

HEINL RADIO BUSINESS LETTER

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PRESIDENT WOULD DIRECT RADIO IN CASE OF WAR

As war clouds gather over Europe again, broadcasters of this country for the first time are studying provisions of the Communications Act which deal with the operation of radio stations during a war in which the United States is engaged.

The President would be the supreme dictator of broadcasting and radio communication facilities in the event of war involving this nation.

All present rules of the Federal Communications Commission could be suspended or amended by executive order of the Chief Executive.

Broadcasters who comply with the order, however, would be freed of responsibility for any civil or criminal penalties that existing laws could provide, and they would be compensated for their facilities by a congressional appropriation.

Presumably the FCC would retain its administrative function and the President probably would act through it.

Just how far the President might go in exercising censorship over the material broadcasts is conjectural. Broadcasting, as it exists today, was unknown when the United States was in the World War so that there are no precedents.

The President, however, would be empowered to close any stations he saw fit without hearing or he could turn over the facilities to a government department for use.

The test of the section (606) of the Communications Act dealing with the war emergency powers of the President follows:

(a) "During the continuance of a war in which the United States is engaged, the President is authorized, if he finds it necessary for the national defense and security, to direct that such communications as in his judgment may be essential to the national defense and security shall have preference or priority with any carrier subject to this Act. He may give these directions at and for such times as he may determine, and may modify, change, suspend, or annul them and for any such purpose he is hereby authorized to issue orders directly, or through such person or persons as he designates for the purpose, or through the Commission. Any carrier complying with any such order or direction for preference or priority herein authorized shall be exempt from any and all provisions in existing law imposing civil or criminal penalties, obligations, or

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liabilities upon carriers by reason of giving preference or priority in compliance with such order or direction.

(b) "It shall be unlawful for any person during any war in which the United States is engaged to knowingly or willfully, by physical force or intimidation by threats of physical force, obstruct or retard or aid in obstructing or retarding interstate or foreign communications by radio or wire. The President is hereby authorized, whenever in his judgment the public interest requires, to employ the armed forces of the United States to prevent any such obstruction or retardation of communication: Provided, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

(c) "Upon proclamation by the President that there exists war or a threat of war or a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States, the President may suspend or amend, for such time as he may see fit, the rules and regulations applicable to any or all stations within the jurisdiction of the United States as prescribed by the Commission and may cause the closing of any station for radio communication and the removal therefrom of its apparatus and equipment, or he may authorize the use or control of any such station or its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners.

(d) "The President shall ascertain the just compensation for such use or control and certify the amount ascertained to Congress for appropriation and payment to the person entitled thereto. If the amount so certified is unsatisfactory to the person entitled thereto, such person shall be paid only 75 per centum of the amount and shall be entitled to sue the United States to recover such further sum as added to such payment of 75 per centum will make such amount as will be just compensation for the use and control. Such suit shall be brought in the manner provided by paragraph 20 of section 24, or by section 145 of the Judicial Code, as amended."

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HOME OF COMMISSIONER CASE RAZED BY FLOOD

The Providence home of Commissioner Norman S. Case was destroyed last week by the flood which followed the hurricane in New England, according to an unofficial report to the Federal Communications Commission.

Commissioner Case, who has been ill, left the house only twenty minutes before it was swept away, the report stated.

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EXAMINER ACQUITS APPLICANT OF MORAL TURPITUDE

In recommending that the Federal Communications Commission grant a construction permit to Harold H. Thoms, of Asheville, N.C., Examiner George H. Hill this week acquitted the applicant of any moral turpitude although the FCC early this year refused the grant.

Because Thoms was convicted of a North Carolina statute because of something he published in the Asheville Daily News during a bitter political campaign, the commission held that he lacked "the character and qualifications required of a licensee".

The case went to the courts but was remanded to the commission with its consent for a further hearing on the single issue of the applicant's character.

