

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

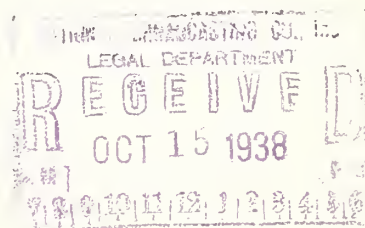
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No. 1166



GARY OUSTED AS McNINCH "PURGE" GETS UNDER WAY

Inaugurating a "purge" of employees of the Federal Communications Commission not acceptable to the Chairman, Frank R. McNinch this week brought about the abrupt dismissal of Hampson Gary as General Counsel and admitted that other personnel changes are imminent.

Mr. Gary, who has been General Counsel for more than three years and who was one of the original members of the FCC, was summarily ousted Thursday after he had refused to resign and accept a transfer to the Reconstruction Finance Corporation.

Appointed as his successor was William J. Dempsey, 33-year-old legal aide to Chairman McNinch, who is said to be a protege of Thomas G. Corcoran. Mr. Dempsey, who has been acting as Special Counsel of the FCC for the forthcoming monopoly investigation, is the son of Representative Dempsey (D.), of New Mexico. He formerly was an Assistant Counsel at the Federal Power Commission when Mr. McNinch was its Chairman.

The change was made effective at once although Mr. Gary was allowed accrued annual leave due him until December 15th. Until that time Mr. Dempsey will be Acting General Counsel.

Mr. Gary's dismissal followed a bitter intra-Commission fight in which Commissioners George Henry Payne and T.A.M. Craven came to his rescue.

The ouster vote was 4 to 2 with Commissioners Eugene O. Sykes and Thad H. Brown supporting the Chairman. Commissioner Norman S. Case was absent due to illness. Commissioner Paul A. Walker also backed up Mr. McNinch.

A resolution adopted by the Commission stated that Mr. Gary's dismissal was "necessary for the proper and efficient discharge of the functions of the Commission". Chairman McNinch, in answer to a question by Commissioner Payne as to what charges were made against Mr. Gary, said that he was guilty of "inefficiency in the conduct of the Law Department". Commander Craven sought to have the meeting postponed until the charges could be investigated, but the Chairman curtly refused. It was also suggested that Mr. Gary be heard, but again the Chairman demurred.

Previously, on Wednesday, Chairman McNinch had asked Mr. Gary to resign and to accept the transfer. It was said that Jesse Jones, head of the RFC, also had talked to him.

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At a press conference yesterday (Thursday), Chairman McNinch stated that he had the full support of President Roosevelt in the FCC shake-up, which he denied is a "a purge".

"I have talked with the President", he said, "and I know that I have his support in what I have done and what I intend to do."

Asked about other rumored personnel changes (see story elsewhere), Mr. McNinch admitted that they are in prospect.

"They have not fully matured", he said, "but they will mature rapidly. The number is indefinite but not large."

Reported to be on the "purge" list are Davis G. Arnold, Chief Examiner; T. J. Slowie, Commission Secretary, and G. Franklin Wisner, Chief of the Press Information Division.

One unconfirmed report was that John B. Reynolds, Assistant Secretary, will be promoted to Slowie's job, although a Republican. He already has had a salary increase of \$2,800 under the New Deal.

Chairman McNinch denied he had any intention of replacing all of some 60 Civil Service employees whose jobs he has asked the Civil Service Commission to exempt from the merit system.

He also criticized Commissioner Payne for reportedly releasing copies of his letter to the Commission and Commissioners Payne and Craven for sending a separate letter to the Commission objecting to Mr. McNinch's request. The reason he did not show the two Commissioners the letter before sending it, he said, was that they were not in their offices that day.

"I have communicated with the Civil Service Commission", he said, and I find that the Commission itself has taken no action despite the statement by Chairman Mitchell.

"Besides", he added significantly, "the Commission may only recommend exemptions. The final decision is up to the President."

The Civil Service exemptions, he said, "applied solely to future employments" and not to present personnel. He added that he could only wait until February 1 to make some of the changes he contemplated.

Just what procedure Chairman McNinch will follow in ousting the Civil Service employees marked for the "purge" was uncertain, but he intimated that it may be accomplished by transfers, abolition of positions, or the filing of charges with the Civil Service Commission.

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As the split within the Commission widened, it appeared likely that the Gary dismissal may bring about a long-delayed Congressional investigation of the Federal Communications Commission and the broadcasting industry.

Mr. Gary, a Texan, is understood to have the backing of such Texans on Capitol Hill as Vice President Garner, Majority Leader Rayburn and Senator Sheppard.

The FCC inquiry was blocked in both the House and the Senate last year by Administration spokesmen, who asked that Chairman McNinch be given more time to "clean house".

