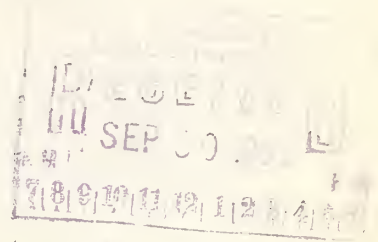


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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BROADCASTERS UNEASY AFTER FCC "TRIAL" OF WMCA

The manner in which Station WMCA, New York, was placed on "trial" by the Federal Communications Commission this week for broadcasting as news what was purported to be secret military information of Great Britain and Germany has disturbed other broadcasters who see in the hearing an ominous portent of what may happen to other stations should the United States go to war.

Observers also were disappointed in Chairman James L. Fly, who up to this time appeared to have a sympathetic understanding of the industry's problems. His police court manner of lecturing witnesses and summarily dismissing them aroused a great deal of off-stage criticism even from otherwise neutral spectators.

That the FCC had failed to prove its case, so far as illegal broadcasting of "secret" international radio communications was concerned, was apparent after a hearing that dragged through the morning and into the middle of the afternoon on Wednesday.

Realizing the weakness of that angle of the case, Chairman Fly, aided by Commissioners Thompson and Payne, harped at length on the false statements contained in the WMCA advertisement of its "scoop" although FCC officials admitted that this was a matter for the Federal Trade Commission rather than the FCC to be concerned with.

Before the hearing, it was understood, the majority of the Commission was determined to make an example of WMCA by revoking its license, but afterwards the Chairman and other members were obviously angry but appeared less sure of themselves. There were indications that one or more members of the Commission will oppose any drastic punishment of WMCA when the matter is considered in executive session, probably next week.

The inquiry also aroused comment as to why the FCC artfully evaded bringing the New York Herald Tribune into the case any more than was necessary to establish the fact that a Herald-Tribune radio operator picked up the messages broadcast by a German and an English station.

There was no doubt that the newspaper not only furnished the information to WMCA for the broadcast but subsequently published it in its own columns.

While FCC officials insisted that the Commission has no jurisdiction over newspapers or the interception of secret international communications by receivers, the order to WMCA to show cause as to why its license should not be revoked stated that both the international radio treaty and the Communications Act prohibit the publication of such messages.

The order read in part as follows:

"Whereas, in order to insure the secrecy of international radio communications, the United States Government has agreed with other governments, including Germany and Great Britain, to take the necessary measures to prohibit and prevent (a) the unauthorized interception of radio communications not intended for the general use of the public; and (b) the divulging of the contents or of the mere existence, the publication or any use whatever, without authorization, of such radio communications; and

"Whereas, Section 605 of the Communications Act of 1934 provides that no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person, and further provides that no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto."

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WMCA OFFICIALS ADMIT NEWS BROADCAST, DENY ILLEGALITY

Donald Flamm, President of the Knickerbocker Broadcasting Company, licensee of WMCA, New York, and other officials of the station stoutly denied an unlawful activity in broadcasting German and British naval orders on the eve of the European war during a four-hour hearing before the Federal Communications Commission this week.

The information was furnished WMCA, it was testified, in the regular news bulletins provided by the New York Herald Tribune under a special "emergency" arrangement from August 25 to September 5.

At the same time William Wiseman, Vice-President, insisted that he had complied with the order to show cause in his answer, which the FCC declared was inadequate.

Chairman James L. Fly, who assumed the role of prosecutor at times, flatly stated that the Commission "feels the document is incomplete".

Stanley Wolff, chief radio operator of the Herald Tribune, admitted picking up the naval messages which were broadcast as interruptions to regular press transmission in English. The German communication, addressed to certain German ships, was in the German language.

When translated at the newspaper office, it read: "Upon receipt of this transmission, act upon your special secret instructions." It was accompanied by a code message in figures.

The British radio message ordered British merchant ships in certain European and Asiatic waters to proceed to British ports. They were forbidden to visit Italian ports and those already in Italian harbors were ordered to leave.

Mr. Wolff testified that he "picked up" the messages in the course of regular news broadcasts which were interrupted for the transmission of the orders, that he understood them to be "original orders" and not a part of the news program, and that he so transmitted them to WMCA.

Leon Goldstein, WMCA's special events and news editor, who received them from Mr. Wolff, said that he understood them to be "bulletins" for which the regular broadcasts were interrupted, but which were equally "news" for legitimate broadcasting.

