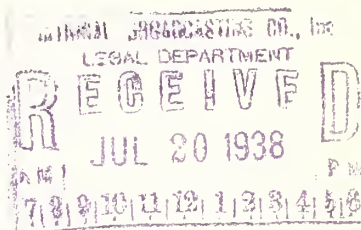


HEINL RADIO BUSINESS LETTER

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No. 1142

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A large, stylized 'L' in the center.
A large, stylized 'M' on the right.

July 19, 1938.

FCC AWAITS OUTCOME OF McNINCH ILLNESS

Things are virtually at a stand-still with regard to important matters of policy at the Federal Communications Commission awaiting the outcome of the illness of Chairman Frank R. McNinch at the Naval Hospital in Washington. Under a separate set-up, plans are going ahead for the radio monopoly inquiry in the Fall of the broadcasting industry of which William J. Dempsey was named Special Counsel before Mr. McNinch went to the hospital.

Otherwise things at the Commission are drifting along waiting for the Chairman to come back. Mr. McNinch was sent over by the President "to clean things up" and the other Commissioners apparently are taking no chance on making any important moves in the North Carolinian's absence so that upon his return he may shoulder the full responsibility of whatever is done.

How long this may be is still pretty much of a conjecture. Although Mr. McNinch has now been confined to the hospital for about two weeks, he has, as yet, been allowed no visitors. The reason given for this is that the doctors want him to have a complete rest. There are reports that the illness of the Chairman - stomach ulcers with colitis infection - is considerably more serious than generally supposed. Mr. McNinch, who is 66 years old, has been under a tremendous strain over a long period which evidently has lowered his vitality. About a year ago, his present ailment being an old and chronic one, he was obliged to go to a hospital for treatment at Philadelphia. That was when he was on the Power Commission. One report has it that when the Chairman is discharged from the Naval Hospital this time, that he will be obliged to take a complete rest for a month or two - Southern newspapers say that an extended fishing trip is in contemplation - which would seem to indicate that there may be a considerable period before he actively resumes his duties as Chairman of the Communications Commission.

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N.Y.C. EDUCATION BOARD WOULD ERECT HIGH FREQUENCY STATION

An application has been received from the Board of Education of New York City to erect a 500-watt educational station in Brooklyn. The station would be non-commercial and the frequency asked for is 41,100 kilocycles.

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WHITE FIRES OPENING GUN IN 1939 RADIO INVESTIGATION

Just at the time when the Federal Communications Commission felt that it had escaped a public spanking in the form of a Congressional investigation, Senator Wallace White, of Maine, interrupted the Summer siesta with a sharp warning that he would again ask the 1939 Congress to authorize a broad inquiry into the charges of irregularity and favoritism hurled at the Commission and a probe into radio broadcasting generally.

Coming from a Republican, this declaration ordinarily might not be taken seriously, but in the case of Senator White, who nearly succeeded in having a similar resolution passed by the last Congress, it is different. Regardless of party affiliation, he is looked upon both by the Senate and the House as the outstanding radio authority in Congress and is highly respected on both sides of the fence. He was the co-author of the legislation which created the Federal Radio Commission. Furthermore, he invariably has the backing of Senator Burton K. Wheeler, Progressive Democrat, Chairman of the Senate Interstate Commerce Committee, which handles all radio legislation in that body.

There is an impression in Washington that the main reason that President Roosevelt shifted Chairman Frank McNinch from the Power Commission to the Communications Commission was to stave off a Congressional inquiry. The effort Mr. McNinch made in this respect is understood to be one of the things which put him in the hospital. Nevertheless, although reported favorably by the Rules Committee, the House voted down the proposal of a Congressional investigation of the Federal Communications Commission, the understanding being the Commission would subsequently white-wash itself by its own investigation scheduled for the Fall.

One of the biggest radio problems, Senator White said, is the spread of chain broadcasting. Other phases he wants investigated include; Government ownership and operation of stations for other than strictly governmental purposes, licensing of super-power stations, whether Congress should deal with rates and practices of broadcasting companies, newspaper ownership of radio stations, censorship or broadcasts, and liability.

