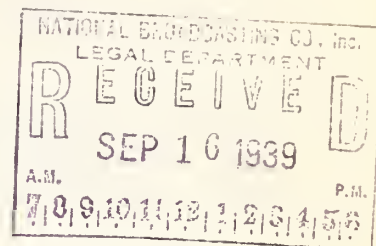


HEINL RADIO BUSINESS LETTER

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WMCA DENIES ILLEGAL BROADCAST; EXPLAINS ERROR

Donald Flamm, President of the Knickerbocker Broadcasting Company, on Thursday filed a formal answer with the Federal Communications Commission, denying the charge that Station WMCA had broadcast decoded military information of the British and French in violation of an international treaty.

Previously, in an informal explanation to the press, he stated that the FCC action resulted from over-zealousness on the part of the WMCA Promotion Department. All news broadcasts, he said, came from accredited news agencies, and the station at no time employed a code expert to pick up the secret military information for WMCA's use.

A hearing is expected to be held by the FCC, but indications are that no drastic action will be taken by the Commission if the facts are proved as related by Mr. Flamm.

William Weisman, Vice-President of the Knickerbocker Broadcasting Co., filed the affidavit with the FCC in answer to the Commission's order to show cause why its license should not be revoked. The affidavit follows, in part:

"Knickerbocker Broadcasting Company, Inc. (WMCA) neither directly nor indirectly intercepted or caused the interception of secret radio communications sent by the governments of Germany and Great Britain, respectively, or any said governments to govern the movement of said forces in time of war. Neither has Knickerbocker Broadcasting Company, Inc. (WMCA) at any time, under any circumstances, intercepted any code messages of any government in time of war or any other times.

"In the course of its daily broadcasting schedule, Knickerbocker Broadcasting Company, Inc. (WMCA) has broadcast news dispatches, including those emanating from the governments of Germany and of Great Britain. However, Knickerbocker Broadcasting Company, Inc., (WMCA) has no news-gathering bureau of its own and relies entirely for its sources upon accredited news-gathering agencies.

"In connection therewith, Knickerbocker Broadcasting Company, Inc. (WMCA) has a written contract with King Features Syndicate, Inc. (International News Service Department). By virtue of said agreement there is installed in the offices of Knickerbocker Broadcasting Company, Inc. (WMCA) a news ticker to which is transmitted the regular news service of King Features

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Syndicate, Inc. (International News Service Department). Knickerbocker Broadcasting Company, Inc. (WMCA) edits the said news reports and prepares the same for broadcasting.

"Because of the unusual situation in Europe during the past few weeks, and of the great interest of the American people in every phase of news emanating from Europe, Knickerbocker Broadcasting Company, Inc. (WMCA) entered into an agreement with the New York Herald Tribune, by the terms of which the New York Herald Tribune has furnished Knickerbocker Broadcasting Company, Inc., (WMCA), for broadcasting purposes, special news flashes which it has received from its own direct sources and correspondents in Europe.

"By virtue of an oral arrangement with the New York Daily Mirror there is broadcast over the facilities of Station WMCA, once each day for 15 minutes, a news program emanating directly from the editorial rooms of the said New York Daily Mirror. These broadcasts have always consisted of news items which had already appeared in that publication.

"I state upon my oath that Knickerbocker Broadcasting Company, Inc. (WMCA) has not had, nor has it now, any knowledge of any secret or other code used by the governments of Germany or of Great Britain, or of any of the departments of either of said governments.

"By this affidavit I swear that Knickerbocker Broadcasting Company, Inc. (WMCA) has not broadcast any news item or other information which it obtained illegally or which Knickerbocker Broadcasting Company, Inc. (WMCA) had any reason to believe was obtained illegally by any other person, firm or corporation. In fact, all of the news items which were broadcast by Knickerbocker Broadcasting Company, Inc. (WMCA) have appeared in the daily newspapers in the regular course of publication.

"I am aware of the advertisement which appeared in the Radio Daily of September 6, 1939, in which is reproduced excerpts from columns published in New York City newspapers, and in which it is stated that WMCA had decoded secret orders of the governments of Germany and Great Britain. Knickerbocker Broadcasting Company, Inc. (WMCA) does not control, directly or indirectly, in any manner, either the said publications or any of the writers of the said columns. Knickerbocker Broadcasting Company, Inc. (WMCA) used the said items in the advertisement only as an indication of the fact that WMCA did broadcast the news items in advance of other radio stations or in advance of their publication in the daily newspapers in New York City, but not for the purpose of advertising that WMCA had in fact intercepted or decoded any of the secret orders of Germany, Great Britain or any other government."

