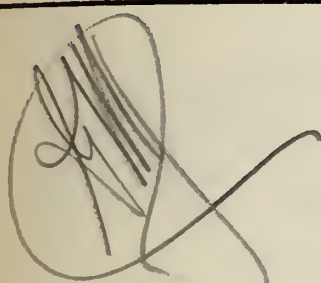


HEINL RADIO BUSINESS LETTER

INSURANCE BUILDING

WASHINGTON, D. C.

ISSUED TWICE A WEEK AND CONTAINING THE LATEST INFORMATION REGARDING THE RULINGS OF THE FEDERAL RADIO COMMISSION, RADIO LEGISLATION, DEPARTMENT OF COMMERCE REGULATIONS, CHANGES IN WAVELENGTH, CALL LETTERS AND POWER, PATENTS, EXPORTS, FEDERAL TRADE COMMISSION RULINGS AND OTHER MATTERS OF INTEREST TO BROADCASTERS AND MANUFACTURERS. :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::



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No. 451

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CALDWELL ATTACKS STATE RADIO QUOTAS

Appealing from decisions of the Federal Radio Commission in the cases of WPTF, of Raleigh, N. C., and KECA, of Los Angeles, Louis G. Caldwell, radio attorney, attacked the regulations prescribing the manner in which broadcasting facilities shall be distributed among the States under the radio law.

The appeals, filed in the Court of Appeals of the District of Columbia, attacked the regulations both as to their validity and their constitutionality.

"A deplorable and unnecessary waste and non-use of a substantial portion of the limited total of broadcasting facilities" results from these orders (Nos. 92 and 102), Mr. Caldwell said.

Both WPTF and KECA were denied applications for increased power and changes in transmitters because of conflict with these quota regulations.

After charging that these decisions were "arbitrary and capricious", the radio counsel declared that the Radio Commission itself had in effect repealed the provisions of these orders in previous allocations.

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NEW YORK & CHICAGO DO QUARTER OF RADIO AND ELECTRICAL BUSINESS

Total sales of radio and electrical appliances in the United States in 1929 reached the tremendous figure of \$1,260,000,000. Of this total, the trading areas of New York and Chicago shared 25 per cent.

Electrical appliances sold during the period totalled \$750,000,000 for the entire nation, while \$178,000,000, more than 23 per cent of the total, was consumed in New York and Chicago. The same year, the two largest American cities did \$141,000,000 of radio business, more than 27 per cent of the national total of \$510,000,000. These figures were obtained in a survey conducted by the management of the Radio-Electrical World's Fair and the Chicago Radio-Electrical Show, which will be held in New York and Chicago, respectively, in September and October.

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CAPEHART RADIO-PHONOGRAPH PLAYS ENTIRE OPERA

A radio-phonograph instrument with a new record-changing mechanism which makes possible the automatic reproduction of complete operas and symphonies as well as complete albums of records in proper sequence and without regard to the size of the records was demonstrated by the Aeolian Company in New York Saturday.

The new instrument was developed after two years of work by the Capehart Corporation of Fort Wayne, Ind., and is to be known as the Capehart 400 series. It has several novel features, being the first of its kind that can play both sides of a record automatically. It handles three to twenty-four records of standard manufacture having either oscillating or spiral-type trip grooves and plays ten or twelve inch records or both intermixed in any desired sequence - both sides of each record in correct succession, one side only, continuous repetition or rejection of any record, as desired. The record changer is equipped with a special constant-speed electric motor, which operates both the turntable, and the record-shifting mechanism.

H. E. Capehart, president of the Capehart Corporation, said the instrument covers a wider musical range than any musical instrument of its type today, going down as low as sixteen cycles and up as high as 4600 cycles. It also has the most selective and powerful radio set to date, being of the thirteen-tube superheterodyne type, giving a ten-kilocycle separation, Mr. Capehart said.

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WILE, JR., RETURNS TO COLUMBIA

Doubtless having gotten a few ideas how to do things from observing Mussolini, Frederic William Wile, Jr., the son of the well known Washington correspondent and radio commentator, is returning from Italy to resume his position with the Columbia Broadcasting System in New York.

Young Mr. Wile graduated with honors from Princeton in 1930 and secured a position with Columbia. However, about this time there came to him the opportunity of serving as private secretary to John W. Garrett, Ambassador to Italy. Seeing in this a chance to secure valuable experience and acquiring a first hand knowledge of the European situation, which doubtless would serve him well in the broadcasting business, Mr. Wile decided to accept the Italian post for a year prior to settling down with Columbia.