"Evern Senator knows, that the air is full of reports that cases have been decided not alone on the evidence presented and the merits of the issue, but that political pressure has been often exerted, and that it has been determinative in many instances", Senator White continued. "There is, I believe, a public impression that applicants before the Commission should and must seek political aid. The Commission ought not to be subjected to such influences. Its decisions ought not to be under suspicion to the extent they now are because this or the other person of political power has intervened. I know of no

more certain means of reestablishing the Commission in public respect than to turn on the light of publicity and thereby to stop these attempts to improperly influence a quasi-judicial and regulatory body of the Government.

"There is persistent report that the Commission, in the consideration of cases and in the determination thereof, disregards its own procedural rules and its established engineering standards. Is this true? If there is justification for the belief, what is the justification for the Commission's acts?

"There is a greater volume and persistence of criticism of this Commission than of any other bureau or commission of the Government. Is there warrant for this? I think the Congress should free the Commission from unjustified suspicion or it should act if its policies and purposes and the standards which ought to guide a regulatory body of the public importance of this Commission are being disregarded. Only a searching inquiry will give the answer to these questions."

He then called attention to the profits of broadcasting and particularly to the sale prices of stations as disclosed by recent Senate and House appropriations hearings.

"Such figures", he added, "suggest that an inquiry should be made into the radio industry in order that the Congress may have complete knowledge as to the investment in radio stations and their equipment; as to profits; as to the real considerations for the sale, assignment, and leasing of stations; as to whether licensees are receiving huge sums for licenses which cost them nothing; and generally into the basic question of whether property rights in the nature of vested rights are being asserted in frequencies and are being recognized by the Commission."

Other major points discussed by Senator White were alleged trafficking in licenses, and charges of monopoly.

"Why should the Government be concerned?" he said with regard to the former issue. "The price paid cannot affect the legal powers of the Commission. In a legal sense a station licensee who has paid a huge sum for an assignment, a sale, or a lease, and who has violated the law is subject to the penalty of revocation or to the rejection of a renewal of application as is one paying a nominal consideration, but I am afraid the human element enters into the equation and punitive action is not so certain in the one case as in the other.

"If we will regard the realities, we will recognize that, in disregard of the Congressional purpose, stations and licenses and frequencies are being freely bought and sold and leased; that prices are being asked and paid which have no possible relation to the investment, and which can only be explained upon the theory that the frequency is being highly capitalized."

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NEW BROADCASTING SKIPPER DELIVERS FIRST MESSAGE

Neville Miller, new President of the National Association of Broadcasters, addressed the following message to the members of that organization:

"I come to radio with an open mind.

"I know there is a real job to be done.

"Out of necessity you have set up a new National Association of Broadcasters to face the problems of the industry within and without.

"We want the right answer found to each problem.

"We want an Association whose functioning will equitably serve each unit of the broadcast industry; whose work will weld us into a cohesive force, vigorously advancing the radio art under the free, competitive system of American radio. We want an Association mindful of both its social and economic obligations for the welfare of the nation.

"To these ends I pledge you our labors at Headquarters. With your help we will advance toward solutions with definite progress, week by week. Naturally, the job cannot be done overnight.

"I know that radio is young and still growing. Its growth needs to be fostered and not stifled. As Mark Ethridge has pointed out, radio wants perhaps less than any industry in the nation: it wants only the opportunity to develop the highest character of service.

"In the last few days I have had the pleasure of meeting several members of the Federal Communications Commission; of conferring with our NAB Board of Directors and Committee Chairmen. I have since talked with many others in Washington concerning radio's problems, present and future. In daily sessions our Headquarters Staff is tackling the problem of Copyright, and of Labor. We are analyzing the question of Education as related to radio; we have laid the ground work for extensive research into every phase of radio as a medium of advertising and as a fair forum of public discussion. We have formulated specific plans to acquaint the public with the real story of American radio and how it operates - and the story shall be told honestly and fearlessly.

"I hope in the near future to become better acquainted with each NAB member. Pending the time I have that pleasure of meeting you personally, I hope you will not hesitate to send in your suggestions and advice, and to call on us at Headquarters for any help at any time.

"I want to express to the entire membership my appreciation of the honor you have conferred upon me. To the best of my ability I pledge to serve you faithfully."

