

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 22, 1935.

FCC Member Hits Anti-Coaxial Cable Propaganda.....	2
Government Copyright Suit Again Goes Over.....	3
Year's Set Sales May Exceed All-Time Peak.....	4
Kansas City Station Loses Highest Court Appeal.....	4
FCC and FTC Members Discuss Radio Advertising.....	5
Labor Protest May Bring Congressional Radio Inquiry.....	5
Chicago Decided On For Next Broadcasters' Convention.....	6
WLWL-WWL Catholic Station Hearings To Resume.....	7
Sees Radio Helpful To Newspaper Sales.....	7
Radio & Television Corp. Files Securities For Registration.....	8
Navy Department Buys Land For Radio Station.....	8
Winterbottom Points To U.S. Communications Independence.....	9
Industry Notes.....	11
WSPD To Measure Power Through Antenna.....	12
Jewett To Put New Life Into N. Y. Museum.....	12

No. 870

October 22, 1935

FCC MEMBER HITS ANTI-COAXIAL CABLE PROPAGANDA

That organized propaganda was being directed at the Federal Communications Commission in connection with granting of the application for the experimental coaxial cable, for the transmission of television between New York and Philadelphia, was revealed in the address which Commissioner Paul A. Walker, of the Federal Communications Commission, delivered before the National Association of Railroad and Utilities Commissioners, at Nashville, Tenn., last week.

"The application of the American Telephone and Telegraph Company and the New York Telephone Company to build the coaxial cable was made some months ago", Mr. Walker said. "That application was presented as an emergency application. Multiplied telephone facilities and perhaps television transmission would be effected with the building of the coaxial cable. The application was promptly granted by the Federal Communications Commission, with restrictions against monopoly.

"I referred to this coaxial cable application as an interesting experiment in testing the sincerity of the willingness, so often publicly expressed by the telephone utility, of cooperation with governmental regulation. Within the current month, however, the country has been flooded with an apparently organized propaganda against the Federal Commission's order. It is said that the American Telephone and Telegraph Company is to shunt television far into the future and to deny nation-wide television and pictures by radio unless there can be a relaxation of regulations of the Federal Commission.

"The coaxial cable, it is said, is in reality a hollow brass pipe, sheathed in lead, carrying electrical impulses over a wider band than has ever been possible before. It is, it is said, the only method by which television pictures can be piped overland long distances. Not only is the Bell Telephone Laboratories, Inc., to be given sole credit for the development and patenting of this cable, but the American Telephone and Telegraph Company is to be given sole control and exclusive use of its operation, or the country is to be denied its use altogether.

"Parenthetically, an article by a member of the technical staff of the Bell Telephone Laboratories, Inc., in the August 17, 1935, issue of 'Telephony', describes the coaxial cable to be built under the Commission's order and calls attention specifically to the fact that the conception of the

coaxial cable and its practical application, in some situations at least, have been known since the time of Lord Rayleigh in the middle of the last century."

Commissioner Walker said that the construction of the coaxial cable was for experimental purposes and for the transmission of common carrier messages during the period of experimentation.

"This coaxial cable is expected to have a transmission capacity of some 30 times that of the ordinary telephone wire, and to be able to transmit television images. The Commission granted the application, but with restrictions as to use, including the proviso that other persons might be permitted experimental transmission upon the payment of reasonable charges therefor, and required that the applicants accept the proviso of the order before beginning construction of the cable. The Commission had in mind particularly television and such regulation as might prevent any one company gaining a complete monopoly in that field."

X X X X X X X X

GOVERNMENT COPYRIGHT SUIT AGAIN GOES OVER

By agreement of counsel, the Government's anti-trust suit against the American Society of Composers, the continuance of which was set for November 4th, has now been postponed until Tuesday, January 7th. The reason given by the Government for this is that there are two other anti-trust suits ahead of the ASCAP litigation and that January will be the earliest time that the suit, which began last June but which was postponed until November after an eight-day trial, can be resumed.

An observer, who is usually well informed, commenting upon the January 7th date, expressed the opinion that there would be a further adjournment and that the suit might never come to trial.

Somewhat the same impression is conveyed in an article in this week's Saturday Evening Post (Oct. 19) entitled, "Trouble in Tin Pan Alley" by Alva Johnston. Mr. Johnston refers to the abrupt termination of last June's hearings in the anti-trust suit, which he said was rushed to trial on the grounds of public urgency, as "the Government's about face". Mr. Johnson describes the recent signing-up of agreements of Broadcasters with the Composers "as another surrender."

