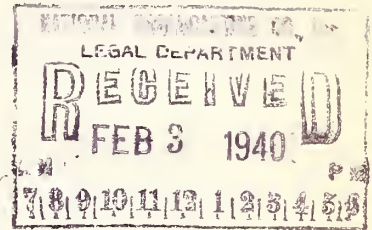


HEINL RADIO BUSINESS LETTER

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FCC PREPARES FOR REALLOCATION UNDER TREATY

The Federal Communications Commission this week took its first step toward reallocating about 90 percent of the nation's more than 800 broadcasting stations after receiving official notice that President Cardenas of Mexico had signed the North American Radio Treaty.

The first step was suspension of the new FCC rule extending broadcasting station license periods from six months to a year and providing for a staggered system of license renewals.

The FCC notified all licensees whose expiration date falls beyond August 1, 1940, that all licenses will terminate as of that date.

While there was no official word from the Commission, broadcasters quickly interpreted the action as an indication that the FCC may adopt a three-year licensing period, as allowed by the Communications Act, once the reallocation is put into effect.

The Commission's action was taken when approximately 100 applications for renewal on a year's basis, from February 1, were considered. The renewals were granted instead only until August 1.

Extension of present licenses until August 1 was understood to mean that the reallocation necessitated by the promulgation of the Havana Treaty will not be effected before that date and probably afterward. The order adopted gives all licensees until February 15 "to show cause in writing why this order of modification should not issue effective March 1, 1940".

The license renewals temporarily extended on the eve of the February 1 deadline affected stations operating on clear channels, including limited time and daytime assignments. It was the first group of license extensions to fall due under the one-year provision. Other renewals since August 1 have been for only the unexpired portion of the one-year term. The 106 frequencies on which broadcast stations are assigned have been staggered at two-month intervals from February 1 for convenience in routine handling.

Just when the reallocation will become effective cannot be determined until conflicts with other countries on the Continent are worked out respecting certain assignments. The only changes from the original treaty provisions are those provided for in a bi-lateral agreement with Mexico under which four frequencies

allocated to Mexico will be kept entirely clear in this country, with no other station assignments on them, while on two other frequencies, only one station will be assigned in this country. The four entirely clear frequencies are 730, 800, 900 and 1570 kc. In addition it is agreed that on 1050 kc., only one station in this country (WHN, New York City) will be assigned. On 1220 kc. the agreement permits only one station in this country to be located in the central area.

Formal conversations with Mexico, Canada and Cuba as to the effective date will not be undertaken until Mexico formally deposits with the Havana Government the signed treaty provisions. Meanwhile, the FCC is continuing its survey of assignments under the reallocation, and has made substantial progress.

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FCC TO INQUIRE INTO MANAGEMENT CONTRACTS

To determine whether broadcast licensees are themselves discharging the rights, duties, and obligations under their licenses or whether, on the other hand, such rights have been turned over to and are being exercised by outside operating companies under so-called management contracts, the Federal Communications Commission has ordered hearing on certain pending applications for renewal of radio station licenses, and for other and similar renewal applications as they come before it.

Those stations already designated for hearing, under this move, at a date to be set later, are Westinghouse Electric & Manufacturing Company licenses for WBZ and WBZA, both at Boston; KYW, Philadelphia, and KDKA, Pittsburgh; WGY, General Electric Company, Schenectady, N. Y.; WESG, Cornell University, Elmira, N.Y.; WWL, Loyola University, New Orleans; and WAPI, Alabama Polytechnic Institute and University of Alabama, Birmingham, Ala.

The Commission now has before it the case of Station WSAL at Salisbury, Md., wherein it was alleged in the revocation order that control had passed to a mortgagee. Commissioner Thad H. Brown conducted hearings and has laid his findings before the full Commission.

The Communications Act requires that a radio broadcast station be operated by the license holder.

