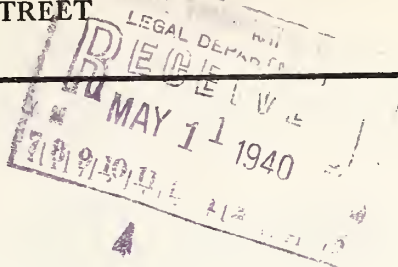


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET


WASHINGTON, D. C.



INDEX TO ISSUE OF MAY 10, 1940

RCA And DuMont Clash As FCC Ponders Television.....	2
C.I.O. Radio Union Head Attacks Dies.....	3
Joseph L. Rauh, Jr., Appointed FCC Assistant General Counsel...	4
G.O.P. Convention To Be Doubly Televised.....	4
Dutch Fight To Bar U.S. Radio Imports By Java.....	5
Railroad Yard Radio Communication Test Authorized.....	6
Lubcke Gets Aperture Patent For Television Camera.....	6
St. Louis Radio Problems Eliminated By FCC Orders.....	7
Spain Proposes To Establish Radio Tube Factory.....	7
Wheeler Sees F.D.R. "Draft"; To See President.....	8
Radio Used To Eliminate Airport Hazard.....	8
Study Of Radio Crime Dramas Urged.....	9
Trade Notes.....	10
100 Television Sets Now Sold Weekly In New York.....	11
1940 Set Ads Start; Boom Year Forecast.....	11
Large Television Screen Shown By RCA.....	12

No. 1233



RCA AND DuMONT CLASH AS FCC PONDERES TELEVISION

The Radio Corporation of America and the Allan B. DuMont Laboratories, Inc., clashed in briefs filed with the Federal Communications Commission this week as the FCC pondered what to do about television. No action by the Commission is expected before next week.

The RCA charged the attitude taken by DuMont in the recent television hearings "may not be without an impelling motive" in its brief.

"The motion-picture interests which are financing DuMont Laboratories have a much greater financial state in the movie industry than they have in television", RCA asserted, referring to the interest of Paramount Pictures in DuMont.

"Their recent interest in television is primarily for the purpose 'of protecting' their larger interest in the movie and theatre industry and not to develop the new art of television", it went on. "Therefore they desire the adoption of systems and methods that would make television inferior rather than superior to motion pictures.

"The interest in television on the part of DuMont Laboratories must be to serve those who find the working capital - Paramount Pictures, Inc. Regardless of any interest which Allan B. DuMont has personally, as a radio engineer, in the development of television, it is impossible to ignore the interest of Paramount Pictures, Inc., in the DuMont Laboratories."

In the hearings on television standards begun in April by the Commission, DuMont sought rules permitting flexibility in frames and lines as against standards of the Radio Manufacturers' Association.

The RCA statement was described as a "red herring" by Paul Raibourn, Treasurer of DuMont. The real issue, he said, is whether the consumer is to be served with "flexible standards and television sets which will not become obsolete too quickly".

"Paramount does not control the Allen B. DuMont Laboratories", he said. "The DuMont Company's sole request to the FCC has been to maintain flexible standards instead of the rigid ones proposed by RCA and the Radio Manufacturers' Association. Affiliates of Paramount Pictures in Chicago and Los Angeles have filed applications for television transmitting stations in their respective cities."

Mr. Raibourn is Treasurer of Paramount Pictures as well as Treasurer of DuMont.

Allen B. DuMont, President of Allen B. DuMont Laboratories, reiterated that the control of his organization is in his hands and that he formulates its policies.

"It doesn't make sense, that we in the television business would want to hold up television", he said. "For several years we have been trying to put up a station in New York, but only recently were we licensed to do so by the FCC. The Commission knows our position exactly. It is stated in our brief. We have no secrets."

X X X X X X X X X X

CIO RADIO UNION HEAD ATTACKS DIES

Mervyn Rathborne, President of the American Communications' Association, a C.I.O. affiliate, said this week that the Dies Committee is being utilized by employers to beat down powerful and successful labor unions "on the eve of contract negotiations with such unions".

