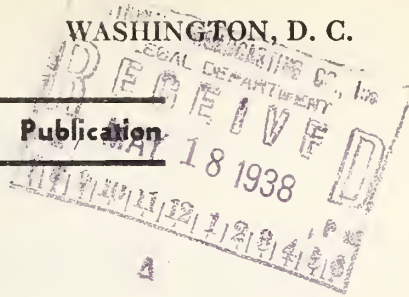


# HEINL RADIO BUSINESS LETTER

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## INDEX TO ISSUE OF MAY 17, 1938

S-W Station Proposal Appears Blocked For Session.....	2
Ethridge Blasts Celler Bill As "Nazi" Proposal.....	3
SEC Lists RCA Salaries.....	5
Radio Inquiry Faces Obstacles In Both Houses.....	5
50 KW. Power For WRVA Granted By Commission.....	6
FCC Bill Aims At Radio Interference.....	8
Three Stations Authorized; Dozen Are Rejected.....	8
High Speed Aircraft Held Dependent On Radio.....	9
Examiner Reversed In FCC Decision In Press Case.....	10
Stronger S-W Signals Needed, Says Bullock.....	11
WMCA Plans Experimental Radio Theatre.....	12
Labor Board Upheld In Mackay Case.....	12

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May 17, 1938.

## S-W STATION PROPOSAL APPEARS BLOCKED FOR SESSION

Despite last-minute activity in behalf of House and Senate bills to establish a government-owned Pan American short-wave station, present indications are that the legislation will not be enacted into law at this session.

Chairman Vinson and his colleagues on the House Naval Affairs Committee disclosed their hostility to the proposal almost immediately after the opening of hearings on the Celler Bill, which has been pending in the House more than a year. While hearings will continue this week, Representative Vinson indicated that the Committee will not report the bill favorably, if at all, before adjournment.

Meanwhile the only chance for legislative action on the Pan American station is in the Senate Interstate and Commerce Committee, which this week was due to resume hearings on the McAdoo-Chavez bill to establish the station in California near San Diego.

Senator Bone (D.), of Washington, appeared favorable to the bill, but even though it is reported, it has several legislative obstacles to hurdle. Even though it should pass the Senate, it is doubtful that the House would accept it in view of the attitude of the House Naval Affairs Committee.

While President Roosevelt has never taken a definite stand in the controversy, executive departments under his control have made favorable reports on it. The most enthusiastic Administration supporter is Secretary Ickes, who has an elaborately-equipped studio in his new Interior Building. The Navy Department is agreeable but not enthusiastic, while the War Department stated it has no objections but thinks the proposal does not concern the military policies of the country.

Broadcasters of the nation are united in their opposition to the proposal for fear that it might be used as an entering wedge into government operation of broadcasting stations, domestic as well as international.

Sponsors contend that the legislation is needed to offset the radio propaganda pouring into the Latin American countries from Berlin and Rome. They insist that the trade and good-will of these countries is at stake.

Meanwhile, the report of the Inter-Departmental Committee named by President Roosevelt to study international

broadcasting in relation to the United States is being delayed for unexplained reasons. For the past fortnight Chairman Frank R. McNinch, FCC head, has stated that the report would be submitted to the White House within a few days.

It is understood, however, that it makes no definite recommendation but merely calls attention to the possibilities of government radio programs either over existing commercial stations or by means of a government-owned short-wave station.

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#### ETHRIDGE BLASTS CELLER BILL AS "NAZI" PROPOSAL

Mark F. Ethridge, Acting President of the National Association of Broadcasters, was credited with turning the tide of sentiment in the House Naval Affairs Committee against the Celler Bill to establish a government-owned Pan American short-wave station in Washington this week.

Speaking for the networks as well as the NAB, Mr. Ethridge assailed the measure as "suggesting the Nazi philosophy" and "utterly at variance with democratic principles".

Excerpts from his statement follow:

"It is apparent that this bill and similar measures pending before the Congress were inspired by the activities of other nations which, through the medium of short-wave radio are undertaking to propagandize their particular political ideologies. Experienced observers tell us that the ether is surfeited with insidious political propaganda. The various authoritarian States on the Eastern Hemisphere seek to rally their expatriate nationals in South America and other countries by repeated broadcasts deifying the dictators of the homeland and pleading that the way of life under a totalitarian government promotes happiness and security for the individual. Moreover, we are told, the objective of such programs by foreign governments is to convince the citizens of the nation toward which the broadcast is directed that if they will but adopt a similar political system, their people will enjoy advantages presently denied them.