After a number of the town's leading citizens came to Thoms' defense, the examiner found that the conviction involved no moral turpitude and that Thoms was of good character and reputation.

There is now one situation in Asheville, WWNC, Thoms' application is for 1370 kc. with 100 watts power, unlimited time.

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STATION URGED AS SAFEGUARD AGAINST DISASTERS

Construction permits for a special emergency fixed radio communication station and an emergency portable-mobile unit were recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin for the Southern California Edison Company.

"Earthquakes, high winds, sleet storms, floods and brush fires at times are consistent sources of disruption of the applicant's transmission system," the examiner said. "In order that the applicant may be in a position to restore its service as rapidly as possible it proposes to establish sixteen special emergency fixed stations and forty special emergency portable-mobile stations, each to be located in a given area over the applicant's territory. It is expected that if this service is inaugurated, the public will be afforded a more efficient transmission system during emergencies. In addition, it has been shown that the applicant's system would be an effective element in a general aero alarm system in the event of a national emergency."

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A new folder listing all broadcasting stations in the United States and Canada has been issued by the National Broadcasting Company. The folder also shows the assignment of frequencies by the FCC to various services from 10 kc. to 300 megacycles.

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MCGRADY LAUDS ARBITRATION IN LABOR DISPUTES

Voluntary arbitration of industrial disputes is the only rational solution to the American capital-labor problem. Edward F. McGrady, former assistant Secretary of Labor and now voice president of RCA and a director of NBC, declared Tuesday in a dinner given at his honor in New York by the American Arbitration Association.

"Industrial peace is not a God-given product," he said. "It must be cultivated and worked for constantly. Let me put it this way. Conciliation, mediation and voluntary arbitration are the marks of civilization. They are the enemies of distrust and force. They do away with the fang and the claw.

"The time is here for the universal institution of mediation, conciliation and voluntary arbitration as the methods for settling industrial disputes. An agreement reached on equitable grounds is far better than one arrived at by force or legal technicality."

Mr. McGrady praised the work of the American Arbitration Association in settling labor disputes.

"For thirteen years now," he said, "this association has been promoting the use of peaceful and voluntary arbitration in the commercial field, that is, among business firms and groups, throughout the United States. That the association's work has been successful goes without saying; but what is more to the point is the fact that, annually, many millions of dollars have been saved for American business through the use of arbitration to avoid the enormous waste that results from litigation.

"Commercial practices of whole industries have been changed and improved through the good offices of this Association. Good will has replaced rancor, goods have moved, employment has been maintained, and profits have been made in hundreds of cases where lawsuits would have meant stagnation of business and long-lasting ill feeling."

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REGIONAL NET OPENED IN NEW YORK STATE

A new regional New York State radio chain was established Sunday when the newly organized Empire State Network got under way. Comprised of six up-State stations, it is headed by Harold E. Smith, who is organizing a complete sales organization. The stations include WABY and WOKO, Albany; WIBX, Utica; WMBO, Auburn; WSAY, Rochester, and WBNY, Buffalo.

Mr. Smith's first move was to appoint the Loew-owned metropolitan station, WHN, as the only New York City outlet for the network programs.

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The deal designating WHN as exclusive New York outlet was consummated by Mr. Smith; Herbert L. Pettey, associate director, and Frank Roehrenbeck, general manager of the Loew station.

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EDITOR & PUBLISHER EXPLAINS RADIO NEWS BANS

The point of view of publishers who have eliminated all radio news and publicity columns from their newspapers is explained in the following editorial in Editor & Publishers, just out:

"More than 100 newspapers are said to have discontinued publication of radio comment columns. There have been several reasons, both editorial and commercial, for this step. First is that too many of the columns had degenerated from news and critical comment to a haven for handouts. Second is that publication of these columns, free in newspapers, has been used as an inducement by radio salesmen for the creation of radio advertising. Third has been the need for drastic economy in newspaper operation, in directions which would have the least harmful effect upon the newspapers' reader service.

