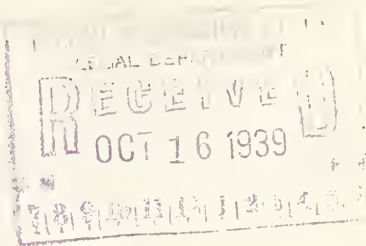


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



## INDEX TO ISSUE OF OCTOBER 13, 1939

LaFollette Warns Of Radio Curbs In War Time.....	2
Fly Makes First Call At White House.....	2
Payne Ruling Upheld; Rule To Be Reviewed.....	3
Witnesses Announced For LaGuardia Hearing.....	4
Lohr Writing Book On Television.....	4
Townsend Plan Period Halted By NAB.....	5
"World Wide Listener" Published By S-W Station.....	6
U. S. Powerless As Germany Blocks Finn Broadcast.....	6
Eight Local Stations Given Power Boosts.....	6
Television From Theater Balked By Equity.....	7
Trade Notes.....	8
Women's Committee Hit "Hysterical" Broadcasts.....	9
ASCAP Sends 16,000 Regrets To Concert Lovers.....	11
Crosley In Hospital After Fall From Horse.....	11

No. 1165

## LaFOLLETTE WARNS OF RADIO CURBS IN WAR TIME

Arguing against repeal of the arms embargo clause of the Neutrality Act, Senator LaFollette (Progressive), of Wisconsin, this week warned of strict censorship curbs on radio and the press if the United States goes to war.

"War kills democracy", he said in the Senate. "Men cannot speak, think, talk, or write freely. They no longer can participate freely as free citizens of a free state. They are subjects. They are objects to be handled by the war machine. There may be no free radio discussion. Newspapers which speak a kind word for peace, if they speak it vigorously, may find that they cannot get the necessary priorities in newsprint and ink; or perhaps their reporters, editors, and compositors will all suddenly be needed in active war service. . . .

"Also, since the last war the President has been given a number of tremendously far-reaching powers. Under the Federal Communications Act he has the power, in war or national emergency, to close any radio station or take it over for the use of the Government. Under the Merchant Marine Act of 1936 the Maritime Commission may requisition merchant vessels during any national emergency declared by the President. Under the section of the 1917 Trading With the Enemy Act, which was amended and incorporated in the Emergency Banking Act of March 9, 1923, the President has very wide powers over the Nation's fiscal and credit transactions 'during time of war or during any other period of national emergency declared by the President \* \* \* \*'. The proposed Hill-Sheppard bill, which has not yet been enacted because of the widespread opposition to it from all over the country, would give the President virtually dictatorial powers over the Nation's industrial life in time of war."

X X X X X X X X X X X

## FLY MAKES FIRST CALL AT WHITE HOUSE

Chairman James L. Fly, of the Federal Communications Commission, made his first official call on President Roosevelt Friday (today) since his appointment. The conference was first scheduled for yesterday (Thursday) and then postponed.

FCC officials said that the purpose of his call "is a secret".

X X X X X X X X X X X

## PAYNE RULING UPHELD; RULE TO BE REVIEWED

The Federal Communications Commission this week upheld unanimously the decision of Commissioner George Henry Payne in an interpretation of an FCC rule placing rigid limitations on interventions, but at the same time it disclosed that the rule itself will be re-examined.

The Payne decision was made last week in denying the Orlando Broadcasting Co., of Orlando, Fla., the right to intervene in a case involving an application for a new station at Orlando. The petitioner operates WDBO.

The original action of Commissioner Payne, which did away with a procedure of long standing in the Commission, led to a number of petitions asking the FCC to over-rule the decision, after granting the petitioners oral arguments. The Commission, however, acted without giving the attorneys an opportunity to argue their petitions.

As a result, it is probable that attorneys for the petitioners will take the cases to the Court of Appeals.

