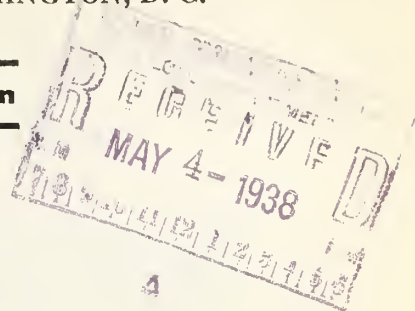


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



## INDEX TO ISSUE OF MAY 3, 1938

FCC Plans Broad Inquiry As Senate Probe Looms.....	2
Two New Stations Ordered; One For Newspaper.....	3
Reappointment Of Commissioner Case Expected.....	4
✓ RCA And Mackay Clash At Senate Hearing.....	4
Time Signal Device Brings Inventors Reward.....	5
India May Give Away Radio Sets.....	5
Rumors Abound As Short-Wave Report Is Delayed.....	6
Three Station Transfers Approved By FCC.....	6
ANPA Head Says Radio Keeps Press Truthful.....	7
"Spring Tune-Up" for Radios Is Launched.....	7
Trade Notes.....	8
Radio-Luxemburg Plans Cultural Broadcasts.....	9
FDR, Roper Laud Radio As Force For Democracy.....	10
Japan To Build 100 KW Radio Station.....	12
WMCA Sells 19 Hours Block Of Time To One Sponsor.....	12

No. 1122

g  
m

May 3, 1938

## FCC PLANS BROAD INQUIRY AS SENATE PROBE LOOMS

A broad general reallocation hearing is planned by the Federal Communications Commission to begin June 6th while another move to bring about a Senate investigation of the FCC and the broadcasting industry is under way on Capitol Hill.

New rules and regulations which will set up new station classifications and power limitations in accordance with the proposals of the FCC Engineering Department are expected to be issued early this week and to form the basis for the June hearing.

Changes of frequencies, as proposed in the engineering report and as embodied in the Havana Treaty will not be considered at the inquiry because of the failure of the State Department to submit the treaty to the Senate for ratification.

Just as it appeared that the chance of a Congressional investigation of radio was foregone for another session, Senator White (R.), of Maine, let it be known that he may press his resolution or blast the FCC on the Senate floor before adjournment.

Senator Byrnes (D.), of South Carolina, as Chairman of the Senate Audit and Control Committee, said he would give Senator White a hearing shortly on his resolution calling for an investigation of the Commission and the industry. While Senator Byrnes is opposed to the inquiry, Senate investigations are ordered much more readily than House probes.

The Maine Senator has indicated that if his resolution is not approved, he will make a speech on the Senate floor to force an investigation of the FCC.

Observers believe that the Republican National Committee has suggested that Senator White press his inquiry in the belief that it may embarrass the Administration.

Because of the change in plan for the Fcc hearing, super-power will be relegated to the background for the time being while the new Commission regulations, station classifications, general power changes, and the like will occupy most of the attention of the FCC and broadcasters.

The hearing in June is expected to last for three weeks or a month.

5/3/38

In explain<sup>ing</sup> its action in postponing indefinitely the hearing on applications for 500 KW permits and in broadening the inquiry, the Communications Commission stated:

"Inasmuch as practically all stations are interested in the question of 500 KW as well as in new regulations, and inasmuch as many issues of an economic character are inherent in both the new regulations as well as in the question of power in excess of 50 KW, the Commission felt that unnecessary effort on the part of all concerned could be avoided by adoption of the course it has taken.

"While the draft regulations are designed to facilitate constructive progress in the art of broadcasting and are intended to permit the application of latest technical devices in accordance with the information compiled as a result of the informal engineering hearing of October 5, 1936, the Commission considers these draft regulations tentative in character and subject to change in detail as a result of conclusions based upon proper proof presented at the forthcoming hearing on June 6, 1938.

