

HEINL RADIO BUSINESS LETTER

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No. 1138

FCC OMITS SUMMER VACATION; BUSY SUMMER AHEAD

The Customary Summer recess which the Federal Communications Commission has observed in past years will be passed up this year, according to plans of Chairman Frank R. McNinch, and a quorum of the Commission will be on hand at all times to transact business.

With several investigations underway and a reallocation in the offing, the FCC will be the busiest it has been during the Summer season since it was organized.

While the super-power hearing has ended, except for oral arguments, two other hearings are scheduled for this month and FCC investigators are gathering data in preparation for the monopoly probe in the early Fall.

Oral arguments will be heard by the full Commission throughout July and possibly in August.

Chairman McNinch plans to permit one or possibly two Commissioners to take vacations simultaneously. In previous years the FCC left only one Commissioner to look after routine matters while the remainder went to vacation resorts. The Chairman was to take a two week's rest beginning this week-end.

On July 18th the super-power committee, headed by Commissioner Norman Case will hold a hearing on the application of Station WLW for renewal of its special experimental license to operate with 500 KW. A renewal of clashes between Commissioner George Henry Payne and Powel Crosley, Jr., owner of WLW, is expected.

Commissioner Payne was responsible for the hearing as he was acting in the one-man job of passing on broadcasting applications when WLW made its periodical request for a renewal of license. Instead of granting the application automatically, as the FCC had done in the past, he scheduled it for a hearing.

The inquiry will be particularly significant in view of the action of the Senate opposing any change in FCC rules which would permit the operation of broadcasting stations with power in excess of 50 KW.

However, the FCC will not be bound by this resolution as Senator Wheeler (D.), of Montana, its author, stated on the Senate floor that it was not intended to apply to stations already using more than 50 KW.

Action on applications of WLW and a dozen other stations for regular authorization to use 500 KW. has been postponed until after the FCC decides whether it will change its rules, which now limit power to 50 KW.

On July 25th the Commission will hear oral arguments in the matter of frequency allocation to services in the bands from 30,000 to 300,000 kc. This will be a follow-up of the testimony given last week by communications carriers which objected, among other things, to the allocation of so many channels to television.

Commissioner Thad H. Brown will go to Cleveland on July 18th to open hearings on radio matters in connection with the Great Lakes and inland waters survey.

The FCC shortly will announce rules for the guidance of broadcasting stations which will give time to political candidates, and it is likely that it will have to pass upon complaints from politicians and stations from time to time as the campaign grows warmer.

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CASE REAPPOINTED; MC NINCH TO STAY ON

Reappointment of Norman S. Case, former Governor of Rhode Island, as a Republican member of the Federal Communications Commission was announced Thursday at Hyde Park. As it is a recess appointment, Commissioner Case cannot be confirmed by the Senate until Congress reconvenes next January.

Meanwhile, Chairman Frank R. McNinch stated that he has no intention of returning to the Chairmanship of the Federal Power Commission in the immediate future. Although he was drafted for the FCC job by President Roosevelt last Fall on a temporary leave from the Power Commission, it now appears that he will remain at least until Congress returns and possibly permanently.

When he took over the FCC helm, Commissioner McNinch indicated that he would have the Commission and the broadcasting industry in order by the first of this year. That the task was larger than he surmised became apparent shortly. Then, when Congress began talking of an investigation of radio, he remained to prevent it.

Now he has the job of conducting a monopoly inquiry of his own, probably early this Fall, and there is little doubt that Congress will demand a strict accounting of his findings next session.

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Meanwhile, the enmity between Chairman McNinch and Commissioner George Henry Payne is keeping the Commission boiling with internal politics.

Commissioner Case, who has been acting as Chairman of the Super-Power Committee of the FCC, is one of the most popular members of the Commission. He was first named on the FCC in 1934 for a four-year term. His new term will be seven years.

A native of Providence, R. I., Commissioner Case is of colonial and Mayflower ancestry, his forebears coming to Rhode Island with Roger Williams. He is a graduate of Brown University and the Boston University Law School.