"It is now proposed that this government as a government engage in the "battle of the airwaves" and attempt to compete with those nations which seek to peddle their various "isms" by short-wave broadcasts. Any proposal to put the United States government in control of media for the dissemination of news or information is utterly at variance with democratic principles and follows the pattern of authoritarian states where government control and operation of radio, newspapers and other instruments of communicating information already is an accomplished fact. It suggests the Nazi



philosophy which seeks to fuse the people with a common thought, with common aims and ultimately obtains complete submission to the thinking of a small group.

"Is it desirable or feasible for the Government of the United States to copy the technique of totalitarian states in their efforts to win commercial and political preferment from our neighbors to the South? Would not such a procedure be inconsistent with our traditional democratic processes and give rise to ill-founded suspicion and distrust among those countries whose respect and good-will we, as a Nation, so greatly desire?

"The second general consideration is substantially related to the broad question of international policy just outlined. Will the facts disclose that the efforts of foreign propagandists are meeting with any degree of success in the various South American nations?

"With respect to the commercial relationships between the United States and Latin American nations, it is a matter of general knowledge that the reciprocal trade policies of our government, together with other factors, have caused notable improvements. A recent summary published by the Department of Commerce of the United States' trade with the world, covering the calendar year 1937, shows increases in value of exports over the previous year to Latin American nations ranging from forty to ninety per cent.

"In the political sphere, it is equally apparent that Nazi and Fascist propaganda in South America which has concerned us all, has loudly backfired. Recent developments in Argentina, Brazil and Chile demonstrate the futility of the efforts of foreign governments to extend their influence into these Republics. Newspaper dispatches indicate that these propaganda efforts, instead of making "serious inroads", have only served to make new enemies, particularly for the Berlin government.

"There are other important reasons why the broadcasting industry believes the Government should not engage in international broadcasting. Perhaps the most important one is that private facilities are available and, therefore, it is unnecessary for the government to duplicate them. Moreover the present licensees can better accomplish the objectives of furthering the Good Neighbor policy in Latin American than can government.

"Government propaganda (if the term "propaganda" is odious, call it by any other name) is subject to a very natural suspicion. It may be presumed that from a program standpoint, it is the desire of the sponsors of this project to develop for our neighbors in the South a living pattern of our democracy, presenting the best of our music; describing the functioning of our institutions, our traditions of liberty and freedom; offering the best of our programs of entertainment; broadcasting the



news of the day, uncolored and uncensored. In short, to present the culture of a progressive democracy that desires peace for all people and freedom and security for its own citizens. One may assert that all of this can be done by Government, but we maintain that under the existing system of broadcasting in the United States, it can be better and more effectively accomplished by private entrepreneurs."

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## SEC LISTS RCA SALARIES

The Securities and Exchange Commission has listed the salaries of the following Radio Corporation of America officials during the past year:

David Sarnoff, \$84,153; Gen. J. G. Harbord, \$56,000; Otto Shirer, patent expert, \$30,000; Oswald F. Schuette, special services, \$30,000; M. H. Aylesworth, Advisor on motion picture activities, \$35,000; John V. L. Hogan, patent expert, \$56,574.

Gen. Hugh Johnson was listed as having received \$40,000 for advice on labor relations.

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## RADIO INQUIRY FACES OBSTACLES IN BOTH HOUSES

With adjournment of Congress drawing closer daily, prospects for a Congressional investigation of the radio industry and the Federal Communications Commission are growing dimmer.

A Senate debate and a possible vote on the White resolution, now on the Senate calendar, is likely, but Administration supporters have indicated they will fight the proposal for a broad Senate inquiry. Senator Wheeler (D.), of Montana, has strengthened the proponents' cause, however, by announcing that he would support the resolution. Senator White (R.), of Maine, expects to bring the issue to the Senate floor at the first opportunity, probably on a move to suspend the rules.

Meanwhile, the House Rules Committee was scheduled to resume its hearings this week on a half-dozen resolutions calling for radio probes, but it appeared doubtful that anything but an innocuous proposal, if any, will emerge from the Committee.

