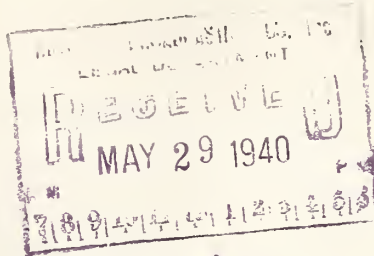


# HEINL RADIO BUSINESS LETTER

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## TELEVISION COMMERCIALIZATION BY FALL FORECAST

An agreement within the infant television industry that will pave the way for complete commercialization by Fall was forecast in quarters close to the Federal Communications Commission following the release of the FCC decision that visual broadcasting would remain "experimental" until the industry agrees on uniform transmission standards.

The FCC, which was put on the spot six weeks ago when it abruptly rescinded its previous order allowing limited commercial television on September 1 next, apparently had turned the tables on the industry by putting it in a position of holding up commercialization by internal discord.

The Radio Manufacturers' Association will take up the FCC challenge at its annual meeting in Chicago, June 11-12. However, the Allen B. DuMont Laboratories, Inc., which is the chief rival of the Radio Corporation of America in the television field, is not a member of the RMA. Consequently, further conferences at which DuMont is represented doubtless will follow the RMA meeting.

The FCC decision - 29 mimeographed pages in length - was largely devoted to a defense of its previous action and was interpreted by part of the industry as a face-saving move before giving television a full "green light".

On the other hand, it was admittedly a shrewd ruling that shifted the responsibility for delay from the FCC to the industry.

While the Commission made no specific promise that it would authorize complete commercialization as soon as the majority of the industry is in accord on transmission standards, the implication was plain.

The FCC press release, in fact, was even stronger than the Commission's own decision in this respect.

"Full commercialization of television was today promised by the Federal Communications Commission as soon as the engineering opinion of the industry is prepared to approve any one of the present competing television systems", the press release stated.

The Commission's order went on to say:

"As soon as the engineering opinion of the industry is prepared to approve any one of the competing systems of broadcasting as the standard system the Commission will consider the authorization of full commercialization."

The FCC took another pot shot at David Sarnoff, President of the Radio Corporation of America, whose newspaper advertisements caused the Commission to withdraw its former order granting limited commercialization of television September 1 and to hold a second hearing last April.

"It is obvious", the FCC commented, "that the industry as a whole does not share the RCA view of forging ahead regardless of the untested possibility of improvements on the horizon."

"It further appears that the industry was not prepared to accept Sarnoff's premise of 'We live on obsolescence' as a basis for justifying a heavy public investment at current levels of efficiency."

The FCC in its decision blew hot and cold at times. In one place it stated that monopoly must be guarded against; yet it insisted that a single system of television transmission is essential. It stated in one portion of the report that "standards of transmission should not now be set", and yet a little later it invited the industry to confer with the FCC at once with the idea of solving the problems blocking commercialization.

The conclusion of the Commission's report follows:

"The rules adopted by the Commission on February 29, 1940, were intended to provide for a more rapid development of television by permitting programming experiments concurrently with necessary technical research leading to establishment of transmission standards by the Commission. Subsequent events, however, have demonstrated that commercial television broadcasting without the complete cooperation of the manufacturing industry, is irreconcilable with the necessary objectives of further technical research and experimentation."

"The positions of the different companies on this whole problem cannot be viewed with total disregard of the patent interests of competing manufacturers which find expression in a desire to lock the scientific levels of the art down to a single uniform system based in whole or in part upon such patents. The functions of this Commission are not to be usurped and utilized as a means of monopolizing this important industry either through this or other devices."

"It is essential to the program of television that there be not a mere semblance of competition, but that there be a genuine and healthy competition within an unfettered industry."

The American system of broadcasting has been established by the Congress on a competitive basis. Television will be an important part of that system. Now, if ever, television is at the crossroad of monopoly or a healthy progressive competition. There can be no doubt as to the direction in which the Commission should, within its powers, attempt to guide it.