During his services with the American Expeditionary Force overseas, he served as a general staff officer under Maj. Gen James G. Harbord, who is now Chairman of the Board of the Radio Corporation of America.

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FCC ENGINEER DEFENDS CLEAR CHANNEL ALLOCATION

Closing the Federal Communications Commission's super-power hearing this week, Andrew Ring, Assistant Chief Engineer of the FCC, defended the proposed allocation of 25 entirely clear channels to Class 1-A stations.

Under cross-examination by George Porter, of the Commission's legal staff, Mr. Ring said it would be dangerous to permit more than one station to operate on these channels until it was determined whether they would give adequate service to rural areas.

The National Independent Broadcasters had suggested a duplication of services on the clear channels earlier in the week through its engineer witnesses and George O. Sutton, counsel.

E. C. Page, consulting engineer, proposed that the rule defining Class 1-A operation be modified to provide that there be no "objectional interference" to the secondary service of stations on the 25 clear channels. He urged retention of the 50 KW power limit.

Other witnesses heard during the final week were: John V. L. Hogan, New York consulting engineer, in behalf of Station WQXE, New York; Paul M. Segal, Washington attorney, for WWL, New Orleans, and Mrs. Mabel Walker Willebrandt, former Assistant Attorney General, for WHDH, Boston.

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RADIO HAS IMPORTANT PLACE ON N.E.A. PROGRAM

Radio as an educational medium occupied an important place on the program of the National Education Association convention in New York City this week.

One of the highlights was a demonstration of the technique of adapting radio's educational facilities to the ordinary schoolroom by the CBS Department of Education. High School pupils, who witnessed the demonstration, "easily eclipsed a group of professional radio artists as the center of interest", according to the New York Times.

CBS presented a slightly revised dramatization of "Propaganda", an "American School of the Air" program that was awarded the Institute of Education by Radio's prize as the outstanding broadcast for American schools in 1937. H. V. Kaltenborn acted as commentator.

After the simulated broadcast, Dr. Ignatius Donnelly Taubeneck, Director of Social Studies and Public Speaking at the Bronxville High School, took charge of the class and guided it through a forty-minute spirited discussion of the program.

The pupils "expressed their enlightenment from the method of presentation of the avenues and techniques of propaganda, and then challenged any one to inform them how to distinguish authentic statements from propaganda", the Times reported. "They have, it appeared, a highly developed skepticism toward facts presented to them by the press, the radio and the school system.

"They asked the audience, they asked one another, and especially they asked the radio commentator H. V. Kaltenborn, how to know which sources to trust and which to distrust. They hazarded the belief that if the newspapers, the radio and the school system could be 'cleaned up' their doubts might be resolved.

"Unanimously they announced their belief in free speech and concurred in the declaration that as long as such discussions could be held democracy is effective in this country, and that counter-propaganda is the best defense against propaganda - except that in dictator countries there is no counter-propaganda."

Earlier in the week Dr. James Rowland Angell, President Emeritus of Yale University, hailed the radio as a force for the promotion of democratic ideals in an address on radio in education at the Center Theatre in Radio City.

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Lord Stanhope, President of the British Board of Education, addressed the delegates over a short-wave system connecting England and France with America. He emphasized the value of international broadcasting in teaching the ideals of good government.

From France, Jean Zay, French Minister of Education, said international broadcasting was an important aid to democracy.

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BROADCAST INDUSTRY PAYS TOP WAGES, U. S. SAYS

The radio broadcasting industry pays the highest wages to its full-time station employees of any industry in the country, Broadcasting Magazine, trade organ, quotes the U. S. Bureau of Labor Statistics as reporting.

The average weekly pay is \$45.12 for some 17,000 workers in 631 stations. This figure includes the salaries of executives. Some 5,820 part-time employees received an average weekly wage of \$18.97 during the week of March 6th, the U. S. Bureau stated.

"If the week is judged as a typical one for the industry, aggregate payrolls for the year would amount to approximately \$45,825,000", Broadcasting comments. "This figure, when checked against the 1937 financial statement for the industry prepared by the FCC (Broadcasting June 15) reveals that substantially more than half of broadcast station income (56%) is expended in payrolls. The FCC income tables showed 624 reporting commercial stations during 1937 had net sales of \$81,649,718, and net income of \$15,412,128."

