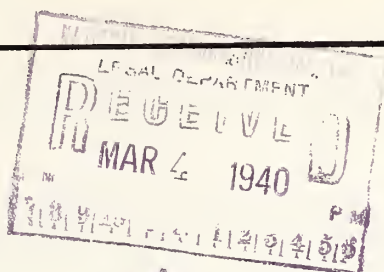


# HEINL RADIO BUSINESS LETTER

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March 1, 1940

## LIMITED COMMERCIALIZATION ALLOWED TELEVISION

Acting with unexpected alacrity, the Federal Communications Commission on Thursday announced that it had approved new rules for television which permit limited commercialization, beginning September 1, but denied the freezing of standards.

The action was taken in the face of a plea from frequency modulation broadcasters that the FCC defer action on television until it had heard the case of the "F.M." group, which on March 18 will ask for more ultra-high frequencies.

The channels already assigned to television remain unchanged pending consideration of testimony at the Commission's hearing on "F.M." broadcasting on frequencies above 25,000 kilocycles.

The present state of flux of television does not warrant confining standards, but development of the industry does merit limited commercial operations in the near future, the FCC declared in a unanimous report.

"That research should not halt and that scientific methods should not be frozen in the present state of the art is fairly to be deduced from the engineering testimony of representatives of the companies represented at the hearing", the FCC said in its report, adding: "Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advance. Research in fact does and should continue in significant phases of the field."

The Commission asserted that nothing said in the report should "be construed as a lack of confidence in the future of television". It hails television as "a mighty achievement" and credits pioneers in the field with making "great advances".

"We feel that potentially television is of tremendous value to the public generally", the Commission continued. "Even now, there is no reason apparent why those members of the public to whom regular television programs are available, who are conscious of the fluid state of the art, and who are willing to assume the financial risks involved for the obvious benefits of current programs, should not acquire receivers. Nor is it suggested that television broadcasters should be barred from going forward in program production and sponsorship. The progress made by the industry is worthy of recognition, and the present state

of the art renders appropriate the further steps permitted by the rules being established."

In general, the rules being issued are based substantially on the rules proposed by the Commission's Television Committee on November 15th, last. Two classes of television stations are set up. Class I stations will carry forward technical investigations and may be assigned to more than one channel. Class II stations are designed to experiment in program production and technique and will operate on one channel only. Under proper showing, a license may incorporate provisions for both classes.

Beginning September 1, Class II television stations may begin limited commercial operations under which advertising will be permitted in connection with programs the cost of which is borne by sponsors. The rules stress, however, that emphasis on the commercial aspects of the operation at the expense of program research is to be avoided.

In not attempting to impose standards at this time, the Commission recommends that the industry itself eschew such restrictions. The report explains:

"Enough has been said to indicate the present state of flux of television and the fact that its progress still continues. The issuance or acceptance of transmission standards by the Commission, especially in combination with the more extensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point.

"Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. The Commission has not overlooked the significant sums invested by pioneers in making possible our present knowledge of television, and it is not unsympathetic with their desire to recoup their investment in the process of bringing television's benefits to the public. It will be realized, however, that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research. Such an economic loss in the long run can rebound only to the harm of the industry. In view of the apparent proximity of improvements and of the resolution of disputed technical questions, these risks should not be taken. The Commission is, therefore, reserving the matter of issuing standards for consideration at some future time."



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The Commission hopes that the members of the industry "will make every effort to obtain and maintain informal unanimity of opinion among themselves so that their new proven valuable assistance may be available to the Commission in serviceable form" when the time comes to consider standards. In this connection, the Commission suggests attention to marketing of receivers capable, insofar as consistent with reasonable cost, of receiving or of being adjusted to receive any reasonable change in methods of synchronization or changes in number of frames or lines which may be found to be practical and licensed in the future operation of Class II stations. Increased size of receiving set screens, it feels, is essential to widespread public acceptance of television. The Commission is also of the opinion that continued experiments in the staging and studio aspects of television performances are necessary.

