

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::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. 351

LAFOUNT TO SURVEY THE WEST

Radio Commissioner Harold A. Lafount will make a survey of radio conditions in the Middle West, beyond the Mississippi and East of the Pacific Coast, between July 15 and about August 15th. He will visit 17 cities in eight States and will confine his inspections largely to the smaller broadcasting stations and problems of listeners.

During his tour he will inspect the needs of Boulder Dam for broadcasting and communication facilities. His itinerary follows:

Leaving Washington July 23, returning Aug. 15; Cheyenne, Wyo., July 25; Laramie, Wyo., July 26; Salt Lake City, Utah, July 28; Ogden, Utah, July 29; Pocatello, Idaho, July 30; Boise, Idaho, July 31; Twin Falls, Idaho, Aug. 1; Reno, Nev., Aug. 2; Las Vegas and Boulder Dam, Nev., Aug. 4; Prescott, Ariz., Aug. 5; Jerome, Ariz., Aug. 6; Flagstaff, Ariz., Aug. 6; Albuquerque, N. Mex., Aug. 7; Raton, N. Mex., Aug. 8; Trinidad, Colo., Aug. 9; Kansas City, Mo., Aug. 11; St. Louis, Mo., Aug. 13.

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REED DEMANDS PENNSYLVANIA'S QUOTA

Declaring that unless Pennsylvania is given "its proper quota of broadcasting stations", the matter will be carried "to the President, the press, and, if necessary, to Congress", Senator Reed (Republican), of Pennsylvania, informed the Federal Radio Commission in a letter just made public.

The letter follows the publication of figures by the Commission, on the basis of the unit tabulation, showing that Pennsylvania is the most under-quota State in the Union in the distribution of broadcasting facilities. It lacks 8.9 units of the 19.25 to which it is entitled by the Commission's own admission.

Senator Reed says in part:

"I would like to have a general statement from the Radio Commission with respect to broadcasting stations in Erie, Johnstown, Lancaster and Reading, Pa. These four stations in particular have endeavored from time to time to have their power increased.

"In the central part of the State particularly, broadcasting programs and conditions have been highly unsatisfactory for many months. There are perhaps a dozen counties which are unable at the present time to get good programs from any station. This condition is made worse by the action of the Commission in dividing the time between Station WBAL, in Baltimore, and a station in Hartford, Conn.

"My information indicates that there are perhaps 1,000,000 or more families which, because of the Commission's discrimination against Pennsylvania, are entirely without satisfactory radio reception.

"I may say in this connection that I can see no legal or administrative justification for the persistent failure of the Commission to give Pennsylvania its proper quota of broadcasting stations and its failure to increase the power of stations in communities like those named, whose population, industrial importance and geographic location entitle them to greater consideration.

"Harrisburg is another city - one of the several in the central part of the State - which has been denied proper facilities.

"In saying this, I am well aware of the difficulties which confront the Commission. I do not minimize the administrative problem presented by the effort to satisfy a continuous and, at times, unreasonable, demand for additional licenses and greater power for broadcasting stations."

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SUCCESSOR TO INTERCITY FORMED

Ship owners on the Great Lakes have organized the Midwest Wireless, Inc., to take over the radio operations of the bankrupt Intercity Radio Telegraph Company upon approval of the Federal Radio Commission. A dozen applications have already been filed by the new company.

The Intercity Company last month forfeited the licenses of five of the eight stations it operated by failure to appear at a hearing. Testimony was offered on behalf of the Steamship Owners' Association asking that a plan be worked out whereby the service could be continued. The new applications for transfer and the formation of the new company are in compliance with the suggestion of the Commission that the customary procedure be followed.

In his letter, W. H. McGean, President of the new corporation, explained that the organization is being formed "by a majority of vessel interests who are entirely responsible and are prepared to give public service over the Great Lakes. Their financial responsibility cannot be questioned and they are putting enough money into the company so that there will be no danger of receivership in the future and creditors losing out. It is their plan to keep going the old offices of Intercity Radio Company at Buffalo, Ishpeming, Duluth and Cleveland. The Columbus office will be closed and no point to point license from Cleveland to Columbus, Chicago, Detroit or Buffalo will be requested at this time."

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ADVOCATES INDEPENDENT BROADCASTING FOUNDATION

O. H. Caldwell, in connection with an editorial in the July issue of Radio Retailing, advocating an independent endowed broadcasting foundation, has issued the following statement:

"A vision of broadcasting as a great endowed institution, lifted to new heights of public service and forever free of governmental, political or industrial interference, is a logical sequel to the announcement of the \$250,000,000 Rockefeller Radio City in New York.

