internal Revenue Bureau to the House Ways and Means Committee under the statute that required the recording of all salaries about \$15,000 were those of William S. Paley, President of the Columbia Broadcasting System, with a total compensation of \$147,295, and Merlin H. Aylesworth, former President of the National Broadcasting Company, \$45,000.

Among those on a committee named by Mayor LaGuardia to draft rules governing a \$2,000 contest for a winning New York city anthem are Gene Buck, President of the American Society of Composers, and Alfred J. McCosker, of Station WOR, Newark, former President of the National Association of Broadcasters.

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January 14, 1936

SYKES DEMANDS PROBE OF BRIBERY RUMORS BY FCC GROUP

Upon the demand of Judge Eugene O. Sykes, veteran Commissioner and former Chairman of the old Federal Radio Commission, the Federal Communications Commission is investigating rumors and ugly gossip of bribery and political influence reputedly exercised over at least one Commissioner.

The remarks, overheard by the son of the Chairman of the Commission during a party of broadcasting representatives at a Washington hotel, have already found an echo on Capitol Hill and threaten to add momentum to the move for a general Congressional investigation of how the FCC grants broadcasting facilities and to whom.

The FCC investigating committee comprises all members of the Commission except Judge Sykes and Anning S. Prall, Chairman of the FCC. Both asked to be excused, the latter because his son, Mortimer Prall, had overheard the hotel conversation which led to the inquiry.

Prall previously had asked the Department of Justice to investigate the rumor that bribery and political influence had been exerted on at least one member of the Commission. He subsequently announced that the G-men had found the comments made at the hotel party baseless.

The rumor continued to circulate, however, and members of the FCC indicated resentment that the Chairman should have called upon the Justice Department to make an investigation of the Commission without consulting his colleagues. The idea that G-men might be trailing them or that secret dictaphones might be concealed in their offices seemed to bother the Commissions as much as the loose charges of bribery and influence exerted on a member.

Chairman Connery, of the House Labor Committee, was quick to seize the opportunity to complain that the FCC had not been treating the smaller stations, especially those owned by labor interests, fairly. He said that the latest episode merely added momentum to a movement started sometime ago for a general investigation of FCC operations.

"Every bit of evidence seems to indicate that the Federal Communications Commission is playing the game of the big broadcasting systems to the detriment of the smaller ones, particularly the labor stations", he said.

The bribery episode started about two months ago after the Commission had granted certain facilities to the KNOX Broadcasting Co., of Schenectady, N. Y., without a public hearing. The owners of WBNF, Binghamton, N. Y., immediately protested and demanded a hearing. The case was then reopened.

It was while representatives of the Binghamton station were stopping at a Washington hotel that the remarks which have caused such a furore were made. Some person in the party suggested bribery and referred to a \$25,000 bribe rumored to have been paid in another case.

Young Prall, who was in another room of the hotel, reported the conversation to his father, and the elder Prall carried it to the Justice Department. After looking into it, the Justice Department labelled it mere "loud talk" and groundless.

Commissioner Irvin Stewart was named Chairman of the Inquiry Committee after George Henry Payne had refused it when offered by Prall. He later explained that he believed the chairmanship selection should be left to the committee, which it was.

"The investigation will be factual in character", Stewart said, "designed completely to cover the story told to us as to what was overheard in the Willard Hotel."

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BRITISH TO BROADCAST QUEEN MARY'S MAIDEN VOYAGE

The British Broadcasting Company announces that, in cooperation with Cunard White Star Limited, arrangements are in hand for broadcasting from the "Queen Mary" each evening during her maiden voyage from Southampton to New York. During the trip R. H. Eckersley, Assistant Controller of Programs, will act in a supervisory capacity to all programs. John Snagge will represent the Outside Broadcasts Department, with John Watt as producer. R. H. Wood (engineer in charge Outside Broadcasts) with two assistants will be responsible for all technical arrangements.

Many parts of the ship will be wired for microphones. There will be twenty-eight points available, including Main Ballroom, First-class dining-room; First-class lounge (for light music, etc.), Verandah Grill, covering main dance band on sun deck, Swimming Pool, Embarkation deck at Southampton and covering the deck for disembarkation in New York, and Crow's nest.

According to present arrangements, the departure from Southampton will be described in commentaries both from ship and shore. On the second night out from Southampton it is proposed to broadcast a feature program, in which listeners will be conducted on a tour of the ship. The program will last forty-five minutes. On each night of this maiden voyage a short "flash" will be included in the news bulletins. It is planned also to include a broadcast of the arrival in New York.

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FCC REFUSES TO REOPEN "BROOKLYN CASES"

Commissioner Irvin Stewart, who had previously aroused the Broadcast Division of the Federal Communications Commission by his demand for an investigation of the networks' domination of the clear channels, has filed a dissenting opinion attacking the refusal of the Commission to reopen the so-called "Brooklyn cases".

The FCC denied a rehearing on its decision to eliminate three Brooklyn stations - WARD, WVFW and WLTH - and to grant the Brooklyn Daily Eagle Broadcasting Co., Inc., a permit for a new station.

Stewart expressed the opinion that the decision, insofar as it denied license renewals to the three Brooklyn stations is sound. But he added that he was "unable to agree that the record shows any need for a new station on this frequency in Brooklyn. Commission records show that some or all of the borough is at all times within the good service area of at least eleven stations, exclusive of those involved in the present case. This figure is higher than for the remainder of the first zone and far higher than for most of the country."

After quoting testimony of Prestin Goodfellow, President of the Brooklyn Eagle, to the effect that he intended to operate a station that would "cater to the type of reader that the New York Times and the Brooklyn Daily Eagle and the Sun and paper of that calibre have", Stewart made the following comment on newspaper-owned stations:

"It is not clear from the opinion that consideration was given to the matter of the public interest involved in the granting of a broadcast station license to an applicant controlled by a newspaper. Broadcast stations and newspapers are the two principal sources of current public information and enlightenment; in a more mundane field they are the two principal media of local advertising and two of the principal media of national advertising in any community. Combining the two under the same control inevitably presents a problem of major moment which should be squarely faced by the Commission in its determination of 'public interest, convenience and necessity.' I do not believe that it was sufficiently considered by the Broadcast Division in the present instance."

Meanwhile, from New York came statements that S. J. Gellaró, President of WLTH, had not given up hope of convincing the FCC of the justice of a rehearing, while a spokesman for the Kings Chapter, Veterans of Foreign Wars, which recently acquired WVFW, said a stay order would be sought against the FCC order.

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A. T. & T. SERVED WITH COMPLAINT OF PENSACOLA CO.

The Telephone Division of the Federal Communications Commission directed that the American Telephone and Telegraph Company be served with the complaint of the Pensacola Broadcasting Company, filed by its attorney, former Senator C. C. Dill, on December 18, 1935, with reference to overcharges over circuits from Mobile via Flomaton to Pensacola, and that the American Telephone and Telegraph Company be given 30 days from receipt of notice within which to satisfy the complaint. If the complaint is not satisfied, the case will be set for hearing before the Telephone Division at the earliest practicable date, the date to be fixed by the Docket Clerk and the Law Department.

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GERMANY USES THREE TYPES OF RECORDING FOR BROADCASTS

Germany is using three types of recording sounds for radio broadcasts, often of important news developments, according to a report by Roland Welch, Assistant U. S. Trade Commissioner at Berlin, to the Bureau of Foreign and Domestic Commerce.

"The country's stations use sound recording to a great extent and the German radio public apparently does not mind hearing 'canned' programs rather than the actual human voice or the actual instruments", he stated. "At one time, a speech made by Chancellor Hitler was broadcast 24 hours after he delivered it, with no objection on the part of the public, and parts of the same speech were broadcast frequently two or three months later. The German broadcasting stations, all of which are under control of the Government, use sound recording devices to a far greater extent than do the stations in most other countries. The various kinds of sound recording systems have, therefore, been developed in Germany to a high degree of perfection, and at least one of these systems was invented here and probably is not used in any other country in the world at present.

"The three main systems used for sound recording for radio broadcast purposes are: reproduction on records, reproduction on sound film, and reproduction on magnetized steel ribbon. It is this last system that was invented here and that probably is not used anywhere else. All three of these systems are in constant use and, although they vary in performance, each one seems admirably fitted for certain distinct purposes.

"In all of these systems, however, German radio authorities have been working to develop the greatest possible reliability of service, the smallest possible distortion, the greatest possible clearance of strays, and the longest possible duration of playing time. Technicians have kept a very careful check on the efficiency of the various types of recording and have recently reduced their results to table form."

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WASHINGTON CRITICAL OF NETWORKS' POLITICAL STAND

Political observers in Washington forecast a troublesome road ahead for the major broadcasting networks and an avalanche of criticism from Republican sources following the disclosure that they had rejected political skits for which the Republican National Committee wanted to buy time.

Both the National Broadcasting Company and the Columbia Broadcasting System turned thumbs down on a series of programs designed to dramatize criticism of New Deal policies on the ground that their appeal is emotional rather than intellectual. Immediately Henry P. Fletcher, Chairman of the G.O.P. Committee, charged them with exercising censorship or being afraid of punitive action by the Federal Communications Commission.

Unbiased observers expressed the opinion that the networks were unnecessarily put themselves on the spot as targets for attack and they would have lost nothing by accepting the programs and offering the same opportunity to the Democratic party. Should the Republicans win the next election, it was pointed out, Fletcher would unquestionably wield a most potent influence over radio as well as other things under governmental control.

Repercussions on Capitol Hill were certain as the move for a general investigation of the Federal Communications Commission gained momentum and FCC Chairman Anning S. Prall announced he would welcome such an inquiry. Any inquiry into FCC operations, it was indicated, would delve into activities of the networks as well.

The Republican National Committee undaunted by the closed-door policy of the chains began looking around for independent stations on which to place their skits via disks. Station WGN, Chicago, owned by the arch-Republican Chicago Tribune, was the first to agree to broadcast the scripts, and the first program was put on the air the night of January 14.

The skits were developed over a period of months at considerable expense to the Republican National Committee. Character actors and actresses had been employed. The weekly story scripts were to be supplemented by speeches by prominent Republicans.

The first skit entitled "Liberty at the Crossroads", carried a scene of an army officer offering George Washington the dictatorship of the country; another portrayed a young couple objecting to high costs of meta; while a third pictured a country store group arguing about what the Constitution meant "before the days of Roosevelt".

Republican leaders optimistically predicted that other stations would gladly accept the programs and revenue throughout the country so that the G.O.P. purpose would be achieved despite the attitude of the networks.

William S. Paley, President of Columbia, in rejecting the G.O.P. disks, revealed that the network will not sell time to either Republicans or Democrats until after the party conventions but will continue to allot free time to leaders of both parties for timely talks. Major Lenox R. Lohr, President of NBC, said that he would gladly continue to make the network's facilities available from time to time to responsible spokesmen of both parties.

Answering Mr. Paley's letter, Mr. Fletcher said he did not question the right of CBS to determine its own policies but added that he could not avoid the impression "that the attitude you have taken is affected and perhaps involuntarily controlled by the political party in power, which regulates the issuances of your licenses.

"I believe your policy not to sell time for political broadcasts until after the regular party conventions next Summer will leave in the minds of the American public the distinct impression that you are either exercising an unwarranted degree of censorship or that you fear punitive action by the Federal Communications Commission.

"The two great systems enjoy under the ninety-day license system imposed by the Federal Communications Commission a precarious lease of the great theatre of the air. You decline to open the doors of this theatre to those in opposition to the policies of the administration unless your 'editorial judgment' approves the program to be presented."

Major Lohr, in rejecting the skits, said, in part:

"The programs which you have offered to us, using actors to give dramatic skits on the air, involve the fictionizing of important political issues now before the country. These presentations would violate the policies upon which the National Broadcasting Company has based its service to the listening public.

"To accept such dramatic programs as you have offered would place the discussion of vital political and national issues on the basis of dramatic license, rather than upon a basis of responsibly stated fact or opinion."

Mr. Paley, in his letter recalled a letter of Dec. 27, 1935, by Edward Klauber, Vice-President of the CBS, as "a complete document". It said, in part:

"Appeals to the electorate should be intellectual and not based on emotion, passion or prejudice. We recognize that even the oratorical discussion of campaign issues can be to a degree stamped with the aforementioned flaws, but we are convinced that dramatization would throw the radio campaign almost wholly over to the emotional side."

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CRITIC PAYNE THROWS A FEW BOUQUETS AT THE COMMISSION

George Henry Payne, arch critic of the Federal Communications Commission, though a member, surprised his colleagues in an address at the Harvard University Graduate School of Business Administration January 13 by making some laudatory observations about the FCC.

"In the year and a half of its existence, the Federal Communications Commission has made distinct contributions to the improvement and regulation of the industries for which it is the governmental regulating body", he said. "This statement will be challenged by some, laughed at by others, but I feel safe in assuring you that no one will arise with an offer to debate it in public.

"Some of these who have been battered and improved are not quite conscious of it yet. Some of them are still breathing a little strenuously in the rarified high altitude into which they have been somewhat involuntarily raised. Nevertheless, I think we may say in the language of Galileo, as translated by Artemus Ward, 'The world do move' -- referring, of course, to the world of communications.