He said that, in that belief, he had "checked" on them with the International News Service, which together with The Daily Mirror, constituted the company's regular news sources, augmented temporarily by The Herald Tribune service.

In reply to a question by Commissioner Craven, Mr. Wolff said that both messages, were transmitted in telegraphic, but not secret, code by official German and British broadcasting stations used commonly, but not exclusively, for news broadcasts.

Considerable time in the hearing was taken up with the WMCA promotional advertisement headed "Scoop", which reproduced clippings from the New York Daily News and the New York World-Telegram, crediting the station with "scoops" on the pre-war British and German naval orders.

Mr. Flamm assumed "full responsibility" for the advertisement, which appeared in Variety and Radio Daily, but explained that he had perused it rather hastily. He and Mr. Goldstein insisted that they did not know how George Ross, World-Telegram columnist, who stated that WMCA had a naval officer decode the messages, obtained his incorrect information. Mr. Goldstein said he did not talk with Ben Gross, of the Daily News.

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Mr. Wiseman, when grilled by Chairman Fly and William J. Dempsey, FCC counsel, as to why his reply to the Commission's order was not more detailed, insisted that he replied as directed and did not believe the FCC was interested in "irrelevant matters" such as the advertisement.

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INTERNATIONAL RULE SUSPENSION EXTENDED

Still deliberating the varied communications problems related to the European war, the Federal Communications Commission this week stated that its rule governing the programs of U. S. international stations had been extended further pending a completion of the broader study.

The rule, which specified that international broadcasts should promote American culture and good-will toward the United States, was suspended in the late Summer following a hearing at which broadcasters attacked it as a form of censorship.

The following resolution was adopted by the FCC with regard to the rule:

"Whereas, on May 23, 1939, the Commission adopted Rule No. 42.03(a) having to do with the conduct of international broadcast stations, which rule was thereafter suspended pending further investigation, and

"Whereas, the outbreak of the European war has injected into the problem of international broadcast regulations various additional significant factors, and

"Whereas, on September 6, 1939, this Commission appointed a committee composed of Chairman Fly, Commissioner Brown and Commissioner Craven to study the various phases of the communications problem in relation to current war conditions, to maintain contact with the various Government agencies and the industry and to report to the Commission its recommendations, which committee has made studies and held various conferences on the problems in relation to international broadcasting,

"Therefore, be it resolved, that said rule is hereby further suspended pending the conclusion of said studies and conferences and subject to the report of said committee recommending to the Commission such further action as it may deem appropriate."

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RMA TO DISCUSS WAR'S EFFECTS ON INDUSTRY

Fall meetings of the Radio Manufacturers' Association October 10 and 11 in New York City at the Hotel Roosevelt, will largely be devoted to problems and opportunities resulting from the European war and also national promotion projects, according to Bond Geddes, Executive Vice-President. Plans to promote sales of short wave radio, due to the special interest in European broadcasts, together with the joint industry promotion of RMA and the National Association of Broadcasters, and also promotion projects for RMA amplifier and parts manufacturers will be considered. The largest attendance of RMA members during the annual Fall meetings in years is expected.

Preliminary to the meeting of the RMA Board of Directors called by President A. S. Wells on Wednesday, October 11, there will be many RMA committee and group meetings at the Hotel Roosevelt on Tuesday, October 10. On October 10 there will be a large meeting of the RMA Export Committee, called by Chairman S. T. Thompson of Chicago, to consider the many foreign trade problems resulting from the European conflict, including embargoes and quotas, together with the new trade treaties being negotiated by this Government with Argentina and Belgium. Also on October 10 plans to stabilize introduction of new tubes will be considered by the RMA Tube Control Committee of which Dr. W. R.G. Baker of Bridgeport is Chairman.

Several group meetings of parts and accessory manufacturers also will be held October 10, following recent reorganization of the RMA Parts and Accessory Division by Chairman H. E. Osmun of Milwaukee. Already there has been scheduled meetings of the Variable Condenser Section and Volume Control Section, under the respective chairmanship of Samuel Cohen of Elizabeth, N.J., and William Nicely of Chicago, and other newly organized sections of parts manufacturers are arranging additional meetings.

Action will be taken by the RMA Directors October 11 regarding the radio merchandising rules promulgated July 22 by the Federal Trade Commission. Recommendations with respect to RMA action will be made by the Association's Fair Trade Practice Committee of which Commander E. F. McDonald, Jr., of Chicago, is Chairman.

