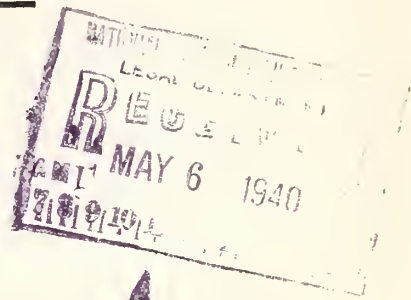


HEINL RADIO BUSINESS LETTER

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HEAVY AGENDA FACES FCC WHEN RECESS ENDS NEXT WEEK

Following a three weeks' recess, the Federal Communications Commission next week will again have a quorum and will tackle one of the heaviest agendas of unsettled problems it has had for many months.

The first meeting has been scheduled tentatively for May 7 at which time the more pressing matters will be discussed, but in view of their importance it is not expected that they will be decided at once.

FCC policies as to television development and the future of frequency modulation are being awaited anxiously by the radio industry so that manufacturers can begin making sets in accordance with FCC standards on both transmissions.

The FCC also faces the task of passing upon a reallocation of about 90 percent of the nation's 825 broadcasting stations to bring the United States into compliance with the Havana Treaty by late Summer or early Fall.

The long-delayed monopoly report is still pending before the FCC as unfinished business, but the prospects that it will be passed upon before Congress adjourns are remote.

The Commission also must select successors to William J. Dempsey, General Counsel, and William C. Koplovitz, Assistant General Counsel, who have resigned to enter private practice as soon as their jobs are filled.

The FCC has been at a virtual standstill since the conclusion of the second television hearings in mid-April. Only Commissioners Craven and Brown have been on hand to pass upon routine business.

Chairman James L. Fly went to Texas on a combined business and pleasure trip; Commissioner Walker went to the Pacific Coast to conduct hearings; Commissioner Thompson took a vacation; and Commissioner Payne returned to Texas to hold further revocation hearings. Commissioner Case has been ill several weeks in his Washington home.

As for television, indications are that the FCC will insist upon flexible transmission and reception. One current report is that the Commission may accept "temporary" standards of 507 lines and 30 frames, as proposed by the Radio Corporation of America at the close of the hearing.

Whether the FCC will decide to retain the status quo insofar as television channel allocations are concerned is the knottiest of the FM-television problems. Television now has seven channels, each 6,000 kc. wide, below 108 mc. FM wants television channel No. 1 ranging from 44-50 mc., which, together with the range from 42 to 44 mc. would give it a sweep of 8 mc., or 40 channels of 200 kc. each, to accommodate Armstrong wide-swing FM, and develop the new "static-free" broadcast service over an estimated 10-year transitory period.

The FCC engineers have devised some 15 possible solutions, on paper, for the FM-television allocations problem, but it is doubtful that any one would satisfy either faction entirely, and that some compromise will be developed. The key apparently is the willingness of the Government services, administered by Interdepartment Radio Advisory Committee, to contribute space it is not fully utilizing in the adjacent ultra-high bands. For example, the Government band 40 to 41 mc. might be allotted.

The standard broadcast reallocation, on paper, is slated for August 1, to which date all broadcast licenses have been extended. But it is next to impossible to meet that deadline, because of the diplomatic as well as procedural preliminaries which must be hurdled prior to the setting of the changeover date. It is expected now that Canada, Mexico, Cuba and the United States will finally agree on a continental "radio moving day" to occur about December 1st. The matter of putting into writing the "gentlemen's agreement" reached with Mexico, whereby six channels will be given that country on a guaranteed basis outside the terms contemplated in the treaty itself, remains to be accomplished at a meeting likely in Mexico City.

Rumors that several of the Mexican border stations due to be abolished with the actual promulgation of the treaty allocation, would be accommodated in some fashion, are emphatically refuted at the FCC and the State Department.

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JAPAN TO CELEBRATE INTRODUCTION OF WIRELESS

In commemoration of the 70th and 40th anniversaries, respectively, of the establishment of telegraph and wireless facilities in Japan, the Communications Ministry has decided to hold a "Communications Festival" in November, the U. S. Department of Commerce reports.

Among the many programs planned in celebrating the occasion are included the erection of commemorative monuments on the sites of the original telegraph and wireless offices. Ten years after Samuel Morse invented the telegraph, it was introduced to Japan by Commodore Perry. Most of the officials of the Bakufu (Federal Government) were under the impression that the new invention was an apparatus which transported mail suspended from wires.

