

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

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INDEX TO ISSUE OF FEBRUARY 4, 1932.

Government Issues Fraud Order Against Mexican Station.....	2
Radio Police Calls Average Two Minutes.....	3
New NBC Sales Department Radio Accounts.....	3
Atwater Kent Announces Five New Models.....	4
Roxy Theatre Loses \$163,571 In Year.....	4
Would Ban Sunday Radio Advertising.....	5
Brinkley May Seek Governorship.....	5
Claims Few Listeners Know Program Names.....	6
Business Letter Briefs.....	7
Two Publishers Leave Radio Music.....	8
Grigsby-Grunow Personnel.....	9
More Than 100 Affiliated Newspaper Stations.....	9
Thad Brown Still Unconfirmed.....	10
Applications Received By The Federal Radio Commission.....	11
Decisions Of The Federal Radio Commission.....	12

No. 507

GOVERNMENT ISSUES FRAUD ORDER AGAINST MEXICAN STATION

Although radio listeners are apparently not aware of the fact, Postmaster General Brown has issued a fraud order against Station XED, of Reynosa, Mexico, operated by the International Broadcasting Company. The Post Office Department alleges this station engaged in conducting a scheme for the distribution of prizes by lot or chance through the mails.

Subsequently, fraud orders were also issued against B. Ramos, Government supervisor and Government inspector, and M. Sayas, Government supervisor at Reynosa. Later, fraud orders were issued against M. Flores, J. Cruz, M. Ortiz, and K. Sanchez of the same place.

The fraud order was based on the record and investigation made to the Solicitor of the Post Office Department by F. W. Reuter, Inspector in charge of St. Louis. He said in his memorandum to the Solicitor that on August 12, 1931, at 9:30 P.M., he heard over his radio a program broadcast from XED, at Reynosa, Mexico. The musical program was preceded and followed by the announcement that a lottery would be held at Reynosa under the supervision of State authorities, Inspector Reuter reported.

It stated that drawing of numbers would be held in public under conditions which made fraud impossible and that the persons holding the lucky numbers would be paid in gold. It was stated that tickets were one dollar each and that persons in the United States could purchase as many tickets as desired by sending to the International Broadcasting Company at Reynosa, Mexico, a letter by United States mail on which the postage was but two cents, and enclosing currency or a United States postal money order in a corresponding amount to which should be added five cents to cover the cost of issuance and mailing of a receipt. These same detailed instructions were repeated several times, at each instance stating the money should be sent by United States mail and that the lottery was perfectly legal as it was authorized by the laws of Mexico and under supervision of Mexican officials.

The announcer further stated that the program would be repeated, or the announcement concerning the lottery repeated every Wednesday and Saturday night from the same station. Persons who sent the dollar for the lottery tickets were issued receipts for their money, which were returned to the United States through the mails. On this evidence, submitted by Inspector Reuter, the fraud order was issued against this broadcasting station.

The Post Office Department has not taken any action on Station XER, at Del Rio, known as the "Doc" Brinkley "Goat gland" specialist station, at this place, also reported to be conducting lotteries. The Solicitor acts only on complaints received by those who have knowledge that such a lottery is being conducted over a radio station.

"It is against the postal laws and regulations for persons in the United States to participate in any lottery even in foreign territory", Isaac Gregg, Chief of the Information Service at the Post Office Department, explained, "and the use of the United States mails cannot be employed for such purpose either in the transmission of money orders or other forms of payment for lottery tickets or for the receipts sent for the purchase of such tickets."

While the laws forbid the sending of money through the mails for the purchase of lottery tickets, it is apparently being done constantly. Whenever postal authorities are able to detect it, they mark the letters "Fraudulent" and return them to the sender.

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RADIO POLICE CALLS AVERAGE TWO MINUTES

The Chief of Police of Los Angeles, R. E. Steckel, is enthusiastic about the application of radio short waves to their work.

"We have continued to make many quick and important arrests by reason of our radio system", Chief Steckel told Radio Commissioner Lafount. "In the month of December, our radio motor patrol made 346 felony arrests, and 1086 misdemeanor arrests. We answered 11,975 calls, the average time per run being 2 minutes, 39 seconds, and there were only 36 calls not received by our cars. Our equipment is functioning perfectly, and our signal strength was greatly improved by establishing a thorough ground and adopting a Marconi type of antenna."

