We've Done Something About the WEATHER

KOY

Phoenix, has been giving the Arizona weather report at 10:20 o'clock each morning. One day recently, we omitted this five-minute feature, announcing that if enough listeners wanted it continued, as shown by their letters, the weather report would be reinstated. Letters flooded KOY from 40 towns in the shaded counties on the map to the right!

Here again is proof that KOY can be heard and listened to all over Arizona, that people all over Arizona depend upon KOY for service and entertainment features. If you want the complete story on KOY coverage and the rich Arizona market, write KOY, Phoenix . . . or WLS, Chicago . . . or ask any John Blair man.

1000 Watts on 550 Kilocycles

"That explains the coverage"

CBS Affiliate PHOENIX, ARIZONA

MANAGEMENT AFFILIATED WITH WLS, THE PRAIRIE FARMER STATION, CHICAGO—REPRESENTED BY JOHN BLAIR & COMPANY
Switch on! Business is revvin' up in Toledo! The American Propeller Corporation, subsidiary of the Aviation Corporation of America, soon breaks ground for a $26,500,000 plant in the northwestern section of our city. This giant industry will provide 5,000 jobs for workers—5,000 new buying families in a market that will set the pace for America. Tell Toledo, Northwestern Ohio and Southern Michigan about your product over WSPD—Basic Red, 5,000 watts full time.

Represented nationally by THE KATZ AGENCY

TOLEDO, OHIO

WSPD
KYW is the only station in America that brings to expectant ears that arresting phrase, "Despatch from Reuters"—words that have heralded world-shaking events for nearly a century.

From Damascus to Rio to Singapore eight thousand Reuters correspondents cover the news of a volcanic world. By short wave and teletype, despatches are flashed directly into the news room of a Philadelphia 50,000 watt station—KYW.

Associated Press, United Press (and Western Union for sports) are KYW’s primary sources of spot news. Now with Reuters added, KYW provides coverage unmatched in the Philadelphia area.

Your news program in Philadelphia belongs on KYW, the station that gets the news first to your audience. Write or call the nearest NBC Spot Sales office for complete information.
When you think of

New Orleans

you think of:

World's Largest Banana Docks...

and

WWL

NEW ORLEANS

50,000 WATTS

The greatest selling POWER in the South's greatest city

BROADCASTING

The Weekly Newsmagazine of Radio

Broadcast Advertising

June 23, 1941

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FOR SALE: One 15-minute afternoon news period. Act fast! First to grab it, gets it.
In America's No. 1 Market

In the great Southern New England Market, industry is booming, per capita retail sales have reached an all-time peak, and the tourist season—just beginning—is expected to surpass all previous records.

The WTIC Primary Area—which includes Connecticut, Western Massachusetts, Southern Vermont and New Hampshire—covers a population of 2,524,000 with an estimated effective buying income of $1,951,435,000, which is exceeded in the United States by only eight "Major Trading Areas".

In Connecticut, the center of WTIC's primary coverage area, the increase in effective buying income is more than double the figure for the entire country, and the per family income is 52% above the national average.*

So, if you think, as we do, that the market with the nation's outstanding slice of spendable income plus that market's foremost selling medium is a combination you cannot afford to miss, just give us the signal and WTIC will begin carrying your sales message along the road to riches.

* Sales Management, May 1, 1941.

Merritt Parkway—Courtesy Connecticut State Development Commission
IF YOU WANT MAIL
SAY KMA!

Shenandoah, Iowa, is the twenty-ninth city in its State—but thanks to Station KMA, it’s the mail capital of the radio world!

KMA is owned and operated by Earl May, a genial soul who is also one of the nation’s largest seed and nursery suppliers. As such, he is the personal friend of practically every farmer in the section. On Earl May’s personal recommendations over Station KMA, the farmers of western Iowa plan their crops and buy their seed (often sending blank checks!). On his personal advice they market their crops. And on the advice of his station they also spend the money their crops produce.

Because of the personal confidence Earl May’s audience has in KMA, this remarkable station is one of the strongest mail (and sale) producers in America. If you want MAIL, “ask your Agency to ask the Colonel”.

KMA
Shenandoah, Iowa
NBC • 5000-1000 Watts

FREE & PETERS, INC.

Pioneer Radio Station Representatives
Since May, 1932
Senate Group May Intercede in Net Rules

Industry's Leaders Plead Strong Case

STRONG indication that the Senate Interstate Commerce Committee will intervene in the fight of the broadcasting industry to stave off the “death sentence” chain-monopoly rules promulgated by the FCC, to become effective Aug. 2, were given by committee members after three weeks of hearings on the White Resolution proposing a Congressional investigation of the regulatory body.

Sentiment in favor of drafting a new statute, clearly defining the functions of the FCC, developed following testimony of such industry figures as William S. Paley, president of CBS, and Niles Trammell, NBC president. They, along with others, bitterly contested the new network rules promulgated by FCC Chairman Fly and his majority colleagues and argued point by point against them and against Mr. Fly’s earlier testimony in their support. Criticism of the FCC chairman became intense at times.

The hearings on the White Resolution still were in progress when Chairman Wheeler (D-Mont.) clearly indicated he felt a new law should be drafted, and concluded that the “monopoly” rules go too far in certain particulars, mentioning specifically the proposed time option ban. Senator Wheeler predicted that new legislation would be introduced.

Wheeler on Tour

The hearings were recessed last Friday, subject to the call of the chair. Senator Wheeler left for a speaking tour in the Midwest and South but planned to return about June 25. There was possibility he might call a hearing for a day or two in the hope of concluding the proceedings. On the other hand, if that could not be done, it was considered likely the hearings would go over until about July 8 or 9, after he completes the second leg of his tour. Senator White has been in somewhat frail health and left for Maine for a brief vacation, but planned to return whenever the hearings are resumed.

Only three or four additional witnesses remained to be called, with the last witness to be FCC Chairman Fly, who had asked for an opportunity to present “rebuttal testimony”.

There was also the possibility that network spokesmen would seek an opportunity to “rebut the rebuts” if the day was left any issues hanging in the balance.

Approval Uncertain

In some quarters concern was evinced over the indicated delay in committee action, since the controverted regulations, which would make the whole commercial fabric of broadcasting, are slated to become effective within such a short time. It was felt by committee members, however, that the FCC would not seek to enforce the rules while the committee had the subject of new legislation pending. The likeliest course was a voluntary postponement of at least 30 or 60 days, ordered by the FCC, during which it was presumed new legislation would be introduced.

There was no assurance that the White Resolution, because of its unorthodox status, would be approved by the committee. Several Senators, during the course of the hearings, advocated remedial action but indicated, as did Chairman Wheeler, that a reappraisal of the law in the form of new legislation would be the most desirable course.

One prevalent view was that new legislation might be offered promptly and that the FCC thereby would be impelled to hold up its regulations, or at least the most controversial ones, until a clear-cut expression from Congress is forthcoming. More than a dozen industry witnesses, who paraded before the committee, forcefully supported the White Resolution and implored the committee to check the reckless pace of the FCC majorities, which they said would undermine commercial broadcasting and probably result in eventual Government ownership.

Both Messrs. Trammell and Paley berated the FCC for seemingly “intractable” NBS while forcing their own networks to knuckle down to rigid new regulatory requirements. Mr. Paley asserted the Commission “strives and strains to drown the little Blue Network, it will be only a matter of time before the Commission orders further restrictions and eventually Congress will find that “Chairman Fly has taken over the entire radio industry”.

Blue Sale Deferred

Meanwhile, at the other end of Pennsylvania Avenue, the FCC majority held frequent huddles, presumably plotting means of offsetting industry gains before the committee. Chairman Fly disclosed that the FCC voluntarily had modified its rules so NBC would not be forced to dispose of the Blue by Aug. 2 and so stations could continue to affiliate with NBC beyond that date. He followed that up with a letter to Chairman Wheeler, essaying to offset, in part, of his testimony which had been controverted by industry witnesses.

Something more than a new future, however, was precipitated with the disclosure that the FCC, at a meeting last Tuesday, tacitly approved a form of contract drafted by MBS, only supporter of the FCC rules, designed to show that contracts could be made with affiliates to conform with the regulations [see page 10]. Regarded as a “maneuver” to win committee favor, this action was protested by the FCC minority of Commissioners T. A. M. Craven and Norman S. Case, who dissented from the rules originally.

The minority voted against the action on the ground that the Commission had no such authority under the Supreme Court decision in the Sanders case restraining its...
from interfering with business practices in broadcasting. The minority took the view that even if the Commission had such authority, it would constitute a relaxation of the veto rules with which the contract was designed to conform. Under the contract, it was argued, stations would not become "free agents". Moreover, the minority held it had not been given sufficient time to study the matter.

During the three weeks of hearings, the committee further heard Chairmen Fly and Messrs. Alfred J. McCooker, Louis G. Caliwell and Fred Weber, for MBS; Commissioners Craven, Mark Ethridge, Mr. Paley and Judge John J. Gillin Jr.; Special Assistant Patrick, for CBS; Trammell, and Duke M. Patrick, for NBC; Paul W. Morency, general manager of WTIC, Hartford, as vice-chairman of IRNA; John J. Gillin Jr., general manager of WOW, Omaha, as an independent speech man; Samuel H. Cook, president of WFB, Syracuse, in a similar capacity; NAB President Neville Miller; Clarence Wheeler, WHEC, Rochester; Jonas Weiland, WPTC, Kinston, N. C.; J. W. Lee, KGFF, Shawnee, Okla.; Samuel Greiger, FCC legal counsel; C. H. F. Marvin, WCA, Burlington, Vt.; Hope H. Barroll Jr., WBFB, Baltimore; Frank C. Goodman, Federal Council of Churches of Christ in America; Edward J. Heffron, National Council of Catholic Men; Mrs. Helen Wiley, General Federation of Women's Clubs.

Others to Appear

There was the possibility that other members of the FCC would be called prior to final "rebuttal testimony" of Chairman Fly. A number of parties who had requested time, all in opposition to the rules, were asked to submit statements to the record.

Totally aside from the sharp and oftentimes personal criticism leveled against the rules and Chairman Fly, were repeated observations of committee members regarding the industry activities, particularly from the programming end. Chairman Wheeler made much ado about "soap dramas", criticizing them as bad radio. He also took the lead in assailing network commentators and individual stations for allegedly falling to give equal time to both sides of controversial issues, particularly in connection with the present isolationist-interventionist fight on the war. This was picked up by other witnesses.

On the business side, Chairman Wheeler repeatedly urged that networks, stations and the AT&T attempt to work out means by which air network programs could be provided smaller stations in remote and rural areas. He likewise urged that steps be taken by the FCC if necessary, to bring down the cost of wire lines with the idea that more successful stations carrying the burden for their ill-fed colleagues. When it was brought out that the FCC estimated the wind was approximately $7,000,000 for line charges, representing about 10% of the 1940 gross income of the networks, committee members urged that something be done.

Practical Objections

Every one of the rules promulgated by the FCC was assailed vigorously by witnesses for the industry on practical as well as jurisdictional grounds. Chairman Fly, who had repeatedly criticized the "two New York corporations" in his four days of testimony, was bombarded by the NBC and CBS heads. Even CBS, through its counsel, Judge Burns, vehemently attacked the rule that would force NBC to divest itself of the Blue, calling it "vicious" and unparalleled in regulatory annals.

From CBS President Paley, the committee heard a castigation of the regulations that brought from Chairman Wheeler the admission that he had been "convinced" there should be "time options" but had not been convinced exclusive affiliation contracts should be continued. The unusual spectacle of a witness interrogating a committee chairman developed as Mr. Paley inquired "What's the rush?" on the regulations and asked that the White Resolution be passed.

Mr. Paley followed Mr. Ethridge on the stand, who in turn had succeeded Commissioner Craven. At the very outset the youthful CBS founder and president urged Congress to enact a new law and advocated that networks be licensed—a surprise shot. He suggested the FCC be divorced from the common carrier field, supporting in this view the position taken in the past by Senator White. Mr. Paley urged that the new law clearly define the FCC's functions and that it specify fairness in dealing with controversial questions and with new stations having or holding a license.

Committee members became interested when they heard Mr. Paley discuss the new rules as having provoked a "state of terror" in the radio. He charged the FCC with having acted as "complaining witness, prosecutor, judge, and juryman". He attributed to Chairman Fly "sneers, speculation, invectives and accusations" and said that after all these weeks his company was still "trying to figure out how to operate a network successfully under the new rules."

Mr. Paley said that to abide by the time options bill would be "financial suicide". Without exclusivity, he predicted, it would be possible for anyone to become a network overnight, including advertisers and agencies.

Trammell Criticizes

Mr. Trammell, making his first appearance before a Congressional committee on this matter a year ago, bitterly assailed the command to sell the Blue, and offered stout resistance to such a requirement. He predicted that instead of five or six networks, which Chairman Fly had said could be created, the number would dwindle to three, since CBS and MBS, Red, would "raid" the affiliates of the Blue.

Taking the wind out of particular criticisms by the FCC of NBC contractual requirements, Mr. Trammell said the affiliated stations agree to the elimination of clauses in the contracts permitting NBC to cancel affiliate agreements. He said that such conditions are bound for five years; to eliminate the requirement that rates for local business be the same as NBC network rates, and to eliminate the provision that a station must rebid the differential between station receipts for a particular local program as against a network program. He also repeated that the total volume discount for advertisers using both the Red and Blue Network had been eliminated.

Chaos Foreseen

On the business side, Mr. Trammell predicted that under the new rules all would be chaos and confusion. He predicted stations would rush for the best feature of every network service; advertisers would try to preempt the best hours on the best stations; time brokers would inject unfair competition; advertising agencies could make their own arrangements for "front page" position with the bigger and better stations. All the advertiser has to do to get stations aligned with his network, he declared, "is just rent a theatre and order phone lines." He called Chairmen Fly's idea of a network with 25 stations under one management as a "scrambled system" in which the advertiser will get the corner.
Basic 2% Plan Also Covers M&O Group; Affiliates Are Not Bound

A COUNTER proposal for a contract to permit the return of ASCAP music to the CBS network and to the eight individual stations operated by CBS was mailed last Friday by the network to ASCAP. Terms, briefly, call for CBS to pay ASCAP 2% of the network net receipts (defined as income from gross time sales less time discounts and advertising agency commissions actually allowed), after deduction of the cost of permanent network lines and with deductions for expenses, to be calculated as follows:

- 15% on the first $15,000,000 of net receipts; 25% on the next $5,000,000; 35% on the next $5,000,000; 46% on all over $25,000,000.

If during the term of the contract CBS should operate less than eight stations down to a minimum of three, an additional sum of $500,000 per year shall be added to the network expense deductions. If CBS M&O stations are fewer than three, CBS and ASCAP shall re-negotiate the contract.

For the local station blanket license, CBS proposes 2% on net receipts (defined as gross time sales less discounts and agency commissions) from local and spot sales as an average for the years 1936 to 1939 inclusive, and 14% on the excess of net receipts over this average. Programs cleared and paid for at the source shall be excluded, as network programs are excluded, when figuring net receipts.

Sustaining Fees Scale

CBS proposes that station sustaining fees shall be $12 a year for stations with net receipts of less than $60,000, $30,000 for stations with net receipts of between $60,000 and $150,000 per year, and $12 times the highest half-hour rate card for stations with annual net receipts of more than $150,000.

On a per-program basis, the CBS proposal calls for payment of 6.66% of net receipts on commercial programs using substantial ASCAP music and 1.2% for commercial programs using ASCAP music incidentally for their own benefit. Sustaining fees under this per-program system would be 1% of net revenue which would have been received if program had been sold, but not to exceed 1½ times the station’s 1940 sustaining fee.

Both blanket and per-program payment rates as proposed, CBS says, shall apply to all bridges, etc., as the stations income from local broadcasting is more than $100,000 per year. If the income of any station falls below $60,000 per year, certain deductions are to be made as follows:

- 7½% for net receipts between $80,000 and $100,000.
- 15% for net receipts between $60,000 and $80,000.
- 29% for net receipts between $40,000 and $60,000.
- 39% for net receipts between $25,000 and $40,000.
- 46% for net receipts between $15,000 and $25,000.
- 50% for net receipts under $15,000.

Expires in 1949

Contract is to expire Dec. 31, 1949, subject to a five-year renewal at option of licensees, at rates and terms to be fixed by arbitration.

Since the Department of Justice consent decree, there has been this proposal for complete clearance at the source on network programs, CBS states:

"It is obvious that this entire burden cannot be borne by CBS without assistance from stations. Accordingly, it is a condition that substantially all of the CBS affiliated stations shall subscribe and pay CBS the 2% payment on network net receipts made to ASCAP by CBS which is equal to 5% of network payments to stations. The balance of this 2% to ASCAP will be borne by CBS."

Proposal calls for ASCAP to agree that CBS need not pay on network revenue from sale of time on stations in States with laws prohibiting ASCAP operations. ASCAP has already agreed to this provision, CBS reports. Licenses for FM, television, shortwave and experimental stations owned by regular licensees shall be available at a nominal fee, the proposal states, and all claims of ASCAP and its members against licensees shall be released.

IRNA Committee Approves

Copies of the proposed contract were mailed to CBS affiliates last week and CBS did not make a counter proposal to ASCAP sooner because of the Supreme Court decision regarding ASCAP operations in Florida and Nebraska, which proposed contract covers, and because ASCAP had repeatedly said it could offer no better terms than those set by CBS. CBS last discovered that this last does not prevent ASCAP from considering terms offered to it, however.

Contract proposed by CBS covers consent decree and this proposal offers the stations, the letter points out, and no affiliate is bound by it to make a deal with ASCAP, although under the terms of the consent decree, ASCAP is bound to offer the stations rates at which other networks and stations. Letter also states that the proposal was examined by the IRNA committee for CBS affiliates—R. Prouchnumber (WGR), Don S. Elias (WWNC), John A. Kennedy (WCHS)—each of whom said he would accept such an ASCAP contract for his station.