"The applications of WLW and WHO, for renewal of existing special experimental authority and for special experimental authority to operate with 500 KW, respectively, will be heard immediately after the close of the hearing on rules and regulations. These two applications, while involved indirectly in the consideration of the rules and regulations, are, however, separate and distinct issues differing in many aspects from the question of a permanent license or change in rules and regulations with reference to powers in excess of 50 kilowatts."

X X X X X X X X X

TWO NEW STATIONS ORDERED; ONE FOR NEWSPAPER

Construction permits for two new broadcasting stations, one to be operated by a newspaper, were granted late last week by the Federal Communications Commission.

One of the applicants is the Elmira Star-Gazette, Inc., of Elmira, N. Y., which will broadcast on 1200 kc. with 250 watts power, daytime only.

The other is the Standard Life Insurance Company, of Jackson, Miss., which will operate on 1420 kc. with 100 watts at night and 250 watts daytime.

X X X X X X X X



5/3/38

## REAPPOINTMENT OF COMMISSIONER CASE EXPECTED

Norman S. Case, member of the Federal Communications Commission since its creation in 1934, is expected to be renominated for another seven-year term by President Roosevelt sometime this month.

Governor Case's term expires July 1st under the staggered year appointment system provided in the Communications Act. A native of Rhode Island, Governor Case served as its chief executive and also as Chairman of the Conference of Governors at the time President Roosevelt was Governor of New York. Governor Case is a personal acquaintance of the President. It is understood the Senatorial Delegation from Rhode Island has petitioned the President for his reappointment, along with a number of other leading public officials.

While Congress is expected to adjourn early in June, it is anticipated the nomination will be made in advance of adjournment to permit Senate confirmation. Otherwise, the appointment would have to be made on a recess basis with confirmation to come at the next session of Congress convening in January.

X X X X X X X X X X X

## RCA AND MACKAY CLASH AT SENATE HEARING

A controversy over licenses issued by the Federal Communications Commission, covering the foreign field, developed this week before a Senate Interstate Commerce sub-committee.

Former Rear Admiral Luke McNamee, now President of the Mackay Radio & Telegraph Co., declared the licenses had given R.C.A. Communications, Inc., a monopoly. Frank Wozen-craft, General Solicitor for R.C.A., retorted that the competition of the Mackay company would "put both companies in the red" if granted.

The hearing was being held on a bill by Senator Wheeler (D.), of Montana, amending the 1934 Communications Act to declare it is Congress' policy "to prevent monopoly and encourage competition in direct foreign radio telegraph communication."

X X X X X X X X



5/3/38

## TIME SIGNAL DEVICE BRINGS INVENTORS REWARD

For developing a device which sends out radio time signals automatically by means of a quartz crystal controlled oscillator, two Washington men have been awarded the Edward Longstreth medal by the Franklin Institute of Philadelphia.

The inventors are Capt. J. F. Hellwig, U.S.N., retired, head of the U. S. Naval Observatory, and Paul Solenberger, an associate.

The invention, it was said, "increased the accuracy of radio time signals". It is used in Washington and California naval radio stations, the time signals being picked up by naval vessels at sea every hour. Many commercial stations also employ the automatic signal device.

X X X X X X X X

## INDIA MAY GIVE AWAY RADIO SETS

As a part of the rural uplift program in the United Provinces of India, it has been proposed that 300 villages be provided with radio receiving sets, according to a report to the Commerce Department from the office of the American Trade Commissioner at Calcutta.

It is estimated that the cost of the sets would approximate \$22,200 and that an additional \$3,700 would be required for recurring expenses, the report stated.

If the plan is approved, it will be worked in conjunction with the Lucknow Radio Station, which was scheduled to open in April.

Installation of sets in villages was also discussed at the Bihar Assembly session at Patna for the use in co-operation with the Patna Broadcasting station, according to the report.

X X X X X X X X

5/3/38

## RUMORS ABOUND AS SHORT-WAVE REPORT IS DELAYED

While the Inter-departmental Committee on International Broadcasting has completed its study and report, the document will not be made public until the return of President Roosevelt to Washington, if then, it was learned this week.

