

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1111

March 28, 1939

F. I. THOMPSON NAMED TO SUCCEED SYKES ON FCC

President Roosevelt sprung a surprise at noon today (Tuesday) when he named Frederick Ingate Thompson, of Mobile, Alabama, as a member of the Federal Communications Commission, to succeed Judge E. O. Sykes. This appointment is to fill the unexpired seven-year term of Commissioner Sykes, who was named to the FCC in 1934 and whose resignation is to take effect April 5th.

Mr. Thompson, who is 63 years old, was born at Aberdeen, Mississippi, the birthplace incidentally of Judge Sykes. He was editor of the Aberdeen Weekly from 1892-95, of the Weekly Commercial Appeal, Memphis, Tenn., 1897-1902, after which he was a member of the firm of Smith & Thompson, newspaper representatives, New York and Chicago. He was chief owner and publisher of the Mobile Daily (morning) and Sunday Register, 1909-32; chief owner and publisher of the Mobile News-Item (evening) 1916-1932, also Birmingham (Ala.) Daily (morning) and Sunday Age-Herald, 1922-27. At the present time he is President and publisher of the Montgomery Journal Publishing Company which publishes the Montgomery (Ala.) Journal and Times, which is an evening newspaper.

It is through these organs and other means that he has been able to lash out at the power trusts, and since Chairman McNinch is a foe of these same power trusts, it looks as though he might have had a "finger in the pie" in the appointment of Mr. Thompson.

Mr. Thompson was appointed a member of the Alabama Educational Commission in 1919 and was a member of the Democratic National Convention in 1912, 1924 and 1928. He was appointed a Commissioner of the U. S. Shipping Board by President Wilson in 1920, re-appointed by President Harding in 1921, and by President Coolidge in 1923, from which he resigned in November, 1925. Mr. Thompson was appointed by President Roosevelt a member of the Advisory Board on Public Works in 1933, and he has been a member of the Alabama State Docks Commission since 1935.

He was educated in the public schools of Aberdeen and was married in 1900 to Miss Adrianna Ingate, of Mobile, Alabama.

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PLANS FOR NAB-RMA PROMOTION DRIVE ANNOUNCED

Details of plans for the joint promotion campaign of the Radio Manufacturers' Association and the National Association of Broadcasters, to begin April 17, were disclosed this week in booklets sent to the industry by the two trade associations.

Thousands of dollars will be spent to promote both phases of the radio industry and to build up public good-will. The campaign is the first organized effort to effect a coordination of the activities of the broadcaster and the retail radio dealer.

Bond Geddes, Executive Vice-President of RMA, said:

"Objectives of this first joint industry promotion - not for one week but every week and continuing throughout the year - are to increase public interest in the fine programs available, to increase use of radio and hours of listening, to enlarge the listening audience, and to sell more receiving sets, tubes, and parts, and the American system of broadcasting."

Broadcasting of radio promotional programs, of the "Voice of Radio", will begin April 17. The National, Columbia, and Mutual networks have promised weekly, or more frequent, promotional broadcasts. Non-network and smaller stations will be supplied with transcriptions for such programs. "Radio Councils" - local organizations - of broadcasters, distributors and dealers, in cities where there are broadcast stations, will be organized and meetings held beginning the week of April 10.

"Another recommendation, of the joint committee and of the RMA Promotion Committee, of which James M. Skinner is Chairman, Mr. Geddes said, "is that all manufacturers using local dealer cooperative advertising, make available, to local dealers, broadcast continuity for use in local radio advertising (as well as newspaper mats or other material), leaving it up, however, to the individual newspaper solicitor and radio salesman as to which way the advertising allowance will be spent. By including broadcast continuity for use in local radio station advertising by the dealer, broadcasters will be assisted and placed on an equal selling basis with the newspaper.

"The RMA-NAB campaign will be serviced from headquarters with further information, copy, window streamers to dealers, publication of regular bulletins, keeping the campaign alive, and will be pushed by aggressive promotion methods on a year-round basis. After the campaign is introduced in April, another phase will be to enlist support of local utilities by providing space in newspapers and other ways. Moreover, in the later Spring and Summer months the campaign will emphasize - from the manufacturers' standpoint - the desirability of automobile sets and portable radio sets, as well as the multiple set idea.