X X X X X X X X X X

YEAR'S SET SALES MAY EXCEED ALL-TIME PEAK

Sales of radio sets give indication that this year may surpass the all-time peak established in 1929. Sales for some months of the current year have been double those of the like months last year and production has ranged from 25 to 40 per cent more than a year ago in units, while the gain in dollar volume has been less, according to a survey just completed by Dun & Bradstreet, Inc.

Over-production worries have disappeared from the industry and the chief concern is now centered upon maintaining shipment schedules, for it is reported that some business has been lost through inability to make deliveries.

"Deferred demand, which has been accumulating for more than four years", according to the survey, "now is working aggressively in favor of the radio industry. Distribution has broadened almost without interruption since last Winter and the heaviest buying season of the year has opened auspiciously."

It is said that buyers are interested almost exclusively in all-wave sets, and it is estimated that sales for 1935 will total 5,300,000 sets, as compared with some 4,084,000 sets sold in 1934.

Based on the presumption that sets not equipped with all-wave facilities are obsolete, estimates on the percentage of those to the total home units now in use range from 40 to 80 per cent. Fully 30 to 50 per cent of the radios now providing family entertainment and instruction have been in almost continuous service for more than five years.

X X X X X X X X X

KANSAS CITY STATION LOSES HIGHEST COURT APPEAL

Terminating a long legal fight, the United States Supreme Court has declined to grant an appeal to Station WREN, of Kansas City, to intercede in the case of Station WHB, of Kansas City, Kans., which had applied for an experimental license for evening hours.

When the former Radio Commission refused WREN's request to intervene in the case, the station appealed to the Supreme Court of the District of Columbia for an injunction. The District Supreme Court denied the motion of the Commission to dismiss the case, following which the Commission filed an appeal in the Court of Appeals of the District, this court finally overruling the District Supreme Court.

X X X X X X X X X

FCC AND FTC MEMBERS DISCUSS RADIO ADVERTISING

A conference was held last week by Chairman Ewin L. Davis, of the Federal Trade Commission, and Commissioner Eugene Ol Sykes, of the Federal Communications Commission, with regard to their respective jurisdiction in the matter of radio advertising control. The powers of the two Federal bodies overlap in this matter.

"It was simply an informal talk", said Judge Sykes. "We wanted to ascertain if our various departments were doing their work without any lost motion. We found that they were cooperating very well.

"Judge Sykes said that no new policy has been evolved with regard to the control of radio advertising but that the facilities of both Commissions are to be made more interchangeable in the future than in the past."

X X X X X X X X

LABOR PROTEST MAY BRING CONGRESSIONAL RADIO INQUIRY

It is predicted that the recent resolution criticizing the governmental radio control, passed by the International Typographical Union and the American Federation of Labor, will bring about a Congressional investigation of the Federal Communications Commission during the next session of Congress, which convenes in January.

The resolution passed by the Typographical Union at its meeting in Montreal, where members attacked the "monopolistic control" of radio in defense of newspaper and magazines advertising, favors a Federal broadcasting system similar to that of Great Britain and Canada.

The Typographical Union introduced a similar resolution at the meeting of the American Federation of Labor at Atlantic City last week, but the Federation passed a compromised resolution by simply going on record as against "monopolistic control".

A representative of the Federation said that as a result of this he believed two distinct fights would be waged against the broadcasting industry, the Typographical Union initiating a campaign for government ownership, while the Federation itself would launch an attack on the networks.

The resolution passed by the Typographical Union at Atlantic City is as follows:

"Whereas, the Congress of the United States recognizing the importance of radio communication has specifically reserved control of radio to Congress and specified that radio broadcasting licenses be issued only to serve public interest; and

"Whereas, contrary to the pronounced intent of the Congress two monopolistic groups now virtually dominate American radio broadcasting and use these radio facilities, the property of the people, simply as a means for additional enrichment rather than to serve public interest; and

"Whereas, In their mad desire for additional enrichment these radio monopolists have been able to divert almost \$100,000,000 of advertising from newspapers and magazines to radio, thereby depriving some 40,000 or more skilled printing trade workers of much needed employment opportunities; and

"Whereas, these radio monopolists now operate theaters to which are exclusively invited - free - those who advertise by radio and friends of those advertising agencies, which agencies control the placing of the advertising; and

"Whereas, it is apparent that public interest will not be served by those who seek only additional enrichment for themselves and render no service in the public interest; and experience has proven that public interest will only be served by having the government, as is done in Great Britain, Canada, and most all other countries, exclusively operate such radio broadcasting stations as are necessary to truly serve public interest; therefore, be it