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The Radio-Recording Division of the National Broadcasting Company announces that since December 15, 1939, seven stations have newly subscribed to the NBC Thesaurus Library and 24 stations have contracted for renewals.

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NAB PLEDGES AID TO CHURCH CAMPAIGN

Declaring that "anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves", Neville Miller, President of the National Association of Broadcasters, on Thursday, pledged the cooperation of the radio industry in a nation-wide campaign with the Federal Council of the Churches of Christ in America, wherein local ministers will use local radio stations "for the purpose of creating a better understanding between the various races and religious groups".

In a letter sent to all radio stations in the United States, Mr. Miller further declared: "There is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

Mr. Miller pointed out that from its knowledge of past history, the Federal Council of Churches, representing some 143,000 individual Protestant congregations in the United States, "knows that the germs of intolerance cannot easily be controlled, once let loose", and that "the time is at hand for a constructive campaign of tolerance and understanding".

In a statement by the Federal Council of Churches, the aims of the campaign were detailed as follows:

"The primary aim of this radio campaign is to lay essential facts before the American public, in order that, through an educated public opinion, we, as a people, may profit from the example of many less fortunate European peoples living in countries where democracy has been destroyed by tactics that included the fomenting of racial and religious hatred and oppression.

"Leading Christian clergymen in hundreds of American cities, over their own local radio stations, are being asked by the Federal Council of Churches, to 'lead the way' in this radio campaign in the common interest of all racial and religious groups in America and for due recognition of the contributions of minorities in the life of society as a whole.

"The Christian church is showing a great awareness of the issues presented. It is interested in healing, conciliation, understanding, mutual aid and peace. The clergymen will present information and discuss the contributions which all interested citizens can make to the American democracy."

Mr. Miller's letter to the broadcasters follows:

"The Federal Council of the Churches of Christ in America is sending one of its local contacts to your station, with the sincere request that facilities be granted to a local minister,

for the purpose of creating a better understanding between the various races and religious groups who comprise your listening audience.

"The Federal Council of Churches, representing approximately 143,000 churches in the United States, feels that the time is at hand for a constructive campaign of tolerance and understanding, lest the spread of intolerance by hate-mongers both at home and abroad, sweep over the country as it has elsewhere.

"From its knowledge of past history, this national church body knows that the germs of intolerance cannot easily be controlled once let loose; that anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves.

"We have had the opportunity of examining the material upon which the Council's new effort for tolerance will be made. It is factual and impartial. It is informative and it is 'good' radio. It is material which men of good will in all faiths will welcome. And it is vitally important that this message, educational in scope and patriotic in purpose, be gotten across now.

"The Federal Council of Churches has again turned to radio to do this job. It feels that no other medium of communication can reach the minds and hearts of men so effectively. I feel sure that all stations will wish to take part in this important, worthwhile project. Its spokesmen will no doubt be outstanding clergymen in each city. Certainly there is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

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TEMPORARY TELEVISION LICENSES ISSUED EIGHT STATIONS

While deliberating its future policy regarding television, the Federal Communications Commission this week issued temporary licenses to eight television stations, the permits to expire on March 1. The stations are: W9XAL, Kansas City, Mo.; W1XG, Boston; W9XG, W. Lafayette, Ind.; W2XDR, Long Island City; W3XAD, Portable (Camden, N.J.), W3XEP, Camden, N. J.; W9XK, Iowa City, Ia.; W9XUI, Iowa City, Ia.

At the same time it renewed the licenses of nine other television stations for the regular period. They are:

W2XAB, New York City; W2XVT, Passaic, N.J.; W2XH, Schenectady, N.Y.; W6XAO, Los Angeles; W2XBS, New York City; W2XBT, New York City; W2XAE, Philadelphia; W3XP, Philadelphia, and W9XZV, Chicago.

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FCC REFUSES PERMIT FOR BURGLAR ALARM BROADCASTS

A novel experiment to determine whether or not the broadcasting of fire and burglar alarm signals would be successful commercially was halted this week when the Federal Communications Commission refused to grant a permit for its operation.