"Eventually, the radio industry will want to step out of broadcasting, leaving the vast machinery of air entertainment to an independent Broadcasting Foundation, supervised by a committee of outstanding citizens, representing all shades of opinion.

"Such an outcome would take the great political and educational power of broadcasting out of the hands of the 'radio trust.' It would also preclude the future possibility of the public paying tax on receiving sets to defray the costs of radio programs, as has recently been proposed by those who would have the government take over the production and distribution of the nation's air entertainment. It would mean that radio broadcasting could go ahead to new and lofty levels of service, untrammelled by financial restrictions or control by any industrial group and free from interference from politicians and pettifoggers exerted through present channels. It would make radio broadcasting wholly independent and free, responsible only to the service of the public without any other consideration whatever."

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WORC, WORCESTER, JOINS COLUMBIA

Another link has been added to the New England network, headed by WNAC, with the addition of Station WORC, at Worcester, of which Ted Hill is the Manager. In addition to taking many of the commercial programs of WNAC, this station will also handle the programs of Columbia until other arrangements are made.

With the addition of WORC, this New England network, which is in reality a daytime chain using Columbia programs at night, numbers five stations, WNAC, Boston, WEAN, Providence, WLBZ, Bangor, WORC, Worcester, and WNBH, in New Bedford. The New Bedford station takes only the daytime programs of WNAC and has not yet been added to Columbia.

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BROADCAST ADVERTISING RECOGNIZED BY COLLEGE ACCEPTANCE

When asked for some comment upon his designation as a lecturer on broadcast advertising by the College of the City of New York, F. A. Arnold, Director of Development of the NBC said:

"I suppose it is quite an honor to be selected as the one to deliver the first course of lectures on broadcast advertising to be sponsored by any college in the United States.

"It shows how completely broadcasting has been accepted as an advertising medium and the place it is bound to hold eventually in the business and educational fields."

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REICHMANN FUNERAL HELD LAST FRIDAY

The funeral of Ernest R. Reichmann, well known radio lawyer, who died following an operation in Chicago, was held last Friday at his home in Wilmette, Ill. Mr. Reichmann was survived by a widow, three daughters, and a son; also by his mother.

Mr. Reichmann was a member of the law firm of Urion, Drucker, Reichmann and Boutel.

In addition to being Associate Counsel with former Senator James A. Reed, in the suit filed by the Grigsby-Grunow Company against the RCA, he was attorney in the forthcoming case in the Supreme Court to test the constitutionality of the Radio Act. Also, he was counsel for a group of independent manufacturers who were successful in forcing the RCA to abandon the practice of requiring licensees to use their tubes.

Mr. Reichmann was a founder of both the Radio Manufacturers and the Radio Protective Associations.

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"FAMOUS ARTISTS" TO BEGIN

Radio presentations from recordings made in advance by leading artists and entertainers will be broadcast this week by 178 independent stations scattered throughout the country, one or more stations of which will be in New York, according to an announcement by Famous Artists of the Air, Inc., of which Eddie Dowling is President. Headquarters of the new organization are at 655 Fifth Avenue. Other officers and founders of the corporation were announced as Monte Brice, First Vice-President; William Rowland, Second Vice-President; Frank C. Reilly, J. Arthur Adler, Attorney, and C. Pinkney McCarver.

Primarily the organization will record radio programs for "spot broadcasting, making it possible for cities outside of those in a national hook-up to receive the maximum of entertainment from radio."

"More than two dozen such programs are already recorded, sponsored and ready for presentation," said a Famous Artists representative. "They are to begin this week, and within a few days the local station or stations in the system will be announced. The recordings represent the talent of leaders in the entertainment field."

By this method of presenting radio programs, the recording organization looks toward the "elimination of wire charges" of the ordinary radio network; the increase of radio listeners "by over 100 per cent" because programs can be presented at the most advantageous hours throughout the country, and the providing of a program by noted entertainers within the reach of "small town dealers and manufacturers" without the expense of the large radio hook-up.

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RMA TRADE SHOW DREW OVER 30,000

The official registration at the Atlantic City Trade Show of the Radio Manufacturers' Association was exactly 30,041. It was 31,589 at Chicago in 1929, and 24,600 in 1928.