"Resolved, that the I.T.U. authorize and direct its officers to petition the Congress of the United States for the enactment of legislation wherein all existing radio broadcasting licenses be cancelled at the expiration of the present license period and that all radio broadcasting thereafter be operated exclusively by a governmental agency, to be set up by action of Congress, with commercial advertising on such radio stations restricted to not more than two hours of each day of which not more than one hour be used for advertising after sundown; and be it further,

"Resolved, that all local unions and state or regional conferences be directed to interview the Congressmen and United States Senators from their respective districts and states, and secure from them a pledge, if possible, that they will work in Congress for the enactment of the legislation herein proposed."

X X X X X X X X

CHICAGO DECIDED ON FOR NEXT BROADCASTERS' CONVENTION

The next annual convention of the National Association of Broadcasters will be held in Chicago. The exact date has not been set, but according to James W. Baldwin, Managing Director of the Association, it will be during the latter part of July.

X X X X X X X X X X

WLWL-WWL CATHOLIC STATION HEARINGS TO RESUME

The hearing in the case of the Paulist Fathers' station, WLWL, in New York, and WWL, Loyola University, operated by the Jesuit Fathers (New Orleans), which began last June and which was postponed until Fall, will be resumed in Washington Thursday morning, October 24th, at 10 o'clock.

WLWL, in New York, seeks unlimited time on 810 kc., which would involve moving of WWL, in New Orleans, to the 810 kilocycle channel and to operate simultaneously with WLWL. Granting of the application would require a change in the allocation of Stations WNYC, New York City; WOV, New York City; WCCO, Minneapolis; WFAA, Dallas; WBAT, Fort Worth; WPG, Atlantic City, and WWL.

A complicating factor in the case has been the unwillingness of WWL, at New Orleans, to change its present frequency in order to accommodate WLWL, of New York City. A serious difference of opinion apparently arose between the Jesuit Fathers backing up their radio station on the one hand, and the Paulist Fathers fighting for theirs, on the other. So far as known, this difference of opinion has not been reconciled.

George O. Sutton, counsel for Father J. B. Harney, of WLWL, said he believed the hearings would probably last a week or more.

X X X X X X X X X X X

SEES RADIO HELPFUL TO NEWSPAPER SALES

J. A. Swan, Promotion Manager of the Des Moines Register and Tribune, addressing the Fall meeting of the Newspaper Advertising Executive Association at Chicago, said that his paper had found that radio will not sell newspapers, but will "open doors to salesmen".

Although the Inland Daily Press Association at Chicago passed a resolution condemning the broadcasting of news, a number of members dissented. Mr. Swan and Forrest Geneva, also of the Register and Tribune, declared that radio news broadcasts were rather aids than rivals of the newspapers. They expressed the opinion that the public appetite for news is whetted by radio flashes and that this causes the circulation to rise.

The resolution, which was introduced by Linwood I. Noyes, publisher of the Ironwood, Mich., Globe, and President of the Inland Press Association, urged newspapers and news-gathering organizations to "cooperate in developing an equitable plan for the broadcasting of news bulletins at regular intervals as a public service in the name of the participating groups."

10/22/35

"I cannot * * * see why newspapers do not rebel at the selling of news to advertisers for broadcast purposes by agencies which are supplying them with news for legitimate publication", Mr. Noyes declared.

"The Associated Press alone has had the fortitude to prohibit the use of Associated Press news for commercially-sponsored programs and its directors should be complimented for their far-reaching decisions to refuse to impair public confidence in Associated Press news reports."

Noyes declared that "concerted action on the part of newspapers could influence the policies of the United Press and the International News Service" to end the sale of their news reports to advertisers.

X X X X X X X X X X

RADIO & TELEVISION CORP. FILES SECURITIES FOR REGISTRATION

Among the securities for which registration is pending at the Securities and Exchange Commission in Washington, are those of the American Radio & Television Corporation of New York, New York, seeking to issue 300,000 shares of \$1 par value common stock, to be offered at par. Stone & Company, of New York City, is the principal underwriter and Joseph LaVia, also of New York, is President of the Corporation. The securities were filed for registration October 12th.

X X X X X X X X X X

NAVY DEPARTMENT BUYS LAND FOR RADIO STATION

The Navy Department announced the acquisition of 550 acres of land near Cheltenham, Md., north of Brandywine on the Crain Highway, where it will build a naval radio receiving station at the cost of about \$175,000.

The land, which includes a strip of 100 feet wide for a roadway, was purchased for \$16,886.