Representatives Connery (D.), and Wigglesworth (R.), both of Massachusetts, are to be heard in favor of the Connery resolution when the Committee resumes its hearings.

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## 50 KW. POWER FOR WRVA GRANTED BY COMMISSION

A ten-fold increase in power for Station WRVA, Richmond, Va., was approved late last week by the Federal Communications Commission, sustaining its own Examiner. The increase, when put into effect, will place WRVA among the nation's most powerful regularly licensed stations.

"The applicant is qualified legally, technically and financially to make the construction herein requested and to operate Station WRVA with 50 kw. power", the FCC report stated. "The granting of the application will permit of an improvement in signal strength and an enlargement of service area in the Tide-water and other sections of Virginia, urban and rural. Need for such an increase is clearly shown to exist.

"The existing stations appearing as respondents in the proceeding fully participated in the hearings but filed no exceptions to the report of the Examiner and did not request oral argument. The Commission finds that the operation of Stations WRVA as proposed will not cause additional interference to any existing station."

The grant was a notable victory for Frank D. Scott, Washington attorney, who appeared as counsel for WRVA, while C. T. Lucy, General Manager, testified at the hearing on which the grant was made. Among counsel appearing in the case for other interested parties were John M. Littlepage and Thomas P. Littlepage for WISN, and A. L. Ashby, for WTAM.

Station WRVA, which is owned and operated by Larus & Bros. Co., tobacco manufacturers, attracted attention several years ago by installing one of the first wooden transmission towers for broadcasting.

"Station WRVA began operation in November of 1925 with the power of 1 kilowatt, unlimited time", the FCC report states. "From 1925 to 1927 the station operated on a non-commercial basis, and from 1927 to 1928 the facilities of the station were available to advertisers upon request but no solicitation was made. In 1928 the station assumed an affiliation with the National Broadcasting Company, and from 1929 to the present time the station has operated on a commercial basis with a power of 5 kilowatts, unlimited time. On June 27, 1937, the station became affiliated with the Columbia Broadcasting System.

"Since the beginning of the station the applicant has endeavored to bring the mechanical efficiency of the station to the maximum which could be afforded by the latest developments and inventions in the art. It has invested more than \$240,000.00 in equipment for the station since it began operation.



5/17/38

"The antenna and equipment to be installed are expected to cost approximately \$200,000. As of December 31, 1936, the books of the applicant corporation showed that its current assets exceeded its liabilities by \$5,500,000.

"The station has five broadcasting studios, several business offices and control rooms in Richmond. In addition, the station maintains 11 permanent line facilities to the Capitol building, hotels, churches and various amusement places in Richmond. Other remote control facilities have been installed in various places in the city and the surrounding territory and are available whenever necessary to broadcast programs or important events. Broadcasts have been made by remote control from points at considerable distance from Richmond. Such locations include Orange, Williamsburg, Newport News, Petersburg, Harrisonburg, Alexandria, Fredericksburg, Hopewell, and other points in Virginia. The applicant expects to continue this service if the Commission authorizes the proposed power increase.

"The various departments of the State Government have used the facilities of Station WRVA for the broadcast of the information and programs in which they are interested. These programs are designed and intended for use by all residents of the State, and not for any particular part thereof. These departments are therefore interested in obtaining as much coverage as possible for their programs. No charge is made for programs sponsored by the various State agencies.

"Officials of the State Department of Education broadcast programs dealing primarily with education and educational guidance. The programs are designed for the teachers and students in the schools throughout the State. Station WRVA publishes, without charge to the department, a weekly release inviting attention to the educational programs to be broadcast over the station for the ensuing week. These bulletins are mailed in advance to the superintendents of the schools who may make appropriate arrangements for the teachers and students to hear the programs. The station has broadcast more than 500 programs for the University of Virginia.

"The station broadcasts programs originating from the State Capitol. Such programs include addressed by the Governor, openings of the General Assembly, and special committee hearings."

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WOR's studios are being equipped with a \$49,000 air conditioning plant. Construction began last week and the new cooling system will be in operation within fifty-six days.

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5/17/38

## FCC BILL AIMS AT RADIO INTERFERENCE

An amendment to the Communications Act designed to give the Federal Communications Commission authority to control diathermy apparatus was submitted to Congress this week by Paul A. Walker, Acting Chairman of the FCC.

Commissioner Walker explained that the medical machines were found to cause serious interference with certain types of radio communication.