Meanwhile rumors abound as to the recommendations of the Committee. All agree that the Committee is suggesting that the Government go in for international broadcasting on a rather extensive scale, but prognosticators differ as to whether the Committee will recommend that the Government build and operate its own short-wave stations, or use present privately-owned outlets.

One report from a source close to the Committee said that the Committee has straddled the issue somewhat by suggesting both possibilities and leaving the decision to the President.

Another rumor is that the Committee is proposing that the Government establish several international stations and operate them for the purpose of improving relations with Latin American countries.

X X X X X X X X X

## THREE STATION TRANSFERS APPROVED BY FCC

Transfer of control of three broadcasting stations, one to a newspaper syndicate, was approved late last week by the Federal Communications Commission.

The transfers are:

Station WROK, Rockford, Ill., from Lloyd C. Thomas to Rockford Consolidated Newspapers, Inc., which publishes two newspapers in Rockford; ten shares.

Station WNBZ, Saranac Lake, N. Y., from Earl J. Smith and William Mace to the Upstate Broadcasting Corporation; sale price \$17,000.

Station WKBH, LaCrosse, Wis., from Joseph C. Callaway to Harry Dahl.

X X X X X X X X X

## ANPA HEAD SAYS RADIO KEEPS PRESS TRUTHFUL

The competition of radio broadcasting and other disseminators of news keeps the newspapers on their toes and especially intent on keeping their news accurate, according to Robert McLean, newly-elected President of the American Newspaper Publishers' Association.

As part of a statement made to Editor & Publisher following his election, Mr. McLean said:

"No longer are newspapers the only medium for transmission of news. We have had the radio for a decade or more. We see and listen to the sound reel. We have facsimile already, and television comes rapidly over the brow of the hill. To put it boldly, we had better tell the truth or somebody else will."

X X X X X X X X

## "SPRING TUNE-UP" FOR RADIOS IS LAUNCHED

A Spring Tune-Up campaign to get listeners' radio sets in first-class condition for the important Summer programs ahead is being launched by Radio Today with its May issue. Through its radio readers, listeners will be urged to have tubes and antennas replaced and sets overhauled. Supplementing this Spring Tune-Up drive, there will be network broadcasts by the editor of Radio Today, Dr. O. H. Caldwell, over NBC May 9th and 27th, and CBS May 13th.

Three simple rules for good radio reception are emphasized by Editor Caldwell: 1. Have an outdoor antenna installed as high as possible and leading away from the house. 2. See that the tubes in your set are fresh and in good operating condition. 3. If interference is still suffered, have an experienced radio man check over your radio set, as well as nearby electrical devices, which may be causing the trouble.

X X X X X X X X

A new radiobeacon is being established by the Lighthouse Service at Bonita Point, on the north side of the entrance to San Francisco Bay, California, according to the Bureau of Lighthouses, Department of Commerce. This radiobeacon will greatly facilitate the approach to the Golden Gate, particularly during fog or low visibility, and will be operated in conjunction with the existing radiobeacons at the Farallon Islands, and on San Francisco Lightship.

X X X X X X X X



5/3/38

:::  
::: TRADE NOTES :::  
:::

President Roosevelt has nominated Richard C. Patterson, Jr., of New York City, to be an Assistant Secretary of Commerce. Mr. Patterson formerly was Vice-President of the National Broadcasting Company. He was named to the post vacated by Ernest G. Draper, recently appointed a member of the Federal Reserve Board.

-----

In the matter of the hearing on the protests of Mackay Radio and Telegraph Company, Inc., R.C.A. Communications, Inc., The City of New York Fire Department, the Mutual Telephone Company of Hawaii, and Press Wireless, Inc., to the allocation of frequencies between 30,000 kilocycles and 300,000 kilocycles, now scheduled for June 6, 1938, the Commission, upon its own motion has postponed the hearing until June 20.

-----

San Diego's three daily newspapers have joined the ranks of those eliminating all radio page material but the daily program schedules. The Union, Sun and Evening Tribune quickly followed a lead by Los Angeles papers, mutually agreeing to drop everything but the programs.

