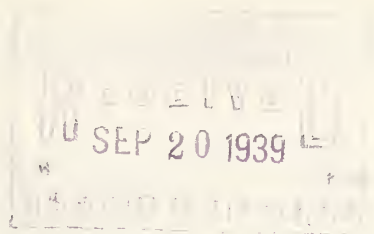


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



INDEX TO ISSUE OF SEPTEMBER 19, 1939

Radio To Figure, Not Legislatively, At Extra Session.....	2
Transradio Plans Facsimile-Newspaper Chain.....	3
Radio Prevents Recurrence Of "Bottle Neck".....	3
NAB Forms Music Unit To Fight ASCAP Control.....	4
British Radio To "Carry On", Says BBC Organ.....	5
Edgar Bill Chairman of Radio Code Committee.....	6
Capital Amateurs Take Neutrality Pledge.....	7
Trade Notes.....	8
WLW Distributes War Maps To Aid Listeners.....	9
Berlin Directs S-W Warning To U.S.....	9
CBS Lends Programs To Major Armstrong.....	10
Mutual Celebrates Sixth Year of Operations.....	11

No. 1158

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

September 19, 1939.

RADIO TO FIGURE, NOT LEGISLATIVELY, AT EXTRA SESSION

While radio will have an important role in covering the highlights of the extra session of Congress, which begins Thursday, and doubtless will come in for some debate on the Senate and House floors from time to time, Administration sources have not revealed any plans for new legislation affecting broadcasters.

The Special Federal Communications Commission Committee which is studying the effects of the European war on American radio has come to no final decision, it is understood, but indications are that it will not propose any legislation at this time. At the regular session, beginning in January, however, the FCC may ask for an increased staff to keep closer check on radio communications.

Much will depend, of course, upon developments during the next few weeks, but the Communications Act already gives the President ample powers to meet an emergency if radical changes in radio control are deemed necessary.

While there are no indications at present that censorship will be invoked except upon the entrance of the United States into the war, officials are looking ahead and wondering where the radio control will be vested in such an eventuality.

Members of the FCC refuse to discuss the matter at this time, but it is known that some of them feel that the Commission is best equipped to act as radio's censor although War Department planners hold that an emergency Military Board should direct censorship control of both the press and the radio.

When censorship is invoked, as it is bound to be if war comes, broadcasters hope that they will be given as much freedom as the press. Whether the job of policing the stations would be transferred in part to an emergency or military agency is conjectural. Far-seeing leaders in the radio industry believe they would fare better in the long run if the Federal Communications Commission does not do the job, for experience has shown that emergency military agencies expire as a rule when peace returns but civil authorities are not easily shorn of authority once obtained.

Even in war-time, it is likely, the American listener will be able to tune in his favorite swing band or comedian, regardless of how his news may be edited before being broadcast

or published. It is not conceivable, moreover, that Americans would be deprived, as have the Germans, of the right to tune in foreign short-wave stations if they desired to do so.

Great Britain may be cited as an example of how American radio may be expected to act during a war involving this country. There the government, while censoring news, is encouraging the broadcasting of light entertainment. It helps morale, the English believe.

X X X X X X X X X X

TRANSRADIO PLANS FACSIMILE-NEWSPAPER CHAIN

A newspaper to be started late this Fall or early this Winter in Hartford, Conn., may be the first in the chain of facsimile-processed papers planned by Herbert Moore, head of Transradio Press Service. At the outset the new paper will receive its news from Transradio by teletype, as there can be no prefabrication until a sufficient number of papers are signed up to make the idea economically feasible, Mr. Moore explained. After the paper has established a suburban and rural circulation, it plans to use facsimile broadcasting, in conjunction with a local station, to distribute its papers to subscribers in these sparsely populated areas, Mr. Moore added.

X X X X X X X X X X

RADIO PREVENTS RECURRENCE OF "BOTTLE NECK"

Radio has prevented recurrence of the London communications "bottleneck" that developed in the World War, the Commerce Department reported this week.

