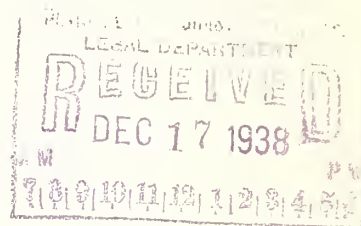


HEINL RADIO BUSINESS LETTER

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No. 1183



NEW RELAY PRESS SERVICE IN REVISED FCC RULES

A new radio service which will assist newspapers in reporting events in isolated places where other means of communications are absent was made available this week by the Federal Communications Commission.

The special press service, included in a new set of rules governing miscellaneous radio services, would operate in the frequencies above 30,000 kilocycles. Station licenses would be granted to publishers or press associations.

Under this license, it was explained, a reporter could go aboard the hulk of a burning vessel, for instance, and radio his story to the relay press unit on the shore, which, in turn, could telephone or telegraph the story to his desk.

Other new classes of radio services embraced in the revised rules are:

Intermittent Services. A new class of stations is included in this group, namely "provisional stations" to which is allocated the frequencies assigned to "special services" under the previous rules. This class is to be used in connection with various projects which require radio communication for temporary periods in order to safeguard life and property.

This group also includes the licenses now issued to motion picture stations. Such stations have been in operation for nearly eight years and, according to motion picture producers, have resulted in the production of many pictures otherwise impracticable. Picture companies, for example, operating on location in the desert, not served by regular communication facilities, are enabled by these licenses to carry on radio communication with the main office regarding the production of the picture.

Geophysical Service. This service covers stations used in connection with investigations of the physical properties of the earth and its surrounding atmosphere. The only class licensed by the Federal Communications Commission is that termed Geological Station. Most of the major oil companies hold licenses of this class which help them to locate new oil bearing strata without the necessity of aimless exploratory drilling. The Federal Government operates a number of stations of this class, not licensed by the Commission, such as meteorological

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stations, engaged primarily in scientific studies of the atmosphere; volcanology stations, engaged in studies of physics and phenomena of volcanoes; and hydrological stations, operated primarily for the purpose of measuring, recording and studying the flow of water.

In connection with all classes of stations in the miscellaneous service, provision has been made for the non-exclusive use of frequencies and for the coordination of operations so as to avoid interference and make the most effective use of the frequencies assigned.

Detailed provisions are included respecting applications for licenses, term of licenses, posting, maintenance of logs, inspection, measurement procedure and tests.

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GARY GIVEN POST IN EXPORT-IMPORT BANK

Just two months after he was summarily dismissed as General Counsel of the Federal Communications Commission, Hampson Gary, one-time American diplomat and long a member of the bar, was appointed on Tuesday as Solicitor of the Export-Import Bank by Jesse Jones, Chairman of the Reconstruction Finance Corporation.

The position is new in the Export-Import Bank, which comes under the supervision of the RFC.

At the time Mr. Gary was ousted as FCC General Counsel at the beginning of the Frank McNinch "purge", he was reported to have been offered a transfer to the RFC at a salary equal to the \$9,000 he received as Commission counsel. He refused the offer, however, and would not resign.

Mr. Gary, who had a distinguished career in the State Department in the Wilson regime, is a native of Texas and has long been a friend of Jesse Jones.

With the formation of the Federal Communications Commission, Mr. Gary was appointed to the one-year term by President Roosevelt as a Commissioner. Upon expiration he was named FCC General Counsel, a position he held for four years.

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WLW HEARING POSTPONED UNTIL DECEMBER 22

The Federal Communications Commission this week granted a petition by the Crosley Corporation for postponement of oral argument and enlargement of time for argument in the WLW, Cincinnati, case. The Commission set the argument for December 22, at 10 A.M., instead of December 15, and granted counsel an hour and a half for argument of its case. Counsel for the licensee had asked for two hours, and had stated that the December 15 date did not allow sufficient time for preparation.

Hearings in the investigation of chain and network broadcasting and monopoly will be suspended at the conclusion of the hearing on December 21, instead of December 23, in order that the full Commission may hear the argument in the WLW case. Hearings in the monopoly investigation will be resumed January 4th.

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McNINCH "PURGE" HELD "WITHIN THE LAW"

Chairman Frank R. McNinch's "purge of the Federal Communications Commission staff was "within the law", Harry B. Mitchell, President of the Civil Service Commission, stated this week upon receipt of a report from an investigator.

