

# HEINL RADIO BUSINESS LETTER

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## INDEX TO ISSUE OF OCTOBER 4, 1938

FCC Shake-Up Seen In Civil Service Move.....	2
F.D.R., Press Cite Role Of Radio In Czech Crisis.....	3
FCC Examiner Hits WJBL Sale To Newspaper..	5
CBS Billings Gain 12.5% Over August.....	5
Radio-Equipped Classrooms Vital, Says Studebaker.....	6
Morocco Called Potential Radio Market.....	7
Trade Notes.....	8
Argentine Considers Own "School Of The Air".....	9
Millions In U.S. Follow European Crisis By Short-Wave.....	10
CBS Begins Installation Of New Television Station.....	11
I.T. & T. Stockholders To Meet Nov. 22.....	11

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October 4, 1938

## FCC SHAKE-UP SEEN IN CIVIL SERVICE MOVE

A shake-up in three divisions of the Federal Communications Commission will be effected by Chairman Frank R. McNinch if the Civil Service Commission consents to exempt the divisions from the provisions of the Classification Act.

Disclosure late last week of a letter that Chairman McNinch had addressed to the Civil Service Commission has aroused the employees of the three divisions affected - Legal, Examiners, and Public Relations.

Chairman McNinch asked that the jobs be taken out of Civil Service on the ground that they are policy-forming in nature and may be exempted under the terms of President Roosevelt's Executive Order of June 24th last. The employees affected, however, insist that their jobs are not policy-making.

All of the 75 employees involved are said to have been taken from the Civil Service eligible lists.

Critics of the FCC immediately saw in the McNinch letter a move to reopen the Commission's rolls to political appointees. For years, they pointed out, the administrative agency of the radio industry has been a political football and has been packed with patronage appointees. Only recently has the cloak of the merit system been thrown around the employees.

The President in an Executive Order of June 24th blanket-ed a great group of employees into the Civil Service, but permitted heads of departments and bureaus to recommend exemptions for certain policy-forming personnel.

Employees of the Commission have been considerably upset since Chairman McNinch, speaking before the Radio Amateur League here on June 25th, a day after the Executive Order, gave the first inkling that he proposed a shake-up in the Commission personnel.

Certain Commissioners have contended that if any employees in the three divisions are not efficiently performing their duties, they can be dismissed under the Civil Service procedure, which ordinarily is based upon efficiency ratings and longevity credits.

Under Civil Service law the President could put the communication groups in either one of two categories - Schedule B or A. Schedule B positions are filled by non-competitive examinations, while those under schedule A are filled without any examination.

Under ordinary circumstances, the President would refer to the Civil Service Commission, the request for exemption, and ask the Commission for a report and recommendation. In view of the Civil Service Commission's well-known attitude to make as few exemptions as possible, it was felt that the Commission would oppose the proposed move unless very good reasons were advanced for it.

Chairman McNinch, who is ill in the United States Naval Hospital, said that he did not care to make any statement in connection with his proposal to the Civil Service Commission, but explained the changes were needed because of inability to get from the Civil Service lists of employees of the ability required for carrying out the work of the Commission.

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#### F.D.R., PRESS CITE ROLE OF RADIO IN CZECH CRISIS

The role of radio in the recent European crisis has elicited favorable comment from President Roosevelt, the press, and leading commentators.

The President at a press conference last Friday observed that the crisis had been speeded to its conclusion by the speed with which radio disseminated information and opinion over the civilized world.

The Chicago Journal of Commerce expressed the point of view of at least one newspaper publisher in an editorial headed "A Victory for Radio".

"Whether or not the Munich conference finally brings a real settlement of the Sudeten question it seems to us that the world can chalk up one overwhelming credit mark to radio for the part it has apparently played in forcing Hitler to call a four-power conference", the editorial stated. "That the radio forced that concession may be disputed but it seems logical to us that no human being, even a madman, could listen to the international debates on this serious matter for the past week or ten days and not feel that he had better look again before leaping.

"The first thing a criminal does after pulling a job is to find out 'what the newspapers said about it'. The first thought that enters a politician's mind when he is planning an ulterior move is, 'How will the press react?' In bringing before perhaps 50 percent of the people of the civilized world the opinions of the American press and the British and French press and the views of leading statesmen everywhere on the threatened invasion of Sudetenland, the broadcasting companies brought a kind of pressure to bear on Mr. Hitler that has never before been brought



10/4/38

to bear on any militarist at any time in history. Even the Kaiser might have been influenced. Simple logic says therefore that no man could listen long to this recital and not have the fear that he was treading the wrong path.

