

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL—Not for Publication

INDEX TO ISSUE OF DECEMBER 1, 1933.

Radio Sales Possibilities Seen In France.....	2
Would Permit Goelet To Broadcast Regularly.....	5
Television May Be Discussed By Commission And Industry.....	5
Broadcasters' Code Authority Meeting Postponed.....	6
Executives To Consider Radio Program Newspaper Advertising....	7
Supreme Court May Soon Pass On Radio Libel Case.....	7
Business Letter Notes.....	8
Decisions Of The Federal Radio Commission.....	9
Commission Receives Coughlin Interference Complaints.....	10
Two More Stations Granted 50 KW Power.....	10
Commission Wrestles With Liquor Problem.....	10
Broadcasters Defend Themselves In Debate Handbook.....	11
Wisner Seeks To Have Patriotic Ancestor Honored.....	12

RADIO SALES POSSIBILITIES SEEN IN FRANCE

France is at present an exceptionally good market for well-made radios, an unusually thorough survey made by our consuls and commercial attaches for the Bureau of Foreign and Domestic Commerce, concludes. The survey goes into many other phases of French broadcasting.

Unlike in the United States, where a popular demand for radios has existed for the past 10 years, the radio in France only began to have a general appeal about 1928, at which time there was only one well-known American radio being imported into the country. With each succeeding year local interest in radio receiving sets has increased, until at the present time practically all the well-known American makes of radios are sold on the French market, some of them having been well established for the past two or three years.

While it is estimated that well over 1,000,000 sets have been sold in France, there are still large possibilities for the sale of this type of merchandise. While the Government issues licenses and doubtless is aware of the number actually issued, this total is maintained as a confidential matter.

Consideration of world developments, together with the French situation, would appear to warrant a present estimate of between 3,000,000 and 5,000,000, favoring, perhaps, the conservative figure. However, current estimates by persons who may be accepted as authorities are as low as 500,000; this they correlate with the earlier estimate by pointing out the former prevalence of crystal sets, presumably since retired, and not replaced by either crystal or tube sets.

One of the principal difficulties in meeting the demands of the prospective user is that the native thrift of the French family has one unbreakable law - that any purchase considered important must be of an article that will be certain to last for several generations. Such permanence they have not yet found in radio sets. Not only a definitely limited life can be contemplated for a set, but complete obsolescence in a much shorter time through subsequent improvements is to be expected, and the purchase of a radio set is therefore considered the purchase of a definitely temporary facility. Only those who can afford to violate inherent inhibitions regarding expenditures, therefore, can be interested in such a purchase.

Radio sales have been estimated in France to be in the neighborhood of 100,000 a year, although there have not been a sufficient number of practical estimates to determine whether this

is a fairly acceptable figure. In 1932 the United States furnished one fifth of this number, which, being limited by the quota system, would indicate that the estimate is definitely conservative. This estimate was presented in conjunction with that of a total of 500,000 sets in use in the country. French imports are quoted in quintals and value, so that the number of sets imported from other countries may not be determined.

French broadcasting is not a monopoly, but operates on a basis not directly comparable with that of broadcasting in any other country of the world. Strong governmental control, amounting to censorship, has been exercised over the private stations, but in all respects stations of this class are distinctly private and, outside the fields in which the Government dictates program policies, enjoy unusual freedom in broadcasting.

In addition to these private stations, the Government maintains a national system of stations, owned and operated through the *Ministere des Postes, Telegraphes, et Telephones*, this system being planned along lines similar to monopoly practice, in that the stations are scattered through the principal sections and are generally of such power that their combined service effectively covers the country, with the exception of certain areas to which the system has never been extended. This system operates on the chain principle (as differentiated from the relay system); each station broadcasts national and local programs as conditions require. Something of a parallel may be found in the new Canadian system, if assumptions recognizing national characters and ideals are made.

There has been a constant agitation in France for the abolition of the private stations and also of the national system, and at various times there have been indications of final adoption of one of the two methods of changing the set-up. In 1928 a policy of Government monopoly was adopted, to be instituted as soon as a system of national stations of high power could be placed in service. One such station was constructed in Alsace, where there had previously been no broadcasting and therefore which did not involve the question of closing any stations. Subsequent to the opening of this station financial difficulties prevented further pursuit of the plan, which presumably is still in abeyance.