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MARITIME RADIO TELEPHONY ARRANGEMENT WITH CANADA RENEWED

The Federal Communications Commission announced this week that its temporary arrangement with the Department of Transport of Canada, relative to the use of radio frequencies for short-distance maritime telephony, which expired March 31, 1940, has been renewed in modified form effective May 1, 1940, to continue in effect for an indefinite period.

This arrangement was modified in cooperation with other interested departments of the United States Government and, specifically, is part of an informal regional agreement adopted on October 21, 1933, by representatives of the Federal Radio Commission and the Canadian radio administration, as an aftermath of the North and Central American Regional Conference of Mexico City in 1933.

The new plan makes effective upon a regular basis the use of a common "calling-answering" frequency (2182 kilocycles) for voluntary use in the marine radiotelephone service on the Great Lakes, primarily to promote the safety of navigation on these waters and to expedite radiotelephone communication in times of emergency and distress. Many United States and Canadian vessels, as well as several life-saving stations of the United States Coast Guard and public service shore radio stations of both countries, have been equipped to communicate by telephony on this frequency. The agreement provides that this facility is available also to ships of other countries when in the Great Lakes area. Such ships normally carry English-speaking pilots while being navigated on these waters.

Prior to the adoption of this common "calling-answering" frequency, it was not possible for these various groups of radiotelephone stations to directly communicate with each other. In addition to the obvious advantages obtained by this standardized "contact" frequency, the new plan will provide a second radiotelephone "channel" for public coastal-harbor service in the vicinity of New York, N. Y.; will standardize and somewhat simplify ship radio-telephone apparatus on the Great Lakes; and is expected to minimize interference and improve the quality of service on these lakes.

The changes, which become effective at once, represent the second modification of the 1933 regional agreement. The first revision occurred in the early part of 1939 in response to a resolution sent to the Honorable C. D. Howe, Minister of Transport of Canada, and to Federal Communications Commissioner Thad H. Brown, by the American and Canadian vessel owners at a joint informal meeting of commercial and government representatives at Montreal, Canada, on January 9, 1939. In response to this resolution, several informal discussions have since been held by representatives of the Department of Transport of Canada,

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the Federal Communications Commission, the United States Coast Guard and other interested Government departments, radio station licensees, and vessel owners. These discussions led to the temporary plan which was in force on a more or less experimental basis from March 31, 1939, to March 31, 1940, and to the present refined arrangement which is effective from May 1, 1940, until the need arises for further changes, unless previously renounced by either of the two governments concerned.

The frequency bands covered by the new plan presently provide the sole means of ship-shore and ship-to-ship telephone communication over short distances (up to 150 miles) for more than 2000 vessels of this country and for several hundred Canadian vessels. The Commission is advised that 385 vessels are now subscribers to the ship-shore service in the New York area and that the number of messages handled at that point in 1939 was 11,684, or four times the number handled during 1938.

The existing rules of the Commission pertaining to ship and coastal services are in accordance with the modified regional arrangement. However, it will be necessary for ship and coastal-harbor stations operating in the New Orleans, Louisiana, and Ocean Gate, New Jersey, areas to have their frequency assignments changed by not later than August 1, 1940, to conform to the revised allocation in the 2100-2210 kilocycle and 2500-2600 kilocycle bands. Since the regional arrangement refers only to the voluntary use of radiotelephony, it is not inconsistent with the objectives of the Great Lakes survey (conducted under Section 602 (e) of the Communications Act of 1934) and does not conflict in any way with the U. S. Ship Act of 1912, as amended.

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RADIO AUDIENCE "I.Q." DECLARED HIGH

Concrete evidence that radio audiences may have a level of intelligence much higher than that with which they are usually credited was released recently by the University of California's School of Education. The data was obtained from a radio intelligence test conducted on the University Explorer program by Dr. Frank N. Freeman, dean of the school.

The average score of 2,331 persons who took the test was 29. By comparing the radio tests with carefully standardized scales, it was determined that average intelligence was represented by a score of 24 - 5 points below that of the radio audience. Expressed in I.Q.'s standard intelligence index, the score of the radio audience was 110. Normal, or average, I.Q. is only 100.

"It seems clear that the people who took this test are a superior group of persons", Dr. Freeman said. The high average,

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he indicated, may be accounted for by the fact that an abnormally large percentage of the audience consisted of those in the professional and higher business groups.

