

# HEINL RADIO BUSINESS LETTER

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April 9, 1935.

## NEW FCC APPOINTEES

The Federal Communications Commission has appointed Carl F. Arnold, Dean of the Law School of the University of Wyoming, as an Assistant General Counsel of the Legal Department. He will devote his time and studies to problems connected with the Telegraph and Telephone Divisions, having specialized in utility law.

Mr. Arnold was born at Laramie, Wyoming in 1896. He graduated with honor from Princeton in 1917 and received an L.L.B. from the University of Wyoming in 1926 at which time he was admitted to practice in that State. He attended the Yale Law School 1926-1927 and received the degree of J.S.D. from Yale in 1929. He was appointed to the staff of the University of Wyoming Law School in 1927 and has been Dean there since 1932.

Mr. Arnold has had much experience in research work in matters closely allied with the problems before the Communications Commission. In his university work he has made an intensive study of the financial structures of utility companies and other large corporations, and has cooperated with the Attorney General of Wyoming in legal matters dealing with the Government.

This appointment, which carries a salary of \$7,500 per year, completes the list of three Assistant General Counsels, as provided in the Communications Act.

The Commission also named Lloyd E. Bemis of Chicago as an Accountant for the Telephone Investigation at a salary of \$6,000 a year.

Mr. Bemis is a Certified Public Accountant from the State of Illinois. He is a son of the late E. W. Bemis, who was prominent as an engineer and accountant in public utility matters. He has participated in telephone investigations before the Public Service Commission of Indiana and in telephone cases at Freeport, Princeton, and Streeter, Illinois, and in a number of other telephone investigations and cases throughout the South and the Central West.

Mr. Bemis, who is 37 years of age, graduated as a civil engineer from Cornell University and took a post-graduate course at Harvard University where he pursued selected courses in engineering, economics and accounting, relating to the subject of public utility regulation.

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## CHINESE BUY AMERICAN RADIOS DESPITE JAP \$6 SET COMPETITION

Japanese radios (particularly receivers manufactured by T. Hayakawa Metal Laboratories in Osaka, Japan, and marketed under the trade name SHARP) are being retailed in Shanghai at prices which defy competition, namely, as low as yuan \$18 (\$6.40, United States currency at 0.35-9/16, the rate of exchange on February 1, 1935), for a three-tube table model unit, in spite of a 25% ad valorem duty determined on the basis of the wholesale market value of the goods, according to a lengthy report on the Chinese radio situation made by Consul Richard R. Butrick, of Shanghai. Other Japanese three-tube models are being retailed at yuan \$23 to \$26 (U.S. \$8.18 to \$9.25). A four-tube model having a considerable popularity is sold at yuan \$39 (U.S. \$13.87). This model has two type 224 tubes, one 247B tube and one 112B tube. There are numerous models of three and four-tube receivers but they are all similar in general appearance to American made table model machines. Units are standard wave (200-550 meters) receivers for use on 220 volt, 50 cycle, alternating current.

Thus far, Japanese units have been marketed without any ostentation, probably to gain a foothold in the China trade. A decrease in anti-Japanese feeling would doubtless be the signal for greater activity which would seriously cut into American trade. Reports as to the efficiency of operation of Japanese machines indicate that they compare very unfavorably in performance with American units. They do not stand up, their range is strictly limited, and the quality of tone is generally poor. Japanese residents of Shanghai desirous of receiving programs from Japan almost invariably purchase American receivers, as reception on Japanese sets is generally incapable of spanning the 1,300 or so miles between Shanghai and Tokyo.

Although imports of radio sets and parts into Shanghai have increased annually for the past 4 years, the peak has yet to be reached, and it is expected that 1935 sales will exceed those of 1934 by about 50 percent, in the normal course of events.

There is a growing purchase of multi-tubed (nine or more) quality receivers and units constructed for long and short-wave reception. The market for imported console models is steadily declining, owing to the much cheaper price at which similar type Shanghai cabinets can be offered.

The market for imported radio receiving units and parts in Shanghai continued to expand during 1934, imports totaling \$1,400,000, American currency, or half a million dollars (58% more than during 1933). The United States maintained its premier position as a source of supply, furnishing 66% of the total imports. Great Britain, its nearest competitor, supplied 14%. The sets imported from the United States amounted to \$932,980 and Great Britain \$195,330.