The private stations are supported, as in the United States, by their owners, either unassisted or through the sale of time to advertisers. Government stations are supported from the national treasury. The license fees collected from receiving-set owners do not, so far as information is available, accrue directly to the broadcasting system, but to the Government, as a tax rather than as a subscription to broadcasting. Originally with only a statistical fee of 1 franc per annum, the proceeds could not be of any assistance in maintaining broadcasting, but the increase to 10 francs indicates a profit to the Government so far as the licenses alone are concerned.

It has been recently announced that the Government is taking over the powerful Radio Paris station as a new start on the national monopoly system.

France has no formal regulations governing radio broadcasting, and the present conditions arise from the fact that there were no retarding laws when broadcasting became a world activity. At that time both private interests and the Government commenced constructing stations, in the manner in which any activity not covered by such retarding legislation would be undertaken as the opportunity became apparent.

The control exercised by the Government is based rather upon more general laws, custom, and the intimate attitude of the French Government, as represented by parallel policy toward newspapers and other activities which may themselves, if unrestrained, carry on political activities detrimental to the Government or to the form of Government. This policy is a matter of national protection, and is normally pursued solely for the purpose of national well-being, thereby constituting regulation as understood in other countries, but with a stronger element of personal contact and individual treatment. While guarantees that equality of treatment under similar circumstances do not exist, popular opinion has in France more effective remedies for abuses of power and is more readily aroused than is general, and the probability of inequitable treatment is not so great as the lack of specific law would indicate.

Explanation of the results of using radio broadcasting without stated legislation in France, without examining the character of the French people and Government and the effect they have on those results, is certain to be misleading, both as to the nature of the broadcasting and as to its popularity. No more positive description for any purpose can be made than to use part of a statement made by William Hard, journalist, after a study: "It is not government broadcasting, it is France."

No only the French broadcasting stations, but stations throughout Europe, are considered dependable sources of entertainment. A considerable knowledge of foreign languages (which is attendant upon much lesser education than is associated with lingual study in the United States) and a program variety arising from differing national ideals and cultural aims encourage a greater interest in radio than parallel conditions in countries more restricted in such conditions. While French programs have been freely criticized by the listening public, it is not necessarily because of fault in the program as compared with the receivable foreign broadcasts. It is a French characteristic to criticize openly rather than privately; the existence of criticism is not a reflection on the nature of French broadcasting, but an indication of opinion that it may be improved.

The detailed report is entitled "Radio Markets - France" and copies may be had by sending 25 cents to Marshall T. Jones, Chief, Electrical Equipment Division, Bureau of Foreign and Domestic Commerce, Washington, D. C.

X X X X X X X

WOULD PERMIT GOELET TO BROADCAST REGULARLY

A recommendation that Station WGNV, owned by Peter Goelet, of Chester Township, N. Y., be allowed to share time equally with Stations WJBI, of Red Bank, N. J., WFAS, White Plains, N. Y., and WGBB, Freeport, N. Y., has been made to the Federal Radio Commission by Examiner George H. Hill. Goelet's station uses 50 watts and the others 100 watts and all broadcast on a frequency of 1210 kilocycles. WGNV is now operating only at certain specified hours.

"It appears that there is substantial need for the service requested by Mr. Goelet and that effective use will be made thereof", Examiner Hill reported; "that from the limited schedule of hours now assigned to Station WGNV, it is substantially handicapped in the rendition of services needed to serve properly and satisfactorily the area now covered by this station; that the station's area is diminished at night due to some interference; that during the daytime hours authorized, it is difficult to obtain a listening audience, the result being that when the station gets good coverage an audience is not entirely available, and when the audience is available, the coverage is limited; that sufficient talent is available if the service is extended, including various civic organizations, clubs and sport broadcasts of special local interest; that farm audiences require early morning hours for the rendition of farm programs and that the educational programs could be substantially improved if the time were available."

X X X X X X X X

TELEVISION MAY BE DISCUSSED BY COMMISSION AND INDUSTRY

The chances are that there will soon be a conference of officials of the Radio Commission and the radio industry to discuss the development of television. Dr. C. B. Jolliffe, Chief Engineer of the Commission said the industry was desirous of having such a meeting and that it was agreeable to him.

The Radio Manufacturers' Association has already appointed a committee of set manufacturers to study television. This committee comprises E. T. Cunningham, President of RCA-Victor Company; Powel Crosley, President of Crosley Radio Corp.; W. Roy McCanne, President of Stromberg-Carlson Telephone Manufacturing Co., and James M. Skinner, President of Philco Radio Co. They have designated a sub-committee of engineers to invade the technical side of television in cooperation with the Radio Commission and the broadcasters.