Dr. Freeman said that he plans to give another test on the Explorer program, possibly late in the Spring.

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WHAT FLY SAID ABOUT "REGIMENTING" TELEVISION

A statement of Chairman James L. Fly, of the Federal Communications Commission, with regard to "regimenting" the television industry during the hearing before the Senate Interstate Commerce Committee recently caused considerable comment and interpretation. Here is exactly what Chairman Fly said, according to the printed transcript.

Senator Lundeen (Farmer-Labor), of Minnesota, had accused Senator Reed (R.), of Kansas, of being in "favor of regimentation" when Mr. Fly resumed:

"Because I want you to know that if Congress has placed that duty upon us, as I have explicitly explained and read the duty here, to the extent of regimentation, then the answer is, 'Yes, we are going to regiment it', and if you do not want us to regulate those experimental frequencies, and if you do not want us to take the responsibility for fixing those transmission standards, and you want to let the thing run hog wild, or whatever you want to do, that is your discretion, but today that is duty upon us."

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BBC ADOPTS NEW POLICY ON NEWS BROADCASTS

"The British Broadcasting Corporation has been advertising for new announcers", the Radio Times reports. "Those who get the jobs will take their part in a new scheme that we have been hearing about from John Snagge, who has been in charge of announcing since the war began. Snagge, who began his own BBC career as an announcer nearly fifteen years ago, is all for the personal touch in introducing programs, but not in reading the News. So he plans to separate the two jobs to the extent of having one force of announcers whose job it is to introduce programs, and very often compare them, and a second force of news-readers, who will specialize in the News."

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RADIO ALLOCATIONS DESCRIBED BY THE FCC

The radio spectrum, or radio waves, is but one portion of the total electro-magnetic spectrum, the Federal Communications Commission points out in an informational release. The electromagnetic spectrum covers eight different classes of radiation - electric waves, radio waves, infra-red, visible light, ultra-violet, X-Rays, gamma rays, and secondary cosmic rays.

"The emission of this energy may be likened to the expanding ripples of water suddenly disturbed by a thrown stone", the FCC said. "However, electromagnetic energy travels in all directions.

"Since electromagnetic radiations have a common speed (that of light), their only difference is in frequency and wave length. 'Frequency' may be characterized as the number of these waves per second, and 'wave length' as the distance between successive waves.

"The divisions between the various classes of electromagnetic radiations are not definite. The lines of separation are based largely upon the effects and the particular method of producing the various emissions. Under certain conditions, some of these electromagnetic impulses may be seen, felt, or heard. Of the eight classes of electromagnetic radiations, that portion classed as 'radio waves' covers a relatively small part of the total electromagnetic spectrum.

"Radio facilities are extremely limited. In order to provide the maximum possible service for the benefit of the public, it is necessary to control and restrict the use of the available channels. As transmission by radio waves spans great distances, it has been found necessary to have international agreement on the proportion of available channels to be allocated for particular services. To prevent interference and confusion within our own country, it is necessary to further apportion the frequencies in the best interests of users.

"Besides the standard broadcast channels, our radio spectrum is shared by other primary services, such as: fixed, marine aviation, emergency, amateur, miscellaneous, experimental, Government, and broadcast services other than standard broadcast. These general service allocations cover various classes of station, including: relay, international broadcast, high frequency broadcast, non-commercial education, facsimile, television, point-to-point telephone and telegraph, agriculture press, coastal, telegraph and telephone, ship, aircraft, aeronautical, blind landing systems, airport, municipal and State police, marine fire, forestry, geological, mobile press, motion picture, amateur phone, telegraph and television, as well as experimental classes of stations."

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The present useful radio spectrum, in which channels are now allocated, ranges from 10 to 300,000 kilocycles, or in terms of wave lengths, from 30,000 meters to 1 meter. That portion below 100 kilocycles is popularly referred to as "long waves"; from 100 kilocycles to 550 kilocycles as "medium long waves"; from 550 to 1600 kilocycles as "broadcast"; 1600 to 6000 kilocycles as "medium short waves"; 6000 to 30,000 kilocycles as "short waves"; and above 30,000 kilocycles as "very short" or "ultra-short waves".

The band below 100 kilocycles is occupied by Government and commercial long wave fixed service stations.