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OPINIONS IN WIRE RATE CASE ARE RELEASED

The Federal Communications Commission on Friday released its majority and minority opinions in the case of the application for a 15 percent rate increase by Western Union, Postal, and other communications companies. The dissenting opinion was written by Commissioner T.A.M. Craven and signed also by Commissioner Norman S. Case.

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A. T. & T. DEFENSE TO BE STUDIED BY FCC

Before submitting its final report to Congress on the \$1,500,000 telephone rate inquiry, the Federal Communications Commission will give "appropriate study and consideration" to the replies of the American Telephone & Telegraph Co., Chairman Frank R. McNinch announced this week.

An order, offered by Mr. McNinch and seconded by Commissioner T.A.M. Craven, was adopted unanimously by the Commission. It read:

"It is hereby ordered that the responses filed by the American Telephone and Telegraph Company with the Commission in answer to specific exhibits and testimony introduced during the telephone investigation be given appropriate study and consideration in the preparation of the final report of the Commission to the Congress on the telephone investigation."

The Commission's action followed protest by the company against the refusal of Commissioner Walker, who conducted the inquiry, to permit it to cross-examine witnesses at the public hearings or to offer testimony in rebuttal to exhibits entered on behalf of the Commission.

"The inquiry, which ran almost a year, resulted in the submission to Congress on April 1st of a "proposed report" the highlight of which was an assertion that telephone rates might be reduced as much as 25 percent under certain conditions without interrupting the existing net revenues.

Mr. McNinch emphasized at that time that the report was only a "proposed" one to be submitted to the full Commission for its study with a view to determining as early as possible the form and content of the actual report requested by Congress.

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NEW STATION AUTHORIZED; ANOTHER RECOMMENDED

The Federal Communications Commission this week granted a construction permit to Harry Schwartz, Tulsa, Okla., for a new broadcasting station to operate on 1310 kc. with 250 watts power daytime.

At the same time Examiner Tyler Berry recommended that the Garden Island Publishing Co., Ltd., of Lihue, Hawaii, be granted a permit to build and operate a station using 1500 kc., with 100-250 watts power.

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SUPER-POWER HEARINGS END; ACTION TO BE DELAYED

Culminating four weeks of testimony, the Super-Power Committee of the Federal Communications Commission concluded its hearing this week and postponed the WLW case until July 18th.

Indications were that the new FCC rules on which the hearing was held will not become effective before late this year or early 1939. Commissioner Norman S. Case, Chairman of the Committee, said that respondents will be allowed 30 days to file briefs after which the Committee will proceed to write its report.

As the full Commission must act upon the recommendations of this Committee after hearing oral arguments, it appeared unlikely that the new rules could be made operative for some months to come.

The major issue to be decided is whether the FCC rule limiting regular broadcasting power to 50 KW. is to be changed so as to permit operation of super-power stations. The stand of the Commission and the FCC engineers up to this time has been against the change, and the action of the Senate in adopting a resolution opposing super-power is certain to have its effect on the Commission's findings.

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CBS REPORTS BEST SIX MONTHS IN HISTORY

Within the past three weeks, at the close of the biggest six-month period in history, the Columbia Broadcasting System has signed contracts for future business representing a 175% gain over the same period a year ago, a CBS release states.

Preliminary estimate for January through June, 1938, shows a cumulative total well over \$15,500,000 - some 5% better than the first six months of 1937, and even further ahead of any other half-year in the company's career.

New business - over and above a score of renewal and resumption contracts - totals nearly \$2,500,000 on CBS books already.

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U. S. AWARDS CONTRACT FOR RADIO SAFETY DEVICE

The U. S. Bureau of Air Commerce has awarded a contract for the design, manufacture and installation of its new airplane instrument landing system to the International Telephone Development Company of New York, a subsidiary of the International Telephone and Telegraph Corporation, it was announced this week. The system will be built from complete performance specifications worked out by the Bureau of Air Commerce in its search for the ideal radio landing system for American aviation conditions, and will be installed at Municipal Airport, Indianapolis, Ind., for use by the commercial transport lines. If it meets the expectations of the Bureau, it will be applied at principal airports as the American means of defeating weather conditions unfavorable for landing.