X X X X X X X X X X

WINTERBOTTOM POINTS TO U.S. COMMUNICATIONS INDEPENDENCE

The discussion which has flared up over the cancellation by the British Post Office of a scheduled radio speech by the Italian Delegate at Geneva calls attention strongly to the complete communications independence the United States has achieved through radio since the World War, William A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, said.

"The highly developed receiving stations of the RCA system can 'hear' any country, anywhere, that can get a radio wave to them", Mr. Winterbottom pointed out. "Both sides of a topic in which America is interested are available. If direct information does not come from one source, other nations are ready to send it."

The broadcast over an American network of a speech by Baron Aloisi, direct from Rome, on October 13th, was cited as an excellent example by Mr. Winterbottom. A London radio station first was scheduled to send across the Atlantic the address which Baron Aloisi was to make in Geneva. On the day the talk was scheduled, however, the British Post Office advised that its radio facilities would not be available for the speech. Whether this was the result of technical difficulties or the applications of sanctions to which England considered itself obligated as a member of the League of Nations, it did not prevent America from eventually hearing the speech.

Baron Aloisi returned to Rome and made his deferred address -- direct to America from a station in his own country. It was received with complete success by the RCA station at Riverhead, L. I., and distributed over the Columbia network for which it was originally scheduled. This organization, which previously had broadcast a statement from the Ethiopian delegate to Geneva, was thus enabled to present both sides of the question, in line with the policy of American broadcasters.

"There is a sharp contrast", said Mr. Winterbottom, "between the communications situation of our country today and that before 1920. In 1920 we had direct cable communication with England and France, in Europe, and with relatively few nations elsewhere. In that year radio communication really got started in the United States, under a program of development of an American company, the Radio Corporation of America. Today, this one company -- and it is now only one of several in the field in America -- maintains 56 direct radio circuits that connect the United States and its insular territories with 47 countries.

"From halting beginnings, international radio communications circuits have been brought to high efficiency in the last fifteen years. An example of that was the recent demonstration

at the Alberteum Fair in Brussels from which a radio message was sent twice around the world in one minute and 40 seconds. America's radio communication system played an important part in that accomplishment."

The United States has heard the voices of Premier Mussolini and Haile Selassie, direct from their capitals. In the case of Haile Selassie the reception was especially remarkable because his voice came from a station in the heart of Africa, with scarcely one-fifth the power of a standard modern short-wave transmitter.

"When America desires news by telegraph from any corner of the world now she can reach out and get it", Mr. Winterbottom said. "The same is true of speeches from other countries.

"It is not generally appreciated that R.C.A. Communications has handled the great majority of international broadcast events, brought to this country from the four corners of the world for both of the great American broadcasting networks. This service is not dependent upon a single radio channel between England and America. For instance, during 1934 my company handled the reception or transmission of 715 international programs. In 1935, to date, we have handled 480 such program, which have been received direct from, or sent direct to, such widely scattered places as Buenos Aires, Rio de Janeiro, Rome, Moscow, Geneva, Berlin, Madrid, Brussels, Addis Ababa, Tokyo, Manila, Shanghai, Honolulu and the Fiji Islands. For 18 months R.C.A. Communications handled all of the many programs exchanged between this country and the Byrd Expedition in the Antarctic.

"The advantages of such a communication system, which hurls its signals to inland cities or coastal points with equal ease, is indifferent to political boundaries, or the necessity for the relay or examination of messages enroute, are obvious.

"Nor is this world-wide system, which maintains regular communication with so many foreign lands, limited in its service to those places. These extensive, point-to-point facilities are capable of reaching out to still more remote places on the earth's face, when there is need or desire to have direct word from them in this country. Indeed, there seems to be no end of the things that modern radio communication can pull out of its hat, on request, even to bringing radio photos of military action in Ethiopia within twenty-four hours."

X X X X X X X X X X

:::
 ::: INDUSTRY NOTES :::
 :::

O. K. Bevins, of Fort Thomas, Ky., formerly an air mail pilot, crashed to his death near Mason, Ohio, last Friday while flying in a heavy fog. Residents near the scene of the crash told Marshal Richard Cox the plane struck an antenna-tower of the Crosley Radio Corp., and then smashed to the earth about 600 ft. away.

What electrical engineers are doing to music is told by John Mills, a member of the technical staff of the Bell Telephone Laboratories, in a new book, "A Fugue In Cycles And Bels". Mr. Mills declares that electrical and synthetic music is in the future. The book is published by D. Van Nostrand Company, Inc., 250 Fourth Avenue, New York City, and the price is \$3.00.