Arrangements will be made by the Association's Board also for procedure before the Treasury Department on October 17 in the hearing arranged by RMA to again urge repeal of the 5 percent radio excise tax. The Treasury hearing is in charge of a special RMA committee headed by A. H. Gardner of Buffalo, and there will be reports to the RMA Board of many other committees in development of Association services to member companies and on many industry problems.

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COAST GUARD BUILDING RADIO STATION

A new \$250,000 radio station, on land once owned by George Washington, soon will be ready to help the Coast Guard sharpen its watch on America's land and sea boundaries.

The station, under construction at "The Hayfields", Va., once part of the Mount Vernon estate, will be equipped with a powerful receiving unit, and six remote control transmitters, capable of giving the Coast Guard instant communication with points anywhere in the world; including the 90 other Coast Guard radio stations, and hundreds of radio-bearing ships and planes.

Each of the transmitters will be in a separate sealed structure, controlled from the central receiving building 2,500 feet away. The radio plant will also include a testing laboratory and power supply unit, housed in separate buildings.

The present site of the radio center was sold by George Washington to his estate manager and distant relative, Lund Washington, after the Revolutionary War. Nearly 200 acres of the once-rich farm land are being torn up for the necessary underground control cable circuits.

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CANADA CENSORS POLITICAL TALKS IN ELECTION

The general election which Premier Maurice Duplessis has called in Quebec for next month on the ground that the autonomy of that Province is menaced by the Federal Government's war measures, will be subject to censorship and will be the first in Canada's history to be held under such restrictions, according to the Ottawa correspondent of the New York Times.

Broadcasting of speeches at political meetings held during the campaign will not be allowed. Only studio broadcasts will be permitted and texts submitted in advance will be scanned by the war censors.

The Censorship Board in a statement pointed out that all radio stations in Canada were informed on September 22, before it was known that an election would be held in Quebec, that broadcasts from political platforms would not be allowed since it was impossible to censor them. The order thus has no special application, it is asserted, to the election in Quebec.

Premier Duplessis is irked, however, by the restriction. He declared that it would prevent "free discussion of questions of vital importance to the electors of the Province."

As for the rule requiring studio political broadcasts to be passed by the censor before delivery, the Premier said emphatically:

"As Prime Minister of Quebec Province I will submit no text to the Canadian Broadcasting Corporation. I contend that the Prime Minister of Quebec has the right to express his views and those of the Province without having to pass through Federal authorities."

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ELECTRICAL AND RADIO GROUP MEETING OCT. 11 IN N.Y.C.

As a feature of the National Foreign Trade Council's Annual Convention being held at the Commodore Hotel, New York City, October 9, 10, and 11, it has been arranged to have Industrial Group meetings covering various industries on Wednesday morning, October 11.

The Electrical and Radio Group meeting will be presided over by William E. Knox, Assistant General Manager of the Westinghouse Electric International Company, who has recently returned from a world wide trip in behalf of his company. John H. Payne, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, will act as counselor for the meeting.

This is the second year in which these group meetings have been featured as part of the Foreign Trade Council Convention, the meetings last year having proved particularly interesting and useful.

"Representatives of any American firms interested in Electrical or Radio foreign trade will be welcome, whether they attend the other sessions of the National Foreign Trade Convention or not", the Commerce Department stated. "Questions or subjects for pertinent discussion at the meeting should be sent either to Mr. Knox or Mr. Payne as much in advance of the meeting as possible."

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TELEVISION HELD IMPRACTICAL FOR CANADA

Television development in Canada is definitely in the experimental stage and its early practical application is discounted", the U. S. Commerce Department reports.

"Television presents a difficult geographic problem in Canada and as yet no concern has been inclined to provide television broadcasts because of the indeterminate nature of technical developments and the lack of a concentrated population area large enough to warrant the installation expense", the report states. "Television is not economically feasible in Canada at present."

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::: TRADE NOTES :::
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Gene Buck, President, and the Board of Directors of the American Society of Composers, Authors and Publishers have sent out invitations for a "Festival of American Music" to be presented next week in Carnegie Hall, New York City, in commemoration of ASCAP's twenty-fifth anniversary.

