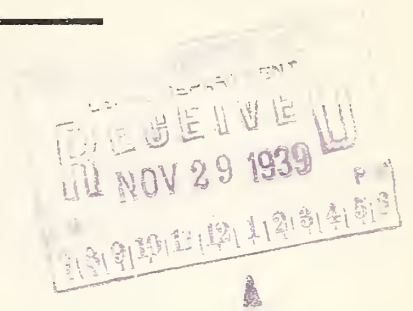


HEINL RADIO BUSINESS LETTER

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No. 1178

By King

November 28, 1939.

FCC EXPLAINS HOW ITS STAFF POLICES THE ETHER

The Federal Communications Commission this week explained how its field staff polices the ether, in a press release describing the various activities of its monitoring stations and inspectors.

In administering and enforcing laws, regulations, and international treaties pertaining to radio, the FCC depends largely upon its field staff, the review pointed out. The ether waves are, in effect, patrolled by 26 offices located strategically throughout the United States and its possessions, augmented by seven monitoring stations -- at Atlanta, Baltimore, Boston, Grand Island, Nebr.; Great Lakes, Ill.; San Pedro, Cal., and Portland, Ore.

The monitoring stations, in general, do not participate in the investigation of "pirate" or other unlicensed stations other than to report and record their signals as proof of operation. This task is performed mainly by inspectors.

The 115 inspectors in the Field Division are radio engineers and, in addition, are capable radio operators, many having had previous experience in maritime, aviation, and other communications services. They are familiar with the procedure employed by authorized stations, including the military, and this assists them in uncovering illicit operations. Inspectors are selected through Civil Service competitive examination.

Besides investigating unlicensed stations, these experts inspect all classes of radio stations -- broadcast, police, ship (domestic and foreign), amateur, aviation, and television; examine radio operators for various classes of licenses; monitor radio transmission for adherence to frequency, quality of emission and compliance with prescribed procedure; and investigate complaints of interference to radio reception.

The Federal Communications Act specifically prohibits the transmission of information concerning lotteries and other similar schemes. Licenses have been revoked for using obscene and indecent language on the air. Certain announcements are required of broadcasting stations, including identification. The law prohibits the transmission of false distress signals and the rebroadcasting of certain programs, except with authority of the originating station. A certain radio station was reprimanded recently for intercepting, decoding, and broadcasting secret radio communications of the British and German governments, in violation of the Federal Communications Act and treaty obligations. Also, there

is definite provision in the Act requiring regulation by the Commission "for the purpose of the national defense".

Though highly technical to the layman, the apparatus and technique employed by inspectors are well known to radio engineers. Advantage is taken of certain factors such as the directive properties of antennas, attenuation of field intensity with increased distance from the transmitting antenna and skip distance phenomena. When taking radio direction finder bearing, allowance is made for reflections from standing waves on wires, coastline effect, fading and polarization of waves.

In many cases of unlicensed operation in the broadcast band from 550 to 1600 kilocycles the inspector gains his information on the basis of complaints of broadcast listeners, particularly the ardent DX'ers, who are constantly striving to identify foreign stations and are quick to note appearance of a strange station in the band.

Frequently, an unlicensed station operating in the amateur bands first comes to the attention of an inspector when investigating a complaint of interference in the home of a broadcast listener by recognizing the interference as originating from key clicks in a telegraph transmitter even though the frequency of operation may be in a band many kilocycles removed from the broadcast band. Field offices also receive tips from the monitoring stations concerning the operation of illegal stations.

At each radio district headquarters, inspection cars are provided, one at least of which is equipped with an all-wave communication receiver which may be operated, if necessary, from the car's 6-volt battery while the car is in motion. Under certain conditions, it may be necessary to watch a station for a particular length of time. These receivers are constructed so that they may be removed from the car and operated from a 110-volt AC power supply available in a residence, tourist cabin or such other place that might be chosen by an inspector as a base of operation.

The mobile units are equipped with special antennas to help run down unlicensed stations. The mobile equipment is also used to transport examination equipment to various points in the United States where applicants for operator licenses are examined. In addition, technical equipment necessary for inspection of radio stations is so transported.

