

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF MARCH 15, 1935

World's Radio Sets Exceed 50 Million.....	2
Senate Committee on Aviation and Radio Proposed.....	2
Says Bad Acoustics Cause Congressional Confusion.....	3
American Radio Importation Difficulties In Canada.....	4
Would Repeal Davis Amendment.....	5
Sharp Seasonal Decline In Canadian Radio Sales.....	6
Says Newspapers Have Handed Torch To Coughlins and Longs.....	6
RCA Launches Own Monthly Paper.....	7
Was It Father Harney And Mike?.....	8
Would Assign Radio Transformer Makers To Radio Group.....	9
Broadcast Advertising in January \$7,387,825.....	10
Applications Granted By FCC.....	11

No. 807

## WORLD'S RADIO SETS EXCEED 50 MILLION

More than 50 million radio receiving sets are in use throughout the world at the present time, with 1,537 broadcast wave-transmitting stations, 136 short-wave stations and 58 long-wave stations available to provide broadcast programs, according to a tabulation made public by Andrew W. Cruse, Chief of the Commerce Department's Electrical Equipment division.

Receiving sets of record, the tabulation shows, are divided between North America with a total of 26,592,613, of which 25,551,569 are credited to the United States; Europe, 20,424,316; and Asia, 2,050,339. Russia and Turkey, which are not included in the tabulations for Europe and Asia, have a combined total of 2,005,500 receiving sets. The exact world total shown in the tabulation was 53,218,327 sets.

The large number of radio receiving sets recorded throughout the world, Mr. Cruse pointed out, is not only an evidence of economic recovery, but indicates the consumer appeal of new developments in set construction.

Short-wave developments and particularly the policy of manufacturers to make the all-wave receiving set the standard rather than the expensive exception and the extension of pure-tone reproduction toward the upper and lower sound regions have encouraged increased purchases of received sets, it was stated.

In conclusion Mr. Cruse states that statistics covering receiving sets in the United States are from the recent survey conducted by the Columbia Broadcasting System.

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## SENATE COMMITTEE ON AVIATION AND RADIO PROPOSED

A resolution was introduced by Senator McAdoo (D), of California, which would provide for a Standing Committee on Aviation and Radio. The new committee would consist of fifteen Senators.

This Committee would have to do with radio only as it concerns the navigation of planes. It was explained that it was not Senator McAdoo's idea to take the jurisdiction of radio, which is now exercised by the Senate Interstate Commerce Committee away from that Committee but simply to group aviation and airplane communication control together. The resolution was referred to the Senate Committee on Rules.

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## SAYS BAD ACOUSTICS CAUSE CONGRESSIONAL CONFUSION

Just as Senator Copeland of New York, who is a physician, keeps an eye on ventilation and other conditions in the Senate Chamber, which might affect the health of the Senators, Representative Karl Stefan, of Nebraska, who was formerly a radio columnist, is endeavoring to correct the bad acoustic conditions in the House of Representatives. So hard is it to hear what Congressmen are saying sometimes, when a person sits in the gallery, that Ed Wynn, the comedian, who was out there not long ago was prompted to say that the Congressmen must have been talking to themselves as no one else could understand what they said.

"Feeling that I know what a radio listener wants to hear and realizing how you feel about long-winded speeches, I beseech you to be tolerant with my efforts to tell you some of my impressions of Congress from the viewpoint of a 'rookie' Member", said Mr. Stefan in his first national broadcast from Washington.

"One of the inevitable first impressions of the House of Representatives that comes to a new Member and to the visitor in the gallery is that there is usually a great deal of confusion in the Chamber and that it is very difficult for Members and visitors to hear what is going on. The truth is that bad acoustic conditions in the Chamber militate against good order. However, better sound conditions in the House Chamber would contribute to the improved decorum of the House as well as to the ease with which business is transacted, and because of the obvious need for the improvement one of my first acts here was to discuss the existing situation on the floor of the House and to introduce a resolution for the purpose of having modern scientific appliances installed in the Chamber for the perfection of sound transmission.

"It has been my privilege to walk along with radio from almost its infancy, and I am amazed at the strides of this treat science. As one radio fan to another, I wonder if we take all of this wonderful service for granted? Those of us who know the tremendous expense and the tremendous amount of scientific research which is behind this service appreciate it all.

"I want to thank Ted Church and staff and the Columbia Broadcasting System for the use of its great radio facilities.

"And to those of you who have been so patient I want to thank you for listening to me. Might as well be happy, folks, because everything is going to be all right."