"The most important of the many problems that have confronted the Federal Communications Commission in the year and a half of its existence has been that of combatting the impression that the new Commission was, or could be, dominated by the bodies, industries or corporations over which it was given by Congress the power to regulate. There was a belief that our predecessor, the old Radio Commission, was dominated by the industry that it was supposed to restrain and control. I am very happy to say that such is not the case and that of the corporations over which we have jurisdiction are quite convinced that the Commission, or those divisions with which they deal, form independent judgments without bias or without prejudice, and with no other interest or consideration than regard for their oath of office.

"Just as there has been improvement in the relations between the Commission and the broadcasting companies under our regulation, so there is evidently a very steady trend of improvement in the character of the programs broadcast throughout the country, although, I am frank to admit, there is still a considerable distance to go. It would be unfair on my part if, when I had so sharply criticized those responsible for programs and advertising that were distasteful, I did not frankly admit that there is a new and better attitude of mind in the matter of the broadcasters' responsibilities to the public.

"The idea is beginning to take hold that the wide-spread criticism is not merely the yawping of splenetic fault finders. It is beginning to be admitted that the advertiser from his purely mercenary point of view should not be the dominating factor in deciding what a hundred million people should be forced to

listen to. In the mere matter of advertisements for liquor and alcoholic beverages, the protests are bearing fruit.

"I think the broadcasters missed their opportunity when they permitted Dr. James M. Doran, Administrator of the Distilled Spirits Institute, consisting of liquor distillers and manufacturers, to make the first public pronouncement that he had such a regard for public opinion and the rights of the people to decide what messages should come into their homes, that the members of his association would discontinue radio advertising."

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RADIO GREATEST POWER FOR GOOD OR EVIL, ASSERTS PRALL

Radio broadcasting is the greatest known power for good or for evil, depending upon how it is used, Anning S. Prall, Chairman of the Federal Communications Commission, stated January 13 in an address over the Columbia Broadcasting System.

"I regard radio as an ultra-modern combination of journalism, the theatre, the public rostrum and the school house", he said. "It is an integral part of practically every American home.

"It appeals to the entire family; therefore, if it is to survive, if it is to enjoy the success to which it is entitled, if it is to strengthen its reception in the American home and hold its place there, it must deliver into those homes programs of high standards and entertainment which, above all, is wholesome and clean. I am not preaching reform, or radio entertainment as some of our reform groups have advocated it, but a sensible, balanced radio menu in which extremes are avoided."

Reviewing developments in the industry during 1935, he said:

"High powered advertising announcements have been toned down; commercial continuities are in better form; the two major chains have adopted entirely new policies and have outlawed programs advertising internal medicines or bordering upon the improper. Their action has been quickly followed by practically all the responsible independent stations. Today the number of quack medicine, fortune-telling, lottery and other schemes broadcast with the end in view of fooling or defrauding a gullible public is at a minimum. The FCC will not stop until all of them are off the air.

"Despite the consequent loss of advertising revenue by the deletion of many of these objectionable broadcasts, I am reliably informed that responsible advertisers have contracted for time on the air far in excess of the amount lost by the deletions, and I venture to predict that the ensuing year will

show the greatest return in the history of the industry because of the normal revival of business and because the radio industry considers better programming the high point and the essential move toward future success of broadcasting."

Referring to television, the FCC Chairman said:

"The laboratory development has progressed remarkably but it is not yet ready, I am told, to be brought into the sunshine of practical operation, either from the technical or the economic standpoint. Suffice it to say, on that score, that our engineers at the Commission have not yet seen fit to recommend that television be used in any way other than under rigid experimental limitations. Until we of the FCC see fit to lift that experimental barrier, there can be no practical commercial television, and we will not lift it until we are convinced that it is ready for public acceptance and will serve a real public need.

"Withal, I would hazard the assertion that five years from now, you won't be able to recognize your radio receiver. Instead of receiving sound alone, along with short-wave programs, it probably will be fitted for these and for television and facsimile."

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COPYRIGHT NEGOTIATIONS FAIL AS ASCAP GIVES ULTIMATUM

Negotiations for a new scale of copyright music rates appeared to have failed January 14 after the American Society of Composers, Authors and Publishers had wired 390 independent radio stations that they must sign a new five-year license contract by January 15 or be held accountable financially for the broadcasting of ASCAP's music since January 1.

James W. Baldwin, Managing Director of the National Association of Broadcasters, who has been acting as chief negotiator in New York City for the broadcasters, was shocked by the ASCAP ultimatum cancelling the temporary extension of all licenses and immediately notified stations to sign new contracts at once.

"Broadcasters are over a barrel and have a double-barrel shotgun at their head", he observed. "There's nothing else for them to do but sign up."

The ASCAP telegram also warned broadcasters that any station which did not sign the new license agreements by January 15 would be deemed a copyright infringer if it continued to play ASCAP music and would be held subject to the statutory fine of \$250 for each violation.

The new licenses which broadcasters are thus forced to sign carry the same rates as the old contracts, which included music since withdrawn by the Warner Brothers music publishing

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houses. Broadcasters have been negotiating for the past month in the hope that a lower scale of rates or more advantageous agreement might be obtained.

The last straw, so far as the organized broadcasters were concerned, came the night of January 13 when the ASCAP Board refused to grant Baldwin's request for a last-minute hearing on the January 15 deadline ultimatum.

In a special issue of the NAB Reports, Baldwin outlined the tentative program agreed upon by himself and his Advisory Committee named by the NAB Directors.

"This is not the time or place to comment on the precipitous action taken by ASCAP", he wrote regarding the ASCAP wire. "Until it was taken the Managing Director had every reason to believe that ASCAP would not exercise its right of cancellation of the temporary arrangement without first having further negotiations with him and his committee and without having exhausted all possibilities of reaching an amicable settlement of the issues that have arisen. That hope, it seems, was without foundation."

Admitting that these developments "place increased obstacles in the way of future negotiations with ASCAP", Baldwin said that he and his Advisory Committee "refuse to regard these obstacles as insuperable. Even if they are insuperable, that is all the more reason for bending every effort to carry out the rest of the program", he wrote.

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B U L L E T I N

CONNERY TO INTRODUCE RESOLUTION TO INVESTIGATE FCC

Representative Connery, Chairman of the House Labor Committee, announced today (January 14) that he would introduce a resolution January 15th calling for the appointment of a special House Committee to investigate the Federal Communications Commission.

See lead story of today's release.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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MEXICAN SONG AT BOTTOM OF DEMAND FOR PROBE OF FCC

It was a little Mexican song, "En Elogio de Silves", sung in Spanish over the NBC-WJZ network last Spring, that started the movement for an investigation of the Federal Communications Commission and materialized in a resolution introduced in the House January 15. The song, which sixteen members of Congress said contained obscene passages, was on a program sponsored and paid for by the Mexican Government. The FCC, after an investigation, declared that the program was not obscene in the meaning of the Communications Act.

Representative Connery, Chairman of the House Labor Committee, introduced the resolution which demanded an investigation of the FCC by a special committee of five members of the House. The probe, the resolution stated, should delve into all operations of the Commission and examine all charges of irregularities made against it. It made no reference to the political scrap between the networks and the G.O.P.

The resolution was referred to the Rules Committee with its fate uncertain. While it was believed the committee, headed by Representative O'Connor (Democrat), of New York, is loath to report the resolution favorably, Connery felt that there are enough disgruntled members to give him 218 signatures, if necessary, to discharge the committee and bring the resolution to the floor.

In introducing the resolution, Connery had the House clerk read correspondence which he had exchanged with members of the FCC and Secretary of State Cordell Hull relative to the Mexican program on NBC. At no time did he explain how sixteen members of Congress were able to translate Spanish sufficiently to know that the Spanish song was obscene.

He asserted that the FCC went back to 1883 "to find a case with which to whitewash the National Broadcasting Company." It was *Duncan v. United States* (48 Fed. 2d 128) and involved a violation of postal regulations.

Connery added that he had received "complaints from all over the nation." Relating an incident in which the FCC allegedly almost took away a Middle-western station's license for stepping up its power, he said:

"That was a small station, but when the NBC comes in and puts a foreign government on the radio for the sum of \$40,000 and sends insidious propaganda and obscene and indecent songs into the homes of American people - songs not fit to be recited anywhere - we have a different story. The National Broadcasting Co. must be and is whitewashed. Why? Does this monopoly control the Commission?"

Republican members of the House sought vainly to link the resolution with the refusal of the networks to broadcast the dramatic skits sponsored by the Republican National Committee, but Connery confined his complaints to the trouble that labor leaders, World War veterans, and others allegedly experienced in trying to air their grievances on the radio.

The text of the resolution follows:

"Whereas, on April 5, 1935, sixteen members of the House of Representatives, whose attention having been directed to a broadcast over the NBC network which broadcast contained alleged obscene and indecent utterances, and which program was in the interest of and paid for by a foreign government, filed with the Federal Communications Commission a protest against such programs and, in addition, petitioned said Federal Communications Commission for an immediate investigation of the charges contained in said protest and, further, requested a public hearing on the results of such investigation, and

"Whereas, the Federal Communications Commission, in reply to said petition, stated that an investigation was being made, and

"Whereas, the Federal Communications Commission later replied to the petitioners setting forth that said program was not obscene within the rule laid down in a court decision cited by said Commission, which citation quoted language which is not to be found in the specific decision cited, and,

"Whereas, the Congressional Record of July 31, 1935, contains a full and factual history of this failure on the part of the Federal Communications Commission to properly enforce the Communications Act of 1934, and, in addition, contains excerpts from affidavits which alleged that competent officials of the said NBC admitted that the program complained of contained obscene and indecent utterances, and

"Whereas, the Chairman of the said Federal Communications Commission, in testifying before the House Appropriations Committee admitted that the property of the Government, namely, radio broadcasting licenses or franchises, were the subject of profiteering on the part of individuals and others, and

"Whereas, charges have been made that certain vested interests are alleged to be receiving large sums of money due to the leasing to others of licenses or franchises issued by said Federal Communications Commission, and

"Whereas, it is well known that a monopoly exists wherein a few control all of the valuable franchises or licenses issued by said Commission, while educational, labor, religious and other non-profit making organizations are denied opportunities of securing favorable consideration for radio broadcasting facilities from said Federal Communications Commission, and

"Whereas, the said Commission, as a result of charges apparently placed before it by the Chairman of said Commission, has now created a committee of five of its seven members to investigate charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with the said Commission, and

"Whereas it is in the public interest that a thorough and exhaustive investigation be made of these and other alleged irregularities

"Therefore, be it

"RESOLVED, that a committee of five members of the House of Representatives shall be appointed by the Speaker, which committee is hereby authorized and directed to inquire into and investigate the allegations and charges that have been or may be made relative to irregularities in the granting and renewal of licenses and other matters coming within the jurisdiction of the Federal Communications Commission, or pertaining in whole or in part to the functions of the said Federal Communications Commission; be it further

"Resolved, that the said committee shall make a thorough and exhaustive investigation of allegations and charges that have been or may be made in connection with any and all matters pertaining to the Federal Communications Commission and shall report in whole or in part at any time to the House of Representatives together with such recommendations as it deems advisable; and be it further

"Resolved, That for the purpose of this resolution the said committee is authorized to hold such hearings, to sit and act during the sessions and the recesses of the present Congress at such time and places, either in the District of Columbia or elsewhere and to employ such expert clerical and stenographic services as may be found necessary and to require by subpoena or otherwise the attendance of witnesses; to administer oaths; to compel the production of books, papers and documents by government or private agencies and to take and record such testimony as the committee may deem advisable or necessary to the proper conduct of the investigation directed by this resolution."

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RADIO REPRESENTATIVE ON BUSINESS ADVISORY COUNCIL

Despite the refusal of the organized radio and broadcasting industries to participate in the recent business conferences called by Maj. George Berry, Coordinator for Industrial Progress, Secretary of Commerce Roper this week named a radio representative on the Business Advisory and Planning Council of 18. He is Roland J. Hamilton, President of the American Radio Company of New York.

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STATIC DROWNS G.O.P. SKITS FOR CHAIRMAN FLETCHER

After arranging for the broadcasting of "Liberty at the Crossroads", the G.O.P. dramatic skits, over Station WGN, Chicago, Henry P. Fletcher, Chairman of the Republican National Committee, couldn't pick up the broadcast at his home in Washington. Bad atmospheric conditions and the overlapping of other stations were blamed.

Newspaper correspondents interested in hearing the G.O.P. dramatic debut experienced the same difficulty in tuning in the station which ordinarily is clearly heard in Washington.

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HIGHER POWER FOR WSPD; RENEWAL FOR WFEA RECOMMENDED

An increase in daytime power from $2\frac{1}{2}$ KW to 5 KW, on 1340 kc., with a continuation of 1 KW nighttime power, was recommended this week for Station WSPD, Toledo, by Examiner Seward in a report to the FCC.

In another report, Seward recommended renewal of the license of WFEA, Manchester, N. H., on 1340 kc., providing that a new antenna system be installed and field intensity measurements be made in the Toledo area and reported to the Federal Communications Commission.

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BROADCAST OF HUEY LONG'S VOICE SETS POLITICAL PRECEDENT

Something new in political campaigning via radio was introduced in New Orleans this week when the voice of Huey P. Long, assassinated dictator of Louisiana, was broadcast over a network of State stations.

Long's words were carried from a recording made of one of his addresses shortly before his death. The broadcast was sponsored by candidates in the January 21 Democratic primary who are members of the Long faction.