"The fluid state of the television art and the desirability and need for further technical research before transmission standards are prescribed by the Commission were once again clearly manifested at the Commission's most recent hearing. Engineering opinion on many of the basic problems is still divided at this time. The industry now is no less anxious to continue further engineering improvements on basic aspects of the science than it was at the time of the Commission's earlier hearing. RCA's own engineering expert, for example, testified that his preference was for a system using 507 lines and 30 frames rather than the existing RMA standard of 441 lines and 30 frames. And in fact the very basic problem of what channel width or band of frequencies television shall employ must be regarded as a question not yet closed.

"Contrary to the experience of other industries which have found that technical improvements were stimulated by large public use, in the television field a major portion of the industry takes the view that successful promotional activities at this time can act only as an anchor on experimental efforts to go forward. Premature crystallization of standards will, as has thus been pointedly illustrated to the Commission, remove the incentive for technical research toward higher levels of efficiency. If technical research having this goal is retarded or halted, the Commission's duty to fix transmission standards with due regard for considerations of public interest will have been, for all practical purposes, nullified.

"It is, therefore, the conclusion of the Commission that in order to assure to the public a television system which is the product of comparative research on known possibilities, standards of transmission should not now be set. It has further been decided that there should be no commercial broadcasting with its deterring effects upon experimentation until such time as the probabilities of basic research have been fairly explored. The Commission agrees with the industry that the earlier plan for arriving at commercial operations by an intermediate half step of partial commercialization to be taken next September cannot be relied upon to serve a useful purpose. The provisions in the rules for Class II stations will be eliminated. As soon as the engineering opinion of the industry is prepared to approve any one of the competing systems of broadcasting as the standard system the Commission will consider the authorization of full commercialization. That a single uniform system of television broadcasting is essential - so far as basic standards are concerned - must also be amply clear. The public should not be inflicted with a hodge podge of different television broadcasting and receiving systems.

"It may be expected that industry opinion will insist upon such standards as will give definite assurance of satisfactory performance and of continuity of service for the public comparable to the continuity of service displayed in the past history of the radio industry. At the same time these basic standards - the standard gauge they may be termed - should afford within their limits reasonable flexibility for future advances in the science of television broadcasting. With the view to encouraging research and experimentation on a wholly flexible basis, the Commission is prepared to authorize broader, experimental operations by existing stations and by a number of additional stations.

"Action will be taken promptly upon a number of pending applications for television experimental stations. These will be apportioned among various parts of the country with the view of forestalling any concentration of facilities in particular centers of population to the exclusion of the rest of the country. At the same time this will serve to provide further experimentation on the different systems on a comparative basis. Among the additional cities under consideration for such facilities are San Francisco, Los Angeles, Chicago, Washington, Albany, Cincinnati, Boston, and others. Each station will be utilized for the predominant purpose of advancing the science of television broadcasting in its engineering aspects. The Commission invites other responsible individuals or companies who are prepared to carry on this work to apply for a license.

"Certain basic policies in the licensing of these experimental operations will be followed. A substantial job of research must be done by each station. The channels available are strictly limited, and they must be utilized in the public interest. The radio spectrum is public domain - development in television must be undertaken and advanced in order that this domain be devoted to the best public use. There is no room for squatters and there can be no preemption in this field. Monopoly must be avoided. Free competition is to be promoted and preserved. Accordingly the Commission deems it to be in the best interests of the public that there be a strict limitation on the number of authorizations to any one licensee for television broadcast stations which as a part of the experimentation may take programs to the public. In addition, rules for the regulation of television stations engaged in chain broadcasting will be promulgated at an appropriate time.

"No time limit can now be set for the adoption of standards. The progress of the industry itself will largely determine this matter. The Commission will continue its study and observation of television developments and plans to make a further inspection and survey in the early Fall. Meanwhile the Commission stands ready to confer with the industry and to assist in working out any problems concerned with television broadcasting.

"Revised rules designed to carry into effect the conclusions reached herein will be issued in the near future."

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## U.S. MILITARY WILL NOT TAKE OVER BROADCASTING

A high official in the War Department told this writer that if the United States entered the war, military officials would not take over broadcasting. He said that it would be under civil control.