"This campaign of NAB-RMA marks the first national, intensive joint effort of the broadcasting interests with the manufacturing industry. We believe you will find that it deserves the full support of every member of RMA. An essential is that every key man in your organization, including your advertising and promotion departments, especially your advertising agency, be made thoroughly aware of the complete details and broad objectives of this first all-radio national promotion."

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NAB HEAD DIRECTED TO OPEN ASCAP NEGOTIATIONS

Neville Miller, President of the National Association of Broadcasters, has been authorized to conduct negotiations with the American Society of Authors, Composers and Publishers on an agreement for new contracts.

The NAB Copyright Committee, meeting in New York last week, adopted the following resolution with regard to the copyright controversy:

"Whereas in the opinion of the National Association of Broadcasters the American Society of Composers, Authors and Publishers' present method of licensing broadcasters to use the Society's music is inequitable, inasmuch as it compels broadcasters to pay fees on programs not using ASCAP music, and

"Whereas it is imperative that the industry assure itself of an adequate supply of music on an equitable basis after the expiration on December 31, 1940, of the broadcasters' present contracts with ASCAP in order to safeguard both the industry and the public.

"Therefore, Be It Unanimously Resolved, that the Copyright Committee of the National Association of Broadcasters, consisting of representatives of all elements in the industry, authorize Neville Miller, President of the National Association of Broadcasters, in conformance with the authority already conferred upon him by the Board of Directors of the National Association of Broadcasters, to enter into immediate negotiations with ASCAP and that in conducting such negotiations he be authorized to draw upon this Committee and its membership for such assistance as he may desire, and,

"Be It Further Resolved, that such negotiations shall be predicated on the principle of paying royalties on only that revenue derived from the sale of time for programs involving the use of the ASCAP catalogues, and

"Be It, Therefore, Further Resolved that negotiations shall be carried on with the object of obtaining definite acceptance on a practical basis to the above principle from ASCAP by May 31, in order that the Copyright Committee may be fully advised so as to make a complete and definite report with recommendations at the NAB annual meeting to be held July 10, 1939."

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FCC MAKES INFORMATION OFFICE PERMANENT

The Federal Communications Commission has authorized the establishment of a permanent Office of Information, to be responsible for the collection and dissemination of information for the press and the public regarding the Commission's decisions and other matters and to have such other functions as the Commission may determine.

The authorization was voted at a meeting late last Thursday, the Commission adopting unanimously a resolution offered by Chairman McNinch and seconded by Commissioner Walker.

The Office of Information will be headed by a Director of Information and Special Assistant to the Chairman, with an Assistant Director of Information, and will embrace the work of the Information Office, the Information Reference Room, the Press Room, and related activities. Provision was made for it to function under and be responsible directly to the Commission, replacing the Press Section, a unit in the administrative branch.

The new setup will make permanent and extend the present information arrangements, set up by M. L. Ramsay, who was borrowed from the Rural Electrification Administration to study informational needs as well as conduct the information service temporarily. It is in line with recommendations made in Mr. Ramsay's final report. Mr. Ramsay's detail ends March 31.

Under the Commission's resolution the positions authorized are to be established in accordance with the Classification Act, subject to revision by the Civil Service Commission. The Chairman was authorized, however, to seek to exempt from Civil Service the appointments to the two principal positions.

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CENSUS OF RADIO RECEIVERS TO BE ASKED

The Federal Communications Commission plans to ask the Bureau of Census, in connection with its new census of population, to ascertain the number of radios in the homes as was done in the last census. The Commission is also going to ask for the number of radios in automobiles. There has been some discussion at the Commission as to whether or not the Census Bureau will be requested to include "radio habits" in the forthcoming census.

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PRESIDENT ACCEPTS RESIGNATION OF SYKES

President Roosevelt this week accepted the resignation of Judge Eugene O. Sykes from the Federal Communications Commission, asking him to remain on the job until April 5th, at which time Mr. Thompson, the new appointee will doubtless take up the reins at least until 1941 at which time Judge Sykes' appointment expired.

The President's letter follows:

"At your request, I am accepting your resignation as a member of the Federal Communications Commission, effective April 5, 1939. In doing so I want to assure you of my appreciation of your long service on the Commission and to extend to you my best wishes for your future success.