The most notable feature of the year was Japan's attempt to enter the Shanghai market seriously. Imports of receivers and parts from Japan in 1934, totaled \$132,000, United States currency, a figure which, while small viewed from the volume of trade as a whole, nevertheless amounted to more than 11 times its American currency share of the business in 1933. It is expected that 1935 will see Japan making still greater inroads into the Shanghai radio market.

In spite of the efforts of various administrative authorities, there is still no effective control of broadcasting wave lengths in Shanghai, with the result that much overlapping exists.

Two new municipal-owned and operated stations are scheduled for erection in 1935. One, 10-kilowatts, will be Chinese and the other, 4-kilowatts, French. Both will be subsidized. The most powerful broadcasting station operating in Shanghai at present is a one-half-kilowatt transmitter.

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#### rites for Mrs. Aylesworth, Sr. Held in Denver

The funeral services of Mrs. Georgia Shores Aylesworth, mother of M. H. Aylesworth, President of the National Broadcasting Company, were held last Sunday in Denver. Mr. Aylesworth was obliged to go by plane in order to reach there in time.

Mrs. Aylesworth, who was in her late seventies, died last Thursday at the home of her daughter, Mrs. Arch Hahn, at Fort Collins, Colo. She had been ill since the death of her husband, Dr. Barton O. Aylesworth, in 1933. Dr. Aylesworth was President of Colorado State College for nearly 15 years. He formerly was a member of the faculty of Drake University at Des Moines, Iowa, and pastor of the Central Christian Church of Denver.

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#### Canadian Radio Sales Up in the Millions

The Canadian Radio Manufacturers' Association reports that 125,373 sets sold in Canada during the six months ending December 31, 1934, with a list value of \$11,853,492.49. Set sales during January in Canada were 7,693 with a list value of \$792,329.46. Projected Canadian manufacture for February and March was estimated at 30,157 sets.

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## ANNOUNCER WINS OUT IN NEBRASKA LEGISLATURE

Radio won out last week when a dispute arose in the Nebraska Legislature at Lincoln whether or not to permit the broadcasting of House and Senate debates. At first the move was voted down by about three to one, after which Foster May, the KFAB news commentator went on the air and told the radio audience the legislators did not want their districts to hear what they said.

May, for this, was grabbed by Representative Rasdal and thrown bodily from the press box. However, two days later a reversal of the vote found radio right on the floor of the House. KFAB officials deem this is an admission that radio is as strong a molder of public opinion as the press.

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## INDIA HAS ITS FIRST RADIO SHOW

A radio exhibition, the first of its kind in India, was held recently in Bombay, by Khan Bahadur D. B., Cooper, Revenue and Finance Member to the Government of Bombay. The show, Trade Commissioner George C. Howard, of Calcutta, advises, was originally planned to be held for five days, but was extended for a day more by popular request. According to reports this exposition was a tremendous success and might become an annual event in the future.

Khan Bahadur Cooper, in his speech declaring the exposition open, remarked that broadcasting in this country was bound to assume greater importance and that he would not be surprised if it became necessary for the Government to form a new department so that broadcasting might develop under a definite and well considered policy.

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## RADIO EXPORTS OVER \$1,000,000 IN MONTH

American exports of radio apparatus during January, the latest period accounted for by the government, were 43,898 receiving sets valued at \$1,172,129; 481,668 tubes valued at \$219,237; 11,047 speakers valued at \$25,522; parts and accessories valued at \$292,903, and transmitting tubes, sets and parts valued at \$246,267, not including exports to American possessions.

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## PHILCO DISCLOSES TUBE FINDINGS

In view of recent experimenting with radio tubes, the Philco Radio & Television Corporation believes it is fulfilling its obligation to the public by presenting the facts on this subject, as it knows them, to the American people, a statement just released by Philco sets forth. These data, presented to radio owners and to the radio industry, are the conclusions drawn from years of research, study, and experience in building 5,500,000 radio instruments. These conclusions, in addition, are based on the experience of the British affiliate of this company, the Philco Radio & Television Corporation of Great Britain, Ltd. They summarize, therefore, the findings of the research and engineering departments of the Philco Radio & Television Corporation both in America and in England.