While explaining that the Commission did not approve the "purge" itself, Mr. Mitchell said that it did not violate any Civil Service Act or regulation although it abolished three jobs and ousted three veteran Civil Service employees without hearings.

"We have very limited powers, you understand", he explained. "There is nothing we can do about it under our present law."

G. Franklin Wisner, former Chief of Press Relations, who had been discharged with only a few hours' notice after 12 years' service and an "excellent" Civil Service rating, said:

"I'm not surprised at the decision. It merely confirms my original statement that the Civil Service system has broken down and that it offers no protection to Government employees.

"No one in the Government service can feel safe when the politicians can gang up on you and abolish a job on a technicality just to get their friends put in office."

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Mr. Wisner was one of three Civil Service employees who were victims of the McNinch "purge". The others were Arnold G. Davis, former Chief Examiner, and Melvin H. Dalbert, Assistant Chief Examiner.

The Civil Service Commission balked Chairman McNinch in his first move to "purge" the FCC staff by turning thumbs down on his request that all key jobs within the Commission organization be removed from protection of the Civil Service by Executive Order.

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GERMAN STATIONS REPORTED BLANKING U. S. OUTLETS

American short-wave radio broadcasts are rendered almost entirely inaudible in Mexico by "blanketing" programs from Berlin or from local, German-owned stations, it was reported this week by Mexican visitors to Washington who asked that their names be withheld, according to the Washington Daily News.

They explained that German programs on the same or nearby frequencies set up interference which brings nothing but unintelligible gibberish through the loudspeakers. When American programs sign off, however, the German programs come through with perfect clarity, they added.

The German news programs themselves were characterized as "extremely subtle and highly anti-American".

The visitors added that German-made receivers are sold to Mexican peasants for about 10 pesos, almost less than the duty, and in some cases are actually given away. The sets are similar to those in hotels, in that they can be tuned only to three or four particular stations, all of them German.

Station W8XK, Westinghouse's outlet near Pittsburgh, Pa., is cut out, it was declared, by German-owned stations in Mexico City itself, broadcasting in German and Spanish. Many other short-wave stations financed by German money are located in nearby "banana republics", the visitors said.

At the Federal Communications Commission, officials stated that they had received many complaints of interference with American broadcasts by German programs, but had been unable to prove malicious intent by the Germans. They added that frequent checks on German stations showed they did not vary from their assigned frequencies. They also declared, however, that they had reports of good reception in Mexico for certain American stations.

A check on the frequencies of American and German short-wave stations shows that almost every United States transmitter is flanked within 10 kilocycles by a German or Mexican station. This difference, FCC experts declare, is adequate for clear reception by a good set although they admit it could create sufficient interference to render programs inaudible on less expensive receivers.

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RENEWAL RULE TO BE ENFORCED, SAYS FCC

Strict adherence to the rule requiring broadcast stations to file application for renewal of license more than sixty days in advance of expiration of the license will hereafter be demanded by the Federal Communications Commission.

No temporary broadcast licenses or extensions of licenses will be issued under any circumstances where the stations fail to file applications for renewal, the FCC stated. When an application is received less than sixty days in advance of expiration of license, a temporary extension of license only will be granted, and the reasons for so acting will be made public.

Experience has shown that sixty days is the minimum time required for the staff to check and study applications adequately and for the Commissioners to give them effective study and consideration, it was said.

Under the Commission's rules applications for renewal of station licenses must be filed more than sixty days prior to the expiration date of the licenses. In many instances stations have filed applications late and in a few the Commission has failed to receive any application.

The Commission took the view that temporary extensions, even for thirty days, are unwarranted and may not be legally granted where no application has been filed. Licensees must accept full responsibility for filing their applications in good time and in proper form under the Commission's rules.

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PAYNE CALLS AT WHITE HOUSE AT OWN REQUEST

Commissioner George Henry Payne called at the White House and conferred with President Roosevelt for a quarter of an hour or longer on Wednesday of this week after requesting an audience.

As he left immediately for New York, no explanation of the visit was given out. Although rumors were current that Commissioner Payne is preparing to tender his resignation, persons close to the Commissioner discounted the idea.