BMI Makes Ask Ruling

ASKING the New York Supreme Court to settle the most question of control of performance rights to musical compositions, BMI and Edward B. Marks Music Corp. last week commenced suit agaIns t ASCAP in a test case that seeks no damages but requests that “the court declare the rights and other legal relations of the plaintiffs and ASCAP to certain copyright numbers. When served with papers in the suit, John G. Paine, general manager of ASCAP, termed the suit ‘a threat to the stability of the networks of their urgent need for the Society’s music even in small quantities.”

Compositions chosen for the test suit are Bluer Than Blue by Lew Pollack and Tot Sherman, You Put Into the Picture by Bud Green and Jesse Greer, and Mississippi River by J. Rosamond Johnson and Frank Abbeville. For writers except Abbott, Marks company is the ASCAP member.

When the Marks company re-signed its ASCAP membership at the close of 1940, it granted all performance rights in the works included in its catalog to BMI. A number of these works are currently being performed by BMI licensees, but BMI says that about 10,000 of the works are not in the Marks catalogs, which were written by ASCAP members during the period of their ASCAP membership, have not been performed as ASCAP has asserted certain rights in them.

Ownership Rights at Stake

Under agreements between ASCAP and its members, BMI, a BMI executive stated, the writers assign all of the performing rights in their works to the publishers. Therefore, Ed Marks Music Corp., claiming membership of the compositions named in the suit, ASCAP, according to BMI, “has not hitherto made clear whether and under what conditions performing rights under these works are the property of ASCAP’s publisher members or its composer members.

The suit is intended to secure a court ruling on the ownership of these rights so that the numbers may be available for performance, BMI declares, pointing out that previously, a BMI client, in connection with the music men which have provided the fullest exploitation of their tunes on Mutual programs. A second Mutual luncheon with orchestra leaders as guests, will be held within the following day or two. The luncheons were originally scheduled for this week but were postponed due to the Senate hearings in Washington.

Fla. Citrus Meeting

FLORIDA. Citrus Commission will meet in Lakeland June 26 to consider advancement of their $1 per box fee and to decide retention of Arthur Kindner, Inc., New York, or selection of another agency to handle the account.
Revised MBS Contract Form Is Granted Approval of FCC

Said to Comply With New Network Regulations; Placed in Senate Committee's Record

GRANTING what was regarded in some circles as a declaratory ruling, the FCC majority in an unprecedented action last Tuesday gave its approval to a proposed affiliated station contract form developed by MBS for use in its dealings with MBS affiliates under FCC monopoly regulations.

The proposed form was voted by Chairman James Lawrenece Fly, Commissioners Thompson, Payne and Wakefield, with Commissioners Case and Craven dissenting and Commissioner Walker not participating.

Although it was emphasized that the FCC did not formally pass up on the validity of the contract form and that continuing study will be given to developing network-station relations under such contracts, it was held that the new form, as the FCC has approved it, will remain in effect, will comply with the letter and spirit of the regulations.

In Hearing Record

When a copy of the new form was introduced into the record at the Thursday morning session of the Senate Interstate Commerce Committee's hearings on the White House

Citing the Supreme Court

Generally speaking, the move was interpreted by many as another attempt by MBS to position itself to show that network operations would be feasible under the FCC's network regulations.

The contract form, which was approved by MBS stockholders last Tuesday night at the stockholders' meeting in New York, is described as non-exclusive, containing no provision for option time, providing opportunity for stations to determine network affiliation at any time intervals, and insuring station responsibility in selecting and rejecting programs.

The dissent of Commissioners Case and Craven held that the FCC was exceeding its authority in giving tacit approval to the MBS contract, citing the Supreme Court opinion in the Sanders Bros. case that the FCC should have nothing to do with the actual business operations of broadcasting.

According to an analysis of the proffered contract form developed by the FCC legal department, no provision has been made in the contract for penalizing affiliates for broadcast programs of any other network. Under terms of the agreement, both MBS and affiliated stations are to be publicized to each other, although this does not prevent the station from accepting programs from a competing network, the law department reported.

The new form also provides that

Norwich Yankee Test

NORWICH PHARMACAL Co., Norwich, N. Y., on June 30 will start what it described as "the first interest of Pepto-Bismol on four Yankee network stations: WNAC, Boston; WOR, Newark; WOR, Worcester, and WEAN, Providence. Program has members of the audience relate amazing moments for cash prizes. Frances Ott is m.c. If successful, program will probably go network in a fall. According to C. Gumbinner Adv. Agency, New York.

GRANT PURCHASES AGENCY IN MEXICO

PURCHASE of General Compania Annunciadores, S. A., Mexico's oldest and largest advertising agency, with offices in Mexico City and Monterrey, by the Grant Adv. Agency, was announced in Chicago June 18 by John C. Morrow, executive vice-president of the Grant company. Renamed Grant Advertising, MBS said its main office will be in the Guardian Bldg., Mexico's largest building, with a second floor to be taken over. David W. Eckells, formerly executive vice-president in charge of Grant's office will be president of the Mexican affiliate. No staff changes are planned.

The Mexican agency has billings of $6,000,000. To date, three-fourths of its clients are large American concerns with Mexican offices.

More than ever before, Grant Adv. S. A., will promote MBS. Already, the FCC, and program surveys are under way. This, according to Mr. Morrow, has never been done in Mexico. First results on program popularity show an amazing all-around success so far.

Will C. Grant, president of the Chicago agency, is currently in Mexico City, and will return soon. Mr. Morrow was formerly vice-president in charge of the New York office. His position is now permanent in Chicago, where he is assistant to Mr. Grant.

Stauffer Leaving Y&R

For Kenyon & Eckhardt

JOSEPH R. STAUFFER, manager of Young & Rubicam's Hollywood office, has been appointed radio director of Kenyon & Eckhardt, New York, succeeding Tyler Davis, radio director for five years, who has resigned as of Aug. 1.

Together with Mr. Stauffer, Young & Rubicam, has been transferred from New York headquarters to Hollywood, and it is expected that to his regular duties will take over management of the agency's Southern California office effective July 1, replacing Stauffer.

Armour Spots

ARMOUR & Co., Chicago, on June 23 started a series of three-weekly one-minute transcribed announcements on WSGN, Savannah, Ga., and WBRL, Columbus, Ga. Spotting, which was previously attempted to simplify program. Promoted on May 26 a 52-week series of three-weekly participations through the Armour Foundation program for Treet, was started on WLN, Cincinnati. Agency is Lord & Thomas, Chicago.

Easing of Pickups Is Urged by Army

FCC Asked to Lift Barriers To Quick Remote Setups

TO FACILITATE the increasing traffic in programs originating from Army camps and operations, the Army has requested the FCC to relax its rules in order to simplify program pickups. Although no action has been announced on the War Department request, it is expected the FCC will grant it within a few days.

Citing situations in which it often takes considerable time to secure telephone line facilities and out of an Army camp for program pickups, the War Department has asked for suspension of Section 3.408 (d) to allow use of shortwave relays instead of direct line pickups.

Line Discussions

Discussions have been in progress for several weeks between E. M. Kirby, civilian advisor to the radio section of the War Department, and New York and Washington representatives of the AT&T long-distance lines department in an effort to allay the Army's objections.

Another exception concerns Section 4.21, which would be suspended to allow remote high-frequency pickups direct from Army aircraft, tanks, etc., during maneuvers immediately upon request by the Army. This would speed up operations, it was held, since participating stations would not have to call in advance for line time clearing the request for permission for the special pickup through the FCC.

The FCC in mid-June gave the War Department assurance that instances where incidental personal messages are included in transcribed programs originating at Army stations would be conveyed. The ruling, which came after the War Department requested the FCC's reaction, indicated that the rule prohibiting personal communication is clearly aimed at preventing use of a broadcast station as a common carrier. The length of time necessarily lapsing between recording and broadcasting removes any element of competition with other common carriers; it was held, and the character of the program is clearly in the public interest.

General Cigar Renews

GENERAL CIGAR Co., New York, (Van Dyck cigars), is renewing its Chicago broadcast program heard live twice weekly on WGN, Chicago, and KOIL, Des Moines, Iowa, and is promoting an additional 30-minute program heard live twice weekly on WHO, Des Moines; WDAF, Kansas City, WZY, Oklahoma City; KSTP, St. Paul; KIUL, Tulsa, and the new WHBH, St. Louis. The agency is Federally Adv. Agency, New York.

WIBC, Indianapolis, on June 18 started a 30-minute Saturday afternoon broadcast heard twice weekly on WIBC, Indianapolis. The program started fulltime operation on 1070 kc, GOVERNMENT NATURES, a commentary transcription test. WIBC replaces WIRE as the Mutual affiliate in Indianapolis. WIRE continues as an XM-Bred outlet.

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BROADCASTING • Broadcast Advertising
Newest Medicinal Rage, Neglected by Radio, Is a Likely Prospect

Until now, sales of vitamin-mineral concentrates have zoomed without high-pressure radio promotion —the American public just looked at this product and naturally purchased it. At the urging of large drug companies, the American people didn’t have to be pushed into buying magic capsules that contained vitamins and minerals about which scientists and scientific writers had been talking so enthusiastically for several years.

But now the story is different. Government officials and nutritionists are talking to 700 doctors, home economists, social workers, educators, public health workers and food industry representatives for the Defense Nutrition Coordinating Conference stressed the fact that Mr. and Mrs. Average American do not need vitamin and mineral concentrates to assure themselves of an adequate diet. The main theme of the confer—ence was that the U. S. public could get all the vitamins and minerals necessary for maintaining the best life side, via a vitamin-mineral concentra—te known to contain the proper amounts, than to depend on diet to prevent deficiencies. Here is one of these specialty products and how it is being promoted.

There is another reason why the concentrate distributors have a major public relations job to do. The medical profession has not taken kindly to the sale of vitamin-mineral concentrates direct to the laity without benefit of a doctor’s advice. From statements made by Dr. Fishbein, it is apparent that the AMA would like to have foods as the primary sources of vitamins and minerals, with capsules reserved for use only on prescriptions or advice of the doctors.

Tied into this is a side campaign being conducted by the drugstores. On the theory that vitamin capsules are drugs, retail drug groups have been working to restrict the sale of such products to drug stores which make a healthy profit on this line. On the other hand, large-scale distributors of vitamin concentrates have been seeking the widest possible distribution of their products and have been using grocery stores, department stores, and beauty shops as their outlets. Kroger has been the leader in the grocery field, and “Vitamins Plus” has been the leader in the department store field.

In many States druggists got the upper hand when State Pharmacy Boards, which they control, ruled that concentrates were drugs and could not be sold except under the supervision of licensed pharmacists, thus leaving other methods of distribution out in the cold. Kroger bucked a State board ruling of this sort in Indiana and won a court.

IF THERE’S one thing the American public likes its pills, especially new kinds. Newest of the achievements of the pill entrepreneurs is the vitamin concentrate. This swiftly zooming industry, a natural prospect for broadcasting, has used some radio, but so far only the surface has been scratched. To analyze the vitamin industry from two angles, Broadcasting assigned Wallace Werble, editor of Food, Drug & Cosmetics Reports, to explore the subject from the marketing end, and S. J. Paul, of the Broadcasting New York staff, to the advertising angles.

As a matter of fact, this is one of the reasons that makes the vitamin concentrate field an even “hotter” radio advertising prospect. Concentrates now have competition from the “enriched” bread and flour program [Broadcasting, April 21], as well as the recent National Defense Nutrition Conference in Washington [Broadcasting, June 9], apparently have resulted in a realization by radio of the advertising potentialities in the vitamin-mineral nutrition field.

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Charge of Monopoly in News Disclaimed by Harold Hough

Says Many Myths Have Developed and Points Out Fallacies in Newspaper-Radio Arguments

CONTENDING that honesty of service is the basic fundamental of communication serving the public, Harold V. Hough, of the Fort Worth Star-Telegram and chairman of the Newspaper-Radio Committee of the American Federation of International Circulation Managers Assn. at the Book-Cadillac Hotel, Detroit, June 17, pointed out that just as a newspaper built up its circulation by the judicious use of money, so those newspapers which have ventured into the radio field have built up an audience-following by those same principles.

Not a Monopoly

Befitting the FCC idea that a newspaper controlling the only radio outlet in its community constitutes a danger to the public, Mr. Hough declared that "No one man, even if he were a big bad wolf and had all the means of communication, could long survive if he attempted to Hitlerize the place. He would be quickly ganged."

A breaking down and analyzing the 126 newspaper-owned stations in localities where these are the sole media under the same ownership, he pointed out that 95 of these have less than 450 watts on the air and constitute a monopolistic menace. "These little souls called 'threats' remind me of friendly, chummy, lightning bugs. In their own yard, they sparkle and shine—no bite, no burn", he said.

Excerpts from Mr. Hough's speech follows:

"As newspapers are naturally qualified to operate broadcasting stations, and if I may be so bold, I will contend that they are better qualified to operate broadcasting stations than many others. The reason is obvious. A newspaper is a man is trained from scratch, whether in the school of experience or in the school of journalism; that his one and only obligation is to completely and accurately serve his reading public—his only customer—his only master."

"Recently, certain folks in the FCC, in Washington, have become somewhat alarmed and I, feel, most needlessly so, at what they consider might be the possibility of future monopoly in the dissemination of news and information if newspapers are permitted to have radio stations.

"I am positive they have overlooked the vital fact that in these days, no one community can be dominated by any one single individual viewpoint. No one man, even if he were a big bad wolf and had all the means of communication on the ranch, could long survive if he attempted to Hitlerize the place. He would be quickly ganged."

"The coloring of news is practically a thing of the past, because, for one reason, it is suicide. I will admit we have a few mavricks, but they are headed for the canners. It is to be noted that the only instances where stations have been cited before the Washington Commission for coloring of news have been against newspaper-owned stations. Newspaper-owned stations know better.

"The commission is attempting an attempt to analyze those situations where there seems to be some affiliation between newspapers and radio stations. We don't know that our data are 100% correct, but at least it is a start on the problem."

"One of the points which seem to worry some Commissioners (FCC) is that there seems to be around 156 towns (from what we can learn) in the United States where the only newspaper and the only radio station are associated together under one ownership, operation or affiliation. And here, again, their chief anxiety is that possibility of single control of news and information. Off-hand, or when spotlighted alone, this feature cannot be mis-interpreted into quite a distorted spook."

Looking Them Over

"We have nearly 900 broadcasting stations in the United States. About 290, or 32%, are the newspaper outlet. If this entire herd of one-third went local over-night, the other two-thirds would cage them before dawn. They could not do it, even by magic."

"But getting back to the batch of 126, we find that 95 of them have power of 250 watts or less. They are local stations, and many of them would not be in existence today without newspaper support. By going a step further, we find that only 11 of these have power above 1,000 Watts. To indicate (Continued on page 19)
"GO ON, DEAR—
I CAN'T HEAR THEM!"

- Acoustical engineers are funny people. Basing their judgment on facts they know about decibels and distances, they'd swear that Clementine, above, could hear every word that *all* those guys are saying. But Clementine is really hearing only *one* of the voices.

Out here in Iowa, we've always felt that it's less than possible to judge any station's *real audience* by the number of people who "can" hear its signal. *Now the 1941 Iowa Radio Audience Survey* proves it!

Based on approved sampling methods, the 1941 Survey of 9,246 Iowa families proves that Iowa people actually "listen" to 30 stations. (That number were mentioned by at least 1% of all the families interviewed.)

Of these 30 stations, 15 were listed as among those "listened to most". But *LOOK!* — just like Clementine, above, Iowa people have *one* favorite voice to which *most* of them give *most* of their attention, *most* of the time. With 59.5% of them, it's WHO (nighttime). Our next "competition" gets 5.8%!

This is only one of many amazing facts you'll find in the 1941 Iowa Radio Audience Survey. It's the most authoritative and most helpful radio audience study you have ever seen. Write for your free copy, *today*!

* Conducted by Prof. H. B. Summers of Kansas State College and Dr. F. L. Whan of the University of Wichita.

**WHO**

**for IOWA PLUS!**

DES MOINES . . . 50,000 WATTS

J. O. MALAND, MANAGER

FREE & PETERS, INC. . . . National Representatives
First BMI Funds Mailed Composers

Writers of Songs Are Given Two Cents Per Broadcast

BMI last week mailed checks to its authors and composers for radio performances of their works during the first quarter of 1941, marking, said BMI, "the first time in the history of music that authors and composers have been paid performance royalties on popular music in direct ratio to the performance of their compositions in United States radio stations."

Payments were calculated on the basis of two cents per broadcast per station, with network hookup payments going off for each station carrying the program. This is twice the fee originally specified, and a similar one-cent bonus over the contract price will be included in the payment to publishers, which will be made this week.

More Than $5,000

Individual hit tunes earned their writers from $800 to more than $1,200 during the three month period, BMI stated, adding that the combined royalties of radio, sheet music and mechanical reproductions on phonograph records and transcriptions brought the BMI songwriters and composers individual incomes for the three-month period of more than $5,000. For the most part, these payments are going to writers who earned no money from their talents prior to the formation of BMI, it was stated.

Explaining the increased payments for the quarter, BMI commented in the letter to its authors and composers:

"As you know, we have always been desiring of increasing the amount of payment set forth in your contract. We feel that our business experience is not yet sufficient to justify this, but precisely what this payment should be. We are, during the present quarter, doubling the rate of payment which was tentatively established and we are paying at the rate of t- to ° cents per performance.

"Whether this figure will ultimately prove to be the correct payment to authors, we still do not know, and, therefore, the present voluntary increase does not necessarily establish any standard for the future. You may, however, count on our continued desire to see that the writers whose works we publish are treated justly and with fair and generous treatment."

Rolls Camera Spots

PHOTO MASTER Co., Des Plaines, Ill. (Rolls camera), is currently using the camera in news spots, BMI, WMMN, Fairmont, W.; WHIZ, Zanesville, O.; WCLF, Chicago; KWIT, Wichita Falls, Tex. Programs are five minutes daily and contracts vary in length. Agency is First United Broadcasters, Chicago.