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### JOHNSON BILL, FACING FILIBUSTER, IS AMENDED

Threatened with a filibuster by reason of a tie-up with the anti-lynching bill, the Johnson bill to prohibit radio advertising of alcoholic beverages may be amended in a new effort to have it enacted into law.

Senator Johnson (D.), of Colorado, this week introduced a substitute to his original measure, restricting the ban to stations which are heard in dry States.

The revised bill reads, in part, as follows:

"That (a) no radio station for which a license is required by any law of the United States, and no person managing or operating any such radio station or financially interested therein, shall directly or indirectly charge to or receive from, or attempt to charge to or receive from, any person any money or other valuable consideration in full or part payment for the service of broadcasting by radio any advertisement of, or information concerning, any alcoholic beverage or any person engaged in the business of manufacturing or selling any alcoholic beverage, if the purpose of such advertisement or information is to induce the purchase or use of any alcoholic beverage, and if the broadcast of such advertisement or information (1) is received or is receivable by means of any radio receiving set located in any State, or any political subdivision of a State, in which the purchase or sale of such alcoholic beverage for use as a beverage is not permitted; or (2) is received or receivable by means of any radio receiving set, located in any State of the United States or any Province of the Dominion of Canada, during such hours as the broadcasting of a similar advertisement or similar information by a radio station located in such State or Province is prohibited by the laws or regulations of such State or Province."

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## "F.M." DEMONSTRATION AMAZES HARD-BOILED PRESS

A demonstration of the reception of frequency modulation broadcasts atop the Ritz Tower in New York City Thursday night by Maj. Edwin H. Armstrong, its inventor, brought highly favorable comments from a gathering of newspaper men and radio officials.

The broadcasts originated in Yonkers and were picked up and rebroadcast by Major Armstrong's station at Alpine, N.J. Although the Ritz Tower reception was of the Alpine station, the broadcasts were relayed, without use of wires, to three other "F.M." stations and to three standard broadcast stations.

The reception of piano and violin solos and even a phonograph record was of marked clarity and faithfulness. An assistant at Alpine poured water, sawed and shaved wood, and sounded bells in a subsequent broadcast to show how every note was carried to the receiver.

Major Armstrong, reciting the difficulties of "selling" frequency modulation broadcasting to the industry and to the Federal Communications Commission, predicted that a network of stations will be in operation by mid-summer.

The present obstacles to its development, he said, are the 1 kw. power limitation and the scarcity of channels. He expressed hope that these will be removed after the scheduled "F.M." hearing starting March 18.

Fifteen stations are now in operation, he said, and applications are pouring into the FCC for assignments.

A stunt that amazed the newspaper men most was the hook-up of an electric razor to the receiver for both standard and "F.M." reception. The former resembled a buzz saw, with the broadcast all but drowned out, whereas the latter appeared undisturbed.

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## SHIP RADIOTELEPHONE INTERFERENCE COMPLAINTS STIR FCC

Monitoring stations of the Federal Communications Commission have been instructed to observe carefully the operation of ship radio stations on their assigned frequency (2738 kilocycles) with a view to the Commission taking appropriate action in cases of irregular operation.

In directing attention to the necessity of full compliance with rules of the Commission relating to ship radio stations, the Commission reports receipt of complaints of an "undue amount of interference", on the frequency assigned to radiotelephone stations primarily for intership communication.

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## NEW RADIOTELEPHONE RULES FOR GREAT LAKES ADOPTED

Comprehensive regular rules specifically applicable to the operation of ship and coastal harbor radiotelephone stations in the Great Lakes region, effective April 1, were adopted this week by the Federal Communications Commission. It was previously indicated by notice to licensees and others concerned that this action would be taken as the result of information accumulated during operation under the Special Temporary Great Lakes Rules, which were effective throughout the 1939 season of navigation on the Lakes.