A story of the achievements of Powel Crosley, Jr., of Cincinnati, is carried in the September 30th issue of the Saturday Evening Post. Titled "The Crosley Touch - and Go!", the article by Forrest Davis describes Crosley's varied interests in the industrial and sports fields.

And Mr. Crosley is receiving congratulations today on his Cincinnati "Reds" winning the National Baseball League Pennant for the first time in twenty years.

The State Department will begin negotiations next month with the Argentine and Belgium Governments on reciprocal trade treaties, it has been officially announced, and the RMA Export Committee under Chairman S. T. Thompson will represent the radio interests involved, especially with Argentina. The RMA is co-operating with the Bureau of Foreign and Domestic Commerce in preparation of radio recommendations and data. American interests in Buenos Aires also are assisting.

A. MacGillivray, for the last year Assistant Controller of the RCA Manufacturing Company, has been elected Controller of the company, according to announcement this week by George K. Throckmorton, President. Mr. MacGillivray joined the RCA Radiotron Company in 1930 and in 1935 was transferred to the RCA Manufacturing Company headquarters at Camden, N. J., to take charge of tax, insurance and budget accounting activities.

Bond Geddes, Executive Vice President of RMA, has been elected a Vice President of the American Trade Association Executives, the national organization of over 500 industrial and other trade associations. Mr. Geddes also is on the Board of Directors of the national organization and is Vice President of the Washington Trade Association group.

Although supporters of Father Charles E. Coughlin met Sunday, as usual, before Station WMCA's headquarters at 1657 Broadway, New York City, the building was not picketed for the first time since December 19, 1938, a representative of the station announced this week.

Federal collections last August of the 5 percent radio excise tax were \$401,738.21, a slight increase over the August 1938 radio taxes of \$399,828.47. The large seasonal increases in excise taxes on mechanical refrigerators continued in August, when the collections were \$1,004,409.97, compared with refrigerator taxes in August 1938 of \$418,762.09.

Tony Wakeman, WOL sports commentator, and the American Broadcasting Co., Washington, owner and operator of WOL, has asked District Court to dismiss the \$150,000 slander suit filed against them recently by Natie Brown, Washington heavyweight. Brown's suit alleges that the sports broadcaster, in a broadcast the day after the Washington fighter met Tony Galento in the ring at Detroit last February, accused Brown of "taking a dive" for the New Jersey boxer.

Niles Trammell, Executive Vice-President of the National Broadcasting Company, has announced the appointment of A. E. Nelson, Sales Manager of the NBC-Blue Network, as Manager of Stations KPO and KGO, San Francisco, effective October 1st, and the transfer of Lloyd E. Yoder, Manager of KPO and KGO, to the managership of Station KOA, Denver, on October 15. Both will report to William S. Hedges, NBC Vice-President in charge of stations. At the same time, Mr. Trammell announced the appointment of Robert Owen as Assistant Manager of KOA, effective October 15.

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MID-SUMMER RADIO EMPLOYMENT SHOWS GAINS

Large increases last June in radio factory employment and payrolls, without much change in average weekly and hourly earnings and hours worked, were detailed in the current June employment report of the U. S. Bureau of Labor Statistics. Nationally there was a considerable employment increase last June, 46 of 87 manufacturing industries surveyed reporting employment increases, and 57 larger payrolls.

Radio factory employment last June increased 12.6 and was 33.1 percent above radio employment in June 1938. The June index figure was 108.5 compared with the previous May index of 96.4. A supplementary government report stated that in the monthly turnover rate per 100 radio employees there were layoffs of only 1.55 per 100 last June and 1.81 the following month of July, while the ratio of new radio employees hired was 7.87 last June and 6.51 in July, compared with 7.77 in July 1938.

Radio factory payrolls last June increased 13.2 percent and were 32.9 percent above radio payrolls in June 1938. The June index figure on payrolls was 95.2 compared with the previous May index of 84.1.

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PACIFIC CABLE RATE HEARING SCHEDULED

The Federal Communications Commission this week ordered an investigation into the practices of six West Coast telegraph companies handling transpacific cables.

The Commission alleged that charges for transpacific messages are lower when sent from Seattle and Los Angeles than when originating at Portland, Ore. The companies named are the Mackay Radio and Telegraph Co., of California; R.C.A. Communications, Inc.; Commercial Pacific Cable Co.; Globe Wireless, Ltd.; The Western Union Telegraph Co.; and The Postal Telegraph-Cable Company. A hearing has been set for October 30th.