"These findings establish the fact that the glass radio tube is of the highest radio performance value today", the Philco release continues.

"This corporation has had first-hand contact with metal radio tubes in England. Metal radio tubes in England were a dismal failure. They are now defunct. While a metal radio tube might develop possibilities in the future, it is today still in an experimental stage. While the metal radio tube might be of some interest to the public because of the novelty of the idea, its disadvantages are far greater than its present advantages.

"The Philco Radio & Television Corporation considers it only the part of wisdom for the American radio industry to proceed cautiously with the introduction of metal radio tubes in this country. The American radio industry should not, in justice to the public, and to itself, rush pell mell into metal radio tubes. The English catastrophe must not be repeated here.

"The Philco Radio & Television Corporation engineers and research scientists point out that the American public has available more than forty types of high efficiency glass tubes. These have been brought to their present high state of perfection over many years of scientific research and development. These tubes are giving the public double the performance of a few years ago.

"Progress continues on glass tubes; experimentation on metal tubes should be encouraged. Metal may possibly some day take its place alongside glass for radio tubes. In Philco's opinion, that day has not arrived as yet. Certainly, the American radio industry must not experiment on the public.

"Metal, to date, in the opinion of the Philco Radio & Television Corporation, offers no worth while improvement over glass in radio performance, but does introduce great disadvantage.

"Here are some disadvantages of metal radio tubes -

"1. With the proposed American metal tube construction, bulb size is reduced. With an equal amount of heat to dissipate, the smaller metal tubes must operate at a higher surface temperature than the larger glass tubes. High temperature is not only detrimental to tube life, but changes the characteristics of nearby coils, resistors, etc., thus impairing the delicate balance of all the various parts of a radio, which is absolutely necessary for fine performance. This could be avoided by spacing the coils farther away from the metal tubes, but this requires more space, not less.

"2. Production difficulties in the proposed metal tubes restrict the manufacture of certain highly desirable multiple function types which are in general use in glass. The proposed metal tubes are limited to a few types - principally single function types.

"3. Thus, to achieve a given performance, more metal tubes than glass tubes are required. This again requires more, not less, space in a radio.

"4. Also, the additional metal tubes add to cost and electric current consumption without adding to performance.

"5. The transparency of the glass tube often allows the user, or service man, to determine when a tube is not functioning. It is a great help in factory inspection. The inability to see inside a metal tube is a real disadvantage.

"6. Loss of vacuum is a serious hazard in the proposed American metal tubes, because, as compared to glass tubes, they require twice as many vacuum seals and each seal is much more intricate. Any air leak at any one of the sealing points in any metal tube stops the radio from working.

"Advantages of glass radio tubes over metal radio tubes today are -

"1. Present-day highly perfected, high efficiency glass tubes are available in every conceivable single and multiple function type, which allows present-day radio sets to give better performance than was available a few years ago with twice as many tubes.

"2. In the wide choice of types of glass tubes, a higher power output of pure tone is available as compared to the proposed metal tubes.

"3. Glass tubes are practically fool proof. With all their highly scientific design, breakage in the factory and in service is practically nil. Their ruggedness is attested to by the fact that they are universally shipped installed in their sockets ready for use, and that they withstand transportation by rail, truck, steamship, and loading and unloading, without injury or breakage. Also, millions of radios using glass tubes are in daily use in automobiles and trucks driven over all kinds of roads.

"4. Loss of vacuum is practically unknown in glass tubes.

"5. In short-wave reception, all experience points to glass as better. The prime requisites in handling short-waves are good dielectric properties and good insulation. Glass is inherently a good dielectric and a good insulator."

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## BROADCAST ADVERTISING CONSISTENTLY HIGH

With the exception of an 8.5% increase in national non-network volume, broadcast advertising in February exhibited the usual seasonal trends, the National Association of Broadcaster reports. Total gross time sales were \$7,205,145, a decrease of 2.5% as compared with the preceding month. National network volume declined 5.0%. Local broadcast advertising dropped 3.5%, while regional network business remained at approximately the previous month's level. Both declines were less than occurred in February of the preceding year.