Heretofore, the regulation of maritime telephony on the Great Lakes was governed only by the general rules applicable to all ship telephone and coastal harbor stations. Because of the steadily increasing number of ships of both Canadian and United States registry, which are voluntarily using radiotelephony as a medium of communication, a specialized set of rules is needed to regulate the operation of United States stations, particularly in regard to the use of assigned frequencies below 3000 kilocycles, the FCC said. The new rules will insure that operation of these voluntarily installed stations will be in conformity with the regional working arrangement informally agreed to by the Commission and the Canadian Department of Transport. Also, the rules may be expected to reduce interference to a minimum, and to expedite the exchange of communications.

Since the new rules, applicable only in the Great Lakes region, do not become effective until April 1, any person who may feel that the rules are unsatisfactory in some respect will have an opportunity to bring the matter to the attention of the Commission. Although the rules have been discussed with many of the licensees and other interested parties, it is realized that possible deficiencies may be brought to light by actual operation during the forthcoming season of navigation. The Commission will carefully observe this operation and in due time will consider further action with respect to any amendments of the rules which may be necessary or desirable.

In addition to these rules, the Commission approved certain amendments to the existing Section 7.58 of the coastal service rules and to Sections 8.81 and 8.93 of the ship service rules. It also adopted five new rules applicable to coastal stations in general and four new rules applicable to ship stations in general. These latter rules and amendments were approved for the purpose of minimizing interference between stations of the maritime mobile service, in which service a large number of stations necessarily share the use of the same frequencies.

As the result of the Commission's action, all coastal harbor stations operated by United States licensees in the Great Lakes region will be required, during their hours of service, beginning April 1, to maintain an efficient watch on the radiotelephone calling, answering and safety frequency 2182 kc. Like-



wise all ship telephone stations licensed for operation on the regular frequencies within the bands 2100-2200 kc. and 2734-2742 kc. must maintain an efficient watch on the 2182 kc. frequency during their hours of service whenever they are not communicating with other stations. Beginning July 1, these ship stations must be capable of transmitting as well as receiving on this frequency.

The two "working" or "message traffic" frequencies, 2118 kc. and 2158 kc., available for ship telephone stations of the United States are designated by the new rules for assignment to ship stations on board two classes or groups of vessels navigated on the Great Lakes. The frequency 2158 kc. will be assigned only to Great Lakes vessels of more than 1000 gross tonnage, and the frequency 2118 kc. will be assigned to all other United States vessels navigated on the Lakes. By employing this principle, individual ship stations will need to use only one working frequency in the 2100-2200 kc. band, thereby simplifying their equipment. Furthermore, the operation of stations on board yachts, fishing vessels, and miscellaneous small craft will not interfere with the expeditious handling of commercial traffic to and from the large commercial freight and passenger vessels.

The maximum operating power of ship stations will be limited to 100 watts in order to minimize long distance interference and to somewhat stabilize ship equipment design.

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#### ICKES' RADIO ACTIVITIES HIT IN HOUSE HEARING

Members of a sub-committee of the House Interstate and Foreign Commerce Committee were stirred this week by charges that the Interior Department used its privilege of free time on national radio networks to lobby for particular piece of legislation now before Congress.

The charge was made by Russell B. Brown, general counsel for the Independent Petroleum Association of America, who said that listeners were subtly urged to support a bill to give the Secretary of Interior broad powers to regulate the petroleum industry. The broadcasts, he said, were made in the "What Price America" series, recently dropped from the Columbia Broadcasting System after a 52-week run.

The legislation was not mentioned, the witness said, but programs were presented to show a national panic resulting from a shortage of oil. The broadcasts, he charged, were aimed at arousing an interest in the passage of the Cole Oil Conservation Bill.