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NBC TO PUT STUDIOS ON SKYSCRAPER

Former Governor Alfred E. Smith, President of Empire State, Inc., and Merlin H. Aylesworth, President of the National Broadcasting Company, have announced that television studios and laboratories will be established on top of the Empire State Building by the National Broadcasting Company.

In making the announcement Mr. Aylesworth predicted that television will have reached the stage where it will be available for general public use in about one year. He stated that application has been made by the National Broadcasting Company to the Federal Radio Commission for experimental licenses for special equipment to be installed on the eighty-fifth floor of the Empire State Building, the world's tallest structure.

The NBC television studios and laboratories will occupy the east half of the eighty-fifth floor, approximately one thousand feet above the street and it is believed by NBC engineers that operation of apparatus at this height above the city will be helpful in surmounting the difficulties which have beset television transmission in the past. A television antenna will be placed at the top of the Empire State mooring mast, one thousand two hundred and fifty feet above street level.

Mr. Aylesworth stated that the reason for the acquisition of the highest laboratory in the world by the National Broadcasting Company was for the purpose of bringing television out of the laboratory and inaugurating experimental transmission. He predicted that after about a year of intensive experimental work under actual working conditions the art of television will have progressed to the point where the public will be invited to participate.

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CONDITIONS IN POLISH RADIO MARKET

Following is a review of the Polish radio market prepared for the Department of Commerce by Consul Stewart E. McMillin, of Warsaw:

"The total number of radio subscribers now registered in Poland is approximately 230,000 as compared with 202,561 in 1930. However, the volume of radio sales has dropped somewhat. The diminished purchasing power of the population, especially of the agriculturalists as a result of economic conditions, and the relatively high prices prevalent for radio equipment are the principal factors affecting the market at present.

"The new 120-kilowatt broadcasting station near Warsaw and the gradually expanding home-radio industry are factors which are affecting the character of the local market. This new station has made reception possible over practically the whole of Poland, while the industry is catering to the demand for crystal and simple tube sets, thus eliminating the demand for larger and costlier sets which would have to be imported.

"Despite the decrease in the volume of sales of radio apparatus, imports increased about 14 per cent and radio tubes showed a gain of 20 per cent during 1930. Imports from Germany accounted for approximately 50 per cent of Poland's total foreign purchases and sets and parts coming from Germany were 11 per cent higher in 1930 than in 1929. The crisis which the German manufacturers are experiencing and the large stocks which the factories have on hand are said to be the reasons for the serious attempts to enter the Polish market on a larger scale than heretofore. The Polish manufacturers can not compete with German products, since mass production of German factories and their relatively heavy sales permit them to improve and modernize their products continually.

"The value of imports of radio apparatus for 1930 amounted to \$927,752 as compared with \$798,988 for the previous year. Of this amount Germany and the Netherlands were the principal sources of supply, imports from these countries amounting to \$447,808 and \$335,280, respectively. These figures do not include radio tubes, storage and dry batteries, transformers, and measuring instruments, which are classified under various headings in the Polish foreign trade statistics. Poland's imports of radio tubes had a value of \$353,482 in 1930, compared with \$271,123 in 1929, \$348,651 in 1928, and \$276,741 in 1927. About 40 per cent of the 1930 tube imports originated in the Netherlands.

"Efforts were made in 1930 by several Polish radio manufacturers to export sets, headphones, and dry batteries to Czechoslovakia, Rumania, Jugoslavia, and even Brazil. Inability to compete with German and other foreign products already firmly entrenched in these markets made it impossible to make satisfactory connections in these countries.

"The output value of the Polish radio industry for 1929 amounted to approximately \$1,500,000, according to calculations based on official figures. It is thought that the 1930 production value was not much over that for 1929.

"The Polish industry specializes in the manufacture of such small parts as condensers, headphones, bakelite pressed parts, resistances and crystal detectors, although complete electrically operated sets and speakers are manufactured by two of the largest firms. The Phillips company of the Netherlands is incorporated as a Polish concern maintaining an assembly plant in Warsaw, but most of its products are being imported from the Netherlands.

"Tube receiving sets are manufactured largely by two large plants in the suburbs of Warsaw, each employing about 500 workmen. One of these factories producing 6,962 sets annually in addition to a few transmitters for the Polish Government and army, and the other turns out 3,480 tube sets yearly. Actual capacity of these two factories is rated at 20,000 sets a year.