The National Association of Broadcasters will likewise soon appoint television committee for the purpose of conferring with the other groups.

X X X X X X

BROADCASTERS' CODE AUTHORITY MEETING POSTPONED

At the request of the NRA, the meeting of the Broadcasters' Code Authority has been postponed until Monday, December 11, which is the day the Code goes into effect. President Roosevelt signed it at Warm Springs, Monday, November 27.

Several important issues could not be decided and for that reason provisional clauses were inserted in the Code. It was held that the National Association of Broadcasters, although it represented 283 stations and 83 per cent of the total volume of radio advertising, was not sufficiently representative of the broadcasting industry to take over administration of the Code. It was necessary, therefore, for the President of the United States to name a temporary Code Authority to administer the Code until such time as the Broadcasters' Association can sign as members at least 70 per cent of all stations. The NRA found, however, that the National Association of Broadcasters does not impose inequitable restrictions upon membership and it is the hope of officials of the NRA that the Broadcasters' Association membership will be increased within the next 90 days to a point where the industry can take over complete administration of its own Code.

It is expected that the NRA will require the Code Authority to obtain the signatures of all stations to the Code in its approved form. The request will go forward just as soon as the Code Authority has had an opportunity to organize December 11, and get into action.

"The purpose of the Broadcasters' Code is to aid in eliminating from the Broadcasting Industry destructive and unfair practices, to bring about higher wages, shorter working hours, better living conditions for employees, to place the industry upon a sounder basis and to enable it better to render a public service", Philip G. Loucks, Managing Director of the National Association of Broadcasters explained.

"When President Roosevelt signed the National Industrial Recovery Act on June 16, he characterized the new law as 'a challenge' to industry which, he said, has long sought the right to self regulation.

"Always mindful of their obligation to the public, broadcasters willingly and generously extended their facilities in order that the American people might be fully informed of the progress of the President's recovery program. They have cooperated with the National Recovery Administration by reducing hours of work and by increasing wages in keeping with the spirit of the President's reemployment campaign. And now, by adopting the Code of Fair Competition for the Broadcasting Industry, approved today by President Roosevelt, they give further testimony of their complete support of the recovery program. The Broadcasting Industry accepts the 'challenge'."

X X X X X X X

12/1/33

EXECUTIVES TO CONSIDER RADIO PROGRAM NEWSPAPER ADVERTISING

Washington, D.C. newspapers did not drop radio programs Friday, December 1, as had been expected. It was reported the publishers desired to await the outcome of a conference on the subject of the payment at newspaper advertising rates of radio programs to be held in New York, Monday, December 11. This conference will be attended by E. H. Harris, of the Richmond, Ind. Palladium, Chairman of the Radio Committee of the American Newspaper Publishers' Association; William S. Paley, President of Columbia; M. H. Aylesworth, of the National Broadcasting Company, and others.

The combination rate asked by the five newspapers in the National Capital was 50 cents per line week-days and 35 cents per line Sundays. According to an NBC representative, this would have brought the cost of carrying the programs of stations WMAL and WRC, to about \$20,000 each or \$40,000 for the two per year. The cost of WJSV's advertising for the year was figured at \$10,000.

"At that rate", the representative said, "it would cost the stations in 100 principal cities of the country about \$5,000,000 a year to advertise in the newspapers."

X X X X X X X X

SUPREME COURT MAY SOON PASS ON RADIO LIBEL CASE

The Supreme Court of the United States has been asked to review the decision of the Supreme Court of Nebraska holding that a radio station is liable for defamatory remarks uttered in a political speech delivered over the station. The decision of the Nebraska court was rendered in the case brought by C. A. Sorensen against the KFAB Broadcasting Co., Lincoln, Nebr. It involves the construction of Section 18 of the Radio Act of 1927.

Following the decision of the Nebraska court, the National Association of Broadcasters, through arrangement with the Lincoln station, retained counsel to secure a Supreme Court review of the important question involved in the case. It is expected that the Supreme Court will rule upon the petition for review within the next few weeks.

X X X X X X X X

: BUSINESS LETTER NOTES :

Gen. Hugh S. Johnson will address an audience of manufacturers for the first time since starting the NRA drive, when he speaks at the National Association of Manufacturers' convention in New York, Thursday, Dec. 7 (WJZ network, 10 P.M., EST.)

