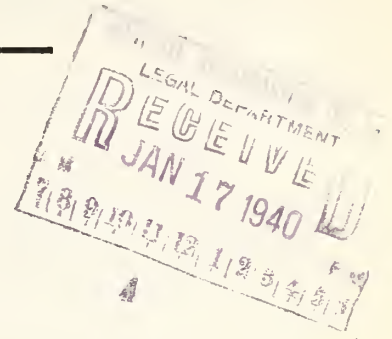


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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January 16, 1940

G.E. INVESTS \$1,000,000 IN TELEVISION

That the General Electric Company already has invested over \$1,000,000 in television was brought out Monday at the Federal Communications Commission's public hearings regarding the proposed television rules and regulations. Furthermore, in excess of \$300,000 has been spent on the new G.E. television station at Albany for the purpose of giving the capital of the State of New York and the surrounding country the best possible service. C. A. Priest, engineer in charge of the Transmitter Division of the General Electric, declared that if changes have to be made to conform to the new rules of the Commission, \$60,000 in the erection of the Albany station will have been wasted.

During the course of his testimony, Mr. Priest, a man of few words and excellent presence on the witness stand, told about a marvelous high-pressure, water-cooled vapor light which the General Electric is developing for use in television studios. One kilowatt in this dazzling light gives as much illumination as 100 60-watt incandescent lamps, such as are ordinarily used in the home. It was said that this lamp would also be of great value to the motion picture.

Mr. Priest said the prime purpose of G.E. in television transmission was the desire to serve the people in that area. In order to give this service, it was necessary to develop equipment, and in order to develop equipment, it was necessary to transmit with sufficient power. He said it was obvious if the Albany station were limited to 1 kilowatt, as proposed, the company could not give adequate service. Mr. Priest saw no possibility of Albany being served from New York City. However, he said his company was carrying on experiments in the relaying of television broadcasts.

The witness expressed approval of the Radio Manufacturers' Association's television standards, saying that he believed them to be the best definition that could be arrived at now. It was his opinion that to throw open the RMA standards "to anything that comes along" would retard the development of the art. Commissioner T.A.M. Craven asked if he believed in a reasonable amount of flexibility. Mr. Priest replied in the affirmative.

Asked by William C. Bauer, FCC attorney, if television had reached a stage of entertainment value to the public, Mr. Priest replied that he believed it had. Someone wanted to know what was the smallest television picture the public would accept. The witness answered that he thought the only way to find this out would be to show the public all sizes and let them decide.

Chairman James L. Flay wanted to know if a larger picture wouldn't be more desirable. "Desirable, yes", was the reply, "if it didn't cost too much to produce."

It was suggested by M. L. Prescott, radio engineer of the General Electric Company, that the proposed allocation of television frequencies might cause interference between certain cities. Examples cited were Chicago, Ill., and Fort Wayne, Ind.; Peoria, and Rockford, Ill., Grand Rapids and Flint, Mich.; and between Oklahoma City, Tulsa, Okla., and Wichita, Kans.

"Wouldn't it be necessary to depart from the RMA standards if you had to accommodate all cities on seven channels?" asked Commissioner Craven. "If everybody wanted high power, this would be impossible, would it not?" "I think it would", Mr. Prescott replied.

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BELIEVE TIME FOR TELEVISION TO WALK ON OWN FEET

Even with the knowledge of its present limitations, Lewis Allen Weiss, Vice-President and General Manager of the Don Lee Broadcasting System, of Los Angeles, a star witness at the television hearing, told the Federal Communications Commission that several national advertisers would pay for television time if only for the reason of being pioneers.

"They would be willing to advertise if we could take the money", Mr. Weiss declared. "We have been nurturing this television child for 10 years. The time is here when the child should be able to walk on its own two feet. I wonder how much longer we will have to coddle it before it makes some adult strides."