Mr. Rathborne came to Washington to appear before the Committee at 1 P.M. on Wednesday.

The Dies Committee on April 24th recorded and publicized a great deal of phoney testimony from Fred H. Howe to the effect that the American Communications' Association was communist-dominated", Rathborne said. "The Dies Committee made no effort to seek out substantiation of Howe's wild assertions or to get the union's side of the picture. I had to demand to be heard by Dies and I hope the Committee will give me a fair chance to present our side.

"It cannot be mere coincidence that the Dies Committee attack on the American Communications Association comes on the eve of contract negotiations, on a nation-wide scale, between the ACA and the Radio Corporation of America and the Postal Telegraph Company."

X X X X X X X X

The Federal Communications Commission this week cancelled a hearing set on the application of William F. Huffman, of Wisconsin Rapids, Wis., for a construction permit and authorized him to build a new broadcasting station for operation on 1310 kc. with 100-250 watts power, unlimited time.

X X X X X X X X X X

JOSEPH L. RAUH, JR., APPOINTED FCC ASSISTANT GENERAL COUNSEL

The Federal Communications Commission this week announced the appointment of Joseph L. Rauh, Jr., as Assistant General Counsel, to succeed William C. Koplovitz. Mr. Rauh has resigned as Assistant General Counsel of the Wage and Hour Division of the Department of Labor to assist Telford Taylor who, on May 6, was announced to become General Counsel of the Commission, succeeding William J. Dempsey, who will enter private practice with Mr. Koplovitz.

Mr. Rauh was born at Cincinnati, Ohio, on January 3, 1911. Entering Harvard College in 1928, he was graduated therefrom magna cum laude in 1932. He enrolled at Harvard Law School, from which he was graduated at the head of the class of 1935. He was on the Harvard Law Review. From 1935 to 1936, Mr. Rauh was a member of the legal staff of the Securities and Exchange Commission. In 1936 he became law secretary to Associate Justice Benjamin N. Cardozo of the United States Supreme Court, serving in that capacity until the death of the Justice in 1938.

Joining the legal staff of the National Power Policy Committee, Mr. Rauh was thus engaged from July, 1938, to January, 1939, when he became law secretary to Associate Supreme Court Justice Felix Frankfurter. In March, 1939, Mr. Rauh became associated with the Wage and Hour Division of the Labor Department.

X X X X X X X X X X

G.O.P. CONVENTION TO BE DOUBLY TELEVISED

For the first time in history, television will broadcast pictures and proceedings of a National Convention when the Republicans convene in Philadelphia June 24th.

Chairman John Hamilton of the Republican National Committee announced this week in Washington that two television units of the National Broadcasting Co. and one of the Philco Radio and Television Corporation will televise the convention to an estimated 43,000 persons in six Eastern States. Mr. Hamilton said the Republican Party as "the party of private enterprise" welcomed the chance "to provide an opportunity for a new industry to stride forward in honest American fashion".

"It was but a few days ago that the New Deal, through its dominated Federal Communications Commission, struck vigorously at this very industry by bluntly commanding it to cease its efforts at merchandising", said Mr. Hamilton in a statement. "We of the Republican Party sincerely hope that public interest accruing to television by reason of its use at the 1940 Republican convention will more than offset the setback given this new industry by the New Deal."

The television companies estimated that 40,000 persons in New York, New Jersey, Connecticut, Rhode Island, Pennsylvania and Massachusetts in the NBC area will see and here the broadcast, as will about 3000 more in the Philco (Philadelphia) area)

X X X X X X X X X X

DUTCH FIGHT TO BAR U.S. RADIO IMPORTS BY JAVA

The American Trade Commissioner at Batavia, Java, reports to the U. S. Bureau of Foreign and Domestic Commerce that the Dutch radio company, N. V. Philips Gloeilampenfabrieken, of Eindhoven, has resorted to the courts to block the Javanese imports of American-made radio sets and is considering establishing a plant to manufacture sets and tubes in the Netherlands Indies.