Though the new European war resulted in a tremendous increase in volume of cable, radio and telephone traffic between this country and Europe, existence of direct, high-speed radio telegraph circles between the United States and over 60 nations has made possible adequate trans-Atlantic service.

At the beginning of the World War, the Department recalled, London, because of her cable supremacy, was the communications center of the world. A "bottleneck" therefore developed, greatly delaying telegraphic communications.

Radio has changed the picture completely, and present facilities are judged more than adequate to meet the increased war demands.

Althoth the belligerents have restricted international telephone service, American telephone concerns have re-established service with Belgium, Denmark, Germany, Lithuania, Bulgaria, Yugoslavia, The Netherlands, Hungary, Switzerland and Italy, the Department said.

X X X X X X X X X

NAB FORMS MUSIC UNIT TO FIGHT ASCAP CONTROL

A long smouldering resentment against the control of copyrighted music by the American Society of Authors, Composers, and Publishers broke into an open attack by the National Association of Broadcasters last week-end at a special convention in Chicago.

The NAB, preparing to raise what was termed "a war chest" of \$1,500,000, announced it would establish its own supply of music for radio broadcasting through a new corporation to be known as Broadcast Music, Inc.

The first response of the ASCAP was a brief statement by Gene Buck, President, to the press to the effect that he wondered where NAB would get its music. Most composers, authors and publishers, he said, belong to ASCAP. NAB made a similar attempt to break away several years ago, it was recalled, but subsequently abandoned the move.

The new NAB project was devised by Sydney M. Kaye, New York attorney retained by the broadcasters. It provides for the issuance and sale of stock to the member stations. Neville Miller, President of NAB, will act as temporary President of Broadcast Music, Inc., but executive personnel will be employed.

Broadcasters represented at the Chicago convention pledged to buy stock in the corporation up to 50 percent of their payments to ASCAP in 1937. In that year radio paid the copyright society \$3,800,000.

Admitting that ASCAP has substantial control of existing music demanded by broadcasters, broadcasters still hope to obtain an agreement with ASCAP which would look toward payment only on ASCAP music used, rather than a tax on the station's entire income. The objective, NAB declared, is to procure a "per program" basis of payment, with clearance at the source.

NAB takes the view that the additional catalogs of music would parallel and act as a partial substitute for the ASCAP catalog. If necessary, however, the industry would try to get along on its own music.

The basis on which the \$1,500,000 fund would be employed was outlined to the convention and approved as proposed. Under it, \$300,000 of the total would be paid by stations for the stock, the remaining \$1,200,000 to be paid for initial "license fees" to the corporation. There would be 100,000 shares of stock issued at \$1 par value. Of this stock 80,000 shares would be offered at \$5 a share, of which \$1 would constitute capital and the remaining \$4 capital surplus.

Each broadcaster would be offered that number of shares which would make the total amount paid for stock equal to 10% of the broadcasters' 1937 ASCAP fee. To prevent alienation of stock, the broadcaster first would have to offer it to the corporation if he desired to sell.

X X X X X X X X

BRITISH RADIO TO "CARRY ON", SAYS BBC ORGAN

The British Broadcasting Corporation will carry on many of its normal broadcasting functions throughout the war as well as keep the British Empire informed of newsworthy developments, the Radio Times, BBC journal, declares.

"Last week on this page we said that broadcasting would carry on", the Times says. "That promise was based on the knowledge that preparations for any emergency had been made by the BBC, and that everything was in readiness to make the change from peacetime broadcasting to broadcasting in time of war. The first test came on the afternoon of Friday, September 1, when the change-over of wavelengths was made. That, as listeners know, was accomplished as smoothly as even the BBC engineers (who are exacting in their standards) could desire. During that Friday, broadcasting surmounted the difficulties caused by the restriction of transport and by the black-out. There remained the acid test of war itself.