Helen Hiett, NBC Woman Commentator
First of Sex to Win Headliners' Award

HELEN HIETT, NBC European correspondent now in the United States, became the first woman winner of a Headliners' Club award last Friday when she was cited for her exclusive broadcast coverage of the recent bombing of Gibraltar. The 1941 Headliners' awards, going to 12 news writers and photographers, a weekly newspaper, a newsmagazine, a Sunday newspaper, and Miss Hiett, were announced at Atlantic City by Angus Perkerson, magazine editor of the Atlanta Journal and chairman of the National Headliners' Club award committee.

Medals Presented

Silver medallions, symbolizing the awards, are to be presented June 28 at the banquet of the club's annual Frolic in Atlantic City. Presentations will be broadcast by NBC, B.T. and 28 (EDST). Some 200 leading figures in radio, newspaper, magazine and newsreel fields are expected to attend.

The awards were made on the basis of work done between June 1, 1940, and May 20, 1941. Five awards were given for work done on foreign territory, the greatest number for any period, and 10 awards were made annually since 1935.

During her tour of duty in Spain for NBC last fall, Miss Hiett made friends with a group of dying gypsies, joining their troupe as it was on its way to entertain British troops stationed in the Rock of Gibraltar fortifications. There she witnessed the bombardment of the Rock for three days, Sept. 24-26. At conclusion of the action she revealed her identity in authorities and was released to make her way back to New York the following day. A transcript of the broadcast was released and used by newspapers throughout the country.

Winners of the 1941 awards, in addition to Miss Hiett, include Kenneth T. Downs, INS, for individual initiative in a news series on occupied and unoccupied France; occupied; Allen, AP, spot news coverage of Mediterranean sea battles; Jan H. Yindrick, UP, exclusive coverage of the siege of Tobruck; Jay Racun, New York Herald-Tribune, stories on activities of Dr. Gerald Alax Westrick; Lyle C. Wilson, chief of the UP Washington bureau, distinctive handling of spot news story on selective service; E. E. Herwig, Easton (Pa.) Daily Express, outstanding public service series on local industries; Frank L. Welier, AP, consistently outstanding domestic feature stories; Max Haas, European Picture Service, spot news pictures on the cop-killing "Mad Exposito" in New York; Myron Schoff, New York Daily News, pictorial feature series, "Robin the Cradle for Orphans"; Grit, community newspaper published in Williamstown, Pa., for unique achievement in its field; Charles H. Sykes, Philadelphia Evening Ledger, consistently high quality of craftsmanship of his cartoons. particularly for series on "awakening the nation"; B. D. Eliott and T. Harrine Monroe, Universal Newswater, best domestic newswater, the collapse of the Tacoma Narrows Bridge; Fox Movie-Tone News, best foreign newswater, the sinking of the French fleet at Oran.

WNEW - BMI Contract Brings Members to 686

WNEW, New York, has signed with Broadcast Music Inc. for all songs controlled or published by BMI, WNEW, the 686th BMI subscriber, was one of the first New York independent stations to sign with ASCAP.


NEWS of LImit

CORN PRODUCTS REFINING Co., New York, is advertising Limit with a varying schedule of five-minute newscasts, 30-second newscasts in radio announcements, and one-minute transcribed announcements on the following stations: KXOK, MFW, W4RAK, KWSAZ. The company is also sponsoring for Limit, one-minute participating announcements on daily quarter-hour Variety News network newscast; quarter-hour newscast program three-weekly on WTAG, Worcester, and five times weekly on WTIC, Hartford; for Kre-Mel Mix, participation on Saturday Open House on WCCO, Minneapolis. C. L. Miller Co., New York, is the agency.

Barbasol Adds

BARBASOL Co., Indianapolis (shave cream), sponsor of Gabriel Heatter's quarter-hour Sunday evening commentary at 8:45 on 14 MBS stations, on July 12 will add the commentator's Saturday broadcast at 8 on KODA, on the same number of stations. On the Sunday program, company is offering to send to any U. S. soldier free of charge the duplicate of any Barbasol product purchased by a civilian who supplies the name and address of the soldier when the purchase is made. Erwin, Wasey & Co., New York, is agency.

Packard Camera Spots

MONARCH MFG. Co., Chicago (Packard cameras), in mid-June added 12 stations and renewed two others, making a total of 21 stations doing newscasts. New stations include: WJRS KOAM WHIP WHO WGR KGBO WIBY WDAY KFAB WIS KMMJ WDSU. Re- newed stations included: WJRS KOAM WHIP WHO WGR KGBO WIBY WDAY KFAB WIS KMMJ WDSU. Others include: WCAR WDZ KFNP WSAZ WLW WIBW WDGY. Agency is Henry J. Handelman Jr. Inc., Chicago.
147% Gain
In One Week
...and in Boston!

"The result of the one week's effort on radio turned in a better than 147% gain.

"In all my merchandising experience I have never believed such instantaneous returns could be accomplished in this New England market knowing so well the slow absorption qualities of the immediate buying public.

"I feel your cooperation plus the general pulling power of the 920 Club accounted for this wonderful return."

(SIGNED) Stanley Anderson
Doughnut Corporation
of America

This sensational achievement is but one of many successful campaigns merchandised through WORL'S famous 920 Club. Make your advertising work fast — get hard hitting cooperation from WORL.

Buy A Participation In The 920 Club Now!
Announcements and 15 minute programs are open! Write for availabilities and 15 big success stories today!

950 Kilocycles WORL 1000 Watts
MILES STANDISH HOTEL • BOSTON, MASSACHUSETTS
British Opens Drive for Technicians

But Operator Shortage Already Exists in This Country

PRESAGING an intensive drive in this country to secure "thousands" of volunteer civilian employees, technically trained in radio, whether professional or amateur, for duty in the British Isles, the British Government last week opened New York headquarters of the Civilian Technical Corps.

The urgent need for skilled technicians, particularly to operate and maintain Britain's new secret weapon—a radiolocator which seeks out the positions of approaching enemy aircraft in time to allow RAF fighters to go into action—was voiced by Lord Beaverbrook, Minister of State, in a worldwide broadcast last Tuesday.

Under the plan, as announced last Wednesday by Commodore George Pirie, air attaché of the British Embassy, at a press conference in Washington, American volunteers passing physical and technical examinations are to be hired for non-combatant duty with British civilian and military defense forces.

Scale of Pay

In addition to board and room and uniforms they would receive from 500 pounds per week ($1,166 per week), for chiefs, to 6 pounds per week ($24.12), for basic workers. During a brief training period required for certain trades, workers would be paid, besides board and lodging, a probationary 5/60/50 pounds ($21.11) per week.

Classes of specially trained workmen most in demand include radio mechanics, electrical and mechanical technicians, engine fitters and metal workers, instrument makers and repairers, machine tool setters and operators, motor mechanics and electricians. In the room repairmen, Mr. Pirie explained.

The body of civilian technicians, ranging in age from 18 to 50, will retain their civilian status and will not be subject to military control, nor will they under any circumstances be called for combat duty, he emphasized.

The volunteer program has been approved by the U.S. Government, Mr. Pirie stated. He conceded it was a "substitute" for actual recruiting, which Britain wanted to undertake but which American officials prohibited.

Production of the new radiolocator, which he said promises to make night hunting over the Channel a sport rather than a point where supply is ahead of trained personnel, and England is prepared to take workers from the United States "without limit", he declared. At the conference, estimated that in this country there are between 70,000 and 100,000 potential recruits.

Volunteers would be asked to sign contracts to stay abroad for a minimum of three years or for the duration, whichever is shorter, Mr. Pirie explained. They may be asked to work anywhere in England, Scotland or Wales, although they will not have to serve elsewhere than in the United Kingdom (England, Scotland and the Channel Islands). They will have the use of leave, and the demand of their activities spreads to other fields of war operations.

Lord Beaverbrook’s appeal, directed partly to the United States, called for a force of thousands of trained volunteers for radiolocator operations. Whether he had in mind any wholesale exodus of U.S. radio engineers was not apparent in his remarks, but it is believed this would follow, particularly in view of the rapidly developing shortage of experienced technical radio personnel in this country.

A Shortage Here

The War Department had no comment to make, either on the technical operation of the "secret weapon" or upon the plea for manpower, except to point to known situations, particularly on the East and the West Coast where stations actually are short-handed on engineers. In some cases, it was stated, the situation has reached a point where the number remote broadcasts to be cut or the engineering staff required to double-up, with a consequent rise in payrolls, due to overtime.

Although the bulk of the shortage has developed from the calling to active duty, of a large number of radio engineers who held commissions in the Naval Reserve, and in some of the Army, several small stations have made it known that large stations are raiding the technical staffs of smaller outlets to secure replacements, in some cases doubling wages to get the man they want.

Since the British offer extends only to technicians with two or more years experience, uncertainty also is felt as to just where in this country the British Government expects to unearth the "thousands" of technically skilled radio workers it wants. Except for the experience factor, training school graduates might find the venture attractive, not only for the promise of adventure but also for the practical intensive experience to be derived.

Inasmuch as the project bears the Government’s approval, and provision is made that the volunteer personnel may be recalled by the United States if needed, it appears to boil down to a proposition for individual choice for present radio workers.

Executive offices of the Civilian Technical Corps are at 5 Broad St., New York, but applications from volunteers should be addressed: Civilian Technical Corps, c/o British Consulate General, 25 Broadway, New York.
Paul H. Raymer Company

Has Been Appointed

Exclusive National Representative

of

WHK Cleveland

UNITED BROADCASTING COMPANY

Effective Immediately
Three FM Grants
In New York Area

FCC Revamps Service Plan
To Alleviate Congestion

WITH announcement of a solution to the FM congestion in the New York City area due to the limited number of channels available and the large number of applicants for each channel, the FCC June 17 granted three more FM stations in New York as well as one in Los Angeles.

New York grants were to Musak Corp., for a Class B station on 44.7 mc. to serve an area of 8,000 square miles; Interstate Broadcasting Co., licensee of WQXR, for a Class C station on 16.3 mc. to serve 5,000 square miles; and City of New York Municipal Broadcasting Co., operator of WNYC, for a Class C outlet on 43.5 mc. to cover 3,000 square miles.

The Los Angeles grant was to Standard Broadcasting Co., licensee of KPFK, to use 48.3 mc. for coverage of 7,000 square miles.

New Coverage Area

Clarification of the New York area muddle was accomplished by setting up a distinct North Jersey service area and by making certain reallocations in the New York area. This enables the FCC to issue the FM construction permits for the Manhattan area that previously had been held in abeyance pending solution of this local problem. Affected by the reallocation are the construction permits of the Frequency Broadcasting Co., which is allocated to a station on 43.5 mc. to 49.9 mc. and the Pennsylvania Broadcasting Co. (WIP), which is to change from 44.7 mc. to 44.9 mc. In view of the adjustment of the New Jersey area, the FCC also noted filed Bremer Broadcasting Corp. (WAAT) and New Jersey Broadcasting Corp. (WHOM) applicants for FM station allocations in the area, which may now apply for Class A frequencies in the North Jersey FM service area.

As there are 35 channels set aside for FM broadcasting—six Class A, 22 Class B and seven Class C—and as it is not feasible for stations in same locality to operate on adjacent channels, the number available in New York area is limited to 17—three Class A, 11 Class B and four Class C. The stations now in the Manhattan area in addition to the three grants of June 17 are:

W3NY, Edwin H. Armstrong, 43.1 mc.; W7NY, Bamberger Broadcasting Service Inc. (WOR), 47.9 mc.; W5NY, National Broadcasting Co. Inc. (WEAP-WJZ), 45.1 mc.; W6NY, William G. H. Finch, 45.5 mc.; W7NY, Metro- podium, based in Brooklyn, 47.5 mc.; W6SN, Marcus Low, Booking Agency (WHN), 46.3 mc.; W6NY, Columbia Broadcasting System Inc. (WABC), 46.7; and in Brooklyn, W6SN, Frequency Broadcasting Co., 47.9 mc.

Big Green Drive

GRUEN WATCH Co., Cincinnati, is engaged in its greatest advertising campaign in its 67-year history, according to Benjamin Katz, president, who stated that expenditures for radio in 1941 will far exceed previous years. The company, which is present in 35 major cities on a 62-week basis with time signals and spot announcements, is planning to add stations from the transcribed program service has dealers dramatic and musical shows of 45 and 90 minutes in length, which are placed on almost 150 stations, it was said. McCann-Erickson, New York, is the agency.

Orangeburg, Fort Smith

Applications Set Aside

TWO more newspaper applications for new stations were placed in the pending file, pursuant to FCC Order No. 43, until June 15. TheILLIACIICBRStation, the newspaper-radio ownership issue, when the FCC last Tuesday sat aside the applications of J. I. Polich, publisher of the Orangeburg (S. C.) Times & Democrat for a local station in Orangeburg on 930 kc. using the call letters 45-YA. The Fort Smith Newspaper Publishing Co., publisher of the Fort Smith (Ark.) Southwest American, is expected to use 850 mc. for a local station in Orangeburg on June 15.

At the same meeting the FCC designated for hearing the application of James F. Hopkins, Inc., former operator of WJBK, Detroit, for a station in Ann Arbor, Mich., 1,000 watts on 1,600 kc.

Premiere' Renewed

WITH the half-hour Hollywood Premiere renewal of June 10, all the major West Coast stations effective June 27, Lever Bros. Co. (Lifebuoy), is reported to have reached an agreement with Screen Gems, Inc. A "free talent" show starring well-known film players, the series cre- ated by the Columbia five in early May, is to start its March 29th running on NBC. Actors Guild at first refused clearance for the weekly program. [Broadcasting, March 10] It was reported that Miss Parsons and William Esty & Co., agency serv- ing the account, have worked out an agreement with SAG.

Macfadden Spots

MACFADDEN PUBLICATIONS, New York, to advertise the new "Town and Country" in its new "Story" format, is using a varied schedule of from 2 to 45 one-minute transcribed announcements on each of the following stations: WLS WCAU WJE KFI KSD WFBE WNAC WMJ TMR WGR WBO WTVW KSTP, WLBK WGB WFBM WAVE KINN KPRC WGST WFAA-WBAP WMC WOW WOR WGBW WFTG Arthur Kudner, New York, is the agency.

NINE MIKES and 500 pounds of other equipment which he has taken on a trek of over 8,000 miles has not been too much of a burden to dim the smile of Curtis Pierce, NBC, Chicago, engineer. Pierce is on assignment, with the Doctor I. J. and Doctor J. I. Junior programs on NBC-Red sponsored by Mars Inc., Chicago, and has done all the traveling in commuting between 16 different cities where the shows originated and his Chicago head- quarters each week.

Borax Series on CBS

PACIFIC COAST BORAX Co., New York, which has used NBC for a six consecutive years, Program 3 is placing its Death Valley Days program on CBS, continuing the program through NBC-Blue only until fall. On CBS, it will be heard Thursdays 8:30-9:30 p.m. in the inter- ests of Boraxo and 20-Mule Team Flakes, and Fridays at 8:30 p.m. on the Blue. Agency is McCann-Erickson, New York.

Swing to England

RAYMOND GRAM SWING, MBS news analyst, has been sent to England,Clipper, remaining in London until July 22. Dur- ing his stay Mr. Swing will do the regular MBS series of broadcasts, sponsored by General Cigar Co., New York, omitting only Tuesdays and two Wednesday programs. July 2 and 23, the two dates he will be enroute. He will do a special se- ries for the BBC.

Pep Boys on WOR

FIRST SPONSOR to sign for the Moonlight Saving Time all-night program on WOR, New York, is the Pep Boys auto accessories chain of Philadelphia. The company al- ready sponsors all-night shows on WIC, Washington, and WIP, Phila- delphia, and has taken two trans- cribed spots on WOR's show.

New Anacin Series

AMERICAN HOME PRODUCTS Co., Jersey City, on June 21 started a Saturday morning musical show for Anacin on 54 NBC-Red, for six consecutive years. Program is heard 10:30-11 a.m. Agency is Blackett - Sample - Hummert, New York.

Shaler List

SHALER Co., Waupun, Wis. (Ris- lone Motor Tune-up and Karbott), July 18-25 will run a special campa- ign of country advertising, spot- ing on 32 stations. Complete sta- tion list has been selected. Agency is Kirkrenger-Drew Co., Chicago.

SEEK ANNOUNCERS

IN PHILADELPHIA

SCARCITY OF ANNOUNCERS in the Philadelphia area, with un- filled vacancies existing at most of the stations, has resulted in plans for next season's school. Under the supervision of members of its production department, WDS will start such a school. Increased con- gestion employment in Philadelphia and the draft have caused a short- age and station employment prob- lems have been encountered, especially for the summer vacation months.

Two stations are sharing the same annuncier and others are planning to use members of the staff with desk jobs who have had some previous announcing experi- ence.

At WDS, all applicants for an- nouncing berths who show possi- bilities but are not quite up to the station standards, will be given a concentrated course of instruction on the best commercial approach to announcing. Recruits are being en- roled from colleges, dramatic schools and little theatre groups.

Chatterson to Acquire

KWLK Half Interest

C. O. CHATTERTON, onetime as- sistant business manager of the Portland Oregonian and former di- rector of the radio stations KGW and KEX, will be- come half owner of KWLK, Long- view, Ore. Under the plan an- swering the FCC requests to transfer the 140 shares at present owned by the M. C. Clapp family of Merced, Cal. They prop- osed sale of 125 shares to Mr. Chatterton, now managing the station, and 15 to J. M. McClellan, Jr., son of the publisher of the Longview Daily News.

The McClungs recently sold their Merced Sun-Star, but retained the radio stations which now include KYOS, Merced; KHSI, Chi- ko; KVCV, Redding; and 66% of the KUCI. Under the new setup, of the 250 shares in KWLK, Mr. Chatterton would own 125 shares; J. M. McClelland, 80; A. L. Raught Jr., of Tacoma, treasurer of the Weyerhauser Tim- ber Co., 20; J. M. McClelland Jr., 15 and McGee, of the presidency of Campbell Feed & Fuel Co., 10.