Among the passengers arriving in New York this week on the North German Lloyd liner "General von Steuben" was Rudolf Zimmerman, Berlin radio engineer, who has perfected an invention by which he can receive radio impulses written out on recording tape, just as they are sent. He said he had demonstrated the invention to German radio technicians, and had brought it here to show to officials of the Radio Corporation of America.

A quick-heater type 43 power pentode tube, that operates in 13 seconds, has been announced by the Arcturus Radio Tube Company, Newark, N. J. This is in comparison with forty to sixty seconds and more which has been found to be the usual thermal lag of this type of tube in laboratory tests on various makes.

Calvert Townley, a former Vice-President of the Westinghouse Electric and Manufacturing Co., died suddenly of a heart attack in New York last Tuesday. He was 69 years old.

In 1924 Mr. Townley was instrumental in arranging international radio broadcasts and was one of the sponsors of a broadcast sent by six stations more than 7,000 miles to various parts of the world. In 1927 he directed a survey for the Radio Engineering Committee of the American Engineering Council, of which he was Chairman. The result of the survey was the first plan to limit broadcasting and called for national planned control of the new industry.

Charges of assault against Ed Wynn, comedian, by a process server attempting to serve him with a legal notice on salary claims of musicians against the Amalgamated Broadcasting System, which Wynn headed, brought the comedian additional troubles in connection with his short-lived chain.

"The tensest broadcast Ed Wynn admits he's yet gone through was the one he put on for Texaco last Tuesday", Variety relates. "Crowding his thoughts as he went through the performance that night was the dread of a hostile studio demonstration plus the unloosening of stink bombs."

"Earlier in the day NBC officials received a report that ex-employees of Wynn's defunct Amalgamated Broadcasting System, disgruntled with the comic's refusal to pay off their claims for two weeks' wages out of his own pocket, were conspiring to stage a demonstration during the broadcast and also drop some perfumed notes around. The network prepared for the threatened event with a cordon of coppers and a score or so of dicks spotted in strategic spots around the studio.

The Broadcast went off without untoward incident. The studio from which the show originated was the largest and most swankily decorated of the Radio City layout."

Operated by a woman, Mrs. Kathryn Jones, a new 100 watt station is temporarily operating on 1400 kilocycles at Muscle Shoals, Ala. The station should have the support of the Roosevelt administration and General Hugh Johnson because it uses the timely call letters WNRA.

The Muscles Shoals station is being tested out on a 30 days' trial basis.

X X X X X X

DECISIONS OF THE FEDERAL RADIO COMMISSION

Action On Examiner's Reports

Raymond M. Brannon, Fremont, Neb., denied application for C.P. for new station to operate daytime hours on 1500 kc., 100 watts power, sustaining Examiner R. L. Walker; KFOR, Cornbelt Broadcasting Corp., Lincoln, Neb., granted renewal of license on present frequency 1210 kc., 100 w. night, 250 watts day, unlimited time; portion of facilities of this station was applied for by Raymond M. Brannon for station at Fremont, Neb., Examiner R. L. Walker was sustained in this decision.

Application Dismissed

The following application was dismissed at request of applicant: WSDK, Aeronautical Radio, Inc., Washington, D. C., modification of license requesting additional frequencies: Brown chain, 2612, 2636, 12210 kc.

X X X X X X X X

COMMISSION RECEIVES COUGHLIN INTERFERENCE COMPLAINTS

Several Senators and Representatives have forwarded along complaints received from constituents alleging interference in the broadcasts of Father Coughlin, of Detroit.

The Commission is investigating these complaints but in the meantime has taken no action in the matter.

X X X X X X X X

TWO MORE STATIONS GRANTED 50 KW POWER

Stations WBT, at Charlotte, N. C., and WHAS, The Courier-Journal Co., and the Louisville Times Co., Louisville, Ky., were granted increases in power from 25 KW to 50 KW on their same frequencies, 1080 and 820 kc., respectively, following hearing before the full Commission on November 22.

In the case of WBT, the Commission decided that "the operation of WBT with 50 KW power will result in a more efficient use of the frequency (1080 kc.)"

With the granting of increased power to WHAS, the Commission's grounds for decision were that "the operation of WHAS with 50 KW power will result in a more efficient use of the frequency 820 kc., and no appreciable increase in interference may reasonably be expected to develop from the operation of WHAS".

