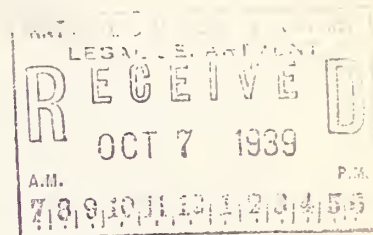


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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## COUGHLIN BAN SEEN IN NAB CODE DEFINITION

While carefully avoiding the mentioning of names, the Code Committee of the National Association of Broadcasters this week left no doubt in the minds of broadcasters that such sponsored controversial programs as Father Coughlin, the Rev. Walton Cole, and Judge Rutherford must be eliminated by subscribing stations.

The Committee, holding its first meeting in Washington, also barred sponsored talks on the neutrality issue but insisted that ample time be allowed for pro and con discussion of such questions on time furnished free of charge by the broadcasters.

NAB officials admitted that complaints against the broadcasts of Father Coughlin occupied much of the attention of the Code Committee at its executive sessions.

The Committee, in its formal statement, also cited the Code's prohibition against "attacks upon another's race or religion".

Some resignations from the NAB, and possibly an appeal to the Board of Directors, are expected if the trade association enforces its Code provisions so as to bar sponsored broadcasts by Father Coughlin, Judge Rutherford, and others.

Edgar Bill, Chairman of the Code Committee, said its deliberations "chiefly centered around problems involving the religious and public controversial sections of the new Code".

"In approaching the public controversial section of the Code", he added, which bars the sale of time for such discussions, but which provides that such discussions be placed on the air without cost, the Committee emphasizes the underlying principles involved.

"There is a limitation to the number of radio channels now available for broadcasting in this country.

"There is also a limit as to the number of hours available per day for broadcasting. Newspapers may add any number of extra pages to accommodate their overflow news and advertising columns. No comparable opportunity exists in the daily schedule of a radio station, which must adhere to the hands of the clock.

"In the absence of any self-imposed policy to the contrary, it is conceivable that some individuals or groups with

financial means to do so could buy all the available time necessary to monopolize, dominate or control the discussion of public issues through the radio medium, precluding a fair opportunity for an opposition without financial resources to present its case to the radio audience.

"Such a situation would pervert the function of American radio as a forum of democracy, and would irreparably shatter the confidence of the public in the American system of broadcasting.

"In order to assure the American people for all time that such an intolerable misuse of radio facilities cannot happen, the Code states that 'Time for the presentation of controversial issues shall not be sold'.

"The Code does not bar anyone or any group from using radio. It simply denies the right to buy time, for the reasons stated.

"Representative spokesmen of groups in the field of public controversial issues have a perfect right to request time on the air, from a network or station, in accord with the public interest therein as outlined in the Code. 'Broadcasters shall use their best efforts to allot such time free of charge, with fairness to all elements in a given controversy.'

"The handling of public controversial issues by radio stations is a matter of principle and not one of personalities.

"The Code Compliance Committee realizes that whether a matter is a public controversial subject or not is one sometimes difficult to determine, particularly in national and statewide affairs.

"The Committee feels, therefore, that its duty and function is that of rendering advisory opinions, and of rendering advisory opinions, and of recommending procedures through which a sincere and uniform understanding of, and compliance with the Code, may be achieved.

"Toward such ends, the Committee holds as self-evident that no determination as to the character or classification of a proposed program or radio address can be established until an advance script has been examined by the station management.

"The Committee recommends, therefore, that

- (a) Since discussions of controversial public issues have been eliminated from paid commercial broadcasts, adequate time for the presentation of controversial public issues shall continue to be provided free of charge by each station or network, in accordance with the public interest therein.



- "(b) All such scripts shall be required in advance, for examination in light of the Code.
- "(c) Under no circumstances will compensation be accepted by the station or network for time consumed by the spokesman of a controversial public issue, unless,
- "(d) The spokesmen appear on a public forum type of broadcast regularly presented, in conformity with the Code, as 'a series of fair-sided discussions of public issues and when control of the fairness of the program rests wholly with the broadcasting station or network'."

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#### WMCA CASE PROVING A "HOT POTATO" FOR FCC

The case of WMCA, New York, which the Federal Communications Commission attacked with confidence a few weeks ago, has become a "hot potato" for the FCC, it was learned this week, and has the Commission stymied for the time being.

Sharply split over what action should be taken, the FCC has used the absence of Commissioner Thad Brown to postpone action for a week or ten days. Commissioner Brown left the middle of the week to resume hearings on the Great Lakes radio traffic inquiry.

The reported line-up within the Commission is: Commissioners Frederick Thompson and George Henry Payne are urging that WMCA's license be revoked. Commdr. T.A.M. Craven and Norman S. Case think that the evidence does not justify any drastic punishment though they would be agreeable to a reprimand.

