

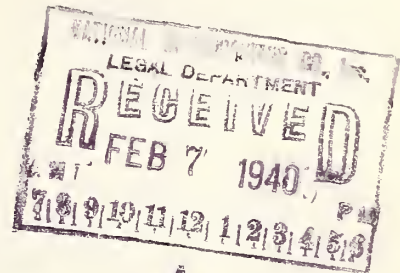
HEINL RADIO BUSINESS LETTER

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February 6, 1940

INDUSTRY STARTS TELEVISION PROBE AS FCC RETURNS

Further investigations of the practical possibilities of television have been undertaken by the radio industry, it was learned, as the members of the Federal Communications Commission returned to Washington Tuesday after a tour of Eastern laboratories.

The Commissioners declined to comment on the trip or to predict what step will next be taken by the Commission, but a spokesman of the FCC described the tour as "very interesting".

The Board of Directors of the Radio Manufacturers' Association is scheduled to meet in New York City on Thursday at which time the industry will determine its next action on both television and frequency modulation.

The FCC appeared to be waiting for the radio manufacturers to make the next move with regard to television. As Chairman James L. Fly had suggested that the leading manufacturers engaged in television experiments set up a committee to make a new examination of the practical possibilities of the art, the RMA Television Committee, or a new group, may be designated to conduct the new inquiry.

Among the television demonstrations witnessed by the FCC on the Eastern tour were network transmission by General Electric in Schenectady, experiments in color television at the RCA laboratories at Camden, N.J., and the new developments of the Allen B. Dumont Laboratories at Passaic, N. J.

A television receiver that will sell for \$100 plus \$49.50 for an aerial was shown to the Commission by the Cath-Ray Electronic Laboratories at New York.

The Philco Radio & Television Corporation in Philadelphia exhibited an interior revolving aerial which appeared to have advantages over the conventional outdoor aerial.

The Commission went about 20 miles outside of Philadelphia to receive simultaneous transmission by Philco and Columbia but reported that the reception was "jumbled".

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INDUSTRY WAITS ANXIOUSLY FOR FCC MONOPOLY REPORT

With a preliminary report based on the monopoly inquiry due any day, broadcasters, particularly in the network field, are anxiously awaiting the recommendations to be made to the Federal Communications Commission by its Committee. The report is expected to be released sometime this month.

More drastic supervision of the industry and control of contractual relations between radio stations and the chains were expected to be recommended. The report, however, must be adopted by the full Commission before it becomes effective.

A staff of the FCC has been working on the report almost a year following prolonged hearings which began in the Fall of 1938 and extended into the Spring of 1939. The first factual report was submitted to the Monopoly Committee several weeks ago. The Committee, comprising Commissioners Brown, as Acting Chairman, Walker and Thompson, has considered the report in preliminary fashion but will give it a final review before passing it on to the full Commission for consideration and action.

One report was that Commissioners Walker and Thompson are inclined toward drastic recommendations looking in the direction of realignment of regulation as it affects networks, both through recommendations for new legislation and through introduction of new regulatory policies.

Through making contract approval a condition for obtaining a right to use the air for broadcasting, some members of the FCC hope to obtain control over the chain broadcasting systems without the necessity of obtaining legislation, it is said. If the plan is put into effect, it may have a far reaching effect on distribution of chain programs, as it would give the Commission authority, if not successfully contested, to say how many hours would be given for day and night use for the chain programs.

While considerable testimony was taken on the matter of chain contracts and their effect in preventing local programs from getting on the air during the most valuable hours in the evening, a supplemental inquiry into control was instituted when one of the chains obtained exclusive rights to broadcast the baseball World Series. It was alleged that when it attempted to sell this feature to stations of other chains which had been blocked out from the broadcast, the individual stations were prevented from taking it because of alleged threats of the chains with which they were affiliated to abrogate their contracts.

Some members of the Commission believe chain contracts prevent stations from giving time for local problems, and it was pointed out that in the case of an epidemic, when local health authorities might want some of the best time to acquaint citizens with methods for stemming it, it could not be obtained because of contractual relations with the chains.