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## DEVELOPMENT OF NETWORK TELEVISION SEEN

Dr. W.R.G. Baker, Manager of General Electric's Television and Radio Department, predicts that within a short time people in Chicago may see the sun set in New York while the same sun is still high above the horizon in Chicago.

Dr. Baker pointed out that it was only a matter of extending the present television network connecting New York and Schenectady a few more hops to bring New York television programs to Chicago.

The relaying of television programs in New York by General Electric's television station in Schenectady, 130 miles distant, has proved highly successful in its first few weeks of experimental operation, Dr. Baker said.

With the introduction of week-end relays of New York's television programs by General Electric's relay station and transmitter, W2XB, Dr. Baker said, Schenectadians have seen events in New York, such as boxing matches in Madison Square Garden, as plainly as have the residents of Manhattan.

The television director pointed out that the Mohawk Valley leading to the west provides a natural spacing of metropolitan centers to make the network relay from New York to Chicago practicable. Similarly, he said, the network could be extended to Boston and New England.

The proper location and elevation of transmitters and receivers are an important factor in the extension of a television network, Dr. Baker said. While reception of the television signal is theoretically limited by the visual horizon, he added, this is overcome by raising the sending and receiving antennas.

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## RADIO MEN HONORED AMONG "MODERN PIONEERS"

Outstanding scientists in the radio industry were honored Wednesday night in New York City at a dinner given by the National Association of Manufacturers in honor of "Modern Pioneers on the Frontiers of Industry". Silver plaques were given the honored guests, which included the following representatives of the radio industry:

Dr. Edwin H. Armstrong, Professor of Electrical Engineering, Columbia University; Dr. William David Coolidge, Director of the Research Laboratory, General Electric Company; Dr. Lee de Forest, Hollywood, Calif.; Dr. Irving Langmuir, Associate Director, Research Laboratories, General Electric Company; Dr. Vladimir Kosma Zworykin, RCA Manufacturing Company.

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## TEXAS STATION REVOCATION HEARINGS SCHEDULED

Public hearings have been ordered by the Federal Communications Commission in the cases of six Texas radio stations involved in revocation proceedings. Commissioner George Henry Payne has been designated to sit at the separate hearings which are scheduled as follows: KTBC, State Capitol Broadcasting Association, Inc. (Austin), at Austin, on March 5; KNET, Palestine Broadcasting Association (Palestine), at Dallas, March 7; KRBA, Red Lands Broadcasting Association (Lufkin), at Dallas, March 11; KSAM, Sam Houston Broadcasting Association (Huntsville), at Dallas, March 12; KAND, Navarro Broadcasting Association (Corsicana), at Dallas, March 11; KGKB, East Texas Broadcasting Company (Tyler), at Dallas, March 14.

In ordering these hearings, the Commission denied motion for continuance of hearing filed on February 26 in behalf of stations KTBC, KNET, KRBA, KSAM, and KGKB.

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## AGITATION FOR TELEVISION GROWS IN GREAT BRITAIN

The question of resuming some kind of television service has gained attention in the press and certain quarters of the trade, the American Trade Minister at London reports. Television transmissions at Alexandra Palace, London, were stopped on the outbreak of the war, so that enemy aircraft could not take bearings from the station's ultra short-wave signals and use the station for direction finding.

"One scheme which has gained rather wide discussion in the press and trade provides for television by telephone", the report to the Commerce Department said. "This scheme would enable the television program to be superimposed on existing telephone circuits without interfering with ordinary speech. The sponsor of this scheme, S. Sagall, Managing Director of Scopphony, Ltd., London maintains that his television by telephone plan could be available for homes and cinemas at an all-in-cost of 5 shillings a week.