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MONOPOLY HEARING POSTPONED UNTIL NOV. 14

Postponement of the Federal Communications Commission's investigation of radio networks and charges of monopoly from October 24th until November 14th was announced Thursday by Chairman Frank R. McNinch.

The reason for the delay, Mr. McNinch said, is that a large number of appearances have been entered by transcription companies and that more time would be needed to schedule all parties who wish to be heard.

The hearing will begin, incidently, on the same day that the larger Congressional monopoly probe starts.

Besides the networks, the parties that have notified the FCC of intention to appear at the hearing include the following:

The Committee for Industrial Organization, which charges censorship of labor talks and news by certain stations; the American Society of Authors, Composers and Publishers, on account of the copyright issue; the NAB Bureau of Copyrights; the National Committee on Education by Radio; the American Federation of Musicians; the World Broadcasting System; the Radio Transcription Producers' Association; the RCA Manufacturing Co. and the Westinghouse Electric & Manufacturing Co.

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The Federal Communications Commission this week denied an application of the Colonial Broadcasting Co. for a construction permit to establish a new broadcasting station at Morrostown, N. J.

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McNINCH SCOFFS AT RUMORS OF SERIOUS ILLNESS

Just out of Naval Hospital, Chairman Frank R. McNinch of the Federal Communications Commission, appeared at a press conference yesterday (Thursday) in a jocular mood, scoffing at reports that he had been seriously ill.

"The rumors that I have been suffering from some malignant malady and that I might die or resign are entirely without foundation", he said. "The doctors have told me that every vital organ in my body is sound and that I am in better shape than I was twenty years ago. Tomorrow I am going to take my first horseback ride in several years."

Questioned by newspapermen as to his ability to ride, Chairman McNinch said:

"I can ride horses, too."

Mr. McNinch first went to Naval Hospital in mid-Summer because of a stomach ailment. He returned to his office for a few days in the early Fall and then returned to the hospital for "a check-up". He remained there about two weeks.

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NEW RADIO DIRECTION FINDER SUCCESS IN TEST

Following closely on the heels of test flights with a new radio altimeter, an automatic radio direction finder was tested this week in New York City and found successful in keeping a plane on its path.

The device was developed during several months of secret flight tests by the Sperry Gyroscope Company, of Brooklyn, and the RCA Manufacturing Co. It was tested publicly with an air liner carrying sixteen passengers.

A dial placed on a mounting in the center of the pilot's cockpit shows by the direction of a needle, actuated by the radio device, the precise direction from which radio signals to which it is tuned are emanating.

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McNINCH BALKED ON CIVIL SERVICE EXEMPTION REQUEST

While balked in his request for exemption of some sixty top-ranking employees from the Civil Service system, Chairman Frank R. McNinch this week returned to his office from Naval Hospital suddenly, and indicated he had not abandoned his attempted "purge".

Just what move the Chairman will make next to oust some of the employees that he is known to dislike was not known at once, but unress among the FCC personnel was apparent throughout.

Harry B. Mitchell, Chairman of the Civil Service Commission, denied Mr. McNinch's request shortly after receiving a protest from Commissioners George Henry Payne and T.A.M. Craven.

He described the FCC Chairman's request as "neither in harmony with the letter or the spirit of the President's Executive Order".

"The Civil Service Commission would not agree to except whole classes of employees", he said. "Under the general statement which we issued sometime ago, we would not make any sweeping exclusions such as McNinch recommended."

With the sudden return of McNinch to his office from Naval Hospital, where he has been confined for the past two weeks, it became apparent that he was not going to let the matter rest.

Other members of the Commission insisted that the Chairman intended to go ahead with his proposed "purge", at least to the extent of trying to effect the dismissal of three of the sub-officials now protected by Civil Service. They are:

T. J. Slowie, Secretary of the Commission, who is said to have had the endorsement of James Roosevelt, son of the President, when appointed a year or so ago.

Davis G. Arnold, Chief Examiner, a Civil Service employee for 17 years.

G. Franklin Wisner, Chief of the Information Service, a Civil Service employee for 12 years, who has survived several political turn-overs since the founding of the original Federal Radio Commission.

Also several members of the legal staff.

Chairman McNinch's request to the Civil Service Commission was attacked in a letter signed jointly by Commissioners George Henry Payne and T.A.M. Craven and apparently reflecting widespread unrest among Communication Commission employees.

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Commissioners Payne and Craven charged that Chairman McNinch had acted secretly and without consulting the full Commission membership. They urged the Civil Service not to act until a "deliberate decision" could be made.

"Commissioner Craven and myself", Mr. Payne declared, "when we found that the many fine people employed by the FCC were completely disorganized by this attack on their position and standing in the Government service, felt there should be some public statement as to opposition. In the four years that we have been trying to build up the Communications Commission so it would be responsive to public service, it was most essential that the employees should know that they would find loyalty and appreciation of merit."