Although not a technical man, Mr. Weiss answered all questions with apparent ease and held the attention of the Communications Commissioners almost better than any other witness of the day. He said that not all of the 400 television receivers, estimated to be in use in Los Angeles, were commercial sets. To encourage amateurs to build their own sets, material was supplied by the Don Lee Broadcasting System, which resulted in the formation of a local television society. As a result of this, he believed Los Angeles to be one of the most television-conscious cities in the country. "Much more conscious of television than 400 sets would indicate", he added. The witness told about group "looking in", how they gathered in large numbers out there to watch television broadcasts. During the television of a recent parade, 10,000 watched it at 10-minute intervals and at no time were there less than 300 persons in the waiting line.

Mr. Weiss told the Commissioners that the industry was infinitely further ahead in television than when the Government issued first commercial radio broadcasting licenses.

Asked how much it cost to give Los Angeles this outstanding service, which was started as far back as November, 1931, Mr. Weiss replied that during 1939, the total operating expense of the Los Angeles station ran from \$5,000 to \$6,000 a month. This covered a program of 1½ hours a night and the same period on three afternoons a week.

"Do you think only 1400 people in New York and Los Angeles (out of a population of 11,500,000) indicates that the public is buying television sets?" asked Commissioner Frederick I Thompson. "It isn't a mass item", the California executive replied.

"Do you see any reason for the limitation of the charge for advertising on television?" Chairman Fly inquired.

Mr. Weiss replied that he did not believe that the advertiser needed to be protected. He said that most of the television broadcasting would be done by radio broadcasters and he did not believe that these responsible people having made a fine record for themselves in that field would suddenly become dishonest when they began to operate a television transmitter.

"Do you believe the present television pictures are all of a quality that people want to see?" Commander Craven asked. There was an affirmative answer. "But they are not as good as the movies?" Commissioner Craven persisted. "I have seen television pictures that I think are better", Mr. Weiss retorted.

Whereupon he told some details about the televising of a basketful of snakes which had been brought into the Los Angeles studio, in which one could clearly see the fangs.

He also told of the remarkable broadcasting of fingerprints. "Finger-prints so good that a Sheriff several miles away identified the man", Mr. Weiss said. "I don't see how you could improve on that."

Mr. Weiss said that he had an RCA standard television set which cost \$600 and he felt well satisfied with the results.

In response to a question by Commissioner Paul A. Walker with regard to testimony previously given by Dr. Thomas T. Goldsmith, Jr., representing the Allen B. Dumont Company, Mr. Weiss replied: "I take the Dumont testimony lightly because they have failed to demonstrate their theories."

Maximum power was advocated by Harry R. Luvcke, of the Don Lee System. This should be given to enable television broadcasters to overcome interference, he said. He told of an organization now functioning in Los Angeles which made it a business to track down television interference.

"Do you believe television based on the FMA standards gives good entertainment value?" Attorney Bauer, of the FCC, asked.

"We do", Mr. Luvcke replied.

International Business Machines, represented by Walter Lemmon, did not present any witnesses at this hearing, having stated their objections at a former hearing held in 1938. Andrew Haley testified for Metropolitan Television, Inc.

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BOSTON TELEVISION ALLOCATIONS CRITICIZED

That Boston has suffered in the proposed television allocations was the contention of Hollis S. Baird, engineer, of the General Television Corporation, Boston, at the television hearing of the Federal Communications Commission.

"The Boston Metropolitan District is fifth in size in the United States and is exceeded only by New York, Chicago, Philadelphia and Los Angeles", Mr. Baird testified. "Yet Detroit, Cleveland, Pittsburgh and San Francisco have been allocated a better arrangement of channels. The reasons and facts for these statements is as follows."

Pointing to the fact that in large highly populated areas in which there are tall buildings and large steel structures there is apt to be poor television reception, Mr. Baird, arguing for reclassification for Boston, more antenna height and more power said:

"Boston has at least six buildings greater than 200 feet in height and with changes in the zoning laws in recent years it has others planned. Boston proper, except on the north, is almost surrounded by a group of hills over 300 feet, and in one case over 500 feet, in height. Taking into account both the buildings and hills, the Boston area should have a television channel which is lower in frequency than Channel 4, which is the lowest that is at present allocated. Channel 1 is allocated to the Lowell-Lawrence area which area has no buildings of any importance in height. Channel 1 could be allocated to the Boston area with 1 kw. in power and 250 foot antenna height without creating interference to its use in New York. It is allocated to the city of Washington which is only 30 miles further from New York City than Boston is.