WMVA Deal Pending

JONAS WEILAND, owner of WFTC, Kinston, N. C., and partner with William C. Barnes, publisher of the Martinsville (Va.) Bulletin, in the ownership of the Daily Press of Martinsville, would relinquish his hold- ings in WMVA under a deal pending before the FCC. Under the setup Mr. Barnes would retain his 60% of the stock while the other 40% would be assumed by two suc- cessful businessmen of Martinsville with Kennon C. Whittle, an attor- ney, acquiring the largest share, 14.75%. The company is expected to operation last February and uses 250 watts night and 100 day on 1400 kc.

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BROADCASTING • Broadcast Advertising
Disc Competition Censured by AFM

Measure to Protect Musicians Given to Seattle Convention

ACTION by the American Federation of Musicians toward alleviating allegedly unfair competition to musicians from phonograph records was indicated as the AFM convention concluded June 14 in Seattle. In the closing days of the national meeting, at which James C. Petrillo was reelected for a second one-year term as president, the AFM international executive board was advised of "the emergency of the recording situation" and was urged "to make every endeavor to bring about the desired results at the earliest possible moment."

The mandate to the AFM executive board came after introduction of a series of eight proposed resolutions, advanced by delegates, directed against problems arising from the use of phonograph recordings by radio stations and in juke boxes [Broadcasting, June 16].

Other Proposals

The proposed resolutions, which were referred to the executive board, decreed the recording situation and its alleged effect on musician employment and individually asked for various types of control, including legislation against commercial use of records and a plan for slowing back part of the record receipts to support of unemployed musicians. One of the resolutions called upon the executive board to discuss with the Canadian Broadcasting Corp. plans to reduce the playing of recorded and transcribed music on CBC hookups, looking toward increased use of live music by CBC.

Among other resolutions affecting radio adopted at the convention was one prohibiting personal appearances on radio stations by AFM members or orchestra leaders, without permission of the local in whose jurisdiction such appearances occur. Another resolution recommended suspension of a recent ruling by President Petrillo banning announcements of the itinerary of an orchestra playing on a radio program.

Georgia Assn. Meets

GEORGIA Association of Broadcasters on June 14 held the second of its 1941 "Sales Institutes" in Macon, with representatives of 17 Georgia stations present, including salesmen, sales managers, program directors and managers. The Institute was under the direction of John M. Outler Jr., commercial manager of WSB, Atlanta. Featured as guest speakers were E. P. H. James, NBC, and Donald Dwight Davis, WHB, Kansas City, who spoke on practical elements in radio time sales, the adaptation and evolution of ideas for radio programs and the management technique necessary for effective work between commercial and program departments.

Hough on News

(Continued from Page 12)
New Compromises Now Foreseen in Net Regulations

FCC Watches Senate Hearing And Reaction on Committee

AS HEARINGS progressed before the Senate Interstate Commerce Committee on the White Resolution to set aside the FCC’s far-reaching regulations on network broadcasting, the Commission majority almost daily has conferred about developments. From informed quarters it was learned that the Commission is far from happy over events before the committee, and all signs are that the majority’s willingness on the part of the majority to compromise most, if not all, of the eight rules.

There came from the FCC a series of announcements directly or indirectly bearing upon the monopoly regulations, totally aside from informal communications relayed through members of the Interstate Commerce Committee. Throughout the hearings, representatives of the FCC law department have been present as observers.

On June 14, the FCC issued a press release announcing that it had amended its order of May 2 stipulating that NBC must dispose of one of its networks within 30 days or by Aug. 2, in line with a verbal commitment made to the committee by Chairman Fly during his testimony.

Further Extensions

The FCC said the amendment was adopted to clarify the Commission’s intent that NBC shall have ample time in which to dispose of one of its networks so as to leave no question but that the stipulated 30-day delinquency period pertains to disposal of one NBC network, as well as to disposal of individual stations by networks. The Commission said it had given special consideration to the effective date of compliance in either case “may be extended from time to time in order to permit the orderly disposition of properties”.

“In thus clarifying its purpose that the networks and stations concerned shall have ample time for adjusting the dispositions of the new requirements,” said the press release, “the Commission points out that it is now permissible for stations to enter into new station contracts with NBC, pending disposal by the latter of one of its networks, if such contracts satisfy all other requirements of the May 2 regulations.”

The text of the concluding paragraph of the order, as revised, now reads:

IT IS FURTHER ORDERED, That the effective date of Regulation 3.106 be extended from time to time in order to permit the orderly disposition of properties.

Letter to Wheeler

On June 16, Chairman Wheeler, of the Senate Interstate Commerce Committee, read into the record the text of a letter from Chairman Fly dealing with certain of the testimony adduced at the hearings, with which he disagreed. Mr. Fly made particular reference to his interpretation of the regulations with relation to non-exclusive network affiliations. The letter, Mr. Fly stated, was accompanied by a copy of a telegram sent to Gordon P. Brown, owner of WSAY, Rochester, N. Y., in which he stated that the regulations do not prohibit a contract establishing a network and station affiliation whereby a network agrees to offer all its programs to one particular station in a community.

However, he wired, “the station must make a reasonably prompt determination whether it will carry any program and there can be no restriction upon the right of other stations in the community to make arrangements for the broadcast of any refused or rejected programs.”

Chairman Fly continued that the regulations did not prohibit a contract whereby the station may take all the programs of a network if the time is available when such programs are offered, subject to the station’s right to refuse or reject programs pursuant to the regulations.

The text of Chairman Fly’s letter to Senator Wheeler, dated June 14 and read into the record, follows:

I shall, of course, remain at the service of the Committee during the course of the current investigation and shall be prepared to appear later to assist the Committee to the best of my ability. Meanwhile, I think it may be helpful to comment now on two significant points mentioned by recent witnesses:

1. Witnesses have urged that the large stations may take over the good programs from the small stations. On the contrary we have consistently pointed out that a station may make a contract with a network which will give that station first call upon all the network’s programs. This being true, no station can deprive another station of its network programs unless the latter station, itself, has voluntarily rejected those programs. This was made clear in my telegram to Gordon Brown of Rochester, New York on May 24. For the information of the committee, I attach herewith a copy of that telegram. I have checked the point with the Commission and we are agreed upon the foregoing construction of the rule.

2. It has been suggested that there has been a reversal of the practice by which the Commission has maintained a station on the air throughout the administrative proceedings and throughout the litigation involving the question as to whether the station should continue on the air. This is a long-standing policy of the Commission and this policy which I, as chairman of the Commission, assured the Committee would be applied in connection with the anti-monopoly rules.

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SCHOOL DESK, 1941 STYLE

MODERN SCHOOL DESK, product of American Seating Co., Grand Rapids, looks like this after NBC engineers got through with it. Searchlights at one end of office enabled staff to accommodate an array of instruments for use on the NBC News Room of the Air and other foreign pickups, T. H. Phelan, of the network’s engineering department, decided this desk was just what the doctor ordered.

Instead of accommodating books and pencils, the desk has a microphone, two loudspeakers, electrical clock, half-dozen push-button controls, two channel selectors, toggle switches, two telephones and a headset. From this desk engineers and commentators press buttons and flip switches, talking back and forth with every corner of the world.

Jack Hartley, ex-NBC assistant director of special events (left), and John W. Vandercook, News of the World commentator on NBC-Red, demonstrate how they use the desk.

FORBES, McMURTRIE JOIN CBS ARTISTS

WHILE Music Corp. of America having taken over Columbia Management of California Inc., William Forbes, in charge of the CBS artists service in Hollywood, on June 16 rejoined the network as national sales service contact. Bill McMurtie, Columbia Management assistant auditor, also joins the CBS Hollywood staff. Previously, as president of national sales service since Forbes vacated that post to join the talkie manager in 1937, has been CBS Pacific Coast commercial program manager.

Amory Eckley, Rudy Polk and Sam Armstrong, Columbia Management account executives, have been retained by MCA in similar capacity. The CMC clerical and secretarial staff is being absorbed by both CBS and MCA, with few members being eliminated from the payroll. MCA will also continue to utilize CMC Hollywood offices at CBS headquarters for another 60 to 90 days, meanwhile reorganizing its Beverly Hills, Calif., staff to accommodate the new set-up and members.

In protest against transfer of Columbia Management of California, Inc., to the Radio Writers Guild, Hollywood, has submitted a resolution to Donald W. Thornburgh, national president of the Writers Guild, Hollywood, has submitted a resolution to sudden a protest against the proposed transfer, with an accompanying offer to reorganize its Hollywood office and continue the service.

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Drewrys Spots

DREWYS Ltd., U. S. A., South Bend, Ind. (Drewry’s Ale), is currently running a series of twice-weekly transcribed quarter-hour programs featuring Pete Bontsema and Earl Parchman, consisting of songs, chatter, imitations and recitations. The series, on WDIN, WSBT, WZKO, WFDF, WHEL, WBCM, WIBM, WJIM.

Agency is R. A. Moritz Co., Davenport, Iowa.

Burns & Allen Signed

LEVER BROS. Co., Cambridge, will sponsor in the fall the first network program in the interest of Swan soap. Burns & Allen have been signed for the half-hour show, but neither time nor network has been selected. A competitor of the Shaw and the Burns & Allen show was introduced in February with heavy spot announcement schedules, which, in most cases, are for 39 weeks. Young and Rubicam, New York, is the agency.

The case urged upon your committee was that involving the granting of station licenses to KOMA and WHDH at Boston on the same wavelength as Station KOA at Denver. KOMA unsuccess- fully fought the granting of the station license to WHDH. There was no threat to the broadcasting of KOA, who maintains a 50,000 kw. station and there is no real impairment of its day or night service. However, the station license to WHDH was to operate at night during the period of litigation. It is a far cry from the notion that the license to WHDH would be terminated without a completion of any judicial proceeding involving that question.
KONB Grant Set For July Hearing
KORN Ownership Transfer Plan Also Scheduled

POSSIBILITY that MSB Broadcasting Co., holder of a construction permit for the new KONB, Omaha, might have the construction permit rescinded, developed as the FCC last week set for hearing July 21 the case involving the right of MSB Broadcasting Co. to retain the grant it has held since June 23, 1940.

Simultaneously the Commission set for joint hearing July 25 the application of KORN, Fremont, Neb., for renewal of license and the application of Clark Standiford, majority stockholder in the station, to transfer control to parties concerned with MSB Broadcasting Co.

In the KONB case complications arose when the holders of 90% of the MSB Broadcasting Co. stock — C. J. Malmsten, cattle rancher and Texas citrus fruit grower; John K. Morrison, insurance man from Lincoln; and Arthur Baldwin, another insurance man—had sought FCC permission to sell their holdings to Blaine V., Ross C., and William W. Glasman, motion picture theater operators of Ogden, Utah. The last three also are identified with the ownership of KLO, Ogden.

As the FCC frowned upon attempts to sell stations before they even go on the air, the would-be assignees applied to the FCC to withdraw the application. The request was granted June 13, but the accompanying application for dismissal without prejudice was denied and the construction permit of KONB will be held in abeyance until determination of the July 21 hearing.

The other 10% of the station's stock is held by Mr. Standiford and Clarence T. Spier, of Omaha. KONB was to operate with 250 watts on 1500 kc.

In the KORN case, Mr. Standiford, owner of 52% of the station, had applied to transfer control of the station to Mr. Malmsten; A. C. Sidner, a local attorney, who already held 15% ; S. S. Sidner; E. J. Lee, another attorney and H. A. Gunderson, who had this application was still pending before the FCC, the Malmsten-Sidner-Lee-Gunderson group in turn sought to sell their interests to a partnership of John F. Palmquist, manager of KORN, and Paul Boyer, merchandising director of the station. As this was contrary to the policy of the Commission, application to withdraw the latter transfer request was made by the assignees of the first application and granted in a June 15 action of the FCC. KORN operates on 1460 kc. with 250 watts.

ROBERT F. WOLFSKILL, formerly of the Hollywood office of Commercial Radio Equipment Co., has returned to Kansas City headquarters as assistant manager. Harold L. Crispell took over management of the Hollywood office set up a year ago by Mr. Wolfskill.

BRAD SIMPSON of the engineering department of WNYW, New York, on June 15 became the father of baby girl.

CLYDE HOYT, formerly an engineer of KSFO, San Francisco, is to join the engineering division of RCA Mfg. Co., Camden.

WALTER MORRIS, KIA, Denver, assistant control supervisor, is on crutches, recovering from a leg injury.

JOHN WILSON, of Kansas City, and Kenneth Reif of Vermillion, S. D., have joined WNAX, Yankton, S. D.

MAURICIO W. SCHMITZ, KVEC, San Luis Obispo, Calif., engineer, has joined KDB, Santa Barbara, as engineer-announcer.

CARL QUIRK, transmitter engineer of WNYW, Troy, N. Y., has been inducted into the Army, and will be replaced by Waldo Whitman, who returns to WNYX from WHYN, Hol- yoke, Mass.

FRANK KEARNEY, formerly of WMR, and WOY, has been appointed transmitter engineer of WAAJ, Jersey City.

BRYANT FILES, of the Southern Bell Telephone Co., Charleston, has joined the engineering staff of WQSC, that city, doing part-time work.

DAVID W. JEFFERIES, formerly of Westinghouse Electric Co., Baltimore, has been appointed chief engineer of WCED, DuBois, Pa., replacing Clifford Gormach who has joined the new WLR, Butler, Pa.

EVERETT L. DILLARD, manager of Commercial Radio Equipment Co., Kansas City, is spending the summer in Los Angeles.

TOM ROARK, engineer at KVOR, Colorado Springs, on May 31 married Peggy Fanning at Cascade, Colo.

JERRY MEFFT, engineer of KPRU, Columbus, Neb., on June 13 married Peggy DeWolff, in Sedalia.

PAUL FONDA, engineer of KMBC, Kansas City, on June 20 reported to Fort Leavenworth, Kan., for active duty with the Army. He will be assigned to the air base at Sacramento, Calif.

MORRIS BERTSCH, technician, formerly of KHUB, Watsonville, Calif., has joined the technical staff of KFMO, San Francisco, for vacation relief.

HAROLD PLATT, technician, formerly of KOH, Reno, Nev., has joined the engineering staff of KFMO, San Francisco.

WINTON TEEB, formerly with the RCA television exhibit at the Golden Gate Exposition and more recently with KSFO, Santa Rosa, Calif., has joined the technical staff of KGIL, General Electric shortwave station in San Francisco.

DOUGLAS D. KAHLER has been promoted from relief to the regular engineering staff of KOA, Denver, to succeed Glenn Glasscock who was called into the Navy. Howard S. Johnson has been named to assume Kailer's former duties.
Heads Kal Radio

I. T. COHEN, chief of radio continuity of Kal Advertising Inc., Washington agency, has been promoted to radio production manager, succeeding David B. Stein, who resigned May 19 to be on his Chicago representative of WHN, New York. [B R O A D C A S T I N G, May 19, 1933.]

With the capital agency for the last seven years, Mr. Cohen was a student at the U of Florida in 1930-32, majoring in journalism, and in 1933 attended George Washington U to write short story writing. He will handle all radio accounts of the agency.

Jewish Market Agency

JOSEPH JACOBS JEWISH MARKET ORG, New York, has been appointed special counsel for the Jewish markets of the States on all accounts handled by Mitchell-Fausht Adv. Co., Chicago, according to Lyman L. Weld, treasurer of the agency. This organization will advise on complete campaigns including selection of media, preparation of copy, schedules, publicity, and radio phases. In addition it will merchandise these campaigns in wholesale and retail Jewish trade outlets throughout the country. Currently, plans for a radio series for the Chr. Hansen’s Lactes, Little Falls, N. Y., (Junket Products) are under way.

MARC SCHULHOFF, with John Faust Advertising for seven years, has joined J. M. Korn Advertising, Philadelphia, in an executive capacity.

LEE WILLIAMS, with BBDO, Chicago, as copywriter from 1929 to 1932, has returned to that office to work on the Griesedieck Bros. Brewery Co., St. Louis account. He replaces Harold Mesberg, resigned.


DAVID R. BRADLEY, formerly in the advertising department of the Philadelphia Times, joined Headley-Reed Co., New York, replacing William B. Faber, who has joined the Army.

Mr. Cohen

Mr. Cohen

Mr. Cohen

Mr. Cohen

Expenditures for Year By National Advertisers 420 Million, ANPA Says

DURING 1940, national advertisers spent a total of $420,479,442 for newspapers, magazines and farm journals, according to the annual study on national advertising expenditures issued last week by Bureau of Advertising, American Newspaper Publishers Assn. Of this total, network radio got $194,819,793; newspapers, $160,838,784 or 38%; magazines, $150,712,332 or 36%, and farm journals $25,814,692 or 6%.

Analyzing these expenditures by the 23 major Media Records classifications, which are broken down into 51 subclasses, the study reports that in the four media combined the grocery classification had the largest expenditure last year, amounting to $97,751,448 or 23.3% of all national advertising expenditures.

The nine next largest classes, in order, were: Automotive, $85,777,485; tobacco, $76,658,336; beverages, $27,920,643; medical, $24,946,879; real estate, $16,627,896; housing equipment, $11,730,610; transportation, $12,904,874; wearing apparel, $11,769,283.

Advertising Advances To Feature PACA Meet

ADVANCEMENT of business and advertising will be the theme of the Pacific Advertising Clubs Assn. 35th annual convention, to be held June 29-July 3 at the Santa Barbara, Cal. Preparations are under way for about 500 representatives of radio and other media, according to Don Belding, PACA president and Los Angeles vice-president of Lord & Thomas, convention chairman.

Hill Blackett, president of Blackett-Sample-Humphert, Chicago, is to speak at the opening session of the radio departmental July 1, presided over by Donald W. Thornburgh, CBS network's superintendent.
The June 29 opening features a seven-panel discussion on the expanded use of radio in the advancement of business and advertising, conducted by Don Gilman. Arthur Kudner, president of Arthur Kudner, Inc., New York, will speak at the advertising agencies' departmental, while William Horsey, president of Pacific National Adv. Agency, Seattle, is chairman.