It was the contention in the Commission when the last World Series broadcast was obtained by one chain, that this was matter in which a great many people were interested and that contractual relations should not have prevented a station, willing to purchase it, from using it simply because of its contract with another chain.

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NAB REPORTS MUSIC PROJECT SUCCEEDING

Broadcast Music, Inc., has passed the \$1,000,000 mark, according to NAB President, Neville Miller, who made the following statement last week:

"The Board of Directors of Broadcast Music met in New York on Tuesday, January 30. The response from the stations had been so encouraging that we decided to make a special effort to secure contracts from the remaining stations and start operation at the earliest possible date. Therefore, the Board will meet again the middle of next week and it is hoped that by then we shall have received sufficient additional checks and contracts to justify immediately declaring Broadcast Music, Inc., a going concern.

"We have passed the million dollar mark and are on our way to the million and a half mark. With the money in sight, it is extremely important that we save all the time possible and get under way at once."

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SENATE ALLOWS FUND TO TRAP SPIES

The Senate Appropriations Committee, told that any foreign spy could broadcast trans-Atlantic messages with a radio built from dime store parts, recommended last week that the Federal Communications Commission be granted an increase of \$238,165 over current appropriations for checking on unauthorized broadcasts.

The House had voted a \$278,165 increase for next year, but in its final report the Senate Committee cut the item by \$40,000. That amount was to have been spent on the construction of a new listening station near Anchorage, Alaska. The Commission's total appropriation as it passed the House was for \$2,116,340 and as reported by the Senate Committee is \$2,076,340.

Chairman James L. Fly of the Communications Commission, explaining to the Committee why the FCC maintained listening stations to check up on the activities of amateur and other operators, said there was "extreme difficulty in avoiding espionage work by the use of high frequencies".

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AMATEUR REQUESTS OFTEN SENTIMENTAL

Receipt by the Federal Communications Commission of some 400 cards asking that the call signal of a certain amateur radio station be never again issued but be preserved in inactive status as a memorium to its late holder, focuses attention to a recurring incident in amateur annals.

The Commission's files bulge with more or less similar requests. In addition to petitions for non-assignment or non-reassignment, there are requests for transfer of a call from friend to friend, husband to wife, father to son, etc.; also supplications for calls to match names, nick-names, initials or other assorted abbreviations, and, above all, expressed desire for "two-letter calls", pride of the old timers. One file contains some sixty pieces of correspondence with a single "ham" persistently trying to get one particular call.

Though appreciating the intense interest and enthusiasm on the part of the radio amateur, the Commission feels obliged to say "No" to most of these requests. The Commission is guided in this respect by its rules and regulations, which are fairly applicable to all and preclude individual favoritism. The only assignments in the nature of exceptions are those provided for in the rules themselves.

However, for many years it has been the practice not to reassign amateur calls to others so long as the alphabet permits allocation of new calls to stations. This tends to avoid confusion of records and mailing lists, as well as giving each amateur a distinctive call.

Under present rules, a vacated call is kept unused for a period of five years before it is subject to request from any one but the latest holder, and then it can only be requested by a previous holder. In other words, reassignment of a call is limited to previous holders of that particular call.

The Commission is obliged to avoid making promises in connection with amateur calls. The reason for this is that it is impossible to foresee what changes may be necessitated by future events.

It must be remembered that calls are assigned for the purpose of identifying the station rather than the operator, though the amateur likes to regard the call as a personal identification, often times using it on his correspondence, as a marker for his automobile, etc. There is nothing to prevent this practice, and gravestones even have been marked with beloved call signals.

Perhaps the outstanding example of a deceased's call signal being perpetuated is the case of W1AW. It was for many years assigned to Hiram Percy Maxim, the inventor, and remains as a tribute to his memory as the identifying call of the West Hartford, Conn., headquarters station of the organization which he founded - The American Radio Relay League.