"This interference seriously impairs radio communication service at the present time", Mr. Walker said, "and is rapidly growing in intensity.

"In the opinion of the Commission unless measures for suppression or mitigation can be promptly undertaken there is real danger that the usefulness of a large part of the radio spectrum for communication purposes will be destroyed."

The amendment states that the Commission "shall, from time to time, as public convenience requires, make rules and regulations to prevent interference from any apparatus which uses radio frequency electric current."

Commissioner Walker said that the FCC learned of the interference at the radio engineering conference held some time ago.

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## THREE STATIONS AUTHORIZED; DOZEN ARE REJECTED

Three new local broadcasting stations were authorized late last week by the Federal Communications Commission, while a dozen other applications were rejected. The grants bring to 20 the number of new locals approved by the FCC this year.

The three new stations are:

Sam Houston Broadcasting Association, Huntsville, Texas, using 1500 kc. with 100 watts power, daytime; Twin-City Broadcasting Co., Lewiston, Me., using 1210 kc., 100 watts power, unlimited time; Cape Cod Broadcasting Co., Barnstable, Mass., 1210 kc., 100 watts power night and 250 watts daytime, unlimited hours.

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## HIGH SPEED AIRCRAFT HELD DEPENDENT ON RADIO

"Without modern radio high speed air transportation would be impossible", the Federal Communications Commission declared this week in a formal statement marking the nation's observance of air mail week, "and it may be expected that the aeronautical and radio engineers working together will produce a safer, faster, and more economical transportation system in the future."

"From the beginning of the airmail until about 1928, aircraft, due to the lack of radio equipment, was restricted to contact flying", the FCC recalled. "The pilot, before taking off, ascertained through inspection of weather maps and weather forecasts and by means of wire communication, whether there was a reasonable possibility that the field at his destination would be in a condition for landing. After taking off it was very necessary for him to maintain visual contact with the ground. Over the top flying was very dangerous due to the possibility of getting lost. These circumstances all led to interruptions in air transportation service, restriction in aircraft range and hazards to the life of the pilot."

"In 1928, air transport lines initiated activity with two-way radio. This permitted the pilot to receive information in flight as to conditions surrounding airports, and with the installation of radio ranges by the Government, the way was open for the use of long range aircraft flying at higher altitudes and over the top."

"In the past ten years the communications system serving air transport has grown from a few disconnected routes to a comprehensive network of communications covering the whole of the United States and a great portion of Alaska. Through this system the pilot receives a constant stream of information, not only as to weather and physical conditions, but as to the positions of other planes which he may be expected to overtake and meet, and as to many other items of information which are indispensable to him in the exercise of his judgment. The communication networks have also been extended beyond our borders, across the Pacific to Hawaii, the Philippines and China, to South America and to Bermuda. In the near future a network will extend across the Atlantic. These networks, through coordination with similar networks established by foreign administrations, are developing a world-wide aviation communication system which will permit the safe and efficient navigation of the airways of the world by any aircraft regardless of nationality."

"With increase in range of aircraft and higher flying speeds, the amount of information which the pilot must receive has increased enormously. Originally, it was only necessary for the pilot to know the probable weather for the

next few hours and within a range of only a few hundred miles. Now it is necessary to know the probable weather for many hours and over a great range in territory. With aircraft now in process of construction, this need for information will be further increased and it will be possible by use of the existing communication system, with minor expansions, for a pilot to take off on a non-stop flight from coast to coast and be re-dispatched to any of the seaboard airports should the weather close in at the airport of destination.

"This communication system is available not only to the transport aircraft, but to the private aircraft. Within the United States the itinerant may fly his aircraft to almost any point and receive assistance through radiocommunication from many stations established by the Government and by private industries with a minimum of pre-arrangement. If desired, arrangements may be entered into with private agencies for the dispatch of private aircraft on the international routes. Under these circumstances, the itinerant is given the same attention and protection as the transport aircraft. In many parts of the world it is no more difficult to arrange for a trip in your own aircraft than it is to travel by private motor car.