The other three Commissioners appear likely to jump either way although Paul Walker may not participate as he did not attend the hearing. Chairman James L. Fly, while harsh in his conduct of the hearing, is understood to be listening to the arguments of members who are opposing revocation.

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The Federal Communications Commission granted conditionally this week the application of the Nebraska Broadcasting Corporation for a new station in Fremont, Neb., to operate on the frequency 1370 kc. with power of 250 watts day, 100 watts night, unlimited hours of operation.

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## COMMUNICATION FACILITIES LABELLED "CONTRABAND"

"All means of communication have been listed as "contraband of war" by Great Britain, according to information received by the Commerce Department from the U. S. Embassy in London.

"No official interpretations by the British Government as to what is comprised under the above classes of goods or as to the conditions of enforcement of the contraband proclamation have yet been received", the Commerce Department stated.

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## EDUCATIONAL PROGRAMS LAG; LOSSES NOTED

American educational radio programs lag considerably behind those of pre-war Britain, according to T. H. Shelby, of the University of Texas, who has just completed a two-summer survey of radio in education under a Rockefeller Foundation grant.

At the same time the National Association of Educational Broadcasters, while admitting setbacks within the last year, stated that "the progress which many educational stations made in securing better facilities and in the improvement of plant and equipment was balanced against three particularly unfavorable developments.

"The Ohio School of the Air which was reinstated only last year had to be dropped because of lack of an appropriation by the State Legislature. In Florida, Station WRUF was forced to discontinue broadcasting as a strictly non-commercial station because the item in the State budget for its maintenance and operation was vetoed by the Governor after it had been given approval by the State Legislature. In Wisconsin, the State radio station was compelled to ask for a postponement on its application to the Federal Communications Commission for a clear channel because of the failure of the State administration to set aside the necessary funds."

Dr. Shelby found that techniques are best in the Eastern United States with the West in second position and the South and Southwest on the lowest rung. Carefully prepared programs and professional radio technicians have raised the Eastern area into first rank, he believes.

Acknowledging the present meager advantages of the Southwest, the University of Texas this Fall began a campaign on several fronts to remedy the deficiencies as far as Texas is concerned. This institution has created a bureau of research in education by radio, has built a \$20,000 radio studio, and appointed a general program production director of university radio activity.

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## THREE MORE AMATEURS ARE CONVICTED

The Federal Communications Commission announced this week that Lester B. Bentley, Max Pross and Louis D. Welsh, all of Kokomo, Indiana, have been convicted in the Federal District Court, at Indianapolis, Indiana, on charges of operating an unlicensed radio station in the amateur bands in violation of Section 318 of the Federal Communications Act. All three men were also convicted of operating the station without operator's licenses in violation of Section 301 of the Act.

Indictments were secured against each of the three defendants. They were arrested and upon arraignment in the District Court, they all entered pleas of guilty. The Court fined each defendant \$10.

The case was prosecuted by Val Nolan, United States Attorney for the Southern District of Indiana, on evidence supplied by Inspector H. T. Gallaher, of the field staff of the Federal Communications Commission.

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## FCC PROBES JAPANESE USE OF G.E. WAVELENGTHS

The Federal Communications Commission this week began an investigation of the reported blanketing of General Electric's powerful San Francisco station in the Far East by Japanese broadcasts.

A press association dispatch from Shanghai stated that a new series of Japanese broadcasts had been started on the same wavelength as used by the Treasure Island station at the San Francisco World's Fair. The result, the dispatch said, was a complete blanketing of the United States broadcasts for Oriental listeners.

"Broadcasts from the Treasure Island station have been extremely popular throughout the Orient", the dispatch stated. "Thousands of listeners will be cut off by the activities of the Japanese station."

FCC officials said that no report has yet been received from the Commission's representative in San Francisco but one is expected within a few days.

"If the report is found true", an FCC spokesman said, "representations will be made to the State Department. Japan has no right to use the wavelengths assigned to General Electric as they were allocated to the United States by international treaty."

Japan is a party to the international radio treaties signed at Madrid in 1932 and at Cairo in 1938.

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## NATIONAL GROUPS LAUD NAB CODE

The National Association of Broadcasters this week released statements from a number of national organizations and distinguished Americans who have commended and endorsed the new NAB Code which became effective October 1, and which provides that controversial public discussions be accorded free time and barred from "paid time", and which declares that "radio, which reaches men of all creeds and races simultaneously, may not be used to convey attacks upon another's race or religion".

Prominent among the organizations which issued commendatory statements are the National Council of Catholic Men, the Federal Council of the Churches of Christ in America, the American Civil Liberties Union, the National Council on Freedom from Censorship, the National Council of Women, the General Federation of Women's Clubs, the Boys' Clubs of America, the Association of National Advertisers, the American Association of Advertising Agencies, and individuals including William Allen White, George V. Denny of Town Hall; Lyman Bryson of Columbia University.