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NEW NBC SALES DEPARTMENT RADIO ACCOUNTS

Neet, Inc., (Div. of Affiliated Products), Chicago, Ill.,
Product - Depilatory; Agency - Blackett, Sample, Hummert, Inc.,
Chicago, Ill.; Contract - 13 weeks; Period - Wednesday 10:00-10:15
A.M.; Starts February 3, 1932; Basic WJZ Network and Canada;
Program - "Beatrice Mabie" in Beauty Talks - A new program - Old
Client.

The Maytag Co., Newton, Iowa; Product: Washing Machines;
Agency - The Gramer-Krasselt Co., Milwaukee, Wisc.; Contract - 52
weeks; Period - Monday, 9:00-9:30 P.M.; Starts February 22, 1932;
Basic WJZ network; Program - "The Maytag Orchestra", 19 piece
orchestra under the direction of Clarence Wheeler; Merrie-Men
Quartette. - Renewal.

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ATWATER KENT ANNOUNCES FIVE NEW MODELS

Taking advantage of the very latest advances in radio science, and the work of his own laboratories, A. Atwater Kent is making announcement of five new models in his 1932 line of radio receiving sets.

Outstanding among the new improvements now available, is the Neon tuning light which accurately gauges reception and indicates when the various factors entering into reception are at perfect peak.

With this new scientific addition, tuning is made noiseless until the station desired is tuned perfectly, then the volume control may be turned on. This eliminates dial juggling with its accompanying discordant noises when different stations are passed in tuning. In absolute silence, the station is tuned in with perfect accuracy and the volume can then be increased to suit the ear of the listener.

Refinements in the five new sets announced include new chassis, with sets of seven, eight and ten tubes, a four-gang condenser in each A.C. model, including the lowest priced compact, a new sensitivity switch assuring maximum performance on either local or distant stations, automatic volume control, tone control and static reducer, pentode and variable mu tubes, quick-vision dial, improved electro-dynamic speaker. Every model is a super-heterodyne, installed in cabinets of genuine American walnut.

In addition, five sets previously announced are available, including the automobile set.

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ROXY THEATRE LOSES \$163,571 IN YEAR

An operating loss of \$163,571 in 1931 was reported to stockholders of the Roxy Theatre Corporation in New York. Many of those attending were indignant when they were informed that under their contract with S. L. (Roxy) Rothafel, the name of the theatre would have to be changed as a result of his departure to accept the management of the Radio City amusement activities.

It was revealed that since Roxy's departure, his salary of \$150,000 had been supplanted by a contract with the Fox Theatre Corporation whereby the latter received 3 per cent of the gross receipts, but not to exceed \$3,000 in any week, for managing the theatre. The Fox Corporation owns a controlling interest in the common stock of the Roxy Theatre Corporation.

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WOULD BAN SUNDAY RADIO ADVERTISING

Evidently taking his cue from a similar effort in Canada, Representative Thomas R. Amlie, a Progressive Republican, of Wisconsin, introduced a bill into the House whereby advertising over the radio on Sunday would be barred. The bill would amend Section No. 19 of the Radio Regulation Act of Feb. 23, 1927, by adding the following provision:

"Provided, however, that on Sundays there shall be no commercial announcements, whether direct or indirect, broadcast by any radio station, except that the name of the sponsor of the program may be given at the beginning and at the end of each program and with a minimum period of one hour between such announcements."

"I do not see why radio stations and networks should seek to commercialize every minute on Sunday as well as on the rest of the week", Representative Amlie declared. "Business on the whole respects the Sabbath. Why should not broadcasters be made to respect our finer sensibilities on that one day of the week even though their earnings for that day be slightly reduced."

Representative Amlie is serving his first term in Congress. He hails from Elkhorn, Wis., and succeeds a veteran, the late Representative Henry Cooper, of Racine.

In Canada the campaign is directed not only at Canadian stations but ^{all} network programs which originate in the United States also. The movement is backed by the Canadian Lord's Day Alliance.

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BRINKLEY MAY SEEK GOVERNORSHIP

Dr. J. R. Brinkley, "goat gland specialist", of Milford, Kans., announced in Del Rio, Texas, yesterday (Feb. 2) he was renouncing his connection with radio station XER at Villa Acuna, Mexico, and would return to Kansas, where he is expected to be an Independent candidate for Governor.

He said he would continue to broadcast over XER until his contract expired, although he did not make clear when that would be. Before Brinkley became associated with the new radio station at Villa Acuna, the Federal Radio Commission revoked the permit of a station he operated at Milford, Kans., and the Kansas Medical Board deprived him of a medical practice license in that State.