Broadcast advertising volume continues to maintain a consistently higher level than during the same period of 1934. Total broadcast advertising in February was 21.2% greater than during the same month of last year. Gains in specific forms of broadcast advertising were as follows: National networks, 24.4%; regional networks, 5.5%; national non-network business, 23.6%; and local broadcast advertising, 9.5%.

Major media exhibited the usual seasonal trends during February. National magazine advertising rose slightly during the month, though by no more than the usual seasonal amount. National farm paper advertising increased 59.3% as compared with January, while newspaper advertising decreased slightly. Magazine volume was 6.3% above last February, while national farm paper and newspaper advertising each rose 5.7%.

General non-network advertising, national and local combined, increased slightly during the month and was 16.1% above the same month of 1934. Stations of 5,000 watts and over in power increased their business 5.6% above January, and reached a level 31.4% higher than February of last year. Regional station non-network business declined 12.9% during the month and was 4.2% under the 1934 level. Local station volume remained unchanged during the month and was 27.0% above last year.

New England, Middle Atlantic, Mountain and Pacific non-network advertising declined slightly in February, as seems to be usual, while Southern and Middle Western business rose moderately, again seemingly a normal trend. Gains in non-network volume in various sections, as compared with last February, were as follows: New England-Middle Atlantic Area, 5.9%; Southern Area, 18.8%; Middle West, 13.8%, and Mountain and Pacific district, 10.3%.

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## NEWSPAPER ASSOCIATION TO CONSIDER RADIO PROBLEM

The question as to whether good roads, automobiles and the radio change the content of the smaller newspaper will be taken up by the American Newspaper Publishers' Association when they meet in New York Tuesday, April 23rd. Also the experience of smaller newspapers which own radio stations will be discussed.

"Are We Afraid of the Radio?" will be the topic of consideration on Friday afternoon by the American Society of Newspaper Editors when they meet in Washington April 18, 19, and 20.

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## RADIO NOT A LUXURY, SAYS RMA

A bill has been introduced in the Oklahoma House of Representatives which would levy a luxury tax of 3% on radio receiving sets. Several other articles have been singled out for special taxes including sporting goods, cosmetics, confections and jewelry.

In a protest to the Oklahoma Legislative Committee, the Radio Manufacturers' Association emphasized that radio was not a luxury or semi-luxury but a necessity, and that the bill would discriminate unfairly by taxing only a few articles, exempting many others competitive with radio. It is also contended that the bill is unconstitutional under Federal Court decisions prohibiting a State tax on radio receiving sets as an interference with the interstate commerce of broadcast program reception.

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## COMPOSERS COLLECT \$3,375,000 IN 1934 RECORD HIGH

According to reports from New York, the total gross of the license fees received by the American Society of Composers from all domestic sources during 1934 was in excess of \$3,375,000. This was collected at an overhead and administrative cost of 25 per cent. This gross was said to be the largest in history by far and the overhead in proportion the lowest, since some years saw as high an overhead as 50 and 60 per cent.

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# PRALL TO ANNOUNCE FIRST AWARDS OF WOMAN'S RADIO COMMITTEE

The first set of awards to be offered annually by the Women's National Radio Committee for the best commercial and sustaining programs will be announced by Commissioner Anning S. Prall, Chairman of the Federal Communications Commission over both the WABC-Columbia network and the NBC-WJZ network tomorrow (Wednesday) at 3:00 o'clock P.M. EST.

The W.N.R.C. is composed of representatives of a large number of national women's organizations with a total membership of approximately ten million. The opinions of all the affiliated groups were sought in choosing the commercial and sustaining broadcasts to receive the awards. Through a process of elimination a selected list of programs was obtained and submitted to a distinguished committee representative of the theatre, music, art and women's activities.

In all there will be four awards - two to the best sustaining programs and two to the best commercial features. Of the two awards in each class, one will be given to the best musical program and one to the best non-musical type. The decisions will be made by a judging committee headed by A. Walter Kramer, editor of Musical America.

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## RADIO TAX FALLS OFF

The February U. S. tax collections on radios and phonographs, the latest month reported by the Government, were \$193,467.30 compared with \$272,335.09 in February, 1934, and with \$173,987.28 in February 1933.