WOR commercial programs for the four Summer months of 1935 showed an increase of 70% over 1934. The four months given were June, July, August and September, when a total of 676 hours and 53 minutes were used for commercial programs, compared to 397 hours and 47 minutes in 1934 for the same period. This shows an increase of 279 hours and 6 minutes.

The British Broadcasting Company announces that, contrary to certain reports, it has no intention of dismantling the long-wave transmitter at Droitwich, which at present radiates the National program daily on a wavelength of 1,500 metres with a power of 150 kilowatts in the aerial. No reconstruction of the station has been carried out nor is it intended. Contrary to reports, the plant at Droitwich is not out of date but is, in the opinion of the BBC, an example of the most modern technique in the design and construction of a long-wave broadcasting transmitter.

Lester Gootlieb, former radio editor of News-Week magazine, has replaced H. Bruce Fouche, in the Press Department of WOR, handling all commercial accounts.

Aviation officials from Latin-America countries, visiting the United States as part of the celebration of Air Navigation Week, were the guests of Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, and David

10/22/35

Sarnoff, President, at a dinner last Friday night on the 64th floor of the RCA Building. General Harbord was toastmaster.

Informal discussion centered on the advance of radio in its relation to aviation. The Latin-American delegates, on their way to New York from Washington, had visited the RCA Manufacturing plant at Camden, N. J., and observed the latest developments in radio equipment.

X X X X X X X X X

WSPD TO MEASURE POWER THROUGH ANTENNA

Station WSPD, the Toledo Broadcasting Co., at Toledo, Ohio, has applied for authority to determine operating power by direct measurement of antenna.

X X X X X X X X X

JEWETT TO PUT NEW LIFE INTO N. Y. MUSEUM

The election of Dr. Frank B. Jewett, President of the Bell Laboratories, President of the New York Museum of Science and Industry is expected to be a forerunner of considerable expansion of the project.

The museum will be established in new permanent quarters in the exhibition galleries known as the Forum in the RCA Building of Rockefeller Center, and a long-term program of development will be initiated.

The new Trustees elected were Gerard Swope, President of the General Electric Company; Thomas J. Watson, President of International Business Machine Company; Newcomb Carlton, Chairman of Western Union Telegraph Company; Edward R. Stettinius, Jr., Chairman of the Finance Committee of the United States Steel Corporation, and Nelson A. Rockefeller, son of John D. Rockefeller, Jr.

The museum is endowed by a large bequest left by Henry R. Towne, who was instrumental in the formation in 1914 of an association to establish and maintain a scientific museum.

X X X X X X X X X

"Years ago we made telephones", said the Boston lawyer, who is a former president of the Radio Manufacturers' Association, and the Audial Research Foundation, formed to protect independent manufacturers in their relation to patent pools.

"We sold this equipment mostly to mills for both inside service and service between building and building outside. The outside circuits were owned by the Bell companies, and they informed us that they could not give us their wires but felt that in the interests of service they should control all the machines."

Driven from the telephone business, the Samson Company eventually went into other lines, among them the building of amplification systems and public address systems which the company sold in great quantities to schools and theatres.

"The Electrical Research Products Company never threatened us directly", Mr. Colby said. "However, its representatives told these various school authorities and theatre owners that if they bought equipment other than that developed by Western Electric they would bring a suit in the courts. That constituted intimidation such as the small theatre owner could not resist, and the result was that we as well as other independents lost that business."

"The point I wish to make is this", he continued, "No great public utility existing by reason of a franchise granted by the people should be allowed to utilize by-products having nothing to do with the franchise to compete with and drive out of business independent private companies not existing under a monopoly provided by a franchise."

In answer to questions by Representative Randolph Perkins of New Jersey, Mr. Colby said that he could not state that Western Electric or its subsidiary had forced his company to close its doors.

Joseph A. Numero, official of the Cinema Supplies Co. of Minneapolis, testified that his company had gone through experiences similar to those of the Samson Company. He added that the company was still in business and admitted that he was not in litigation with members of the patent pool over ten alleged infringements.

X X X X X X X X X X

George Bijur, who has resigned as Columbia Director of Sales, will head his own organization, specializing in advertising and sales promotion counsel. Offices will be opened November 25 at 110 West 40th Street. Among his clients will be the Bijur Lubricating Corporation, of Long Island City, automotive and industrial equipment manufacturers, and Bing & Bing, Inc., builders and operators of real estate and hotels.

X X X X X X X X X