Commissioner Payne made public a copy of Chairman McNinch's letter to the Civil Service Commission, together with a memorandum. The letter was dated September 23, the memorandum September 24. Mr. Payne charged that he and Commander Craven had not seen either until September 30th.

Several months ago the Civil Service requested heads of all departments and agencies to submit lists of positions considered policy-determining or for other reasons ruled out of Civil Service status. The largest exclusions - or most certainly the most spectacular ones - have been requested by Chairman McNinch, Commission sources disclosed.

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THREE MORE HEARST STATIONS TO BE SOLD

Following the sale of Station WINS, New York, to Milton H. Biow, President of the Biow Co., an advertising agency, E. N. Stoer, of Hearst Radio, Inc., announced this week that negotiations were under way for the sale of three more stations.

They are KOMA, Oklahoma City; KYA, San Francisco; and WISN, Milwaukee.

The sale price of WINS to Mr. Biow will be "under \$200,000", according to Mr. Stoer, who added that earlier plans to sell the station to Colonel Arthur O'Brien, a Seattle lawyer, for \$250,000 had been "dropped by mutual agreement".

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GARY, FORMER FCC COUNSEL, WAS U.S. DIPLOMAT

Hampson Gary, who was dismissed by the Federal Communications Commission this week as General Counsel, has had a varied and distinguished career. Sixty-five years old and a native of Texas, he was an American envoy under President Wilson.

He was appointed one of the first members of the FCC in July, 1935, but served only six months, because of the step-up arrangement adopted to make the appointments irregular. He was succeeded by the late Anning S. Prall and subsequently was named General Counsel.

In 1914 he was made Special Counsel to the Department of State and later became a Solicitor of same. After the entrance of the United States into the World War in 1917, President Wilson sent him as U.S. envoy to Egypt. While serving at Cairo he was in charge also of American interests in Palestine, Syria and Arabia, and was at the front beyond Jerusalem with Field Marshal Lord Allenby for a while in the World War, and in 1919 was called to Paris for technical work with the American Commission to Negotiate Peace.

Switzerland was the next field of Mr. Gary's service, his years of training in the law and in the State Department, practical experience as our diplomatic representative at Cairo, and the added insight gained in questions of world wide significance at the Peace Conference caused the President to nominate him to be Envoy Extraordinary and Minister Plenipotentiary to that country. For several reasons the post was at that time one of the most important in the whole foreign field. The aftermath of war had brought to Berne and Geneva problems touching nearly every nation in the world. They raised difficult questions of international law and diplomacy. Mr. Gary was able to take care of every interest of the United States and received the high commendation of his Government.

Mr. Gary practiced law in Washington and New York City after 1921. He is a member of the American Bar Association, American Society of International Law, Sons of the Revolution, and the New York Southern Society. His clubs include the Metropolitan, Cosmos, Chevy Chase, and Lawyers.

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CBS PIPES PROGRAM TO PROSPECTS IN UNIQUE TEST

A unique method of demonstrating a proposed program for a nation-wide group of retail merchants was adopted this week by the Columbia Broadcasting System and may lead to the sponsorship of the New York Philharmonic Orchestra.

An orchestral concert was transmitted by telephone from the New York studios of CBS to 108 of its affiliated stations for private audition purposes. The program was not broadcast but was heard by hundreds of merchants in the areas reached.

As described by the New York Times, the program would cost close to \$1,000,000 to produce for 30 weeks and "would be sponsored by the merchants in the local areas, who would share the cost".

The immediate reaction among the Nation's retail merchants was said to be favorable. CBS officials withheld comment until a definite plan of broadcasting was worked out.

The program being considered would feature the thirty concerts of the Philharmonic Orchestra at Carnegie Hall. Interpretations of the music would be given by Deems Taylor, which a prominent radio commentator would serve as the "voice of retailing" in the discussion of the broad aspects of distribution.

The Philharmonic Orchestra has not had a commercial sponsor, but has been broadcast for the last eight years as a sustaining feature by the Columbia System. The initial concert of the present season is scheduled for Sunday afternoon, Oct. 23.

Tuesday's private audition, described as a "capsule version", was undertaken to give merchants in the local territories served by the radio stations the opportunity to indicate their views on the proposal. Upon their decision, it was indicated, will rest whether or not the retail broadcast plan will be carried through.

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LUTHERAN CHURCH RAPS GOVERNMENT CONTROL OF RADIO

The United Lutheran Church in America, in its closing bi-annual session at Baltimore this week, sounded a warning against Government control of radio on the ground that it might endanger the radio activities of the church.

The layman's radio committee decried the suggestion of Government operation or strict control of radio stations and afterwards S. Frederick Telleen, a member of the committee, commented:

"Doubtless some of you have read or heard so-called arguments for the control of radio broadcasting by the Government. There are dangers inherent in Government control of radio, or shall we say control by politicians, which many people do not realize.