"By taking Channel 1 from the Lowell-Lawrence area and replacing it with Channel 7 which is at present allocated to Boston, another difficulty would be relieved and that is the mutual interference between Boston and Providence, R.I. on Channel 7, as removing Channel 7 to Lowell from Boston would place it 30 miles further from Providence, thus allowing better coverage at both areas on that channel.

"Also by allocating both Channel 6 and 7 to the Boston area, another recommendation of the RMA Committee has been disregarded. That is the allocation of two adjacent channels to the same city. Channel 7 with 100 watts in Boston would be at a disadvantage with 1000 watts operating on Channel 6.

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NEUTRALITY PATROL ASKED IN FCC REPORT

"Policing of the ether waves must now take cognizance of the role assigned to radio in national emergency", says the Federal Communications Commission in the foreword to its annual report, released this week. "For", it explains, "the war in Europe is the first major conflict to be fought on the land, on the sea, and in the air to the inclusion of the ether."

The Commission further points out:

"In the World War there was no broadcast or high-frequency communication problem as we know it today; only wireless. Today the United States has some 800 broadcast stations (not to mention 55,000 amateur stations and more than 5,000 commercial stations), whose air messages filter to more than 40,000,000 receiving sets. And international broadcasts, thanks to the short wave, now cut across time and distance to challenge any claim of isolation."

During the past fiscal year the Commission undertook to define the nature of services to be rendered by international broadcast. Subsequent outbreak of the European war brought about the necessity of the Commission maintaining contact with other Government agencies, as well as with the industry, in dealing with new problems.

In cooperation with the State Department and other Federal agencies, the Commission has effected arrangements with other American republics in working out mutual communications problems. The Commission is charged with carrying out certain provisions of treaties and international agreements to which the United States is a party.

In administering and enforcing laws, regulations, and international treaties pertaining to radio, the Commission effectively utilizes a field staff. The ether waves are, in effect, patrolled by 27 field offices throughout the United States and its possessions, augmented by seven radio monitoring stations. Mobile equipment is useful in tracing unlicensed stations and, at the same time, maintaining a neutrality patrol of the ether.

The report makes no recommendations for new legislation with respect to the Communications Act of 1934, as amended.

Special activities by the Commission covered into the fiscal year included:

Inquiry into chain broadcasting policies and practices, begun in 1938. Hearings, which ran 73 days, produced nearly 100 witnesses, 700 exhibits, and nearly 9000 pages of testimony. The report, when issued, will be the basis of possible new regulations and recommendations to Congress.

Inquiry into the present status of television. In its initial report the Commission found television had barely emerged from the "technical" research stage and declared that careful coordination is essential to television's progress.

Report on the special investigation of the telephone industry, pursuant to Congress request. Besides achieving an initial annual savings to telephone subscribers of \$12,000,000, the report made specific recommendations to Congress looking to stricter regulation of that monopoly.

Completion of a special study of radio requirements for safety of shipping on the Great Lakes and inland waters, also ordered by Congress. Canadian authorities cooperated in working out mutual standards.

During the fiscal period 7,500 applications for various types of radio broadcast stations were received. Of that number, about 1,650 were for new or increased facilities, and nearly 2,300 were renewals. In that time the Commission heard oral argument in more than 100 broadcast matters, and adopted formal decisions in more than 200 such cases. Investigation was made of 265 broadcast stations, and licenses of eight stations were canceled or otherwise vacated.

Public service is the basic consideration in licensing broadcast stations. "Just as it may be a powerful instrumentality for public good", opined the Commission in a recent case, "so a broadcast station has potentialities of causing great public harm, and it is accordingly imperative that the limited broadcast channels belonging to the public should be entrusted to those who have a sense of public responsibility."

