

HEINL RADIO BUSINESS LETTER

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No. 840

U. S. OBSERVER UNENTHUSIASTIC OVER EUROPEAN TELEVISION

Reporting to the convention of the National Association of Broadcasters at Colorado Springs, on what he saw in Europe while investigating the progress of television, Andrew W. Cruse, of the Bureau of Foreign and Domestic Commerce, Washington, told our own people that he believed they were on the right track but in continuing their present line should closely watch what England, France and Germany are doing.

"I think you would be wise to appoint a committee here, at this Convention, whose duty it would be to keep you advised of these developments. I might even go so far as to suggest the employment of an observer in Europe as an assistant to such a Television Committee", Mr. Cruse advised. "One comforting thought is that American interests in Europe are in the very forefront of the entire European Television picture. Electrical Musical Industries in England, Lorenz in Germany and Standard in France can be relied upon to keep pace technically with the best of them. But in operating practice - the actual presentation of programs - that's where we must keep abreast of their progress - and that's what you must observe.

"In Europe, the governments are directly or indirectly supporting and operating broadcasting and television - in the United States it is my own personal belief that the interests of both broadcasting and television can best be served without government assistance. With recovery and when you feel that the time is ripe for it - you will undoubtedly be able to add television to your present service and present television programs in the same thorough fashion in which you are now presenting your broadcasts. In the meantime let us be patient observers!"

Mr. Cruse said, in part:

"In England, the British Broadcasting Corporation are now offering low definition television programs lasting from $\frac{1}{2}$ to $\frac{3}{4}$ of an hour twice each week. These programs are transmitted on a wavelength of 261 meters with the accompanying sound on 398 meters using two broadcast transmitters, one for the picture and the other for the accompanying sound. The Baird system employing mechanical scanning giving a 30 line picture 12 frames per second is used for this purpose. In this connection I wish to say that I think the BBC is doing an excellent job on these programs and I was pleasantly surprised to discover that despite the low definition and objectionable flicker, these programs do have an entertainment value for short periods - let us say of the order of a half-hour. Live talent is used exclusively on these programs and everything from a condensed version of 'Carmen' to vaudeville acts is offered.

"When I inquired about the number of television receiving sets in service in the British Isles I received estimates which ranged from zero to 10,000. The British Post Office people, however, who are in the best position to make an estimate, gave the figure of less than one hundred. Please bear in mind that these B.B.C. low-definition programs which are offered twice weekly and received by a maximum of one hundred receiving sets comprise the only public television service now being offered in Great Britain. Both the Baird Company and Electrical and Musical Industries (EMI) are transmitting experimental high definition television but inasmuch as no high definition receiving sets can now be purchased, these transmission can in no way be considered as a public service."

"The chances are that late this winter or early next spring high definition television service will be inaugurated by B.B.C. using alternately the EMI 405 line 50 frame interlaced and the Baird 240 line 25 frame sequential transmitters. It is now proposed to operate one hour each morning and two hours each evening using 6.6 meters for vision and 7.2 meters for the associated sound signals. High definition television receiving sets capable of receiving programs sent by either transmitter, i.e., Baird 240 or EMI 405, are expected to make an appearance about the time the bids for the transmitters are actually accepted - which will probably be some time this fall. It is anticipated that their minimum price will be the equivalent of \$250. I honestly believe that the British public want television although I would hesitate to say that they are insisting on it! Some over-enthusiastic writers have given the impression that the receiving sets will be sold for approximately \$100 and I strongly suspect that when the public discover that sets will cost more than twice that figure - whatever enthusiasm they may now have for the new television programs will be lost to a considerable extent.

"The British Radio Manufacturers' Association have consistently refused to have anything whatever to do with television on the grounds that the attendant publicity has already reduced their sale of radio receiving sets materially. However, my conversations with several of the larger manufacturers gave me the impression that the total sale of these sets for 1935 will be fully up to the 1934 figures - in spite of television. As a matter of fact I understand that the RMA is now considering the idea of allowing manufacturers to actually show television receiving sets at their August Radio Show.

"The British Post Office are firm in their belief that a television Patent Pool is essential and preliminary negotiations are now being carried on by the principal patent holders."