"Listeners know the result of that test, too. Broadcasting has carried on. From seven in the morning until after midnight, there is always something on the air. British listeners can get news, entertainment, lessons for the schoolchildren, religious services, music - in fact, broadcasting remains one of the most normal things in an abnormal world.

"What the British listener hears of broadcasting, however, is by no means the full output of the BBC. In addition to the Home Service, which runs for nineteen hours a day (with further periods in the early morning if there is any important news), two other British programs are going out every day. One is a short-wave service to the whole world, which runs for nearly twenty-two hours; the other a short-wave service meant primarily for Europe, aided by the use of the medium wavelength that used to be known as the medium-wave National - 261.1 metres. Many listeners in this country have probably picked up these transmissions by now.

"These broadcasts, which consist largely of news, are going out in many different languages. There is a French service for French Canada, as well as one for France; an Afrikaans service for South Africa and the Arabic service, which is the one that has been least affected by the change from peace to war. There

are broadcasts in German and Italian, Spanish for Spain and Spanish for South America, Portuguese for Portugal and Portuguese for Brazil, and the latest language to be added to the list is Magyar. Still more are to come.

"In yet another way that is not apparent to the ordinary listener, the BBC has been busy with a useful task. Its studios have been open to American broadcasters speaking from England to the United States, where interest in the fortunes of Britain during this fateful time is at its height. Night and day, these broadcasts are going to America, not by means of BBC transmitters, but from BBC studios. The BBC is not responsible for them, but it is glad to be able to help the American broadcasters with all the facilities that it can provide."

X X X X X X X X X

EDGAR BILL CHAIRMAN OF RADIO CODE COMMITTEE

Preparing to put into effect the National Association of Broadcasters' Code, Neville Miller, President, this week appointed Edgar L. Bill, President of WMBD, Peoria, Ill., Chairman of a committee authorized by the Chicago convention to enforce the rules of conduct. The Code becomes operative October 1.

Ed Kirby, NAB Public Relations Director, will serve as Committee Secretary. Other members include members of the group which drafted the self-regulation code last Summer. They are Lenox R. Lhor, NBC President; Edward Klauber, CBS Executive Vice-President; T. C. Streibert, WOR-MBS Vice-President; Walter J. Damm, WTMJ, Milwaukee; Ed Craney, KGIR, Butte, Mont.; Karl C. Wyler, KTSM, El Paso, Tex.; Samuel R. Rosenbaum, WFIL, Philadelphia, Penna. Two additional members will be named later by President Miller in lieu of Paul W. Morency, WTIC, Hartford, Conn., and Herb Hollister, KANS, Wichita, Kans., who served on the original code group, but who, as members of the NAB Board, cannot qualify. The Board itself will sit as a sort of "Court of Appeals" over the Code Compliance Committee.

"The Code is more than an expression of radio policy", Mr. Miller declared. "It is an outstanding example of voluntary industrial self-regulation, conceived and executed in the public interest."

The Code, adopted at the Atlantic City convention, requires that radio stations shall provide free time for the discussion of controversial public issues in such a way that conflicting viewpoints in public matters have a fair and equal opportunity to be heard. In no event will time be sold for such purpose, except for political broadcasts.

"The political broadcasts excepted 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", Mr. Miller said.

This policy governing the discussion of controversial public issues through radio was adopted, Mr. Miller said, "because of the natural limitation of radio facilities and of the number of hours available per day for broadcasting. Without such a policy, the radio forum could conceivably gravitate almost exclusively to those with the greater means to purchase time. The NAB policy insures that radio will remain a free and democratic form for the fair and many-sided discussion of all public matters."

The Code further requires that news broadcasts be factual and presented without bias or editorial opinion. It also provides that children's programs be based upon "sound social concepts" and that radio stations continue to cooperate with educators in the further development of radio as an educational adjunct. It also provides that no one shall be permitted to use radio to "convey attacks upon another's race or religion."