"Taking over broadcasting by the Army would involve censorship and we have far too many other things more immediately concerned with combat to have to take on that responsibility."

This official said that the time most feared by this Government, if we went in, is the first two weeks.

"So far as radio is concerned then", a prominent broadcaster asked, "it would be 'Business As Usual'."

"We most certainly don't want a radio blackout", he replied.

The broadcaster suggested that there should be a radio dress rehearsal, exactly what we would do and how we would do it.

"Whereas sometime ago there was little real interest in national defense, recently there has been an almost unbelievable change and now everybody wants a rehearsal. I do think, though, a dress rehearsal of exactly how radio facilities would be handled in time of war would be a good thing."

Although the official was not specific he gave the impression that broadcasting stations would continue to go along about as now except that there might be some governmental civilian control. He said in conclusion that the American radio public was the best and most honestly informed in the world.

"In time of war we would try to keep it so excepting necessary secrecy regarding military operations. It is good for people to know the truth."

"Then you have faith in the people in time of war?" he was asked.

"Hell, yes", the War Department higher up exploded, "if you haven't got the people with you, you haven't got anything."

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The Federal Communications Commission has granted the application of Neptune Broadcasting Corp. for a construction permit for a new radio broadcasting station at Atlantic City, N.J., to operate unlimited time, using the frequency 1420 kilocycles, with power of 100 watts night, 250 watts day, upon the condition that the corporation file an application for modification of construction permit, specifying the exact transmitter location and the antenna system, within two months.

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## FREE RADIO ESSENTIAL TO DEMOCRACY, SAYS FLY

"As education has long been essential to democracy, a radio system to serve the public interest has now become essential to education", James L. Fly, Chairman of the Federal Communications Commission, declared in an address Sunday at the dedication of a studio at the University of North Carolina, Chapel Hill.

"Public education and an intelligent, well-informed public opinion are basic in our way of life", he continued, "and in our process of self government.

"In sharp contrast, under other systems, mental and spiritual subjugation have preceded the subjugation of peoples generally and their eventual alignment with machines which rule by force.

"In general it may be observed that rule by force has not been accomplished internally where there existed a free educational system and the unfettered means for the reception of information.

"Seizure of the radio has been an early step in the process of subjugation."

"Radio is an advancing art", Mr. Fly continued. "As new forms are developed, and more and better facilities are provided, radio will, if possible, exert a still greater force upon our lives. The Commission has recently authorized the full commercial operation of frequency modulation - which will give an improved radio service and open up a range of frequencies not heretofore in use by radio. Particular care was taken to set aside a number of the FM frequencies to be utilized exclusively by educational stations.

"Research and experimentation in television are advancing and in a few years this combination of radio sight and sound may be expected in your homes.

"But radio today is one of our mightiest forces - it has served and does serve important functions.

"In passing, we ought to recognize the great work which the radio broadcasters are doing in the presentation of war news and commentaries, their balanced reporting of general information and their grants of time for the discussion of public issues. Editorial attitudes are seldom displayed by broadcasters. These services lead toward the goal of a well-informed public -- the best informed public in the world. Under these circumstances the legal right to form an independent judgment upon public issues takes on real substance.

"Much time has been given to programs by educational institutions. And this makes possible the effective work of studios such as this of the University of North Carolina.

"One of your problems is to devise programs and methods of presentation which will reach actual listeners. A possible listening public is not sufficient. But, into these questions as to particular programs and techniques, I shall not intrude. It is of greatest importance as a matter of principle that the work done here shall be designed fairly and effectively to promote the informational needs of the people. In that way, the cause of democracy is served."

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### MINNESOTA UNITES IN FIGHTING WNYC APPLICATION

The State of Minnesota, including its Congressional delegation, opened a fight this week before the Federal Communications Commission against the application of Station WNYC, New York, for authority to operate at night on 810 kc., which it now shares with WCCO, Minneapolis.

Protest against the application for extension filed by WNYC was presented at the opening of the FCC hearing by Alfred W. Bowen, special counsel representing J.A.A. Burnquist, attorney of Minnesota, and supported by Representatives Andresen, Youngdahl Anderson and Knutson, all of Minnesota. The legislators attended the hearing.