The continued growth of the broadcast industry was reflected in the number of new stations and increased facilities. Twenty-nine new broadcast stations were licensed and 76 applications were denied. During the year the Commission increased the license period for standard broadcast stations from six months to one year.

For the 1938 calendar year, 660 standard broadcast stations reported total broadcast revenues of more than \$111,000,000, or a new broadcast income of nearly \$19,000,000. At the same time these stations employed 23,000 persons with a payroll in excess of \$45,000,000.

Notable contributions of the Commission during the fiscal period were the adoption of revised rules and regulations governing all radio services, and simplification of the administrative procedural process. In addition to its normal functions, the Commission's Law Department dealt with litigation of increasing volume and importance.

Interest in the amateur field was attested in nearly 50,000 licenses issued to these operators. In addition, more than 15,000 commercial operator licenses were granted. More than 550 new police radio systems - mostly in the smaller communities - were authorized, and nearly 250 forestry radio systems were approved.

In the fiscal year reported, the Commission received and studied nearly 17,000 communications tariff schedules. About 1,200 point-to-point telephone applications were examined. In the interests of safety at sea, approximately 16,500 ship radio inspections were made.

Under its mandate to "study new uses for radio, provide for experimental use of frequencies, and generally encourage the larger and more effective use of radio in the public interest", the Commission, through its Engineering Department is investigating many communications techniques and refinements, launching the most comprehensive study of sunspot effect on communications yet undertaken, charting ground frequency wave field intensities, and studying television frequency modulation, directional antenna, facsimile reproduction, interference from electromedical devices, automatic devices to receive distress signals on shipboard, and new types of carrier telephone systems.

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NAB FORMS ENGINEERING EXECUTIVE COMMITTEE

Appointment of an Executive Engineering Committee by Neville Miller completes the Engineering Department organization of the National Association of Broadcasters. The Engineering Department now conforms with the other departments of NAB with a Director of Engineering, and Engineering Committee, and the newly formed Executive Engineering Committee.

The appointees were John V. L. Hogan, Chairman, and E. K. Cohan, Paul de Mars, O. B. Hanson, Albert E. Heiser, and J. R. Poppele as members. Lynne C. Smeby, Director of Engineering; and Raymond Wilmotte, who was retained for a period of six months after the new Director took office as an engineering adviser, will also meet with the Committee.

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FINCH DEVELOPS MAP BROADCASTER FOR PLANES

The invention of a radio facsimile machine designed to deliver weather maps and other information to airlines in flight was announced last week by a former American naval officer, W. G. H. Finch, of New York City. It is capable of reproducing sketches, typewritten orders and handwriting at a rate of about 150 words a minute, and also can be used for plane-ground communication in wartime, its inventor said. While radio facsimile reproduction between land stations is no longer a novelty, the device is the first to employ both sending and receiving apparatus in an airplane.

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: : : TRADE NOTES : : :
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New Jersey newspapers nearly 100 strong are observing Newspaper Week this week, with a state-wide public relations campaign such as that advocated recently by several leading American publishers. In addition to holding "open house" in the plants of all member papers, of the New Jersey Press Association, the organization is utilizing radio during the week with a daily 15-minute series of informative broadcasts over Station WNEW, New York.

Bing Crosby, Freeman Gosden, Charles Correll, Harold Lloyd and Paul Whiteman have bought into the broadcasting station KMPC, Beverly Hills, Calif., long known as the "station of the stars". G. A. Richards, owner of the transmitter, also is interested in Stations WJR, Detroit, and WGAR, Cleveland.

RCA Victor has scheduled an extensive national advertising campaign for its "Opera Box", a table model radio, which it terms its conception of the ideal small radio, and ten other table units. Large-space ads will break in the near future in thirty-two newspapers, making use of color in Sunday sections as well as rotogravure and black and white. Radio and magazines also will be used. The model, a five-tube AC-DC set with built-in antenna, sells for \$19.95.