"The ultimate plans of the British Post Office call for the erection of twelve transmitters to cover the principal population centers of Great Britain and it is confidently predicted that 4 or 5 of these will be in service by the end of 1937. The confidence of the prospective manufacturers of television receivers is reflected in their prediction that 50,000 of those sets will be in

service by the end of 1936 and from five to ten times that many more by the end of 1937.

"One thing which impressed me greatly was that in all of these rather optimistic plans for the future of British television, the ability of the B.B.C. to provide interesting programs seems to be taken for granted. To my mind the whole success or failure of the project hinges on this point. One engineer estimates that if all of the motion pictures produced in England and all of the films imported by them from other countries were to be presented to the television audience, they would still only have enough material from that source to provide a program ten minutes per day. That, according to their present schedule, would still leave 170 minutes each day where live talent would have to be used! To be sure, the studio technique which B.B.C. has developed in their presentation of their low definition programs will certainly stand them in good stead but at the same time I could not blame them if they viewed with alarm the task of having to provide material for 21 hours per week as against their present maximum of 3 hours."

"From London I went to Berlin where they are giving 180 line 25 frame sequentially scanned transmissions from a 7 meter transmitter in Berlin. The Broadcasting Company of the Ministry of Propaganda provides a two-hour program three nights a week and the Post Office supplies programs in the mornings and afternoons and on alternate evenings. Several places are provided in Berlin where the public may view these programs and they are proving most popular. Inasmuch as practically all the program material is provided by films, repetition is not infrequent and occasionally an old film leaves much to be desired. Generally speaking, however, the quality of these transmission is excellent and impresses one with the high entertainment value which can be secured with a 180 line picture."

"A patent pool is being formed and negotiations in this direction are proceeding very smoothly indeed. While natural competition exists between the various German radio manufacturers they seem to be able to get together in the solution of their mutual problems in a very commendable fashion. It is anticipated that television receivers which will be adaptable to the 270 line standard will sell for from \$240 to \$500."

"The Broadcasting Company have a very interesting piece of equipment which they call their television truck and which they use to cover news events. This truck, which was first used at the May Day ceremony at the Tempelhof Aerodrome at which Chancellor Hitler spoke, consists of a low powered ultra short wave transmitter for both sound and television using the intermediate film method."

"Television is moving ahead in Germany on what certainly appears to be a most thorough basis and the cost is being carried by the license fees plus an additional governmental appropriation."

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"In France, the Ministry of Posts and Telegraphs is extremely interested in having their country match the television developments in England and Germany and are doing everything in their power to speed up this work realizing that they are behind those two countries in this respect. They have started experimental 60 line 25 frame transmissions on 175 meters but no regular schedule is maintained. The French hope to be able to go to 90 lines and then to 180 lines as quickly as practicable but I seriously doubt if much progress in this direction will be made before 1936."

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TALK REVIVED OF JUDGE SYKES GOING ON BENCH

The death of Associate Justice William Hitz of the District Court of Appeals, has revived the talk of the possibility of Judge E. O. Sykes, of the Federal Communications Commission, being appointed to that position. It is known that Judge Sykes would welcome a judicial position and if President Roosevelt were inclined to appoint him the District Court would seem to be the logical position. All radio cases are appealed to this Court and Judge Sykes being the only surviving member of the original Radio Commission and having passed on all radio cases during that time, would appear to be well qualified for the work.

If Judge Sykes were appointed to succeed Judge Hitz, President Roosevelt, after objections raised by Senator Wheeler, of Montana, because there are no Western men on the FCC, would unquestionably consider appointing someone from the West.

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BOND IS A GRANDDAD!

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, the newest member of the Ancient and Honorable Order of Grandfathers, was kept busy buying cigars at the National Association of Broadcasters' Convention at Colorado Springs, due to the fact that a daughter had been born to his son and daughter-in-law, Mr. and Mrs. Bruce Geddes, two days before Bond left Washington for the West.

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GARY AGAIN SEEMS HEADED TOWARDS COMMISSIONERSHIP

It would not be surprising if the appointment of Hampson Gary this week as General Counsel of the Federal Communications Commission did not eventually lead to his again being appointed a member of the Commission upon which he served for six months at its beginning. Mr. Gary resigned to make way for the appointment of former Representative Anning S. Prall whom the President desired to take care of at the request of Senator Wagner, of New York. When Mr. Gary stepped aside so gracefully, the President, who knows him so well that he calls him by his first name, expressed his appreciation and indicated that Gary himself would be well taken care of in the future.