"And for the first time in history the intended victim got an opportunity to tell the people of the whole world about the merits of its position.

"In a word these international debates served to convey truth to the whole world and, we believe, the whole truth about the rightness or wrongness of Hitler's position. The world now goes forward with a new vehicle for the settlement of disputes. The dictator or the aggressor who dares to defy its message will do so at the peril of world opinion. And those who sit around the conference table will have guidance they have never had before.

"It's a bright chapter in history but let it be said while the people everywhere are rejoicing at the good offices radio has furnished on this occasion that the incident more than ever reveals that the radio ought not to be controlled by any political party. Unless it is as free as the air itself to the venting of opposing views, and impartially shared by political adversaries, it can be used to conceal truth and augment misunderstandings. There is a job still to be done in this respect in our own country."

Fulton Lewis, commentator on WOL, Washington, and former Hearst correspondent, had this to say:

"And if you'll forgive me for injecting a personal observation, there's one angle of this whole affair that seems to me even more important - even more revolutionary and vital for the future - than the mere question of who has won a diplomatic victory, because in the last analysis, it made these victories possible.

"To my mind, if these conferences are a success, it means the dawn of a new era in international relations. It means that secret treaties and secret bartering between nations behind closed doors, is ended forever. It means that the day is gone when a people can be stampeded into way by propaganda.

"And that, ladies and gentlemen, is not due to any one man. Instead, it's due to the funny, mysterious, little box that's before you, at this very minute, The Radio. If war is avoided in these conferences tomorrow, it does seem that radio should be a candidate for the Nobel Peace Prize of 1938."

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10/4/38

## FCC EXAMINER HITS WJBL SALE TO NEWSPAPER

Holding that it is not in the public interest for a newspaper to monopolize all sources of public news dissemination, i.e., the only radio station as well as the only newspaper, FCC Examiner P. W. Seward this week urged denial of an application to transfer control of WJBL, Decatur, Ill., to Decatur newspapers, Inc.

Charles R. Cook proposed to sell 51 percent of the station's stock to the newspaper corporation, which owns the other 49 percent, for \$15,000. Examiner Seward approved the price although it included \$3,826.06 profit or "going concern" value.

The transfer, the Examiner held, "would tend to restrict competition in the dissemination of news and information and in advertising.

"The Commission has repeatedly held that it is not in the public interest to grant to the same person or interest, license to operate more than one broadcast station in a particular area, as to do so would tend to restrict competition in program service, which covers the dissemination of news and other information, as well as entertainment, unless there be a compelling reason shown in the record why a second station should be established by the licensee of an existing station."

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## CBS BILLINGS GAIN 12.5% OVER AUGUST

Gross billings for the Columbia Broadcasting System, announced this week, total \$1,602,105 for September, a rise of 12.5% over August. First nine months of 1938 represent a cumulative sum of \$19,975,882, slightly below the record-breaking period a year ago.

The summary:

	<u>1937</u>	<u>1938</u>
September	\$ 2,028,585	\$ 1,602,105
1st 9 Months	\$20,775,542	\$19,975,882

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## RADIO-EQUIPPED CLASSROOMS VITAL, SAYS STUDEBAKER

"Bring the world crisis into the classroom", is the suggestion of John W. Studebaker, Commissioner of Education, who is one of the outstanding exponents of the idea of making education vital for young people by bringing the more crucial questions into the classroom via radio for examination by the students.

"It is worth any trouble it takes to rearrange and organize the high school or college schedule these days to enable the students to hear first hand the most important pronouncements being made by history-making leaders. The student who missed hearing Chamberlain or Hitler because he was forced by an inflexible school program to conjugate German verbs or to report on the Elizabethan period of English history was deprived of some real education", said Commissioner Studebaker at the Office of Education, Department of the Interior. "He missed the significant experience as a close observer of a performance which future historians may never quite be able to tell accurately.

"Certainly if radio broadcasters can interrupt profit-making schedules to substitute numerous non-commercial news releases portraying up-to-the-minute changes in world history", said the Commissioner of Education, "and if newspaper representatives can stand by in the four corners of the earth during every hour of the day and night to supply accounts of personal observation of swift-moving world events, those of us in organized education who have not already done so should be able to adapt our traditional schedules to the most vital influences available for educational uses.

"What is happening today is grist for the mill of the teachers of psychology, sociology, civics and history. There is nothing in the text-books to compare with it.

"This crisis is a starting point for an investigation into the historic struggles of people of different races in Europe. It furnishes striking illustrations of opposing forms of government at work, as a basis for class discussion on democracy and other political systems. The broadcasts and the newspaper accounts ought to be 'homework' for students these days and much class time should be devoted to a careful discussion of the meaning of it all.