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## AMERICAN RADIO IMPORTATION DIFFICULTIES IN CANADA

The following information from Consul Walter H. McKinney at Yarmouth, Nova Scotia, is furnished by the Commerce Department with the understanding that it is to be used solely for the benefit of American firms and individuals and is not to be published or given any secondary distribution whatever.

Three letters were sent by Messrs. Smart and Biggar, Attorneys, Victoria Building, Ottawa, to a business man of Yarmouth, Nova Scotia, as the result of the purchase by him of a small radio receiving set in the United States and its subsequent importation and use by him in Canada. These letters claim, on behalf of Canadian Radio Patents Limited, that importing and using the set is an infringement of various Canadian patents, and the owner is ordered by them to pay an arbitrary 10 percent of the value of the set, in default of which his set is subject to legal seizure and destruction.

This is not the first occasion in which local importers of American radio receiving sets have encountered similar difficulty with the claimants. The situation is such as effectively to impede if not actually prevent any importation in Canada of such merchandise from the United States.

That the Canadian customs authorities are making every effort to discourage the importation of low-priced radio sets from the United States is apparent in a case now pending in the office of the Collector of National Revenue at Yarmouth, involving the entry of six small sets costing in New York \$7 apiece. When entered in the local customs office the duty was assessed at the prescribed 30 percent ad valorem and payment made accordingly. The merchandise was held by the customs, however, pending a review and reappraisal by the Bureau at Ottawa. As far as this consulate has been able to ascertain, the importer submitted copies of his commercial invoice, together with a price list from the manufacturer showing list prices and all discounts received by him. It appears, however, that the price list submitted carried, probably for sales appeal, an exaggerated statement somewhat as follows: "Regular Value - \$18. Our price to you - \$9, less 30 percent dealers' discount." On the basis of this a reappraisal was made of the merchandise approximately as follows: Value in the United States - \$18 less 30 percent dealers' discount. The prescribed 30 percent duty was then charged on this net value, salestax added, and a dumping duty amounting to approximately \$6.50 was also charged. The total duty payable before delivery of the shipment amounts to some 170 percent ad valorem.

The importer is, of course, confronted, moreover, with the possibility of having to pay whatever unlimited and perhaps exorbitant claim that may be made on him by the Canadian Radio Patents Limited for infringement of patents. He advises me that he has cancelled the order for 100 of the sets which he placed with the manufacturer and he hopes to be able to re-export the small shipment which he now has in Yarmouth.

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## WOULD REPEAL DAVIS AMENDMENT

A Bill was introduced (S 2243) by Senator Wheeler, of Montana at the request of the Federal Communications Commission which would, in effect, repeal the so-called Davis Amendment which provides an equitable allocation by zones, states, population and power.

The new Bill reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 of the Communications Act of 1934 is hereby repealed.

"Sec. 2. subsection (b) of section 307 of such Act is amended to read as follows:

"'(b) In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide an equitable distribution of radio service to each of the same.'"

Section 2, Subsection (b) above referred to is the so-called Davis Amendment and Section 307 is the provision for dividing the country into five radio zones.

Favoring the repeal of the Davis Amendment the Communications Commission stated that it is contrary to natural laws and results in concentration of the use of frequencies in centers of population and a restriction of facilities in sparsely populated States, even though interference would permit the operation of one or more additional stations. Because of the size of the zones, this distribution results in providing ample broadcasting service in small zones and lack of service in large zones. Experience has proved that the section as proposed is very difficult of administration and cannot result in 'an equality of radio broadcasting service.' In the provision suggested, service is made an important criterion, making it possible to carry out the statutory provisions of public interest, convenience, and necessity without artificial restrictions."

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## SHARP SEASONAL DECLINE IN CANADIAN RADIO SALES

Radio sales in Canada registered an unusually sharp season contraction during January, according to a report to the Commerce Department from Assistant Trade Commissioner A. F. Peterson, Ottawa. The total distribution for the month as compiled by the Radio Manufacturers' Association was 7,693 units, valued at \$931,286, against 20,770 units, valued at \$2,312,277, in December.

As a result of the marked curtailment in January sales, production schedules have been somewhat lowered compared with plans at the opening of the year, it is pointed out.

During the months of February and March, Canadian radio manufacturers expect to produce 30,157 units, the report states. As of January 1, projected production amounted to 42,176 units, which, after adjustment for January sales, would leave approximately 34,000 units as projected production for the last two months of the first quarter, the report states.

Radio sales during 1934, according to the Canadian Radio Manufacturers' Association, totalled 168,833 units valued at \$16,771,222.

