

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.  
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## NATIONAL RADIO DAY PROPOSED IN HOUSE BILL

Designation of August 26th of each year as National Radio Day was proposed last week in a joint resolution introduced in the House of Representatives by Representative Dingell (D.), of Michigan.

The resolution provides:

"That the President of the United States is authorized and directed to issue a proclamation designating August 26 of each year as National Radio Day, calling upon officials of the Government to display the flag of the United States on all Government buildings on that day and inviting the people of the United States to observe the day with appropriate ceremonies."

The resolution was referred to the House Judiciary Committee for consideration.

Representative Dingell said that the day was chosen to commemorate the advent of commercial broadcasting 20 years ago and to call attention to the special radio exhibitions planned at the New York and San Francisco World Fairs during August of this year.

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## FLY CALLS AT WHITE HOUSE; COMMITTEE IS DELAYED

While the broadcasting industry awaited the appointment of the proposed National Communications Committee, Chairman James L. Fly called on President Roosevelt at the White House on Saturday. He had no comment to make on the visit, however.

Chairman Fly was asked for comment at his Monday press conference on the story that broadcasters were disturbed over the prospect that President Roosevelt will make no political speeches over the air this campaign but will make periodic radio talks to the nation.

He declined to comment but did express the opinion that the usual "fireside chat" of the President is not a political talk

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## CBS ATTACKS ASCAP AS ELLIOTT ROOSEVELT SIGNS

The current scrap between the broadcasting industry and the American Society of Authors, Composers, and Publishers grew hotter along with the weather last week as Paul W. Keston, Vice-President of CBS, called upon advertisers and agencies to help thwart "ASCAP's \$4,400,000 squeeze play against radio", and Elliott Roosevelt became the first broadcaster to sign the new 5-year ASCAP contract.

Elliott Roosevelt, who is President of the Texas State Network, pledged nine stations of his hook-up to the terms of the copyright pool for the right to use its music on the air. He promised that the remaining ten outlets of the network would subscribe to the contract, which becomes effective January 1, 1941.

Mr. Roosevelt said he was accepting the contract, contrary to the stand of the National Association of Broadcasters, which charges that the Composer group is a monopoly and that its new demands are exorbitant, because the impending ASCAP agreement "places the burden of the cost of licensing where it belongs, with the networks". Under the present method, he explained, the networks take the "lion's share", 50 percent of advertising revenue and pay nothing for the use of the music, while the affiliated stations must pay all music fees. He pointed out that none of the Texas Network stations are NAB members.

Broadcast Music, Inc., formed by the radio men to develop other sources of music to make them independent of the copyright pool, he said was "started and fathered" by the National and Columbia broadcasting systems to extend their monopolistic control to other fields, as they have, in talent, the phonograph, transcription and related industries. He maintained that if the networks are successful with Broadcast Music in their fight against ASCAP, they would control the amusement field.

Mr. Keston traced the fight which the broadcasting industry has been waging with ASCAP for the last six months and declared it "is going well".

"During the next six months", he wrote, "the Columbia network asks that its clients, acting in their own behalf as radio advertisers, take one step which only they can take -- to break the strangle-hold which ASCAP has hitherto had upon radio broadcasting, and to win not only this fight against a \$4,400,000 increase in broadcasting costs, but to free radio permanently from the certainty of future intolerable demands.

"While broadcasters have always been willing to pay a fair amount on a reasonable basis for the privilege of broadcasting music, we are convinced that it is utterly impossible to find any ground for negotiation with an organization which has promulgated these demands as a final ultimatum.

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"Columbia has therefore decided, for its network and for its owned and operated stations, that it will not and cannot submit to these demands.

"The gun ASCAP is pointing at our heads will be fired January 1, 1941, after which no ASCAP music will be available for CBS programs. But by that time, with the work that has been done and which can be done by our advertisers and ourselves between now and then, there should be nothing but a blank cartridge in the breech."

After describing the accomplishments of the industry in the organization of Broadcast Music, Inc., Mr. Keston said:

"Reduced to its plainest terms, only one thing is needed between now and January 1st to free radio broadcasting from ASCAP's \$4,400,000 squeeze-play. This thing is the determination of radio advertisers that they will popularize only the music which will continue to be available to them after December 31, 1940. And that can be accomplished very simply -- just by playing this music on the air on commercial programs. If the transition to non-ASCAP music is begun at once, virtually every hit tune in America should lie outside of ASCAP's clutch before January 1.