Harry Jackson, a junk dealer, of Harrisburg, Pa., outlined the scheme and asked for a general experimental license.

"The applicant has developed an automatic burglar and fire alarm device which is set in motion by an unauthorized entry in or a fire at the place where the equipment is installed", the FCC reported. "The applicant's present system operates so that the weight of an intruder springs a trap. The trap sets in motion the machinery, which causes a metal cage to spring up, enclose, and hold the unauthorized entrant until removed by law enforcement authorities, and at the same time place in operation the local alarm. Associated with this equipment is a pre-cut record, reproducer, amplifier, and one or more loud speakers. The voice message transcribed on the record consists of the address of the installation and such additional information as the applicant deems necessary to attract the attention of the persons within hearing distance of the loud speakers.

"It is the purpose of the applicant to develop the alarm system, together with the prospective automatic radio features, so that the signals can be picked up by receivers on mobile units. The results of the contemplated experiments are expected to provide the applicant with a means of determining whether there will be any benefits derived by commercializing the proposition."

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PRESS WIRELESS INQUIRY DROPPED BY FCC

The Federal Communications Commission has dismissed proceedings of investigation of charges, practices, classifications, and regulations of Press Wireless, Inc., for and in connection with multiple address public press services to outlying territories and possessions of the United States. The basis upon which the investigation and hearing were instituted have been satisfactorily removed by voluntary action of Press Wireless.

A new tariff, which became effective September 1, is applicable alike to points in outlying territories and possessions of the United States and to points within the continental United States and Canada, and eliminates the provision restricting the reception of Press Wireless transmissions to receiving stations operated or directed by the company in localities in which the company operated or directed a receiving station.

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NEW STATION AUTHORIZED TO OFFER COMPETITION

The Federal Communications Commission this week granted a construction permit for a new broadcasting station to the Presque Isle Broadcasting Co., Erie, Pa., and pointed out in its decision that the outlet would provide competition with Station WLEU, of Erie.

"A second broadcasting station located in Erie would compete with Station WLEU for the patronage of advertisers and for listening audiences", the FCC stated. "The competition between two local broadcasting stations would be expected to result in improvements in the program service of each and corresponding benefits would thus be received by members of the listening public. It is apparent that such competition will promote the public interest."

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ARMY CHIEF PROPOSES RADIO AIR WARNING CIRCUIT

Gen. George C. Marshall, Army Chief of Staff, told a secret House Military Committee session this week that the War Department wants to set up a radio warning net to guard against air attack, if additional funds are allowed by Congress.

Members revealed that the Army Chief listed \$12,000,000 for an air raid warning net among the most pressing needs. An additional \$28,000,000 is required to equip completely troops now in service, he told the group.

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BBC SENDS SPECIAL PROGRAM TO B.E.F.

A special service of programs for the British Expeditionary Force and other Forces serving on land and sea outside Great Britain was introduced recently by the British Broadcasting Corporation. Though the programs of the new service are chiefly drawn from those of the BBC's Home Service, different items, to the extent of an hour or two each night, are broadcast when the Home Service programs consist of items unsuitable for active-service listening. At such times listeners tuned in on 342.1 metres hear dance music, theatre organ, Variety, light music, sporting broadcasts, and the like.

The new transmissions are an experiment. If the service succeeds, the BBC hopes to present the troops with something much more complete in the way of a daily program.

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 ::: TRADE NOTES :::
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The Committee on Merchant Marine and Fisheries this week reported to the House favorably a bill to extend the time for filing the report of the Federal Communications Commission on the Great Lakes survey until "as soon as practicable but not later than January 1, 1941". The present law set a time limit as December 31, 1939, but the FCC asked an extension last December.

World radio market series of the Department of Commerce issued this week included reports on Madagascar, St. Pierre-Miquelon, Peru and Australia (supplement - regulations).