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FCC MAY RULE ON DUPLICATIONS OF COMMUNICATIONS SERVICE

The Federal Communications Commission probably will announce a policy shortly on the question of whether duplication of radio communications service on a large scale is to be permitted.

The issue arose in a hearing opened this week on a petition of the Mackay Radio and Telegraph Company, Inc., to add Oslo to its service as a point of communication. Ellery W. Stone, operating Vice President of Mackay, told the Commission that his organization would like to establish far-flung radio-telegraph services which allegedly would conflict in many instances with those controlled by R.C.A. Communications, Inc.

Stone termed the position of RCA "monopolistic" during his testimony and immediately aroused a challenge from Frank W. Wozencroft, RCA counsel, who labelled his remarks "pure demagogy". Wozencroft also pointed out that he had not been notified that the hearing would deal with communications services all over the globe.

Commissioner Irvin Stewart, who presided at the hearing, said that the question is one of policy which will have to be decided by the whole Commission.

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REA BROADENS RADIO MARKET IN FARM AREAS OF THE COUNTRY

A broader market for radio manufacturers and broadcast sponsors is being made available by the work of the Rural Electrification Administration. Last year 175 per cent more American farms were electrified than during 1934, Morris L. Cooke, Administrator of Rural Electrification announced. Even a greater increase is anticipated in 1936, he said.

The usual trend is for radio receivers to follow close on the heels of rural electrification, and the assumption is that this was the case in 1935.

It is estimated, on the basis of figures submitted to REA by the private utility industry, that in 1935 electric service was extended to approximately 83,000 farms, compared with 30,396 in 1934. This brings the total of farms having central station electric service to approximately 827,000 out of a total of more than 6,800,000 farms in the country.

Industry figures estimate a 50% increase in rural line construction in 1936 over 1935. They indicate that approximately \$80,000,000 will be invested in rural line construction by the private utility companies in the two year period 1935-1936, of which sum approximately \$50,000,000 will be spent in 1936. Over 175,000 farms will for the first time be provided with central station electric service. Another \$80,000,000 is being invested in farm wiring and appliances.

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DEMOCRAT LAUDS FLETCHER'S CRITICISM OF THE NETWORKS

The verbal battle between Henry P. Fletcher, Chairman of the Republican National Committee, and the Presidents of the National Broadcasting Company and the Columbia Broadcasting System, has evoked a thing strange in national politics - commendation for the G.O.P. stand by a Democratic member of the House.

Representative Scott (Democrat), of California, author of several resolutions to restrict the authority of the Federal Communications Commission, sent the following telegram to Fletcher following publication of the exchange of letters between himself and the network executives:

"Observe with commendation press accounts of your protest against unwarranted censorship of free political discussion over nation-wide radio broadcasting systems stop I call your attention to House of Representatives Bills nine tw two nine to thirty one inclusive and House Resolution three seventy introduced by me stop These bills deprive the Communications Commission of censorship powers and relieve radio stations from liability for remarks made in any broadcasts on public, social, political, or economic issues and would provide for regular periods for discussion of social problems with an equal opportunity for both sides of a controversial issue to expound their points of view and would further provide that all radio stations would be compelled to keep accurate records of rejected applications for time and the reasons therefor stop Will you and your party organization support me in securing passage of these bills to terminate prejudiced, irresponsible, and frivolous censorship of the expression of free political opinion over the American Radio networks?"

The correspondence was placed in the Congressional Record on January 14 by Representative Bolton (Republican), of Ohio, with an indorsement of the move of Representative Connery (Democrat), of Massachusetts, to bring about an investigation of the FCC.

"I would like to see the purpose of the investigation broadened in order that the true situation may be fully disclosed as to the activities of the radio companies and the question which has been raised as to what is the connection, if any, between the large radio companies or chains and the Commission", he said.

"Also, what influence has the present administration in this filed which may be properly termed a public utility in the interest of the general public."

"As the Republican National Committee went forward with its plan to follow up the broadcast over WGN, Chicago, of "Liberty at the Crossroads", with recorded dramatic skits on independent stations, William S. Paley, President of Columbia, wrote another letter to Fletcher denying the charge that the networks feared punitive measures from the FCC.

He said, in part:

"You are under a misapprehension in all your assumptions that the Federal Communications Commission could - even if it would - take punitive action against us for political reasons or that we live in fear of this administration or any other. There is nothing in the Federal Communications Law which would allow the Commission to act from partisan political motives, and if it did so act, its judgments would very promptly be reversed by the Federal courts.

"Moreover, if this company were subject to such domination by a political party as is implied by you, the American people would be served so shabbily that I should lose all interest in the conduct of this business.

"We believe the American public will uphold us in our view that our own editorial judgment rather than the availability of funds in the hands of others should regulate the amount of time given to the various sides of any discussion. We believe the public will agree that such discussion should be in proportion to the general public interest in the subject."

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NEW HEARING DENIED WLTH AND WARD IN "BROOKLYN CASE"

Even while members of Congress were criticizing the Federal Communications Commission in the House for its action in the WVFW (Brooklyn) case, the FCC on January 15 over-ruled a motion by WLTH and WARD, Brooklyn, for an opportunity to be heard before the full Commission and for a postponement of the Broadcast Division's order for deletion of the stations, effective January 22, be postponed from time to time.

The Commission did, however, move up the effective date until February 18 because of "the possible hardship which may result by reason of the immediate application" of the order.

Commissioner Irvin Stewart, as in the former Brooklyn case involving WVFW - renewed his partial objection, namely to the granting of a licenses to the Brooklyn Daily Eagle.

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KWKC DUE TO BE AUCTIONED JAN. 22 FOR DELINQUENT TAXES

Station KWKC, Kansas City, is scheduled to be auctioned off January 22 to satisfy tax delinquencies amounting to approximately \$16,500 against Wilson Duncan, station owner. The sale was advertised in the Kansas City Daily Democrat by George R. Clark, Deputy Collector of Internal Revenue.

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INDEPENDENT STATIONS ACCEDE TO ASCAP ULTIMATUM

Practically all of the member stations of the National Association of Broadcasters were said at the Washington NAB headquarters to have acceded to the January 15 ultimatum of the American Society of Authors, Composers, and Publishers and to have signed new 5-year licenses on former terms.

Whether any of the larger independent stations will hold out and carry the fight to court was not immediately known despite reports that such litigation was impending.

The next move of the organized broadcasters in the copyright tussel was indefinite on January 16 although James W. Baldwin, Managing Director, planned to return to New York to straighten out last-minute tangles. No further negotiations with ASCAP were in prospect.

Warner Brothers meanwhile announced that 26 more independent stations had signed the new contract submitted by the music publishing firms owned by W-B, giving them the right to use W-B music for the first three months of 1936. This brought the total number of stations with W-B contracts to 181.

Broadcasters had in their hands the lengthy report made by Mr. Baldwin earlier in the week on past negotiations with ASCAP and the program proposed for the future by the NAB Advisory Committee.

Mr. Baldwin, in this report, charged the networks and certain independent stations with constituting an obstacle to negotiations with ASCAP because of their contracts entered into previously.

"It must be frankly recognized that the principal obstacle to satisfactory negotiations with ASCAP proceeds from its outstanding contracts with the two network companies and certain individual broadcasters", he said. "Early in June, 1935, as already stated, unconditional five-year renewals were obtained by about fifty-five stations including the network-owned or controlled units. Between June, 1935, and December, 1935, some 70 additional stations sought and obtained five-year renewals, with the condition (already mentioned) as to diminution of ASCAP's repertoire. During the closing days of 1935, some additional stations (the exact number of which is not known), availed themselves of five-year renewals conditioned on ASCAP's repertoire as of January 1, 1936.

"It cannot be denied that the fact that such contracts are outstanding presents a serious problem in any future negotiations, particularly since some of the contracts (e.g. those of the two networks) contain material advantages which will not lightly be surrendered. The Managing Director and the Advisory Committee believe, however, that the early elimination of these discriminatory advantages is an indispensable condition precedent to a stable solution of the copyright problem."

1/17/36

PRALL ANSWERS 15 QUESTIONS ASKED BY REP. WIGGLESWORTH

A foretaste of what members of the Federal Communications Commission may expect if the Connery resolution calling for an investigation of the FCC is passed by the House is seen in a letter addressed to Chairman Anning S. Prall, by Representative Wigglesworth (Republican), of Massachusetts.

The letter of inquiry, carrying 15 specific questions, and Prall's reply were placed in the January 16 Congressional Record by Wigglesworth during a discussion of Connery's resolution.

"I want to say that I agree with the point of view expressed by my colleague (Mr. Connery), namely, that a full, impartial, non-partisan investigation into the entire field of work covered by this Commission would be in the national interest at this time", he said.

"There is so much smoke that it is not surprising that many are led to believe that there must be some fire."

Wigglesworth's questions concerned the number of clear channels controlled by independent stations, the extent of control by the FCC over leases or assignments by licensees, the protest addressed to the FCC last Spring by 16 members regarding the Mexican program on NBC-WJZ, the connection between the FCC and FTC, and certain data on the Shepard Broadcasting Co., and other matters.

Prall replied at length to all questions, stating that five of the 40 clear channels are assigned to independent stations, that the FCC has no information on the assignment of nighttime to national advertisers, and that the FCC is not the enforcing agency for "cease and desist orders" issued by the FTC.

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CBS GRANTS FULL HOUR TO LIBERTY LEAGUE'S DINNER

The Columbia Broadcasting System decided this week to increase the radio time allotment for the American Liberty League dinner in Washington January 25, from 45 minutes to a full hour. Alfred E. Smith, arch Democratic critic of the New Deal, will make the principal address, which will go on the air at 10 P.M., EST.

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1/17/36

DON FLAMM PUTS ON ROXY MEMORIAL

A tribute to the memory of the late S. L. (Roxy) Rothafel, was broadcast by WMCA in New York and associated stations of the Inter-City Group last night (Thursday). The musical background was furnished by a symphony of 40 musicians, former members of the orchestras used on radio programs under Roxy's direction. David Mendoza, one of Roxy's early proteges, conducted the memorial orchestra. Artists heard included Wee Willie Robyn, member of the original gang, Yasha Bunchuck, cellist and conductor, and Gladys Rice.

Among those who spoke were Donald Flamm, of WMCA, Jack Pulaski, of Variety, a close friend of Roxy, and Miss Martha Wilshinski, Roxy's old press representative.

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NBC REPORTED READY TO BUY SEVERAL AFFILIATED STATIONS

The National Broadcasting Company "has under consideration a proposal to purchase outright several affiliated stations which are located in strategic spots", according to Variety.

"Through such acquisitions the network would feel secure from any further raids by Columbia and also prevent any shiftovers of important outlets to the Mutual Broadcasting System", the story continues.

"It is over four years since NBC has done any buying or long-term leasing of stations. Network has been largely influenced against indulging in this procedure by two factors; one is the operating losses that such control have entailed in most instances, while the other has had to do with wariness of giving cause for cries of monopolistic practices or tendencies. It has preferred to keep its strategic releases in the fold by the good-will or prestige method, and, as later developed, through anapping of the associated stations' compensation."

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FCC INTERPRETS "GOOD ENGINEERING PRACTICE" RULE

Over the signature of Herbert L. Pettey, Secretary, the Federal Communications Commission has sent out to all broadcast licensees a three-page interpretation of "Good Engineering Practice" as used in FCC Rule 132.

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1/17/36

HEARINGS SCHEDULED ON APPEALS IN SECTION 212 CASES

The Federal Communications Commission on January 15 directed that hearings be held in a number of cities throughout the country on applications filed by officers and directors of telephone and telegraph companies, under Section 212 of the Communications Act of 1934. An Examiner will preside.

Hearings will take place as follows:

Dallas, Texas - February 6; Los Angeles, Cal., - February 11; San Francisco, Cal., - February 14; Portland, Ore. - February 20; Seattle, Wash. - February 21; Omaha, Neb. - February 24; St. Paul, Minn. - February 28; Madison, Wis. - March 2; Chicago, Ill. - March 4; St. Louis, Mo. - March 5; Indianapolis, Ind. - March 9; Cincinnati, Ohio - March 10.

The Commission's action in bringing an Examiner to the above places to conduct these hearings will save applicants the trouble and expense of a trip to Washington and the necessary delays incident thereto.

The hearings in Dalls, Los Angeles, San Francisco, Portland, Seattle, and Chicago will take place in the local offices of the Federal Communications Commission. In other cities the places of hearing will be announced later.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WMBC, Mich. Broadcasting Co., Detroit, Mich., C.P. to make changes in equipment; WNYC, City of New York, Dept. of Plant and Structures, New York City; CP to erect auxiliary transmitter at Brooklyn, to be used principally while moving main transmitter from New York City to Brooklyn; KWTO, Ozarks Broadcasting Co., Springfield, Mo., Mod. of CP to extend commencement date to 1/1/36 and completion date to 7/21/36; KRNR, Southern Oregon Pub. Co., Roseburg, Ore., license to cover CP authorizing erection of new station, 1500 kc., 100 watts daytime; WFIL, WFIL Broadcasting Co., Philadelphia, Pa., license to use auxiliary transmitter which was licensed to WLIT, at same location as main transmitter of WRIL; WIND, Johnson-Kennedy Radio Corp., Gary, Ind., license to cover CP authorizing changes in eqpt, and increase in day power to 5 KW, 560 kc., 1 KW night, unlt'd.; WABI, Community Broadcasting Service, Bangor, Maine, consent to transfer of control of the Community Broadcasting Service, Inc., licensee of WABI from the First Universalist Society of Bangor to an individual, Frederick B. Simpson; KSD, The Pulitzer Publishing Co., St. Louis, Mo., license to cover CP authorizing increase in night power to 1 KW, day power to 5 KW, and special authority to operate 1 KW night with directional antenna; 550 kc., S-KFUO.