It is probable that the next man appointed to the Commission will be from the West to appease Senator Wheeler, of Montana, but after that, assuming President Roosevelt is reelected, it is believed that Gary's chances to again become a Commissioner are excellent, despite the fact that he hails from Texas, and that another Texan, Dr. Irvin Stewart, is already on the Commission.

Mr. Gary, who has a very attractive personality, and is probably one of the most popular men who has ever served on the Commission, is 62 years old and first came to public attention as a Colonel of the Third Infantry regiment of Texas in the Spanish-American War. He was standing master in chancery for the U.S. Court for two years and his decisions were rarely appealed. He was counsel in much important litigation, practicing in both the state and federal courts.

In 1914 he was made special counsel to the Department of State and later became a solicitor of same. After the entrance of the United States into the World War in 1917, President Wilson sent him as our envoy to Egypt. While serving at Cairo, he was in charge also of American interests in Palestine, Syria and Arabia, and was at the front beyond Jerusalem with Field-Marshal Lord Allenby for a while in the World War, and in 1919 was called to Paris for technical work with the American Commission to Negotiate Peace.

Switzerland was the next field of Mr. Gary's service, his years of training in the law and in the State Department, practical experience as our diplomatic representative at Cairo, and the added insight gained in questions of world wide significance at the Peace Conference caused the President to nominate him to be Envoy Extraordinary and Minister Plenipotentiary to that country. For several reasons the post was at that time one of the most important in the whole foreign field. The aftermath of war had brought to Berne and Geneva problems touching nearly every nation in the world. They raised difficult questions of international law and diplomacy. Mr. Gary was able to take care of every interest of the United States and received the high commendation of his Government.

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RADIO SHOULD BE PAUL REVERE OF ADVERTISING, PRALL SAYS

Radio should be the modern Paul Revere and be used to warn the public against the fake advertiser, Anning S. Prall, Chairman of the Federal Communications Commission, declared addressing the National Association of Broadcasters' Convention in Colorado.

"Particularly gratifying to us has been the leadership of the nation-wide networks. They have responded admirably, and we hope they will continue to lead the way in this sensible self-regulation movement. Otherwise", Chairman Prall warned, "there is strong possibility that Congress itself will step in and take a hand, and perhaps write into the law program restrictions with which stations will be forced to comply."

A large portion of his speech had to do with the advertising cleanup which he described as "a bit of New Deal injected into radio", and he concluded by saying:

"It is my hope that when you convene again, one year hence, you will report the broadcasting industry without an exception as having attained the goal of clean programming. Having accomplished that purpose, you should then take up for consideration and presentation to the Commission your claims for granting longer term licenses."

"There is now pending before the Commission a resolution introduced by Commissioner Brown to extend the broadcast license term to one year. I have not discussed this resolution with any of the Commissioners and cannot even venture an opinion of what action they may take when this matter comes before us for adoption. I know, however, that you are vitally interested in this phase of your business and I can see no good reason, when once the industry has established itself on a sound program basis, why the Commission should not give the proposal serious considerations."

Launching into the advertising situation, Mr. Prall said the industry "can rely upon the strong arm of the Commission to protect it against its unscrupulous brother within its own ranks who seems to disregard the idea that immediate profit must at times be subordinated to public service."

To him the speaker said "radio was (and still is) an ultra-modern combination of journalism, the theatre, the public rostrum and the school house."

Chairman Prall said "the wholesome cleaning up" has not been completed "for our records show that there are still some one hundred station citations pending involving programs. These are not confined to medical continuities. They include lotteries, astrology programs, and other seeming violations of broadcasting 'in the public interest.'"

"We do not have in mind the deletion of stations which can show that the programs complained of did not constitute the major part of their schedules, or which have since taken steps to clean up; but we will not condone gross and wilful infractions. Stations have been deleted in the past due to program shortcomings, and it may be that a few of the pending cases will necessitate this drastic action. I hope not.

"It can be said, also, that the Commission has not and does not intend to prohibit the advertising of any and all medical products over the air."