At certain field offices, mobile field strength measuring equipment is provided. This equipment is used primarily to determine the efficiency of broadcast station antennas. From the data accumulated, Commission engineers can ascertain whether a station is making legal use of its facilities. The actual coverage or service to the public from a technical standpoint is determined from these field intensity surveys.

The first determinations made by an inspector on the track of an unlicensed station are the call letters employed by the station as well as the station or stations called, the type of emission, frequency or frequency band used for transmission, time and duration of operation, nature of the communication, and whether in plain text or code (if a telegraph station, characteristics of the operator's "fist") and any other peculiarities.

In cases of this kind a milliammeter requiring but a small current for full scale deflection is fitted with a crystal rectifier which in turn is connected to a wire concealed in the trouser leg of the inspector, or in a loop circuit made in the form of a vest worn by the inspector. A device of this kind is easily concealed and the meter can be easily held in the hand or pocket of the investigator as he proceeds from floor to floor, or door to door, observing at what point the highest deflection of the meter occurs.

Resourcefulness, keen power of observation, and patience on the part of investigators have been of invaluable aid in the locating of transmitters, as for example, observing that a certain light circuit on a back porch was nearly resonant and became incandescent each time the key of the transmitter was closed.

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FCC PREPARING TO ACT ON CRAVEN TELEVISION REPORT

The Federal Communications Commission was engaged this week in close study and discussion of the second television report submitted two weeks ago by the Special Committee headed by Commdr. T.A.M. Craven, and general approval was expected.

The industry is pressing for Commission action on the report, and the FCC is anxious to settle the problem involved, in order that the manufacturers may get a clear picture of just where they stand.

Members of the Commission have been besieged during the past week by representatives of various branches of the industry pleading for and against the report. Not all of the industry is convinced that television is ready for the public, and some have urged the Commission not to give its approval of this phase of communications at this time, in the belief that it will hurt the industry later.

On the other hand, in other branches of the industry, it was said at the Commission's offices, there is a belief that the art has reached such a stage where it should be presented to the public, not only to get public reaction, but also to give those who have spent millions in experiments an opportunity to capitalize, at least to some extent, on their expenditures.

The right to sell program time on a commercial basis is what is being sought by one group in the industry, as this is the only way in which any income may be expected to provide funds with which to continue experiments without continually delving into capital and earnings from other branches of the industry, it was asserted. However, the Committee, which has made a thorough study of the whole problem covering a period of many months, has recommended against this commercialization, but has made provision in its proposed new rules accompanying the report providing for sponsored programs.

But the restriction is that any funds contributed by the sponsors must be used primarily for the purpose of experimental program development. The intent of the rules should be, it was explained, to prevent commercial exploitation of television as a service to the public prior to demonstrated proof of its readiness for regular operation in accord with public interest, convenience and necessity.

As a matter of fact, programming for television broadcasts is one of the serious problems which has confronted the Committee. Such broadcasts will require an entirely new and most expensive technique, and members of the body believe that, if sponsors are available, their contributions at this time should be devoted to experiments with programs to find out just what part television is to play in the broadcast spectrum. When experimentation passes through this stage, then, the Committee informed the Commission, the body should be ready to consider a commercialization plan.

It is the belief of those who have studied the problem that further progress does not rest on experimentation with the technical phases, but rather on the development of public interest in it as a broadcast service. This is borne out not only by the fact that television has not gained the public acclaims expected of it in New York where, it was said, there are less than a thousand receivers, but on the public reaction to it in England and France.

While representations have been made to the Commission that failure to give television a boost by providing commercialization may end progress at this time, members of the Commission are inclined not to take this too seriously, since the industry is by no means unanimous on this point.

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A visitor from Chile interested in radios is expected in this country November 21, 1939, for a visit of one month. He will visit New York City only. His name and address while here can be obtained from the Bureau of Foreign and Domestic Commerce through its District or Cooperative Offices. A World Trade Directory Report is available.

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ATTITUDE OF FCC TOWARD PRESS OWNERSHIP CHANGED

Concrete evidence that the Federal Communications Commission has altered its attitude toward newspaper ownership of radio stations since the days of former Chairman Frank R. McNinch has been accumulating in recent weeks.