"Our democracy depends not so much on the number of facts our high school or college graduates remember about Queen Victoria or Napoleon, but upon how competent these young people become in thinking through the real issues they themselves are going to confront as adult citizens.

"Should we permit our sympathies to gravitate toward one side or the other in this crisis? If we do, will this lead us into war, should a war develop?

"Which national leader seems to present the strongest case, and why?

"Should America stand aloof and take no part at all? Was the President right in making his statements?

"What does a change in frontiers do to our foreign trade, to trade agreements?

"Why do most statesmen seem to agree that no nation can win a war? Was this always believed?

"These are just a few of the questions which come to mind as the Napoleons and the Alexanders of our day and generation come into our living rooms or our classrooms and speak to us directly. This is a time when the teacher-guides may tap supreme student interest and put it to work in the educative process. I hope millions of our youth experience an acceleration in learning by being stimulated to think and study about today's exciting and thought-provoking pronouncements and events", said Commissioner Studebaker.

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#### MOROCCO CALLED POTENTIAL RADIO MARKET

The U. S. Commerce Department estimates that not more than 25 percent of the total European population of 260,000 in French Morocco are purchasers or potential purchasers of radios. Only a few native Moslems and Jews are interested in radios.

According to the Protectorate's Department of Posts, Telegraphs and Telephones, there were 34,240 licensed sets in use in French Morocco the first of the year. The most popular types of radios are: European makes - 5 to 6 tube sets; American makes - 7 to 9 tube sets, table models, for use with electric current, at prices varying from about 1,800 to 2,500 francs. Dealers expect a general reduction in the sales of all makes of radios during 1938, owing to unfavorable economic conditions, and prospects for American radios in particular are unsatisfactory, owing to the increased cost of such apparatus following recent devaluations of the French Moroccan Franc in 1937 and 1938, which placed the American product beyond the means of the average consumer. Prior to these devaluations of the franc, American radios occupied an enviable position in the market; at present the leading make is the Dutch products, Philips, with German and French radios close competitors. Radios usually are sold on the installment plan to consumers.

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10/4/38

TRADE NOTES

The Crosley Radio Corporation this week filed two applications with the Federal Communications Commission requesting assignment of 17,830 and 21,570 kc. to its short-wave station W8XAL, of Cincinnati.

The National Committee of Independent Broadcasters and the American Federation of Musicians have exchanged contracts and thereby put into effect the independent plan of settlement of a radio-musicians dispute.

Col. Robert R. McCormick, publisher of the Chicago Tribune and owner of WGN, denied in a radio address last week that the Tribune sponsored a bill in Congress to permit newspaper censorship of radio. The denial was in answer to a charge made by Senator Minton (D.), of Indiana.

Demand for news photographs of the European crisis has put the central operating office of R.C.A. Communications, 66 Broad Street, New York City, where all prints are received from London and Berlin, on a 24-hour basis, for the first time since overseas photo transmission was started in 1926, according to Editor & Publisher. The exact total of pictures transmitted daily was not available as it was stated the department is too busy at present to keep clerical records. The former record total for one month was set in May, 1937, when the Coronation of King George VI and the wedding of the Duke of Windsor and Mrs. Simpson took place. Transmission of a print three columns by 5 inches requires from 15 to 20 minutes, it was stated, but some time is required for perfect synchronization of the apparatus here and abroad.

William S. Paley, President of the Columbia Broadcasting System, is on the jury which will select the winners of the 1938 Annual Advertising Awards sponsored by Advertising and Selling.

Appeals from the twice-decided action of the Federal Communications Commission granting WMEX, Boston, a high-powered regional assignment on 1470 kc. with 5,000 watts full time were filed last week by WAAB, Boston, WLAC, Nashville, and WCOP, Boston.

Brief statements by the chief executives of RCA and its subsidiaries are contained in an illustrated booklet sent this week to RCA stockholders.

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Flanked by former service men in uniform, an altar was dedicated Sunday in our Lady of Lourdes Grotto at the Church of the Immaculate Conception, Washington, in memory of the Rev. Francis J. Hurney, former pastor of the church and founder of the Washington Catholic Radio Hour.

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A million dollars worth of radio time will be allowed the University Broadcasting Council for its 1938 programs, according to Allen Miller, director of the non-profit organization incorporated in 1935 to further education by radio at Chicago, Northwestern and DePaul universities.