"Crystal receiving sets are manufactured by seven factories and establishments, having a total annual output of about 35,000 sets valued at approximately \$20,000.

"The manufacture of radio transmitting and receiving tubes was first begun in Poland by the Polish Marconi company. Since these tubes could not compete in price and quality with those imported, however, their manufacture was discontinued. The local Phillips company, however, is assembling annually about 154,000 tubes, this amounting to 30 per cent of tube imports.

"Loud-speakers are manufactured by two companies, the total annual production being estimated at 3,275 units, valued at \$20,497. Five factories make headphones, their total annual production being 8,500 units, valued at \$9,438. The Polish product is fairly satisfactory as regards sensitivity and finish and is regarded as the equal of the German and other European products of the same class.

"Storage batteries for both radio receiving sets and automobiles are produced by three plants near Warsaw, their total output amounting to over 80,000 batteries, valued at \$209,663.

"The dry-battery industry is one of the best organized and developed of the radio industries in Poland. Fully 90 per cent of the materials used in the manufacture of these batteries is of domestic origin, only certain of the special chemicals must be imported from abroad, principally from Germany.

"The manufacture of miscellaneous parts used in the radio industry amounts to about \$129,000 a year. Considerable progress has been made in the manufacture of some of this equipment.

"The prevailing credit terms granted by foreign manufacturers to the Polish wholesale and importing trade are three to six weeks on open account or three to four months' credit covered by promissory notes. Installment buying is being practiced on a large scale in the retail trade. Only the smaller and cheaper accessories and apparatus are purchased for cash."

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PALEY DEFENDS U. S. RADIO IN ENGLAND

Speaking over the radio in England recently, William S. Paley, President of the Columbia Broadcasting System, expressed the belief that England and the United States each had the sort of radio best adapted to its needs.

"America is traditionally antagonistic to monopoly, and especially to government monopoly, so we decided on government regulation rather than government control and on orderly competition rather than monopoly", said Mr. Paley. "Perhaps you would be interested to know why broadcasting is on a commercial basis in America.

"It is difficult, yet quite possible, for a wise British Broadcasting Corporation to feel and follow the pulse of the public's taste, to strike a fair balance between praise and blame - as they have done with such remarkable success - and to formulate a policy that does justice to the country as a whole", he added.

"The pulse can be felt by one central authority here; but in America success or failure is made evident only as the result of competition. It is the only real measuring stick we can employ. We take as our guide the free vote of the people, expressed by the simple device of 'turning the button.' If our listeners don't like a given program, they quickly turn that most influential of all knobs to another wave length and in a twinkling they are listening to a rival program which may serve them better."

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KFI CELEBRATES NBC HOOKUP

KFI, Los Angeles station associated with the National Broadcasting Company celebrated the installation of a new 50 kilowatt transmitter last Sunday night (July 12) with a special program broadcast from New York and Chicago over an NBC-WJZ network from 12:30 to 1 A.M., E.D.T. M. H. Aylesworth, president of NBC, spoke from New York.

KFI was founded by Earle C. Anthony in April, 1922, and first went on the air on the sixteenth of that month. It still remains under his ownership and management, but became affiliated with the National Broadcasting Company on April 5, 1927. The station is located in the Packard Building in Los Angeles.

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NETWORK OF NEWSPAPER STATIONS PLANNED

Contemplated purchase of two radio stations and the possibility of ultimate development of a nation-wide hookup of newspaper owned non-advertising stations is revealed by the California Newspaper Publishers' Association, according to Editor & Publisher.

Possibility of the acquisition of the stations was revealed by President H. R. Judah following a meeting in San Francisco of the association's executive board. It also was learned that John B. Long, General Manager of the organization, will go to Des Moines, Ia., to propose a nationwide news broadcasting service to managers of State Press Associations gathered there in September.

Definite action on the California project is expected at the November meeting in Los Angeles in conjunction with the American Newspaper Publishers' Association Convention. The project has been under consideration of a committee of three members of the Executive Committee for some time.

"Our thought is to operate the station without advertising purely in the public service", Mr. Long stated. The two stations under consideration are located in Los Angeles and San Francisco. In case the stations are acquired, publishers of the C.N.P.A. will eliminate the publication of radio schedules and give free space only to their own non-advertising programs.