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FIGHT FOR CROSLY 500 KW RENEWAL BEGINS

Technicalities marked the beginning of the fight for the renewal of the 500 KW experimental license for Station WLWL, of Cincinnati, at the Federal Communications Commission hearing in Washington last Monday (July 18). Earl C. Vance, a production engineer of the RCA Manufacturing Company, who helped to build the station, was the principal witness.

Mr. Vance told about many problems in building the station, whose power is the highest of any broadcasting station regularly used in the United States. Because of the pioneering nature of the work, Mr. Vance held conferences on many matters with officials of the General Electric Company, Westinghouse, and Crosley, he said. All joined forces in the job of building the station, each one producing certain parts.

The hearing was being held by the Super-Power Committee comprising Norman Case, Chairman, T.A.M. Craven, and George Henry Payne.

It was brought about by Commissioner Payne early last Spring when he set Crosley's application for renewal of WLW's experimental license for hearing while acting as a one-man Commission.

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GREECE BANS RADIO TRANSMITTERS FOR PRIVATE USE

The Greek Ministry of Finance recently announced that the importation from abroad and the use by private individuals of radio transmitting equipment is strictly forbidden in that country, according to a report to the Department of Commerce from the office of the American Commercial Attache at Athens.

Only Government departments will be permitted to own and operate radio transmitters in Greece, the report stated.

While amateur radio transmitting is still very little developed in Greece, the new measure seems destined to eliminate all interest in that field. At present there are only three amateur transmitters in use in Greece. These transmitters are covered by special licenses. These stations will not be affected by the new regulation unless their licenses are specifically revoked, according to the report.

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FCC REPORTED READY TO DISINFECT COMMENTATORS

The radio czars are making a deep secret of their plan to investigate complaints against "unfair commentators", Ray Tucker writes in a Washington McClure syndicated dispatch edited by Richard H. Waldo. "They refuse to name the prospective defendants or to publicize the source of the charges. But the close relations between the aerial purgers and the administration furnishes a partial answer", Mr. Tucker goes on to say.

"The radio orator who has aroused fiercest official antagonism is a deep-voiced, dogmatic fellow whose nightly jeremiads against the Roosevelt-Hull foreign policy have provoked some teeth-gnashing here. At a New York conference of Army, Navy and financial bigwigs designed to squelch peace sentiment in the West, his name was the most frequently mentioned as the big, bad devil. For fear of making a martyr of him, the scheme to force him off the air was abandoned on the advice of an administration publicist with lots of horse sense.

"With advertisers and station owners scared stiff at the thought of official disfavor or pressure - licenses must be renewed every six months - the investigators can easily eliminate harsh opponents. But it is expected that they will proceed slowly and cautiously for fear of arousing Congressional cries of censorship. Every politico will suspect that he might be next if he irritates the poobahs in coming campaign."

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MULLEN ONCE OFFERED JOB ON RADIO COMMISSION

Arthur F. Mullen, former Democratic National Committeeman from Nebraska, who died last week, once turned down a proffered appointment on the Federal Radio Commission and obtained the job for his law partner, James H. Hanley, in April, 1933.

Mr. Mullen considered the Radio Commission job with \$10,000 a year salary too small for his consideration and became a professional lobbyist at many times that income. Following an active political career he practiced law in Washington until late in 1937, when ill health forced him to return to Omaha.

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C O R R E C T I O N

In listing the membership of the FCC Rules Committee in the Heintz News Service July 12th, in an article captioned "Rules Group Proposes Procedure Regulations", the names of Hampson Gary, General Counsel of the FCC, and Chairman of the Rules Committee, and Davis G. Arnold, Chief Examiner, of the FCC and a member of the Rules Committee were inadvertently omitted.

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(Not released for publication until Sunday, July 24th)

SCHOOLS ARE PROLIFIC EDUCATIONAL PROGRAM SOURCE

Schools and colleges in 42 States of the Nation have produced more than 3,000 radio programs over local broadcasting stations in less than two years using scripts supplied by the Educational Radio Script Exchange, the Office of Education, Department of the Interior announces.

How these widely-separated schools and colleges are blazing new pathways in the field of education through radio is disclosed by the publication of the third edition of a Script Catalogue listing 181 radio scripts available to educational groups through the Educational Script Exchange. The Exchange is a project created to further the work of the Federal Radio Education Committee. This Committee is composed of 40 representatives of the broadcasting industry, institutions of higher learning, associations of educators, educational radio stations, various civic, labor and religious groups, and Government agencies, having been established by the Federal Communications Commission in order to bring about active cooperation between educators and broadcasters. Commissioner of Education John W. Studebaker is Chairman of the Committee.