B & W Promotions

TIMOTHY V. HARTNETT, formerly executive vice-president and in charge of advertising of Brown & Williamson Tobacco Corp., Louisville, consistent users of national spot and network radio, has been named president, replacing George Cooper, now chairman of the board.

Hutchinson to Prudence

CHARLES F. HUTCHINSON, until recently eastern sales manager for Sud-Majol Italcor, has been named national sales manager of Prudence Foods Inc., according to H. D. Carter, president of company. The appointment was also made that an increased advertising campaign to include radio and newspaper publications will be started immediately.

CBS 'Young Ideas'

A "STRAW HAT" stock company composed of CBS Hollywood junior managers, will present eight weekly transcontinental broadcasts titled Young Ideas, starting June 14. The programs, will be directed by Charles Vanda, network's West Coast program director. The series will handle writing, production and dramatization. This apprenticeship serves as a training ground.

M. LAWRENCE SWARES, formerly representative in New York for WDBX, Utica, is now representing WNYT, Corning, Pa., CBS affiliate. Russell Loftus, former timebuyer of Benton & Bowles, New York, and merchandising director of WAGL, Syracuse, will represent WDBX.

Advertising

Advertising

Advertising

Advertising

BROADCASTING • Broadcast Advertising

The preferred advertising choice of more radio stations than all other trade publications combined... proved the preferred reading medium of timebuyers coast-to-coast in every survey. *

* Ask about these five surveys: Transcription Firm Survey, West Coast Station Survey, Station Representative Survey, Midwest Station Survey, Eastern Stations Survey.
Vitamins
(Continued from page 11)

decision holding that vitamins are basically foods and thus could be
sold in grocery stores. "Vitamins Plus" bucked a New Jersey ruling
with the same success.

Lever Silent

Definite plans for Lever Bros.
are, traditional with that company,
closely guarded secrets. It is known,
however, that scientific work has
been conducted on a vitamin con-
centrate product. When questioned,
officials of Lever said that work at
this time is academic. "We are
constantly experimenting." In
advertising circles, however, it is
generally understood the product
will hit the market in the fall and
it will be supported by the largest
Lever campaign since that com-
pany spent $3,000,000 in 1936 to
promote "Spry", its vegetable-fat
shortening. However, the introd-
cutory campaign is expected to be
more in the nature of a carefully
planned educational program than
a dramatic selling spurge.

It also has been reported that,
prior to the time Vick bought "Vita-
mins Plus", Lever Bros. made over-
tures for the purchase of the prod-
uct. "Vitamins Plus" has been ad-
vertised in magazines and newspa-
pers to this date, but it also has
been reported that the Blaker Adv.
Agency, which handles the ac-
count, has recommended a radio
campaign for the coming fall.

There are some who believe that
properly planned educational cam-
paigns through radio might even
be able to overcome the AMA
stumbling block so far as the "ethi-
cal" pharmaceutical houses are
concerned. One company executive
indicated that this has never been
tried before because a satisfactory
radio advertising formula has never been
suggested.

Apparently the initiative in this
major field is up to radio.

L. A. "Times" a Sponsor

LOS ANGELES TIMES, Los An-
geles, one of the first West Coast
newspapers to yank its radio col-
umns and news about four years
ago, on June 30 started sponsoring a
weekly half-hour news events quiz
titled "Who, What, Where & Why?
ON KNX, Hollywood. Contract is
for 13 weeks, with placement di-
rect. Art Linkletter will m.c. the
audience participation series

Del Monte Renewal

CALIFORNIA PACKING Co., San
Francisco, which for the past year
and-a-half has been using Make
Believe Ballroom on WNEW, New
York, six times weekly 11-11:15
a.m., has renewed the period for
39 weeks in the interests of Del
Monte canned goods. Agency is
McCann-Erickson, San Francisco.

When you see this...
CIRCULATION MAPS RELEASED BY CBS

EIGHT CBS stations last week released listening area maps and weekly net circulation figures, based on the CBS nationwide audience study conducted by Industrial Surveys Co., Chicago [Broadcasting, March 3].

The CBS study, which set up a standard yardstick for circulation to replace the elastic concepts of "regular" and "occasional" listening, found a significant percentage of all radio families in each county listening to a station once a week or more. Counting all stations was broken down into three levels: Primary for counties in which 67 or 70% of radio families listened at least once a week; secondary area for 33 to 67 of all families, and tertiary areas for 10 to 33.

Individual stations issuing the maps last week were WABC, New York; WBBM, Chicago; KNX, Los Angeles; WCCO, Minneapolis; WJSV, Washington, and WAPI, Birmingham. Other stations will follow soon with the maps as selling tools to clarify their coverage in mathematical terms and advertising agencies. Each station issued two maps, one charting daytime listening, the other evening. The reverse side of the card-current data for each CBS station, preparing their own coverage maps for release in the near future.

The CBS study released last March, which provided audience data came not only from each county in the United States, but from each population cluster within the county. It was the first coverage survey based on a proper cross-section of the radio audience by income levels, and the first to report listening habits of the whole family, instead of relying on the response of one family member. Mail calls to one response reached the all-time high for surveys of an 81.2% return.

Bannerman Plans Tour Among Western Outlets

GLEN BANNERMAN, president of the Manager of the Canadian Association of Broadcasters, Toronto, leaves June 27 on a seven-week tour of Western Canada, as the first public relations officer as the first paid CAB president and general manager in January. The tour is a triumphant completion of the Western Assn. of Broadcasters at Harrison Hot Springs, B. C., July 13-16. He starts his tour in St. John when he arrives by airplane late June 27, and on the way west will call at stations there, Regina, Calgary, Lethbridge, and Vancouver.

After the WAB convention he returns to Vancouver, and on his return trip stops at Victoria, Kamloops, Nelson, Lethbridge, Edmonton, Grand Prairie, Saskatoon, Prince Albert, Yorkton and Winnipeg. He will meet with the staffs of member stations, broadcast from a number of the stations and address a number of service clubs on the role of broadcasting in the war.

WACU, Philadelphia

American Cigar & Cigarette Co., New York (Fall Mall), 6 to 7, thru Rutherfurd & Ryan, N. Y.

Fairmount, Cambridge, Md., 6, thru Atkin-Kennett, N. Y.

Yearling, San Francisco, 6 to 7, thru Botsford, Constantine & Gardner, San Francisco.

KGO, San Francisco

Fisher Flooring Milk Co., Seattle (wheat germ), 2 to weekly, thru Pacific Na-

tional Adv., Seattle.

California Growers Sugar Group, San Francisco (in sugar), 2 to weekly, thru Rus-

ford, Constantine & Gardner, San Francisco.

Langendorf Uniform Bakers, San Francisco, 2 to weekly, thru Leaton Livingston

Agency, San Francisco.

Standard Bakers, Oakland, Cal. (Par-

T-Pak), 6 to thru Emil Reinhardt Adv., San Francisco.

Denthal Company, San Francisco (dental plate cleanser), 5 to weekly, thru Rufus

Rhoades & Co., San Francisco.

Marvalin Inc., San Rafael, Cal. (county wide chamber of Commerce), 3 to weekly,

thru Theodore H. Segal Adv., San Francisco.

KPO, San Francisco

Macfadden Publications, New York (Lib-

erly), 6 to, thru Erwin, Wasey & Co., N. Y.

Spruce-Bolt Co., Oakland, Cal. (chair stores), 1 to weekly, thru Western Radio

Productions, Oakland.

Standard Bakers, Oakland, Cal. (Par-T-Pak), 3 to weekly, thru Emil Reinhardt, Oak-

land.

Great Northern Railway, St. Paul (trans-

portation), 4 to weekly, thru Brownson

Walker, St. Paul.

Chris Hansen's Labs, Little Falls, N. Y. (Jum-


American Can Co. (Milk shaving cream), 2 to weekly thru Russell M. Seeds Co.,

San Francisco.

KOA, Denver

Blubill Food Products Co., Denver (grocery products), 6 to weekly, thru R. Y. Reeves


Harris Mountain Products, New York (bird store), 2 to weekly, thru Hazen Adv.

Agency, Seattle.

McKee Products Co., New York (Bibby oil pounds), 3 to weekly, thru Best

& Bowles, N. Y.

Rialto Foods, Inc., America, Camden (radio sets, tubes), 1 to weekly, thru Lord

& Thomas, N. Y.

Continental Oil Co., Ponce City, Orta. (gas oil), 6 to weekly, thru Tracy-Locke-

Dawson, N. Y.

KWJ, San Jose, Cal.

Peterson Traction & Equipment Co., Hay-

ward, Cal. (Caterpillar tractors), 5 to weekly, thru Western Acceptance Corp., San

Francisco.

Western Acceptance Corp., San Francisco (finance), 3 to weekly, thru Hazen Adv.

Agency, San Francisco.

Thompson & Nelson, San Francisco (Phillco radio distributor), 1 to thru John

W. Farmer, San Francisco.

Alameda County Fair, Alameda, Cal. 26 to thru Ryder & Ingram, Oakland.

CCK, Toronto

Tilley's Ltd., Toronto (shoe cleaner), 6 to

weekly, thru Frontene Broadcasting, Toronto.

Canadian Tire Corp., Toronto (automotive supplies), 6 to weekly, thru Frontene

Broadcasting, Toronto.

KMPC, Beverly Hills, Cal.

Dr. A. Reed Arch Shoe Co., Los Angeles (shoes), 6 to thru W. E. Brown Adv.

Agency, Los Angeles.

Beachachil, Los Angeles (dentist), 6 to weekly, thru Charles Stahl Adv.

Agency, Los Angeles.

WWRL, Woodside, N. Y.


Agency, N. Y.
Kolynos Starts Contest
To Test Latin Program
KOLYNOS Co., Jersey City, which on May 7 started two Spanish and two Portuguese programs weekly on NBC's short-wave stations WRCU and WNBE to advertise its dentifrices to Latin American audiences, began a letter-writing contest June 14 to test the effectiveness of this type of advertising. Contest, running four weeks, asks listeners to write short letters telling why they prefer Kolynos toothpaste and to enclose Kolynos cartons.

Duplicate sets of prizes are offered for Portuguese-speaking listeners in Brazil and for the Spanish-speaking audience in the rest of Latin America, with three typewriters and seven cameras given away in each contest. Underwood-Elliot-Fisher Co., whose typewriters are used as prizes, is cooperating by advertising the contest in Latin America. Awards will be distributed through local dealers, winners receiving certificates from the company which the dealers will exchange for merchandise.

Kolynos shortwave broadcasts feature Jean Sablon, French singer who recently toured Latin America. Spanish broadcasts are Wednesdays and Saturdays, 5:45-6:30 p.m., and Portuguese Monday and Friday, 6:45-6 p.m. John F. Murray Adv. Agency, New York.

SHARING HONORS at Kansas City's recent "Safety Day" celebration, Arthur B. Church (left), president of KMBC, Kansas City, and Karl Koerper (right), managing director of the station, receive for KMBC the CIT National Safety Award "for making the most effective use of its facilities in support of traffic safety during 1940." The award was presented by Ed Borserine (center), president of the Kansas City Safety Council. Kansas City was named the nation's safest city during 1940 by several national safety organizations.

Winchell-Hope Tied
WALTER WINCHELL and Bob Hope are tied for first place with a rating of 25.3 in the June audience report issued by C. E. Hooper, New York. This is the first time in the history of listener "measurement" that a quarter-hour weekly program such as Winchell's has achieved this prominence, Hooper says. June Hope ratings reflect the usual downward summertime curve in listening, which will reach bottom in July and August.
GATHERED ROUND the table to partake of a few vittles before delving into business are these smiling radio pioneers: the annual conference of NBC division engineers held in New York last week. Waiting for service to begin are O. B. Hanson, v-p, and chief engineer (standing); C. D. Peek, San Francisco; A. E. Johnson, Washington; H. C. Lutgents, Chicago; Mark Woods; A. H. Saxton, Hollywood; S. E. Leonard, Cleveland; R. H. Owens, Denver; George McElrath, New York.

**A WEEKLY BENEFITS BY RADIO**

**Small-Town Publisher Works Out Cooperative Plan**

**And Finds Air Medium a Blessing**

A WEEKLY newspaper can and does benefit from radio competition—by buying time on the competing station and giving spot announcements free to newspaper advertisers. The successful plan, developed by Fred C. Ferguson, publisher of the Longmont (Col.) Ledger, is outlined in an article in the June Quill magazine by Vernon F. Longhnan, of the College of Journalism of Colorado U.

The Ledger is the only weekly in Longmont, a city of 8,000 which also supports a daily newspaper and a giveaway shopper's advertising guide, but has no radio station.

“One day I spoke to the fact that a representative of KFKA, Greeley, Col., 35 miles away, was working in Longmont—both sides of the street,” Publisher Ferguson was quoted in the article. “What’s more, he was getting some business, and some of our advertisers were spending a good chunk of their advertising budget on a flimsy radio publicity. I would have banished this intruder from our midst with a whirl and a toss if we were in the air. I spent some thoughtful hours and finally concluded that if I couldn’t lick ‘em it’d be a smart idea to ‘jine ’em’.

And It Paid

Publisher Ferguson’s experience from “joining” with radio has been profitable, according to his story—within two years the Ledger’s advertising lineage has increased appreciably, job work has doubled, and the paper’s popularity has reached new heights.

“After I contacted the station’s business manager, we worked out a plan for us to take over what you might call the KFKA franchise in Longmont, at a figure we felt we could meet,” he explained. “We signed a contract with the station, and said we would not apply to every community—he would not take on a newscast if he ran a daily, unless it would apply to every community.”

Reciprocal Benefits

To build up the listening audience, the paper arranged with a Longmont theatre to announce its programs daily in return for tickets to be given to winners announced during each newscast. A local millinery company also gave a packet of its products daily to one housewife listener.

Among other direct effects of the newspaper-radio cooperation, from the Ledger point of view, are a raising of advertising rates, a big jump in job printing business, with news of the Longmont area, along with whatever ads the paper might sell, would be broadcast from Greeley. The paper also optioned as much additional available time as needed, on a pro rata basis.

Radio advertising was sold directly by the paper, but it gave free announcements to buyers of Ledger advertising space. With each $5 ad, the advertisers also purchased three announcements a week, running from 50 to 60 words each; with each $7.50 ad, four announcements; with each ad of $10 or more, six announcements.

“The backbone of our plan, at least at first, was the group known as our ‘Newscast Sponsors’,” Mr. Ferguson explained. “Going out into the highways and byways, out among the boys who had probably never had a newspaper ad, we sold them on the idea of sponsorship, which would include a daily radio plug, and a small ad in each issue of the Ledger. These were signed contracts, on a monthly basis, and agreed with four announcements every day and in the air we had more than enough to take care of the station cost and to pay the salary of the new man we found it necessary to put on to handle the radio and regular newspaper advertising. From the very first the Longmont newscast was a definite success. The second month our demand was so great that we used an extra 15-minute period during the noon hour.”

**Amateur Violators Penalized by FCC**

**Commission Crackdown on 13 For Foreign Activity**

VIOLATION of the emergency injunction against communicating with stations in foreign countries has led the federal government to suspend the license of 13 amateur operators for a period of 60 days. Though there was no evidence of subversive activity, the Commission believed the licenses were engaging in direct violation of Order No. 72, which bans such activity because of the emergency. They were detected by the Communications National Defense Operations Section.

Those affected by the suspension orders are James L. Waller, Pittsfield, Mass.; Halsey Walter Klinsk Schenectady; Anthony Anthony Gruler, Glendale, L. I.; Charles Robert Hoffman, Jamaica, L. I.; James Thomas Steele, Harrisburg, Pa.; John W. Clemons, Cleveland; William E. Elder, Hamilton, O.; Clifford LeRoy Highbill, Indianapolis; John Theodore Tyner, Glenview, I.; Ralph Edward Saignrout, Mishawaka, Ind.; Robert J. Healeys, Western Springs, III.; Eldon F. Davidson, Coffeyville, Kan.; and Oliver Ward, Junction City, Kan.

**Others Caught**

Continuing to crack down on unlicensed operators, the FCC has uncovered three new violators so far this month: Jack Baldwin, 20, of Portland, Ore., was released on $1,000 bond after he, without a license, was found to be communicating with other licensed amateurs. Carl Meeks, 26, was arrested June 13 on a similar charge as was David Gregg, Saulte Ste. Marie, Mich., on June 10. In each case direction finding equipment in a mobile unit uncovered the unlicensed operations.

The operators in each of the cases were charged with violating Sections 301 and 318 of the Communications Act.

the city and community becoming co-presidents of the Radio Manufacturers Salesmen’s Association, and participating in a rise in circulation, an increase in the average size of ads, an increase in transient and casual advertising from previous non-advertisers.

Agreeing that radio stations in some circumstances constitute a threat to the economic welfare of a nation, Mr. Ferguson expressed his belief that the two can offer reciprocal benefits, each calling attention to the other. He admits also that his way of meeting the competition—of which he would not apply to every community—he would not take on a newscast if he ran a daily, unless it would apply to every community—nor would he introduce radio if he had a weekly serving an exclusive field.

E. C. GRIMLEY, president of RCA Victor Co., Montreal, has been elected vice-president of the Radio Manufacturers Assn. of Canada for 1941.
“It’s swell!”
—Colgate-Palmolive-Peet Co.

“Enthusiastic reports.”
—E. R. Squibb & Sons

“You people extend superb co-operation”
—Campbell Soup Co.

“We appreciate your fine co-operation.”
—Benton & Bowles, Inc.

560 Kc.—C.B.S.

Affiliated in Management with the Oklahoma Publishing Company and WKY, Oklahoma City—Represented Nationally by the Katz Agency, Inc.