Figuratively shaking his finger at the advertiser, and his advertising agency, Mr. Prall warned "He should not attempt to foist upon stations and their listeners advertising copy that cannot be placed in newspapers and magazines. He should realize that while he may sell his goods effectively over the radio by going to high-powered extremes in his sales talks, he is at the same time creating ill-will among those who are informed. In the long run he will lose and perhaps the station will be found in the ruins."

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Referring to the cooperation between the/Association of National Advertisers with the Association of Advertising Agencies, in forming a bureau to authenticate station coverage and listener data, Chairman Prall suggested:

"Why not go further? Here are the three principal trade associations of the three industrial groups most vitally concerned with radio as an advertising medium. Why can't they enlarge the scope of their activity to include a cooperative movement for safe, sane, clean, and dependable continuities on the air? There need be no mandatory rules. Perhaps the writing of trade practice provisions to cover these points would suffice."

The speaker also said the suggestion was plausible that had been made to set up within the industry an agency whose task it would be to advise stations and advertisers whether particular accounts are construed to be ethically and otherwise acceptable and to check with the Commission on this.

"Having served the city of New York as President of the Board of Education, with an enrollment of more than a million boys and girls in the public schools, I am naturally interested in what is going over the air under the guise of children's programs. Caustic complaints have come to me to the effect that many children cannot eat or sleep after hearing some of these blood and thunder broadcasts. Good judgment would have prevented this, and can prevent it", Mr. Prall went on.

Speaking of the newspaper phase of the situation, the speaker continued:

"Naturally, we cannot expect this fifteen year old infant, which some of my newspaper friends call 'audible journalism', to do what the publishers have accomplished only after four centuries; but it can profit and happily is profiting by the experience and background of the 'Fourth Estaters'."

"I find that news reports consume infinitely more time than they did only a few short months ago. That is an interesting and important development and may have a far reaching bearing upon the future status of the broadcasting stations."

"Broadcasters, as they become more alive to their editorial responsibility, I believe will soon find themselves establishing editorial standards. By that I do not mean that they will identify themselves with politics, for that would be wrong and deplorable. It is my view that they will become more intimately identified with the civic activities of their own communities, that there will be more forums on the air, and that they will awaken the interest of their listeners in an entirely new sphere of editorial activity."

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FCC COMES THROUGH WITH 69 PAGE INTERLOCKING ALIBI

The Communications Commission has issued a 69 page, legal size, double-spaced, mimeographed opinion upon which it based its recent decision that a person may not hold the position of officer or director of more than one carrier. This includes a 13-page statement of facts and grounds for the decision, a specially concurring opinion of Commissioner Walker, 12 pages, a dissenting opinion of Commissioner Stewart, 37 pages, and a dissenting opinion of Commissioner Brown, 7 pages. It is the bulkiest opinion ever submitted by either the old Radio Commission or its successor the FCC.

The conclusion in the statement of facts and grounds for decision is that

"Section 212 of the Communications Act makes it unlawful for any person to hold a position of officer or director of more than one carrier subject to the Act, unless such holding shall have been authorized by order of the Commission. Under this section the applicant bears a very serious burden to show the Commission, beyond doubt, that neither public nor private interest will suffer."

"In each of these applications the applicant has failed to meet this burden. It will be necessary briefly to discuss some of the facts relating to each individual application."

Following this the cases of Messrs. Gifford, of the American Telephone & Telegraph Company; Sosthenes Behn, International Telephone & Telegraph Company; Edwin F. Carter, American Telephone & Telegraph Company; E. F. Chinlund, Mackay Radio and Telegraph Company; Joseph J. Halpin, Mackay Radio & Telegraph Company; Newcomb Carlton, Western Union Telegraph Company; E. Y. Gallaher, Western Union Telegraph Company; David Sarnoff, R.C.A. Communications, Inc., and Lewis MacConnach, R.C.A. Communications, Inc., are discussed separately.

Note: Copies of this decision may be had upon application to the Federal Communications Commission or to this writer.

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N.Y. DEALER CITED FOR MISLEADING "ALL WAVE" ADVERTISING

Misleading representations in the sale of radio receiving sets and equipment will be discontinued by Miodrag Jelisjevich of New York City, a manufacturer trading as Pioneer Sound Laboratory.