"Very sincerely yours,

(Signed) Franklin D. Roosevelt."

Originally Judge Sykes, who is a charter member of the Federal Communications Commission, had asked that his resignation be accepted as of March 31st but the President requested that he remain over until April 5. Judge Sykes also had been a member of the old Radio Commission.

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NEW RADIO PLAN FOR GREAT LAKES CONSIDERED

The Federal Communications Commission announced this week that a new plan for handling public communications on the Great Lakes is under development and will be given a trial on a temporary basis during the next season. The new plan is the outgrowth of dissatisfaction among the Great Lakes ship owners, both Canadian and American, and it carries with it the endorsement of both of these groups.

The Commission made its announcement in setting for hearing the application of the Lorain County Radio Corporation, Lorain, Ohio, for renewal of license of radiotelephone Station WMI. Numerous applications for construction permits and modifications of construction permits were set for hearing at the same time. No date has been set yet for the hearing.

The plan now in force on the Great Lakes involves the assignment of a pair of frequencies for each lake, one to be used by the ship in transmitting to shore and the other by the shore station in transmitting to the ship. The entire situation has become complicated by the demands for additional radio frequencies by certain essential services, such as the national defense services.

The Commission pointed out that the new plan has no connection with the Great Lakes and Inland Waters Survey which is being conducted under the Chairmanship of Commissioner Brown.

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CROSLEY LEASES TOWER FOR TELEVISION PLANT

The Crosley Corporation, operators of WLW, WSAI and W8XAL, have leased the entire 48th floor of Cincinnati's Carew Tower for construction of television studios, according to James D. Shouse, Vice-President of the Crosley Corporation in charge of broadcasting.

The Carew Tower, 574 feet high, is located in the heart of downtown Cincinnati and is one of the tallest structures in the center Middle West. On clear days it commands a view of more than 25 miles, making it ideally situated for the successful transmission of television.

Crosley's application for a television license has not yet been acted upon by the Federal Communications Commission. Preparatory measures are, however, being taken. The entire top floor of the Carew Tower is being renovated to make possible the construction of studios, control rooms, observation rooms and air conditioning equipment. Tentative plans call for a projection room for motion pictures, a large studio with raised stage, in addition to a spacious room for transmission equipment. Interior decorators are planning room treatments which promise to make Crosley's new studios one of the show places of the city.

According to present plans, the original equipment of the Crosley Corporation television station will be of 1000 watts power, which, it is expected, will be increased once tests are made. The station will operate on a frequency band between 50 and 56 megacycles.

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NAB PLANS DINNER TO HONOR JUDGE SYKES

Under sponsorship of the National Association of Broadcasters, a dinner has been planned to honor Judge Eugene O. Sykes for his 12 years' service in radio regulation. The dinner will be held April 8th at the Willard Hotel. Judge Sykes leaves the FCC the end of this week or at the latest the middle of next week.

The Committee on arrangements for the dinner includes: Neville Miller, Chairman, Sol Taishoff, Frank Roberson, Andrew D. Ring, Frank M. Russell, Harry C. Butcher, William B. Dolph, and Edwin M. Spence.

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NAB CONSIDERS CUT IN RADIO ANNOUNCEMENTS

Reduction in the length of advertising copy on commercial radio shows will probably result from the deliberations of the Committee on Program Codes and Standards of Practice of the National Association of Broadcasters which met last week in New York, according to Neville Miller, President of the broadcasters' group.

"This is in line with the existing trend in broadcast advertising", said Mr. Miller, "and will put a greater premium on more skilled advertising writing, with briefer, more interesting and more pertinent messages about needed products and services.

"The industry is simply going to put into effect, universally, those practices of progressive advertisers which are already providing their effectiveness in achieving greater results and a higher degree of program popularity."

In praising advertising and its social contributions to the nation, Mr. Miller declared: "While everybody in this country seems to prefer advertised products over non-advertised articles from unknown sources, few, I believe, appreciate the social importance of commercial advertising to both a free American press and a free American radio, because of which neither has to rely on the dangers of a government subsidy or tax levy for its ability to operate."

The Committee meeting, representative of a cross section of both local radio independent and network operation, was called by Mr. Miller, who, shortly after becoming the first President of the reorganized NAB last July, advocated the adoption of a broad ranged policy of self-regulation of the radio industry.