STANDOUT LETTERS
from STANDOUT ADVERTISERS
about STANDOUT COOPERATION
to

KLZ

DENVER'S STANDOUT STATION
CONTTESTANTS mailed a postcard of their choice in a $25 prize contest staged by WHBF, Rock Island, as a buildup for the broadcast. Additional publicity was sent to all daily and weekly papers in the area. The contest was featured on the daily Sports Extra program.

Golf Orchids

AN ORCHID is awarded every Friday evening to the woman golfer in the Syracuse area by Nick Stemerman, a sponsor of the pros. The various courses send Nick scores for the week. Sponsor is Hotel Syracuse Men's Shop. Ruth Chilton, WSYR's director of public relations, interviews a woman active in her daily matinee.

News Personalities

AN EASY WAY of becoming acquainted with people whose names appear in program notes is offered on Radio Clock, KGO, San Francisco. Announcers offer the names, correct pronunciation and a few aspects of biographical information on each individual to listeners who request the service.

Tube of Toothpaste

WITH a merchandising letter for Kolynos advertising, S. F. Woodell, international sales manager of NBC, attaches a small tube of the product as market color. The package is in Spanish. Reprints of advertising copy are enclosed.

Sponsor Displays

WINDOW displays, featuring the products of KMOX, St. Louis, advertisers, are being distributed by the station to independent and chain drug stores. The displays are shown for ten-day periods in each store in different sections of the city.

All-Night Telegrams

ANNOUNCING the beginning of WOR's 24-hour schedule, the New York station sent 150 telegrams to advertising executives throughout the area citing the advantages of sponsoring a long evening show on the late night network which had its premiere June 17.

Slacks With Monograms

SLACKS, in cream and brown, are being worn as a promotional stunt by employees of KRFG, Weslaco, Tex. Call letters are monogrammed on the shirts and over 20 male employees are participating.

Baltimore Match

BOOK matches have been sent out by WBAL, Baltimore, in promoting their boost to 50 kw. Inside is a cut-out of WBAL's "little man," caricatured with the station's logo on his forehead, sporting a baseball cap. Each match has the call letters imprinted.

Alaska Displays

A MERCHANDISING assistance service has been developed by KINY, Juneau, Alaska, as a service to its national accounts. Station representatives, in cooperation with Juneau merchants, erect displays of the radio advertisers products in the windows of downtown stores. Displays are also erected in other Alaskan towns by KINY's traveling representative. The station offers the best window display store of advertised products.

Schedule Fold

PROGRAM schedule of WMCA, New York, is printed on a large sheet which folds neatly into a day-by-day listing. It is issued weekly.

Trips to Ontario

ONE-WEEK and two-week vacations in Ontario are the prizes offered on the CBS Ontario Show program to the five United States residents submitting the best 100-word letters on "Why I should like to spend my vacation this summer in the Province of Ontario." The Province will pay all expenses of the contest winners, and whom may take a companion on the trip. The contest closes July 6 and the trips must be completed by Oct. 5. For the amount is $700.

Food Reporter Posters

LARGE three-color posters promoting the daily WJJD Federal Food Reporter broadcasts are being displayed to the skyline by skyscrapers and suburbs in chain and independent grocery stores, meat markets, and vegetable stores. Lance Hooks, featured on the program for the U.S. Department of Agriculture, discusses market trends, "best buys" for housewives, and other news.

Purely PROGRAMS

NAVAL FLIGHT recruiting show is being produced by WCAU, Philadelphia, tracing the career of a typical cadet from preliminary training through Pensacola to a berth with the fleet. WCAU's mobile unit will take the story to aviation Field to record actual flight training scenes. The programs will be recorded and played over the Navy Department, for use on stations throughout Pennsylvania, New Jersey and Delaware.

New Acquaintance

TO ACQUAINT agencies with the operation of its new 50,000-watt station, WBAL, Baltimore, has sent out two 30-minute evening periods weekly starting July 1 for advertising agencies of Baltimore to present a radio program of their own origination. The station will contribute the time and its facilities and agencies furnish the ideas and the talent.

Problems of Parents

PROBLEMS of parents are discussed in The Question Before the House on WTMJ, Milwaukee, under auspices of Milwaukee-Downer College. It is a Saturday morning feature. Dramatized skits depict situations and listeners' questions are answered.

Government and Defense

HEADS of various Government agencies are interviewed as to their particular line of work, and how it ties in with defense activities on This Is My Job, on the new WWDC, WABC, New York.

Good-Humored Golf

GOLFERS must be good-natured if they want to listen to Meet the Golfer, new Saturday night program on WTAG, Worcester, Mass. Golf tips, news and guest stars are featured.

Cash or Consolation

A QUIZ giveaway of the wheel type harks back to the Tabor Days in Colorado as KLZ presents the weekly Silver Mines sponsored by Blue Bonnet Salad Dressing. Listeners with the sponsor's product on hand answer questions, and win prizes. Listeners either win $25 or get consolation prizes picked out of a large box. Housewives are the favored contestants. These prizes are picked when a sponsor representative calls at the home.

Behind the Mike

TAKING the listeners backstage in radio to explain the various functions and duties in a station is the format of Meet the Staff introduced by GJCA, Edmonton, Alta. First broadcast dealt with the technical side of the station and the importance of the control man to any program.

Business Quiz

AIMED at an audience of business men and women, What Would You Do—and Why, on KWK, St. Louis, poses a business problem and asks listeners to write in their solutions with a prize for the best answer. Heard five days weekly, each program poses one problem and gives the best answer submitted to a problem heard on an earlier day.

Information for Hikers

LISTENERS are given suggestions for picturesque and interesting walks in various sections of San Francisco. Written and produced by Tom Howard, information programs are sponsored by Dornit Shoe Co., San Francisco.

Fun With Musicians

MUSIC fans in Colorado hear name band folk on Meet the Musician, sponsored by KVOY, Colorado Springs. Wacky format liven is interest in the interview.

Broadcasting • Broadcast Advertising
THE mighty impact of WBZ's new 50,000-watt transmitter has swept back radio's frontier in New England with compelling force.

Here, in print and in fact, is the new pattern of WBZ-WBZA coverage. It is a pattern wrested from the sensitive dials of signal measuring instruments, and from the fingers of 50,822 listeners who wrote us letters. It is a pattern showing 65 per cent increase in Primary county coverage alone - a pattern rendering obsolete all other WBZ-WBZA maps.

This matchless coverage of New England and the all-important market, Greater Boston, is yours for those vital summer and fall campaigns ... at no increase in rate.

Phone or write any NBC Spot Sales representative for the detailed presentation, "We Give You New England!"

WESTINGHOUSE RADIO STATIONS Inc
KDRA KTW WBZ WBZA WOWO WGL WBOG REPRESENTED NATIONALLY BY NBC SPOT SALES
Vitamins for Radio

WHILE it is always difficult to find fault when business is good, there seems little excuse for the neglect in selling the vitamin industry on the use of radio for exploitation. To date, advertising of vitamin products by radio has been of a minor nature. When one considers that the sales of concentrated vitamin products alone—pills, tablets, and wafers—totaled $100,000,000 in 1940, there seems little doubt that here lies a lucrative source of radio revenue. Coupled with the fact that the Government is embarked on a widespread nutrition campaign to improve the nation's health, these figures make the vitamin industry a natural for summer radio.

Toward a New Law

UNLESS all present signs fail, the FCC's "wrecking operation" on commercial broadcasting has been slowed down to a walk, if not stopped. Enough has been said by members of the Senate Interstate Commerce Committee, sitting in judgment over the fate of radio during the last three weeks of hearings on the White Resolution, to end the obstreperous pace of the FCC majority and bring about at least temporary relief. It is now evident that the eight so-called "monopoly" rules won't become effective Aug. 2.

It is not our purpose to exude optimism or to assert flatly that FCC Chairman Fly's assault upon the industry is ended. Far from it! The White Resolution, which would stay the FCC's hand in invoking its "death sentence" rules, may not even win committee approval. But it is clear that the sheer logic of the industry case has deeply impressed the dozen or so committee auditors and that they see clearly the need for a new law.

Most encouraging is the attitude of Chairman Burton K. Wheeler. Never a protagonist of the FCC, he nevertheless has been loath to interfere with the functioning of a Government agency. But, in listening to the testimony of such figures as Commissioner T. A. M. Craven, Mark Ethridge, William S. Paley, former Judge John J. Burns and Niles Trammell, he admitted the need for a new law and full hearings, and agreed that certain of the new "monopoly" rules, notably the ban on time options, were too drastic.

It was Commissioner Craven, the only man on the FCC with any practical radio background, who laid the foundation for the industry's case. He did not spare commercial broadcasting for some of its activities, but he questions the FCC's authority to do the things the majority has decreed, and he predicted chaos if the rules were invoked.

Comdr. Craven's calm appraisal of the FCC's legitimate functions, as contrasted to Chairman Fly's almost frenzied outbursts against NBC and CBS and the "so-called" trade association, could not help but convince the committee that justice has not been done American radio or the radio industry. Those who heard the brilliant testimony of Bill Paley, founder of CBS at 26, and the forceful plea of Niles Trammell to save a pioneer network sentenced to death by the FCC majority, certainly responded to the impact of a just and righteous cause.

The crisis isn't over. Anything can happen while legislation is before a committee and while a fierce battle rages between the Fly-controlled FCC majority and an industry fighting for its life.

Chairman Wheeler feels a new law should be written. So does Senator White, who is poised to introduce a new bill on 24 hours notice. So do at least a dozen other members of the committee. And the FCC majority (as does the minority) should welcome a new clear-cut statute from its "boss", the Congress, to relieve it of all of this strain of finding backdoors and loopholes.

Cry for Technicians

RADIO's all around importance in time of war was never more vividly emphasized than last week when the British government issued a call for non-combatant American volunteers to man its new "radio locoator". There is significance in the fact that it was need for trained radio personnel that necessitated the first outright British demand on American manpower. This British need, coming on top of the ever increasing shortage of trained engineering personnel in our own radio industry due to the requirements of the Army and Navy, presents a serious problem to Government officials and station operators. With "raiding" of small station engineering staffs by larger and more prosperous outfits already under way, with no blanket Selective Service registration for chief engineers and with many operators in the smaller stations eligible for the draft, this nation's "locals" face an increasingly difficult time. It is even possible some of them may be forced off the air for lack of engineers. In many small communities this might have a serious effect upon the lives of the populace—places where the "local" is the main contact with the world at large. Thus there is need for an immediate joint study by both the industry and the Defense Communications Board to seek means to prevent any American station from leaving the air for lack of trained personnel.

The Dream of Lemuel Q. Jawbreak 

BY BERTRAM MAIER
Assistant Promotion Manager
NIB-Blue Network

THIS IS A STORY about Lemuel Q. Jawbreak, president of the Jawbreak Cereal Co., who dreamed that he is living far back in the Stone Age, with everything in its crudely unfinished state of that day, excepting one thing.

That one thing is production. It alone is on its present day basis. All forms of products and merchandise flow from gigantic machines, as if by magic. Practically everything else, however, is primitive, undeveloped. This is the result of some meditation that Lemuel indulged in that very afternoon. He had been thinking about the distribution, the sales, of Jawbreak Cereal.

Amid the utter crudity and sparseness of the Stone Age, he now visualized a single mass manufactured plant. It was the plant of the Jawbreak Cereal Co. modern in the Twentieth Century sense.

It is totally full capacity. Artistically attractive boxes of Jawbreak Cereal drop one after another onto a conveyor. Immediately and clearly, he sees that his problem is to reach the greatest possible number of prospects at the lowest possible cost. This is possible, he finds, that actuates to the fullest possible extent.

How can he accomplish this aim? Lemuel concludes that the ideal method would be to talk personally and intimately to as many people, as many ultimate consumers, as possible; to tell them face-to-face about Jawbreak Cereal.

He decides to carry out this idea—and experimentally employs a man to travel from cave to cave. This man starts out upon his calls. From cave to cave he journeys, telling each cave-wife and her family about Jawbreak Cereal, and urging them to use it.

A month passes. Lemuel is disheartened. His representative tells him that few cave-wives and families listen to him attentively, let alone digest his sales talk.

Lemuel deliberates the matter. An idea sparks in his mind. He decides that if the representative includes in his presentation some form of entertainment, he will be given a more welcome and attentive audience.

Now, the representative starts off anew. This time he takes with him a singer. On every visit, he has the singer render appealing melodies, which the representative punctuates with discussions of Jawbreak Cereal. He finds the strategy effective, especially when he tones down his commercial talk and makes it brief. More cave-wives and families bid him welcome and listen to his story attentively.

Another month passes. Lemuel again reviews his representative's work. He finds that the second month has been much more successful than the first.

However, it is still far from being satisfactory. The trouble is that the representative and the singer have not been able to make enough calls. At the rate they are going, it will (Continued on Page 23)
We Pay Our Respects To—

JOHN EDWARD Mc MILLIN

JOHN EDWARD McMillin, vice-president of radio at Compton Advertising Inc., looked across his desk and smiled. "Sure, I'm having fun, so much fun, in fact, I don't want to go to a desert island. I don't want to take a year off and turn out the Great American Novel. I don't want to take up stamp collecting, or dog fancying or the manufacture of wicker furniture. I like the job I've got!"

But McMillin manufactures wicker furniture so that it may be sold to radio stations. He talked about his firm's relationship with radio—a relationship that is just as close as that between a radio station and the announcer who works there.

In many ways John McMillin is a mass of contradictions. He strides along and frequently scowls like a bull-dog. But that's purely a defense, because he's genuinely shy and exceedingly sensitive!

He has more than an ordinary interest in people as individuals. And he proves that every chance he gets. The radio department at Compton is staffed with young people. And "Boss" McMillin gives them every opportunity to demonstrate their individuality. He'd load a willing worker down with all the responsibility he'll take. But if the load gets too heavy, he pitches in and shares the burden.

That kind of attitude must pay dividends. Because here's the record: the 56 people in the Compton radio department hung up in 1940:

They guided 25 shows through a total of 2,997 network broadcasts and 1,922 local presentations. Last year, CAB reports steadily showed four out of the first ten daytime programs were Compton programs and on two occasions five Compton shows were among the ten leaders.

The agency's most important nighttime show, Truth or Consequences, is the highest rated audience participation show on the air, and its popularity built more rapidly than that of any new night program in five years. It is the highest rated night show Procter & Gamble Co. has ever had.

That's a mighty impressive report to be signed by one of the youngest executives in a top-flight agency. John McMillin, you see, is just 33. He was born in North Adams, Mass., July 3, 1908. His dad, who died in 1918, was Ralph McMillin, famous sports reporter in Boston.

John attended public school in North Adams, and was graduated from Yale in 1929. The day after he dopped and gawn he had an interview with an account executive at the Blackman Agency. The account executive was Richard Compton, now head of Compton Advertising, successor to Blackman. McMillin started work ten days later.

Daytime radio was beginning to make itself heard in the early 1930's just about the time that John McMillin was beginning to make himself heard as an advertising copywriter. He was in the thick of campaigns for such internationally known products as U. S. Rubber, Vacuum Oil, Hudson Motors, Ivory Soap, Camay, Crisco, Chipsco, Chase National Bank, the National City Company and Seagram's Whiskey. In each of a number of his ads he wrote advertising that received annual billings amounting to more than $1,000,000. He wrote hundreds of ads for newspapers, magazines, billboards, cards, posters and folders.

He wrote, directed and produced several two-reel and five-reel commercial movies. And, of course, he wrote reams of radio commercials.

That's how John McMillin spent the ten years from 1929 to 1939; what he did enroute from copy cub to vice-president.

Meanwhile, another copywriter at the agency, Miss Emily Sheats, had charge of the housewife and her name to Mrs. John McMillin. The family now includes Robert, 7, and John, 4.

After two years at the helm—plus 10 years as a member of the crew—McMillin has a few things to say about radio.

"I believe all radio can and must sell more expertly in the future than in the days when the medium was new."

"It seems to me that too much thought and effort are wasted on the trimmings of radio production; that too many radio people are still impressed by 'names' rather than by 'ideas'—rather than execution, by tricks of sound effects, engineering and acting rather than by sound dramatics, solid scripts and good basic showmanship."

"McMillin is strong for copywriter-announcer cooperation. He insists that all commercials turned out by the Compton Agency be thoroughly rehearsed in the agency's own studio in advance of the program rehearsal.

"Arthur Hull Hayes, general manager of WABC, New York, on June 15 (Father's Day) because the father of an 8½ pound girl, Mary Ann, his third child, has been elected to the State Defense Commission.

JAMES L. HOWE, resident manager of WTMJ, Washington, has been elected president of the town's Junior Chamber of Commerce.

HERBERT KREUGER, research director of WTAG, Worcester, has been elected president of the Worcester Lions Club.

H. G. WELLS, manager of WJHP, Jacksonville, Fla., has been commissioned by the Governor of Florida as a first lieutenant in the newly-organized Florida Defense Force.

DUDLEY TICHENOR, manager of KVOR, Colorado Springs, has been named to the State Council for National Defense.

JOHN TREGALE of the Toronto office of All-Canada Radio Facilities, has been named to the Canadian government's air tour of western stations represented by the Toronto office early in July.

GEORGE F. BOOTH, publisher of Advertisers' Gazette and owner of WTAG and WXTV, that city, has been named a national and a member of the executive committee of the National Advertising Presidents' Representatives' annual picnic.

MILTON SHREDNICK has been appointed director of music of KOA, Denver, succeeding Chester Smith, recently resigned.

The commercial writer invariably attends these rehearsals to capture the announcer's personality and copy to fit it. There are still other McMillin-inspired operations. For example, the agency has a set up by the agency are bought in a "package" from outside producers.

"I believe in an agency maintaining a free market for radio programs," said McMillin, "a situation in which you can buy any type of program from anybody. Some agencies have special pets, some have talent to whom they have commitments. We don't. We'll buy anywhere we can find the best program and the greatest value for our clients. That is basically the reason for our program buying policy."

"Another phase of it is this. I believe the agency must act in the role of creator. If someone asks for the client's interest, but I am certain that where an agency acts as program writer, or actor, or even studio director, it's very, very hard to be at the same time an art director and impartial supervisor. His own pride gets all tangled up in the thing."