The National Labor Relations Board has announced the certification of the American Federation of Labor's radio broadcast technicians and engineers union of the International Brotherhood of Electrical Workers as the sole collective bargaining agency for broadcasting operators, engineers and technicians of the Interstate Broadcasting Company, Inc., of New York City. The action was the result of a secret ballot election on Jan. 8 which produced three votes for the chosen union, no votes for the C.I.O.'s American Communications Association and two votes in favor of neither organization.

Appointment of Patrick Dolan as Sales Promotion Director of Columbia Recording Corporation was announced this week by Edward Wallerstein, President. In August, Mr. Dolan joined the Publicity Department of the Columbia Broadcasting System. In his new post with the CBS subsidiary, his office will be at the record company's plant in Bridgeport, Conn.

The Federal Communications Commission has under consideration regular rules for operation of ship and coastal harbor telephone stations on the Great Lakes to supplant the temporary rules which expired February 1. The proposed new rules will be acted upon by the Commission before the opening of the regular navigation season.

School executives of every State have been invited to participate in a national conference called by Sterlin Fisher, Director of Education of the Columbia Broadcasting System, for Saturday, February 24, in St. Louis. Chief item of business at the conference will be consideration of a proposal to adopt Columbia's American School of the Air broadcasts as part of regular classroom studies in every State.

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The Federal Communications Commission has granted application of Globe Wireless, Ltd., for construction permit for a new radiotelegraph station at Portland, Ore., and has renewed the licenses of its 11 stations at Woodcliffe Lake, New Jersey, all with the condition that they be used for transpacific communication and not for domestic service. At the same time, the Commission granted extension, on a temporary basis, to not later than May 1, of Globe Wireless's 34 point-to-point radiotelegraph stations, subject to final determination of the Commission in its January 4 proposed modification of said licenses and by its order of January 24 for hearing on same.

The Philco Radio & Television Corporation has dispatched by air express a complete set of replacement tubes to Pitcairn Island in the South Pacific Ocean for the radio receiving set which at present is their only means of communication with the outside world. The shipment was made as a result of an urgent plea in a letter from Mrs. Edna Young, wife of David A. Young, descendant of Christian Young, one of the mutineers of the "H.M.S. Bounty" more than 150 years ago. The letter, dated November 24, 1939, and sent via New Zealand, was received in Philco headquarters in North Philadelphia after more than two months in transit.

Normal service was restored last Thursday night by the Mackay Radio and Telegraph Company, following settlement of a dispute between the company and the American Communications Association, a C.I.O. affiliate. About 360 radio and telegraph operators and clerks were involved in the labor dispute, which centered around wages and working conditions. Admiral Luke McNamee, President of the Mackay organization, said all the differences between the company and its employees had been settled "satisfactorily", but no details were made public.

Telephone operating subsidiaries of the International Telephone and Telegraph Corporation in nine countries have reported an aggregate net gain of 72,000 telephones for 1939. This compares with a gain of 76,000 in 1938, the largest in their history, and of 53,000 in 1937. Their net increase for December, 1939, is a new peak for that month at 9,655 telephones compared with the 8,884 added in December, 1938. I. T. & T. officials estimate that the volume of toll and long distance calls completed by these companies in 1939 has been nine percent greater than in 1938 when 27,600,000 calls were handled. The I.T. & T. telephone companies were serving at the end of the year approximately 838,000 telephones in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, China.

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RADIO TIME SALES UP 14%, YEARBOOK SHOWS

Gross "time sales" by broadcasting stations and networks of the United States during 1939 amounted to an estimated \$171,113,813, an increase of 14% over the preceding year, according to the 1940 Yearbook of Broadcasting Magazine, trade journal of the broadcasting industry, published this week.

The actual dollar volume or net income for the year, however, amounted to an estimated \$130,800,000 after deduction of cash and frequency discounts but not deducting agency commissions. This was 12% above the 1938 figure.