Formulation of a code of commercial practices was but one of the items considered by the Committee, said Mr. Miller. The broadcasters group also analyzed an exhaustive report of its sub-committee which included the matter of radio policy in the handling of children's programs, religious broadcasts, political broadcasts, discussion of controversial public questions by radio, services to education, radio treatment of news matter and public forum broadcasting.

The code is still in the broad outline form and is subject to adoption by the industry as a whole at the annual convention of the National Association of Broadcasters, July 10, 11 and 12, in Atlantic City.

"We know it is the desire of both the broadcaster and the public", said Mr. Miller, "that radio be operated in strict accord with our democratic traditions of private and competitive operation, with fair play and equality of opportunity to all, and with wholehearted regard for our inheritances of freedom of speech, freedom of religion and freedom of assembly. These are

the policies which have guided American radio to date. This forward-looking step by the radio industry is but another indication of its ability to continue to give American listeners the freest and finest radio service in the world."

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"MAN BITES DOG" - STATION TO BUY NEWSPAPER

For the first time in the history of radio regulation a radio broadcasting station will operate a newspaper as a subsidiary, the Federal Communications Commission disclosed this week in approving the transfer of Station WCAX, Burlington, Vt., from the Burlington Daily News to the Vermont Broadcasting Corp.

Approximately 240 radio stations are now owned and operated by newspapers. The FCC has no jurisdiction over the purchase of the Burlington Daily News by WCAX, but it explained that the deal would follow the station transfer.

Chairman Frank R. McNinch and Commissioner Paul Walker dissented in acting on the station transfer.

Chairman McNinch voted "No" on the ground that the proposed assignment had not been shown to be in the public interest. Commissioner Walker in voting "No" expressed the view that a hearing to determine the public interest in the matter should precede the Commission's action.

H. Nelson Jackson is president of the newspaper corporation which has operated both the newspaper and the broadcast station. Charles P. Hasbrook is president and treasurer of the newly formed Vermont Broadcasting Corporation and owner of virtually all of its outstanding stock. The price to be paid for the newspaper and broadcast properties, with certain property excepted, is \$59,000. Of this sum \$17,000 is assigned to the radio property.

WCAX operates on a frequency of 1200 kc., with power of 100 watts night, 250 watts day, unlimited time.

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RMA PLANS TELEVISION EXHIBIT IN D.C.

A television demonstration with a small portable television transmitter, the first of its kind ever developed, will be given tomorrow (Wednesday) at the Raleigh Hotel by Arthur Murray, Chairman of the Radio Manufacturers' Association and the Philco committees on television. Three demonstrations will be given at 12:30, 3:30 and 8 P.M.

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LIBEL CHARGES DISREGARDED IN STATION GRANT

Concluding a long-drawn-out case of litigation and appeals, the Federal Communications Commission this week granted the application of Harold H. Thoms, doing business as the Asheville Daily News, Asheville, N.C., for a permit to erect a new broadcasting station for operation on 1370 kc. with 100 watts power, unlimited time.

A year ago the FCC denied the application on the ground that the applicant's character was questionable due to his conviction of publishing a libelous political article. All other issues were found in favor of the applicant.

After an appeal to the U. S. Court of Appeals, the case was remanded to the FCC for further hearing.

"After considering all of the circumstances of the applicant's conviction for publishing a newspaper article, including the public retraction thereof, the Commission is of the opinion that this alone does not afford an adequate basis for denial of the application", the FCC stated. "If such facts were to be considered as in this instance as rendering the applicant an unfit person to be granted a radiobroadcast station license, then, by the same token, it would seem that any person who had once published false and libelous statements even though he subsequently published a retraxit and apology, should be held to be unfit to continue operation under a broadcasting license. Such a position would be harsh and untenable.

"The record shows that the applicant enjoys a reputation in and around Asheville, North Carolina, of having a good moral character.

"The Commission, therefore, finds that the applicant is sufficiently qualified as to character to hold a radiobroadcast station license, as is contemplated by the Communications Act of 1934, as amended.

"The Commission further finds that the granting of the instant application will serve public interest, convenience, and necessity."