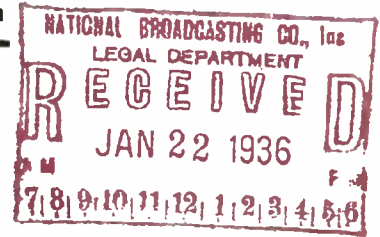
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HEINL RADIO BUSINESS LETTER

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No. 895

[Handwritten signatures and initials]

January 21, 1936

U. S. BROADCASTERS WILL WATCH EUROPEAN RADIO PARLEY

Although the United States probably will not be officially represented, American broadcasters and short-wave listeners will watch with interest developments at an inter-continental meeting of broadcasting organizations of Europe in Paris, February 27 to March 7 under sponsorship of the International Broadcasting Union.

The meeting was called by the U.I.R. for the purpose of bringing together experts of the principal broadcasting stations of Europe in anticipation of the international preliminary conference in Bucharest early in 1937 and the general meeting of the radio world in Cairo in February, 1938, at which this country will be represented. The Paris meeting will be similar to a session of the National Association of Broadcasters in the United States.

The European conference is of special interest to this country, however, because of the bearing it may have on the international distribution of short-wave frequencies now greatly in demand. Listeners, as well as broadcasters, are also interested in an effort to clear up certain crowded short-wave bands, notably the 49 and 31 meter waves at night.

Gerald Gross, Short-Wave Engineer for the Federal Communications Commission, has obtained copies of the invitation sent out by the Bureau of the International Telecommunication Union setting forth the agenda for the conference. It is explained that the more controversial topics probably will be assigned to committees for study.

The importance of greater separation on certain of the short-wave bands, if reception is to be satisfactory, was noted by the FCC in its recent annual report to Congress. The report, prepared by the Engineering Department, stated:

"Many of the European and South American stations, as well as those of other nations were received with regularity both day and night subject to wide variations in fading and interference.

"Experience has shown that channel widths of at least 20 kilocycles are required for reasonably good reception and reproduction to be obtained on these frequencies. This is because of the extreme and rapid fading, average weakness of received signals, carrier frequency tolerance required, average receiver characteristics, etc. Even with the directive antenna systems

and diversity reception, a carrier frequency separation of 10 to 20 kilocycles is necessary for high-grade reception in the present state of the art.

"Assignments are now being made, however, by some nations with separations of only 5 kilocycles and other nations are assigning odd channels with separations even less than this. As a result, this international broadcast service is being greatly impaired by reason of mutual interference. It is very important, therefore, that agreements be made between the various participating nations of the world for the shared use of these frequencies during periods of time when interference may be caused. There are times of the day and seasons when relay stations on certain of the frequencies can transmit and be received in one section of the world but during which time it is impracticable or impossible for other sections of the world to employ satisfactorily the same frequencies because the listening public is not available due to the early morning hours, or because of geographical separations, daylight and darkness distributions, and the seasonal and diurnal changes in propagation characteristics.

"The relay broadcast frequencies have been selected as those most suitable for transmission to great distances or international services, but due to these great distances the average signals are always weak and therefore it is quite important that the power assignments be not less than 5 or 10 kilowatts. This is considered the minimum power with which it is possible to make efficient usage of an assignment.

"A sound engineering and economic allocation of the experimental relay or international broadcast frequencies requires close cooperation, mutual agreements, and treaties between the nations of the world engaging in this service."

The Paris meeting agenda is divided into three major sections, dealing with technical, program, and legal and administrative topics.

The first section covers general broadcasting problems and in addition television and "standardization of recording procedures".

Under "programs" the European experts will discuss the hours best suited for short-wave broadcasting to different continents, the composition of programs, and the means of transmission used, including the choice of transcontinental circuits, the use of records, etc.

The copyright problem, which is such a thorn in the flesh of American broadcasters, heads the list of topics under the legal and administrative section. Other major topics are "protection of the right to transmissions" and "reduction of telegraph and telephone rates".

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1/21/36

WARING WINS SUIT AGAINST WDAS; FIGHT ON RECORDS SEEN

Fred Waring, leader of Fred Waring's Pennsylvanians, on January 17 won his suit against WDAS, Philadelphia, over the latter's use of his records and immediately announced he would launch a campaign through the National Association of Performing Artists against the general broadcasting of phonograph records.

The NAPA, of which Waring is president, had previously announced it would sponsor an amendment to the Copyright Act, similar to that in effect in several foreign countries, whereby the interpreter is given protection similar to that provided the copyright owner.

The point at issue in the Waring-WDAS case was whether a radio station might broadcast a phonograph record without specific permission of the performing artists. Thus in the suit, WDAS brought out that it had a license to broadcast the Waring record and that the orchestra leader had been paid for the original performance by the RCA Victor Company.

Testifying before the Common Pleas² Court of Philadelphia December 12, with Maurice J. Speiser, author of the recent book, "Legal Rights of the Performing Artist", as counsel, abetted by such witnesses as Fritz Reiner, Abe Lyman, producer Max Gordon, and Gene Buck, President of ASCAP, Fred Waring contended that his rights as a unique and interpretive artist were invaded by indiscriminate exploitation of his records, licensed to be used privately for home consumption.

In reaching the decision, Judge Harry S. McDevitt concluded, in part, Fred Waring's compositions are interpretive since they add to the original composition. They are unique and they increase the sale of such compositions.

Said Fred Waring: "This is only the beginning of a campaign to be launched by NAPA against the broadcasting of phonograph records."

Some 500 stations throughout the country use records, replacing thousands of musicians in broadcasting studios, he added.

Mr. Waring has not made records for several years, and is at present conducting the Pennsylvanians exclusively for the Ford shows over the National Broadcasting Company and the Columbia Broadcasting System.

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1/21/36

CONNERY ASSAILS MAKE-UP OF FCC'S RADIO-EDUCATION GROUP

Following up his resolution calling for an investigation of the Federal Communications Commission, Chairman Connery, of the House Labor Committee, on January 17 assailed the FCC from another angle - for its tardiness in appointing a Radio-Education Committee and for its choice of members.

Connery also called attention to the distribution of clear channels by the Commission as revealed by Chairman Anning S Prall in answer to an inquiry from Representative Wigglesworth (R.) of Massachusetts.

Referring to Prall's report, he said:

"I have looked up this matter, and from accurate information which I have received, it appears that out of these 40 high-powered clear-channel radio stations, 21 are owned, operated, or affiliated with the National Broadcasting Co.; 14 are owned, operated, or affiliated with the Columbia Broadcasting Co.; and 3 of these stations are owned, operated or affiliated with the Mutual Broadcasting Co. These are the three big chains, and there is a great question as to the remaining two stations being independent. Mr. Prall said there were five independent stations having this high power, clear channel. My information is that there are not over two, one at Albuquerque, N. Mex., and one at Los Angeles Calif. and it is a question as to whether these two are independent. So here is another example of inaccurate information given by the Communications Commission to a member of the Appropriations Committee of this House.

"Two years ago the Congress of the United States passed a resolution telling the Radio Commission to make an investigation with reference to the question of allocating 25 percent of all radio time to education, religion, labor, farmers, veterans, and other nonprofit enterprises and calling for a report as to what recommendation the Commission would make on this subject. About 4 weeks ago, after 2 years, the Radio Commission picked 40 men to investigate this question. These 40 men were supposed to be educators. These are the men who are to make an unbiased study of the question as to what should be done about allocating time on the radio to education, labor, religion, veterans, farmers, and other non-profit-making enterprises. Of these 40, please notice, 18 of the men picked by the Radio Commission either own or operate commercial radio stations; 7 are affiliated with people who run the stations; 2 of the 40 belong to the Communications Commission; leaving 13 educators out of the 40 to whom the general public is supposed to look for relief on this question of allocating time. This is another example of the deceit practiced by that Commission on the Congress of the United States.

"Mr. Chairman, first of all, they flouted the request of 16 Members of this House who asked for a hearing on the obscene matter which was broadcast in the Mexican Government program over the National Radio Broadcasting Co. network. Now, they are trying to deceive the Congress again in their answer to the request of the gentlemen from Massachusetts (Mr. Wigglesworth) with reference to the questions which he has propounded."

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PUBLISHERS FOR "FREEDOM OF AIR"; TALMADGE HITS "CENSORS"

In an editorial of the current issue of Editor & Publisher, organ of newspaper publishers, approval was indicated on the stand taken by the National Broadcasting Company and the Columbia Broadcasting System in the controversy with the Republican National Committee over the broadcasting of President Roosevelt's address to Congress. At the same time, Governor Talmadge, of Georgia, joined the G.O.P. in its attack on the two networks for alleged favoritism to the New Deal.

"A cuttlefish cloud of politics obscures the important issue in the radio controversy aroused by President Roosevelt's message to Congress", said Editor & Publisher. "That issue is the right of the responsible owners of broadcasting facilities to edit their programs, to accord and deny their facilities as their consciences dictate, subject, of course, to court processes for prevention of unfair competition, misrepresentation, or restraint of trade.

"The courts have generally upheld these rights as pertaining to the editorial and advertising contents of newspapers. Similar reasoning should be applied to the radio problem. Common sense should dictate to a licensed radio system that it apportion its facilities evenly among political parties.

"The major chains are on solid ground in distinguishing between the President of the United States and a candidate for office. If the President chooses to play politics on the air when the occasion calls for statesmanship, that is something the broadcasters cannot control. By no reasoning can they be accorded the right to censor a Presidential utterance. Good taste and a sense of responsibility toward a medium which is at his mercy must govern the words of the Chief Executive; if they do not, he is open to unlimited criticism by his opponents on the air and in the press."

Said Governor Talmadge: "Whether the radio companies are being influenced or coerced by the New Deal or whether they are going out of their way to conciliate the New Deal is open to question. But there can be no question that the abuse of the power of the radio cannot and will not be tolerated."

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A. T. & T. COUNSEL EXPLAINS ATTITUDE ON COAXIAL CABLE

The American Telephone & Telegraph Company has never intended to restrict the use of the coaxial cable for television experiments to the Radio Corporation of America, as inferred by attorneys for the Federal Communications Commission during recent hearings in Washington, according to Harvey Hoshour, General Solicitor of the Telephone Company.

At each of the three hearings, Mr. Hoshour said, "we have stated and testified that it was not our purpose to limit television experimenters to the RCA or to any other company or companies.

"In fact, the record shows that we have expressly agreed that television experimenters who have appropriate television sending or receiving apparatus may have access to the terminal apparatus of the coaxial cable which we seek to install so as to be able to use the cable for experiments in sending or receiving of television images by means of their own apparatus, such use to be with due regard to our experimental use of the cable, and we have in no manner indicated any disposition or purpose to exclude any reputable concern from this access. Further, we have expressly stated that we have no objection, if we cannot come to terms as to time or other conditions with television experimenters, to the Commission's prescribing proper and reasonable terms and conditions under which such experimenters may experiment with the cable, although it is the opinion of our legal department that the Commission has no jurisdiction as to matters of this kind. In a word, we have attempted to meet every reasonable requirement in this connection so as to avoid any suggestion of discrimination that, as I see it, could possibly be urged by any one."

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W1XBS TO JOIN INTER-CITY GROUP OF STATIONS

Station W1XBS, New Haven-Waterbury, Conn., will be permanently linked with WMCA and other stations of the Inter-City Group, effective February 1, according to announcement by Donald Flamm, President of the Knickerbocker Broadcasting Company, key station of the Inter-City Group. W1XBS is a high fidelity broadcasting station operating on the 1530 kilocycle channel with 1000 watts power, day and night. It is owned and operated by the Waterbury Republican and American and maintains studios in New Haven and in Waterbury.

This makes nine stations in this group linked together by A. T. & T. wires for twenty-four hours each day. The other stations are WMCA, New York; WIP, Philadelphia; WPRO, Providence; WMEX, Boston; WLNH, Laconia, N. H.; WOL, Washington, D. C.; WDEL, Wilmington, and WCBM, Baltimore, Md.

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1/21/36

BRITISH HANDLE KING'S DEATH NEWS IMPRESSIVELY

The continuous ringing of the famed bells of the Church of St. Mary leBow will linger long in the memories of those who listened to the short-wave broadcasts of the British Broadcasting Corporation just preceding and following the death of King George V.

The twelve bells formed a background for the periodical announcements of BBC announcers on the condition of the King prior to his death and between announcements after his death. They rang continuously all night.

All regular BBC programs were cancelled sometime before King George died and were not resumed until the following night. Nevertheless, BBC stations were not only employed to broadcast the news throughout the far-flung British Empire but were kept on the air, in some instances, long after regular closing hours to keep the people throughout the Empire informed of developments.

The Church of St. Mary le Bow, whose bells provided such impressive interludes between news broadcasts, is situated in Cheapside, in the heart of London, half way between St. Paul's Cathedral and the Bank of England.