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## SAYS NEWSPAPERS HAVE HANDED TORCH TO COUGHLINS AND LONGS

Speaking on "The Newspaper's Part in the New Deal", J. David Stern, publisher of the New York Evening Post, said:

"If the truth must be known most newspapers have not had time to play a part in the New Deal. They have been occupied with the NRA, the Newspaper Guild, the growth of the radio, the broadcasting of sport news and child labor.

"Meanwhile they have overlooked a much more important development on the air. The radio has taken the place of the newspaper's editorial page. The intellectual battle of the New Deal is being fought on the air instead of in the newspapers.

"Newspapers of the United States are to blame for the extraordinary growth of political propaganda on the air. Newspapers have forfeited their privilege of leading public opinion and have handed the torch to the Coughlins, the Longs and the Johnsons."

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## RCA LAUNCHES OWN MONTHLY PAPER

So that the left hand may know what the right hand is doing, the Radio Corporation, marking the Fifteenth Anniversary of its entry into the international communications field, has launched a monthly newspaper, "Within the RCA Family Circle". It is about the size of a tabloid daily, is printed on coated stock, the first issue comprises four pages, and is illustrated throughout.

The leading article conveys the good news that, as shown by the annual report, business was substantially better for the RCA last year. This article carries the photographs of Gen. J. G. Harbord, Chairman of the Board, and David Sarnoff, President.

"The fifteenth anniversary of RCA's entry into international radio communications is a fitting time for the launching of this monthly newspaper", Mr. Sarnoff says in an editorial greeting.

"In the short period since 1920, RCA has seen a tremendous expansion of its scope, and its usefulness. Starting from comparatively small beginnings, we have grown until today our facilities cover the globe. To most of us our part in radio's advance has been more than an occupation. It has been an adventure also. But as the organization has expanded and the volume of business has multiplied, the workers in each of our several units have found themselves increasingly absorbed in the particular interests with which they are connected. Despite the close coordination between companies which is RCA's great strength, it has been more difficult for individuals to keep contact with others in the group than it has before our family became so large.

"Now, at a time when we seem to be entering radio's greatest period of development to date, an interchange of news from our associates will be especially welcome. Progress will be faster and our work will be more pleasant the more closely we pull together. After all, radio, as we often say so proudly, is bringing the whole world into closer unity and understanding, and RCA, radio's great leader, must continue to typify this movement by the cohesion within its own ranks.

"The radio skies are bright. There is a clear signal, and an open channel to wonderful new developments. And all of us will be closer in the industry's coming progress by knowing each other and each other's work better and by taking pride in the fact that we are 'within the RCA family circle.' This newspaper will be our common meeting place."

The "RCA Family Circle" brings one to a realization of the vast field covered by the Radio Corporation and its subsidiaries. It is an exceedingly attractive and readable little publication and no doubt will serve a very useful purpose.

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# WAS IT FATHER HARNEY AND MIKE?

As yet it is any man's guess as to exactly what caused the great radio shakeup at the Federal Communications Commission which thus far has caused Judge Sykes to lose the chairmanship; later the transfer of Col Thad Brown from the Vice-Chairmanship of the Broadcast Division, and which it is believed will result in quite a few more changes at the Commission.

In thinking over the things which possibly might have touched off the explosion, it seems to be more than a coincidence that a resolution passed by the American Federation of Labor at San Francisco six months or so ago so accurately foreshadowed events. This goes back to the defeat in the Senate of Father Harney's amendment offered by Senator Rob Wagner that 25% of all radio facilities be allocated to religious and educational institutions.

Behind Father Harney in this was the American Federation of Labor working through Mike Flynn, one of its most competent Washington representatives. The defeat of the amendment was a terrible blow to Father Harney and Mike and there isn't any reason to suppose they were any happier when Congress passed the buck to the Broadcast Division of the Communications Commission to "study the question."

Evidence of this was the San Francisco labor convention resolution which read "Resolved that we register our protest against the continuance in public office of any members of the Federal Communications who vote to surrender more than 50% of this public property - radio - to profit-making bodies."

The resolution - a veiled threat as it were - was presented to the Commission by William C. Hushing, Washington Legislative Agent of the American Federation of Labor but later was withdrawn by President William Green. Mr. Green offered no explanation for his unusual action but one close to him observed, "I think Mr. Green prefers to work through his friends on the Hill (meaning at the Capitol)."