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#### AP NEGOTIATING ON "SPONSORED NEWS"

The Associated Press and a number of radio stations currently are negotiating for the commercial news service now offered by the AP with talks reported "progressing satisfactorily", according to Editor & Publisher. O. S. Gramling, AP Executive Assistant in Charge of Membership, with W. J. McCambridge, AP Assistant General Manager, are conducting the talks. However, no contracts have been signed since that with WNEW, New York, last month.

Major consideration of the AP executive charged with reaching satisfactory agreement with radio stations is directed toward the formulation of a method whereby AP news may be made available to the nationwide networks under commercial sponsorship.

No such method can be announced at this time, but an announcement may be made sometime in the Fall, it was said.

The nationwide plan, the AP said, is still "in the correspondence stage with no definite plan set for the AP for pushing and working on it."

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## FCC WILL RECEIVE BRIEFS ON MONOPOLY REPORT

The Federal Communications Commission has announced that in connection with its investigation of chain broadcasting it would receive briefs filed by interested parties on or before September 15, 1940.

A committee of the Commission composed of Commissioners Brown, Walker and Thompson, submitted their report to the Commission on June 12, 1940, and recommended the promulgation of regulations to eliminate certain practices in chain broadcasting. Copies of the Committee's report, with its Memorandum of Submittal containing the recommendations of the Committee, are being sent to the licensees of all broadcast stations. The Commission invites the submission of their views on the issues raised by the report. Copies will also be supplied upon request to any other interested party desiring to consider submission of a brief or statement.

It was also announced that the Mutual Broadcasting System, Inc., has recently filed a motion with the Commission requesting the adoption of temporary regulation directed toward maintaining the status quo in chain broadcasting pending the promulgation of permanent regulations by the Commission.

Briefs should be directed solely to the accuracy of factual statements contained in the report of the Committee, to the recommendations contained in the Committee's Memorandum of Submittal, and to the advisability of the adoption of the temporary regulation requested by the Mutual Broadcasting System, Inc., the FCC stated.

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## PORTER QUILTS FCC; TO ENTER PRIVATE PRACTICE

George B. Porter, Assistant General Counsel of the Federal Communications Commission, has resigned to practice law. He has been in charge of radio broadcast litigation for the FCC since it was established.

Mr. Porter recently completed a series of investigations of Texas radio station cases, in which it was alleged that the licensees were not the real owners of the stations. These cases are still pending.

He was the principal investigator in the case of Station WSAL at Salisbury, Md., which was put off the air because of alleged misrepresentations as to its ownership. Some angles of this case still are pending before the Commission.

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Mr. Porter, a son of Interstate Commerce Commissioner Claude B. Porter, was appointed an attorney in the Legal Division of the Federal Radio Commission, predecessor of the present body, in 1931. Later that year he was made Assistant General Counsel and in 1933 he became Acting General Counsel, serving in this capacity until July 1, 1934, when the FCC came into being. Mr. Porter then was succeeded by Paul O. P. Spearman as General Counsel. On October 5, 1934, he was made Assistant General Counsel in charge of broadcast litigation.

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#### FLORIDA RADIO LIBEL LAW HELD UNCONSTITUTIONAL

Florida's radio libel law, through which station operators, in an enactment by the State Legislature in 1939, sought to protect themselves against damage suits, has been declared unconstitutional by Judge Bayard B. Shields of the Duval County Circuit Court, Jacksonville.

The law provides: "The owner, lessee, licensee or operator of a radio broadcasting station and the agents or employees of any such owner, lessee, licensee or operator, shall not be liable for any damages for any defamatory or libelous statements published or uttered in or as a part of a radio broadcast by one other than such owner, lessee, licensee, or operator or agent or employee thereof, unless the said owner, lessee, licensee, and operator or agent or employee affirmatively declares that such statements are made for and in behalf of such owner, lessee, licensee or operator of such radio station or its agent or employee."

Judge Shields said that "the act clearly violates the spirit and the letter of Sections 1, 4, 12 and 13 of the Declaration of Rights of the Constitution of Florida."

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#### NILES TRAMMEL INTRODUCED TO CAPITAL PRESS

Washington newspaper men and radio figures met Niles Trammel, newly-elected President of the National Broadcasting Company, last Friday afternoon at a cocktail party held at the Willard Hotel.

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## SHIP RADIOTELEGRAPH RULES ARE MODIFIED

The Federal Communications Commission has modified certain of its Rules Governing Ship, Coastal and Marine Relay Services in order that ship radiotelegraph stations licensed to operate within the high frequency bands (between 4,000 and 23,000 kilocycles) may make more effective use of their transmitting equipment by incorporating crystal control at reasonable cost. The changes effect Sections 7.58, 8.81(a), 8.96, and Part 1 of Appendix B of the General Rules.