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Earlier, Mr. Flamm explained the origin of the Radio Daily advertisement, thus:

"The placing of an advertisement in a radio trade paper, using these newspaper clippings, was a promotional stunt executed by our Advertising Department, designed to indicate WMCA's alertness in the presentation of war news. Desirous of protecting its news sources in the interest of competitive reporting, WMCA made no effort to correct erroneous impressions of its coverage which were rumored."

George Ross in The New York World-Telegram of August 31, according to the material submitted by WMCA for The Radio Daily advertisement, said:

"WMCA flashed the British Admiralty orders and the secret German naval orders before these became public knowledge. And the story of these exclusives is this: Several weeks ago the station hired an expert of naval code, who stationed himself near the short-wave receiver of a local morning newspaper. As secret orders from shore to ship were flashed from England and Germany, he quickly decoded them and rushed his findings to the microphones."

Attributed to Ben Gross in The New York Daily News, WMCA's advertisement called attention to the airing of a British Admiralty code message "ordering the closing of the Mediterranean."

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PERSHING LAUDS RADIO, PRESS FOR WAR NEWS

General John J. Pershing, in a statement issued in Washington on his seventy-ninth birthday, praised the radio and press for its coverage of the European crisis and war developments.

"My information of the military situation at home and abroad is largely common to the general public, which is, I believe, about as well informed regarding the daily progress of the tragic events in Europe as the government officials, thanks to the press and radio", he said.

Among his visitors at Walter Reed Hospital, where he is undergoing a periodical check-up, was Maj. Gen. James G. Harbord, former Chief of Staff under Pershing, now Chairman of the Board of the Radio Corporation of America.

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NAB FORMALLY ADOPTS CODE; TALKS COPYRIGHT

Meeting in a special convention in Chicago this weekend, the National Association of Broadcasters adopted its code of self-regulation, drafted early this Summer, and authorized Neville Miller, President, to appoint a Committee "fully empowered to interpret and enforce the code throughout the industry."

At the same time it considered the later code relating to war news broadcasts, already adopted by the networks, and indicated it would adopt a similar policy.

Discussions were underway as to what the NAB will do about the music copyright problem.

Beginning October 1st, all member stations will provide free time for the discussion of controversial public issues, the Board of Directors of the NAB announced.

Time may be sold for political broadcasts only.

"The political broadcasts excepted", Mr. Miller explained, "are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away."

The policy was adopted, he said, because without it the radio forum could gravitate almost exclusively to those with the greater means to buy time. The code, he said, insures that radio will remain a free and democratic form of public discussion. He termed it an "outstanding example of voluntary industrial self-regulation, conceived and executed in the public interest."

The code also requires that news broadcasts be factual and without bias or editorial opinion. It provides that children's programs be based upon "sound social concepts" and that no one shall be permitted to use radio to attack another's race or religion.

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The Catawba Valley Broadcasting Company, Hickory, N.C., was granted a construction permit this week by the Federal Communications Commission to use 1370 kc., 100 watts night, 250 watts local sunset.

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FCC PLEASED WITH WAR NEWS CODE ADOPTION

While refraining from a formal endorsement, members of the Federal Communications Commission this week made no secret of their approval of the action taken by the major networks and the National Association of Broadcasters in adopting a self-imposed code restricting war news broadcasting.

"I feel very optimistic over the way that the industry has shouldered its responsibility", James L. Fly, Chairman of the FCC, commented.

While the special three-man committee, composed of Chairman Fly and Commissioners T.A.M. Craven and Thad H. Brown, will continue its study of the relation of the European war to U. S. radio, indications are that no drastic curbs will be placed on the broadcasting industry as a whole.

The Chairman is inclined to proceed cautiously, and, as Stephen Early, secretary to the President, suggested, let radio alone so long as it behaves itself. He sees no need at this time for the promulgation of any iron-clad rules governing news broadcasting and comments on the war.

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FCC TO PROBE BAR ON ANTI-COUGHLIN SPEECH

An investigation of the refusal of Station WJR, Detroit, to broadcast a speech by the Rev. Walton E. Cole, of the First Unitarian Church, Toledo, O., attacking Father Coughlin, will be undertaken by the Federal Communications Commission, according to T. J. Slowie, Secretary.

Reverend Cole, in a complaint to the FCC, charged that WJR was refusing to afford both sides of an issue to speak over its facilities. WJR is the key station in the Coughlin hook-up.