Equipment is to be provided at Indianapolis for four wind directions on two concrete landing runways crossing at right angles North West by South East and North East by South West. The order involves a trailer carrying main and spare localizer beam transmitters with means to connect to fixed localizer antennas at four points. There will also be a trailer bearing main and spare glide path beam transmitters with an antenna. Also four sets of "marker" beacons each consisting of an outer marker two miles from the field and an inner marker near the boundary of the landing field. Equipment will be provided for the airport control tower for remote control of the various transmitters and for visual automatic alarm in the case of trouble in any part of the system. The localizer beam establishes for the aircraft the direct line to the airport runway, the glide path beam provides the exact line of descent to the runway, the outer marker establishes the beginning of the glide path, and the inner marker signals that the runway has been reached.

The International Telephone and Telegraph Corporation has been engaged extensively in the development and manufacture of instrument landing apparatus through various of its subsidiaries abroad. The I. T. & T. systems are in use at more than fifty airports in Europe, South America and Australia and are being adapted to America's higher speeds and greater distances. The Corporation conducted last May the first demonstration of commercial type instrument landing equipment in the United States at the Indianapolis airport where the Department of Commerce system is to be tried.

The Department of Commerce in its specifications for the new system has coordinated what it regards as the outstanding features of the several principal systems which have been developed. It expects the result to become the official system which will provide airports and planes in the United States with a uniform method of instrument landing.

The equipment will be designed by I. T. & T. engineers. The receiving apparatus for the airplanes will be designed by the Bell Telephone Laboratories and will be made by the Western Electric Company.

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NETS COOPERATE IN N. Y. U. RADIO COURSE

With the cooperation of all the major networks, the New York University Radio Workshop will open next Tuesday and continue for six weeks, it was announced yesterday (Thursday) by Douglas Coulter, CBS Assistant Program Director and Director of the Workshop.

Sixty-three men and women from nineteen States in all sections of the country have already registered for the Summer session, Mr. Coulter stated. The group represents a variety of businesses and professions, students including theater directors, attorneys, librarians, a dietitian, salesmen, brokers, writers, musicians, college and high school teachers, school principals, and a college dean.

The courses have been designed to give practical training to persons interested in radio as a career.

Mr. Coulter announced that Frank E. Mason, Vice-President and Assistant to the President of the National Broadcasting Company in charge of the International Department, will deliver the first of a series of Tuesday evening special lectures on July 5th on "Network Operation and Shortwave Broadcasting".

Other guest lecturers will be Theodore C. Streibert, Vice-President of the Mutual Broadcasting System and Vice-President and General Manager of WOR, on "Local Station Operation"; Roy Durstine, President of Batten, Barton, Durstine & Osborne, Inc., on "Showmanship in Advertising"; Paul Whiteman, on "The Radio Orchestra"; Deems Taylor, music consultant of the Columbia network on "Serious Music and the Radio"; Dr. Peter C. Goldmark, Chief Television Engineer of Columbia, on "Television"; J. R. Poppele, Chief Engineer of WOR, on "Radio Engineering"; and Robert J. Landry, Radio Editor of Variety, on "Radio Trade Publishing and Publicity."

The teaching staff of the Workshop will include, in addition to Mr. Coulter, Lewis Titterton, Manager of the Script Division, NBC, and members of his staff, on script writing; Max Wyle, Director of Scripts and continuity for CBS, also on script writing, using his own text, "Radio Writing"; Earle McGill, Casting Director for CBS and instructor in production for the Workshops of 1936 and 1937; Robert S. Emerson, Assistant in Production at CBS, who will lecture on radio acting and conduct field trips; William A. Wheeler, Jr., Acting Production Director of the Educational Radio Project, U.S. Office of Education, who will be studio technician and assistant in production.