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SENATOR JOHNSON AMENDS LIQUOR AD BAN BILL

An amendment which broadcasters describe as "worse than the first" was introduced in the Senate last week by Senator Johnson (D.), of Colorado, to his bill (S. 517) designed to prohibit the advertising of alcoholic beverages by radio.

The proposed bill is much more drastic than the bill reported by the Committee on Interstate Commerce in its effect on broadcasters. It broadens the prohibition on broadcasters and advertisers and further prohibits "any advertisement of, or information concerning, . . . any person engaged in the business of manufacturing or selling any alcoholic beverages, if the purpose of such advertisement or information is to induce the purchase or use of any alcoholic beverage". Subsection (d) would make station licenses conditioned upon compliance with the provisions of subsection (a); it provides that if the Federal Communications Commission "finds that any licensee has wilfully violated any provision under subsection (a), the Commission shall have the same power to revoke such license as it has to revoke licenses for violation of, or failure to observe any of the restrictions and conditions imposed by the Communications Act of 1934 as amended."

S. 517 is on the Senate calendar and might come up at any time under unanimous consent. Senator Johnson is expected to offer his proposed amendment when the bill is called up for consideration.

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REDUCTION IN COPYRIGHT DAMAGE FOR HOTELS URGED

A bill designed to reduce the amount of damages allowed for infringement of copyright of musical compositions in certain hotels and other places of amusements was introduced in the House last week by Representative O'Brien (R.), of New York.

It proposes to amend Section 25 (b) of the 1909 Copyright Act by inserting before the period at the end of the first sentence thereof a comma and the following: "except that the damages for infringement of copyright of musical compositions played in hotels or restaurants when an entrance fee is charged, or cover or its equivalent charge made, shall not exceed \$10 for each performance, unless greater damages are shown".

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RADIO AND PRESS GET TOGETHER IN CALIFORNIA

An example of cooperation with mutual benefits of radio and press is described in an article in the January issue of "California" by Kay Barr.

"Press and radio being two of the most powerful influences of modern life, it was with genuine satisfaction and pleasure that residents of San Francisco and the Bay area learned of the friendly relationships recently established between Al Nelson, manager of KGO and KPO, with the San Francisco Chronicle and the San Francisco News", the article says.

"Several outstanding programs have already grown out of this wholesome cooperation, starting with the Chronicle Election Night Party. Then came the News Christmas Eve Community Sing and the series, 'The City of St. Francis', now in progress under the auspices of the Chronicle. These constitute an index of Nelson's determination that KGO and KPO shall be of the greatest possible service to the community and all worthwhile civic efforts.

"Other plans are just over the hill, and with the momentum now generated there is no doubt of their being carried out. For instance, the climax of the 'City of St. Francis' series will come with a two-and-a-half-hour show, open to the public in the Civic Auditorium, Friday evening, January 26.

"Other cities have had radio programs exploiting the advantages and opportunities, the industrial, educational and cultural growth of their communities. But never in the history of radio has there been such a serial as the dramatic pageant of history, 'The City of St. Francis', with its fourteen gripping broadcasts all based on fact.

"And by the time a leading metropolitan newspaper and the two National Broadcasting Company stations join in a record-breaking public program, millions of listeners will not only have a better knowledge of San Francisco history, but they will know the city is headed for even greater progress in the future than it has enjoyed in the past.

"Hundreds of favorable comments regarding the series have been received from all points of the compass. The programs are being heard and enjoyed in Los Angeles, Honolulu, Alaska, as far east as Colorado, and at all intermediate points. Teachers, historians, authors, members of patriotic and historical societies, of PTA groups, and many other individuals and organizations have expressed their enthusiastic approval and the hope that more programs of the same constructive nature will be broadcast.

"All of which is so highly gratifying to Nelson and to Paul Smith, General Manager of the Chronicle, that the entire series is being recorded and will be reproduced some time this Spring, probably at hours when school children may hear them in their classrooms.