All present indications are that the FCC now intends to act upon applications from newspapers on the same basis as those from other applicants without prejudice. Previously, under McNinch's domination, the FCC had been inclined to be hostile toward press ownership of radio stations, especially where there was danger that the newspaper might have a monopoly on news dissemination in any community.

The most recent decision, announced last week, was in favor of the Vincennes Newspapers, Inc., Vincennes, Ind. The applicant was granted a permit to construct a station at Vincennes for operation on 1420 kc. with 100 watts power, unlimited time.

Samuel M. Emison, as intervenor, raised objections to the early proceedings and cited the fact that the applicant was a newspaper syndicate that was not locally owned. The FCC rejected these flatly in its final report.

Exception was taken to the failure of the Commission to include a finding that the president of the applicant and the parent company, Central Newspapers, Inc., in which he has a majority stock interest, "not only does not reside in Vincennes but spends very little time there, being there probably twice a year", and also to the failure of the Commission to find that none of the five members of the Board of Directors of the controlling corporation reside in Vincennes or are familiar with the needs of that area.

In its brief in support of its exceptions, the intervenor argued that Section 310(b) of the Communications Act would be violated by a grant of this application because of a provision in a mortgage and deed of trust entered into on October 1, 1930, between the applicant and the trustee under the indenture. Under this provision, there are conveyed in trust all of the properties of the applicant, including all "property, real, personal and mixed, and any and all interest therein, which the Company may now own or shall hereafter own or which the Company may hereafter acquire or become entitled to acquire of whatsoever kind and description and wheresoever situated".

"If it be assumed that this provision may have the legal effect of transferring in trust any station license which may be issued to the applicant, it does not follow that a violation of Section 310(b) of the Act will result", the FCC stated. "The types of transfers which this section is designed to prohibit are those which may involve the construction, operation, or maintenance of broadcast facilities or control of the operations of a

station by the transferee or any person other than the person who has been authorized by the Commission for such purposes. Neither the foregoing provision nor any other provision in the indenture would have this effect except in the event of default on the bonds. The Commission cannot assume that such default is a likely contingency in the fact of its findings with respect to the applicant's present financial condition. Aside from the question of the probability of the occurrence of default, however, the presence of this contingency is no legal basis for the denial of the present application since it cannot be assumed that anyone other than the applicant will or may control the operations of the proposed station without prior Commission assent or approval pursuant to Section 310(b) of the Act, nor will the grant of this application imply any determination to this effect by the Commission.

"For the same reasons, the foregoing provision does not render the applicant legally unqualified on the theory that it is not the real party in interest herein. Such a contention would lead to the result that either the trustee or the holders of the bonds, or both, are the real parties in interest. Since it is apparent that under this provision the construction, operation and maintenance of the station and control of its operations would not be in the trustee or bondholders, such a contention is clearly untenable."

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AMATEUR RULES AMENDED, EFFECTIVE DECEMBER 1

The Federal Communications Commission this week announced amendments in the rules allocating frequencies to amateur stations to conform with changes in the spectrum necessitated by the permanent allocation of frequencies above 30,000 kc. The changes will become effective December 1st.

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CAMDEN PUTS MUNICIPAL STATION ON BLOCK

Mayor George E. Brunner announced last week the city of Camden, N.J. would dispose of its radio station, WCAM, to any one who makes a suitable offer. The station has lost money for the last two years, the Mayor said, because the Federal Communications Commission, under threat of revoking the license, required the city to operate it instead of renting it.

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CANADA RAISES FEES ON PRIVATE RADIO STATIONS

A substantial increase in the government license fees payable by private commercial broadcasting stations in Canada has been put into effect recently, according to the American Commercial Attache at Ottawa. The license for such stations under the radio regulations issued by the Department of Transport heretofore was \$50 per fiscal year ending March 31. The new schedule provides a minimum fee of \$50 for a station of 100 watts or less operating in a service radius with a population of less than 25,000. The fees for a 100 watt station range up to \$500 per fiscal year, this rate applicable when the service radius exceeds 500,000 persons.