The Java representative of Philips, according to the consular report, petitioned the President of the Court of Justice at Batavia a short time ago to grant a temporary injunction against the Association of Radio Listeners in the Netherlands Indies, (B.O.R.A.N.I.) Batavia, in connection with the importation by the Association of radio receiving sets of foreign origin, in this particular case, sets of American manufacture, but it was rejected on the grounds that this transaction by the Association was not of a commercial nature. Philips has appealed the case to Supreme Court.

"It had been previously reported that 23 American-made sets had been seized by the Customs authorities at Tandjong Priok (port of Batavia) but that they were passed after the tubes had been removed", the U. S. Trade Commissioner said. "This was the result of a civil suit brought against the Government by the Association. The tubes were sent to the Technical Laboratory of the Post, Telegraph and Telephone Service at Bandoeng at the request of B.O.R.A.N.I. and the instance of the Attorney-General to determine whether any of Philips' patent rights had been infringed by the manufacturer. Meanwhile, Philips' representative requested the President of the Court for an injunction prohibiting the defendant from distributing the receiving sets among its members or otherwise circulating them, the argument being advanced that this Association is operating on commercial lines when ordering and distributing radio receiving sets and/or parts. This case is consequently analogous to the N.I.R.A.V. case on which judgment was pronounced a short time ago. The Technical Laboratory reported recently that four Philips' patents are involved in the radio receiving sets, and seven in the tubes, in question.

"The Government of the Netherlands Indies, at the suggestion of the Office of the Procurer General, has instructed the latter to institute legal proceedings in cassation with the Supreme Court concerning old judgments - which became final in the lower courts - regarding the importation of radio receiving sets. A decision must be reached as to whether or not the importation of radio receiving sets ordered direct from manufacturers and/or dealers in foreign countries and intended for private use in this country is in violation of the Patents.

"Philips Gloeilampenfabrieken is reported to be considering the establishment of a factory in the Netherlands Indies for manufacturing radio receiving sets and tubes. This factory, which is to be established at Surabaya, is to be placed in operation in case war conditions impede the regular supply of these

5/10/40

articles to this market. If the stagnation in supplies is not considerable, the goods in question will be obtained, for the time being, from the Philips factory in Australia, which has an adequate production capacity. It is understood that the construction of a factory in the Netherlands Indies will be undertaken only as a last resource.

"There were 88,955 radio receiving sets licenses in force in the Netherlands Indies on December 31, 1939 as against 70,909 at the end of 1938."

X X X X X X X X X

RAILROAD YARD RADIO COMMUNICATION TEST AUTHORIZED

Experiment in radiotelephone communication between the central control tower of a railroad freight yard and locomotives therein is proposed by the Central Railway Signal Company, of Proviso, Ill., which this week received authorization from the Federal Communications Commission for that purpose. The company was issued construction permits for two Class II experimental stations at Proviso, each to operate with 15 watts power, A3 transmission. One will use 300,000 to 400,000 kilocycles, and the other 35,460, 37,140, 39,140 and 39,540 kilocycles.

Such communication will be limited to the railroad classification yard. The messages to be transmitted will consist of orders relative to the classifying and sorting process in moving freight. The authorizations are for experimental purposes only. If the demonstration is successful, applications for operation on a permanent basis will be received from railroads interested in such service.

X X X X X X X X X X

LUBCKE GETS APERTURE PATENT FOR TELEVISION CAMERA

Harry R. Lubcke, Director of Television for the Don Lee Television System, has obtained U. S. Patent No. 2185640, which concerns the achievement of optical apertures for television use many times smaller than the physical apertures which are not utilized. Means are also shown in the patent application for insuring accurate time relation between synchronizing and image pulsations.

X X X X X X X X X

ST. LOUIS RADIO PROBLEMS ELIMINATED BY FCC ORDERS

Serious and long standing problems involving radio stations in the St. Louis area are near solution as a result of a series of orders issued this week by the Federal Communications Commission.

The stations concerned are KSD, KFUD, KXOK, WGBF, KFRU and KWK. As a result of the FCC action:

KSD, St. Louis, will operate unlimited hours on 550 kc, with power of 5 KW day, 1 KW night, effective not later than July 1, 1940.