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"Meantime, all San Francisco is congratulating KGO, KPO, the Chronicle, and the News for joining hands in cooperative plans that will be for their mutual benefit and of tremendous civic service to the communities they all serve.

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COUGHLIN SILENCE PUZZLES THE COMMISSIONERS

Although in New York City over last week-end when the Rev. Charles E. Coughlin, Detroit radio priest, failed to make his customary Sunday radio talk, members of the Federal Communications Commission professed as much ignorance as the average listener of the reason for the cancellation.

A cryptic comment from the radio announcer - "Probably events transpiring this week will enlighten you" - was the only suggestion to listeners that Father Coughlin might have had an extraordinary reason for remaining off the air.

For months, since organization of a new network of stations to broadcast his speeches, Father Coughlin has appeared regularly on Sundays, and officials of the chain outlet, WJR-Detroit, expressed surprise at his absence.

The announcer, advising hearers to "pay no heed to idle rumors which will be circulated this week", said:

"Be assured Father Coughlin knows what he is doing. He knows why neither he nor any other person is speaking over this microphone today."

The rectory of the Shrine of the Little Flower, Father Coughlin's church in Royal Oak, Mich., where he delivers the radio talks, could shed no light on the question.

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The Office of the American Commercial Attache, Rio de Janeiro, reports that the State of Sao Paulo has just contracted for the purchase of a two-way police patrol system for the city of Sao Paulo. The equipment, which is of American origin, is the first installation of its kind in this country. The sets will arrive in the near future.

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TRADE NOTES

Under the title, "The War of Lies and Laughs", J. C. Furnas in the February 3 issue of the Saturday Evening Post reports the word battle under way among belligerent short-wave radio stations abroad.

The Columbia Broadcasting System inaugurated a series of lectures by the General Engineering Department for CBS employees this week when A. B. Chamberlain, Chief Engineer, addressed his co-workers on the topic: "The Organization, Functions and Duties of the CBS Engineering Department". The informal series is an expansion of the weekly lectures presented in the Spring of 1939 principally to technical employees.

When WOR's new frequency modulation station, W2XOR, begins operation in the New York area next month, it will relay Mutual network programs almost exclusively. In this fashion listeners will be able to hear many broadcasts which are not being aired over WOR due to local commercial commitments, this providing a wider array of radio entertainment via the two stations.

Gross billings for time on the Columbia Network - after deductions for network and individual station cancellations, but prior to deductions for agency commissions and the time discounts to sponsors -- totaled \$3,588,989 during January, 1940.

Gross network revenue for the NBC networks for January 1940 reached an all-time high in the history of the company, totaling \$4,405,208 - an increase of 9.2% over January 1939 and 2.9% over December 1939.

In order to provide a proper comparison with the corresponding month of last year for each network - NBC's total revenue for January 1939 has also been broken down on a new basis.

The comparisons are as follows:

	<u>January 1939</u>	<u>January 1940</u>	<u>Increase</u>
Red	3,211,161	3,496,393	8.9%
Blue	<u>822,739</u>	<u>908,815</u>	<u>10.5%</u>
Total NBC	4,033,900	4,405,208	9.2%

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G.E. DEMONSTRATES NETWORK TELEVISION

Network television was demonstrated to Federal Communications Commission members in Schenectady last Thursday by General Electric engineers. The first demonstration of its kind in history, in which a program transmitted from New York was clearly received in Schenectady homes, 142 air line miles away, was made possible by the use of General Electric's new relay station working in conjunction with its main transmitter atop the Helderberg Mountains.

Although telecast programs had been received at the Helderberg relay station before in tests, it was the first time that such programs were rebroadcast for the entertainment of persons in the area served by the local station. Both image and voice were reported excellent, equally as good as programs originating in the Schenectady studio, thus proving to the Commission that network television is possible. So far as known, this was the first time a television program has actually been rebroadcast over any such distance and from a point more than a mile below the line of sight.

