

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::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. 463

SUBSCRIPTION PRICE, \$10. PER MONTH. NO CONTRACT REQUIRED.

HAWAIIAN STATIONS ARE INSPECTED

For the first time in eight years an Inspector from the Radio Division of the Department of Commerce is in Hawaii checking up on the radio stations on the islands. Because of the shortage of Inspectors, William D. Terrell, Chief of the Division, has been unable to spare a man for the trip heretofore.

Because of the number of vessels stopping at Hawaiian ports, Mr. Terrell would like to keep a radio inspector on the islands, but on account of the general economy program, he does not plan to ask for any increased personnel at the next session of Congress.

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FIRST QUARTER RADIO SALES SLUMP

Sales of radio merchandise during the first quarter of this year fell off considerably from those in the last quarter of 1930, according to tabulations just completed by the Census Bureau.

Questionnaires sent to 336 identical wholesale dealers revealed a 56.18 per cent decrease in business or a decline from \$27,208,338 to \$11,922,053. For 6,395 identical retail dealers the loss was 41.88 per cent or a slump from \$28,691,082 to \$16,674,564.

Much of this loss can be attributed, however, to the usual season decline as Fall and Winter are the best selling months for radio receiving apparatus.

Consoles and cabinet models lead the sales for the first quarter of this year. The wholesale dealers reported \$6,076,000, and the retailers reported \$10,129,523. Midget and table models ranked second with sales valued at \$2,665,976, and \$2,918,491, respectively.

The wholesale merchants reported no sales in television sets, but the retail men listed 12 valued at \$2,517.

Radio dealers made the most of the retail sales during both quarters, while electrical merchandise dealers and automotive shops ranked second and third.

The average amount of radio sales per dealer was \$35,482 for the first quarter of this year and \$80,977 for the last quarter of 1930.

Classifications of sales by the wholesale and retail dealers for the period ending March 31st follows:

RADIO SALES	: Reported by 336		: Reported by	
	: Wholesale Dealers		: 6,395 Retail	
			Dealers	
	SALES		SALES	
	Number	Value	Number	Value
RECEIVING SETS (New; trade-ins: not included*):				
(a) Consoles and cabinet models	91,163	\$6,076,000	96,499	\$10,129,523
(b) Midget and table models	67,900	2,665,976	51,386	2,918,491
(c) Radio phonograph combina- tions (Not automatic)	7,399	658,859	4,400	825,470
(d) Automatic radio phonograph: combinations	768	123,738	760	204,906
(e) Automobile sets	2,026	101,269	825	63,207
(f) Television sets	-----	-----	12	2,517
HOME TALKING PICTURE MACHINES (With or without radio set)	7	1,296	17	2,435
BATTERIES:				
(a) Dry "A" batteries	77,187	36,564	88,131	47,557
(b) Dry "B" batteries; 45- volt units	102,311	227,189	79,018	207,016
(c) Wet batteries and elimi- nators	1,958	13,246	6,193	51,287
VACUUM TUBES (Receiving, in- cluding tubes in sets):				
(a) Rectifying	186,082	228,465	133,778	256,833
(b) Screen grid	343,700	629,971	252,990	717,274
(c) Power	255,062	367,071	177,410	355,922
(d) All Other	432,978	533,096	362,642	609,365
LOUD SPEAKERS (Not in sets)	843	6,607	4,417	34,505
MISCELLANEOUS RADIO ACCESSOR- IES AND PARTS	----	252,706	----	248,256

*The number of sets taken as trade-ins, reported by the Retail Dealers, was 34,660.

Copies of the tabulations may be obtained from the Census Bureau.

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GERMANY BIDS FOR WORLD RADIO MARKET

The following Associated Press dispatch was carried Saturday under a Berlin dateline:

"Germany's Eighth Annual Radio Exposition was opened today in the presence of Government authorities and representatives of the industry with a broadcast over all German stations.

"Four large halls, surrounding a 495-foot radio tower, contained the latest designs and inventions, by which the German radio, sound-film and phonograph industries hope to obtain a firm foothold in the world market. There were 325 exhibitions."