Details of the Atlantic City registration follow:

June 2 - 3,710; June 3 - 4,838; June 4 - 10,413;
June 5 - 6,694; June 6 - 4,386.

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RADIO SALES GREATER IN CITIES

Radio sales per dealer in the large cities of the United States were greater than those in the less thickly populated communities, a study of radio retailing during 1929 by the Electrical Equipment Division, Department of Commerce, reveals.

In cities having a population of 3,000,000 and over, the average business per radio dealer amounted to \$54,416. Cities ranging in population from 400,000 to 500,000 followed, the average radio business per dealer aggregating \$53,844.

The average sales per dealer in communities with a population of less than 10,000 were less than one-tenth the average for dealers in cities of 3,000,000 and over. Dealers in communities of under 10,000 population represented 64.6 per cent of the 10,533

reports received, but accounted for only 26 per cent of the year's business reported, which totaled \$140,771,378.

Sales per dealer in cities of between 100,000 and 150,000 population amounted to \$30,807, while those in cities with populations between 2,500,000 and 3,000,000 aggregated \$43,077.

The average sales per dealer in communities of between 25,000 and 35,000 people were placed at \$18,792.

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BUSINESS LETTER BRIEFS

The District of Columbia Court of Appeals has denied the plea of Press Wireless, Inc., that the Stay Order in the continental short wave case be modified so as to release the 20 channels awarded to the press organization.

Another application for authority to use 50,000 watts has been filed by WBZ, of Springfield, Mass. The station, operated by Westinghouse Electric and Manufacturing Co., has been synchronized with WBZA, of Boston. Because of the expense of the project, however, an application to consolidate the stations with the maximum power was filed. It was later reduced to 15,000 watts because of the talk of cutting high power stations.

"The most outstanding improvement found in the new radio receivers now being produced is automatic volume control", according to R. H. Langley, Director of Engineering for the Crosley Radio Corporation, and Director of the Radio Manufacturers' Association.

James W. Garside, President of the DeForest Radio Co., has announced in a letter mailed to stockholders the action of the Directors in authorizing an issue of \$800,000 par value of three-year 6 per cent gold notes, to be dated July 15, 1930, and payable in 1933. The notes will be convertible into common stock of the company and are available only to stockholders of record of July 14.

"Each radio set and speaker has a 'voice' or tone of its own, of which the average owner becomes tired, after a year or so of listening to it", writes Charles E. Trocewell in the Washington Star. "In most cases, he does not know what is the matter, but calls up the store and complains that his set 'does not sound

as well as it used to.' The set sounds the same, but his ears and tastes have changed, and there is nothing that can be done about it, except to buy a new outfit. Many have done just that, but the indications are that the golden age has passed."

The Universal Broadcasting Company has applied to the Federal Radio Commission for permission to increase the power of Station WCAU, Philadelphia, from 10,000 to 50,000 watts.

Station WBAL, of Baltimore, has applied for permission to raise its power from 10,000 to 15,000 watts.

The Standards Yearbook of 1930 has just been issued by the Department of Commerce. The book contains suggestions and data for all engaged in standardization. Copies may be obtained for seventy-five cents each from the Superintendent of Documents, Government Printing Office, Washington, D. C.

The new telephone number of the Federal Radio Commission, which recently moved into the National Press Building at 14th and F Streets, N. W., Washington, D. C., is Metropolitan 2180.

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TWO DOZEN RADIO CASES IN COURTS

More than two dozen radio cases are in litigation in Appellate Courts and are not likely to be heard before Fall, according to records of the Federal Radio Commission.

Three cases raising fundamental questions of radio law are pending in the United States Supreme Court, which has recessed until October, while sixteen appeals from broadcasting stations and a half dozen communication cases are in the Court of Appeals of the District of Columbia.

Several other cases are scattered among Federal District Courts and in the District of Columbia Supreme Court.

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PORTER VICE-PRESIDENT OF RCA

G. Harold Porter, of San Francisco, was recently elected Vice-President of the Radio Corporation of America in charge of Pacific Coast activities. No announcement was made of the election at the time of the meeting of the Directors, as it was planned that Gen. James G. Harbord, Chairman of the Board, should notify Mr. Porter personally of the Directors' action.

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LICENSES AGAIN EXTENDED

Licenses of all broadcasting stations which have filed applications for renewal were extended for the regular 90-day period beginning August 1, under an order adopted July 12th by the Federal Radio Commission.