"In our opinion, there has been news in the radio industry from the beginning. There is news in radio programs, though we can find little enough under the present method of eliminating almost all identifying characteristics. The problem has arisen solely because advertisers using the radio, and their advertising agencies, have not regarded newspaper mention as news, but as an element of commercial value.

"A service rendered purely for the benefit of readers has been converted by competitive elements into a sales weapon. An advertiser who has used newspaper space is solicited by the radio salesman with the argument that he can divert his appropriation from newspaper space, get the benefit of radio time and at the same time retain his character in newspapers through news mentions in the radio columns. We have heard it argued to such an advertiser that his radio time cost him nothing, if the free space in newspapers were measured at space rates!

"What advertising value these program and column mentions have, we nor anybody else, can say with conviction. If they do sell goods, as the time salesmen and agencies claim, it seems to us that the advertising agency and all its works can be plausibly called a tremendous economic waste. If these puffs are commercial advertising, of value of the firms they mention, why bother with pictures, color, psychology, market surveys, and all the rest of the trappings that keep advertising agencies busy?

"The answer is that puffs don't sell goods. They give their subject a sense of public importance, flatter his vanity, and help

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to sell him the idea of something for nothing. Experience has demonstrated that there is much more to advertising than mere mention of name. There are sound reasons for market investigations, technical skill in attracting readers, and for most other agency services. There is no sound basis in commerce or ethics for the promise or donation, in conjunction with a radio contract, of free newspaper space.

"Newspapers which eliminate the abuse of their advertising and reader confidence are not boy-cotting radio, in any sense. They are cutting from their own structure a service which had been perverted to their disadvantage, and which has become a fraud on their readers. They are making radio stand on its own feet as an advertising medium. We haven't heard the end of the story yet, but we don't believe newspapers will retrace that step."

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FCC EXPEDITES EMERGENCY APPLICATIONS

The Federal Communications Commission this week called the attention of all licensees of radio facilities in the Middle Atlantic and New England States to the fact that the Commission will expedite the consideration of all requests from existing stations for operation beyond the terms of the licenses for rendering assistance in the emergency existent by reason of the hurricane and floods in certain of these states. Many requests for special operation have already been received and handled promptly.

Rule 23 of the Commission's Rules and Regulations provides for emergency communication beyond and above those authorized by the license during a period of emergency where normal communication facilities are disrupted. Under this rule broadcast stations may handle messages concerning safety of life and property, amateurs may engage in the transmission of such messages and other stations may communicate to points not specified in the license, and in general stations may engage in whatever operations are required to best assure safety of life and prevention of loss of property.

Those persons possessing radio facilities near these areas who from experience know that they may be of assistance in the work but have not been able to make use of the facilities due to failure to contact the responsible parties engaged in the emergency work, may contact the Commission for any requests they have for the use of such facilities in the area.

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Announcement was made this week of the selection of the 1937-38 Sales Promotion Campaign of the Mutual Broadcasting System as one of the fifty direct mail leaders of 1938 by Direct Mail Advertising Association Headquarters, Pennsylvania Hotel, New York.

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RADIO, PRESS PROMOTING WAR, SAYS PREACHER

"Exploiters of patriotism" are trying to draw America into another world conflict, the Rev. Orris G. Robinson charged Sunday from the pulpit of Calvary Methodist Episcopal Church, Washington, D.C.

"Let us resolve to explode the hollow lies and shams of these 'exploiters of patriotism,'" urged the clergyman, adding, "I have it on good authority that there was begun in this country a short time ago, with the co-operation of the press and radio, a wide educational campaign to change the public's attitude regarding war.

"Recalling the war hysteria of '17 and '18, he told the congregation that lest we forget, "overnight, through the propaganda of press, pulpit and Wall Street, we were swept into a self-made hell. Our resources were given freely for a pound of fish, never to be collected."

"Lest we forget," he concluded, "civilization is again at stake, with these 'exploiters of patriotism' and war-madness again at work. As Christians, we must see that such a debacle does not happen again."