An examination of the whole case by the full Commission disclosed that it apparently was a boomerang, thrown out by those practicing before the body, which had returned with a heavy blow, threatening, as it does, to cut down considerably the legal appearances before the Commission.

However, while ruling that Commissioner Payne had correctly interpreted the rule, it has been decided to re-examine the new rule with a Committee from the Federal Communications Bar Association. This group, it was said, not only had approved the rule in draft form when it was submitted to it for consideration prior to adoption, but actually had proposed the rule against which certain members of the Association now are complaining.

Seven other petitions to intervene in as many cases, it was said, also were overruled at the same time and the Commission's decision affected these same cases. The new regulation, it was explained, is a move to cut down on the number of stations which seek to oppose applicants for new stations as well as for increased facilities. The new rule merely requires that those who seek to intervene in such cases must set out in their petitions full statements of claims on which they base their applications.

The underlying purpose of the Commission in adopting its new regulation on intervention, it was asserted, was to correct the practice which had become prevalent under the prior rule of the Commission. Under this former rule the Commission permitted any person to intervene in a hearing if his petition disclosed a substantial interest in the subject matter.



This standard was held to have been so broad and the Commission's practice under it so loose that intervention in Commission hearings came to be almost a matter lying in the discretion of persons seeking to become parties to Commission proceedings.

Other applications affected adversely by the denial of the Orlando Broadcasting Company's petition, are as follows:

Station KMAC, San Antonio, Texas; Station KTSA, San Antonio, Texas; Station WOAI, San Antonio, Texas; Station WROL, Knoxville, Tenn.; Station WNOX, Knoxville, Tenn.; Station WFLA, Tampa, Fla., and Station WHDH, Boston, Mass.

X X X X X X X X

#### WITNESSES ANNOUNCED FOR LA GUARDIA HEARING

The Federal Communications Commission this week announced the list of appearances scheduled for the hearing Monday on a petition by Mayor LaGuardia, of New York City, to amend FCC rules so that municipal stations may rebroadcast short-wave programs.

Mayor LaGuardia will be represented by William C. Chandler, corporation counsel, and Herman J. McCarthy, Assistant District Attorney.

Others who will participate are:

National Committee on Education by Radio, by S. H. Evans, Secretary; Westinghouse Electric & Mfg. Co., by G. W. Law or Horace L. Lohnes, attorneys; National Association of Broadcasters, by A. W. Bennett, attorney; American Federation of Musicians, by S. T. Ansell, General Counsel; World-Wide Broadcasting Corporation, WRUL, by M. M. Jansky, attorney; National Broadcasting Company, Inc., by A. L. Ashby, P. J. Hennessey, Jr., H. Ladner and J. J. Hurley, attorneys; KUSD, Vermillion, South Dakota, by R. E. Rawlins, Jr.

X X X X X X X X X X

#### LOHR WRITING BOOK ON TELEVISION

Lenox R. Lohr, President of the National Broadcasting Company, is writing a book called "Television Broadcasting: Production, Economics, Technique", which McGraw-Hill announces for Spring publication. The book has been planned as a comprehensive discussion of the problems which television faces today, both in its relation to the public and in the coordination of the various units of a television broadcasting system as a public service. David Sarnoff, President of the Radio Corporation of America, has contributed a foreword.

X X X X X X X X X X



## TOWNSEND PLAN PERIOD HALTED BY NAB

Sponsored broadcasts on paid time in behalf of the Townsend Plan would constitute a discussion of a public controversial issue and therefore would be unacceptable under the terms of the new NAB Code, the Code Compliance Committee of the National Association of Broadcasters declared this week.

The Code bars the sale of time for discussions of public controversial issues, but provides that time shall be allotted for such purposes free of charge, and "with fairness to all elements in a given controversy".

The Committee's action was in response to an inquiry from a member station which had been approached by agents seeking to purchase radio facilities for the "Townsend Plan Broadcasts".

The agent sought to purchase radio time in 15-minute units, not earlier than 6:30 P.M., stating that the series of programs would start about October 15.