-----

Frank R. McNinch, Chairman of the Federal Communications Commission, will be the principal speaker at the annual luncheon of the Women's National Radio Committee tomorrow (Wednesday), May 4th. Mr. McNinch will be introduced by Madame Yolanda Mero-Irion, Chairman and founder of the Women's National Radio Committee. Immediately after the broadcast the Committee will make its annual award to the person who has made the greatest contribution to broadcasting during the year 1937.

-----

At least sixty institutions are offering courses in radio education, radio speech, or radio writing during the 1938 Summer session, according to the National Committee on Education by Radio.

X X X X X X X X X X X

5/3/38

## RADIO-LUXEMBURG PLANS CULTURAL BROADCASTS

The Director of Radio-Luxemburg, one of the most powerful broadcasting stations in the world, has an idea which he believes will tend to aid materially in securing a more rapid diffusion of technical scientific discoveries and exchange of intellectual ideas than now seems possible through other means, if he can secure the desired cooperation, according to the U. S. Consul at Luxemburg.

"Briefly", the report states, "Director Peulvey is willing to place a half-hour once or twice a week at the disposal, free of charge, of learned societies, medical faculties, and cultural international organizations for the broadcasting in English, German, Flemish, French, Italian, and Dutch of recent medical discoveries described by an expert approved by his own country's medical authorities, or information of value touching cultural relations and other similar matters.

"Inasmuch as Radio-Luxemburg's broadcasts cover England, Ireland, Germany, Belgium, Netherlands, Italy and France with great strength and clarity, the station has potential audiences amounting to many millions. It would not be necessary for a participating group or society to send a special speaker to Luxemburg to take part in these half-hours inasmuch as Radio-Luxemburg has upon its staff English speakers who are quite capable of broadcasting any technical material in the English language. Such announcements could always be sent to the Legation for examination and transmittal to the Director of Radio-Luxemburg, or some other means could be worked out later."

X X X X X X X X

By courtesy of the Directors of the Epsom Grand Stand Association, the British Broadcasting Corporation will televise the Derby on June 1st. Three cameras - one of which will be equipped with 6-inch telephoto lens - will be used. In addition to the race itself, the broadcast will include pictures of the course and crowds, the parade of runners, the weighing-in of the jockeys, and the leading-in of the winning horse.

April's programs from the BBC station at Alexandra Palace included the televising of a mimic air raid, involving an attack on Alexandra Palace itself.

X X X X X X X X



## FDR, ROPER LAUD RADIO AS FORCE FOR DEMOCRACY

Radio as an "essential force in our democratic form of government" and an "established American service industry" was hailed in a letter from President Roosevelt and in a talk by Secretary of Commerce Daniel C. Roper during ceremonies dedicating the Columbia Broadcasting System's new KNX Hollywood studios broadcast over the CBS network Saturday, April 30.

Secretary Roper spoke from 10:45 to 11:00 P.M., EDT, before the day's ceremonies were climaxed at midnight in a two-hour broadcast which included an address of welcome by William S. Paley, President of Columbia, and appearances by leading radio and motion picture celebrities.

Mr. Roosevelt stated in his letter, which was read during this broadcast, that the "art of broadcasting . . . is a factor of the utmost importance in the maintenance and preservation of our Constitutional guarantee of free speech." He then expressed himself as being "particularly pleased with your (Columbia's) announced policy of making your facilities available as a forum for the presentation of both sides of public questions."

"Only through free and untrammelled discussion", he wrote, "can sound public opinion, so essential as a force in our democratic form of government, be achieved."

"In placing this emphasis upon a policy which I believe you have proclaimed publicly, I do not wish to underestimate the broad role which broadcasting has played in the social life of the nation as a rich source of entertainment and diversion for our entire people. In fact, I believe that radio adds to the fullness of life just as vitally when it provides laughter, enjoyment and relaxation as when it furnishes public stimulus on matters of serious concern to the commonweal."