Broadcasting stations with a wattage power between 250 and 1,000 watts will pay annual license fees ranging from \$100 to \$700, depending upon the population of the area served; stations powered with equipment for 5,000 to 10,000 will pay fees from \$500 to \$4,000. Stations of 15,000 watts covering a service radius of less than 500,000 people will pay \$3,000 and if the service radius covers more than 500,000 people the fee will be \$4,000. Stations with a power of 20,000 to 25,000 watts will pay \$5,000 in service areas covering less than half a million persons, and \$7,000 in more populous areas. Stations powered with 50,000 watts for which the service radius is defined as 100 miles will pay a license fee of \$8,000 if the service radius contains a population of less than 1,000,000 persons and a fee of \$10,000 in more populous districts. Annual fees for stations powered in excess of 50,000 watts (none such operate in Canada at present) will be determined by Order in Council.

It is anticipated that the new schedule of fees operative in the fiscal year beginning April 1, 1940, will produce an annual revenue of approximately \$26,000 in contrast to \$4,250 which accrued under the \$50 rate operative in the fiscal year ended March 31, 1939.

Minor changes in the radio regulations provided in the same Order in Council exempt private radio receiving stations using a crystal receiver from the annual license fee of \$2.50 collected on each private receiver utilizing vacuum tube circuits. Further, the receiver license fee is waived in the case of special commercial stations employed by public utilities and manufacturers of electrical apparatus for the sole purpose of investigating inductive interference. The fee for a broadcasting station operated on a non-commercial basis by universities is established at \$50 annually.

Radio dealers heretofore required to obtain assurance from a purchaser of a receiving set that a private receiving station license had been secured are no longer under such obligation. In the future, vendors of radio receiving sets shall inform the Radio Branch of the Department of Transport the names and addresses of individuals who purchase a radio receiving set.

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 ::: TRADE NOTES :::
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The Federal Communications Commission this week granted permission for Station WMAL, The Evening Star station, leased to the National Broadcasting Company, to construct a new transmitter on a site northwest of Washington and to increase its maximum power tenfold. Directional antennae will be used with the greater power, 5000 watts. The station transmitter now operates daytime with 500 watts and at night with 250 watts.

The New York Employing Printers' Association, Inc., announced last week that the three major promotional releases of the Mutual Sales Promotion Department had each won a special award of merit in its Fifth Annual Exhibition of Printing. The Mutual pieces selected were: "Some Think Them Sacred", "The Guinea Pig Goes to Town", and "How Big Is A Rubber Band?"

The Electrical Division, Bureau of Foreign and Domestic Commerce, has received a copy of tender and specifications covering one long wave marine radio beacon transmitter to be purchased by the Post and Telegraph Department of the New Zealand Government, delivery to be made at Wellington, New Zealand. Closing date for bids is January 23, 1940. Interested firms may obtain a copy of the tender and specifications on a loan basis upon request to the Electrical Division or any of the Bureau's District or Cooperative Offices.

The Dallas (Tex.) Morning News and radio station WFAA have resumed daily facsimile broadcasts over their transmitter W5XGR, for the first time since the close of the State Fair of Texas on Oct. 22, and will continue them without interruption, providing a daily newspaper service by radio. The first edition contained United Press news, cartoons, comics and pictures. Gene Wallis is editor of the facsimile edition. The radio edition will go on the air each day, including Sunday, between 2 P.M. and 4:30 P.M. Some receivers are on display at business houses in downtown Dallas. The receivers, through timing devices, begin operating and shut off automatically.

When WROK, Rockford, Ill., becomes an affiliate of the Mutual network on December 1, the newcomer brings Mutual's nationwide tally to 123 stations. WROK will operate on 1410 kilocycles with 1000 watts day, 500 watts night.

Elliott Roosevelt announced Sunday night, according to an A.P. report from New York, that the Transcontinental Broadcasting System would go on the air New Year's Day with a nationwide network of more than 100 stations. Roosevelt, President of the new chain, said the Board of Directors included John T. Adams, General Manager of the Texas State Network, President; William A. Porter, Washington lawyer, Vice President, and H. V. Brennan, owner of two Pittsburgh (Pa.) stations, Treasurer.