Each Minnesota Representative entered an objection to "anything that will impair the efficiency of WCCO", Mr. Knutson reinforced his protest with a warning that "we will not take lying down" any decision favoring New York City at the expense of the area served by the Minneapolis station.

"We have intervened as much for the benefit of remote listeners beyond the borders of our State as for the people of Minnesota", Mr. Bowen, speaking for Attorney General Burnquist, told R. H. Hyde, FCC Examiner. He said the station employed "the only clear channel in the entire area embracing the four States of Minnesota, Wisconsin, North Dakota and South Dakota."

"Listeners in New York", he went on, now have a choice among some twenty-three local radio stations, including three clear channels. Throughout the great area served by WCCO, many people can hear clearly only that station. It would seem inequitable to add to this existing greater choice in New York by depriving millions of people in the area we represent of the only major station they can hear clearly.

"The State is not concerned with the identity of the station which occupies the clear channel. But we are concerned with the continuance of that clear channel in its present location and standard of efficiency as the basis of the present rights and privileges of our people and of the people within the area mentioned. The State intends to do, as we believe the Commission will do, everything possible to assure an equitable allocation of radio channels and to maintain the treaty principle of clear channels.

"This is not an ordinary proceeding. It is not a controversy between private litigants. In this proceeding the private litigants are one of three parties. There is the great City of New York with its millions of fine urban people concentrated in a relatively small plot of ground. A like number of good, rural people live throughout some five or six States of this Union in an area which is as large as warring Europe.

"When Mayor LaGuardia on March 29 testified for applicant WNYC, he stressed the great population of New York. He also advanced certain views about radio broadcasting being as much a governmental function today as police and fire protection; that all private broadcasting rights are privileges only and subject to the mercy of the Commission.

"At this time, because there is no occasion or intent to argue these matters, we will say merely that we do not agree with the Mayor. The State of Minnesota does not seek a controversy with the City of New York. On the other hand, we will not run away from any controversy which, in the course of our efforts to protect our people, may be forced on us. The Attorney General of Minnesota intends to do everything in his power, according to law, to protect the public interest for which the State has intervened."

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#### AIRCRAFT RADIO WITH 100-MILE RANGE URGED

The speed of modern military airplanes calls for larger radio communications units capable of carrying 100 miles under all conditions, according to General Short who attended the Third Army commanders war games at Camp Beauregard, La., last week.

General Short said that the speed of movement had increased both the importance and difficulty of communication. He urged that the radio equipment provided for large units be such as to give positive communications for 100 miles under all conditions. The range now was much less than that, he said, recommending also that the facilities for wire communications be increased.

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TRADE NOTES

The Federal Communications Commission has approved sale of Station WSPA, "The Voice of South Carolina", to the Spartanburg Advertising Company. Virgil Evans, who has operated the station for a number of years, is retiring from the radio field to devote his entire time to his newspaper, the Spartanburg News.

Howard L. Schreiber has been appointed Sales Service Manager of Radio Sales, a division of the Columbia Broadcasting System, Howard Meighan, Eastern Sales Manager of Radio Sales, has announced. Mr. Schreiber, who has been with Radio Sales since its inception five and a half years ago, will supervise the handling of contracts and service the Radio Sales' accounts.

Will Baltin, radio and theatre editor of the New Brunswick (N.J.) Daily Home News and the Sunday Times since 1932, has been appointed program director for the new Allen B. DuMont television station, W2XWV, now under construction at 515 Madison Avenue, New York City. Baltin will assume his new duties on June 3. Baltin inaugurated what is believed to be the first sustaining newspaper column on the subject in 1936. It appeared in the Sunday Times.

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# BBC EXPLAINS HANDLING OF URGENT NEWS

Every day the Monitoring Service operated by the British Broadcasting Corporation listens to some 500,000 words from broadcasting stations in all parts of the world. And every day in that spate of speech there is news of urgent importance - too urgent to await inclusion in the 45,000-word daily digest of foreign broadcasts. Such news must be dealt with at speed - flashed without delay to Government departments and to the BBC's own news services - and the necessity has brought into being a special information bureau, on duty throughout the twenty-four hours.