Three stations that are operating on channels prescribed by the Court of Appeals of the District of Columbia are not affected by the order.

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WORK STARTED ON RADIO BEACON

Work has started on the Washington radio range beacon, marking the final step in second extended blind-flying airway, according to the Department of Commerce. With stations at Greensboro, N. C., Spartanburg, S. C., Richmond, Va., and Atlanta, Ga., more nearly completed than the Washington beacon, it is expected that the entire link in the coastal chain will be put into operation between July 21st and August 1st.

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RADIO EXPORTS SHOW GAIN

Following is a table showing the exports of radio apparatus from the United States as compiled by the Electrical Division of the Department of Commerce:

	<u>May</u>		<u>5 Months ending May 31st</u>	
	1929	1930	1929	1930
Transmitting tubes, sets, and parts	: 72,562 :	: 59,071 :	: 381,971 :	: 557,719 :
Receiving sets	: 485,032 :	: 725,960 :	: 2,476,005 :	: 3,312,100 :
Radio receiving tubes	: 128,413 :	: 233,144 :	: 682,440 :	: 1,022,355 :
Receiving-set components	: 248,105 :	: 221,400 :	: 1,176,065 :	: 1,156,688 :
Loud-speakers	: 187,287 :	: 121,774 :	: 751,432 :	: 649,878 :
Other receiving-set accessories, n.e.s.	: 144,972 :	: 85,468 :	: 647,702 :	: 460,672 :

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PHILADELPHIA LISTENERS CANVASSED

The likes and dislikes of Philadelphia radio listeners have been tabulated under the direction of Herman S. Hettinger, of the Wharton School of Finance, University of Pennsylvania. The station preferences of Philadelphians (the 10 most used stations, and percentage of Philadelphia coverage) were shown as follows:

"A" (WJZ New York) 90.0%; WCAU, (Phila.) 71.0%; "B" (Phila.) 21.6%; "C" (New York) 16.4%; "D" (Phila.) 15.8%; "E" (Newark), 14.3%; "F" (Phila.) 12.2%; "G" (Phila.) 12.0%; "H" (Camden), 10.0%; "I" (Phila.) 4.2%.

In relative standing of Philadelphia stations as regards **popularity with local** listeners, WCAU led with 67.9% of the radio families placing the station first, and 11.0% second. The second station (designated by "B") received 11.2% and 23.3% respectively.

The percentage of persons liking each type of program is set forth as follows:

Music, 96.2%; Comedy, 66.5%; Drama, 58.2%; Sports, 44%; Religious, 33.5%; Educational, 33%; News, Market Reports, etc., 32%; Special Features, 32%; Women's Features, 26.2%; Children's programs, 25%.

The results of the survey have been gotten up in multi-graphed form and doubtless copies may be secured by writing to Herman S. Hettinger, University of Pennsylvania, or perhaps from Dr. Leon Levy at Station WCAU, Philadelphia.

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RCA FREQUENCY BUREAU REORGANIZED

The Frequency Bureau of RCA Communications, Inc., has been renamed the RCA Central Frequency Bureau and has been reorganized to serve the Radio Corporation of America and all its organizations, including RCA Communications, Inc., Radiomarine Corporation of America, RCA Victor Company, Inc., and the National Broadcasting Company.

The RCA Central Frequency Bureau will be the normal channel of contact and communication for these organizations with the Federal Radio Commission, with other departments of the Government, and with foreign radio stations, companies, or administrations in all matters concerning radio station licenses, the assignment and use of frequencies, interference between radio stations, and similar related matters.

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BROADCASTING APPLICATIONS RECEIVED BY RADIO COMMISSION

July 12 - WBAL, Consolidated Gas Electric Light and Power Co. of Baltimore, Glen Morris, Md., modification of license to increase power from 10 KW to 15 KW, on 1060 kc., sharing with WTIC; WBAK, Pennsylvania State Police, Commonwealth of Pennsylvania (C. M. Wilhelm, Agent), State Arsenal, Harrisburg, Penna., modification of C. P. to make changes in equipment and extend completion date to July 15, 1930, on C. P. issued 1/11/30; WUBL, Press Publishing Co. & C. L. Carrell, Sheboygan, Wis., request for authority to voluntarily assign license to the Press Publishing Co.; WISJ, Wisconsin State Journal Company, Beloit, Wisconsin, request for authority to voluntarily assign license to the Wisconsin State Journal Broadcasting Company.

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