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#### ARGENTINE CONSIDERS OWN "SCHOOL OF THE AIR"

The Director of Argentine Posts and Telegraphs, who has jurisdiction over radio broadcasting, has submitted enthusiastic recommendations to the Minister of Interior regarding the possibilities of radio in connection with public instruction, the U. S. Commerce Department reports. The report refers to the recent Government decree which criticizes the present cultural aspects of radio broadcasting in Argentina, and which asks for a considerable improvement in the educational standard of local broadcasting programs.

In his latest report, the director of Posts and Telegraphs refers to the rapid growth of the "schools of the air" in Europe, and quotes from studies made on this subject by the Argentine delegates to the recent Cairo radio conference. The latter investigation indicated that the totalitarian states such as Germany and Italy have found the loudspeaker a marvelous means of inculcating their political ideals. The democratic countries such as Britain, France, Switzerland and Belgium, while likewise using the radio to import civic and nationalistic education, have concentrated more on the broadcasting of lessons on specific subjects which make up regular educational courses. Because these lessons utilize music, dialogue, sound effects, and other features, they offer a certain appeal over the ordinary classroom lessons.

In view of the present plans to modify the whole system of Argentine radio broadcasting, the Director of Posts and Telegraphs believes the time opportune for considering "schools of the air", and suggests the designation of a commission to establish such a form of education in all types of Argentine schools.

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10/4/38

## MILLIONS IN U.S. FOLLOW EUROPEAN CRISIS BY SHORT-WAVE

Short-wave reception of foreign stations, which has been growing in popularity in this country for several years, has jumped almost overnight from a hobby to a necessity in thousands of American homes as a result of the threat of another European war, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, stated this week.

For the first time since the development of short-wave broadcasting, international events have been of such significance that news developments in Prague, London and Berlin have overshadowed those in Washington.

Americans, who have been accustomed to tune their all-wave sets to these and other European capitals largely for entertainment, in recent weeks have heard history made as they listened to statesmen and commentators directly.

The center of interest among short-wave listeners in this country has been the station at Prague. Before the Central European crisis, the Czechoslovak station attracted little more attention than a half-dozen others on the continent and was completely overshadowed by London, Berlin, Rome and Paris.

Although the "voice" of a country not much larger than the State of Illinois, the Prague station has answered the Berlin broadcasts "shot-for-shot" and succeeded in making itself as clearly heard in all parts of the United States as the short-wave station of Germany, one of the finest and most powerful in the world.

There never has been a time when so many people are using the short-wave portion of their receiving sets as now, and the number is increasing by leaps and bounds. Mr. Geddes estimates that there are close to 14,000,000 receiving sets in the United States at this time with short-wave attachments capable of tuning in Europe and that about 2,500,000 such sets are being added each year.

The European crisis and short-wave radio have given the average American a close-up personal education in international affairs as it has furnished statesmen a new means of carrying their case by direct conversation to an open forum of world opinion, Mr. Geddes said.

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10/4/38

## CBS BEGINS INSTALLATION OF NEW TELEVISION STATION

A television transmitter which will broadcast a high-definition picture signal as powerful as that of any transmitter now in operation is being installed on the 72nd and 73rd floors of the Chrysler Tower in New York, it was announced this week at CBS headquarters.

After a year's tests, both of the transmitter and of a new type of television antenna for distributing the signal evenly over the entire city and its suburbs, engineers began the process of installing the 100,000-lb. equipment in the site high over Manhattan. Final arrangements also have been made for construction of a coaxial cable connecting the transmitter with the CBS television studios in the Grand Central Terminal Building nearby.

Columbia's schedule calls for completion of the installation early in 1939, but since additional time will be required for final tests, no date has been set for the broadcasting of visual programs. When the new station goes on the air next year, it will climax almost a decade of television experimentation by Columbia which, in 1931, broadcast the first regular schedule of television programs undertaken in this country. In contrast with the early, 60-line transmission, the new station will send out images of 441-line definition. This seven-fold increase in the number of lines has required more than a fifty-fold increase in width of the transmitted frequency band.

The new CBS television transmitter, built at a cost of approximately \$500,000, will cost another \$150,000 to install. From its vantage point in the Chrysler Tower, which was picked as the ideal location after careful study of the whole New York skyline, the station will provide primary coverage within a radius of about 40 miles over a total area of about 4,800 square miles.

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I. T. & T. STOCKHOLDERS TO MEET NOV. 22

Stockholders of the International Telephone and Telegraph Corporation, at a special meeting at Baltimore, November 22nd next, will be asked to approve an agreement between the I.T.T. management and the bondholders committees of Postal Telegraph and Cable Corporation, which provides for the future operation, under common ownership, of the properties of All America Cables and Radio, Inc., Commercial Cables and Mackay Radio and Telegraph. Notices for this special meeting were sent out last Friday.

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