The bureau is divided into two sections, Intelligence and News, and the demands made upon it keep at least six people working at high pressure in each of the three daily shifts.

"An illuminating glimpse of the call upon the bureau's services is given by the fact that, in one day recently, over 20,000 words from the Intelligence section and over 7,000 from the News section, were flashed by telephone to official destinations", the BBC explains. "Those words represented no fewer than 639 separate messages. The figures do not include the many typescripts that also went out from the bureau on the same day."

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## CBS EXPLAINS POSITION IN WNYC CONTROVERSY

Preservation of the wavelength of Station WCCO, Minneapolis, rather than acquisition of Station WNYC, New York, is the objective of the Columbia Broadcasting System, Louis Ruppel, Director of Public Relations for the network, declared last week in a letter to the editor of the New York Times.

"Somehow the Mayor has confused the dispute between himself and the Citizens Budget Commission with an action involving WNYC, the State of Minnesota and CBS which is now pending before the Federal Communications Commission", he wrote. "These two issues have not the remotest connection.

"As regards factual information given the Citizens Budget Commission by CBS executives, they were here doing no less than other equally well-informed broadcasting people and no less than had been done for the city at the Mayor's request a few years ago.

"However, there is an issue on which CBS is on the opposite side to the Mayor, an issue now pending and on which another hearing will be held in Washington May 27 before the FCC.

"This is the issue: New York City applied to the FCC for permission to extend its present part-time operations of WNYC to full time, 11 P.M. Because WNYC at present operates on 810 kilocycles, an extension of time through the evening would destroy the clear channel status of Station WCCO, Minneapolis, which has operated on 810 kilocycles since 1928, four years before New York City was given the daytime assignment on the same wavelength.

"It cannot be overemphasized that WCCO was on the 810 wavelength before WNYC. Nor can it be overemphasized that prior to 1932 WNYC had a full-time channel of its own - 570 kilocycles - now occupied full time by another local station, WMCA. . . .

"One more word. Far from wanting to 'grab' WNYC's wave length, as the Mayor charges, Columbia has only one desire, and that is to keep the Mayor from destroying the clear-channel service its Minnesota station has been giving since before the day WNYC surrendered its own full-time channel locally."

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## G.E. READY FOR FREQUENCY MODULATION DEMANDS

Following the announcement from the Federal Communications Commission that forty air channels had been made available for an unlimited number of stations using frequency modulation transmission, Dr. W.R.G. Baker, manager of the radio and television department of the General Electric Company, stated that "General Electric is ready to meet the demand which will inevitably result from the favorable announcement of the FCC toward commercial FM broadcasting. The interest of the broadcast industry in this new field is attested to by the requests - totalling between 140 and 150 - pending before the FCC for authority to construct FM stations."

To meet FM demands, General Electric has available a flexible line of standard FM broadcast transmitters rated 250 watts, and 1, 3, 10, and 50 kilowatts. The basic unit of 250 watts is used as an exciter for the transmitters of higher output rating. To increase power, the amplifier units may be added initially or later.

Designed for dependable broadcast operation, the General Electric FM transmitters are said to incorporate new ideas of circuit simplicity, accessibility, and low tube cost. Their actual measured performance characteristics substantiate the perfection of audio fidelity, dynamic range, and low distortion claimed by Major Edwin Armstrong for frequency modulation -- in addition to the FM system advantages of freedom from static, man-made interference, and interference from other stations (virtually cleared channel operation for the small stations), efficiency, and economy.

General Electric also has announced two antenna designs -- a vertical half-wave antenna for the small station, and a turnstile design for those wanting an antenna with power gain. The turnstile design has a power gain of approximately 7 db. over a single cross arm section, or 4 db. over a dipole in the direction of maximum radiation.

The complete line of General Electric frequency modulation receivers has been on the market approximately a year, available in areas where frequency modulation stations are operating. G-E dealers in these areas are cooperating with frequency modulation broadcasting stations to build FM audiences.

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