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## CUBA CLOSES AMATEURS, CONSIDERS AD RATES

The President of Cuba is reported to have signed a decree closing all amateur radio and telegraph stations pending reorganization in accordance with agreements of the Inter American Radio Conference of December 19, 1937, according to the American Commercial Attache, at Havana. The amateur stations are to be closed for a period of 30 days which may be extended to 60 days.

The Cuban Bureau of Radio is reported to have under consideration a schedule providing for a series of rates to be charged for time by the various long wave broadcasting stations. The rates will be set in accordance with the classification of the various stations on the bases of power, etc., the report to the Commerce Department stated.

Press reports state the Bureau of Radio is considering the closing of 11 short wave stations for not complying with the agreements of the Inter American Radio Conference or with regulations of the Department of Communications.

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The Federal Communications Commission this week granted the application of Civic Broadcasting Corporation, Syracuse, N.Y. for a new station to operate on 1500 kc., 100 watts, unlimited time.

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FRENCH RADIO RESTRICTIONS RECEIVED IN U. S.

War-time restrictions on the operations of radio stations in France have been received by the U. S. Commerce Department. Unlike the Nazis, the French have placed no curb on the listeners.

Pertinent provisions of the new regulations follow:

"All radio electric broadcasting stations not in keeping with the needs of national interest are suppressed. The operation of broadcasting stations maintained is assured by the State or Governmental services. Their allotment between the various ministerial departments charged with their operation is fixed by interministerial decree.

"Private radio electric receiving sets are left, in principle, at the disposition of their owners under the same conditions as in time of peace.

"The military authorities are empowered to seize any private receiving sets, which they judge of utility to suppress in the interest of national defense.

"Private broadcasting stations and broadcasting-receiving stations passing into the service of the State are requisitioned. The material of the suppressed radio electric stations is notified by the municipal authority or the public colonial authority to the qualified military or maritime authority which will cause it to be removed, kept under guard or sealed up."

"The service of private radio telephonic communications is suspended.

"Under reserve of the measures of control defined hereafter, the service of private radio telegraphic communications is maintained, except with the enemy countries and to the exclusion of lines which require the use of radio electric lines or stations situated in enemy countries."

"The maintenance of unauthorized radio electric stations, the establishment of fraudulent radio electric stations, the use of these stations, the communication to third parties of information received or transmitted by radio telegraph or radio telephone of interest to national defense or the security of the state, will expose the delinquents to seizure of the apparatus without prejudice to the penalties applicable respectively to these facts."

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## NAB RULING HIT BY WJR EXECUTIVE

John F. Patt, Vice President of the key station in the Rev. Charles E. Coughlin's Sunday afternoon radio network, Thursday branded the NAB Code ruling on controversial broadcasts a step "in the direction of censorship and abridgement of free speech", according to an Associated Press dispatch from Cleveland.

Mr. Patt is Vice President of WJR in Detroit, the originating station for the broadcasts, and of affiliated WGAR in Cleveland.

Mr. Patt asked if the Association contemplated "that this provision of the Code would mean that such famous personalities, commentators and speakers as W. J. Cameron, Dorothy Thompson, Boake Carter, Lowell Thomas, Edwin C. Hill, H. V. Kaltenborn, John B. Kennedy, Elmer Davis, Hugh Johnson and many others could never again express an opinion on a sponsored program?"

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## SONGS FOR SOLDIERS FEATURED IN CANADA

The Canadian Broadcasting Corporation announced this week that its radio programs henceforth will feature songs that are liked by soldiers. It also will carry "on the spot" broadcasts from camps and barracks over national networks.

"Canada's national war effort, now gathering momentum daily, is reflected in different ways in the programs offered by Canada's national radio", the Broadcasting Corporation stated.

"First in interest to everyone in the Dominion, is the welfare of the men who have been first to answer their country's call. In tents and barracks in every Province, these high-spirited young Canadians are training for the heavy task that they have so willingly accepted as one of the obligations of citizenship in a free country.

"Just as an elder generation of Canadians did twenty-odd years ago, these soldier lads of 1939 are finding an outlet for their natural exuberance in sing-song and concert party. So that their relatives and friends, and in fact every home in Canada, can share and enjoy their infectious high spirits, CBC is making these sing-songs and concerts a national network feature. The first was 'The Army Sings', broadcast from Halifax to the national network on September 27. This week, on October 11, from 10:00 to 10:30 P.M. EST, Canadian listeners will hear 'The Navy Sings', also broadcast from Halifax. The troops themselves, as well as the general public, will be entertained throughout the Fall and Winter by lively variety shows of the sort that every soldier loves.