While the full Code becomes effective October 1, the Board ruled that existing commercial contracts shall be respected for their duration, provided they do not run for more than one year after October 1, 1939. "New business, competitive with existing accounts, may be accepted with the same length of commercial copy as is permitted existing accounts." The Board directed that the new Code Committee "shall immediately make itself available to resolve doubts of broadcasters as to whether proposed new business conforms or can be made to conform to the Code."

X X X X X X X X X

CAPITAL AMATEURS TAKE NEUTRALITY PLEDGE

Roy C. Corderman, Emergency Coordinator for the American Radio Relay League, and Vice Chairman of the Communication and Transportation Committee of the District Red Cross, said this week that Washington amateur radio operators had agreed to special rules for the conduct of their stations in view of the European war.

Members of the Washington Radio Club, Mr. Corderman said, had endorsed a policy of refraining from any communications except those of a strictly amateur character, maintaining an accurate log of every transmission. They agreed not to communicate with amateurs in belligerent countries.

X X X X X X X X X

9/19/39

TRADE NOTES

Uberto Neely, member of the WLW musical staff and radio director of the Cincinnati College of Music, is in general charge of the Radio Workshop being conducted by that institution this Fall.

A comprehensive schedule of daily broadcasts especially designed to bring American listeners complete factual coverage of the European war situation was announced last week by the Columbia Broadcasting System. Proper balancing of the schedule required the withdrawal of a number of sponsored and sustaining programs. The times were decided only after careful study of the best methods of programming in relation to probable news sources under conditions created by the war in Europe, CBS officials said.

Tuesday has been adopted as the regular meeting day of the Federal Communications Commission until further notice. Regular broadcast actions will be handled on that day, along with other routine considerations. Oral arguments will be held on Thursdays, pursuant to the practice established last year, with the Motions Docket, presided over by a Commissioner, to be held Fridays.

In a complaint issued by the Federal Trade Commission, David H. Fulton, trading as Vendol Company, 1 West Biddle St., Baltimore, was charged with disseminating misleading representations in periodical, circular and radio advertisements, concerning a medicinal preparation designated "Vendol".

George Crandall, former manager of the concert division of New York's Federal Music Project, has joined the CBS Publicity Department as field representative, according to Louis Ruppel, Director of Publicity. Mr. Crandall has started a trip which will take him to principal cities in the East, South, and Middle West in behalf of CBS sustaining music, education, and drama features. His itinerary includes all the cities which the New York Philharmonic-Symphony Orchestra will visit on its out-of-town schedule starting October 28.

X X X X X X X X X X X X X X X X X

9/19/39

WLW DISTRIBUTES WAR MAPS TO AID LISTENERS

Into the mail this week went thousands of copies of an elaborate WLW war map, detailing European war areas, and distributed by the station as an aid to both radio listeners and newspaper readers in following developments in the conflict.

The main portion of the map focuses on Central Europe. Printed in five colors, it outlines both the Eastern and Western war fronts, with red swastikas on the German Siegfried Line and fleur-de-lys emblems on the French Maginot Line. Smaller Polish, German and French towns all are identified on the map, which extends northward to picture the Baltic Sea. On the reverse side is a map of continental Europe, for reference if the Mediterranean Sea becomes a theater of war.

Expert cartographers were consulted in making the map, which was drawn with the idea that it would be useful throughout the conflict. Reference to it by news commentators will make it possible for listeners to follow much more closely the movements of troops, and to identify towns bombed, captured, or otherwise affected.

The first announcement of the map distribution was put on the air Thursday night, September 7. By Monday morning, orders for nearly 8,000 had been received, and the daily average now approximates that amount. A sizable portion of the demand was from officials of banks, brokerage houses, railroads and manufacturing concerns.

X X X X X X X X X X

BERLIN DIRECTS S-W WARNING TO U. S.