Outstanding licenses of approximately 536 non-Government ship radio telegraph stations of the United States uniformly authorize transmission on 48 standardized frequencies distributed throughout the high frequency spectrum within the following bands recognized for this service by the General Radio Regulations of Cairo, 1938, annexed to the International Telecommunication Convention, Madrid, 1932:

4,115 to 4,165 kc.; 5,500 to 5,550 kc.; 6,200 to 6,250 kc;  
8,230 to 8,330 kc.; 11,000 to 11,100 kc.; 12,340 to 12,500 kc.;  
16,460 to 16,660 kc. and 22,000 to 22,200 kc.

By reason of the Commission's action it will be possible, through the requirement of more stringent frequency tolerances on certain frequencies, to increase the number of these licensed frequencies from 48 to 62. In addition, the harmonic relationship of the frequencies in each ship station band to those in the other bands will be substantially improved. The "harmonic relationship" between the frequencies is the factor which provides for use by a ship station of a large number of transmitting frequencies with a minimum number of Piezo-electric crystals employed for accurately controlling the frequencies which reduces equipment costs. The use of crystal-controlled equipment of this type tends to promote flexibility in the use of frequencies, as well as adherence to the assigned frequencies. As the number of high frequency bands available to a ship station increases, the ability of the vessel to carry on communication over various distances up to several thousand miles and at any desired time of day or night also increases.

The Commission's action in modifying these rules was effected through the cooperation of other interested Government departments, and in some respects is said to be advantageous to the radio communication services carried on by these departments.

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## MCDONALD AND McCORMICK CO-HOSTS AT NEWSPAPER PARTY

Correspondents returning to Washington are still talking about the memorable party given to the newspaper men at the Democratic National Convention by Commander E. F. McDonald, Jr., and Col. Robert R. McCormick, editor and publisher of the Chicago Tribune. It took place aboard Commander McDonald's famous yacht the "Mizpah", one of the largest and most beautiful yachts on the Great Lakes. The affair was a highlight of enjoyment in what the newspaper men otherwise said was one of the dullest and most somber political conventions in years.

The guest list read almost like that of a Gridiron Dinner. It included Roy W. Howard, Chairman of Board, Scripps-Howard Newspapers, New York City; Henry L. Mencken, Baltimore Sun, Baltimore, Md.; Eugene Meyer, publisher, Washington Post, Washington, D. C.; Amon G. Carter, publisher, Fort Worth Star-Telegram, Fort Worth, Texas; Melville Ferguson, editor-in-chief, Philadelphia Evening Bulletin, Philadelphia, Pa.; Clark Howell, publisher, Atlanta Constitution, Atlanta, Ga.; Frank Kent, Baltimore Sun, Baltimore, Md.; James G. Stahlman, publisher, Nashville Banner, Nashville, Tenn.; Paul Block, Jr., New York City; Roy C. Flannagan, Richmond News-Leader, Richmond, Va.; Richard Forster, Columbus correspondent, Cincinnati Times-Star, Columbus, Ohio; Harry J. Grant, Chairman of the Board, Milwaukee Journal, Milwaukee, Wis.; Robert C. Harris, News Editor, Cincinnati Times-Star, Cincinnati, O.; Walter M. Harrison, Managing Editor, Oklahoma City Oklahoman & Times, Oklahoma City, Okla.; J. R. Knowland, publisher, Oakland Tribune, Oakland, Calif.; W. J. Conners, Jr., publisher, Buffalo Courier-Express, Buffalo, N. Y.; Kyle D. Palmer, political editor, Los Angeles Times, Los Angeles, Calif.; Elzey Roberts, publisher, St. Louis Star-Times, St. Louis, Mo.; James L. Wright, correspondent, Buffalo Evening News, Washington, D. C.; and Earle Behrens, San Francisco Chronicle, San Francisco, Calif.

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## FLY WILL BE AWAY FROM CAPITAL FOR TWO WEEKS

James L. Fly, Chairman of the Federal Communications Commission, left Washington late Tuesday for New York City in company with Lieut. E. K. Jett, FCC Chief Engineer, to attend the conference on television Wednesday.

Following the New York conference with the National Television Systems Committee, he will go to San Francisco to address the National Association of Broadcasters and to participate in the coast-to-coast broadcast linking the two World Fairs.

Chairman Fly also will inspect television developments on the Pacific Coast before returning to Washington. He is expected to be away from the Capital for at least two weeks.