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CLAIMS FEW LISTENERS KNOW PROGRAM NAMES

Based upon what is described as a new method by Prof. George H. Gallup, of Northwestern University, Chicago, of determining actual radio coverage, a critical article on radio advertising appears in the January 30th issue of the Editor & Publisher, and reads in part as follows:

"Professor Gallup observed that all of the direct checks on radio programs which have been made during the past year point to the small actual coverage offered by the radio to the advertiser, in contra-distinction to the rosy picture presented by questionnaires and by a number of radio's staunchest advocates. Actual surveys of radio listeners show the advertiser that his dreams of reaching multitudes of listeners usually have no foundation of fact.

"In other words, while the potential audience is all, or very nearly all, that enthusiasts claim, the actual audience is but a small part of this', said Professor Gallup. 'Of every 100 typical American families, roughly a fifth are not at home on a given evening; a fourth of these do not own radio sets. Half of the remaining 60 haven't their sets turned on. The audience represented by the 30 families who are listening, is divided among all the programs on the air; and only a small proportion of those 30 listeners can identify the sponsor of the program to which they are listening, or the product advertised.'

"Professor Gallup's surveys show that 30 to 40 per cent of both men and women read the radio programs printed in newspapers.

"A typical report on an actual radio listening survey made over the telephone by Professor Gallup, four consecutive evenings during the past month between 8:30 and 9:30 o'clock in one city shows the following results:

"How many calls were made? 110.
home? 18.
"How many failed to answer the phone, showing nobody
called? 37.
"How many refused to talk at all? 1.
"How many said they owned a radio set? 76.
"How many said they were listening to the radio when
station? 23.
"How many said they were not listening? 39.
"How many who were listening were able to name the
advertiser? 8.
"How many did not know what the program was advertising? 29."

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: BUSINESS LETTER BRIEFS :
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The official hotels for the annual gathering of the Radio Manufacturers' Association at Chicago May 23-26, will be the Stevens and the Blackstone. The RMA will have no connection with the Congress or other hotels.

The 1931 net income of WOR is estimated at more than \$400,000.

Two radio articles appear in current magazines - one is "I'm Signing Off: A Radio Announcer Betrays His Profession" in the January "Forum". The second is "A Day With The Radio" by Robert Lytell in this month's "American Mercury".

A deluxe four-page folder in colors has been issued by the Capehart Corporation of Fort Wayne, Ind., setting forth the desirabilities of the Capehart "400" Series which are described as "the world's most luxurious musical instrument". The combination phonograph and radios described are "The Capehart 400" (Chippendale), and "The Capehart 402" (Adam).

General James G. Harbord, President of the National Republican Club, will preside during the Lincoln Day dinner and broadcast, during which President Hoover will deliver an address.

An all-wave receiver, covering 18 to 550 meters, employing a nine-coil super-heterodyne circuit, which is tuned by a single knob, has been announced by the Pilot Radio and Tube Corporation of Lawrence, Mass. The receiver will be priced at \$59.50.

It is called the "Dragon", and represents the results of five years' laboratory development in an effort to simplify the mechanical and electrical design in order to combine broadcast and short-wave reception in a low-priced receiver.

A. F. Ewing, one of the justices of the Supreme Court of Alberta, Canada, was named in Ottawa commissioner to investigate the control by the Canadian Performing Rights Society of Toronto of musical rights in broadcasting and the fees charged to broadcasting stations. Authority for permission to broadcast musical works, numbering more than two million, is claimed by the Society.

A "Key to Changes in Radio Law", embodied in Federal Radio Commission Rules and Regulations adopted November 7, 1931, and effective February 1, 1932, has been compiled in loose-leaf form by Frank Stollenwerck, 1112 Woodward Building, Washington, D. C., in association with former Representative W. D. Jamieson, and Carl H. Butman, formerly Secretary of the Federal Radio Commission.

The same group plans to issue a "Key to Radio Law, Regulations and Procedure" which will connect up the Court decisions with all the radio administrative law with loose-leaf supplementary service.

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TWO PUBLISHERS LEAVE RADIO MUSIC

Carl Fischer, Inc., and Leo Feist, Inc., music-publishing companies which were taken over two years ago by the Radio Music Company, a subsidiary of the National Broadcasting Company, have repurchased their stock holdings in the radio organization and will again function on an independent basis, according to a recent announcement. The change becomes effective as of January 1, 1932.