Wilfred S. Roberts, who recently rejoined the National Broadcasting Company after a six months leave of absence during which he was under contract to Paramount Pictures, has replaced William S. Rainey as Manager of the NBC Production Division, John S. Royal, Vice President in Charge of Programs, announced last week. Mr. Rainey, who has been with the company since December, 1927, has resigned to join the Trans-American Broadcasting and Television Corporation as a program executive.

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BETTER RADIO TRADE WITH PERU SEEN BECAUSE OF WAR

American electrical equipment, including radios, probably will find a greatly improved market in Peru as a result of the European war, according to an analysis of American-Peruvian trade by Bernard I. Feig, of the Electrical Division, Bureau of Foreign and Domestic Commerce.

Radio receiving sets and refrigerators heretofore have constituted the largest trading items in electrical equipment, the report points out. Radio set sales for the years 1936, 1937, and 1938 were \$315,000, \$298,000 and \$156,000 respectively.

"The serious decline of 50 percent in United States radio receiving set sales to Peru between 1936 and 1938 may be attributed to a number of factors", Mr. Feig said. "Extremely vigorous sales campaigns based on over-liberal credit terms resulted in a saturated market condition which in turn put a damper on radio sales. In addition, European competitors, chiefly the Dutch Philips and several German manufacturers, increased their sales efforts and succeeded in winning over some of the business which was formerly dominated by Americans. To further add to the problems confronting American radio exporters, the depreciated currency and shortage of dollar exchange have also operated to limit importations of American merchandise.

"A more immediate reason for more favorable American-Peruvian trade prospects may be found in the prevailing European war. Several of the countries now directly involved and a number of those indirectly hampered by military and naval operations have heretofore supplied an important share of Peru's electrical needs, and have been responsible for America's declining participation in the Peruvian electrical trade. Now that many of them can no longer render efficient service nor give this market the same vigorous attention as previously, it may be expected that Peruvian importers will necessarily turn to the United States for many of the electrical supplies formerly purchased from Europe.

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ALMONTE AGAIN NBC NIGHT HOST

John de Jara Almonte, Assistant to the President of the National Broadcasting Company, has been transferred from the World's Fair, where he was in charge of the RCA exhibit, to the New York office of the networks. Mr. Almonte will act as official host of NBC in the evening and will represent the President, Executive Vice President and Vice President in Charge of Sales.

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RCA DECLARES DIVIDENDS FOR QUARTER

Following the meeting of the Board of Directors of the Radio Corporation of America last week, David Sarnoff, President of the company, announced that the following dividends had been declared:

On the outstanding shares of \$3.50 Cumulative Convertible First Preferred stock, 87-1/2¢ per share, for the period from October 1, 1939, to December 31, 1939, payable in cash on December 21, 1939, to the holders of record of such stock at the close of business December 4, 1939.

On the outstanding shares of "B" Preferred stock, \$1.25 per share, for the period from October 1, 1939, to December 31, 1939, payable in cash on December 21, 1939, to the holders of record of such stock at the close of business December 4, 1939.

On the outstanding shares of Common stock, 20¢ per share, payable in cash on January 16, 1940, to the holders of record on such stock at the close of business Dec. 8, 1939.

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RADIO INDUSTRY SPONSORS CHARITY DINNER

The third week of the 1939 merged appeal of the New York and Brooklyn Federation of Jewish Charities was ushered in last Sunday night with a dinner in the Hotel Waldorf-Astoria attended by 1,200 representatives of the radio, music, refrigeration and allied industries.

The dinner was the eleventh annual affair sponsored by the radio industry and was part of the campaign to raise funds for the 116 affiliated hospitals, orphan asylums, family service agencies, community centers and other welfare agencies serving Greater New York. The tickets to the dinner were \$100 a couple.

Among the guests at the dinner were David Sarnoff, James Skinner, Elmer Cunningham, A. Atwater Kent, Powell Crosley, Jr., Larry Grubb, George Throckmooor, George Mason, Arthur Murray, Benjamin Abrams, E. G. Bigler, F. M. Merrick, Charles Wilson, Westley M. Angle, I. Goldberg, Frank Hiter and H. M. Stein.

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