February taxes collected on mechanical refrigerators were \$367,408.29 compared with \$97,264.58 in February, 1934.

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## A BUSY GUY

So many positions are being created at the Federal Communications Commission, and so many executives and employees being added at fancy salaries for people with any special qualifications that it is getting to be a difficult matter to find out what everyone does.

"What does that fellow do" a hard working and dependable official of the FCC was asked, when a very important looking individual with an imposing title poked his head in the door at the Commission.

"Nothing" was the more or less disgusted reply.  
"Absolutely nothing."

All applicants continue to clear through Farley.

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## INTERFERENCE COMMITTEE SEEKS ASA COOPERATION

Prior to the first meeting of the Committee on Interference, under the chairmanship of Dr. Goldsmith in New York City recently, it was suggested that the work could be pushed ahead by transforming the Committee into a Sectional Committee of the American Standards Association under sponsorship of the Radio Manufacturers' Association.

This suggestion was investigated and the ASA found to be agreeable. The matter was further discussed by the interested officers of the RMA Engineering Division, and it was agreed that the advancement of this Committee to ASA status would be most desirable if it were possible.

Action was taken to indicate the sense of the meeting being in favor of the elevation of this work to ASA procedure and to send a letter to all the cooperating groups requesting their approval of this change.

When this approval is secured the Engineering Division will approach the Standards Association asking for the formation of a Sectional Committee to handle this problem. The ASA have agreed that the original purpose and proposed activities of the Committee will not be changed under their procedure, and the activities will be entirely up to the Sectional Committee itself.

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## DEMAND CITY COUNCIL ELIMINATE RADIO INTERFERENCE

A petition signed by 473 radio users of Portland, Ind., was presented to the city council asking that immediate action be taken to eliminate all radio interference in the city and vicinity as covered by its transmission of light and power. Efforts are being made by the city light department. The City Council requested the cooperation of local radio dealers.

In Union City, Ind., a nearby town, an ordinance was passed some time ago which makes it unlawful to operate any machine, apparatus or contrivance between the hours of noon and midnight which in any way might interfere with the operation of radios or develop static. A fine of \$1 to \$100 and a jail sentence up to 90 days was set aside for the breaking of this ordinance. It may be that something similar to this ordinance may be adopted in Portland.

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## CROSLEY STRIKERS BACK AT WORK

Plants of the Crosley Radio Corporation reopened last Friday after having been closed by a strike called by the Radio and Refrigerator Workers' Union, the 3400 employees returning to their jobs gradually. It is expected by tomorrow that all the employees will be back at work.

The statement of union leaders calling off the strike is, in part, as follows:

"This strike was caused because of our failure to receive in writing terms of agreement that were negotiated by the representatives of the Radio and Refrigerator Workers' Local 19,214. This now has been done by the company filing the conditions of employment with the City of Cincinnati in writing properly signed.

"It is shall be the purpose of members of Local 19,214 to continue to give to the Crosley company our very best efforts, and, with peace restored, we are sure that the company and the employees will all cooperate."

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## SENATE SIDETRACKS FOOD &amp; DRUGS BILL

The Senate in Monday's session very definitely side-tracked the Copeland Food and Drug Bill instead of sending it back to the committee. Just what action will now be taken is not known but it is certainly hung up for the present.

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## MANUFACTURERS DEFEAT ARKANSAS RADIO TAX

An effort in the Arkansas Legislature to impose a discriminatory luxury tax on radio and other articles has been defeated. Instead of a discriminatory sales tax on a few commodities, as proposed in a bill introduced in the Arkansas Legislature, a general two per cent sales tax was substituted and has been passed. The Radio Manufacturers' Association organized industry opposition in Arkansas against the original discriminatory bill which also proposed to tax refrigerators, tobacco, cosmetics, sporting goods and other articles. Through its State Legislative Committee in Arkansas, composed of leading radio distributors, and from its Washington office through Bond Geddes, the Association made vigorous opposition to the original bill.

A brief was filed with the Arkansas Legislature by the RMA denying that radio was a luxury and also contending that State taxation of radio is unconstitutional under a ruling secured by the Association a few years ago in the Federal Court of South Carolina.

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