"The development of aviation has been very rapid and is proceeding unchecked. The radio industry has been and still is keeping abreast of these developments in order that new developments in radio engineering may be quickly applied to the peculiar needs of air transportation. Aircraft is now contemplated which will fly "over the weather". However, such aircraft must take the weather as it is on departure and arrival. To make this possible, the radio industry is now flight-testing various types of instrument landing systems. These are expected to be perfected in the near future to such an extent that the modern aircraft may find and land on an airport with as great facility as has a modern ocean liner in finding a harbor and proceeding to dock."

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#### EXAMINER REVERSED IN FCC DECISION IN PRESS CASE

The Federal Communications Commission late last week reversed one of its Examiners, P. W. Seward, and approved the sale of Station KOOS, of Marshfield, Ore., to Sheldon F. Sackett, publisher of the Coos Bay Times, for \$14,000.

Chairman Frank R. McNinch and Commissioner George Henry Payne for once voted alike in a dissent.

In recommending against the grant, Examiner Seward had contended that "it would not be in the public interest to approve this transfer and thereby place in the hands of one man



practically all the means of dissemination of news and other information, as well as the advertising media in this area, and constitute a virtual monopoly."

At the same time the FCC denied an application of the Fall River Herald News Publishing Co., Fall River, Mass., for a construction permit to build a new station using 1210 kc., 100-250 watts power.

"The record does not show", the FCC said, "that sufficient commercial support could be reasonably expected to enable the existing station to continue its operations and at the same time to sustain the applicant in its proposed operations."

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### STRONGER S-W SIGNALS NEEDED, SAYS BULLOCK

Stressing the need for a better signal if American short-wave broadcasting is to compete with European stations for reception in South America, Boyd W. Bullock, Assistant Manager of Broadcasting, General Electric Company, stated in an interview that too little thought has been given to the problem of furnishing the people of South America a signal good enough for them to hear if they want to listen to United States programs.

Mr. Bullock debunked the popular idea that short-wave programs, regardless of the power of their transmission, are audible throughout the world. He stated that this belief has resulted from the fact that "ham" broadcasters, using as little as a fraction of a kilowatt of power, have sometimes been heard in distant parts of the world.

Explaining why some European stations reached South America better than American stations, Mr. Bullock replied that the geographical location of parts of Europe makes it possible to direct from such a location a narrow beam of 15 degrees on Buenos Aires and maintain a strong signal throughout the most populated sections of South America; whereas an equivalent beam from an American station would be as strong at Rio de Janeiro, if directed on that point, but would be inadequate to properly serve the western area of South America. Likewise, a 15-degree beam directed on Santiago, Chile, or Buenos Aires would not produce a signal at Rio comparable to, say, a German signal.

"For this reason", stated Mr. Bullock, "American stations must use greater power than Germany if a comparable signal is to be had throughout South America. It is not a problem of counteracting European stations, but rather a question of maintaining a signal approximately as strong as theirs."

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5/17/38

## WMCA PLANS EXPERIMENTAL RADIO THEATRE

On the theory that there has been too much technique and too little practical application of its development, WMCA is preparing an "experimental radio show" to coordinate existing forms and to develop new mediums for dramatic broadcasts. The theatre is to be under the direction of Larry Menken, veteran radio writer and producer.

Expected to start as a regular Saturday night feature beginning early in June, the program will be open to the submission of new ideas from the radio audience. The field of investigation to be covered by the series will include the technique of sound, music, conversation and other forms which have formerly been used without regard for the character of the play.

Most of the plays to be presented will be adaptations of well known stories which are illustrative of the technique under study although original plays will also be presented in cases where the mediums contain new dramatic formulae. Thus, to develop the technique of sound, stories by Robert Louis Stevenson and Edgar Allen Poe will be used. Similar sources will be drawn upon, to express the musical and conversational forms of radio drama.

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## LABOR BOARD UPHELD IN MACKAY CASE

The National Labor Relations Board was unanimously upheld by the U. S. Supreme Court Monday in the course it took in ordering the Mackay Radio and Telegraph Company to reinstate five former strikers. Justices Reed and Cardozo did not participate.

Satisfaction over the Court's position in the Mackay case was expressed by Charles Fahy, general counsel of the Labor Board, and Mervyn Rathborne, President of the American Communications Association, a C.I.O. union, whose five members of the American Radio Telegraphists Association were ordered reinstated at San Francisco.

The NLRB had not served on the defendant an intermediate report founded on the investigation of its trial examiner. The Supreme Court held, however, that other proceedings sufficed to inform the Mackay corporation of the nature of the charges.

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