Just preceding each news announcement the deep notes of Big Ben striking the hour or its quarter were heard. As the King's death was told to a waiting world audience, the announcer said:

"We ask you all to join in reflection and prayer for our King."

A radio choir sang, "Whoever Shall Endure Until the End He Shall be Saved", and then the announcer read:

"Let the motto of our thoughts and prayers tonight be the words: 'In quietness and confidence shall be our strength. Set free, we pray the Lord, our souls from all restlessness and anxiety. Give us that peace and power that follow from Thee.' Now with trusting hearts let us pray for our King."

At one time following the King's death the BBC stations permitted the le Bow bells to fade out long enough to pick up the firing of the minute guns in Hyde Park as a salute to the dead monarch.

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FCC AGAIN MAKES IT TOUGH FOR NEWSMEN WITH NEW GAG RULE

Failing to profit from its own experience and that of other governmental agencies who have tried to exercise a form of censorship, the Federal Communications Commission has imposed a new gag rule that is making newspaper men grumble.

In an apparent attempt to keep noseys outsiders away, the FCC has ordered its docket section not to reveal any applications or other data without specific authorization of Herbert Pettey, Secretary of the Commission, and George Porter, Assistant General Counsel.

The procedure - which few newspapermen care to follow - is to submit a request in writing to the secretary for permission to see a certain paper. If he approves, the request is then passed on to Porter. If the latter also approves, the newspaper man may carry the doubly-approved note around to the Docket Section and take a peep. . . Meanwhile, several editions of his newspaper will have gone to press.

The relations between the FCC and the press have never been too good, largely because the Commission would not allow its veteran and competent Public Relations Counsel, Franklin G. Wisner, formerly of the Baltimore Sun, to handle publicity matters entirely. Not so long ago the old Federal Radio Commission issued an order that no employee could talk with newspaper men, but this rule was subsequently withdrawn under ridicule.

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HIGHER POWER FOR INDIANA, ILLINOIS STATIONS URGED

Power increases for WFBM, Indianapolis; WHBU, Anderson, Ind., and WJBC, Bloomington, Ill., were recommended in Examiners' reports submitted to the Federal Communications Commission this week.

Station WFBM asked for an increase to 5 KW daytime from 1 KW, while WHBU applied for a daytime increase from 100 to 250 watts. Station WJBC asked for a power raise similar to that requested by WHBU.

Special authorization for KADA, Ada, Okla., to operate 90 days on its present daytime frequency of 1200 kc., with 100 watts power, at night as well was recommended by Examiner P. W. Seward.

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A. P. ENDS ASSESSMENT FOR PURELY LOCAL NEWS BROADCASTS

The Associated Press Board of Directors has decided to remove the October 5, assessment from purely local news broadcasts because of protests of newspapers with station affiliations. The decision, reached at a meeting last week in New York, is explained by Editor & Publisher as follows:

"Recently opposition was expressed in some quarters to A.P. assessments for broadcast where no so-called 'general' news was employed. The ruling that the A.P. would not charge for this broadcasting of local news in no wise affects the status of the A.P. by-laws, governing all member papers, that all local news gathered by a member is the exclusive property of the A.P.

"Where there are two or more members in either field, morning and evening being distinct, it was decided also that the assessment for broadcasting should be against the division of the assessment rather than for the total for the field where only one member broadcasts.

"Refunds will be made to members - or additional assessments made - so that there will exist no inequity for news-casting assessments. Jackson Elliott, Assistant Secretary of the A.P. is adjusting the various accounts.

"Use of A.P. news for bulletins of transcendent importance by members will continue to be free from assessment. Approximately 60 A.P. members have regular newscasts on owned or operated stations. These will pay the assessments, which are from a dollar weekly upward.

"Some members urged the Board to do away with radio assessments entirely, but it was ruled that as the charges accorded with the expression of the membership in annual session the assessments should continue until the members again have opportunity to vote upon the policy."

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NINE RADIO ADVERTISERS SPEND \$1,000,000 EACH

Following is a list of nine broadcast advertisers spending more than \$1,000,000 each on the National, Columbia, and Mutual broadcasting system in 1935, as reported by National Advertising records:

Procter & Gamble Co., \$2,104,697; General Foods Corp., \$1,948,509; Standard Brands, \$1,938,577; Ford Motor Company, \$1,928,860; Colgate-Palm-olive-Peet Co., \$1,679,037; Sterling Products, Inc., \$1,422,640; American Home Products, \$1,211,568; Lady Esther Company, \$1,100,998; Pepsodent Company, \$1,098,996.

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LARGE RADIO TURNOUT AT ALFALFA DINNER

Among the 500 distinguished guests at the Alfalfa Dinner in Washington last Saturday night was a liberal representation of the radio industry. A new member whose initiation took place that night was John M. Littlepage, well known radio lawyer, whose father, Thomas P. Littlepage, was formerly president of the Club. Gene Buck, of the American Society of Composers, as usual, was in charge of the entertainment.

Familiar faces at the dinner, either of those directly or indirectly connected with the radio industry, were:

Sosthenes Behn, President, International Telephone & Telegraph Co.; George T. Bishop, General Electric Co., Cleveland; Thad H. Brown, member Federal Communications Commission; Gene Buck, President, American Society of Composers; Harry C. Butcher, Columbia Broadcasting Co., Washington; Norman S. Case, Federal Communications Commission; T.A.M. Craven, Chief Engineer, Communications Commission; Col. Manton Davis, counsel, Radio Corporation of America, New York City; Donald Flamm, President, Knickerbocker Broadcasting Co., New York City; Hampson Gary, General Counsel, Federal Communications Commission; Dr. Charles B. Jolliffe, Radio Corporation of America; John M. Littlepage, lawyer, Thomas P. Littlepage, lawyer, Thomas P. Littlepage, Jr., Washington, D. C.;

Also, Arthur W. Page, Vice-President, American Telephone & Telegraph Co., New York City; Anning S. Prall, Chairman, Federal Communications Commission; Lewis J. Proctor, International Telephone and Telegraph Co.; Andrew D. Ring, Engineer, Federal Communications Commission; Frank M. Russell, National Broadcasting Co., Washington, D. C.; Eugene O. Sykes, Federal Communications Commission; Eugene S. Wilson, Vice-President, American Telephone & Telegraph Co., New York City; W. A. Winterbottom, R.C.A. Communications, New York City; and Frank W. Wozencraft, Assistant General Counsel, R.C.A. Communications, New York City.

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EX-NEWSPAPER MEN FORM PUBLIC RELATIONS AGENCY

Two former newspapermen, Glenn I. Tucker and John Kelly, have formed a public relations and publicity agency under the name of Tucker-Kelly and Associates, with offices at 347 Madison Avenue, New York City.

Tucker, a former Washington newspaper correspondent, covered the White House for the New York World during the Wilson, Harding and Coolidge administrations. Subsequently he handled the Ford Motor Co. account for N. W. Ayer & Son and was Washington representative of the Radio Corporation of America.

Kelly, after newspaper work in this country and abroad, established the Publicity Department in the former George Batten Co. and has since served as Publicity Director of Batten, Barton, Durstine & Osborn, until his withdrawal January 1, 1936, to form the new agency.

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 ::: INDUSTRY NOTES :::
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Col. Malcolm Churchill Rorty, former Vice President of the International Telephone & Telegraph Corp. and noted engineer-economist, died January 18 of heart disease. Since 1924 he had been President of the American Management Association.

"Why aren't editors raising more hell over the feature syndicates' decision to sell their newspaper-nurtured features to radio sponsors?" George Olds, Managing Editor of the Springfield (Mo.) News and Leader & Press, asks in a signed article in the January 18th issue of Editor & Publisher.

Herbert Moore, President of Transradio Press Service, in a formal statement this week denied that Transradio is abandoning its short-wave delivery service to broadcasting stations. He admitted, however, that the short-wave service is being curtailed because of the increasing popularity of teletype service. Six major stations, he said, have switched from short-wave to teletype circuits within the last month and a half.

Salary raises of from \$1 to \$5 were given last week at the New York office of the Columbia Broadcasting System, according to Variety.

While most of New York groped in sudden and complete darkness, subways and elevators ceased running, and even telephone service was disrupted by a short circuit in an uptown power station January 15th, broadcasting at the National Broadcasting Company continued without a break. Emergency power equipment installed in its Radio City studios, and a personnel trained against just such emergencies, enabled NBC to continue on the air without interruption.

The Birmingham News and Age-Herald this week acquired the ownership and operation of radio station WSGN, Birmingham, from the R. B. Broyles Furniture Co. Licenses for this station were obtained three years ago, the SGN meaning "The South's Greatest Newspaper", a term applied to the News. The station had been leased to an operating company until recently.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

Handwritten: H/W
P.L.
Call



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No. 896

Handwritten signatures: g. [unclear] P.L.

BRITISH WORLD COVERAGE OF KING'S DEATH SETS NEW HIGH

Never in history has there been anything more thorough than the world coverage by the British Broadcasting Corporation of the news of the death and funeral of King George V, and the accession of King Edward VIII. When it became apparent that King George was dying, all regular schedules in the British Empire were cancelled and thereafter throughout the entire night and the following day, news bulletins were continuously flashed by short-wave to the four corners of the globe keeping British subjects everywhere constantly advised with regard to the momentous event.

In the beginning the news bulletins were confined strictly to a repetition of the announcement of the King's death, with Big Ben and Bow Bells, the bells of a church in the heart of London, which rang continuously for over 24 hours, as a standby. Later the firing of minute guns in Hyde Park was heard during the intervals.

When Stanley Baldwin, the Premier, paid his memorable tribute to the late King George Tuesday morning, during the second short-wave transmission of the day, a record was made of this and it was subsequently repeated on all other transmissions during the remainder of the day and throughout the following night.

The same procedure was followed in the case of the ceremonies attending the proclaiming of King Edward VIII; the commands given to the troops were plainly heard, the clattering of horses' hoofs, and possibly most impressive of all, the saluting guns at 30-second intervals punctuating the reading of the proclamation.

Because of exceptionally good weather conditions, the short-wave broadcasts at the time of the King's death were heard with great clarity throughout the United States and no doubt were picked up by thousands of listeners inasmuch as the flash reached here at the dinner hour on the East Coast and the middle of the afternoon in the far West.

Although not used by our own networks, the method of repetition as practiced by the British by means of electrical recording, proved a great success in world coverage. As was no doubt done in other parts of the British Empire, the Canadian Radio Commission rebroadcast the recordings of the BBC. This, however, in the case of Canada, was done at a convenient evening hour where any of the original broadcasts, such as the proclamation, occurred early in the morning their time.

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BROADCASTING IN SO. AFRICA TO BE UNDER GOVERNMENT CONTROL

Radio broadcasting in South Africa after the current year will be under the direct control of the Union Government, a report to the Commerce Department from its commercial attache at Johannesburg states.

The new organization which will take the place of the present South African Broadcasting Company, a private enterprise, will be controlled by a Board of nine governors appointed by the Governor General. The company will be in the nature of a public utility along the lines of the British Broadcasting Company, and it will operate as the exclusive licensee of broadcasting in South Africa under the Department of Posts and Telegraphs.

It is proposed to set up advisory committees at various centers in the Union, chiefly for the purpose of assisting the broadcasting company in catering to local tastes. In all other respects the Corporation will have control of its own administration and organization, and will be given full powers by a later Act of Parliament to undertake anything that may be necessary in connection with technical and other broadcasting developments. It will also be given control of any steps that may be necessary in the direction of commercial exploitation of television, it was stated.

The new broadcasting corporation will be given authority to establish subsidiary broadcasting stations when desired for advertising purposes, by means of subsidiary programs. The general policy, however, in connection with advertising is expected locally to follow that of the British Broadcasting Company.

The income of the African Broadcasting Corporation will come mainly from license fees. At present there are 120,000 licensed radio receiving sets in the Union compared with only 54,000 sets in 1933. Any profits realized from its operations will be used for further development, it is pointed out.

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NEW RADIO SET TABULATION TO BE ISSUED IN FEBRUARY

A certified census of radio receiving sets in the United States, broken down as to States and cities, will be released around February 1 by the Bureau of Station Measurement sponsored by the National Association of Broadcasters, the American Association of Advertising Agencies, and the Association of National Advertisers. The National Broadcasting Company and the Columbia Broadcasting System also have delegates on the several committees of the Bureau.

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FCC DELAYS DECISION ON TALMADGE INQUIRY AS CBS GIVES TIME

While the Federal Communications Commission delayed decision on the politically dangerous application made in behalf of Governor Talmađe of Georgia, for permission to hookup with XEAW, Reynosa, Mexico, the Columbia Broadcasting System removed some of the pressure by deciding to carry the Governor's speech though not the convention of "Jeffersonian Democrats" on January 29th.

Previously Talmađe had complained that both the NBC and CBS declined to carry the convention's proceedings on the basis of their previous stand to bar politics per se until after the party conventions.

Morris A. Bealle, of Plain Talk, a magazine published in Washington, thereupon applied for permission to the FCC to send by telephone the proceedings to XEAW, which is operated by the famed Dr. John R. Brinkley, ousted United States broadcasters and "goat gland specialist". The plan was to have XEAW then broadcast the proceedings for United States consumption.

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REPRESENTATIVE DALY PROMISES ACTION FOR WARING

A promise that the House Patents Committee would take action immediately upon the submission of a proposed amendment to the copyright law protecting the rights of artists to phonograph records was made in New York at a luncheon this week celebrating Fred Waring's victory in the suit against WDAS, Philadelphia.