"A copy of the memorandum prepared by Mr. Sagall, explaining and supporting his scheme for television transmission by telephone circuits, is available upon a loan basis upon application to the Electrical Division or through any of the District or Cooperative Offices of the Bureau, as well as comments regarding the plan by leading trade magazines. Naturally the strong fear of British manufacturers is that United States will gain the lead in television under present conditions, as if captured the film market during the last war. 'America would gain absolute commercial and technical supremacy in the field in which we held up to the outbreak of the war undisputed leadership', states Mr. Sagall, in defense of his proposal. A trade paper comments: 'During the Great War the United States was able to steal a march over Great Britain in the film industry, and with the closing down of wireless television in this war for reasons of national defense that country will almost certainly develop television to such an extent that this country will never be able to catch up. Already British television exporters are receiving offers from the United States, and at the moment there is nothing to keep them here.'"

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TRADE NOTES

Station WMAL, owned by the Washington Star, of Washington, D. C., has been named the winner of the annual engineering efficiency award given by the General Electric Company to the NBC-operated station with the lowest total of lost time through technical failures. It marks the second consecutive year WMAL has received the award. WMAL was off the air only one minute and two and one-half seconds during its regular operating schedule of more than 6600 hours during 1939.

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Ernest M. Werner, formerly with the Market Research Department of Young and Rubicam, Inc., has been named supervisor of all Columbia Recording catalogues and supplements by Patrick Dolan, Sales Promotion Director. In his new post, Mr. Werner will also direct, catalogue and supplement work for Brunswick and Vocalion popular records. In addition, he will handle Columbia's foreign language catalogues.

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A recorded series of thirteen safety programs, produced by the American Legion, will be shipped this week by the NBC Radio-Recording Division to 325 stations in the United States. Second annual transcribed series produced by the Legion under the title "The Legion of Safety", the 15-minute recordings are scheduled to be presented weekly, beginning March 4, and running through May 27.

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The American Minister at Montevideo reports that the Uruguayan exchange control has allowed \$480,000 controlled exchange for imports from the United States of several commodities, including radio materials.

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The tobacco industry, showing a 100 percent increase for the first month of this year over January, 1939, now is the third leading industry in expenditures on the Blue and Red Networks of the National Broadcasting Company. A breakdown of present NBC billings reveals the greatest weekly expenditure by tobacco interests in the history of radio. It shows a total of \$133,100, an increase of 100 percent over January, 1939, when the weekly billings were \$66,400, and an increase of 125 percent over weekly billings in January, 1938, when the figure was \$59,100.

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"Columbia Workshop Plays", containing 14 radio dramas, has just been published. The radio plays were selected and edited by Douglas Coulter, Assistant Director of Broadcasts for the Columbia Broadcasting System. The book sells for \$2.75.

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For the second consecutive year, Station WGAR, Columbia Broadcasting System outlet in Cleveland, has won the plaque awarded by Commercial Investment Trust, Inc., to the radio station adjudged to have done most to promote traffic safety by unusual and effective programs.

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#### BUCK WINS FIGHT WITH MONTANA BROADCASTERS

Governor Roy E. Ayers, of Montana, refused this week to ask extradition of Gene Buck, President of the American Society of Composers, Authors and Publishers, from Arizona on a charge of obtaining money under false pretenses, according to the Associated Press.

Mr. Buck was arrested at Phoenix, February 22, on a telegraphic warrant from Missoula, Mont.

County Attorney Edward T. Dussalt, of Missoula, said the charges were based on ASCAP notification to Montana radio stations and other enterprises that their licenses to play ASCAP-owned music would be revoked unless demands for payments were met.

Schwartz & Frohlich, general counsel for the American Society of Composers, Authors and Publishers, declare ASCAP is preparing to retaliate against the Montana broadcasters who caused the arrest of Mr. Buck. ASCAP, according to Variety, The law firm will ask the U. S. Department of Justice to bring indictment proceedings against Ed Craney, A. J. Mosby, J. Jacobsen and C. O. Campbell on the ground that they have wilfully and persistently violated the copyright law, it said. The Society has to date brought 110 infringement suits against the Montana broadcasters.

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