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NBC'S LATIN AMERICAN PROGRAMS EXCEED NAZI, FASCIST

The National Broadcasting Company's international stations are sending more hours of radio entertainment into Latin America than either Germany or Italy, the Federal Communications Commission was told this week during the network monopoly hearing.

Varying from testimony on NBC's network operations, Frank E. Mason, Vice-President in Charge of Short-Wave Broadcasting, described the NBC work in the non-commercial international field.

He told the Federal Communications Commission that NBC with two transmitters broadcast 63 hours a week of Spanish and Portuguese programs and expects to increase this to 112 with the inauguration of new transmitters within a fortnight.

German programs directed at South and Central America, he said, occupy only 56 hours a week, and many of these are in German, obviously directed at native Germans who have settled there. Italian programs consume less than ten hours a week.

France has $33\frac{1}{2}$ hours of such programs, while England transmits $18\frac{3}{4}$ hours, Japan, 7 hours, and Holland, 4 hours.

Mr. Mason's testimony covered only NBC's operations, although the Columbia Broadcasting System, General Electric and the World Wide Broadcasting Foundation, of Boston, also transmit special programs in Spanish and Portuguese to Latin-America.

From the point of view of an American listener, who accepts a radio receiver as a necessity, the nations of the world are making much ado over a comparative handful of listeners.

Mr. Mason testified that whereas the combined Latin-American population is 120,518,170, they possess only 2,064,882 radio receivers. The United States, with a slightly larger population, has 26,500,000 radio-equipped homes, as well as automobile radios and often more than one set to a family.

The National Broadcasting Company makes no effort to transmit programs in English to the scattered Americans in the southern hemisphere, Mr. Mason said, feeling that they are too few and scattered and that they "will be good Americans anyway".

Many Americans abroad, he said, have asked the network to put popular radio features on the short-waves but experience has convinced NBC that native listeners resent English-speaking programs.

Short-wave listeners learn to depend upon the regularity of a news broadcast or language period rather than newspaper schedules, Mr. Mason said. They also become so fond of the announcers, often native to the country at which the program is directed, that they send him pictures of the new baby or the home.

"News broadcasts are the backbone of international broadcasting", he said, pointing out that most periods open with a quarter-hour news review. Recordings are widely used, he explained, because of time differences between the United States and receiving countries.

The only highlight of earlier testimony this week given by William S. Hedges, Vice-President of NBC in Charge of Station Relations, was his comment on a competitor, the Mutual Broadcasting System.

Questioned by Judge Eugene O. Sykes as to why certain NBC affiliates also are associated with other networks, Mr. Hedges said:

"NBC has not approved these exceptions, and it has found it impossible to understand why the Mutual Broadcasting System picks the NBC affiliate in Philadelphia (WFIL) when another full-time station without any network affiliation is available unless it is to attach itself as a parasite to benefit from the prestige which NBC has developed for its affiliate."

William J. Dempsey, FCC counsel, moved that the remark be stricken from the record, but it was retained upon objection being voiced by Philip Hennessey, NBC attorney.

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I. T. & T. ARRANGES FOR LONG TERM LOANS

International Telephone and Telegraph Corporation has announced that it has completed arrangements for long term loans in the form of ten year $4\frac{1}{2}\%$ notes for \$15,000,000 principal amount. Of this amount \$10,000,000 will be taken by the Export-Import Bank of Washington, and the remaining \$5,000,000 by a group of New York banks consisting of J. P. Morgan & Co., The National City Bank of New York, The First National Bank of the City of New York, Bankers Trust Company and Guaranty Trust Company of New York. The loans will be made on a basis to yield approximately $5\frac{1}{4}\%$. The above will complete the company's program for liquidating its maturing debentures and short term bank debt which together amounted to approximately \$60,000,000 on January 1, 1937. Upon the completion of the foregoing program, the International Telephone and Telegraph Corporation (Parent Company) will have no short term bank debts and the earliest of its maturities will be the new ten year notes referred to above.

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NAB TAKES FIRST STEPS TOWARD SELF-REGULATION

Taking its first steps toward self-regulation of the radio industry to offset stricter government control, the National Association of Broadcasters' Directors this week authorized Neville Miller, NAB President, to name a special committee to study radio programs and make appropriate recommendations to the next Association convention at San Francisco in July.

Although the Directors discussed many phases of the problem in executive session, the only action other than that to set up a committee, that drew unanimous support was a resolution to condemn liquor advertising on the air.