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AERONAUTICS BUREAU PLANS 40 NEW STATIONS

Thirty radio range beacons and ten radio communication stations are to be installed on the Federal airways system during the current fiscal year, according to plans formulated by the Aeronautics Bureau of the Department of Commerce.

Both forms of radio contributed materially to the safety and speed of flying. The radio range beacons are aids in keeping planes on their courses in times of poor visibility, while the communication stations broadcast weather information to planes in flight along the airways.

Twenty-eight of the 30 radiobeacons authorized will be installed at the following locations: Spokane, Wash.; Coalinga, Calif.; Fargo, N. Dak.; La Crosse, Wis.; Rockford, Ill.; Springfield, Mo.; Texarkana, Ark.; Memphis, Tenn.; Shreveport, La.; Gainesville, Ala.; New Orleans, La.; Montgomery, Ala.; Alma, Ga.; Raleigh, N. C.; Gilroy, Calif.; San Diego, Calif.; Minneapolis-St. Paul, Minn.; Milwaukee, Wos.; Pontiac, Ill.; Oklahoma City, Okla.; Little Rock, Ark.; Smiths Grove, Ky.; Jackson, Miss.; Birmingham, Ala.; Mobile, Ala.; Jacksonville, Fla.; Charleston, S. C.; Paulsboro, N. J.

In addition, 15 radio-beacons which were under construction as a part of the 1931 program will be completed and placed in operation. The 15 uncompleted stations are located at: Harrisburg, Pa.; Pittsburgh, Pa.; Seattle, Wash.; Portland, Oreg.; The Dalles, Oreg.; Medford, Oreg.; Shasta City, Calif.; Willows, Calif.; Fontana, Calif.; Daggett, Calif.; Kingman, Ariz.; Winslow, Ariz.; Albuquerque, N. Mex.; Amarillo, Tex.; and Wichita, Kansas.

The remaining radio range beacons of the 1932 program have not yet been allocated.

There are now 51 radiobeacons in operation.

The communication stations are to be located as follows: Spokane, Wash.; Pueblo, Colo.; Springfield, Mo.; Houston, Tex.; Miami, Fla.; Milford, Utah; Minneapolis-St. Paul, Minn.; San Antonio, Tex.; Titusville, Fla.; and Mobile, Ala.

Eleven other stations which were under construction at the close of the past fiscal year, will be completed as rapidly as possible. There are now 48 radio communication stations in operation on the airways. These stations function primarily as distribution points for weather information, which is broadcast by radiotelephone to airmen in flight. The stations are established at approximately 200-mile intervals along the Federal airways system.

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GROWING RADIO MARKET IN PORTUGAL

The following report on the Portugal radio market was made by Assistant Trade Commissioner Fred E. Hublein, of Lisbon, to the Department of Commerce:

"The population of Portugal totaled 6,196,020 in 1930, according to the census, and it is estimated that there are only from 4,000 to 5,000 owners of radio receiving sets in the country. While at first glance the number of radio owners appears small, when the various obstacles affecting sales are taken into consideration, recent progress of the trade may be considered satisfactory. The low earning capacity of a great majority of the people limits the demand for luxuries, especially imported luxury items. Other adverse factors affecting sales of radio supplies are high rates of duty on imported sets, lack of interest in current events and happenings in the outside world, and the absence of good commercial broadcasting stations.

"Owners of receiving sets are dependent on local amateur and semi-professional stations or stations located in other European countries. The amateur stations are usually run by radio fans who broadcast at irregular intervals, while the semi-professional stations are operated by dealers in radio supplies to promote the sale of receiving sets. Several of the semi-professional stations have first-class, up-to-date broadcasting equipment, two stations in Lisbon being exceptionally well equipped. There are 135 licensed amateur stations in continental Portugal, 22 in the Azores, 15 in Maderia Island, and one in Cape Verde.

"The possibilities of advertising on the air can not be utilized at present due to legislation prohibiting such practice, and consequently the operators of broadcasting stations must finance their enterprise at personal expense, with resultant indifferent programs. At this time programs are generally limited to the broadcasting of phonograph records.

"The general administration of mails and telegraphs (ministry of commerce and communications) supervises the enforcement of all regulations relative to radio, and is now preparing a code to be incorporated in law. Advance information indicates that all owners of receiving sets will be required to pay an annual license fee of 50 escudos (\$2.25), plus 50 escudos additional to cover inspection of aerial antenna when erected on streets where there are electric car lines.