No substantial change in the internal organization of either of the companies affected will result from the transfer of stock ownership, according to the announcement, which points out that since they have been associated with the Radio Music Company, they have been operated virtually as independent units.

E. C. Mills, President of the Radio Music Company, declared that although the merger had been due to business conditions, the results of the combination had not been entirely satisfactory.

"The production of musical works by composers and authors, the relationship between these creators and their publisher and the exploitation of their works by the latter", Mr. Mills said, "involves such highly individualized and personal efforts and relationships as makes impracticable subjection to the formulae of practice which underlies the theory and operation of merged organizations."

The Radio Music Company was organized at the beginning of 1930, when it took over the two other companies. It will now continue as a separate organization.

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GRIGSBY-GRUNOW PERSONNEL

Larry E. Coen, formerly connected with the Cincinnati Electric Club, the Union Gas & Electric Company and the Union Light, Heat and Power Company, has recently joined the Grigsby-Grunow Company in the capacity of Director of Public Utility Relations.

W. L. Galt, better known as "Poke", who for the last several months has served as Grigsby-Grunow Company, District Manager in New England, has recently been called in to the Grigsby-Grunow headquarters to assume new duties as Radio Sales Promotion Manager for the entire company. Mr. Galt has had a long experience in radio merchandising and brings to his new position, in addition to skill for conceiving, planning and promoting unusual and successful advertising and selling campaigns, a thorough background of knowledge of merchandising problems.

J. P. Lonergan has recently been appointed to cover the territory surrounding Detroit and Cleveland for the Grigsby-Grunow Company in the capacity of Refrigeration Field Representative.

Another addition to the group of Grigsby-Grunow District Managers is Paul Richardson.

In general charge of all Majestic refrigerator sales is Mr. John Ditzell, who joined the Grigsby-Grunow forces in September 1931. His title is General Sales Manager of Refrigeration

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MORE THAN 100 AFFILIATED NEWSPAPER STATIONS

There are now 104 newspaper radio stations according to the 1932 International Year Book issued by the "Editor & Publisher" in New York. Forty newspapers own their stations outright and the remainder are affiliated with the stations.

Sometimes the operation of the station is directly under the eye of the newspaper editorial and business executive; sometimes it is in the hands of separate personnel, cooperating with

the newspaper whenever opportunity offers. In a few cases, the newspaper's radio station is in charge of a separate but closely related corporation.

In a few other cases, the newspaper leases a station, the technical operation remaining in the hands of the owner while the newspaper arranges and directs programs.

Twelve Canadian newspapers are affiliated with radio stations, 9 of which own them.

The Year Book also gives an up-to-date list of radio editors of newspapers. It is indexed by States and cities.

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THAD BROWN STILL UNCONFIRMED

The nomination of Col. Thad Brown still hangs fire. As time goes on the impression seems to gain ground that he will be confirmed.

There is, however, nothing definite to base this on. Senator Couzens who is opposing Brown has not indicated that he will change his mind about Brown's eligibility as a Radio Commissioner.

Nor has any date been set by the Interstate Commerce Committee, of which Senator Couzens is Chairman, and to which the nomination was referred by the Senate, as to when it may take the matter up.

A story prevalent sometime ago of the opposition of Chairman Charles McK. Saltzman to Colonel Brown has been revived, i.e. that if Brown becomes a Commissioner, he (Saltzman) will resign, but this is being discounted.

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APPLICATIONS RECEIVED BY THE FEDERAL RADIO COMMISSION

January 30 - New England Broadcasting Co., Boston, Mass., C.P. for a new station to use 1500 kc., 100 watts, 250 watts LS, one-half time; WNBW, Home Cut Glass & China Co., Carbondale, Pa., voluntary assignment of license to WNBW, Inc.; WSM, National Life & Accident Insurance Co., Nashville, Tenn., modify C.P. for 50 KW, requests approval of proposed equipment and transmitter location 12 miles on Franklin Road, Nashville, Tenn.; WIS, South Carolina Broadcasting Co., Inc., Columbia, S. C., C. P. to install new transmitter; WDBO, Orlando Broadcasting Co., Inc., Orlando, Fla., modification of license to change from one-half time to unlimited; WDSU, Joseph H. Uhalt, New Orleans, La., install automatic frequency control; KPO, Hale Brothers Stores & The Chronical Publishing Co., San Francisco, Calif., voluntary assignment of C.P. and license to National Broadcasting Co., Inc.