KFUD, St. Louis, will change from 550 to 830 kc., 1 KW day and night, local sunrise to sunset at Danver, Colo., effective not later than July 1, 1940.

KXOK, St. Louis, will change from 1250 to 630 kc., 5 KW, unlimited hours, with directional antenna.

WGBF, Evansville, Ind., will switch from part time on 630 kc. to 1250 kc., unlimited hours, 5 KW day, 1 KW night, with directional antenna.

KFRU, Columbia, Mo., will change from 630 kc. part time to 1370 kc. unlimited hours, 250 watts.

KWK, St. Louis, was granted a petition to reinstate application for permission to operate unlimited hours with 5 KW on present frequency, 1350 kc. It was granted a construction permit to cover directional antenna system subject to approval of the Commission. KWK's application for change to 630 kc. has been designated for hearing.

X X X X X X X X

SPAIN PROPOSES TO ESTABLISH RADIO TUBE FACTORY

The American Ambassador at Madrid has reported to the U. S. Commerce Department that the Ministry of Industry and Commerce proposes the establishment at Madrid of a new industry for the manufacture of radio tubes and similar commodities. According to the resume of a petition published through the Delegacion de Industria de Madrid, on behalf of Luis Figueras and Alonso Martinez, the new company, if approved, will have a capitalization of 4,000,000 pesetas. It will be necessary to import machinery and equipment for the new plant valued at 1,141,504 pesetas, and the annual imports of raw materials are estimated at 130,000 pesetas. Production is estimated, on an annual basis, to embrace the following products: 360,000 glass radio tubes; 240,000 metal radio tubes; 2,000 broadcasting tubes; 80 diathermic tubes; 750 rectifying mercury vapor tubes; and 300 X-Ray tubes.

X X X X X X X X

WHEELER SEES F.D.R. "DRAFT"; TO SEE PRESIDENT

A forecast that President Roosevelt "undoubtedly will be drafted" for a third term nomination came this week from one of the principal Democratic presidential contenders - Senator Wheeler (D.), of Montana.

Senator Wheeler, who handles radio legislation in the Senate, predicted the President would reject the nomination. The Montana Democratic liberal, a candidate only if the President does not run, has been invited to the White House Monday to discuss legislation.

Officially, Senator Wheeler has been called to the White House to discuss the communications problem, and if other subjects figure he said they would be incidental. It is probable that television will be covered in the conference. The Montana Senator reiterated his belief that the President could turn thumbs down on any proposed nominee not of his choosing, and, within a wide range, name the next nominee.

X X X X X X X X X X

RADIO USED TO ELIMINATE AIRPORT HAZARD

To eliminate a hazardous condition which exists at the Los Angeles and Santa Monica, Calif., airports, the Federal Communications Commission has announced temporary authorizations for the use of the radio frequency of 272 kilocycles for controlling aircraft at these airports pending ultimate decision on applications by four airports in that vicinity and the prospective use of ultra-high frequencies for aircraft control. At the same time, the Commission temporarily granted the Union Air Terminal, at Burbank, and the Long Beach Municipal Airport continued use of 278 kilocycles.

This action was taken upon recommendation of Commissioner Paul A. Walker, who last month held hearings in Los Angeles on all four cases. Commissioner Walker points out that the Union Air Terminal and the Long Beach Municipal Airport have operated radio control towers for several years, sharing the 278 kilocycle frequency, which is the only one available at this time for such purpose. The Santa Monica and Los Angeles airports have attempted to control air traffic through the use of a light-signal gun. Witnesses for the Civil Aeronautics Authority and these applicants have shown that this is not satisfactory.

The maximum separation between any of the four airports is about 30 miles. Two of them are within 10 miles of each other. They are all busy airports. Statistics of the Civil Aeronautics Authority comparing these four airports with the 62 major airports show all four to be far above the average from a traffic standpoint. However, two of the airports, Burbank and Long Beach,

which are separated approximately 30 miles, have used a common frequency with results mutually satisfactory. Santa Monica and Los Angeles Airports have indicated that satisfactory working arrangements could be devised to make common use of a single frequency.