It was stated that various Senators, Congressmen, Dr. Francis E. Townsend and others would speak on the period. The agent declared that an endeavor would be made, through the sponsored radio programs, "to establish new clubs, solicit members and sell our book".

In making public its finding, the Committee pointed out that during political campaigns, adherents of the Townsend Plan may buy time "in behalf of or in opposition to qualified candidates for public office", as provided by the law, or may buy time "in behalf of or in opposition to a public proposal subject to ballot" as further provided by the new NAB Code.

Meanwhile, it was pointed out that representative spokesmen of groups will be given free time to present their viewpoints, in accord with the public interest, program balance and availability of time.

The Committee emphasized again that the Code does not deny the right of free speech to anyone. It simply denies the opportunity to buy time and to monopolize the limited radio time and facilities available, for one-sided discussions of a public question.

- - - - -

Dr. Francis E. Townsend told the Associated Press yesterday (October 12) his old age pension plan organization would "build our own station in Mexico if we are kept off the air in the United States."

Dr. Townsend has been informed of action by the National Association of Broadcasters barring him from paid radio programs.

X X X X X X X X X

"WORLD WIDE LISTENER" PUBLISHED BY S-W STATION

The World Wide Broadcasting Foundation, of Boston, which produces programs for the educational short-wave station WRUL, formerly WLXAL, has started publishing a monthly magazine, "The World Wide Listener", for sale at 20 cents a copy.

The periodical carries the station's programs for the month and timely articles by members of the staff.

Walter S. Lemmon, President and founder, writes in a foreward of the October issue:

"With this issue of our program magazine we are endeavoring to preserve in printed form some of the outstanding thoughts broadcast over WRUL in recent months. Our Board of Trustees is grateful for the evidence of increased support of this new idea and to the many colleges and universities who are cooperating toward this purpose."

X X X X X X X X

U. S. POWERLESS AS GERMANY BLOCKS FINN BROADCAST

Government officials were openly peeved but admittedly powerless this week when Germany flatly refused to rebroadcast to the United States an address by Finnish Foreign Minister Eljar Erkkö, who wished to reach American listeners.

German radio authorities first agreed to transmit the broadcast by short-waves to the National Broadcasting Company in New York, and then suddenly announced a cancellation on the ground that German wartime regulations forbade the transmission.

NBC officials in New York said that the German short-wave station was the only one in that vicinity powerful enough to relay the foreign minister's speech from Helsingfors, Finland, to New York.

X X X X X X X X

EIGHT LOCAL STATIONS GIVEN POWER BOOSTS

The following stations were granted increase in power to 250 watts unlimited time this week by the Federal Communications Commission:

KPAB, Laredo, Texas; KOCA, Kilgore, Tex.; WEDC, Chicago, Ill.; KWJB, Globe, Ariz.; KOOS, Marshfield, Ore.; WKBB, Dubuque, Ia.; WBRK, Pittsfield, Mass.; KWNQ, Winona, Minn.

X X X X X X X X



## TELEVISION FROM THEATER BALKED BY EQUITY

A scheduled television broadcast of part of Max Gordon's new musical show, "Very Warm for May", which the National Broadcasting Company hoped would be a forerunner of regular television previews of Broadway shows in rehearsal, was abandoned this week by Mr. Gordon's office because of Actors Equity's demand for the equivalent of a full week's salary for each performer participating in the single program, according to the New York Times.

While no formal comment was forthcoming from NBC, the Times said, that the company's department of television had intended to present a series of new Broadway shows in rehearsal in what would have been the first specific instance of sustained cooperation between the theatre and television. The shows would gain the benefit of the promotion, it was said, and NBC would gain good television programs. Relations between the two industries, which may possibly become competitors, have occupied the attention of executives in the show business.

The NBC indicated that it would hold its project in abeyance until the Broadway producers knew where they stood with the unions interested in television. Although Actors Equity has claimed the right to rule television and exercised it in this instance, the matter is at present a major issue before the Associated Actors and Artistes of America, A.F. of L. parent of actor unions.