Representative Daly (Democrat), of Pennsylvania, a member of the House Patents Committee, before which the Duffy copyright suit is pending, made the promise that hearings would be started within 48 hours after such a bill was introduced.

Paul Whiteman was host at the luncheon to some 200 recording artists, writers, music publishers, and the like in honor of Waring.

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HARTFORD MERCHANTS TRYING TO HOLD ON TO WTIC

Hartford business men are reported to be soliciting funds to keep Station WTIC in Hartford rather than allow it to be moved to Boston as allegedly contemplated by Cherry & Webb, department store proprietors, who have obtained an option on it.

The Hartford Chamber of Commerce and business men feel that the loss of the 50,000-watt outlet would be a distinct civic and trade loss to the city. Among other things, it is said, the station has brought an increasing number of conventions to Hartford.

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WINTERBOTTOM CITES RCA EXPANSION IN MACKAY HEARING

R.C.A. Communications, Inc., by means of its broad expansion of services over the world, has saved the public a \$100,000,000 in cable tolls during the last 13 years, William A. Winterbottom, Vice-President and General Manager, stated as the prolonged hearing continued before the Federal Communications Commission on the petition of Mackay Radio and Telegraph Co., Inc., to add Oslo, Norway, to its point-to-point radio communication service.

Mr. Winterbottom pointed out that most of the world cables are controlled by British companies and might easily be withdrawn in case of international difficulties. He declared that RCA competition had forced down cable rates to a point where the public has benefitted substantially.

The Mackay Company would be unable to provide as reliable service at Oslo as RCA, he told the Commission, because it proposes to establish only a short-wave circuit, while RCA has both long-wave and short-wave circuits. The former, while not used often, sometimes proves a better carrier than the latter, especially when the Aurora Borealis causes fading.

The hearing, which started out innocently enough on the petition of Mackay for permission to open an Oslo office, has developed into a long drawn-out and rather bitter battle between RCA and Mackay for ultimate control of the world radio communications.

Charges of "monopolistic control" were hurled at RCA by Ellery W. Stone, Operating Vice-President of Mackay, and answered as "pure demogogy" by Frank W. Wozencraft, RCA counsel. At one time the verbal battle became so intense that the lie was passed.

Howard Kern, Mackay representative, accused Wozencraft of disseminating "inflammatory propaganda" while contending that the Mackay duplication of RCA services would cause the United States to lose control of the world-wide radio-telegraph service.

"I say you cannot do this dirty work", Kern said.

"You are a liar", shouted Wozencraft.

Both sides realize that while the Oslo petition is in itself of minor importance that upon the FCC decision may depend the question of whether Mackay will be allowed to challenge RCA's domination of the world radio communications field or whether RCA will be permitted to hold what it has built up over the last 13 years. The issue, according to Commissioner Irvin Stewart, who is presiding at the hearing, is one that must be decided by the whole Commission as a matter of policy.

The Communications Commission is exercising its rather odd jurisdiction over universal operations of American radio communications companies on the basis of the "convenience and necessity" clause, the slender theory being that the remote offices will have an effect on the American public. Last year the FCC sought to amend the Communications Act to make its authority in such cases more definite, but nothing came of its efforts.

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BROADCASTERS CALL BOARD MEETING FOLLOWING W-B SUITS

To be advised as to the next step in the fight between Warner Brothers and the major networks, James W. Baldwin, Managing Director, has called a meeting of the Board of Directors of the National Association of Broadcasters, to be held in Chicago, Monday, February 3rd, to consider matters concerning copyright. This followed Warner Brothers carrying the copyright matter to court this week in New York City, and at the same time a non-profit station, WNYC, of New York, filed suit against Warner Brothers.

Through its subsidiary music publishing houses, Warner Brothers filed six copyright infringement suits in the United States District Court of New York and a seventh in Philadelphia over the week-end. It was expected more suits would follow against other stations that have refused to sign W-B licenses but have, knowingly or unknowingly broadcast W-B music. The major interest, however, was centered in the W-B network scrap. The suits are:

The Remick Music Corporation vs. the National Broadcasting Company on the ground that WEAJ broadcast "Put on Your Old Gray Bonnet" without authority.

M. Witmark & Sons vs WHN, owned and operated by the Marcus Loew Booking Agency, New York, and Schenley Products Co., Inc., and the William H. Ranking Co., advertising agency; unauthorized broadcast of "I Like Mountain Music".

M. Witmark & Sons vs WMCA, Knickerbocker Broadcasting Co.; unauthorized broadcast of "I Like Mountain Music";

Harms, Inc., vs Columbia Broadcasting System; unauthorized broadcast over WABC, of "I Get a Kick Out of You".

Warner Brothers, after filing the four original suits, entered two additional complaints against WNEW and WMCA and then followed with similar action against WIP in Philadelphia, the latter in the U. S. District Court in that city. WNEW was charged with unauthorized use of "Canadian Capers" and "Lullaby of Broadway", while the second WMCA complaint cited "My Buddy". WIP is alleged to have broadcast "Canadian Capers" without authority.

Warner Brothers asked \$5,000 damages in each of the infringement suits.

The networks are known to have exercised every precaution to avoid using W-B music even several weeks before January 1, when Warner Brothers formally withdrew from ASCAP, but a great deal of confusion has arisen over what music is controlled by W-B and what by ASCAP.

The basis of the WNYC suit, filed against Harms, Inc., was that the New York city-owned station conducts its broadcasts "without profit in the meaning of the copyright laws" and therefore it is entitled to use copyright music without license or the payment of copyright fees.

The suit was allegedly filed in answer to threats from the Warner Brothers that continued broadcasting of W-B controlled music without a license would bring an infringement suit.

Warner Brothers immediately made public a letter to Mayor LaGuardia by Herman Starr, Vice-President of W-B, protesting against the suit.

"The action by the City has come to us as a complete surprise", Starr wrote. "We had notified WNYC of our resignation from the American Society of Composers, Authors and Publishers and of the fact that, after December 31st last, it would be necessary to obtain from us licenses for the performance of our copyrighted music on the air.

"We assure you we would have been pleased to license WNYC upon request, but no such application was made. It is now, as it has always been, our policy to charge no fee for the performance of our music on radio stations operated by municipal, religious, educational and charitable organizations which do not sell time. Had the courtesy of a request for a license been extended to us by WNYC, instead of this rather precipitate recourse to litigation, the matter could very easily have been arranged."

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"ROXY" LEAVES SMALL ESTATE

Although during his lifetime he had no doubt earned the equivalent of a large fortune, "Roxy" (Samuel L. Rothafel), who died recently, left an estate valued at less than \$5,000. Up to this time no will has been found and according to Mrs. Rothafel, the rest of Roxy's personal estate consists almost entirely of a claim against the Radio-Keith-Orpheum Corporation, the value of which she did not know.

"Roxy" was survived by a daughter, Veta Bijur, in New York, and a son, Arthur R. Rothafel, 26 years old, in Hollywood, but the latter has assigned all his claims to the estate to his mother.

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PHILCO CONDUCTS SURVEY ON EXTENT OF "FREEDOM OF THE AIR"

Presumably as a result of the national controversy that has developed over the refusal of the National Broadcasting Company and the Columbia Broadcasting System to carry anti-New Deal dramatic skits prepared by the Republican National Committee, the Philco Radio & Television Corporation, of Philadelphia, is sending out questionnaires to prominent persons with particular reference to dangers that threaten the "freedom of the air".

Sayre M. Ramsdell, Vice-President of Philco, in an accompanying letter, explains that "as the largest distributor of radios in the United States, we naturally feel a definite responsibility toward the public and the whole future of radio".

He goes on further to say that certain grave problems have grown up in radio broadcasting that deeply affect the present and future of our democracy, and that the country needs the cooperation and considered judgment of leaders to help solve them in a thoughtful and constructive way.

"If we do this, we may help to forestall the dangers that will follow from emotional, haphazard, and contradictory methods that result when private interests and public interests clash, with no clearly defined principles set down to govern such conflicts", Mr. Ramsdell continues.

"Freedom of the press was attained in America only after years of struggle. The problem now facing America is freedom of the air. Neither radio nor the public can wait for the issue to be decided by a policy of drift. This question of freedom of the air and other problems in radio should, in the best interests of the public, be boldly faced and clearly enunciated in the public interest."

The questionnaire follows:

1. What consideration shall be given the matter of freedom of the air?
2. Shall the broadcasting stations, licenses as private-profit institutions to use a certain monopoly wave-band have the sole right to determine who is to broadcast and what is to be said on the air?
3. What shall be the criteria to govern so-called radio neutrality on controversial issues, and who shall be the guiding factor in deciding such issues?
4. What shall be the relation of the government to this great channel of communication - radio - and to what phases of it?
5. What principle shall govern the granting or withholding of licenses to broadcasting stations by governmental bodies?
6. What shall be the attitude of the government in granting licenses for broadcasting stations to labor, educational, veteran, and other non-profit groups?

7. Shall the broadcasting companies be permitted to establish their own criteria in charging for time on the air, granted to them by the government as a monopoly, for which they pay nothing?
8. Shall the editorial judgment of the broadcasting private-profit organizations be the deciding factor in determining what the American people shall be permitted to hear on the air?

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RADIO LEAGUE OFFERS NEW INTERFERENCE SUPPRESSOR

A device which is claimed will completely obliterate both man-made interference and perhaps soften static at times, has been perfected by short-wave engineers of the American Radio Relay League at Hartford.

James J. Lamb, of the Relay League, said that it was composed of two vacuum tubes and associated circuits. When attached to the amplifier of either a long or short-wave set, Mr. Lamb declared that the circuit could be made to blot out sharp noise impulses and described it further as follows:

"This is a 'balancer circuit' for man-made interference and in no way is it a 'static eliminator'", he continued. "Ignition noise, particularly, will yield to this device; also the disturbances caused by electric refrigerators and motors on heating furnaces. It softens the crashes of static but it cannot be called a 'static eliminator.' In fact, sharp interference can be reduced by a ratio of 1,000 to 1 in power.

"The general principle comprises one radio tube paralleling a tube in the receiver's intermediate state followed by a rectifier. The rectified noise currents are fed back through a circuit and applied to a previous tube in the receiver's circuit, to block or render that tube inoperative for the duration of the noise.

"The period the device is active may be so small that the ear does not perceive any change in the program. It should prove a boon to professional telegraph or telephone radio operators, as well as to listeners who tune in foreign stations for the pleasure of hearing distant programs."

Instructions to amateur radio operators how to construct the new interference eliminator will be published in the February issue of "QST", the magazine of the American Radio Relay League, of which Mr. Lamb is Technical Editor.

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WOR's audience knew of the death of King George V before it was announced in England, according to a press statement from that station which read: "According to official timing which has now been released, WOR's flash report Monday (January 20) was issued at 7:10:30 p.m. EST, was one of the quickest ever put on the air. The nearest announcement made by other metropolitan stations was 4½ minutes after WOR's flash - at 7:15 p.m."

Anning S. Prall, Chairman of the Federal Communications Commission, is Honorary Chairman of the National Radio Committee for the Birthday Ball for the President, with M. H. Aylesworth, Vice Chairman of the Board of NBC; William S. Paley, President of CBS; Alfred McCosker of Mutual and Leo Fitzpatrick, President of the National Association of Broadcasters, as co-Chairmen.

The following advertisement appeared in the current issue of Variety:

"In case anyone still thinks of WLW in terms of Cincinnati coverage, we would like to point out that if WLW had not one listener in Cincinnati, it would still have 95% of its present audience."

Edwin S. Reynolds, formerly with WOR, and Jules Dundes, newspaper writer, have been added to Columbia's sales promotion writing staff. Dan Wickenden, newcomer to radio, has been named Assistant to M. L. Gaffney, Director of Trade News.

Douglas A. Norvell has been added to the staff of Radio Sales, a CBS subsidiary.

Mail response received by WLS, Chicago, during 1935 set a new station record and came to 1,399,312 letters. Previous high was in 1934 when 1,051,041 communications were received.

67,799 listeners, intrigued by the mysterious goings-on of Omar the Mystic, WOR and the Mutual network's thrilling serial program, went to their neighborhood grocers from January 12 to January 18, to get applications to mail into WOR for the mystic code. This smashed the station's record for mail response - in this particular case - where the listener must first go to his merchant for application forms.

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1/24/36

PAYNE SAYS U. S. TO CONTROL OWN COMMUNICATIONS

George Henry Payne, Federal Communications Commissioner who is up for reappointment next June, and who has been making quite a few speeches of late, addressing the Harvard Business School, turned his attention to the A. T. & T., saying:

"In the Telephone Division great progress has been made in the very momentous undertaking of an investigation of this very large and important company. Seemingly a mere incident in its work, it was a notable accomplishment to establish radiotelephonic communication with France, not without quite a few difficulties. Up to the time that this was done, there seemed to be a belief that the Government had very little to say in the matter because the telephone system, on this side of the water, was a private corporation. By deciding to give part of the existing facilities for radio trans-Atlantic telephone transmission to a country other than Great Britain, we established, I believe, in quarters where there was some confusion on the subject the fact that our Government intends to control its own communications.