From 100 kilocycles to the beginning of the broadcast band at 550 kilocycles, we have the medium long wave stations, as follows:

100 to 200 kilocycles - Government and private ship, coastal, and fixed service stations.

200 to 400 kilocycles - primarily Government aids to navigation, such as radio navigation for aircraft, and radio beacon service to ships, interspersed with airport on 278 kilocycles, direction finding on 375 kilocycles, and miscellaneous fixed stations.

400 to 550 kilocycles - Government and commercial ship and coast stations in the maritime service centered near the international calling and distress frequency of 500 kilocycles (600 meters).

The rest of the spectrum from the end of the "broadcast" band at 1600 kilocycles, involving the so-called "medium short", "short", and "ultra-short" wave bands, could be pictured as a many layered sandwich, with police, amateur, aviation, Government, ship, coastal, broadcast, mobile press, special services, experimental, television, fixed, forestry, and all other classes of stations providing varying depths of filling.

"Of course, this does not mean that all these bands are completely filled, the FCC concludes. "Radio communication is still undergoing change, and the Federal Communications Commission, in licensing individuals and firms to use the public's radioways, is charged with preparing for the future, as well as for the present. Hence, some channels are held open for future developments, while others already allocated, are subject to shift with changing events."

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"PIRATE" RADIO STATION LOCATED BY FCC INSPECTOR

The Federal Communications Commission Inspector in Charge at New York reports tracing and locating, at Passaic, N.J., an unlicensed radio station which had been a nuisance to and interfered with authorized broadcast programs.

The operation of this outlaw station was unique, in that it used frequencies assigned to regularly licensed stations and, in an attempt to make detection more complex, faked the call letters of regular stations using these channels. At one time it operated on 900 kilocycles, the frequency allocated WBEN at Buffalo, and employed those call letters. More recently it usurped the call letters of the Hartford Times radio station - WTHT, 1200 kilocycles, at Hartford, Conn.

In general, this "pirate" station broadcast phonograph recordings. Such unauthorized operation was quickly detected, and there was early complaint, but the task of tracing the culprit took a little time. The usual methods of detection were employed, that is, records were made of the illegal programs and subsequent bearings and measurements of the field strength eventually brought the investigators to an address on Monroe Street, in Passaic.

By this means the Commission feels that it has obtained sufficient evidence to secure indictment for violating Sections 301 and 318 of the Communications Act.

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ASCAP DONATES \$2,500 TO OPERA FUND

The American Society of Composers, Authors and Publishers this week donated \$2,500 to the fund seeking \$1,000,000 for the purchase of the Metropolitan Opera House and to aid the widening of the base of interest in opera. In an accompanying note, Gene Buck, President of the Society, wrote:

"No one living has a more sympathetic understanding or a deeper appreciation of what grand opera means to our people than myself. With this check go the wishes of our society and myself that your campaign will be blessed with success."

George A. Sloan, Chairman of the drive, disclosed that a study of the source of gifts "demonstrates that opera has a very wide and diverse field of supporters", adding, "the response to our appeal has clearly demonstrated that opera in America is universally appreciated."

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TRADE NOTES

Thirty radio stations headed by WMCA, New York, and WCFL, Chicago, launched the first of a new series of transcribed programs featuring "The Blue Beetle", the Robin Hood type character that is already popular nationally through newspaper syndication and in two comic magazines having a circulation of 2,500,000 monthly.

Howard Barlow, conductor of the Columbia Broadcasting Symphony, has been unanimously voted a Certificate of Merit as the "outstanding native interpreter" of American music of the 1939-40 season by the National Association for American Composers and Conductors. Presentation of the award is to be made tonight (Friday, May 3,) at the Association's annual reception at the Waldorf-Astoria Hotel in New York City.

Gross network revenue for the NBC networks for April, 1940, hit an all-time high, with the total figure of \$4,041,518 showing an increase of 13.5 percent over the April, 1939, figure of \$3,560,984. The record-breaking April revenue, which continues this year's individual monthly increases over 1939, brought the gross revenue figure for the first four months also to a new, all-time high of \$16,883,154, an increase of 8.8 percent over the comparable 1939 January through April figure of \$15,514,431.

Gross billings for time on the Columbia Network - prior to deductions for agency commissions and time discounts to sponsors -- totaled \$3,322,689 during April, 1940. The April figure brings the four-month cumulative total for 1940 to \$13,742,432.