The Berlin official radio station Monday evening several times broke into short-wave musical programs to the United States to warn American listeners to avoid entanglement in European quarrels, to distrust "anti-American propaganda" designed to involve the United States and to refrain from financing another war, the New York Times reported.

In one of these interruptions a speaker over Stations DJB and DJD analyzed British propaganda methods, as outlined by Sidney Rigerson in his book, "Propaganda in the Next War". In another the broadcaster attacked Great Britain's non-payment of her war debt to the United States.

"American listeners", the broadcaster exhorted, "wake up to the un-American propaganda that is being whispered, talked, shouted to you day after day. It may come through American channels, but its sources are not American."

9/19/39

"Is it American to wish misery and destruction on Americans? Is it American to try to entangle America in the European net?

"Those alien forces that want you for war stop at nothing. They see to it that your newspapers print false reports that have no other purpose than to make you feel that war is inevitable.

"Refuse to admit that there is an un-American destiny for war stronger than the common sense of the American people. You are free. Stay free!"

The speaker recalled that "Uncle Sam was called Uncle Shylock" when the United States sought payment of her war debts from Britain. These, he contended, are now being discharged by the American taxpayers, despite Britain's seizure of wealthy and productive German colonies.

"There never has been told a stranger story", he added, "than the story of the way in which Britain has defaulted to the American taxpayers."

X X X X X X X X

CBS LENDS PROGRAMS TO MAJOR ARMSTRONG

Beginning this week, Columbia's evening programs will be made available to Major Edward H. Armstrong's 40-kilowatt frequency modulated experimental station W2XMN, located across the Hudson from New York City in Alpine, N. J. The station transmits on a frequency of 42,800 kilocycles, and is said to develop staticless radio reception.

CBS plans to make extensive tests in the field of engineering and auditory perspective to determine the scope of Armstrong's invention and to see how it can be applied toward serving the public in the field of radio broadcasting.

Major Armstrong, Professor of Electrical Engineering at Columbia University, is an outstanding inventor in the radio and electronic field. He is well-known as the inventor of the super-hetrodyne circuit which has been universally adopted for radio receivers.

X X X X X X X X

9/19/39

MUTUAL CELEBRATES SIXTH YEAR OF OPERATIONS

The Mutual Broadcasting System observed its fifth year of operations last Friday. The growth of the Mutual network marks the most rapid expansion in radio history. MBS was formed on September 15, 1934, by WOR, Newark; WGN, Chicago; WLW, Cincinnati, and WXYZ, Detroit. It was officially recognized as America's third national network when Mutual's programs started on October 2, 1934.

The first interchange of programs with the Canadian Broadcasting Corporation was effected on June 1, 1935. The initial transatlantic program was carried over Mutual on its first anniversary, September 15, 1935.

Mutual grossed \$1,000,000 in billings for the 1934-35 fiscal year. For the year 1936, Mutual's billings exceeded \$2,000,000. Total billings for twelve months of 1938 were \$2,920,323, marking the largest year's total in the history of the network.

President W. E. Macfarlane of Mutual announced on June 27, 1936 that the network would become affiliated with the Don Lee network on the Pacific Coast.

The Colonial Network of New England became affiliated with Mutual on July 1, 1936, with Boston's WAAB as a basic member station. Other outlets announced their affiliation with Mutual soon after transcontinental plans were outlined. The Iowa Network and the Central States Broadcasting System joined in the latter part of 1936. On January 1, 1937, Mutual's list of affiliates totaled 38 in the United States and KGMB in Honolulu.

Mutual's California affiliate, the Don Lee Network, became first to conduct daily television demonstrations on the West Coast.

The newly-formed Texas State Network, formed by Elliott Roosevelt, affiliated 23 more stations with Mutual on September 15, 1938, swelling the list to 107.

Mutual's facsimile network began operation on March 11, 1939, with WGN, WLW and WOR. WHK joined later.

X X X X X X X X