"Insofar as your complaint states WJR is acting as a vehicle for one-sided propaganda, rather than for free discussion of controversial subjects, it will be investigated by this Commission and the incident described considered as it may bear upon whether WJR is operating in the public interest", Mr. Slowie replied.

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LABOR S-W STATION DENIED RENEWAL

The Federal Communications Commission this week denied the application of the Chicago Federation of Labor for renewal of license for international broadcast station W9XAA, and dismissed without prejudice the application of Radio Service Corporation of Utah for consent to voluntarily assign the license of Station W9XAA from the Chicago Federation of Labor to the Radio Service Corporation of Utah and move the station's location from York Township, Ill., to Saltair, Utah.

The Commission's conclusions based upon its proposed findings included the following:

"The licensee of international broadcast station W9XAA failed to establish that it was engaged in a program of research and experimentation contemplated by the Commission's rules governing broadcast stations in the international service, in effect during the period in which the license for this station was outstanding.

"International broadcast station W9XAA was not maintained and operated in accordance with the Commission's rules governing broadcast stations in the international service, in effect during the period in which the license for this station was outstanding.

"The Chicago Federation of Labor is not technically qualified to operate international broadcast station W9XAA in accordance with the rules of the Commission governing broadcast stations in the international service and has not shown that it is able and willing to finance the operation of such station.

"The granting of the application for renewal of the license of international broadcast Station W9XAA will not serve public interest, convenience or necessity.

"In view of the foregoing conclusions, it is unnecessary to consider the application for assignment of the license of international broadcast station W9XAA from the Chicago Federation of Labor to the Radio Service Corporation of Utah since the Commission's refusal to renew the license of international broadcast station W9XAA leaves the Chicago Federation of Labor with no license to assign to the Radio Service Corporation of Utah, and the application for consent to assignment of license should, therefore, be dismissed."

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The U. S. Civil Service Commission has announced an open competitive examination for the job of air carrier inspector in the Civil Aeronautics Authority at \$3,800 a year.

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FCC AMENDS RULE ON DISK ANNOUNCEMENTS

The Federal Communications Commission this week amended Section 3.90 (a) (2) of the Standard Broadcast Rules by deleting the words "together with the name or title of each" and adding the words "of the complete program" so that the rule will read:

"...(2) An entry briefly describing each program broadcast, such as 'music', 'drama', 'speech', etc., together with the name or title thereof, and the sponsor's name with the time of the beginning and ending of the complete program. If a mechanical record is used the entry shall show the exact nature thereof such as 'record', 'transcription', etc., and the time it is announced as a mechanical record. If a speech is made by a political candidate, the name and political affiliations of such speaker shall be entered."

The Commission's action was taken following complaint that the previous rule requiring a log entry of the names of the particular records used imposes a financial burden, particularly on local stations. The Commission also stated that a further study would be made of the rules governing log entries to insure that they impose no unnecessary burden on any particular group of stations.

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NAZIS STAGE TELEVISION SHOWS IN LATIN AMERICA

The first television exposition to be held in Chile, staged this Summer, was held under the auspices of, and conducted by engineers of the "Institute of Investigation of the German Mails", an official agency of the German government and all of the equipment used was of German manufacture, according to the American Commercial Attache at Santiago.

"The event was given wide publicity in the press and appeared to be another effective example of German propaganda in South America", the report stated.

"The exhibition is apparently on a tour of South American and the some 20 truckloads of equipment were shipped to Chile from Buenos Aires where it is understood a similar exposition was held."

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LOCAL STATION DENIED CAPITAL APPLICANT

The Federal Communications Commission this week denied the application of Lawrence J. Heller, attorney, for a construction permit to establish a new station in Washington, D. C. to operate on 1310 kc., with 100 watts night, 250 watts local sunset, unlimited time, and application for a special experimental authorization to construct and operate a synchronous station in Washington, to be used in conjunction with the facilities requested for a broadcast station, with 10 to 100 watts power, unlimited time. The frequency formerly was used by Station WOL.

"The Commission's plan of allocation contemplates the use of local frequencies by stations proposing to serve small centers of population and the adjacent rural areas", the FCC explained. "Regional frequencies are set aside to provide service to large centers of population, such as the Washington, D. C. metropolitan district, and the contiguous areas. The assignment requested for a construction permit, is for a station to operate on a local frequency. The station proposed cannot serve the large number of people residing within substantial portions of either the metropolitan district or the District of Columbia itself. Accordingly, taken by itself, this application would have to be denied."