"Since import duty is assessed on a weight basis, table model sets with detached speakers, and midget models enjoy larger sales than the console type sets. Standard units outsell short-wave sets at a ratio of about 50 to 1, as the former are suitable for reception of nearly all European stations, and there is little demand for sets capable of receiving stations in the United States and other distant countries. The cost of combination phonograph and radio sets make them beyond the reach of the great majority of potential purchasers.

"While a few battery-operated sets are sold in the interior towns, sets suitable for attachment to the power socket are in greatest demand, and in this connection it should be noted that both direct and alternating current are used for household illumination in different parts of Portugal. In Lisbon, which is the largest market for radio apparatus, 200-volt direct current is supplied to one section of the city, and 110-volt alternating current to the remainder.

"Preference for most articles in Portugal is based upon price rather than on quality, and therefore during the early stages of radio development, equipment of European origin (chiefly Netherlands, Germany, and France) dominated the market. However, American products have shown increasing popularity, rising from fourth place in 1928 to first place in 1930. During 1930 a total of 72,996 kilos of receiving sets were imported into Portugal, of which the United States supplied 22,936; Germany, 20,347; and the Netherlands, 17,130. Imports of radio receiving sets from the United States in 1928 amounted to only 1,178 kilos. During 1930 the United States was second in importance as a source of loud-speakers, Germany taking first place with 11,649 kilos. The amount coming from the United States totaled 8,198 kilos, and from the Netherlands, 6,685.

"Of the imported apparatus, small crystal sets are retailed as low as 60 escudos (\$2.70), while the better grade cabinet models are priced as high as 7,000 escudos (\$315). For several years the market was dominated by the Netherlands manufacturer, Philips, and at present dealers of other makes endeavor to keep their prices in line with those quoted by the Netherlands firm. These prices vary from 1,060 escudos for a small table set to 9,500 escudos for large cabinet models which are a combination phonograph and radio (the escudo is equivalent to \$0.045).

"No radio equipment is manufactured in Portugal, but 10 per cent of the sets sold are assembled in the country from parts imported from various sources. Such sets are always priced just a little below those of corresponding imported sets.

"Importers require terms of 90 days since few Portuguese organizations in the radio trade can make large cash outlays for stocks. Large volume sales will not be attained until the increasing demand for installment sales is met, and most Portuguese importers are financially unable to carry such accounts without assistance and cooperation of their foreign suppliers."

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FORD MAY SPEND \$1,250,000 ON RADIO

Reports that the Ford Motor Company is planning to launch a huge radio advertising campaign this Fall are current in New York. The amount involved is said to be \$1,250,000.

Editor & Publisher, commenting on the rumor, said: "While it was understood that the final decision has not yet been reached, it was expected that the broadcasts will consist of village sketches, with the scenes laid in Henry Ford's reproduction of an early American town at Dearborn.

"It was reported that Marc Connelly, producer of 'The Green Pastures', New York hit, would be called in to advise on the productions."

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CUMMINGS INTERVENTION DATE IS CHANGED

The Federal Radio Commission has moved the final date for intervening in the C. R. Cummings hearing up five days. It is now October 16th.

In its original announcement, the Commission set the final date for filing intervening petitions at 15 days prior to the hearing. Later, it developed that regulations of the body permit such petitions until 10 days before the hearing.

Cummings has applied for 25 exclusive broadcasting channels to establish a country-wide community radio system.

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TRADE NAMES FADING FROM RADIO PROGRAMS

Following, in part, is an article by Robert S. Mann in the current edition of Editor & Publisher:

"Commercial names are fading out of radio programs in newspapers. The programs themselves are shrinking in size, usually without serious protest from readers. Efforts to replace or supplement the free listings by paid advertising have made some progress but it is still an unusual radio page that carries more program advertising than that represented by three or four small pieces of 'spotlight' display. In some newspapers the programs have been successfully put on a paid basis.

"These conclusions stand out in a study of statements from 65 newspapers in 38 cities, gathered by Editor & Publisher.