Amateurs in Japan are mainly scholars and others carrying on research work in collaboration with the Department of Communications and the Japan Broadcasting Corporation, the American Commercial Attache, at Tokyo, reports. They are usually affiliated with the Japan Amateur Radio Society, with headquarters in Tokyo. Estimates as to the total number of amateurs in Japan Proper vary between 1,000 and 1,200. A select few are licensed to carry on short wave experiments, but the licenses for this purpose are granted only to those whose political views are entirely in accord with the existing order. Regular short wave reception is prohibited in Japan.

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PAGE GIVES HINTS ON IMPROVING PUBLIC RELATIONS

Arthur W. Page, Vice President of the American Telephone & Telegraph Co., recently gave some valuable hints for executives of the radio industry as well as other industries for improving public relations.

Mr. Page is a son of the late Walter Hines Page, wartime U.S. Ambassador to Great Britain and a brother of Frank Page, Vice-President of the International Telephone & Telegraph Corporation. His remarks were carried in the April issue of "Long Lines", an organ of employees of the Long Lines Department of the A. T. & T., New York City.

"All business begins with the public permission and exists by public approval", he said. "The public permission takes the form of charters, licenses and legal authorizations of one kind or another. Public approval is generally represented by reasonable profits, reasonable freedom of action and a few kind words. A lack of public approval is expressed in a good many ways - laws, regulations, commission rulings, investigations, public hostility and, most vital of all, by a lack of patronage.

"The purpose of public relations is to deserve and maintain public approval. Business has always had relations with the public. Business has always attended to this aspect of its job with varying degrees of success. In the days of little business, a man running an enterprise in a small community instinctively felt that he must get on well with the neighbors - which is public relations. But the larger units of modern business in the last generation or two have brought the problem of the contact of business with the general public more into the limelight. It is harder to get on with neighbors constituting a national market than those neighbors who live within a horse and buggy radius.....

"Public relations, therefore, is not publicity only, not management only; it is what everybody in the business from top to bottom says and does when in contact with the public. Anybody in the business can help sell his livelihood down the river or help build it up. In the telephone business and the railroad business, which are retail businesses, most of the contacts with the public are made by the operators, linemen, installers, repairmen and people in the commercial offices; and by freight solicitors, station agents, train crews, sections gangs. These people are the telephone business and the railroad business to most of the public and what they do and say constitutes a large part of public relations..

"The public is one of the most whimsical masters that anyone ever saw. The business must be prepared to meet new aspects of public opinion which arise at any minute. Not only that, but the public may have three or four opinions at once. We have been questioned by one group for having too much debt; by another for not having enough; by one group for not hiring old people,

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and by another for not hiring enough young ones. At one time the public would be censuring us for building ahead of the depression, and another group for not doing so.....

"Adjusting a big business to a democracy is operating it in the public interest with good humor, reasonableness and politeness. If this is done with some skill and some luck it ought to work out. There are hazards enough to make it exciting, rewards enough to make it worth while, and always the chance that if it succeeds we may be helping to make a little better country to live in, as well as a more satisfactory life for ourselves. For, after all, one of the great satisfactions of life is to serve the public of one's time and generation in a way that commands its respect and liking."

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FOOD AND FOOD BEVERAGE LEADS CBS ADVERTISING

The Columbia Broadcasting System, whose billings for the first quarter of 1940 recorded a new high in network history, reports that the food and food beverage industry led all other CBS classifications in 1940 as in 1939. Following food and food beverages, drugs and toilet goods, cigarettes and tobacco, and laundry soaps and household supplies ranked in that order in expenditures on the Columbia Network during the first quarter of 1940, keeping the same positions as last year. These "big four" advertising industries increased their volume of advertising on CBS 32.6% in this period over the same period last year.

The food and food beverage industry, the leader on CBS, spent 69.9% more in the first quarter of 1940 than in the same period last year; 25% more than the industry spent on any other network. Drugs and toilet goods increased their CBS billings this year by 14.8%.

The tobacco industry spent more money on Columbia in the first quarter of 1940 than on any other network. It represented an increase of 11.6% over last year's figure and maintains the industry in third position in total expenditures on CBS, being responsible for 14.8% of the total billings.

The "big four" of radio advertisers is completed by the laundry soaps and household supplies group, which increased its total expenditures on CBS second only to food and food beverage, jumping 16.2% over last year.

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