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RADIO OFFERS ONLY OUTLET FOR PRAGUE NEWS

With all wire communications cut off, the only news that came out of Prague regarding the Czechoslovakia crisis over the week-end was by short-wave radio. A broadcast from Prague on Sunday, in fact, aroused Hitler to make a reply to the German people via radio on Monday. By this time, however, wireless communication had been restored.

The government short-wave radio station at Prague, Czechoslovakia, whose call letters are OLR4A, stayed on the air without interruption again Saturday, the New York Times noted, repeating its performance of Friday when news bulletins were announced at regular intervals and occasional messages of importance were broadcast in the midst of musical numbers.

During the afternoon and early evening the station was on antenna that "beamed" its waves to Central European listeners. During this period its broadcast, which on Friday were in Czech, Slovak, Ruthenian and English, were made in Central European languages.

At 7:40 p.m., however, the station bade farewell to its European listeners and changed its antenna to beam its waves to listeners in "North America and Canada," as the announcement had it. The first news broadcast of the evening for American listeners was at 7:55 p.m.

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Between announcements of actions taken by the Czech Government in the Sudeten crisis and of air-raid precautions and military moves, the station broadcast musical numbers. In the midst of these it broadcast a program of swing music by an American Negro swing band, currently engaged at one of the so-called "subterranean cafes"--cellar cafes without windows.

The station was heard in this country on 25.34 meters, 11.83 megacycles. During the evening and the early morning until 4 a.m. its signals are heard without perceptible interference. At 4, however, the signal fades and interference makes the announcements unintelligible.

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BBC WOULD ENTERTAIN IN CASE OF WAR

It is believed the British Broadcasting Corporation has completed its plans for the organization of musical and other entertainment programs would continue on the air because suspension might demoralize the public, the New York Times reports from London.

If there is another war the conflict probably will extend to the air in transmissions of propaganda to foreign countries and in efforts to jam hostile transmitters.

The wave length in the medium wave band is particularly liable to interference so the use of ultra-short waves for news broadcasts is being considered.

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Lieut. James L. Kelley, 40, builder and director of WPDW, Washington police radio station, this week was demoted to private and placed on foot patrol duty by Maj. Ernest W. Brown, chief of police.

Kelley, termed "one of the best radio men in the country" by Inspector L. I. H. Edwards, assistant superintendent of police, personally drew the plans and installed the police radio system in 1930. He saved the District nearly \$100,000 by his knowledge and ability to manufacture radio transmitters and receivers.

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 ::: TRADE NOTES :::
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Two minutes before the CBS network was to close down at 2 a.m. Monday, word came from the State Department sources and the staff of WJSV, CBS Washington station, that a crucial message from President Roosevelt would be available for broadcast an hour later. In those two minutes arrangements were completed to keep the network on the air throughout the U.S. Thus Columbia, and its international shortwave transmitter W2XE, were the only facilities on the air to carry the peace plea at 3 a.m.

Continued decrease in American radio exports was reflected in the latest July 1938 report of the U.S. Bureau of Foreign and Domestic Commerce. The July export decrease was 38 percent, total radio exports in July amounting to \$1,620,670 compared with \$2,624,569 in July 1937.

Fifteen years of service to radio were celebrated last Thursday by Alfred J. McCosker, president of WOR and chairman of the board of the Mutual Broadcasting System.

A series of broadcasts dealing with the lives of eminent Catholic literary figures of the last half century has been announced as one of the major features of the course in radio work to be offered at Catholic University, Washington, during the coming year.

Station WOL last week started broadcasting from its new \$50,000 transmitter in Chillum, Md., on 1,230 kilocycles with 1000 watts of power.

The station formerly broadcast on 1,310 kilocycles with 100 watts power.