A jurisdictional row over television started in May when regular programs were initiated in conjunction with the World's Fair. The Screen Actors Guild and the American Federation of Radio Artists, besides Equity, believed they should have a say in the new entertainment field, at least until it became known exactly what form television might take. As a compromise it was decided to name a committee to administer television, but no such body has been appointed as yet.

Some union officials were disturbed because Equity did not notify the A.A.A.A. of the difficulties with the office of Mr. Gordon, who besides being a Broadway producer is General Production Director of television for NBC, and argued that such a stand as Equity's could conceivably injure an industry not yet on its feet.

Robert Milford, General Manager for Mr. Gordon, estimated that if Equity's demand had been met, it would have cost several thousand dollars, as he intended to use twenty-five performers, including dancers and singers. He said NBC had been regularly using Equity members for its various television programs without paying any specified fee.

X X X X X X X X



10/13/39

TRADE NOTES

Columbia Broadcasting System has leased the 15-year-old Ritz Theater, located at 219 West 48th Street, New York City, as a supplementary playhouse to accommodate many of its outstanding radio programs and their constantly increasing audiences. It is to be known as CBS Theater No. 4. The Federal Theater Project, "Pinocchio" was the last success housed in the Ritz.

How American communications facilities will function if the United States faces a "national emergency" will be discussed by Major General J. O. Mauborgne, Chief Signal Officer of the U. S. Army, at 7:45 P M , EST, over the NBC-Red Network.

As of August 1, 1939, the Federal Communications Commission has revised and renumbered all of its rules and regulations. Rules numbered 177 and 177.1 have now been renumbered rules 3.94(a) and 4.10. Rules 1010, 1011, and 1012(c) referred to in Issue No. 5 in the Commission's Notice of May 5, 1939, have become Rules 4.41, 4.42 and 4.43. The revised and renumbered rules include some changes in phraseology but the substance of these rules is unchanged.

Station WISE, Asheville, N.C., will become affiliated with the National Broadcasting Company on Thursday, Oct. 19. NBC's 177th station, it is licensed to the Asheville Daily News to operate full-time on 1370 kc. with a power of 100 watts. Harold H. Thoms is owner.

WISE will be available as a bonus outlet at no additional charge to advertisers using Station WFBC, Greenville, S.C. Rate for WFBC, supplementary to the Red and Blue Networks, is \$120 per evening hour.

World Radio Markets series issued this week by the Department of Commerce dealt with the Windward Islands, the Leeward Islands, and the Cape Verde Islands.

X X X X X X X X X X

10/13/39

## WOMEN'S COMMITTEE HIT "HYSTERICAL" BROADCASTS

A movement to curb "hysterical and unsubstantiated" broadcasts of war news was launched at a luncheon conference of the Women's National Radio Committee at the St. Regis Hotel, New York City, this week. Prompted by many protests received by the committees, representing more than twenty national women's organizations throughout the country, resolutions were formulated to devise ways and means of safeguarding news broadcasts from spreading "hysteria" among listeners, especially by the smaller stations, according to the New York Times.

The Committee, in drawing up the resolutions, pointed out that the move was not intended as a blanket indictment of the broadcasting networks in handling war news, but rather as a yardstick that might guide the commentators and set certain criteria for broadcasts relating to war and international affairs. The Committee also plans a "model" news broadcast that will be offered for consideration to the broadcasting stations.

"Since radio has become one of the most powerful means of quickly molding public opinion, it is of vital importance that the news of the world be carefully edited and presented before it is heard over the air", Mme. Yolanda Mero-Irion, Chairman of the Committee said. "We appreciate the earnest efforts that have been made by the broadcasters to bring immediate and first-hand accounts of crucial events to the vast radio audience, but with the European war, new problems have arisen which are a matter of serious concern not only to the broadcasting industry, but to the public and a voluntary conference toward their solution is a necessary venture."