February 1 - WMT, The Waterloo Broadcasting Co., Waterloo, Iowa., C.P. to move station from Waterloo to Des Moines, Iowa, and utilize a special antenna system; also change from 250 w. plus 250 w. on experimental basis, to 500 watts; WCAJ, Nebraska Wesleyan University, Lincoln, Nebr., modification of license to change from 500 w. to 1 kilowatt; WAAT, Bremer Broadcasting Corp., Jersey City, N. J., license to cover C.P. for new equipment; WGBB, Harry H. Carman, Freeport, N. Y., modification of C.P. to extend completion date to 3/1/32

The following applications have been returned to the applicant:

WTMJ, The Journal Co., Milwaukee, Wis., automatic frequency control (request of applicant); KGVO, Mosby's, Inc., Missoula, Mont., increase hours of operation (request of applicant).

February 2 - WFEA, New Hampshire Broadcasting Co., Manchester, N. H., license to cover C.P. granted 6/26/31 for a new station on 1430 kc.; Steubenville Broadcasting Co., Steubenville, Ohio, C.P. to erect a new station to use 1420 kc., 100 watts, unlimited; KFXV, Albert H. Schermann, Flagstaff, Ariz., C.P. to move station to Yuma, Ariz.; KERN, The Bee Bakersfield Broadcasting Co., Bakersfield, Calif., license to cover C.P. granted 10/23/31 to move station from Santa Maria, Calif. to Bakersfield, Calif.

Applications Other Than Broadcasting

February 1 - R.C.A. Communications, Riverhead, N. Y., new C.P. for 25700, 34600, 51400, 60000-400000 401000 and above, 250 watts, experimental service; KGUG, Aeronautical Radio, Inc., Big Springs, Texas, modification of license for reduction in power to 150 watts, aeronautical point-to-point; Mackay Radio & Telegraph Co.; WJT-WJZ-WKT, Sayville, N. Y., licenses covering C.P. for additional transmitter 9290 (WITO 14680 WJZ) 17700 (WKT) 20 KW; WJU-WJV, - WKR, license covering C.P. for additional transmitter,

10170 (WIU) 13960 (WJV) 17140 (WKR) 20 KW; WMZ-WJH-WKI-WMY, license covering C.P. for additional transmitter 5990 (WMZ) 13015 (WJH) 14710 (WKI) 20980 (WMY) 20 KW; WID-WIW-WKS, license covering C.P. for additional transmitter 7730 (WID) 10810 (WIW) 17660 (WKS) 20 KW.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted (February 2, 1932)

KRKD (formerly KMCS), Dalton's, Inc., Los Angeles, Cal., permission to use old transmitter at Inglewood as auxiliary for 30 days while new transmitter is operating, to check defects that may develop in new transmitter; KMLB, J. C. Liner, Monroe, La., authority to operate unlimited hours for period of 10 days from Jan. 29th, because of flood conditions; WKAR, Michigan State College, East Lansing, Mich., renewal of license, 1040 kc., 1 KW, hours - 12 M. to 12:45 P.M. daily except Sunday; 3 P.M. to 4:15 P.M. daily except Saturday and Sunday, 1:30 to 2 P.M. Mondays only; KGPY, State of Louisiana, Bureau of Identification & Investigation, Shreveport, La., license police service, 1574 kc., 100 watts, unlimited.

Also, W2XAD, General Electric Co., Schenectady, N. Y., modification of relay broadcasting license to change frequency; WMO, Municipal Police, City of Highland Park, Highland Park, Mich., 30 day extension of time to complete construction; KDWH, Mackay Radio & Telegraph Co., aboard "Munargo" temporary authority not to exceed 60 days, to operate pending receipt of formal application; WCK, Radiomarine Corp. of America, Blue Ash, Ohio, 30 day authority to continue test operation; WHOM, New Jersey Broadcasting Corp., Jersey City, N. J., authorized to use time heretofore assigned to WKBO, Camith Corp., Jersey City, since Court of Appeals of D.C. has dismissed the appeal of WKBO (at its request) from decision of Commission deleting this station; this order gives WHOM $\frac{1}{2}$ time, WNJ, Newark, $\frac{1}{4}$ time and WBMS, Hackensack, N. J., $\frac{1}{4}$ time on 1450 kc.; Pan-American Grace Airways, Inc., regular renewal licenses granted, since by-laws of Co. have been amended making comptroller an employee instead of an officer or director.

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