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TWO-THIRD OF RADIO PROGRAMS ARE SUSTAINING

Two-thirds of the programs of U. S. broadcasting stations, as examined for a typical week, that of March 6th, by the Accounting Department of the Federal Communications Commission, are sustaining, according to data submitted to the FCC Super-Power Committee. Only 34.55 percent of the broadcasts were commercial.

The information, based on answers to exhaustive questionnaires, showed that only 21,542 hours of 633 reporting stations were sold, while 40,810 hours were financed by the stations.

A break-down of the types of programs which predominate in the commercial and sustaining programs showed that music, light and serious, easily lead in the type of entertainment offered. The types of programs in percentages of time consumed are shown in the following table:

<u>Type of Program</u>	<u>Sustaining</u>	<u>Commercial</u>
Music	40.03%	12.42%
Dramatic	3.06	6.05
Variety	4.24	4.60
Talks and Dialogue	7.56	3.85
News	5.36	3.19
Religious & Devotional	3.15	2.00
Special Events	1.44	.77
Miscellaneous	.61	1.67
Total	65.45	34.55

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Station WGAL, Lancaster, Pa., joined the National Broadcasting Company as its 153rd affiliate on July 1st. The station is owned by WGAL, Inc., and operates full time on 1500 kilocycles with daytime power of 250 watts and night power of 100 watts.

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DUE TO THE GOVERNMENT OFFICES BEING CLOSED ON MONDAY, JULY 4TH, THERE WILL BE NO ISSUE OF THE HEINL NEWS LETTER ON TUESDAY, JULY 5TH.

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CBS AND A.T. & T. CITED IN JIMMY ROOSEVELT STORY

The fact that Jimmy Roosevelt, son of the President, got a large insurance policy from the Columbia Broadcasting System but failed to sell the American Telephone & Telegraph Company, form a part of a story, "Jimmy's Got It" by Alva Johnston, in the current Saturday Evening Post.

After recounting how young Roosevelt got the CBS insurance business away from a competitor, Mr. Johnston comments:

"The broadcasting industry is even more closely 'connected with the Government' than the air lines. The radio stations have to renew their licenses for air waves every six months. They are always in danger of punishment if they fail to please the Government. They are also eager for Government favors."

The writer ties in significantly the fact that "Jimmy" failed to get the A.T.&T. insurance business with the FCC \$1,500,000 investigation of the telephone company.

The story of Roosevelt's dealings with the A.T.&T. is recounted as follows:

"Jimmy has cured himself of the old bashfulness, but he still is less assured than some of his fellows. He has illustrated this by giving a humorous account of the time he went to W. S. Gifford, President of the American Telephone & Telegraph Co., to solicit the A. T. & T. insurance. He was accompanied, on this visit, by Congressman Hamilton Fish, of New York. Ham Fish is an important Republican and has been mentioned, from time to time, as a possible Republican candidate for President. Ham happens to be a director in one of the companies that Jimmy is associated with. The Congressman has been one of the most violent assailants of President Roosevelt. He hails from the Hyde Park vicinity, and has made speeches charging President Roosevelt with such things as underpaying his farm laborers. In Congress, he demanded an investigation of the President's income tax, claiming that it would reveal strange things. Because Ham had become such a thorn in the side of the President, he was the object, in 1936, of the Get Ham Fish campaign, a special drive to defeat him for Congress. But insurance makes strange bedfellows.

"The President's son and the President's enemy went to the A. T. & T. office together to solicit insurance from President Gifford. Ham did the talking. Ham was a famous Harvard football star in his day, and he brings into the insurance business the same bold, dashing, headlong attack that distinguished him on the gridiron. Jimmy, according to his account, was aghast at the blunt, bluff manner in which Ham stated what he and Jimmy could do for the A. T. & T. if they could get A. T. & T. insurance. Jimmy retired to the anteroom in confusion and let Ham do all the talking. Gifford's reply was that he had never made a recommendation about insurance since he was connected with the A. T. & T. He told them that they could go and see the auditor if they wanted to, but that he (Gifford) would not assist them. Jimmy and Ham sent a man to see the auditor, but they got no A.T.&T. insurance."