"Thirty of the dailies report that they never use trade names in their program announcements, while six others, carry no free programs at all. Only 12, on the other hand, use trade names as a regular practice.

"Seventeen qualify their answers, reporting that most of the trade names, but not all, have been eliminated. 'Only when necessary to identify a program' is a common expression with these newspapers, while some of them state frankly 'Only for those firms that advertise with us.'

"Simplest of the solutions reached by the newspapers reporting was that applied in Kansas City, where programs are carried only as paid advertising.

"The Kansas City Star, answering a form query as to whether commercial names were permitted in radio programs, said laconically: 'Any way the radio station desires, at the rate of 62 cents a line. Commercial display rate has been in effect more than two years, and a column a day convinces us the plan is right.'

"A recent issue of the Star carried programs for five stations, including the Star's own WDAF, set in regular program style, but conspicuously marked 'Advertisement.' Small display advertisements are also carried.

"The Kansas City Journal-Post reported that it also handled local stations' programs as paid advertising, letting them follow a table of 'Best Radio Features' which is carried as news matter.

"Other papers in various cities stated that they were developing classified columns on the radio page for paid announcements, but sample pages did not show much advertising of this sort.

"Papers that own or control radio stations have in some instances marked their own programs 'Advertisement' and charged the cost up to the station. Not infrequently that means that the program of the controlled station is the only program published. On the other hand, the Buffalo Evening News publishes as news the programs of half a dozen stations, including its own station, WBEN. WBEN then takes a full-column display advertisement really designed to attract listeners."

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NBC ACQUIRES SECOND BALTIMORE STATION

Baltimore will become a broadcasting center of the first rank next Saturday when all programs of the National Broadcasting Company networks will become available through two associated stations in the Maryland metropolis. They are WFBR, new associate, and WBAL, pioneer NBC outlet.

M. H. Aylesworth, President of NBC announced that WFBR would be added August 29th to the network stretching from the studios of WEAJ, New York, and throughout associated stations across the country. The other NBC network, linked with the studios of WJZ, New York, and a similar coast-to-coast system, has been represented in Baltimore for some time through WBAL.

The initial NBC program will be heard through WFBR at 9:00 P. M., E.S.T., Saturday with the Lucky Strike Orchestra under B. A. Rolfe, and Weber and Fields in an hour's concert sponsored by the American Tobacco Company. Immediately thereafter a special NBC program, dedicating the new outlet, will be heard, details of which will be announced later.

WFBR is operated by the Baltimore Radio Show, Inc., recently purchased by a group of prominent Baltimoreans, consisting of Leslie H. Peard, Robert S. Maslin, Dr. A. R. L. Dohme, William Hill, John T. Hill, and Aitken J. Stewart. WFBR transmits with power of 500 watts on a wave length of 1270 kilocycles.

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PROGRESS IN AERONAUTIC RESEARCH

The "Air Commerce Bulletin" carries the following report on progress in aeronautic research:

"In experiments for the improvement of the landing-beam device, the Aeronautics Research Division has been making a theoretical and experimental investigation of ultra-high frequency transmitting systems. An antenna array comprising four horizontal dipole antennas was set up and placed in two pairs, one above the

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other, the spacing between the pairs and between the lower pair and ground being one-half wave length. Each pair consists of two parallel antennas in the same horizontal plane, separated by one-fourth wave length, and carrying currents differing in phase by 90°. The antenna system has considerably smaller dimensions than the present arrangement employed with the landing-beam transmitter.

"The transmitting set employed in the experiments consists of two 75 watt tubes connected in push-pull and feeding the antenna system by means of a pair of parallel wires. A quarter-wave transformer line is being tested as a means of matching the impedance of the transmission line to that of the antenna array. This is a 2-wire line one-quarter wave length long with variable spacing.

"Flight tests have been begun to determine whether the power employed is sufficient for landing-beam purposes and to check the directivity of the transmitting antenna array."

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NEW YORK TO HAVE PAID RADIO PROGRAMS

Plans for a daily Advertisers' Index of radio programs, to be published in paid space on the radio pages of all New York and Brooklyn newspapers, have been announced by Andrew J. Wells, General Manager of a newly formed firm known as Newspaper Radio Programs, Inc., of 2 Park Avenue, New York City.