William H. Priess, president of the International Television Radio Corporation, Jersey City, N.J., has announced that the corporation has completed an arrangement with the investment firm of Mayhew & Reilly, of New York and Washington, for the distribution of 1,000,000 shares of its \$1 par value common stock.

The issue has been registered with the Securities and Exchange Commission and public offering will be made by the underwriters in the near future.

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NBC PLANS COMPLETE LATIN AMERICA SCHEDULE

The most comprehensive schedule of American shortwave broadcasts to Latin America ever attempted will be launched by the National Broadcasting Company as a result of assignment by the Federal Communications Commission to NBC of two new shortwave frequencies, it was announced this week by Frank E. Mason, NBC vice-president and director of the International Division.

The two additional frequencies, 9670 kilocycles or 31.02 meters, and 21,630 kilocycles or 13.76 meters, fill out NBC's complement of wavelengths necessary to render year-round day and night service to Latin America as well as European listeners on a regular schedule.

The assignment of the new frequencies, which were made available for international broadcasting by the Cairo radio conference earlier this year, follows the rapid increase in the popularity of NBC's programs with foreign listeners. As evidence of this, letters received by NBC's shortwave stations W3XAL and W3XL have increased tenfold in the past few months, with particular tribute being paid to the news broadcasts in six languages.

Listeners in all parts of the world, and particularly in Europe, have written NBC that these American news reports provide a most trustworthy source of information, as European news distribution is generally subject to government control.

The new 21,630 kilocycles frequency will be used by NBC during the daytime to carry to Latin America the programs which are now beamed toward Europe on 17,780 kilocycles in English, French, German and Italian. All of these nationalities have large representation in South America.

The new 9670 kilocycle frequency will be used to put a better signal into the lower half of South America during evening hours, while the present 6100 kilocycle frequency will be concentrated during the same hours on Latin American listeners nearer to the United States. The same programs, broadcast in English, Spanish and Portuguese, will be heard on these two frequencies.

Operation on the new frequencies will begin immediately, Mr. Mason said. New directional antennae will be installed as quickly as possible so that maximum efficiency in transmission in transmission may be obtained.

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I.T.& T. STOCKHOLDERS GET POSTAL PLAN

The international Telephone and Telegraph Corporation has agreed to submit to its stockholders for their approval that part of the plan submitted by the various bondholders committees of the Postal Telegraph and Cable Corporation for the reorganization of the corporation, which contemplates under a holding company set-up the continuance of the relations between All American Cables and the Commercial Cables and Mackay Radio interests which have existed since before 1938. The acceptance of the plan of the I.T. T. is subject to the consummation of various traffic agreements.

The plan contemplates that the I.T.T. will hold two-thirds of the stock interest in the joint cable and radio properties and that the one-third stock interest will be distributed to Postal bondholders. The Postal bondholders will also receive \$8,107,228. of 4% cumulative income debentures of the Commercial Cables and Mackay Radio properties, and the I.T.T. will receive \$3,293,561. of 4% Cumulative income debentures of the All America Cables properties, and the Postal bondholders will receive \$1,013,403. of All America Cables debentures.

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RADIO "HAMS" AND STUDY OF RADIO

American radio amateurs in thirty States have enabled Harvard scientists to learn new facts about the behavior of the electrified "E" layer some seventy-four miles above the earth, according to Science Service.

Transmission on the ultra-high frequency band of fifty-six to sixty megacycles, a band contemplated for television transmission, has been found to have amazingly long pick-up, 2,500 miles in an extreme case.

More than 700 contacts between amateurs on this band on the night of June 5 showed receptions of these supposed line-of-sight frequencies over distances of 600 miles in many cases. In exceptional cases reception was obtained over distances of over 1,400 miles, report J.A. Pierce and H.R. Mimmo of Cruft Laboratory, Harvard University, in the Physical Review, published today.

Working with amateur contacts assembled by the American Radio Relay League, the Harvard scientists, from the data thus gathered, discovered that two happenings on June 5 led to the amazing distance or DX, reception.

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