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 ::: TRADE NOTES :::  
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Crosley Corporation and subsidiaries reports for six months to June 30: Net profit, \$96,661, equal to 18 cents each on 545,800 capital shares, against \$402,057, or 73 cents a share last year.

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"The Death of Lord Haw Haw", the Nazi radio commentator who is reputed to be an Oxfordian Britisher, is the title of a new detective story by Brett Rutledge. The advertisement asks: "Was Lord Haw Haw murdered in New York?"

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The amount of newspaper advertising used to promote Pillsbury's flour and cereals will be increased more than 100 percent in the current fiscal year, Howard W. Files, Vice President in Charge of Advertising and Sales for the Pillsbury Flour Mills Company, announced this week. Pillsbury spends about \$1,000,000 a year in advertising, more than half of which goes to radio.

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On its own motion, the Federal Communications Commission, by a Board consisting of Commissioners Fly, Chairman, Walker and Thompson, last week reconsidered its action of July 16 in granting the application of the Riverside Broadcasting Co. to construct a new station at Riverside, Calif., to operate on 1420 kilocycles, 250 watts power, unlimited time, and set the application down for simultaneous hearing with three conflicting applications. The other applications are Broadcasting Corporation of America and Mollin Investment Co., to construct new stations at Riverside to operate on 1390 kilocycles, 1 kilowatt power, unlimited time, and 1390 kilocycles, 500 watts power, daytime only, respectively; and Merced Broadcasting Co., to change frequency and increase power of its existing station at Merced, Calif., to 1390 kilocycles, 1 kilowatt power day, 500 watts power night, unlimited time. These three applications were designated for hearing at the July 16 meeting

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Steve Early, secretary to President Roosevelt, shot a one over par 73 at the exclusive Burning Tree Country Club golf course, using only one of his irons, last week.

Among other members of Mr. Early's foursome was Harry C. Butcher, Vice President of the Columbia Broadcasting System in Washington, whose score was not reported but whose golf is said to be usually very good.

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## MARINE RADIO EQUIPMENT APPROVED BY JETT

Lieut. E. K. Jett, Chief Engineer of the Federal Communications Commission, has approved the following types of marine radiotelegraph transmitters as capable of meeting the requirements of the applicable sections of the Rules Governing Ship Service:

Main radiotelegraph transmitters approved as capable of meeting the requirements of Section 8.142 of the Rules Governing Ship Service of October 1, 1939, as amended:

<u>Manufacturer</u>	<u>Type No.</u>
Federal Telegraph Company	155-B
Radiomarine Corp. of America	ET-8010-C and D

Main and emergency radiotelegraph transmitters approved as capable of meeting the requirements of Section 8.142 and 8.144 of the Rules Governing Ship Service of October 1, 1939, as amended:

<u>Manufacturer</u>	<u>Type No.</u>
Federal Telegraph Company	155-B101-A
Radiomarine Corp. of America	ET-8010-CA and-DA

Lieutenant Jett has also approved a list of designated spare parts to be associated with each of the approved marine radiotelegraph transmitters listed hereinabove in accordance with the provisions of Section 8.234 of the Rules Governing Ship Service. Lists of spare parts required for specific types of equipment approved by the Commission are furnished to its inspectors in charge at principal ports and are available to others upon request.

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## SPECIAL FM STATION TO BE SET BY FOR NAB MEETING

A complete FM station operating on a 16-hour daily schedule will be set up in San Francisco next month when members of the broadcasting industry come from all parts of the country for the 17th annual convention of the National Association of Broadcasters. It will be the first occasion that an FM station has been on the air on the West Coast, offering FM-quality programs.

The special demonstration FM transmitter, shipped from New York to San Francisco for the occasion, will employ a power of 1000 watts with the call letters W 10 XLV. High-fidelity programs are to include special transcriptions as well as originations by Station KSFO in San Francisco. W 10 XLV will be in operation from August 3 to 7 on a channel of 43.4 megacycles under a temporary license issued by the Federal Communications Commission.

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## POPPELE SEES 50,000 FM SETS IN N.Y. IN YEAR

Preparing for the inauguration of the WOR frequency modulation transmitter Thursday night, John R. Poppele, Chief Engineer, discussed the future of FM in an interview published on the radio page of the New York Times last Sunday.

While he has great expectations for FM, he does not bandy about phrases such as "will revolutionize the industry", the Times said. He predicts there will be 50,000 FM receivers in the metropolitan area within a year.