In the short period of less than two years the Script Exchange has supplied more than 3,000 educational groups with more than 130,000 copies of radio scripts on many educational subjects. Upward of 13,000 copies of radio manuals and glossaries of radio terms, as well as hundreds of copies of music arrangements for many local programs produced in cooperation with more than 200 stations have been sent out on request.

The third edition of the Script Catalogue lists 16 complete radio series and a number of miscellaneous scripts available to educational institutions. More than 1,200 scripts have been conserved. They were literally saved from "sudden death", since scripts ordinarily are used but once over the air. The Exchange thus makes available to educational groups a wide variety of subjects in the fields of history, literature, the sciences, industry, discoveries, current events, economics, safety, civil liberties, Government travel, music, and international relations.

An educational group interested, for instance, in the presentation of literary subjects in the training of pupils or students in radio technique, has had placed at its disposal the series, "Treasures Next Door". This series consists of 10 fifteen-minute scripts originally presented by the Office of Education, with the cooperation of the American Library Association and the Columbia Broadcasting System. It dramatizes such literary classics as Edgar Allen Poe's "Fall of the House of Usher", and "The Spy", by James Fenimore Cooper.

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An educational group desiring to present a historical subject over the radio has available through the Script Exchange a series of six dramatizations entitled "Interviews With the Past". In this series six celebrities, Benjamin Franklin, William Shakespeare, Napoleon Bonaparte, Queen Elizabeth, George Washington, and Catherine the Great, come back to earth to be interviewed by a group of high school students.

A series prepared and entitled "Epoch Discoveries of the Past", dramatizes discoveries which have revolutionized science and industry. In one of the seven chapters of this series, students bring back the Scientist Spallazani, to explode the once popular theory of "spontaneous generation". Another script tells the romantic story of the cotton gin, while another tells the story of aluminum.

In the field of natural science, the Script Exchange makes available scripts entitled, "Have You Heard", a series which deals with interesting and unusual facts about volcanoes, the weather, reptiles, birds, rivers, minerals, the moon, plants, insects, trees, and animals.

One of the series popular with many educational groups is entitled "Stories of American Industry", in the 24 thrilling chapters of which the history of industry is unfolded. Furniture, chemicals, motors, tobacco, shoes, gas, electric power, glass, carpets and rugs, petroleum, dairy products, commodity distribution, toys, motion pictures, canning, coffee, tea, printing and perfumes are some of the subjects included in the series.

Seven 30-minute scripts carry education by radio to an artistic climax by making available the music appreciation series, "Symphony Hall". This series, originally prepared by WRUF, State and University station in Gainesville, Florida, is a seven-chapter course in classical music. Through selected recordings the glory of the symphony is extolled, featuring the Minneapolis Symphony, Paul Whiteman's Concert Orchestra, the Chicago Symphony and the London Symphony.

As a supplementary aid to production, the Script Exchange has recently issued a "Handbook of Sound Effects", providing instruction in the various methods of creating vocal, manual, recorded, electrical and acoustical sound effects.

Another supplementary aid to production issued by the Script Exchange is a Radio Manual which gives suggestions for the preliminary arrangements, general organization, and production of radio programs. A third aid to production issued by the Exchange is the Radio Glossary which defined commonly used radio terms such as "sneak it in", "in the mud", and "schmalz it", any of which may be heard in the production of a radio program.

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RADIO-WIRE UNION CONVENES IN N.Y.C.

More than 150 delegates representing nearly 15,000 workers in telegraph companies, radio land lines, radio stations at sea and on aviation fields gathered at the Hotel Victoria, New York City, this week for the Fourth National Convention of the American Communications Association, C.I.O.

Mervyn Rathborne, in his annual presidential report informed the delegates that the union has grown almost 50 percent and many new locals have been added since last year. The convention is expected to last for two weeks. Among the speakers scheduled for the convention are John Brophy, Councilman Michael J. Quill and Harry Bridges, C.I.O. leaders; Lee Pressman, counsel for the C.I.O.; Mrs. Elinore M. Herrick, Regional Director of the National Labor Relations Board, and Alex Rose, State Executive Secretary of the American Labor Party.