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The Federal Communications Commission has dismissed with prejudice the application of E. DeVore Andrews and Mrs. Annie L. Andrews, d/b as Greater Greenwood Broadcasting Station, for a construction permit to construct a new broadcast station at Greenwood, S.C. to operate on 1420 kc. with power of 250 watts, local sunset, 100 watts night, unlimited time. This application was dismissed because applicants entered a motion to dismiss their application before the Examiner reported thereon.

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NAUTICAL ACADEMY CITED FOR LACK OF RADIO

The Federal Communications Commission this week notified the American Nautical Academy, otherwise known as the National Training School for Merchant Marine Officers, of Washington, D.C., that it had become liable to a forfeiture of \$5,500 for violation of the Communications Act of 1934, as amended, by sailing the five-masted vessel MARSALA in the open sea without radio transmitting equipment.

The Communications Act requires such equipment unless an exemption is obtained for extraordinary reasons. The Commission has no record of any application for exemption.

The MARSALA cleared from New London, Connecticut, on November 16, 1938. Eight days later it ran into a hurricane off the Virginia capes which carried away all five of its masts thereby leaving the vessel and crew at the mercy of the sea, as the ship had no means of propulsion other than sail. The following day, November 25, the SS CITY OF SAVANNAH sighted the distressed MARSALA and reported the disaster to the United States Coast Guard station, Norfolk, Virginia. The Coast Guard ship MENDOTA towed the vessel into Hampton Roads, Virginia, the following morning.

Information obtained by the Commission indicated that the American Nautical Academy is a correspondence school for the training of students for positions as Merchant Marine officers. After students or "cadets" finish the correspondence course, they may take cruises on the MARSALA.

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ANTI-NAZI STATION OPERATORS FACE DEATH PENALTY

Operators of illegal radio stations within Germany broadcasting anti-Nazi news may be sentenced to death under the new high treason laws, according to the Deutsche Justiz, official organ of the Ministry of Justice. A maximum sentence of fifteen years' imprisonment may be imposed for operation of a radio station without a license, the New York Times reports from Berlin.

The operator of an illegal station is guilty of high treason if he "uses his station for treasonable purposes by seeking to influence the masses by means of radio telegraphy or radio telephony". In such cases the sentence may range from death by the guillotine to two years' to life imprisonment.

The term "illegal broadcast" also includes transmission of news comment or signals by registered stations whose licenses does not permit them to send such programs.

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 ::: TRADE NOTES :::
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The Federal Communications Commission has extended the working of Rule 981 another six months from March 15, 1939, to September 15, 1939. However, all licensees of Relay, International, Television, Facsimile, High Frequency and Experimental broadcast stations should immediately arrange to purchase or install frequency monitors as required by this rule, the FCC stated, since monitors are now available from two or more manufacturers and it is not the plan of the Commission further to extend this rule. All stations must have a satisfactory frequency monitor on or before September 15, 1939.

Richard W. Garner has been named Promotion Manager of WSAI, Cincinnati by Dewey H. Long, Station General Manager.

Mayor Fiorello H. LaGuardia, on behalf of the City of New York, licensee of Station WNYC, has amended the petition filed on August 24, 1938, requesting the amendment of Rules 177, 321, 1012(a) and 1052(a), which relate to high frequency and international broadcast programs. Since no date has been set for hearing on this petition under its rules the Commission has automatically accepted the amendment to the petition.

The City of New York (WNYC) seeks the right to rebroadcast certain programs of high frequency and international broadcast stations which may not be done under the Commission's existing rules. To this end it seeks an amendment of the rules so as to permit rebroadcasts of this character where the licensees of regular broadcast stations making the rebroadcasts are universities, other educational institutions, municipalities, other Government agencies or other non-commercial, non-profit organizations.

For the first time in history motion picture publicity material will be transmitted by radio to be read and not heard, according to an announcement from Twentieth Century-Fox Film Corporation and WOR. An arrangement between Twentieth Century-Fox and WOR will give the film company the exclusive use of the Mutual facsimile service for the dissemination of publicity about its pictures and players. A regular daily service of comments and photographs will be sent over the air.

Niles Trammell, Executive Vice-President of the National Broadcasting Company, has been elected a member of the Board of Directors of the company, according to announcement by Lenox R. Lohr, President. He was named to fill the chair left vacant by the resignation of George K. Throckmorton, President of the RCA Manufacturing Company.

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