"An additional, and particularly interest feature will be actually 'on-the-spot' broadcasts from camp and barracks, which will describe at first hand the daily life of the Canadian soldier in training, his work and his relaxation."



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 ::: TRADE NOTES :::  
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World Radio Markets series of the Department of Commerce, released this week, covered Tunisia and Windward Islands.

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The Radio Corporation of America reduced its bank loans by \$1,000,000 to \$4,000,000 on May 26, a statement to the Securities and Exchange Commission showed this week. The loans remained at \$4,000,000 on August 31.

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A. D. Willard, General Manager of Station WJSV, Washington, participated in a broadcast Thursday night sponsored by WJSV and the Washington Post, inaugurating a traffic safety campaign in which special award tags will be given motorists who perform unusual acts of courtesy.

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Robert A. Simon, pioneer radio writer, annotator and music critic of The New Yorker magazine, will join WOR's program department next Monday as Director of Continuities, according to Julius F. Seebach, Jr., WOR's Vice President in Charge of Programs.

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The Federal Communications Commission announced this week its proposed findings of fact and conclusions, proposing to grant the application of WSUI, State University of Iowa, Iowa City, Iowa, to increase power from 1 KW day and 500 watts night, to 1 KW night, 5 KW day, unlimited time on 880 kc., move transmitter to a new site locally, install new equipment, and employ a directive antenna both day and night. The application was granted conditionally and all parties concerned will have opportunity to file exceptions within 20 days, and thereafter to request oral argument on the proposed report and exceptions.

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The Columbia Broadcasting System's gross sales for last month amounted to \$2,565,246 and represented a boost of 60.2% over the billings for September, 1938. The National Broadcasting Company accounted for \$3,315,307 on its two networks, an increase of 11.3% over last year. NBC's breakdown figures \$2,648,892 for the red (WEAF) link and \$666,415 for the blue (WJZ) network.

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## ASCAP FILES SUITS IN MONTANA FIGHT

American Society of Composers, Authors and Publishers this week fired its first retaliatory shot against the Montana broadcaster contingent by filing several infringement suits against Ed Craney, who operates KGIR, Butte, and A. J. Mosby, owner of KGVO, Missoula, according to Variety.

Actions involving Mosby were filed with the U. S. District Court in Mosby's home town, while the Craney suits were filed with the Federal Court in Helena.

Complaint against Mosby lists Harms, Inc., for seven infringements, Leo Feist, Inc., for five, Santly-Joy-Select, Inc., for four, Chappell & Co. for five, Irving Berlin, Inc., for six, while the batch named in the Craney case consists of five infringements of Berlin works, four of Chappell's and nine of Harms'. Additional complaints, ASCAP announced this week will be filed against both broadcasters as soon as papers can be prepared in behalf of many other copyright owners.

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## CINCINNATI CITIZENS LOOK AT TELEVISION

Citizens of Greater Cincinnati had their first peek at television and technical observers gathered information on their reactions during a public demonstration held in one of the city's department stores last week.

The effectiveness of contrast in clothing, and of continuous action before the camera, was noted by members of the WLW special events department in charge of directing entertainment for the six-day demonstration. Floor shows from Cincinnati night clubs and entertainers of the WLW staff drew large attendances. The biggest crowds, however, gathered when members of the Cincinnati Reds appeared to talk to and be viewed by enthusiastic baseball fans.

Technical equipment, installed and manned by R.C.A., did not provide actual television broadcasting. Instead, the iconoscopes, or television cameras, were located on the fourth floor of the store and connected by coaxial cable with receiving sets on the ninth.

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## WAR BOOSTS SALES OF RADIOS IN U. S.

"The European war has apparently stimulated interest in radio listening, with the result that sharp sales gains were experienced last month by several manufacturers", according to the New York Times' business page. "Pilot Radio Corporation has jumped from twenty-fifth to second position in total portable and table model set sales, the company reported; Stewart-Warner receiver sales for September were the largest in the company's history, while the General Electric model being promoted currently in the Consolidated Edison campaign has sold exceptionally well.

"Eight months ago Pilot decided that its export market would be seriously threatened and concentrated on portables for the Summer months and plug-in sets that required no outside aerials for this Fall and Winter for the domestic trade. Newspapers and radio broadcasts were used and the response was so successful that the campaign will be broadened through Austin & Spector Company, Inc.

"Stewart-Warner radio sales for September increased 317 percent over the like month of 1938. The company has been running an intensive newspaper campaign in major markets. The demand for radio-phonograph combinations has been so heavy that some distributors have already been caught short on these models.

"The General Electric radio, which is being heavily advertised in New York newspapers, has sold very well, with some dealers taking two to three times their original quotas."

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