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NEW ZEALAND HOUSE BROADCASTS PROCEEDINGS

There is a changed atmosphere in the New Zealand House of Representatives, writes a World Radio correspondent, because five sensitive microphones, connected to the big national broadcasting station, pick up the proceedings. No longer does a policy measure go through on a continuous time-table, the peak points of Parliamentary interest being arranged, if possible, to coincide with the best "entertainment hours".

The budget comes before Parliament - and the microphone - at 7:30 P.M., and most important Ministerial speeches are also heard in the evening. Sometimes, by a little clever strategy, the most devastating opposition criticism will be voiced in the final half-hour of broadcasting for the night. An immediate Government answer would not be heard, but by exercise of more strategy, the next afternoon in the House of Representatives is somehow filled in so completely that the resumption of the main debate, and the broadcasting of the official reply to the critic of the previous night goes "on the air" during the ideal "entertainment hours."

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::: TRADE NOTES :::

Emerson Radio and Phonograph Corp., New York, has built itself into the largest manufacturer of small radio sets in the country through consistent use of newspaper space cooperatively with its dealers, according to Editor & Publisher. A report issued this week revealed a 22% increase in dollar volume over the preceding year and a 34% increase in terms of units sold", the article states.

"Most astounding achievement of newspaper advertising has been the sale of 'several hundred thousand' units of the Emerson \$9.95 sets since they were put on the market about Jan. 1. Only newspaper cooperative ads have been used during that time.

"At least \$600,000 was spent last year for Emerson advertising, nine-tenths of which went into cooperative newspaper ads. It was estimated a total of \$1,000,000 went into newspapers, including the dealers expenditures. Nine national magazines are used by Emerson in the Fall campaigns."

Broadcasting and railroading completed a tie-up this week when the National Broadcasting Company forwarded several sets of NBC chimes to the Baltimore & Ohio Railroad Company for use by its dining-car waiters.

Among the trains on which the chimes were places are the B & O Royal Blue and Columbian between New York and Washington and the limiteds operating to Chicago, St. Louis and Detroit. Additional sets also have been ordered for the Alton Railroad Company, B & O subsidiary, for the Alton limiteds on the Cincinnati-St. Louis runs.

Referring to the fact that North Americans often do not look upon short-wave radio with much importance, W. V. B. Van Dyck, Assistant to the President of the International General Electric Company, told the University of Virginia's Institute of Public Affairs last week that there are nearly 160 licensed short-wave stations in the Latin-American countries, as compared to only 17 in the United States.

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RADIO DESTINY RESTS WITH PEOPLE, SAYS OWEN D. YOUNG

In an address delivered by Owen D. Young, Chairman of the Board, General Electric Co., at the dedication of General Electric's new station WGY in Schenectady. Mr. Young spoke in part, as follows:

"Whether broadcasting serves this country or the world well or ill lies not in the hands of the engineer, but in him who uses the instrument, influenced as he must be by the reaction of his listeners. Now for the first time, the people of the United States, not the engineers, not the broadcasting companies, must decide what radio shall and what it shall not do.

"If one assumes that arts advance with comparable speed, radio is today where the light and power industry was at the turn of the century. Then we thought there was little more to do in the application of electric energy to light and power. The fact is that the great strides in practical application have been made since then.

"Will it be so with radio? Have we seen only the promising dawn not the noon-day of a great new art? Imaginative engineers tell us so. One must remember that the hazy dreams of today become in skilled hands the realities of tomorrow. Shall talking pictures be laid down in every home? Shall newspapers be created there by facsimile without the daily shipment of pieces of paper? Shall telephones be in every button-hole? Shall we see the world around as we now hear the world around? Shall we find this earth too small and sometime, somewhere reach into the vast spaces of the Universe to gratify that insatiable curiosity of the human mind as to what we are and why we are?

"The answer is not for me to make, nor however difficult, it is not for you to spurn. All we can say is that as the years go on, we will adopt the latest and best facilities and then we will hold again from time to time dedications of new instrumentalities doing those things which are only dreamed of now and perhaps even those things which have not reached the state of dreams."

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