That kind of thinking shapes the course of one of the largest radio operations in the agency business. And it's that kind of thinking that made John McMillin one of the youngest executives in a top-flight agency.
FRANK DENT, former program director of WREJ, Indianapolis, has joined the announcing staff of KRGV, Weslaco, Tex.

BARBARA JO ALLEN, known professionally as Vera Vague on the NBC Signal Carnival, sponsored by Signal Oil Co., Los Angeles, has been signed by Republic Studios for a comedy role in the film "Ice-Capades."

FANNA MAE MARTIN, public relations director of KVOO, Tulsa, is in Hollywood on a business and pleasure trip.

LOU SILVERS, Hollywood musical director of the CBS Lux Radio Theatre, sponsored by Lever Bros., has started his sixth year on that program. His contract was renewed for 20 weeks effective June 2.

FRED BARR, former announcer of WARD and WBWN, Brooklyn, has joined WNNY, New York, replacing Douglas Way who resigned to join AFRA.

KNOX MANNING, Hollywood commentator, has been signed by Warners Bros., to narrate two short subjects, "Miracle Makers" and "Polo With the Stars," for its production.

BILL RODDY has joined the announcing staff of KHUB, Watsoineville, Cal.

JOHN HOLBROOK, announcer of WGN, Chicago, on July 9 will marry Jeannie Jones at Greenville, N. C. Miss Jones was Holbrook's secretary when he managed WOTC, Greenville.

HELEN MURRAY, of NBC Hollywood sales promotion staff, has been elected secretary of the Los Angeles Women's Adv. Club.

LEONARD LEVINSON, Hollywood writer, is currently preparing scripts for the NBC Hop Hazard series which starts July 1 under the supervision of S. C. Seracine, Wlos (floor wax) as a summer replacement for Fibber McGee and Molly. Cecil Underwood, West Coast manager of Needham, Louis & Brody, Chicago agency, serves as the leave of that city June 27 to handle production.

JANET KISTEMANN, of the production staff of KYA, San Francisco, is on a month's leave and is replaced by Kay Winslow.

KOWD KERR, formerly of KOY and Arizona State Network, has joined the writer's staff of Photo & Sound, Los Angeles, toascoce.

CHARMAY WERNER, new to radio, recently joined KSFO, San Francisco.

ROBERT BEATTY

FEW WOMEN active in radio today can answer the tele caller of "Red's Hot Line" for WSB, Atlanta. When Roberta Beatty back in 1923 received a telephone call in New York from a fellow announcer, inviting her to 11 Old Comedians to put together a couple of songs over the air, her die was cast. At the time Roberta was playing in a Broadway show, "Aren't We All" featuring Leslie Howard, but she was convinced of the future of the new medium by that fellow student—Graham McNamara. During World War I she took an active part in ambulance driving in France for nearly two years. Now, as the president in the morning feature of WGPR, Montreal, For Ladies Only, Roberts, through her stage and radio experience, has succeeded in bringing in an informal technique to her broadcasts, of distinct appeal to women.

FRANK DUNNE, formerly of WTAG, Worcester, has been added to announcing staff of WFBM, New York.

CHARLES KLEIN, of the NBC Chicago guide staff, leaves for San Diego June 30 to join the Marines. Scott S. Hartman, of the same department, has been granted a leave for military service.

JOHN BARTLY, pianist with John boy Bowman's orchestra, on WCKY, Cincinnati, has joined the Army at Fort Thomas, Ky.

DICK ELGAR, Johns Hopkins and Baltimore Law School graduate, has joined the announcing staff of WBAL, Baltimore.

EVERETTE HOWARD has replaced Johns, radiologist, on the announcing staff of WEVA, Fredericksburg, Va. The two months Howard had resigned, with Johns taking his place.

GEORGE B. GERMAN and Eddie Martin, of WXW, Yankton, S. D., have sold five cowboys songs to M. M. Cole Publishing Co., Chicago.

JACK BERRY, formerly of Yankee Network, has joined the announcing staff of WDBK, Hartford, Conn.

VICTOR WINTERMEYER, assistant in the accounting department of KMBC, Kansas City, on May 11 married Thelma Butterworth in Independence, Mo.

G. CONRAD RYNARD, formerly of WBST, Richmond, has joined WBTM, Danville, Va., as a writer. J. A. BLACK, formerly program director of WDNS, Durham, N. C., has rejoined the production staff of WBTM, Danville, Va.
ERNAND AUBERJONIS, chief of the French section of the NBC international division and conductor of daily broadcasts in French on WJAC and WNB, NBC shortwave stations, has been made an Officer of the Order of Honor & Merit by the Republic of Haiti "for meritorious service to the cause of Pan-Americanism and for the promotion of closer relationships between the French-speaking people of Haiti and the United States."

DICK KEPLINGER, news and special events director of KOMO-KJR, Seattle, and Mary Lee, former member of the publicity staff, were married May 30.

HARLOW WILCOX, CBS Hollywood news announcer, was signed for a role in the RKO Radio Pictures film, "Look Who's Laughing!"

BILL GOODWIN, CBS Hollywood announcer, has recovered from influenza.

EDWIN BROWNE, religious and educational director of KMBC, Kansas City, was installed June 1 as pastor of Bennington Church of Latter-Day Saints.

MILDRED BOHNSACK, librarian at Ankeny Hospital in St. Paul, was called to his internship July 1.

JOSE SANTOS QUIJANO, of Colombia, has joined the foreign language staff of CBS as Spanish announcer and sidesman for musical and cultural programs.


BILL EMDUNDS, formerly staff announcer of WLS, Chicago, has joined the staff of WHN, New York.

IWA SCHOLEY of KOA, Denver, recently became the father of a baby girl.

Mrs. Emma Lanning

MRS. EMMA VAN ALSTYNE LANNING, 85, home spun philosopher of WLS, Chicago, known as "Aunt Em," believed to be the oldest person regularly employed on any radio station throughout the country, died June 16 in the Illinois Masonic Hospital, Chicago. Death followed a fall in her home May 3, in which she broke her hip. During the two years employed by WLS she had not missed a single broadcast. Married at 19, she was a widow before 30. Her son by the first marriage, Egbert Van Alstyne, who survives is a composer. She later married again and mothered six step-children. In 1921, at 65, she entered Chicago Musical College, graduating in 1925 and 1927. After her son graduated from the same institution. Before joining WLS she appeared on station KPL, Rapid City, Rapid Falls, Mich., and Rockford, Ill.

Guestorial

(Continued from page 50)

Lombia, appeared her ing one sonployed by WLS she

JAMES CASSIDY, a member of the press department of WLW, Washington, D.C., has become an announcer and is handling the "Three Swing program nightly 1-3 a.m.

Cassidy Promoted

SPENCE HEADS Washingtonians

HARRY R. SPENCE, owner and manager of KXO, Aberdeen, Wash., and a former NAB director, has been re-elected president of the Washington State Assn. of Broadcasters. Other officers elected at the association's meeting, June 7, were: H. E. Studebaker, KUJ, Walla Walla, vice-president; JAMES CASSIDY, KXJ, Arlington, secretary; Robert E. Friebe, KRSC, Seattle, treasurer.

Corwin Honored

AT THE Radio Writers' Panel of the fourth biennial American Writers Congress held at the Commodore Hotel, New York, in early June, the current CBS Workshop series, "The Best That's podium of a 500 watt radio writing. The panel, presided over by William E. Dodd Jr., unanimously condemned radio censorship of radio scripts, and discussed a plan to form local committees to stimulate local groups to secure time for "progressive" education and entertainment.

WBYN Sales Staff

SALES STAFF of WBYN, new Brooklyn station has been announced by Berne W. Wilkins, sales manager, as follows: Overtol Man- ney, general manager; George Windsor, Wace, Alvin Samuels, Irwin Porter and Oscar Kronenberg, Eleanor Skern, formerly of WJAL, and WNEW, New York, has joined WBYN as Mr. Wilkins' secretary.

Francesca Lenni Hurt

FRANCESCA LENNI, radio actress currently playing the part of Princess Narda in the Mandrake the Magician series on several stations by Purify Bacles Corp., Chicago, is in Roosevelt Hospital, New York, in a critical condition following a fall June 15 in front of a subway train.

BMI has announced that it has some extra copies of certain volumes of its BMI Index, which will be sent to any subscribers writing for them. Only charge will be COD postage.

Actor Joins WHN

SCOTT COLTON, movie stage actor, who played the lead in the last eight pictures he made for Universal and Columbia, has joined WHN, New York, as an announcer and is handling the "Three Swing" program nightly 1-3 a.m.

Mr. Colton

BRISTOL-MYERS Co., New York, has launched a series of nightly newscasts on PBB, Rio de Janeiro, and PBB, Sao Paulo, broadcasting a quarter-hour of United Press world news in Portuguese, Monday through Friday, in the interests of Ipana Toothpaste and Sal Peptita. First such series in Brazil, the broadcasts will be directed by UPF men who are experienced in the technique of radio news presentation, it was announced. These newscasts extend an already large foreign radio schedule for Bristol-Myers Co., including programs for Mexico, Argentina, Peru, Chile, Colombia, Venezuela, the Dominican Republic, Puerto Rico, Panama, Cuba, Hawaiian Islands and the Philippines. Company's foreign advertising is placed through Bocaro Adv. Agency, New York.

Sub for Bob Hope

PEPSODENT Co., Chicago (toothpaste), on June 24 replaces for 13 weeks the Bob Hope Show on 63 NBC Red stations with A Date with Judy, Tuesday, 10-10:30 p.m. (EDST). Family serial is written by Alen Leslie and JERRY SCHWARTZ, the latter having taken a leave of absence for program's duration from CBS Hollywood staff. Bill Lawrence is agency producer. Lord & Thomas, Chicago, has the account.

TEXAS STATE NETWORK of 16 stations has appointed Weed & Co. as national sales representatives, effective immediately.

B-M in Brazil
William S. Paley, CBS President and founder of the network in 1929 under its existing policy and ownership, occupied the stand at a 4½-hour session Monday morning. He did not complete his testimony that day.

At the outset, he said he wanted to urge Congress to enact a new radio law. He specified four things which he thought paramount in such a law: (1) that networks be licensed by the Commission; (2) that fairness in dealing with controversial questions and with news should be made a condition to having or holding a network or station license; (3) that the powers and duties of the Commission be better defined so the Commission would know exactly what Congress desires it to do and so broadcasters would know precisely what it is empowered to do; and (4) that there should be a Commission divorced from the common carrier field, with which the regulation of broadcasting is now intertwined. He also urged that there should be clear and specified provisions for proper judicial review which cannot be evaded by "subtle legal technicalities either by the Commission or by any broadcaster".

Reviews Swift Growth Of the Industry

Extolling the swift development of broadcasting during the last 14 years of regulation, which he described as equivalent to 50 years in an older and less dynamic industry, Mr. Paley listed achievements of broadcasting as it developed along the lines most acceptable to the American radio audience.

"Once networks are licensed," he said, "it should cease to be fashionable in Commission circles that they are an illegitimate factor in the industry or that in any sense they are evading their responsibilities or inducing licensees to evade theirs."

Denying that broadcasting is a recalcitrant or defiant industry, Mr. Paley declared the industry is willing to abide by the decision of Congress if it will only make an unprejudiced examination of all the facts and "tell us the answer". The very fact that the FCC now seems to be necessary to throw the back door strike at us through the licensing power it holds over our affiliated stations is proof that there is something inadequate in the statute itself.

Finds Broadcasting in State of Terror

Moving to his second recommendation, Mr. Paley said he saw no reason why the new law should not embody the requirement that fairness be maintained in discussion of current controversial questions and news. If this policy is not set, he said, he felt that "we will drift into an exercise of vague and indeterminate powers by the Commission" as an instrument of oppression and a threat to genuine freedom of the air.

"Government servants," he said, "are sometimes swayed, however unconsciously, by self-interest." Any responsible business would always rather obey a law than obey a man, he asserted.

"Broadcasting as a 'state of terror'," Mr. Paley charged that the Commission, disregarding the ancient prerogative of due process, "has chosen to act as complaining witness, prosecutor, judge, jury and hangman, and we find ourselves at the end of the row stigmatized as a monopolist and most of the important practices of our business knowingly furnished by administrative fiat."

Emphasizing need for divorcing the Commission administering the law governing broadcasting from the administrative body dealing with common carriers, Mr. Paley said Congress wisely decreed at the beginning that broadcasting was not a common carrier. Passage of the White Resolution, he said, will give the committee and Congress an opportunity to investigate and determine whether in the public interest there should be a separation of these two fields of activity, one calling for close and detailed regulation and the other calling for a large measure of unrestricted freedom.

Describing the present statute as ambiguous and inadequate, Mr. Paley said he thought Congress should make legal rights in broadcasting "crystal clear", with no chicanery or evasion or technical fending in such an important matter. He said that in advocating network licensing and a new radio law he did not want to create the impression that he was suggesting that the industry be put "into a strait-jacket of hampering and restrictive regulation". It is up to Congress first to decide the broad questions of policy, he declared.

Pointing to the abuses of public complaint about broadcasting, he said it indicated that radio does not need and never should have the kind of regulation and that inevitably will encroach on programming and interfere so materially with business arrangements and private bargains of broadcasters that the industry has now come to the mercy of the Commission.

Only One Serious Program Complaint

It is striking, he said, that in the whole history of CBS there has been only one single broadcast which has been severely censured—Orson Welles broadcast. That, he said, is generally true of broadcasting.

The law should limit the FCC to three things, Mr. Paley suggested. They are establishing as necessary \\
\"traffic job; second, to insure that the medium is used fairly and without editorial bias; third, to review the operations of any network or station and make a broad general decision based upon competent evidence as to whether that network or station is operating in the public interest.

"By, he said, the law should provide that there can be no "arbitrary or capricious decision in these important regards". No broadcaster should be put out of the air for a single slip due to a mistake, he felt, or for an error not involving willful misconduct, or because some sub-

Striking at the monopoly accusations of Chairman Fly, Mr. Paley declared that fact and not man decided that radio facilities should be limited. Technical improvements are steadily increasing the available number of stations, he said, and engineering experts predict that once FM is effectively established it will be possible to have as many as 14 networks in this country with that type of broadcasting alone. He pointed out that some 150 new stations have been authorized within the continental United States in the past two years in the standard broadcast band.

The FCC with Simplified Circuit Design

General Electric

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BROADCASTING • Broadcast Advertising

Objects to Sneers And Accusations

Asserting that the new rules would bring drastic changes in broadcasting, Mr. Paley suggested to the committee that it should know all about them or what they would lead to before they are either rejected or enforced. One of his fears that the Commission for hoping that the committee would vote out the resolution and the Senate would pass it, Mr. Paley said, was that he was confident "we need a full and complete inquiry by Congress into the problems of broadcasting."

So far there have been "sneers, speculation, innuendo and accusations, and I realize that it is extremely necessary to get the gentlemen to grasp all the intricacies of our problems without having had a real opportunity to study them." After listening to Chairman Fly's testimony, Mr. Paley said he was convinced more than ever before that the Commission "has failed to grasp the essential business and social factors affecting network broadcasting. The repeated "easy-going assurances" of Chairman Fly that he would take care of everything and that everything will be all right, he said, did not jibe with his practical experience. He said he was more uneasy than ever because of the "uncertainty overlying almost every aspect of the subject that Mr. Fly sought to elucidate."

"We find ourselves, after all these weeks," Mr. Paley declared, "at a loss as to how to operate a network successfully under the new rules, either from our own selfish, economic point of view or from the standpoint of the public interest and good programming."

Says Stations Turn To Best Programs Services

Launching a personal attack upon Chairman Fly, Mr. Paley asserted the Commission's report "reeks with charges of domination, control and similar implications of power and abuses of power". He said he was one of the two persons publicly attacked by Mr. Fly of controlling 86% of the nighttime power of broadcasting stations in the United States.

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Custom-built radio productions
One minute or one hour—live or transcribed

The COVERT Co.
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Calling these charges “senseless and baseless”, he said they reflected a “state of mind that is anything but impartial and judicious. He said it is "dangerous for the public to twist the fact that most of the radio stations in America turn to the best program services for their programs into an unjustified issue."

"Pointing to the voluntarily imposed efforts of the networks and of stations to remain non-editorial and free from bias, Mr. Paley said that broadcasting in the last analysis is controlled by the public and no one else. The kind of danger to which Mr. Fly refers is "simply non-existent", he said.

He accused Mr. Fly of creating "this bogey man" and said that this "network danger" is "wholly a fiction of Mr. Fly's own mind".

After describing to the committee how CBS functions, Mr. Paley pointed out that the network overhead is more than $10,000,000 a year and that the network programs cost alone more than $5,000,000 a year. The $10,000,000 figure, he declared, does not include payments to stations.

Disclaiming that networks are basically evil, Mr. Paley slapped back at Chairman Fly's continued observation in his four days of testimony that CBS was "a New York corporation."

When he began to read a memorandum governing European war coverage by CBS issued Sept. 5, 1939 by Edward Klauber, CBS executive vice-president, Senator Wheeler observed that while the networks contend there had been no complaint on commentators, he could assure them that there had been "great complaint" about them on all networks and even on local stations.

He made another plea for fair treatment of commentators and Senator White urged that the statute be expanded to provide for equal opportunity for discussion of controversial issues on radio.

Revenues Spurned From Controversies

Mr. Paley said he wanted the law to become "vocal on that particular point".

The diligence with which CBS evaluates its program service was enumerated by the 40-year-old executive. He said Columbia had made tremendous revenue on sale of time and discussed the controversy issues, such as the public utility holding company act. An estimate revealed that CBS has lost approximately $5,000,000 in revenue on business that has been rejected.

Disputing the contention that networks dominate their stations, Mr. Paley said that station revenue increases only when it is on a network and dwindles otherwise. Answering Senator Wheeler, he said that the reason many national advertisers do not take smaller stations can be ascribed to a number of factors. For example, the advertiser might not have distribution in a particular area.