The nearest approach to advertising over the stations would be statements with news bulletins that details may be had in the listeners' home-town paper. The papers will not be named.

The stations would be maintained by the newspapers in the Association. Details of the proposal were learned from E. H. Wilder, Manager of the Association's San Francisco office.

"With 219 newspapers in this country owning broadcasting stations", Mr. Wilder said, "there seems to be an ultimate future for a national organization of newspapers presenting broadcasts daily and in every way independent of advertising."

The theory as presented by Mr. Wilder is that if the public demands spot broadcasts of news events, there is no agency better fitted to provide this than the newspapers, trained for generations in the gathering of news. The Association's committee is of the opinion that news broadcasts would be materially benefited if given by trained reporters.

The stations would be supplementary to the newspapers even as the bus lines are supplementary to the railroads, he holds.

"We believe that radio is desirable for entertainment and that the radio fan turns his radio dial for entertainment and not for broadcasts. We believe that in the broadcasting of spot news events, the reporter can give a much better word story than the broadcasting men as now employed. Many of the details unnoticed by others would be noted almost unconsciously by the trained reporter.

"Newspapers today devote some space to radio because people are interested in the entertainment and not because of the radio advertising. Our programs, as proposed, would eliminate all but the entertainment from the broadcasting."

Explaining the supplementary service to be afforded by the use of radio, Mr. Wilder said that much of the material collected by the reporter at the scene of the spot news broadcast is of that type which would be blue-penciled by the editor. Nevertheless, this copy is of interest to radio fans.

"Our plan is not to replace newspaper stories with broadcasting, but to make broadcasting a supporting factor of the newspapers."

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CBS TELEVISION STATION TO OPEN JULY 21ST

The Columbia Broadcasting System's experimental television station in New York will be opened officially on Tuesday, July 21st, from 10:15 to 11 P. M., EDST. At that time a sight and sound program will be broadcast over WABC, W2XAB, W2XE and the coast-to-coast Columbia network.

Although details have not been completed, the program inaugurating seven-hour daily television will be one of the most elaborate of the year, according to a CBS announcement. Celebrities from the stage, screen and national life have been invited to participate.

During its tests over a period of two weeks lookers-in as far away as Boston, Hartford, Schenectady and Camden have reported reception of programs sent out by the Columbia station.

Licensed under the call letters W2XAB, the experimental television stations will operate in a frequency channel from 2750 to 2850 kilocycles with 500 wattspower, utilizing 60-line scanning at 20 frames per second. The installation represents ultra modern television transmitting apparatus.

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C O R R E C T I O N

In announcing the publication of the new book, "Radio in Advertising" by Orrin Dunlap, Jr., Radio Editor of the New York Times, the address of Harper & Brothers, publishers, was inadvertently omitted. It is 49 East 33rd Street, New York City.

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CHIEF SIGNAL OFFICER INSTALLED

Col. Irving J. Carr, appointed with rank of Major General to succeed Maj. Gen. G. S. Gibbs, as Chief Signal Officer of the Army, took oath of office last week.

This was administered by Maj. Gen. Blanton Winship. Maj. Gen. Carr has as yet made no announcement with regard to what, if any, development is contemplated with regard to radio in the Army.

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LEOPOLD HEADS NEW TELEVISION COMPANY

The Continental Television Corporation has been formed with a Delaware charter to manufacture and assemble television equipment in Newark. It has acquired control of the Radio Technic Laboratory. Joseph Leopold, formerly President of the Consolidated Instrument Company of America, is president.

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SCHUDT TO DIRECT CBS TELEVISION

Bill Schudt, Jr., creator of the Columbia radio feature, "Going to Press" has been appointed Acting Director of Television Programs.

He will be in charge of the elaborate experimental television programs now being tested by the Columbia System in the Metropolitan area and which soon will be broadcast regularly by W2XAB.

Schudt, with magazine and newspaper experience, has pioneered in television reception. He has been associated with Station WABC for four years and when the Columbia network acquired the outlet, he became affiliated with the Publicity Department.

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: BUSINESS LETTER BRIEFS :
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L. J. Fitzgerald, Chicago manager of NBC Artists Service announces the appointment of Gerard Barry as head of the Dance Band Division of the Artists Service in Chicago.

An agreement was made in Vienna last week between Cesar Searchinger for the Columbia Broadcasting Company and the Vienna "Ravag", or Radio Company, for the exchange broadcasting of musical programs between Austria and America.