The Civil Aeronautics Authority has suggested, and the Interdepartmental Radio Advisory Committee has approved, the release of the 272 kilocycle frequency for assignment by the Federal Communications Commission for aircraft control purposes at Santa Monica and Los Angeles airports only.

Commissioner Walker hopes that ultra-high frequency for aircraft control purposes may be in general use by March 1, 1942. Accordingly, he recommends that the Commission prepare a report based upon the record made in the Los Angeles hearing, pointing out specifically the necessity for expedition in the development of ultra-high frequency equipment for the purpose of aircraft control, and that the use of these frequencies offers the only satisfactory solution of the problem of aircraft control in the large centers of the United States.

Meanwhile, the temporary arrangement in the Los Angeles area is expected to be a great improvement over previous conditions whereby two of the four airports did not have any radio control facilities.

X X X X X X X X

STUDY OF RADIO CRIME DRAMAS URGED

Special study of the influence crime dramatization on radio programs may have on crime was proposed to the Federal Bar Association this week by Dr. H. Milton Colvin, Chairman of the Association's Committee on Criminal Law and Procedure.

"These radio presentations are doubtless well intended", said Dr. Colvin, "but the life of the criminal frequently is made so exciting that some young listeners have difficulty in deciding whether they would rather be the lawbreaker or the detective."

Dr. Colvin declared he had heard of instances in which criminals admitted adapting methods described on radio programs. He quoted a recent news story in which a Midwestern police official said he listened to a Nation-wide "crime doesn't pay" radio program each week to find out what new tricks juveniles in his district would be working during the coming week.

The study, if approved, would be made by the Committee on Criminal Law and Procedure.

X X X X X X X X X

::::
 :::: TRADE NOTES ::::
 ::::

The Federal Communications Commission this week released a mimeographed list of currently available FCC publications of general interest with information as to where they may be obtained and their cost, if any.

Plans have been completed for the Educational Conference on Radio to be held at the University of Texas on May 31 and June 1 under co-sponsorship of the National Broadcasting Company and the University of Texas. Dr. James Rowland Angell, NEC Educational Counselor, announced this week. The conference is to be attended by many station managers and public service directors of NBC affiliated stations, members of the University faculty, and several hundred teachers of Texas and adjoining States.

"Radio at Ultra-High Frequencies" is the subject of a series of technical papers by RCA engineers, assembled and published this week by RCA Institute Technical Press, New York City.

Am getting copy

An all-time high in the number of NBC affiliated stations will be reached in June when the total hits 189 with the addition of KRBM, Bozeman, Montana, and WSJS, Winston-Salem, N.C. KRBM, which joins NBC on Saturday, June 1, operates full-time on 1420 kc., with power of 250 watts. WSJS is licensed to the Piedmont Publishing Company and operates full-time on 1310 kc., with power of 250 watts.

The Federal Communications Commission has ordered a hearing on the application of the Arlington Broadcasting Corp., Arlington, Va., for a new radio station. The company filed an application several months ago for permission to operate on a frequency of 1420 kilocycles, with 250 watts power and unlimited time. The transmitter site has not been determined. The hearing date will be fixed later.

April, 1940, was the greatest single month in spot and local sales revenue from the 15 stations programmed by the National Broadcasting Company. Revenue for this month amounted to \$529,116, an increase of 36 percent over the April, 1939, figure of \$387,999. The April increase continues the upward trend of the record-breaking first four months of this year with the total spot and local revenue for the 15 NBC programmed stations reaching \$1,975,078, an increase of 34 percent over the figure of \$1,477,738 for the first four months of 1939.

X X X X X X X X X X

100 TELEVISION SETS NOW SOLD WEEKLY IN NEW YORK

Radio Today has just completed a survey of the metropolitan area to find out how many television sets are now being sold by radio dealers in New York and vicinity, and also what number of such sets may be expected to move in response to public demand as soon as the Federal Communications Commission lifts its present ban on television commercialization.