Of course those drafting the FCC report paid no attention to the 50% demand of the laboring people. Perhaps there was no connection between the two circumstances but in the light of the labor demand, it is interesting to note what has happened to the three FCC officials who signed the religious-educational report to Congress, - Judge Sykes has lost the Chairmanship of the Commission; Col. Thad Brown has lost the Vice-Chairmanship of the Broadcast Division, and Hampson Gary, who was Chairman of the Broadcast Division, resigned to make way for President Roosevelt's appointee, former Representative Anning S. Prall, who now heads the Commission and hereafter will also serve as a member of the Broadcast Division.

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## WOULD ASSIGN RADIO TRANSFORMER MAKERS TO RADIO GROUP

In connection with a code hearing to be held in Washington today (March 15), Bond Geddes, of the Radio Manufacturers' Association, states in a letter to the NRA that the facts and also the statistics make compulsory upon the National Recovery Administration the classification of radio transformer manufacturers to the radio group for code jurisdiction and also makes mandatory the exemption and exclusion of radio transformer manufacturers from the proposed supplemental code for the so-called "specialty transformer industry."

"Radio transformers, in design, construction and use, are 'distinct and recognizable products' very different from commercial specialty transformers, and are generally suitable and actually used only for radio industry purposes.

"The statistics, both of the E.M.I. Code Authority and of your recent questionnaire, are incontrovertible that both by number of manufacturers and volume of sales there is a substantially large majority in the radio transformer group of the arbitrary NEMA code classification of 'specialty transformer' manufacturers", Mr. Geddes continues.

"The statistics secured from the recent NRA questionnaire, however, are in direct conflict with those of the E.M.I. Code Authority as to the number of manufacturers and volume of sales for 1933. For the six months ending December 31, 1933, the E.M.I. Code Authority statistics report 44 'specialty' transformer manufacturers with sales of \$3,644,000, of which a large majority, both by number and sales volume, are classed as 'radio transformers.' The number of such radio manufacturers were 25 and they reported sales of \$1,916,000. Furthermore, for the six months ending June 30, 1934, the E.M.I. Code Authority statistics show that there were 46 'specialty' transformer manufacturers with sales of \$3,165,000, and again, both by number and sales volume, in the radio class there was a large majority - 25 radio transformer manufacturers with reported sales of \$1,561,000. In addition, the E.M.I. Code Authority statistics are not inclusive of radio set manufacturers who make their own transformers in large volume.

"The statistics you have received from the recent NRA questionnaire show that total 1933 transformer production was \$7,600,000 and detail sales of \$3,610,910 of radio transformers, with sales of \$2,428,818 of other 'specialty transformers.' Of these respective sales reported there is not a 'slight' preponderance of radio products, as stated in your letter, as sixty per cent of the reported sales are of radio transformers while only forty per cent of the reported sales are of 'specialty transformers.' We challenge and deny your statement that this leaves open any 'valid question' as to whether the radio transformer is distinct and recognizable as a product apart from other specialty transformers. The statistics, both of the E.M.I. Code Authority



and from your recent questionnaire are conclusive and binding that radio transformers are in fact 'distinct and recognizable' radio products and constitute a substantially large majority, both in number of manufacturers and in volume of sales, of the so-called 'specialty transformer industry.'

"the group of commercial specialty transformer manufacturers making application for and sponsoring the proposed supplemental code for the so-called specialty transformer industry is not 'truly representative' as required by law. In no sense and on no conceivable basis are they at all 'truly representative' of radio transformer manufacturers. No substantial request or demand has been submitted to NRA from any important radio transformer manufacturer or group or number of radio transformer manufacturers in support of the proposed supplemental code."

In conclusion Mr. Geddes writes:

"You and other NRA officials have advised us that trade association affiliation of various manufacturers was not a factor in the decisions of NRA regarding either code classification or administration. We ask that the declared principle of product classification be followed by you in -

"(a) The determination that radio transformers are 'distinct and recognizable' radio products;

"(b) That radio transformer manufacturers be assigned for code administration purposes to the radio jurisdiction, and

"(c) That radio transformer manufacturers be excluded from the proposed supplemental code for commercial specialty transformer manufacturers."

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#### BROADCAST ADVERTISING IN JANUARY \$7,387,825

Broadcast advertising exhibited the usual seasonal trends during January, the National Association of Broadcasters' report shows. Gross time sales totalled \$7,387,825, a gain of 2.9% over the preceding month. National network volume rose 5.8%, slightly more than the usual seasonal up-swing. National non-network volume remained unchanged. Local broadcast advertising declined 12.2% as compared with December, a normal decrease for this period of the year. Regional network advertising decreased 9.2% during the month.