A telephone conversation recorder, a device by which both sides of conversations on the wire or radio is recorded on a magnetic steel wire in such manner that the voices can be reproduced at any later time, will soon be made available to the public by the International Telephone & Telegraph Corp., through subsidiary companies.

Rights to the device were obtained when I.T. & T. recently affiliated with the Echophon-Maschinen A. G. of Germany, which developed it. One of the features of the wire is that the message can be obliterated so that the wire can be used again.

Rudy Vallee, at a wedding reception at NBC headquarters in New York announced that, when the new Radio City is completed, he hoped to give up "crooning" and leading an orchestra to become an "executive" of the "type" of S. L. (Roxy) Rothafel.

By agreement reached by the six members of the Allied Vermont Dailies, radio programs have been dropped from the pages of the Burlington Free Press, Rutland Herald, Barre Times, and St. Johnsbury Caledonian, and will soon disappear from Bennington Banner and the Brattleboro Reformer. The latter are carrying announcements of non-advertising features of important events and speeches. The Rutland Herald announces in a box that it will print full programs of radio stations at the regular advertising rates.

If what David Sarnoff said to the Queen of Siam proved as interesting as the question he asked Mrs. Marconi in the famous trans-Atlantic tete-a-tete, conversation surely did not lag at the luncheon which Mr. Sarnoff gave to the King and Queen of Siam in New York recently.

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APPLICATIONS RECEIVED BY FEDERAL RADIO COMMISSION

July 10 - WSAR, Doughty & Welch Electric Co., Inc., Fall River, Mass., modification of C. P. to request changes in equipment and to extend commencement date from 4/25/31 to 7/25/31 and completion date from 7/25/31 to 9/24/31; R. J. Wood, Lake Placid, N. Y., C. P. to erect new station to use 1220 kc., 500 watts and to share daytime with WCAD; Vernon Taylor Anderson, Big Spring, Texas, C. P. resubmitted, amended as to equipment requested; KFJM, University of North Dakota, Grand Forks, North Dakota, C. P. amended to request change in equipment.

July 11 - WSYB, Philip Weiss, tr. ad Philip Weiss Music Co., Rutland, Vt., C. P. to move transmitter and studio from 33 Center St., Rutland, Vt., to 80 West St., Rutland, Vt.; WJZ, National Broadcasting Co., Inc., New York, N. Y., modification of C. P. for authority to make changes in equipment and to extend completion date from 7/15/31 to 8/8/31.

Applications, Other Than Broadcasting

July 9 - KGPM, Police Dept., San Jose, Calif., modification of C. P. for extension of Construction period from June 9, 1931 to Dec. 9, 1931, police service; WAA, Radiomarine Corp. of America, Detour, Mich., modification of license for additional frequency of 6440 kc., coastal service; WOX, New York Telephone Co., Staten Island, N. Y., modification of license construction permit for authority to operate station by remote control; KRD, Aeronautical Radio, Inc., Pasco, Wash., C. P. to install new transmitter on 3160, 3166, 3172, 3178, 5570, 5660 kc., 400 w., aeronautical service; KGWV, Fox Film Corporation, portable in Hollywood, Calif., renewal of license for 1552, 1554, 1556 kc., 250 w., motion picture service; WPEC, Police Dept., Memphis Tenn., modification of C. P. for change in location locally; Mackay Radio & Telegraph Co., Las Vegas, Nev., new C. P. for 4410, 6815 kc., 500 w., public point-to-point service; KUB, Alaska Packers' Association, Kvichak River, Alaska, license covering construction permit for 274 kc., 50 w., limited public service.

July 11 - WKDU, City of Cincinnati, Cincinnati, Ohio, renewal of license for 1712 kc., 500 watts, police service; Radiomarine Corporation of America: WIM, Marion, Mass., renewal of license for 500, 406 kc., 5 KW, coastal service; WSA, Radiomarine Corp. of America, New London, Conn., renewal of coastal license for 500, 408, 476 kc., 1.5 KW; WBL, Buffalo, N. Y., renewal of coastal license for 143, 410 5525, 161, 425, 454, 4775, 8570 kc., 100 and 750 watts; WCY, West Dover, Ohio, renewal of coastal license for 4775, 8570, 5525, 161, 425, 454, 143, 410, 6440 kc., 200 w., 750 w., and 1 KW; The Crosley Radio Corporation, NC-982-Y, new license for aircraft on 3106 kc., 50 watts.

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