Entering into a stipulation with the Federal Trade Commission, Jelisjevich agrees to stop employing the words "all wave" as descriptive of his products when they are not capable of reception over the entire meter range covering all broadcasts and commercial transmissions, and to cease implying in advertisements that users of his radio receiving sets can have world-wide or foreign reception at will and with satisfactory volume.

"The respondent's advertising was said to be misleading and deceptive to the purchasing public, who are not aware that there are no receiving instruments that will give easily tuned, satisfactory reception over short waves from foreign countries under all conditions", the Trade Commission's statement concluded.

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C O R R E C T I O N

In the account of "Prall's Brawl Proves Quite A Success", the party given to celebrate the appointment of Anning S. Prall, Chairman of the Federal Communications Commission, in the issue of July 2, the last line should have read, "Marvin H. McIntyre, secretary to President Roosevelt, presided."

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CLEVELAND WIRED RADIO DECISION SOON

Following a three months' test of wired radio in Cleveland - entertainment via the electric light wires - meters are being checked and it is expected that definite results will soon be known.

"If the results satisfy the wired radio big-wigs, the service will be offered local listeners on a city-wide scale", Norman Siegel, Radio Editor of the Press, said in sizing up the situation. "If the results say 'No', wired radio will be put back on the shelf to be forgotten until somebody again thinks the public wants it.

"Wired radio, the transmission of voice over electric light wires, has been waiting for eight years to get out of the laboratory and compete with space radio for listener interest. It finally was given its first workout here on March 15.

"The test was conducted in the western half of Lakewood. During the three months it has been in operation, sets were placed in 700 homes for three-week trials. Programs were wired from a studio at 13000 Athens Avenue and relayed through an illuminating company sub-station. Listeners were given a choice of three programs. Meters on the sets tabulated the number of hours each of the three different channels were listened to. The hope of Muzak Corp., which conducted the test, is that the sets were used more hours per day than space radio receivers.

"Although a report isn't due till early in July, this writer in a check of his own finds that the sets were listened to on an average of four hours a day, and that the channel bringing rhythmic dance music was favored . . . and that the 'Isle of Capri' was the tune most requested by Lakewood listeners.

"Giving you some more advance reports, we learn from a questionnaire sent to the 700 families selected for the test that: News flashes, news commentators and sports broadcasts are their favorite space radio programs . . . and that Ben Bernie is their favorite ethereal entertainer. Yowzah, Ben, the aged baton wielder.

"Harris D. H. Connick, Vice-President of Wired Radio, Inc., and H. D. Duncan, the outfit's chief engineer, arrived in town to complete the test and assist in the tabulation. In a couple of weeks they'll let you know whether you can buy wired radio programs free of commercial advertising at so much per month. The decision will be made without the aid of the Supreme Court."

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 ::: INDUSTRY NOTES :::
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Monday night, July 8, at the Broadcasters' Convention at Colorado Springs, representatives of the Inter-City stations will attend a conference presided over by Donald Flamm, of WMCA, New York City, at which time plans for the further development of the group's activities will be discussed. A conference of western stations interested in forming a similar group has been scheduled for Tuesday night, a press release sets forth.

A favorable recommendation has been made to the Commission by Examiner Melvin H. Dalberg in the application of George B. Bairey, of Valley City, North Dakota, for a 100 watt station on 1500 kc.

F. P. Guthrie, Manager of R.C.A. Communications, in Washington, attended the Detroit Convention of the Institute of Radio Engineers.

A dispatch from Kansas City said that Police Chief Coffee's libel suit against Time magazine for its "March of Time" broadcast of April 6, 1934, has been settled for \$20,000.

Chief Coffee, appointed only a short time before, filed suit against the Columbia Broadcasting System, Remington Rand and KMBC, asking for \$250,000 damages. Attorneys would not disclose who paid the money, but Time magazine had representatives in Kansas City negotiating the settlement.

According to NBC Sales Department, Jack Benny's Jell-O program commands the largest listening audience of any program on the air. It is produced for General Foods Corp. by Young & Rubicam, Inc., Advertising Agents, of New York, Chicago and Detroit.

The Federal Government's anti-trust action against the Radio Corporation of America and RCA Communications, Inc., ended at Wilmington, Del., July 2, when Judge John F. Nields in Federal District Court issued a consent decree disposing of the communications agreements of the two companies with foreign countries, including China, Poland and Czecho-Slovakia.

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