"Up to the present", said Mr. Poppele, "FM's development has been confined chiefly to the laboratories, and a handful of listeners always interested in scientific progress. That FM will grow there is no doubt, but its growth must be rational and controlled, and at all times in keeping with the needs and requirements of nation-wide communication systems. FM comes into the field with a sound and substantial foundation in research, experimentation and careful programming, without the booms and speculations which so often bring disaster to new industries."

One of the most important problems immediately confronting FM, according to Mr. Poppele, is programming. For the most part existing FM stations have been rebroadcasting the programs of regular broadcast band stations, or using recordings. The new FCC regulations, however, stipulate that all FM stations must originate two hours of high fidelity programs daily - one hour during the day and one hour during the evening. Since it may be some while before any sizable commercial income is developed, it is not likely that FM stations will be able to expend large sums on program talent, according to Mr. Poppele.

There are some programs originating in New York which WOR cannot carry because of other local commitments. In addition, many of WOR's important musical programs will be broadcast by W2XOR simultaneously with broadcast on WOR's regular 710 kilocycle channel.

Optimistic as he is about the new system, Mr. Poppele does not foresee any general and immediate public rush to buy FM sets. Instead, he visualizes a gradual development, much like that of the radio industry in recent years.

"Unquestionably we shall find FM adapters being used in years to come on the present radio receivers which have not yet reached a stage of obsolescence in the average home", he continued. "Finally, when FM has been firmly established, the mass of listeners will take advantage of the combination sets then offered by manufacturers. FM still has a great deal of experimentation ahead of it, particularly in production techniques. While engineers have been studying and working with FM for years, program builders, producers, directors, conductors, musicians, actors and sound effects men have still to become acquainted with it. They will have to explore the medium and learn its assets and liabilities."

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## NATION TO JOIN IN HOUR'S TRIBUTE TO RADIO

Representatives of government, religion, education, labor, civil liberties groups, women's organizations and the press, as well as world-famous entertainers, will join the World's Fair of 1940 in New York and the Golden Gate International Exposition at San Francisco in a gigantic tribute to radio broadcasting on Saturday, August 3rd. The climax is to be a nationwide broadcast, titled "This Is Radio", over more than 500 stations from 9:00 to 10:00 P.M., EST.

Networks of the National Broadcasting Company, Mutual Broadcasting System and Columbia Broadcasting System will be combined and scores of independent stations linked to the networks for the occasion. Major portion of the broadcast will come from the Court of Peace at the New York World's Fair but important contributions will be made from the San Francisco Fair and studios in Hollywood, Chicago and other cities. Dr. John S. Young, Director of Radio and Television for the New York World's Fair, and R. C. Coleson, Radio Director of the San Francisco Exposition, are to be masters of ceremonies.

The broadcast will open at the New York Fair with an ode to radio, written by John La Touche, author of the stirring "Ballad for Americans." From New York, the show will include the NBC Symphony orchestra, Paul Whiteman, Frank Black, Howard Barlow, Morton Gould, Frank Munn, Virginia Rea, Parker Fennelly, Arthur Allen, Clifton Fadiman, Ted Husing, Graham McNamee, John S. Young, Conrad Thibault, Dorothy Gordon, Major Edward Bowes, Raymond Gram Swing, Tommy Riggs, James Melton and Richard Crooks.

San Francisco and Hollywood will contribute the San Francisco Symphony, Amos 'n' Andy, Joe Penner, Orson Welles, Frances Langford, Fannie Brice, Morton Downey and many others.

Following the radio ode, a special dramatic presentation by Norman Corwin will be broadcast from California. This, in turn, will be followed by a symposium of distinguished speakers on "Freedom of Radio". Among those taking part will be Rabbi Jonah B. Wise, Walter W. Van Kirk, Executive Secretary of the Federal Council of Churches; Roger Baldwin of the American Civil Liberties Union; James L. Fly, Chairman of the Federal Communications Commission; Mrs. Harold V. Milligan, President of the National Council of Women, and John W. Studebaker, United States Commissioner of Education. Speakers yet to be named will represent Labor, the Press and the Catholic faith.

Harvey D. Gibson, Chairman of the Board of Directors of the World's Fair of 1940 in New York, and Marshall Dill, President of the Golden Gate International Exposition, will pay a brief tribute to broadcasting. Following their talks, plaques expressing the ideal of Freedom of Radio will be unveiled simultaneously at both Fairs.

A new tone poem written especially for the occasion by Carl Haverlin and Paul Nordoff will be read at the conclusion of the broadcast. Conrad Thibault, baritone, will be assisted by the NBC Symphony and a chorus. The grand finale of the program is to be the singing of "The Star Spangled Banner" by artists and spectators at the ceremonies on both sides of the continent.

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