Raymond Moley, editor of News Week, scored the hastily-prepared broadcasts on matters of international importance that are disseminated over the air and advocated more careful editing and presentation of news broadcasts. He added that the radio audience did not desire to hear the opinions of reporters, but rather "straight" treatment of news.

"Even the better radio commentators editorialize to a point that is really indefensible", said Mr. Moley. "Nothing is reported in the newspapers that would terrorize a reader; that bridge has been crossed long ago in journalism; but when I turn on the radio, I hear things that are hot and moist and should not be put on the air. A network in selecting a commentator to express a viewpoint on one side or the other assumes a tremendous responsibility, but the only way out is for the networks to go through with the responsibility that they have assumed. They are not doing it."



"We got into the last war fast enough without radio and we will get into it much faster with radio, if the commentators continue their snap-judgment opinions. We are fooled every day by the news we hear on the air. The commentators and the broadcasters are not doing the job as well as the public expects it to be done."

Will Irwin, author of "Propaganda in the News", said that the trouble with the news broadcasts was that they offered no time for the announcer or commentator to sift fact from fancy and reports were frequently not only misleading but appalling.

"Things that you hear over the air that sound appalling do not sound nearly so appalling when read in print the next day, even though they may be substantially the same in content", he said. "For in radio we have to contend with the dramatic element in the human voice that has the power to terrorize, by appealing to the emotions. And the emotional quality in the voice is something that cannot easily be corrected. The war of the world that was fought in the Jersey marshes with men from Mars proves that radio has the power to stampede. Radio commentators should not be allowed to continue frightening us with snap-judgments."

Miss Josephine Schain, Chairman of the National Committee in the Cause and Cure of War, stated that her observations indicated that the problem was not as bad as it was painted and that she had not received as many complaints against radio as the motion pictures.

"Fundamentally the problem is the same all along the line and the pictures the yellow press give us are as harrowing as the situation that prevails on the air and in the pictures", she said. "The public likes sensational things and it is our problem, as I see it, to educate the public to take a broad-minded and an intelligent viewpoint and to take such things with a grain of salt."

Others who stressed the important factor the Committee might become in bringing about a more rational and less emotional handling of current news from abroad were Mrs. Marion Miller, member-at-large of the Committee, Miss Lena Madesin Phillips, President of the International Federation of Business and Professional Women, and Mrs. D. Leigh Colvin, State President of the Women's Christian Temperance Union.

X X X X X X X X X X



10/13/39

## ASCAP SENDS 16,000 REGRETS TO CONCERT LOVERS

The American Society of Authors, Composers, and Publishers this week mailed out 16,000 post-cards expressing regret that there were not enough seats in Carnegie Hall, New York City, to accommodate the persons requesting tickets for the twenty-fifth anniversary concerts last week, according to E. C. Mills, Chairman of the Administrative Committee.

On Friday night, last week, the demand for tickets was so great, Mr. Mills said, that an overflow performance was given at the Seventy-Second Regiment Armory with 10,000 in the hall and 5,000 on the outside listening to loudspeakers.

"The Twenty-fifth Anniversary Festival of American Music was a huge success", he said. "There has never been anything like it in the history of American music."

Souvenir programs mailed out by ASCAP contain a foreword by Gene Buck, President, portraits and sketches of famed American composers, and articles by John G. Paine and Mr. Mills.

X X X X X X X X

## CROSLEY IN HOSPITAL AFTER FALL FROM HORSE

Powel Crosley, Jr., President of the Cincinnati Baseball Club and the Crosley Manufacturing Company, was in a hospital this week with injuries suffered when he fell from a horse at his estate, near North Vernon, Ind.

Physicians said an X-Ray examination showed the projecting parts of three vertebrae broken and explained that Mr. Crosley must remain in a cast "at least six weeks, but the injury will not be permanent".

The accident occurred Sunday shortly after the Reds were defeated in the final World Series game.

X X X X X X X X X X