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TELEVISION SPECTACLES ARE GRANTED PATENT

Albert A. Arnhyrn of Chicago has obtained a U. S. patent (No. 2,058,941) which offers a pair of television spectacles which are sensitive to infra-red rays. The patent states: "In protection against airplanes in wartime the heated portions of the airplane, such, for example, as the engine, would emit infra-red rays through any intervening fog or smoke, or through ordinary darkness, and said rays would be rendered visible by means of the present invention.

He also states that airplane pilots flying safely above clouds and wearing such tele-spectacles would be able to see the terrain below through the infra-red rays radiating from the ground.

It has already been reported that England, France, Germany and Italy have experimented with aerial television. Planes equipped with television sets, it is said, have sent pictures of the clouds through which they are flying to a ground station, while the latter has transmitted to the pilots pictures of clouds thirty miles ahead.

Aerial television holds the possibility of permitting artillery men to see exactly where their shells are falling miles away. A plane carrying a television set might send back to headquarters an actual scene of enemy troop movements and concentrations exactly as they are at the moment. On the screen, officers of a battleship would see whether the shells hurled from its guns were landing on the enemy ships out of ordinary sight beyond the horizon.

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LA GUARDIA FOILS CIVIL SERVICE ON ASCAP

Mayor F. H. LaGuardia intervened in New York Wednesday to forestall the arrest of Gene Buck, President, and three other officers of the American Society of Composers, Authors and Publishers on warrants issued in Missoula County, Montana, charging attempted extortion, attempts to obtain money under false pretenses and conspiracy, according to the New York Herald Tribune. The charges emanated from a dispute between ASCAP and some Montana radio stations over the payment of royalties on broadcast music, and Mayor LaGuardia, it was said, believed that the whole question was a civil, rather than criminal, one.

New York detectives were about to execute the warrants in the office of Louis D. Frohlich, ASCAP's general counsel, when they received a telephone call from Summer City Hall. They took all the papers to the Mayor's office there and a few hours later Police Commissioner Lewis J. Valentine announced:

"This is all a very technical matter. His Honor, the Mayor, has checked it and has instructed the Police Department to confer with the Corporation Counsel before taking further action."

Mr. Frohlich was one of the other ASCAP officials accused by the warrants, which were made out last June 19 by Ward H. Jones, Justice of the Peace of the Township of Hellgate, Mont., on the complaint of A. J. Mosby, operator of radio station KJVO, in Missoula County. The other two officers were E. C. Mills, Chairman of ASCAP's Administrative Committee, and John Paine, General Manager.

The warrants also named as defendants Lenox R. Lohr, President of the National Broadcasting Co.; William W. Paley, President of the Columbia Broadcasting System; Niles Trammell and Edward Klauber, respectively Executive Vice-Presidents of the two chains; A. L. Ashby, Vice-President and General Counsel, and John F. Royal, Vice-President in Charge of Programs of NBC; Isaac D. Levy, a director of Station WCAU, of Philadelphia, and "John Doe".

No attempt was made, however, to execute the warrants on these officials. NBC announced that the Missoula County authorities had ordered the warrants withheld as far as the NBC officials were concerned because NBC has sent the authorities a statement asserting that the company was not guilty.

A similar statement was sent by CBS, the Herald Tribune said, but none by ASCAP. So on Sept. 19 Edward T. Dussault, Missoula County District Attorney, wrote the New York police either to obtain statements similar to those received from NBC and CBS from the four ASCAP officials "or incarcerate them under the warrants of arrest that you have."

Mr. Mills said that he went with Mr. Buck and Mr. Paine to Mr. Frohlich's office not only expecting but wanting to be arrested. He said that ASCAP wanted to fight the thing out, rather than accept the alternative of sending a statement to Missoula County protesting innocence and refusing to waive extradition, as NBC and CBS had done. He said he just could not understand why such a statement could be substituted for arrest.

Asked to unravel the background of the tangled situation, Mr. Mills said that Mr. Mosby had taken advantage of a new "anti-ASCAP" law in Montana to broadcast ASCAP music without paying royalties. The radio chains were still supplying music to Mr. Mosby without collecting any money for ASCAP, the composers' copyright pool, but Mr. Mosby feared they were "conspiring" to cut off the music supply and demand royalties. This, he said, was the basis of Mr. Mosby's "haywire" charges of extortion and conspiracy.