Mr. Miller said that two committees will be appointed by him in the near future. One will make a thorough study of broadcasting program standards and will suggest changes in the NAB code of ethics, while the other will constitute a Standing Committee, meeting four times a year, to police the code and keep it up to date.

Other actions taken by the NAB Directors were:

Authorized sale of NAB transcription library to E. C. Brinckerhoff & Co., New York, for \$25,000 cash and subsequent reimbursement conditional upon sale of the transcriptions.

Authorized appropriation of between \$5,000 and \$7,500 for continued operation of Joint Committee on Radio Research next year providing the networks also contribute.

Authorized an appropriation of \$2,500 to match an equal sum of the Radio Manufacturers' Association for a joint radio promotion campaign.

Adopted a committee report providing for admission of engineers, lawyers, and others as associate members of the NAB without voting privileges.

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CROSLEY S-W STATION RAISED TO 50 KW.

The Crosley Corporation, operating the international broadcasting station W8XAL this week announced the construction of a new 50,000 watt transmitter to replace the old 10,000 watt W8XAL and the addition of operation on four more frequency bands, thus giving the new W8XAL a spot on all six frequency bands for international broadcasting.

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Unique feature of the new international broadcasting station is the installation and utilization of two 50,000 watt transmitters, which, when put into alternate operation, will provide instantaneous switching from one frequency band to another, thus making it possible for W8XAL to broadcast directly and surely to any predetermined continent or city.

And with provisions to operate on all six international broadcasting frequencies, W8XAL is now able to broadcast to any given part of the world, regardless of the time of day, the season of year and the period of the 11 year solar cycle.

An antenna system for W8XAL now under development will make possible directionalization to any country on any frequency, R. J. Rockwell, Technical Supervisor of the Crosley stations, said.

Cost of the new equipment and construction, not including antenna, has been quoted in excess of \$150,000.

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1938 CANADIAN RADIO SALES INCREASE FOR FIRST NINE MONTHS

Sales of all types of radio sets to dealers in Canada during the first nine months of 1938 amounted to 128,322 sets valued at \$10,233,850, compared with 148,911 sets valued at \$12,617,630 in the corresponding nine months of 1937, according to a report to the Department of Commerce from the office of the American Commercial Attache at Ottawa.

During October, 1938, sales of sets to dealers amounted to 35,518 units valued at \$2,922,740, as compared with 36,473 units valued at \$3,178,168 in October, 1937. Inventories as of October 31, 1938, totaled 66,662 units as compared with 70,446 units on hand at the end of October last year, the report stated.

Projected production, November 1, 1938, to January 31, 1939, is scheduled at 33,815 units, including 28,020 alternating current chassis, 5,093 battery sets, and 702 automobile sets, according to the report.

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REACTIONS TO TELEVISION INTERVIEWS VARY WIDELY

"People interviewed before the television camera vary in their reactions", observes World-Radio. "To some the experience suggests that by comparison the Spanish Inquisition was a mere teasing match; to others the thought of being seen as well as heard is an inspiration which enables them to give of their best.

"But the effect on the interviewee is of less importance to the viewer than the effect on himself. Are television interviews interesting? Are they more 'alive' than interviews in sound alone, or is the sight of the interviewee a distraction? (These questions have been raised in criticism of the policy of bringing sporting personalities to the television studio to interview them on their past achievements and hopes for the future).

"The answer is best supplied by another question: Is it better to be blind or to be able to see? Television supplements voice and inflexion with gesture and facial expression. In Latin countries, therefore, it may be an even greater boon than in the north, where speakers convey their meaning with less waving of hands and puckering of eyebrows. But the fact remains that people of all nationalities do impress their personalities on others by look and gesture, and, if only for this reason, the television interview holds the attention to a greater degree than sound alone.

"'Picture Page', the weekly magazine feature at Alexandra Palace, consists almost entirely of interviews. Very often the subjects discussed are not of fundamental importance. But personality, whether of a stamp-collector or a flower-seller, is projected as forcefully as in a portrait by Velasquez or Van Dyck.

"To what extent music, per se, should be presented in television has always been a problem. Many people consider that music, or the manner in which it is produced, has no pictorial value, and they point to the unlovely apparition of a trombone-player in full blast.

"But there are various ways of making music look interesting, and ballet is one of them."

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