A. Leroy Hasenbalg, five years National Sales Representative from Pittsburgh for the National Broadcasting Company and one of the veterans of the radio industry, died January 2nd. Mr. Hasenbalg had been ill for several months. He was 36 years old, a graduate of the University of Dubuque, Iowa. Mr. Hasenbalg began his career in radio in 1925 as sales representative for Station WMAQ in his native Chicago. He joined NBC while in Chicago and was transferred to Pittsburgh in September, 1934. Surviving are his wife, Mrs. Frances Hasenbalg; two children, Russell 12, and Patricia, 10, and a sister, Mrs. William S. Hedges, whose husband is Vice President of the NBC.

Sparks-Withington Company and subsidiaries report for six months to Dec. 31, 1939: Net loss, \$11,234, compared with \$161,239 loss in final half of 1938. No provision was made for possible exchange loss on conversion of assets of wholly owned Canadian subsidiary inasmuch as there is no plan for immediate conversion.

The Federal Communications Commission last week adopted its Final Order granting the application of Tri-State Broadcasting Company, Inc., (KTSM), El Paso, Texas, for construction permit to change frequency from 1310 kc. to 1350 kc., increase power from

100 watts night, 250 watts local sunset, to 500 watts, and from sharing time with WDAH to unlimited, upon condition that applicant surrender for cancellation the license of Station WDAH on or prior to the date on which KTSM undertakes to operate on the new assignment.

Station KMPC, Beverly Hills, Calif., this week began full time operation with power of 5,000 watts daytime and 1,000 nighttime, on a frequency of 710 kilocycles. At such time the station will become available to CBS network advertisers as an alternate or as an additional station to Columbia's regular 50,000 watt Station KNX in Los Angeles.

The Government Printing Office now has for sale at a cost of 15¢ per copy, a Study Guide and Reference Material for Commercial Radio Operator Examinations, including Questions on Basic Law (Element I), Basic Theory and Practice (Element II), Radiotelephone (Element III), Advanced Radiotelephone (Element IV), Radiotelegraph (Element V), Advanced Radiotelegraph (Element VI); General Radio Regulations (Cairo Revision, 1938), and Extracts from the Commission's Rules and Regulations - Practice and Procedure. Printed copies of the Commission's Rules in pamphlet form are also on sale at the Government Printing Office. The different parts run from 5 to 10¢ each.

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F.D.R.'S VOICE ON COMMERCIAL RADIO PROGRAM

The voice of President Roosevelt was heard on a commercially-sponsored radio program over WGN, Chicago Tribune station last week when a recording of a portion of the President's message to Congress was broadcast on the "I Want a Job" program, sponsored by a Chicago clothing store, according to Editor & Publisher. The program was devoted to interviews with unemployed persons who are seeking jobs. President Roosevelt touched on the need of solving the unemployment problem for youth in his message to Congress. The agency handling the radio program for the sponsor sent a telegram to President Roosevelt, requesting permission to rebroadcast, by way of a recording, that portion of his address. The request was granted, but it was stipulated that paragraphs from the address used must be identified as to time and place of delivery and that no commercialization of the President's words be permitted. It is believed the WGN program marked the first time that the President's words have been broadcast in a commercially-sponsored radio program.

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SCOVILLE, STROMBERG-CARLSON V-P, DIES

Word has been received by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, of the death of George A. Scoville, well-known figure in the radio industry, and Vice-President of the Stromberg-Carlson Manufacturing Company. Mr. Scoville died in Rochester last Sunday. He had been in poor health for more than a year. The immediate cause of his death was a heart attack following a siege of intermittent fever. Mr. Scoville was about 60 years old. He was a Director of the RMA.

The funeral was held at the family home in Rochester, N.Y., today (Tuesday).

Mr. Scoville was born in Ironton, Mo., and spent his early life in California, where he was graduated from Stanford University in 1903.

His entire business life was connected with electrical firms and kindred manufacturing companies. After his first two years at Stanford, he spent three years in the Western Electric Company shops in Chicago, returning to complete his undergraduate studies. Later he was connected with Southern California Edison Company and Dean Electric Company of Elyria, Ohio, which he helped found. He was a Director of the United States Independent Telephone Association and Chairman of the Telephone Manufacturers' section.