X X X X X X

COMMISSION WRESTLES WITH LIQUOR PROBLEM

Early announcement may be expected by the Federal Radio Commission as to its attitude with regard to the legality of advertising liquor over the air. The Commission awaits a report from its Legal Division which has been in touch with the Department of Justice and the Post Office Department.

The Reed amendment barring use of the mails for liquor advertising in dry States is expected to block such advertising in newspapers and magazines even after December 5, the date of repeal, but since the Reed amendment was enacted in 1917, about five years before the advent of commercial broadcasting, it is not believed the amendment will affect the radio. The amendment specifies only use of mails.

Nevertheless, the Radio Commission is looking into the question thoroughly and will make no public announcement until sure of its ground.

The Columbia Broadcasting System previously announced that it would not accept liquor advertising after the repeal but that it would be willing to carry wine advertising.

X X X X X X X X

BROADCASTERS DEFEND THEMSELVES IN DEBATE HANDBOOK

So great has been the demand for information by students in connection with the debate on the question whether the United States should adopt the British radio system, that a 200 page book, "Broadcasting in the United States" is being prepared by the National Association of Broadcasters. The book will defend the American system and copies will be given free to debaters and debate coaches upon request.

Advocating the British system, the National Committee on Education by Radio, in a recent bulletin states:

"A factor involved in changing some of the fundamental features of the American radio practise is the matter of cost. It is not surprising that the selfish interests should use inflated cost figures. One representative of the 'commercial crowd', for example, estimates that to adopt a radio plan similar to that of the British would involve an initial capital cost of \$278,000,000 plus an annual cost of \$145,000,000 for providing three national programs to every listener in the United States. Whether or not three national programs for the United States are necessary is certainly open to debate. Moreover, an American plan using the essential features of the British system should cost no more, in all probability much less, than the present wasteful haphazard practise. According to the figures of the Federal Radio Commission, the total physical assets of American broadcasting including technical equipment, real estate, furniture, and fixtures but excluding goodwill, total \$30,578,680.31.

"Gross receipts for one year of individual stations aggregated \$38,461,302.41 and of chain companies, \$39,296,746.36 according to the same report. From these amounts the entire support of the present American broadcasting practise has been derived. The reason receipts are given rather than expenditures is because the report of expenditures submitted to the Federal Radio Commission shows too much trick bookkeeping. For example, after listing the usual expenditures for programs, employees, line charges, equipment, replacement, and the like, CBS lumps more than 50 percent of its annual outlay under the heading of 'other expenditures', while NBC places more than 40 percent under this same classification."

X X X X X X X

WISNER SEEKS TO HAVE PATRIOTIC ANCESTOR HONORED

G. Franklin Wisner, Chief of the Press Service of the Federal Radio Commission, is endeavoring to have Congress award posthumously the Distinguished Service Medal to Henry Wisner, a member of the First and Second Continental Congresses and the only member of the New York delegation who voted for independence.

In furtherance of this effort, Franklin Wisner, following years of work has completed a book, "The Wisners in America, A Family of Patriots and Pioneers"; published in Baltimore, it contains 280 pages and 77 charts listing 1700 families including 8,000 persons. The book is a tribute to Mr. Wisner's thoroughness and industry and is really a remarkable publication.

Documents are on display at the Library of Congress showing Henry Wisner's signature alongside of George Washington, John Adams, John Hancock, Benjamin Franklin and other members of the Continental Congress, recording important actions.

After voting for Independence, Henry Wisner rushed back home to Goshen, Orange County, N. Y., and established plants for manufacture of gunpowder to supply ammunition for the Colonists in the impending struggle with the Mother Country. Wisner also helped to fortify the Hudson to block passage of the enemy. Then he was elected a member of the Provincial Assembly of New York, so that when time came to go to Philadelphia to sign the Declaration of Independence, he said he was too busy to spare the time.

Last Summer Franklin Wisner took part in the dedication of a memorial to Johaness Wisner, an official in Queen Anne's Army, who settled in New York State in 1702.

The memorial was erected along the public highway, at the suggestion of the New York State Board of Education, on a tract of land granted to Wisner for his valiant services while fighting against the armies of Louis XIV, of France, under the Prince of Orange and later under the Duke of Marlborough. The marker reads:

New York Settlers
First in Town of Warwick
Johaness and Elizabeth Wisner
Under Wawayanda Patent 1702
Settled Here in 1712

Johaness Wisner was the progenitor of a long line of pioneers and patriotic Americans whose offspring are to be found in practically every State in the Union, many of whom are located in Maryland.

X X X X X X X