Of the \$171,113,813 gross, the survey shows that \$83,113,813, or 48.5%, represented time sales by the three major network organizations -- National Broadcasting Co., with two networks, Columbia Broadcasting System and Mutual Broadcasting System. Local time sales were estimated at \$46,000,000, or 27% of the total, and national and regional non-network (spot) time sales at \$42,000,000, or 24.5% of the total.

The Broadcasting Yearbook is a 446-page volume, listing all United States and Canadian broadcasting stations by States, call letters and wave lengths, and showing the executive personnel, news and sports commentators, equipment, etc. of each station. It discloses that there were exactly 814 stations in the United States and 90 in Canada in operation or authorized for construction as of Jan. 1, 1940. Of these, 56 had been authorized during 1939, and the data on these is listed in detail.

Listing the stations in the United States and Canada, the Yearbook discloses that 269 in the United States and 26 in Canada were owned in whole or part by newspaper or other publishing interests, or were under options to be sold to such interests, as of Jan. 15, 1940. This compares with 238 at the beginning of 1939.

All but 54 of the country's radio stations are privately owned and all but 36 derive their supporting revenues from the sale of advertising time. The Yearbook lists 36 broadcast stations owned by educational institutions, of which 12 sell time; 12 owned by churches or other religious institutions, of which one sells time, and six owned by State or municipal groups, of which five sell time.

It is estimated in the Yearbook that 45,200,000 radio sets are in use in 28,700,000 homes in the United States, including 6,500,000 auto radios, and that 9,000,000 sets to the value of \$289,000,000 were sold during 1939.

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NEW RCA TELEVISION RADIO RELAY SYSTEM DECLARED READY

Development of the radio relay method of transmitting television signals between cities has been advanced by RCA Laboratories to the point where it is technically ready for the first stop of application in a public service, the Radio Corporation of America announced this week, as plans were being made to receive members of the Federal Communications Commission in New York on their television inspection tour which began yesterday (Thursday).

This new development, different from any other system so far devised, makes possible the establishment of inter-city television networks similar in effect to the wire networks of sound broadcasting, RCA said. It is feasible, according to RCA engineers, to set up a radio relay system for television linking New York City, for example, with the nation's capital, Washington, D.C., and with Boston, Mass., and other intermediate cities. Similar radio relay networks could be established in other sections of the country.

Even such a limited network could make television programs immediately available to approximately 20,000,000 persons, or, roughly, one-sixth of the nation's population, it was estimated. Programs could originate as well as be received at any city which is part of the radio relay system.

In announcing the readiness of the radio relay system for television transmissions, RCA executives reiterated their belief that "television is here". They base this belief on evidence obtained in nine months of operating a regular television program service in the New York metropolitan area. The evidence shows definite public acceptance of the all-electronic system of television as operated on standards formulated by the Television Committee of the Radio Manufacturers' Association, composed of the most capable television engineers in the radio industry.

RCA has had an experimental radio relay system in test operation for nearly a year between the National Broadcasting Company's Empire State Building transmitter and Riverhead, L.I. The relay points are located at Hauppauge, 45 miles from the Empire State Building, and at Rocky Point, 15 miles from Hauppauge. The Rocky Point station boost the signal another 15 miles to Riverhead.

Each relay station contains both receiving and transmitting devices, and is mounted on a 100-foot steel tower. The antennas are of the parabolic type necessary for the highly directional, or beam-like, transmission, which the system uses. The power required for operation is 10 watts or less. The distance between each relay point, in practical operation, would vary according to the terrain. The average distance would probably work out at approximately 30 miles. The station operates unattended. The receiver is on at all times, and when a control signal is transmitted from a terminal point the relay receiver picks it up and delivers it to the companion transmitter. This action is repeated at each relay point until the circuit is in full operation. The frequency used is approximately 500,000 kilocycles.

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