He leaves a widow, Mrs. Mary Dyer Scoville; two brothers and three sisters, all of California.

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GEDDES' SON MARRIED TO WASHINGTON GIRL

Miss Grace Lucille Carr, daughter of Mrs. Arthur Carr of this city, and Mr. Gail Gray Geddes, of Montclair, N. J., were married last Friday evening in St. Alban's Church, Washington, where the Rev. Charles T. Warner performed the ceremony. The bridegroom is the son of Mr. Bond P. Geddes, Executive Vice-President of the Radio Manufacturers' Association, and Mrs. Geddes, of Chevy Chase, Md.

The bride attended the National Cathedral School for Girls and was graduated from Meredith College in Raleigh. Mr. Geddes was graduated from Dartmouth and received his Master of Commercial Science Degree from the Amos Tuck School of Administration and Finance. He is a member of Sigma Nu and Phi Beta Kappa fraternities and is an executive assistant of the National Association of Manufacturers.

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MUTUAL'S BOARD OF DIRECTORS ENLARGED

At the annual meeting of the shareholders of the Mutual Broadcasting System, held last week in Chicago, the Board of Directors was enlarged from 7 to 9 members, so as to include representation of the additional stockholders, whose financial participation in Mutual was recently announced by President W. E. Macfarlane. Those elected to the new Board were E. M. Antrim, Willett Brown, H. K. Carpenter, W. E. Macfarlane, Alfred J. McCosker, John Shepard III, Theodore C. Streibert, Lewis Allen Weiss, and Fred Weber.

All the officers were reappointed and Lewis Allen Weiss of the Don Lee network was named Vice-President for the West Coast, a new post.

The officers for the ensuing year are: Alfred J. McCosker, Chairman of the Board; W. E. Macfarlane, President; Theodore C. Streibert, Vice-President; Lewis Allen Weiss, Vice-President; E. M. Antrim, Treasurer and Executive Secretary.

The shareholders ratified the five year plan of operation of Mutual, as outlined two weeks ago by President Macfarlane. An Operating Committee, which will meet at regular intervals with General Manager Fred Weber to pass on operating problems and policies, was named as follows: J. E. Campeau of CKLW, Detroit-Windsor; H. K. Carpenter of WHK-WCLE, Cleveland and WHKC, Columbus; John Shepard III of The Colonial Network of New England; Theodore C. Streibert of WOR, Newark; Hulbert Taft, Jr., of WKRC, Cincinnati; Lewis Allen Weiss of the Don Lee network of California; Ed Wood, Jr. of WGN, Chicago, and one or two representatives to be selected from the affiliated stations.

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A. T. & T. EARNS \$9.23 A SHARE IN 1939

The earnings report of the American Telephone and Telegraph Company, parent concern of the Bell System, released this week by Walter S. Gifford, President, shows a net income for 1939, after all expenses and charges and with results for December partly estimated, of \$172,446,000. This was equal to \$9.23 a share on the company's 18,686,794 shares of capital stock outstanding, and compares with a net of \$152,428,028, or \$8.16 a capital share, in 1938.

In addition to the parent concern's report, consolidated earnings of A. T. & T. and its principal operating subsidiaries comprising the Bell System were issued and showed that the Bell System had a consolidated net income of \$188,905,562 in the twelve months ended on Nov. 30, 1939. This net was equal to \$10.11 a share on A. T. & T. outstanding capital stock, and compares with a net of \$153,385,512, or \$8.21 a capital share, in the twelve months to Nov. 30, 1938.

Gross operating revenues of the Bell System for the year to Nov. 30 aggregated \$1,104,077,849, compared with \$1,050,298,671 in the preceding comparable 12 months. Operating expenses, including maintenance and depreciation, totaled \$732,674,153 against \$717,472,682 previously, while taxes rose to \$155,330,485 from \$143,493,533 in the 12 months to Nov. 30, 1938.