"If any of you are of the opinion that such Government control would be an advantage in any way, I should like to suggest that you inform yourself thoroughly on the subject.

"As it is now, we have made and are making a contribution to the religious life of the country without any dictation whatsoever, a contribution, under the present system, which would be impossible if we had any sort of government control over radio."

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HOLLYWOOD RADIO CITY TO OPEN NEXT MONDAY

The ultra-modern studios of the National Broadcasting Company in Hollywood will be opened for business next Monday, October 17th, it was announced this week in Hollywood by Don E. Gilman, NBC Vice-President in Charge of the Western Division.

Operation of the new plant, the final link in a chain of new NBC studios stretching from coast to coast, will begin in a routine manner, with neither fanfare nor formal dedication, eight days after the first nationwide broadcast was staged in the studios by the Hollywood Playhouse last Sunday.

"Hollywood Radio City, the new NBC studios in the motion picture capital, is a testimonial to the importance of the West Coast as a source of entertainment and education", said Lenox R. Lohr, President of NBC. "Many fine broadcasts, enjoyed by millions of listeners throughout America and the rest of the world, originate in Hollywood. These studios, joining the best in artistry and engineering now give Hollywood and the West Coast one of the finest production centers in the broadcasting world."

Replacing studios in Melrose Avenue which were outgrown in three years, the new NBC headquarters is a classical moderne structure standing at Sunset and Vine, the site of the old Famous Players-Lasky lot, cradle of the screen industry. A three-story office building and eight individual broadcasting studios comprise the Hollywood Radio City. Four of the studios, built as individual sound stages after the motion picture plan, seat 350 persons each. Two of the stages, largest in the radio world, have an area of 3,000 square feet each, enough space to accommodate 1,500 standing persons.

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WASHINGTON MONUMENT TO HOUSE RADIO SET

The famed Washington Monument in the National Capital, will house a receiving set for two-way radio communication to be inaugurated here late in 1940 by the District Fire Department, it was disclosed this week.

The National Capital Parks authorities have given the District permission to utilize the space in the shaft between the spectators' platform and the top of the monument.

Already work has begun to install machinery which, in two years, will pick up messages from automobiles - and even the old fire boat on the Potomac - for relaying to fire alarm headquarters at McMillan Park.

Under a \$500,000 loan and grant to the District from the Public Works Administration the system will be ready for use by June, 1940. At this time, also, the two-way radio system will begin operation for the Fire Department, and possibly the Police Department.

A slice of the \$500,000 allotment was turned over to Herbert A. Friede, Superintendent of the Police and Fire Alarm Systems, for work in the two-way radio field.

Of course, there's always a danger that once the system begins operation, one of the hundreds of thousands of tourists who visit the Monument might take a notion to inspect the receiving set. He says it would take but a snip of a wire to throw the entire system out.

"But we will have the guards there, and it will be very difficult for anyone to reach the spot anywhere", he declared.

The sets will be installed in the fire boat; the car of the Chief Engineer, Fire Marshall, two emergency cars, Deputy Chief, Superintendent of Machinery and Superintendent of the Alarm System.

The police calls and the fire calls will be broadcast on the same wave band. According to the rules of the Federal Communications Commission only one frequency in the ultra high brackets is allowed to a city.

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TRADE NOTES

Felix Greene, U.S. representative of the British Broadcasting Corporation, stationed in New York, is the only foreign agent engaged in radio work who has registered with the State Department to date.

The International Telephone & Telegraph Corporation has just published a chart in colors showing the recent international allocations of radio frequencies at the Cairo Conference.

The Federal Communications Commission this week approved the transfer of Station WJIM, Lansing, Mich., from Harold F. Gross, to WJIM, Inc. which was organized for the express purpose of separating the radio station from Gross's personal business affairs.

Three more newspapers have again opened their columns to radio chatter and news. They are the Louisville Courier-Journal and Times, the Buffalo Times and the Shreveport, (La.) Journal.

Harold C. Higgins has been appointed Manager of WOR's western office at Chicago. Higgins formerly was Western Manager for Paul H. Raymer & Co., station representatives. Previous to that he reorganized the sales staffs at WBAL, Baltimore and WEEI Boston, and from 1926 to 1931 served as Sales Manager and later Station Manager of WBZ, Boston.

A \$189,000 project for a new Coast Guard headquarters radio station, its equipment and site five miles from the District of Columbia line in Virginia, received the approval of Public Works Administrator Harold Ickes this week. Funds will be obtained by the use of previous P.W.A. allotments already made to the Coast Guard.

Coast Guard headquarters said no site had been selected. It was said, however, the new station is to replace the one now being operated at Fort Hunt, Va.

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