Under an arrangement made with the metropolitan newspapers, each advertisement would be placed in all the papers, and copy would appear each day the advertiser was on the air - or the afternoon before in case of a morning program.

The regular display rate would apply, with agency and representatives' commissions. Position next to the free radio programs would be given without extra charge.

Mr. Wells stated that advertising agencies which had been approached had shown keen interest in the plan. Solicitation of advertisers will begin at once, and it is hoped to start publication of the paid program sometime in the first half of September.

The paid program would consist of one-column advertisements from 10 to 56 lines deep, listed by hours rather than by stations, under the heading "8 o'clock", for instance, would appear all the programs beginning at that hour whose sponsors would buy space. Other headings would appear over programs beginning at 8:15, 8:30, etc.

One advantage of the plan, from the advertiser's standpoint, is that it permits him to play up his own name and slogan whereas the newspapers' free programs mention only the entertainers' names. Another advantage is that of display, each program getting

at least ten agate lines of space instead of the one line given in the free program. In a dummy prepared by sponsors of the plan, capitals and display type of comparatively light face are used freely.

Mr. Wells made it plain that the idea would be sold solely on its merits. He pointed out the advertisements would get a combined circulation of between four and five million daily and said that the advertiser spending large sums on a broadcast should recognize the opportunity to increase his audience by advertising the program.

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APPLICATIONS RECEIVED BY FEDERAL RADIO COMMISSION

August 22 - KHH, Buchan & Heinen Packing Co., Port Armstrong, Alaska, new C. P. for 3,178 kc., 50 watts, point-to-point; KPR, Karl Hansen, Port Alexander, Alaska, C. P. for new transmitter, 3178, 2320 kc., 250 watts, coastal and point-to-point; KGUT, Aeronautical Radio, Inc., Robertson, Mo., license to cover C. P. for 3238, 3244, 3452, 3460, 3468, 3484, 4915 kc., 400 watts, aeronautical, license to cover C. P. for 2326, 2344, 4140, 6260, 6275 kc., 400 watts.

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HAWAIIAN STATIONS SEEKING NETWORK

Broadcasting stations in Hawaii and the Philippines have been so successful in experimentally rebroadcasting chain and other programs from the United States that they are reported to be casting about for a way to join the American networks for regular service.

With short-wave relay transmission constantly improving, the probabilities are that programs heard in the United States will soon be offered to America's territories and possessions - a sort of counterpart to the well developed Dutch Colonial Broadcasting System and the international system being planned in England to carry British programs to the British colonies.

Station KGU of the Honolulu Advertiser recently had a representative in New York to confer with officials of the National Broadcasting Co. for a network hook-up.

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LAFOUNT FINDS WESTERN RADIO GOOD

Radio Commissioner Harold A. Lafount, just back at his desk after a seven-week inspection tour in the West, declared that radio conditions were satisfactory and that listeners are particularly pleased with the programs they are now receiving. Moreover, he found a widespread interest in television.

Mr. Lafount conferred with the owners or managers of nearly 150 radio stations during his trip to Colorado, Utah, Washington, Oregon, California, New Mexico, Texas, Louisiana and Georgia. He addressed 17 broadcasters' and dealers' associations, including the first regional convention of the National Association of Broadcasters in San Francisco in July. He met at least 200 listeners with whom he discussed broadcasting problems.

"I found very few complaints of interference on the wave lengths", said Mr. Lafount, "though there are still a few spots where that continues to exist. What ought to be most gratifying to the broadcasters, I found little or no complaint against the quality of the programs being offered. Broadcasting seems to be in the most satisfactory state I have ever known it, for the simple reason that the broadcasters generally are doing their utmost to please the public. They know that good, well rounded programs alone can assure them an audience against the stiff competition within their own ranks.

"Another gratifying condition was the fact that the broadcasters are constantly on the alert to find ways and means of improving their technical operation. In that respect the most noteworthy current achievement seems to be the effort to eliminate or suppress the sky wave and intensify the ground wave. What the broadcasters want is to cover their normal circulation areas according to their powers, rather than to obtain reports from distance-hunting fans that they have been heard afar."

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