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CROSLEY TAKES ON FOOTBALL TEAM TOO!

Powel Crosley, Jr., owner of Stations WLW and WSAI, Cincinnati, who manufactures radios and automobiles, etc., and is President of the Cincinnati Reds, National League leaders, has taken on a professional football team to look after in his spare time.

He has acquired a financial interest in the Cincinnati Bengals, which made a good record last year in its first season. Station WSAI will have exclusive right to broadcast games from Crosley Field.

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BULLOCK NAMED G.E. UNIT AD MANAGER

Boyd W. Bullock, for the last seventeen years associated with the Publicity Department, and now Assistant Manager of Broadcasting, of the General Electric Company at Schenectady, has been appointed Advertising Manager of the company's Appliance and Merchandise Department at Bridgeport, Conn., H. L. Andrews, Vice-President in charge of appliance activities, announced this week. Since 1933, Mr. Bullock, a native of Evansville, Indiana, has been Assistant Manager of the Publicity Department. He will direct the advertising and promotion program for G.E. products sold to consumers through retail channels and for products of the Plastics Department at Pittsfield, Mass.

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Effective Sunday, September 24, Station WKRC will become the basic outlet for the Mutual Broadcasting System in the Cincinnati area. Operating with 5000 watts day and 1,000 watts night, on 550 kilocycles, WKRC is under contract of sale to the Cincinnati Times-Star, subject to approval of transfer by the Federal Communications Commission. Former owner was the Columbia Broadcasting System.

Transradio News Service, in a note to station clients last week, warned them against falling for the scarehead war news sent out by the other press associations. The note was the most sizzling blast of criticism that one news collecting agency has directed against another since rivalry began in furnishing news for radio.

Eugene Lyons, well known newspaperman, foreign correspondent, editor and writer is featured as commentator by Station WMCA, New York, in a new series of nightly programs which began this week.

After the reopening of radio telephone service Wednesday to six more European countries, a continuous flow of transatlantic conversation passed over the new circuits of the American Telephone and Telegraph Company to Italy and the Netherlands, according to the New York Times. Telephone service was resumed with Belgium, Bulgaria, Denmark, Germany, Lithuania and Yugoslavia.

On Tuesday service was reopened with Holland, Hungary and Switzerland, the New York-Rome circuit having been opened on Monday.

A feature of London's Radiolympia exhibition which closed a short time ago was the section devoted to television receivers, according to World-Radio. The keynote of the display, the BBC organ reported, was "Television to suit all pockets". The prices ran as low as 24 pounds, or approximately \$100.

"No fewer than five sizes have been standardized for direct vision sets; approximately 5 in. by 4 in., 6 in. by 5 in., 8 in. by 6 in., 10 in. by 8 in., and 12 in. by 10 in., while a 'projected image' receiver gives a picture 18 in. by 14½ in.", the reviewer stated.

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RCA TRAFFIC SUPERINTENDENT DIES

Walter E. Wood, Traffic Superintendent of R.C.A. Communications, Inc., died Thursday at his time in Dumont, N. J., after a nine-month illness. Mr. Wood, a World War veteran, was 53 years old.

Mr. Wood was born at Shornecliff Camp, near Folkestone, England, a British military encampment. His late father was a British Army officer.

In 1919 Mr. Wood was appointed Superintendent at the Chatham (Mass.) station of the Radio Corporation of America. Upon the closing of that station in 1922, he became Assistant Superintendent of the company's Central Radio Office in New York. He became Superintendent of Traffic for R.C.A. Communications in 1937. He was a naturalized American.

Surviving are his widow, Mrs. Xena Wood, and two sons, Walter C. and Robert Wood, all of Dumont.

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"BIG BUSINESS AND RADIO" BARES DEALS

Volume two of Dean Archer's history of radio has just come off the press, with the title "Big Business and Radio". For almost five hundred pages the author uncovers the inside story of agreement and disagreement among the leading American electrical and communication companies, giving indisputable proof of his findings in the form of quotations from actual letters and contracts. The volume sells for \$4.00 at the American Historical Society, 80 Eighth Avenue, New York.

"I believe that this book will be the final authority on the subject", states General Harbord, RCA's Chairman of the Board. "You have built yourself a monument in this great work." "A wealth of detail, research, precision and labor", is the opinion of another reviewer.

The final chapter of the book is devoted to David Sarnoff's vision of radio's future.

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