Secretary Roper said, in part:

"Broadcasters utilize a resource which belongs to the people and is specifically reserved to them by the Congress. In obtaining this franchise privilege, these broadcasters undertake a certain responsibility to render a public service. The consequence of this has been the development of radio into an established American service industry."

"Programs of a cultural value, including music, other classic arts, and constructive historical episodes, express the responsibility of the sponsors for the highest sentimental and cultural influences fundamentally useful to our entire social structure. This is not only an effective defense for democracy through its satisfying influence on the



human soul, but looks to fellowship, understanding and peaceful relations. In no other country in the world is the opportunity greater for the masses of the people to enjoy, with the minimum of effort, those entertainment and educational features which enrich and ennoble.

"Certainly, few agencies have greater potentialities in their freedom of opportunity for constructive service in spreading human happiness and giving strength and virility to our democracy. But, this opportunity must be safeguarded against sinister and selfish controls, through a balance with responsibility, if best results are to be achieved for all. Private broadcasting will flourish so long as its mission exemplifies constructive ideals for the people."

Turning to a discussion of commercial broadcasting, Mr. Roper pointed out that in 1937 more than \$68,000,000 was spent by American business "for the privilege of disseminating their sales messages into the homes of the country by radio." He cited these figures, he said, "first, to reflect the estimate placed by the public on the value and effectiveness of the radio as a medium for building business good will, through the technique of entertainment", and "second, to emphasize the responsibilities involved for wisely leading and not misleading the public."

"The fact that radio advertising has proved so well its potentialities for stimulating mass distribution and the corollary of mass production and lower consumer prices justifies its role as a basic social and economic force in our democracy."

Mr. Paley paid tribute to Hollywood as "a new metropolis of the 'empire of entertainment' of which it may truly be said that all roads lead to Hollywood." The pioneers in this "world of make-believe" and their successors have taken "a long forward step", he said, "in perfecting the usefulness of human communication, for the motion picture is an expression of the art of communicating enjoyment, entertainment and useful knowledge."

"In more recent years, we of the broadcasting industry have been privileged to play a new and important role in developing even further the art of communication. It has been our happy task to open for the peoples of the world new doors to entertainment, knowledge and cultural opportunity, and it is our obligation to widen those doorways, to keep them free and open, and to increase the stock of treasures which lie beyond them."

Mr. Paley said the KNX studios "were designed to help produce better programs, programs that entertain, programs that inform and programs that make people think."

X X X X X X X

5/3/38

## JAPAN TO BUILD 100 KW RADIO STATION

Apparently spurred to action in combating what is considered to be radio propaganda unfavorable to Japan, the Department of Communications of the Taiwan Government General has announced that construction will be started shortly of a 100 kilowatt radio station at Choryo, Tamio-sho, Kagi-gun, (north of the city of Kagi) Tainan-shu, Taiwan and will be ready for operation by mid-1939, according to the U. S. Consul at Tokyo.

Mr. Tomizu, Chief of the Japanese Department of Communication has issued the following statement concerning plans for the new station:

"World broadcasting is now being concentrated in large stations rather than in small scattered stations, and every country is competing in equipping itself with the large type station. Even in our country a 150 kilowatt station was put into operation in Tokyo in January of this year. From the standpoint of national policy it is thus necessary for Taiwan, which is in a special area, to compete in this war of electric waves. The Taiwan Government General has therefore decided to expedite completion of a large broadcasting station at a total cost of 2,400,000 yen beginning with the fiscal year 1937 and spread over three years. A site has been selected at Choryo, Tamio-sho, Saki-gun, Tainan-sho."

X X X X X X X X

## WMCA SELLS 19 HOURS BLOCK OF TIME TO ONE SPONSOR

What is perhaps the largest block of time ever sold to one sponsor was consummated this week with the sale of 19 hours per week by WMCA, New York, to Community Opticians, Brooklyn, Inc. The time provides for eight different types of broadcasts ranging from a round-table on bridge with the "Four Aces", recent Vanderbilt Cup winners, to a "Dance Parade" nightly.

X X X X X X X X