"At a recent hearing, the attorney for the American Telephone & Telegraph Co. made an illuminating remark. He said: 'If the company has not been completely frank in the past, it will be so in the future.' Such a statement as the able attorney for the American Telephone & Telegraph made augurs well for the future."

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ASCAP REFUSES TO LICENSE W-B STATION

ASCAP has refused to license KFWB, Warner Brothers-owned station, as an undesirable client on account of insinuations by Manager Jerry King on how the Society whipped stations into line, according to Variety. ASCAP wired warning of legal redress should the stations play numbers in its repertoire.

King, however, says the station will continue to play Society tunes and demand issuance of a license on the grounds that KFWB is included in blanket invitation to all stations to sign new five-year contract.

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1/24/36

APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

January 21 - KHQ, Louis Wasmer, Inc., Spokane, Wash., C.P. to make changes in equipment; WDAS, WDAS Broadcasting Sta., Inc., Philadelphia, Pa., CP to install auxiliary transmitter for emergency purposes only, at same location as main transmitter; KIRO, Queen City Brdcstg. Co., Seattle, Wash., CP to move studio and transmitter locally in Seattle, and make changes in equipment; WAAF, Drivers Journal Pub. Co., Chicago, Ill., Mod. of CP approving proposed antenna system and transmitter site; WBNY, Roy L. Albertson, Buffalo, N. Y., Mod. of CP approving antenna and studio sites, and moving transmitter in Buffalo; WPRP, Julio M. Conesa, Ponce, Puerto Rico, Mod. of CP approving transmitter site, change location of studio to Trujillo St. Ponce, and make changes in specified hours; also to extend completion date to 180 days after grant; WLW, The Crosley Radio Corp., Cincinnati, Ohio, extension of special experimental authority to operate with 500 KW employing directional antenna system at night, using transmitter of W8XO; WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., Mod. of CP to make changes in equipment, and increase maximum rated carrier power, the same as regular equipment.

Also, KTRH, KTRH Broadcasting Co., Houston, Tex., license to cover CP authorizing changes in equipment, 1290 kc., 1 KW night, 5 KW day, unlt'd; WFMD, The Monocacy Broadcasting Co., Frederick, Md., license to cover CP authorizing erection of new station, 900 kc., 500 watts daytime; KTRH, KTRH Broadcasting Co., Houston, Tex., authority to determine operating power by direct measurement of antenna input in compliance with Rule 137; KOL, Seattle Broadcasting Co., Seattle, Wash., authority to determine operating power by direct measurement of antenna input; KQV, KQV Broadcasting Co., Pittsburgh, Pa., authority to install automatic freq. control; KCRJ, Chas. C. Robinson, Jerome, Ariz., renewal of license, 1310 kc., 100 watts, daytime-specified.

Also, New, Westinghouse Elec. and Mfg. Co., Portable (Chicopee Falls, Mass.), CP and license (Exp. Spec. Exp.), freqs, 31600, 35600, 38600, 41000, 55500, 60500, 86000-400000 kc.; 500 watts; W9XAA, Chicago Federation of Labor, Chicago, Ill., CP to move transmitter locally from Navy Pier Chicago to near Warwick & 39th St., York Twp. DuPage Co., Ill.; New, Conn. State College, Storrs, Conn., license to cover CP (Exp. Gen. Exp.) 86000-400000, 401000 k. and above; 500 w. unlt'd;; New, Tri-State Broadcasting System, Inc., Portable-Mobile, Shreveport, La., Cp. (Temp. Brdcst. Pickup), freqs. 1606, 2020, 2102, 2760 kc., 50 watts, also granted license covering same.

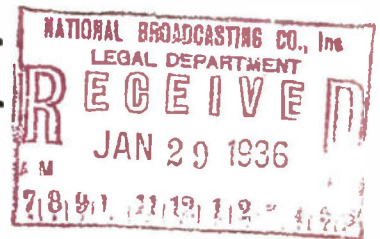
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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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SCOTT SAYS HIS BILLS WOULD SOLVE MANY RADIO PROBLEMS

Representative Byron N. Scott (Democrat), of California, believes his radio bills, introduced last session but left dormant, would solve many of the present administration problems of the broadcasting industry if enacted into law.

Extending his remarks in the Congressional Record of January 24th, he asserted they would prevent further scraps between the networks and the Republican National Committee, accord labor and other minority groups the right to be heard on the air, and give the listeners an opportunity to hear both sides of every question.

The bills, proposing amendments to the Communications Act of 1934 (H.R. 9229, H.R. 9230 and H.R. 9231) as explained by Scott would "deprive the Communications Commission of censorship powers and relieve radio stations from liability for remarks made in any broadcasts on public, social, political, or economic issues; would compel radio stations to set aside regular periods for uncensored discussion of social problems, with an equal opportunity for both sides of a controversial issue to expound their points of view; and would compel all radio stations to keep accurate records of rejected applications for time and the reasons therefor.

He continued: "The controversy between Mr. Fletcher, of the Republican National Committee, and national hook-ups would not have occurred if radio broadcasting stations were required to set aside regular and definite periods at desirable times of the day and evening for uncensored discussion on a non-profit basis of public, social, political, and economic problems, and for education purposes. This in spite of Heywood Broun's contention that liberty at the crossroads is subversive propaganda seeking to undermine the American home.

"The denial of the application for a proposed labor station, KCLC, in southern California, would not be so discriminatory if H.R. 9230 were adopted."

Finally, he asserted that the complaints cited by Chairman Connery, of the House Labor Committee, in his demand for an investigation of the Federal Communications Commission would disappear with the enactment of all three of his measures.

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BASEBALL LEAGUE PLANS WAR ON "BOOTLEG BROADCASTS"

The American League is planning a campaign to eliminate radio piracy of baseball game reports and to "crack down" on bootleg broadcasts", according to a Chicago correspondent.

William Harriidge, President of the American League, made several announcements recently concerning radio activities at his league ball parks, after conferring with legal authorities. He was careful to point out that regulations were aimed at "bootleg" radio reports, not legitimate broadcasts. No broadcasts, however, will be permitted from American league parks, he said, unless the club involved gives its consent in writing.

In order to cope with spectators who may attend equipped with portable transmitters, the American League has ordered radio regulations to be printed on the back of every admission ticket, pass and baseball writers' credentials, pointing out that admittance to the park does not constitute the right to send radio reports from the park of the games. Ejection from the park for violation of these regulations is the first of a series of means whereby club officials can protect themselves.

President Harriidge also revealed that Western Union Telegraph Company's contracts for exclusive rights to dispatch accounts of ball games has also been altered. Previously the telegraph company sent out detailed reports on games, a service known as "Paragraph One." This report was so complete that radio announcers were able to give the impression that they were eye-witnesses of the game when, actually, there were reconstructing the game from telegraph reports.

Under terms of the new contract between the Western Union and the clubs, the telegraph company merely holds the right to send out such news as the ball club authorizes to be disseminated from its park. "Paragraph One" and other play-by-play accounts no longer can be sent from any park without written permission.

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RADIO-EDUCATION COMMITTEE WILL MEET IN MID-FEBRUARY

Following several preliminary conferences, the Radio-Education Committee appointed in December by the Federal Communications Commission is scheduled to hold its first meeting in the middle of February.

An agenda is now being drawn up in the U. S. Office of Education with various general proposals to be presented for discussion. The meeting will be executive.

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CONGRESSMAN RUNS AFOUL OF THE COPYRIGHT CONFUSION

A member of Congress, the picturesque Representative Gassaway, Oklahoma cowboy Democrat, unintentionally learned something about the troubles broadcasters are having with the copyright owners January 25th following an address over the Columbia Broadcasting System's network when he spoke over Station WJSV, in Washington.

After concluding an attack on the Townsend old age pension plan, he asked permission to sing as he had never sung over the air. He was granted seven minutes.

After opening with his favorite number, "Let Me Call You Sweetheart", the Representative sung into another tune, but was promptly cut off the air because of "copyright difficulties". It was also intimated he was unable to find the right key.

"Damn that thing!" was Gassaway's reaction to the announcer's explanation of the "copyright difficulties."

"Now, now, Congressman", the announcer replied, "remember that you're still on the air. The microphone is still open, you see."

The program was finally stopped altogether after the amateur star was unable to think of anything else to sing.

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NETS NAME ADVISORS TO U. S. EDUCATIONAL PROJECT

U. S. Commissioner J. W. Studebaker, Office of Education, announced January 27th that, at his invitation, the Columbia Broadcasting System and the National Broadcasting Company have appointed representatives to the Advisory Committee of the Educational Radio Project for which WPA funds were recently allocated. Those named are Edward R. Murrow, Director of Talks of CBS, and Dr. Franklin Dunham, Educational Director of NBC.

At the same time it was announced that Dr. Ned H. Dearborn, Dean of the Division of General Education, New York University, and Mrs. Sidonie Gruenberg, Director of Child Study Association of America, New York City, have also accepted Commissioner Studebaker's invitation to become members of the Advisory Committee.

The Committee will confer with William Dow Boutwell, Editor of the Office of Education, who will have charge of the educational radio broadcasts.

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MACKAY HEARING NEARS CLOSE; CHINA DEAL EXPLAINED

The prolonged Federal Communications Commission hearings on the petition of the Mackay Radio and Telegraph Co., Inc., for authority to open a service point at Oslo, Norway, was nearing a close January 28th as Col. Manton Davis, General Counsel and Vice-President of the Radio Corporation of America, took the stand to explain RCA dealings with China.

Because the Mackay Company had referred to the China case in its previous evidence, RCA sought to explain how the present arrangement of dividing China's radio communications business between R.C.A. Communications, Inc., and Mackay came about.

The story goes back several years when the Federal Telegraph Company had an arrangement with the Chinese government which RCA at one time started to finance. Subsequently RCA sold China equipment for it to establish its own system, but sometime later the Chinese government agreed to turn over its business to RCA and Mackay on a 50-50 basis. RCA protested, but a Board of Arbitration upheld the division.

Among other RCA witnesses who followed William A. Winterbottom, Vice-President and General Manager, on the stand was L. A. Briggs, RCA London representative.

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RADIO GROUP DENIED INDUSTRIAL UNION CHARTER BY GREEN

The National Radio and Allied Trades has been denied its two-year plea for a national industrial union charter and as a result may lead the growing labor movement to form an industrial union organization independent of the American Federation of Labor.

The A. F. of L. Executive Council, controlled by craft union representatives, rejected the application and William Green, President, was to so inform the National Radio and Allied Trades this week during the convention in Miami.

Some 25,000 radio workers, forming the federal locals affiliated with the A. F. of L., are to be placed under jurisdiction of the International Brotherhood of Electrical Workers, according to Louis Stark, labor reporter for the New York Times.

Stark also quoted James B. Carey, President of the radio group, as stating prior to the rejection announcement that further refusal of the plea for an industrial union charter would force the radio workers out of the A.F. of L.

The largest single local union in the radio field is that of the employees of the Philco Radio and Television Co., in Philadelphia. It comprises 7,000 members.

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HARRIS HITS SERVICES SELLING NEWS FOR SPONSORSHIP

A preview of some of the discussions expected to occur over the still unsettled problem of news broadcasts at the Spring convention of the A.N.P.A. was given January 24th in an address by E. H. Harris, Chairman of the Publishers' National Radio Committee, before the Pennsylvania Newspaper Publishers' Association in Harrisburg.

In substance, according to Editor & Publisher's account, he urged that newspapers "protect their own news" by requiring in contracts with the United Press and International News Service "a provision which will give to each newspaper client a property right in all the news of the association and prohibit the press association from selling this property to any broadcasting station or to any advertiser for sponsorship over the air without his consent."

"A news service", he said, "sold by one of the press associations to advertisers to be used over the air may damage newspaper property many miles away. Radio waves carry the news over many circulation territories not contemplated from the origin of the broadcast, thereby damaging individual newspapers within the listening facilities of the broadcasting station. The remedy for this situation lies entirely with individual publishers who contract with one or both of the privately owned press associations." He recommended "withdrawal as clients' as a remedy for newspapers."

Regarding other developments in rapid news transmission, he said:

"If the facsimile machine is practical, then the newspapers should control this machine before it controls the newspapers. Or, let me say in all seriousness that if publishers are content to rest upon their past laurels and think that nothing can damage the newspaper nor destroy its power they are like the man who fiddled while Rome burned. There is an old saying that there is none so blind as he who will not see. The question that publishers should ask themselves is whether the unlimited broadcasting of news is not gradually undermining the newspaper as a newspaper."

Questioning whether the practical value of newspaper ownership of radio stations has been proved, Mr. Harris said: "On the other hand, we find no publisher who is willing to relinquish his broadcasting license."

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 ::: INDUSTRY NOTES :::
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The automotive industry last year spent \$4,338,928 for radio; \$2,492,374 of which went to the Columbia Network, according to a CBS press statement. This figure is 74.8% ahead of the industry's expenditures on any other network during that period.

Motor companies using CBS in 1935 included: The Chevrolet Motor Company, Dodge Brothers, Fisher Body Company, Ford Motor Company, Hudson Motor Company, Lincoln Motor Company, Nash Motors, Packard Motor Car Company and Studebaker Sales Company.

NBC has issued a booklet entitled "Statistical Robot" explaining a machine that automatically computes for advertisers the potential circulation for any group of stations. It also shows the amount of overlap in any area where two stations cover part of the same territory. The machine will do 40 man-hours of work in four hours.