3/15/35

Gross time sales during the month were materially ahead of those for the corresponding month of 1934. Total broadcast advertising experienced a gain of 19.8% over the previous January. National network volume was 25.2% greater. National non-network volume gained 14.3%, local broadcast advertising 8.8%, and regional network advertising 8.0%.

National magazine volume remained comparatively unchanged, and stood 27.5% above the January 1934, level. Newspaper advertising lineage decreased 22.8% as compared with the previous month, a decline slightly greater than the normal seasonal one. Newspaper volume was 13.0% above the same month of the preceding year. National farm paper advertising was 12.0% less than in December and 3.7% greater than in January, 1934.

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#### APPLICATIONS GRANTED BY FCC

WLVA, Lynchburg Broadcasting Corp., Lynchburg, Va., C.P. to make changes in equipment; WPAD, Paducah Broadcasting Co., Inc., Paducah, Ky., C.P. to move station locally; KPCB, Queen City Broadcasting Co., Seattle, Wash., C.P. to install new equipment; WDOD, WDOD Broadcasting Corp., Chattanooga, Tenn., authority to determine operating power by direct measurement; WDAE, Tampa Times Co., Tampa, Fla., extension of special experimental authority to operate with 1 KW night, 2.5 KW day, unlimited time, from April 1 to Oct. 1, 1935; WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., extension of special experimental authority to operate with 1 KW night, 2½ KW day, from March 1 to Sept. 1 1935; WMFE, William J. Sanders, New Britain, Conn., Mod. of C.P. to make changes in equipment extend commencement date to within 60 days of grant and completion date to 90 days thereafter; WIS, Station WIS, Inc., Columbia, S. C., modification of C.P. approving transmitter site at Bluff Road, near Columbia, S. C., increase daytime power from 2½ to 5 KW and extend commencement date to within 30 days after grant and completion date to within 120 days thereafter; also to change equipment.

WILL, University of Illinois, Urbana, Ill., modification of license to change frequency from 890 to 580 kc., change power to 1 KW, daytime hours; WCFL, Chicago Federation of Labor, Chicago, Ill., modification of C.P. to change type of equipment and antenna system; WPHR, WLBG, Inc., Petersburg, Va., license to cover C.P., 880 kc., 500 w. daytime; WHJB, Pittsburgh Radio Supply House, Greensburg, Pa., license to cover C.P., 620 kc., 250 watts, daytime (Orig. C.P. authorized changes in modulating system); WKEU, WKEU Radio Station, Griffin, Ga., license to cover C.P. authorizing move from LaGrange to Griffin, Ga., and change specified hours to daytime only, 1500 kc., 100 watts.

3/15/35

Also, WJBC, d/b as Kaskaskia Broadcasting Co., Bloomington, Ill., license to cover C.P. authorizing changes in equipment; WDAF, The Kansas City Star Co., Kansas City, Mo., license to cover C.P. authorizing changes in equipment, 610 kc., 1 KW night, 5 KW day, unlimited; KIUJ, J. H. Speck, Santa Fe, New Mexico, license to cover C.P. authorizing new station to operate on 1310 kc., 100 watts, unlimited time, site to be determined; WPGA, Rome Broadcasting Corp., Rome, Ga., modification of license to change hours of operation from specified to unlimited 1500 kc., 100 w. night, 100 w. day; KGGM, New Mexico Broadcasting Co., Albuquerque, N. Mex., C.P. approving transmitter and studio location in Albuquerque, and application dismissed from the Hearing Docket; WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., renewal of license, 1360 kc., 500 watts, specified hours; with authorization to operate with 1 KW from local sunrise to local sunset on Sunday (application dismissed from hearing docket); WDZ, James L. Bush, Tuscola, Ill., application for renewal of license dismissed from hearing docket and granted for regular period, 1070 kc., 100 watts, daytime.

#### Miscellaneous

WSBT, The South Bend Tribune, South Bend, Ind., application for renewal of license removed from hearing docket and granted for regular period, 1360 kc., 500 watts, specified hours; KFBB, Buttrey Broadcast, Inc., Great Falls, Mont., reconsidered action in consolidating this application with hearings scheduled on applications of KFRC and WDAF, and granted petition for separate hearing on KFBB application to be held March 25, 1935. This application is for a Spec. Exp.Auth. to operate on 610 kc., with 1 KW; WCLS, WCLS, Inc., Joliet, Ill., reconsidered and granted application for unlimited daytime operation; denied application for unlimited night time operation; WCFL, Chicago Federation of Labor, Chicago, Ill., denied motion asking that Commission default and deny application of Journal Company (Milwaukee Journal) Milwaukee, Wis.

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