"Our census of dealers and manufacturers doing business in the New York City area indicates that at least 100 television sets are now being sold each week without any advertising or promotion as a result of the public's demand for television and despite the FCC's recent cautionary statements regarding television", Dr. O. H. Caldwell, editor, said.

"At first, upon the FCC Chairman's outburst against television, television-set sales dropped off to ten sets a week. But as rapidly as the public discovered that entertaining television pictures were still on the air, people resumed buying sets. Such sales have now again reached a definite average of 100 sets weekly, from Radio Today's survey just completed.

"Dealers tell us that as soon as full-commercial television is available, with CBS joining NBC on the television channels, they expect to increase their present sales fivefold; that is, to be selling a total of 500 television sets a week in the New York metropolitan area.

"This represents 25,000 television-set sales a year unleashed immediately in the New York region, as soon as the FCC gives its long-delayed authorization. With Boston, Hartford, Philadelphia, Schenectady and Washington linked for television service, the number will at once increase to 50,000 sets yearly, representing sales of \$10,000,000 available for employment and payrolls, but all now held up awaiting FCC 'go-ahead'."

X X X X X X X X

1940 SET ADS START; BOOM YEAR FORECAST

First advertising for the 1941 radio sets has just appeared, with Zenith using newspapers to call attention to its new models, which will be available in stores shortly, the New York Times' business page noted the first of this week. Other leading manufacturers are expected to start breaking campaigns shortly, with indications that advertising volume will follow sales figures and show sizable increases over last year.

Current sales figures point to another record year for the sale of radio sets. First quarter volume is estimated at between 1,900,000 to 2,000,000 sets, as against 1,569,000 for the like period of last year. The presidential campaign and war news are the two chief reasons why manufacturers expect sales to continue to spurt.

X X X X X X X X

LARGE TELEVISION SCREEN SHOWN BY RCA

Television on a screen measuring $4\frac{1}{2}$ by 6 feet was demonstrated before the annual meeting of the stockholders of the Radio Corporation of America in New York Tuesday as President David Sarnoff forecast that "in time, television is bound to revolutionize the broadcasting industry".

Detail on the enlarged images, which compared with the 8 by 10 inch screen used on home receivers now on the market, was excellent. In fact, viewers in the rear of the NBC studio where the meeting was held could see perfectly despite the distance of nearly 80 feet from the screen.

In introducing the test, Mr. Sarnoff said that the $4\frac{1}{2}$ by 6 foot screen was an intermediate step, the next, ready in three months, to be on a 9 by 12 foot screen, full theater size.

The Corporation reported March quarter net profit of \$2,312,893, equal to 11 cents a share on common after preferred dividend requirements, a big jump compared with the \$1,448,110, or 4 cents on common, for the 1939 March quarter.

Gross volume of RCA in the first quarter totaled \$28,310,407, a gain of 13 percent over \$25,004,989 in the 1939 March quarter. David Sarnoff, President told stockholders at the annual meeting.

Earlier Mr. Sarnoff announced that a quarterly dividend on the outstanding shares of the Corporation's \$3.50 cumulative convertible first preferred stock, and a quarterly dividend on the outstanding shares of "B" preferred stock, were declared at the regular meeting of the Board of Directors held last week.

The dividend on the first preferred stock is $87\frac{1}{2}\%$ per share, and the dividend on the "B" preferred stock is \$1.25 per share. These dividends are for the period from April 1, 1940, to June 30, 1940, and will be paid on July 1, 1940, to stockholders of record at the close of business June 7, 1940.

The RCA building at the New York World's Fair has been enlarged, a new main gate facing the Long Island Railroad station added and an auditorium has been installed in which movies of the latest television achievements are shown.

Ten small air-conditioned living rooms have been equipped with television receiving sets, and there is a television transmitting station. A thirty-foot fishing cruiser is anchored in the garden pool and live Florida fish in the water, stuffed fish on the dock, serve as a stage for television broadcasts. Part of the new wing houses a facsimile broadcasting demonstration. The electronic microphone, a brand-new-by-product of RCA laboratories, is to be displayed. A radio assembly line will be in operation, and the visitor may buy the set he has watched being put together.

X X X X X X X X X