The 1936 Year Book of Editor & Publisher, published on January 25, carries the following radio sections: books on radio and the press; radio editors on U. S. and Canadian newspapers; and radio stations, newspaper-owned and otherwise.

"Political Broadcasts" is the title of a brochure issued by the Columbia Broadcasting System and reprinting the complete file of correspondence between CBS and the Republican National Committee. The letters set forth the non-partisan political attitude of the network.

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NAVAL VESSEL NAMED FOR CRAVEN'S GRANDFATHER

The Secretary of the Navy announced this week that a sponsor had been chosen for the launching of the U.S.S. "Craven" named in honor of the late Commr. Tunis Augustus MacDonough Craven, U.S.N., great grandfather of T.A.M. Craven, Chief Engineer of the Federal Communications Commission. The ship will be launched late this year at Quincy, Mass. The sponsor is Mrs. Frank Learned (Ellen Craven), of New York City, daughter of the late Commander.

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DIRECTORS OF RCA TO ACT ON KENNEDY REPORT SOON

David Sarnoff, President of the Radio Corporation of America, has announced that the RCA Directors will meet at an early date to consider fully and probably act upon a report submitted last week by Joseph P. Kennedy in connection with his study relating to the corporation's capital structure, together with his recommendations.

Mr. Kennedy said that in his study of the capital structure and the various plans submitted to deal with dividend arrears on the Class B preferred stock and the general situation with respect to recapitalization he had carefully considered the status, rights and nature of each class of stock, which comprise one common and two preferred issues.

The rights of the various classes, he said, were treated fairly in the complete plan. Upon its approval by the Board the plan is expected to be submitted to stockholders, but whether at a special meeting or at the annual meeting on May 5 will not be known until later.

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U. S. YEARLY RADIO BILL 700 MILLIONS, SAYS CALDWELL

Nearly three-quarter billion dollars was the cost of entertaining America by radio during the 12 months just closed, according to figures given before the Radio Club of America at Columbia University, New York City recently, by Dr. Orestes H. Caldwell, editor of "Radio Today", and former Federal Radio Commissioner.

Five and three-quarter million radio sets and 73,000,000 tubes purchased during 1935, cost the public \$367,000,000. To operate the nation's 28,500,000 radio sets now in use, listeners paid \$150,000,000 for electricity, batteries, etc. And they called in service repairmen to the tune of \$68,000,000.

Meanwhile \$86,000,000 of "time on the air" was sold by the nation's 630 broadcasting stations, and talent for these programs cost the sponsors \$25,000,000 additional.

Already there are far more "homes with radio" than homes with either telephones, automobiles, or electric light. Dr. Caldwell revealed. Homes with radio sets now total 22,500,000. Of these 3,000,000 have "second sets", not counting the 3,000,000 automobile sets now on private cars, - bringing the grand total of radio sets now in use to 28,500,000. These sets represent a past investment of over two billion dollars on the part of the listening audience.

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HARBORD WRITES OF "THE AMERICAN ARMY IN FRANCE"

Maj. General James G. Harbord, retired, now Chairman of the Board of the Radio Corporation of America, tells what is alleged to be the "complete and authentic story of the A.E.F." in "The American Army in France", which will be published March 6 by Little Brown & Co., Boston, Mass (\$4 advance price; then \$5).

Because he was Chief of the Staff of the A.E.F. from May, 1917, to April, 1918, General Harbord is called "the man best qualified to write" the inside story of the A.E.F.

Newton Baker, Secretary of War when Harbord was making his splendid record in France, is quoted as follows:

"There was no soldier in the American Army whose contact with the whole Expeditionary Force was comparable to that of General Harbord. In addition to this, General Harbord's fine equipment as a writer and his wide knowledge of human affairs assure us that this book will be interesting, accurate and authoritative."

General Pershing said:

"The scope of his experiences in France enabled General Harbord to become familiar with the activities of our armies from the beginning to the end of the war. He is a keen observer. He has decided talent for writing, and what he says in his new book will, without doubt, be a valuable contribution to the history of Americans in Arms and, as such, it should be extremely interesting to the American public."

Gen. Charles G. Dawes, former Vice-President, added:

"No book like it will hereafter be written . . . it will rank as the most authoritative exposition of the formation, the experience and the culminating accomplishments of the American Army in France."

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WASHINGTON POLICE TRY TWO-WAY RADIO EQUIPMENT

A new type of ultra-high frequency two-way radio transmission is being experimented with by the Washington Police Department and probably will be installed within a few weeks.

Lieut. James Kelly, Supervisor of the Police Radio system, is working with engineers of the Graybar Electric Co. to develop the Western Electric set. The apparatus for police scout cars weighs only 15 pounds and is compact in that it is only 20 by 8 by 10 inches.

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DALY INTRODUCES COPYRIGHT BILL TO AID ARTISTS

Keeping the promise he made at Paul Whiteman's New York luncheon, Representative Daly (Democrat), of Pennsylvania, on January 27 introduced a voluminous bill to amend the Copyright Act in order to protect artists as well as composers and authors.

The main purpose of the measure is to prevent broadcasts of records without specific permission of the artists who made the records. Sponsored by Fred Waring and the National Association of Performing Artists, of which he is president, the bill was referred to the House Patents Committee, of which Daly is a member.

A synopsis of the bill will be carried in the next news letter.

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ECONOMIST SEES GREAT IMPROVEMENT FOR BROADCAST INDUSTRY

The best years of the radio broadcasting industry are still ahead, providing there is no change in the present system of commercial operation, in the opinion of a leading economist.

Writing for the Harvard Business Review on "Some Fundamental Aspects of Radio Broadcasting Economics", copies of which have been made and distributed by NBC, Dr. Herman S. Hettinger concluded his review as follows:

"The broadcasting structure of the United States and the service which it renders is still in its infancy. Numerous technical developments are possible. Stations may be connected for the simultaneous broadcasting of programs by radio waves rather than by telephone lines, with possible marked modifications in present network structure and operation. Wired radio, whereby programs are sent into hotels, restaurants, offices, and conceivably homes, over wires and as a regular service, has again raised its head following several years of comparative quiescence. Facsimile broadcasting - whereby printed matter is scanned photo-electrically, broadcast, and recorded in the home by means of an attachment to the radio set - makes possible the broadcasting of illustrations, diagrams, instructions, trade marks, news bulletins, and a variety of material. It also possesses a great variety of uses outside the general listener field. Television also presents the possibility of marked changes in economic structure and operation of broadcasting.

Assuming a continuation of the present structure for a number of years, broadcasting should witness considerable improvement in general economic level. The continued growth of network volume should force, at least to some degree, a broadening of the economic base of the industry. The improvement of the general level of small station management, now becoming apparent, should aid in the same direction. The growing sense of interdependence in the industry also should be of assistance, as should the further perfection of the advertising technique of the medium."

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NETS COOPERATE IN EDUCATIONAL WORK

The University Broadcasting Council, a cooperative radio enterprise sponsored by the University of Chicago, Northwestern University and DePaul University, has been completed in Chicago. Cooperating with the universities are the three national broadcasting chains (CBS, NBC and MBS) and local radio outlets. Financial backing is said to be coming from the three schools, outlet units and the Rockefeller Foundation.

The object is to dramatize educational material, through a series of programs covering a wide range of topics, by employment of professional talent, but not sponsored commercially. The aim of the programs will be to "engross rather than to entertain", according to Stewart Hayden, Assistant Program Director.

Activities of the Council are being coordinated and directed by a Board of Trustees, composed of two members from each university.

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ULTRA HIGH FREQUENCY TESTS SLOW BECAUSE FEW LISTENERS

Interest in ultra high frequency experimental broadcasting is growing, the Engineering Department of the Federal Communications Commission stated in the FCC report to Congress, but "the full possibilities of the frequencies for local broadcasting are developing slowly due to the very limited number of broadcast receivers that will tune in this band of frequencies.

"The very high frequencies above 30 megacycles have such characteristics that they serve a small area and then beyond this range no interference will be caused to other stations. This is different from the propagation characteristics of the stations on the regular broadcast frequencies (550 to 1500 kilocycles) which have a moderate primary service area but the signals continue for hundred of miles so that their interference range is enormous compared with the primary service area.

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Due to this characteristic of the very high frequencies, it has been considered that they offer a means of supplying strictly local service to any number of centers of population with frequency assignments duplicated at relatively low mileage separations. The individual stations would serve only a few miles, probably in the order of 2 to 10 miles depending upon the power, location of the transmitter, its efficiency, and the radio propagation characteristics of the surrounding terrain."

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EDITOR FINDS COPYRIGHT FIGHT DISRUPTS STATION'S PROGRAM

While broadcasters and the American Society of Authors, Composers and Publishers and the Warner Brothers battle over how much copyright music is worth when put on the air, the effect of the row on the public is apt to be over-looked.

The Radio Editor of the Washington Post, John Heiny, carried this story in his column "On the Air Today" recently:

"A remarkable demonstration of the state of copyright affairs, growing out of the secession of Warner Brothers from ASCAP, was given Sunday night by WJSV. There may have been others during the day's broadcasting but two notable ones came to this writer's attention.

"Ed McConnell first fell afoul of the extreme caution guiding the broadcast industry's activities since the first of the year when Warner Brothers withdrew thousands of songs from radio use. McConnell was taken off the air twice while a stand-by pianist filled in until the offending song was completed.

"At midnight, the LaParee Midnight Skyride was shot full of holes as questioned musical numbers were begun. The vigilance maintained by WJSV, in seeing that no selections are played that might possibly result in copyright suits, was demonstrated when a tune written by a member of LaParee Orchestra particularly for Marie Fowler's use was cut off the air. A phonograph record filled in until Miss Fowler had completed the number."

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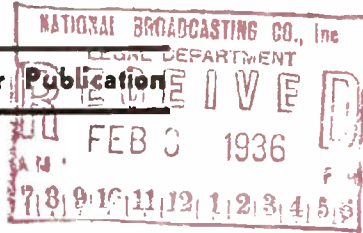
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FCC MODIFIES RULE TO ALLOW WIDER USE OF RECORDS

Recognizing the trend toward more extensive use of recordings in broadcast programs, the Federal Communications Commission this week modified Rule 176 regarding announcements of mechanical reproductions in compliance with persistent demands of broadcasters and disk manufacturers.

Not so many years ago there was a distinct public revulsion against the broadcasting of any sort of records. The public felt gyped when it listened to a recording rather than live talent. Then, however, recordings were rather crude affairs and often merely phonograph records such as one could play at home.

Within recent years the making of recordings has reached almost a mechanically perfect stage so that a recorded program is not distinguishable from a live talent program to the average listener. Only the announcement required by the FCC warns any over-sensitive listener that the program is synthetic.

Foreign stations, particularly the British, have long ago found recordings invaluable even in the broadcasting of news events. For instance, recordings were made of the funeral of King George V and were broadcast over the short-wave empire service several times after the rites so that listeners in the far corners of the world who did not care to rise before daylight for the original broadcast might tune in the recording later in the day.

Harry Butcher, Vice-President of the Columbia Broadcasting System and Manager of WJSV, Alexandria, Va., has made transcriptions of several of President Roosevelt's early morning addresses and rebroadcast them at night.

While recordings are not used very extensively now on the networks, except as background for other programs, they are gaining a substantial foothold among independent stations, particularly in the smaller communities which have a scarcity of entertainment talent.

American disk makers are becoming so adept, particularly in the manufacture of sound effects, that they have already started to market what is called "canned noises" over the world. As Variety observes: "Cows moo, owls hoot, brooks gurgle pretty much the same the world over . . . Upon this fact is based the recent emergency of a new international sound effects 'industry' within broadcasting."

The revised Rule 176 promulgated by the Communications Commission still requires announcers to inform listeners whenever

a recording is used, but it permits greater laxity as to the frequency and manner of announcements. The new rule follows:

"Each broadcast program consisting of a mechanical reproduction, or a series of mechanical reproductions, shall be announced in the manner and to the extent set out bellow:

- "1. A mechanical reproduction, or a series thereof, of longer duration than fifteen minutes, shall be identified by appropriate announcement at the beginning of the program, at each fifteen minute interval, and at the conclusion of the program; provided, however, that the identifying announcement at each fifteen minute interval is waived in case of a mechanical reproduction consisting of a single, continuous, uninterrupted speech, play, symphony concert or operatic production of longer duration than fifteen minutes;
- "2. A mechanical reproduction, or a series thereof, of a longer duration than five minutes and not in excess of fifteen minutes, shall be identified by an appropriate announcement at the beginning and end of the program;
- "3. A single mechanical reproduction of a duration not in excess of five minutes, shall be identified by appropriate announcement immediately preceding the use thereof;
- "4. In case a mechanical reproduction is used for background music, sound effects, station identification, program identification (theme music of short duration), or identification of the sponsorship of the program proper, no announcement of the mechanical reproduction is required.
- "5. The exact form of the identifying announcement is not prescribed but the language shall be clear and in terms commonly used and understood by the listening public. The use of the applicable identifying words such as 'a record', 'a recording', 'a recorded program', 'a mechanical reproduction', 'a transcription', 'an electrical transcription', will be considered sufficient to meet the requirements hereof. The identifying words shall accurately describe the type of mechanical reproduction used, i.e. where a transcription is used it shall be announced as a 'transcription' or an 'electrical transcription' and where a phonograph record is used, it shall be announced as a 'record' or a 'recording'."

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