Members of the Commission who viewed the demonstration were Chairman James L. Fly, Commissioners Paul A. Walker and Thad H. Brown, and Secretary T. J. Slowie. With them were Dr. L. P. Wheeler, W. H. Bauer and G. O. Gillingham of their staff. Among those in the General Electric group accompanying the Commissioners on their tour of inspection of General Electric's television facilities were Dr. W. R. G. Baker, Manager of Radio and Television; Chester H. Lang, Manager of Broadcasting and Advertising; Dr. E. F. W. Alexanderson, radio expert and scientist; C. A. Priest, Chief Transmitter Engineer, and W. J. Purcell, engineer of broadcast station WGY.

By the use of the new relaying equipment, located 1.2 miles from the main transmitter atop the Helderberg Mountains, 12 miles from Schenectady, television broadcasts from New York City will become available to Capital District residents within the range of the company's station W2XB.

The programs transmitted from New York City are received at the relay station on the 44-50 megacycle band by means of a rhombic antenna that resembles two diamonds placed end to end and supported by four 128-foot towers. The programs then pass through an amplifier, a part of the antenna structure, that increases the signal strength about 20 times before entering a wire line leading to the relay receiving station located beneath the antenna. Here the radio signals from New York are changed to sound and picture signals.

By means of a low-power 10-watt transmitter the picture part of the programs is then relayed on a carrier wave of 156-162 megacycles from a small transmitting antenna to the main Helderberg station. This transmitter is similar to the diamond-shaped one used to pick up the programs from New York but is only 10 feet across as compared with the 400 feet of the receiving antenna.

At the main transmitter a dipole antenna picks up the picture part of the relayed program and feeds it to the transmitter where the frequency is converted to the 66-72 megacycle level and amplified to 10 kilowatts.

The sound part of the program is relayed from the receiving station to the main transmitter by wire line. There it modulates a standard 10-kilowatt ultra-high-frequency transmitter, and the programs are then broadcast from two antennas above the transmitter to listeners in the Capital District.

The relay station is located 129 air line miles from New York City and stands 1,700 feet above sea level, with the rhombic antenna 128 feet above. The main transmitter is at an altitude of 1520 feet with 60-foot antennas above.

General Electric's television transmitter has been operating experimentally with programs every Monday night for several weeks. Now with the relay station in operation, permitting NBC programs to be added to the local station's programs, it is expected the new local station will soon be officially opened. However, no definite date has yet been set.

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PHELAN HEADS REORGANIZED POSTAL COMPANY

Frank W. Phelan has been elected President of the three newly organized companies which were formed in connection with the reorganization of the Postal Telegraph and Cable Corporation last week. The new companies are: All America Corp., which includes All America Cables and Radio, Inc., and Radiar, a radiotelegraph company in Argentina; Commercial Mackay Corp. which includes the Commercial Cable Company, the Mackay Radio and Telegraph Companies of California and Delaware, the Federal Telegraph Company of Newark, N.J. and an interest in the Commercial Pacific Cable Company; and the American Cable & Radio Corp. which holds all the equity in the first two corporations.

The other officers elected by the Directors to serve the three companies are: John L. Merrill as Chairman of the Board, Kenneth E. Stockton, Chairman of the Executive Committee, and Wolcott H. Pitkin, Vice President.

Mr. Phelan and Mr. Merrill are President and Chairman of the Board respectively of All America Cables and Radio, Inc. and have been the two outstanding personalities in developing communication service between the Americas for the past 30 years. Mr. Stockton and Mr. Pitkin are Vice Presidents of the International Telephone and Telegraph Corporation.

Mark A. Sunstrom, Comptroller of the I.T.&T., was elected Comptroller of American Cable & Radio Corp. and John W. Lair was elected Comptroller of All America Corp. and Commercial Mackay Corp. Howard L. Kern was elected General Attorney and Samuel G. Ordway, Secretary and Treasurer. Other officers chosen are: C. R. McPherson, J. A. Redegeld, J. J. Brosnan, E. H. Dufau, A. A. Gray, V. J. Slattery and E. J. Vogel.

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