Regardless of that, Senator Wheeler said, it seemed to him that the network, as an ownership or service corporation, is required to render national service even at the sacrifice of profits, or even if the advertising is forced to spend less.

Describing that the trend was in the direction of larger networks, Mr. Paley said that CBS is insisting that advertisers take more and more stations. Moreover, managed and operated stations of CBS are originating programs for outlying areas. He said the move, however, would have to be gradual and that if CBS now required advertisers to take a full network, it would lose much business.

Tells of Earnings And Overhead

Asked by Senator Wheeler about the investment in CBS, Mr. Paley said approximately $14,000,000 constitutes that figure. Last year CBS did a gross business of $40,000,000 and had an overhead of $10,500,000, with a net profit of $5,471,000 after taxes. The profit figure was only 8.79% of the gross. The eight M & O stations had a net profit of $1,500,000, so that the over-all net was approximately $5,000,000.

Senator Wheeler, however, concluded that the $5,000,000 figure represented about 30% of the investment in the network and that he felt a network operation could not be likened to that of a legal practice. Mr. Paley, however, observed that a good portion of the network's profits now is "going to the lawyers".

Attacking the eight FCC rules, Mr. Paley said Mr. Fly's observation that a particular network would have the first call on a particular network's programs is not spelled out in the rules at all, but that this apparently suddenly was thought up by the Chairman.

There ensued a debate on whether broadcasting could be described as a personal service business. Senator Wheeler insisted it was not, since radio functions on a license from the Government and that equal opportunity therefore is not available to all comers to get into the business.

He said he was not complaining about the earning of profits by the networks, but that he thought part of the profits should be used to go into smaller markets. He described this as "intelligent selfishness" on the part of the broadcasting companies.

26 Million a Year To Break Even

Mr. Paley declared that if the networks haven't done well enough in the past in this regard, it is going to be more difficult under the rules when network broadcasting is "broken down into bits and pieces".

To indicate the slim margin between profit and loss, Mr. Paley said CBS accountants had concluded that the network must have an income of $26,000,000 a year before it can break even. This includes lines, sustaining programs and other established expenses. Asserting that no network uses all of the licensed time of a station, Mr. Paley said the contract provides that no more than 50 "converted hours per week shall be used, although it options all of the hours of its affiliates". He explained that two daytime hours equal one converted hour, or the equivalent of one nighttime hour. At present, he said, CBS uses only about 39% of the station's time.

Replying to Senator Gurney, he said the average station operates 126 hours per week and that a little more than half of the average station's time now is used by CBS.

Disclaiming again Chairman Fly's charges of domination of affiliates, Mr. Paley said there is no way to compel an affiliated station to take a program and the station cannot compel the network to deliver it. He called it "a two-way street". The station is more interested in an exclusive network affiliation and in long-term contracts than the network, Mr. Paley asserted.

The station knows that the network is always on the alert for better facilities and therefore will not make a substantial investment in new facilities unless assured of a long-term network affiliation.

In the last 10 years station receipts from CBS have been more than doubled and now amount to 45.85% of the stations' rate, Mr. Paley declared.

The Chicago Tribune, according to Mr. Paley, makes as much profit as several other small newspapers. He challenged the FCC figures on station earnings, pointing out that...
Declared that the best business logically goes to the big markets, Mr. Paley said he felt the FCC had failed to grasp the fundamentals on how broadcasting works and how the overhead is paid.

Asked by Senator Wheeler whether the initial investment in CBS was only a half-million, Mr. Paley said his recollection was that the initial capital amounted to $1.4 million.

Under the new rules, the committee was told, CBS stood to lose volume and this would mean curtailment of service.

Striking first at the exclusivity rule, Mr. Paley said that since hearing Chairman Fly's testimony he was "more alarmed than ever". Changing that Chairman Fly did not know the meaning of the rule, he said that regardless of its guise it means "censorship".

He referred particularly to Commissioner Craven's testimony that the Commission spent only 18 hours in consideration of the final rules. Moreover, he alluded to the "startling disclosures" in the original report that the Commission did not know what effect the exclusivity rule would have on the industry.

The only interpretation that could have been given this particular law, Mr. Paley insisted, was that it meant non-exclusive network affiliation and that it was not susceptible of the interpretation given it by Chairman Fly as meaning that a network could still enter a regular arrangement with an affiliate.

Would Get 'Chunks' Of Network Service

When Mr. Paley declared that Washington attorneys had advised their stations not to enter into contracts with networks because of the exclusivity rule, Chairman Wheeler said he could not believe the Commission has "gone entirely crazy" and that Congress and the Senate would not have permitted a complete collapse to develop.

Nevertheless, Mr. Paley said, the rules absolutely forbid any contract which says that the network shall do business with a particular station exclusively. That's the reason for the hearing, he declared.

The rule, Mr. Paley declared, forbids exclusivity in all cities, irrespective of whether there are sufficient number of outlets to accommodate all existing networks. It would mean that stations would get small chunks of network service instead of full service as at present, he said.

Senator Wheeler observed that there "ought to be some exception in cities that have sufficient outlets". Non-exclusivity, he said, might well be applied to cities having only a minimum of outlets.

Stiff Competition Among Four Networks

The fact that competition exists in this country among four national networks was viewed as extraordinary by Mr. Paley, who said that no other country in the world could achieve that, even if commercial broadcasting were permitted. There are only four national magazines having circulation of 2½ million, or more, he pointed out, despite free competition and lack of Government regulation.

Changing his tack as the weight of testimony appeared to shift, Senator Wheeler said he felt it was wrong for the Commission to authorize more stations than a particular community can support. This tends to lower the standards of all stations, he said. He likewise agreed there should not be an unlimited number of networks, since this would place all of them in a "precarious position".

If there were but two stations in a city and four networks providing service, Mr. Paley cited, the stations would get only half as much revenue from each network, and the chains would suffer, as would public service and programs.

High tribute to Mr. Paley was paid by Chairman Wheeler in recalling that CBS was once a "small, struggling network" and got ahead by taking stations away from NBC before there were "restrictive contracts". Mr. Paley said that CBS didn't come to the Government to complain, but waited for the five-year contracts to expire.

Disagreeing with Chairman Wheeler on the theory that NBC did not have exclusive contracts until CBS become seriously competitive, Mr. Paley said many stations have asked for long-term contracts and are just as eager to get them as the networks are to give them. CBS, he said, "does not have to wait five years to get our stations", since affiliation contracts are staggered and expire all the time.

Network Provides Own Sustaining Service

Asserting that CBS went into "serious competition" with NBC back in 1927, Mr. Paley declared it did not rely upon affiliated stations for sustaining service but provided its own. Programs, rather than physical facilities attract the audience, he declared. The same opportunity is still open to MBS, Mr. Paley told the committee. "Give the public the programs and they will listen," he admonished, adding that MBS can find the talent and the brain power to build "if it really wants to do it."

Calling MBS the child of R. H. Macy's, Mr. Paley said it was the largest and richest department store and the Chicago Tribune's, Mr. Paley said he thought they should take the "same kind of risks as we". Instead of going to the FCC to "cash in on the risk of others", he declared he thought the FCC should not "make it soft" for them. He said the rules showed "an amazing tenderness" for MBS.

Chairman Wheeler disputed the contention that MBS instigated the rules, declaring that "a combination of the chains and the Administration" headed off an investigation by Congress and got the FCC to undertake the inquiry.

Under the rules, MBS or other new networks not having a "sustaining service" could offer to pay outlets more money for their time, or do the reverse, and charge the advertisers less. He challenged Mr. Fly's contention of "first call" on station time, declaring this would mean that CBS, for example, could not have itself of time on other stations in the same market, or that the chain would have to remain faithful to the affiliate, but not the affiliate to the chain network. He called it a "good idea for MBS but an astonishing one for business".

Branding Mr. Fly's statement as "one-sided" and one that "just happened to evolve" while the chairman was on the stand, Mr. Paley predicted that advertisers would be in a position to build "super networks" and pick and choose their colleagues. There is no better argument for the White resolution than this "fantastic arrangement" of the FCC allows the FCC to look somewhere has the power to compel, he declared. Inevitably, under the rules, said Mr. Paley, the best programs will gravitate to the big stations.

Recalls Secrecy of Chairman Fly

Making a plea for Congress to intercede, Mr. Paley said that anything drawing new networks should be inquired into by the legislature. Asked by Chairman Fly why CBS had not offered suggestions to the FCC on the regulations, Mr. Paley said that in a conversation with the FCC prior to the issuance of the regulations he asked about their effect, and the Chairman responded, "I would be a fool to tell you what I have in mind."

Contending that the rules "will destroy" the established networks, Mr. Paley said the FCC did not think about the practical rules and that no expert testimony of radio advertisers or others had been considered. He pointed to the similar-
ASCAP Criticizes Dr. Fosdick Letters To President on Monopoly Regulations

CAUTIONING against influences exercised by "selfish interests", and declaring the NBC and CBS ban on ASCAP music amounts to a "cultural boycott" that "smacks dangerously of fascism", recent letters to Dr. Harry Emerson Fosdick, minister of New York's Riverside Church, from Robert L. Murray, ASCAP official, and Irving Caesar, president of Song Writers Protective Asso., expressed hope that he would "reconsider" his conclusion that the FCC’s monopoly regulations may curtail religious broadcasting.

Promoted by publication of a May 28 letter to President Roosevelt, signed by Dr. Fosdick and other members of a group of 62 Christian ministers, Mr. Murray on June 12 and Mr. Caesar on June 17 voiced strong at the conclusions set forth in the letter, "which are replete with inaccuracies and false conclusions" [Broadcasting, June 16].

"Supporting a Boycott"

"You and the other ministers whose names were signed to this letter have been placed in the position of supporting a monopolistic boycott of America’s greatest music—popular, patriotic, religious and standard—which has been arbitrarily banned from the airwaves controlled by the major networks since Jan. 1st,” Mr. Murray declared. "I can only assume it was written by someone connected with NBC. Knowing you as a friend and fellow worker devoted to Christian ideals, I want to give you some true facts so that you may take steps to undo any harm such an ill-advised letter may have done."

"Since Jan. 1, ASCAP has granted hundreds of free licenses for the broadcasting of religious songs copyrighted by members of the best Churches and educational institutions or groups have never been refused such licenses by ASCAP. But even though free licenses have been granted, NBC has repeatedly refused to broadcast any ASCAP musical number, thus causing cancellation or curtailment of many religious and patriotic broadcasts.

"Since Jan. 1, NBC and CBS have boycotted more than a million of America’s finest musical numbers and has sought to destroy be no more network broadcasting than there is today”, Mr. Paley cited.

**Tells of Costly Latin American Service**

CBS plans to spend about $500,000 a year on Latin-American operations as its contribution to the "good neighbor policy", and any revenues accrued will be devoted entirely to improving in shortwave and program service, Mr. Paley told the committee. In addition CBS has budgeted $800,000 for television in New York alone, and has expanded its news budget nearly half a million a year. Then he asked how "any responsible business organization can continue to make expenditures of this sort under present conditions?"

It would be "financial suicide" for CBS to commit itself firmly for station time for a given program when advertisers buy usually for 18 weeks with renewal options and with cancellation clauses, he said. On a cancellation for a given program, CBS would have to "resell instantly" to safeguard itself, and

**Mary Ann McDall records for LANG-WORTH with Tommy Reynolds**

**First for three years straight!**

KHJ has lead all Los Angeles network stations in sales by better than two to one for 3 straight years.

**MUTUAL DON LEE**

**KHI**

**LOS ANGELES, CALIF.**

(U.P.)

**THE MARK**

**OF ACCURACY, SPEED AND INDEPENDENCE IN WORLD WIDE NEWS COVERAGE**

**UNITED PRESS**

**Cøyomanship THAT WINS INTERMOUNTAIN AUDIENCES**

**The Popular Station**

**Sidney City**

**Local Network**

**NBC**

**RED NETWORK**

**JOHN BLAIR & CO.**

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that might be impossible because the station might resell to someone else under the option time before it could expire.

When Senator Wheeler asked whether CBS would need exclusivity if it had option time, Mr. Paley said both were essential. At this point the Chairman said he was not "convinced on the need for exclusivity, but I do think that there is some reason to have some option time."

The Chairman likewise promptly agreed that chains should be licensed, concurring in the view of Mr. Paley. But he reiterated that he had not been convinced on exclusive contracts. Mr. Paley said that without exclusivity, it is "perfectly possible for anyone to become a network and gum up the works" and "chisel away" our time.

Getting Inquiry Without Resolution

After all, said Senator Wheeler, injecting the national emergency into Illinois' abstruse things. If the national debt goes up as it is doing, business won't be worth anything and you'll be looking for facts." Mr. Paley asked how things were "up in Montana," and the Chairman said his State "probably will be the safest place."

Chairman Wheeler did not agree that incentive would be lost if exclusivity is eliminated. "When you came into a field without anything and fished NBC, you are going to have the same service and the same incentive," he told Mr. Paley. The high spot of the hearings developed when Chairman Wheeler said he though the situation could be worked out "in fairness to the chains." He said he felt "something could be worked out on option time." When Mr. Paley suggested that the passage of the White Resolution would pave the way, the Chairman said the reason for passage of the resolution would be to procure an "investigation" of the rules.

"You're getting that investigation now without a resolution," said the Montanan. He added that the "cold-blooded fact of the matter is that you wouldn't get as good a hearing under the resolution. I frankly think we ought to pass a resolution that you'll probably get it. I think that the industry ought to know what the regulations are instead of depending upon the whim of the Commission." He thought the law ought to be introduced and he believes it will be and you will have a hearing on it.

Meantime, Senator Wheeler suggested the networks can go into court to test the FCC's power, particularly since Chairman Fly "indicated that the rules will be held up or stayed" until the litigation is over.

What's the Hurry? Mr. Paley Asks

Picking up the theme, Mr. Paley said he saw no reason for the "hurry" by the FCC. If a new law is to be written, and a well-rounded statute developed, he saw no reason to "live under these rules a year" when serious damage might be done to the service to the public.

Chairman Wheeler reiterated he felt the service rendered by his network is good, and can be believed that for a new industry, radio has less subject to criticism than any other.

Chairman Wheeler closed when Chairman Wheeler said he thought the situation could be worked out "in fairness to the chains." He said he felt "something could be worked out on option time." When Mr. Paley suggested that the passage of the White Resolution would pave the way, the Chairman said the reason for passage of the resolution would be to procure an "investigation" of the rules.

Willing to Eliminate Cancellation Clause

To start the Tuesday morning session, Senator Wheeler reviewed with Mr. Paley several high-spots of the CBS president's testimony of the preceding day. Recalling that Mr. Paley had suggested that such cities as New York, Chicago and Los Angeles be eliminated from the exclusivity requirement, since there are an adequate number of outlets to accommodate all networks, Senator Wheeler ruled if there in effect would be no change, since CBS already owned outlets in those cities.

Mr. Paley brought out that there were many other cities alike from these in which networks find it most desirable to own outlets, and he pointed out that in his judgment exclusive contracts should be permitted generally in the interest of sound broadcasting.

LA MAR IS NAMED WGN FARM EDITOR

CREATION of a Farm Hour and appointment of a farm editor have been announced by Frank P. Schrieber, manager of WGN, Chicago, as the first step in the expansion of the station's farm service facilities.

Lewis La Mar, since 1936 special events announce of the station, and in radio since 1924, has been named head of the new division. He is 41 and served as a wireless operator on several vessels during World War I.

For the Farm Hour, which started June 17, from 8-7 a.m. (CDST), daily except Sunday, Mr. La Mar has enlisted the cooperation of farm bureaus and organizations, special information from the U. S. Dept. of Agriculture, granges, news services, and the agricultural colleges of Wisconsin, Iowa, and Indiana universities.

A survey of the wants of farm listeners of Midwest was instrumental in determining the composition of the show. News, weather reports, music, crop and market reports, and information on new developments in farming and production will comprise the show.

Pursuing the exclusive contract arrangement, Senator Wheeler recalled that the CBS standard contract is for five years but carries a one-year cancellation notice at the option of the metropolitan area of the station. Mr. Paley, however, said that in 50% of the cases, CBS gives the right to the station to cancel on a one-year notice.

Wheeler Critical Of Soap Operas

He said he would be very glad to eliminate the cancellation clause in favor of the station if Chairman Wheeler suggested it, but he did not regard it as very important.

Reopening the matter of time options, under which CBS options 50 "converted hours" of its affiliates' time, Senator Wheeler said he felt this was unfair to local advertisers, who were forced to clear on 28 day notice.

He said the network, in effect tied up all of the stations' time and did not permit any continuity of local programs, to the detriment of local advertisers. If it is important for the national advertiser to have continuity of performance, it is just as important to the local advertiser, he declared.

Senator Wheeler said he had tuned in network programs while driving to the Capitol Tuesday morning and had heard "dime novel" "soap dramas" on every station. Cleanliness may be next to godliness, he observed, but he said he did not regard these as "lame" as either cleanly or godly.

Asserting he was not a purist, Senator Wheeler nevertheless felt programs that characteristically coming into the home were not desirable. He said he wanted to appeal to the radio industry to "cut out this gangster and dime novel stuff, and it tends to break down the morals and make criminals of boys and girls in this country."

When Mr. Paley observed that CBS has a psychologist on its staff for that very purpose and that a multitude of listeners demand these serials, Senator Wheeler commented that if "both you and the Communications Commission got rid of psychologists and got mothers with six children to supervise these programs, you'd be better off!"

Regular testimony Mr. Paley attacked FCC Rule 3, banning affiliate-network contracts for more than one year at a time as not practical for either network or station. He clarifying example of the length to which the Commission has gone to upset existing arrangements and practices for the sake of the rule, he added, that its announced purpose is to protect the stations!'

When Senator Wheeler inquired what he thought desirable, Mr. Paley said he felt that a five-year period should be the minimum. He said impracticability of the rule from the network standpoint is reflected in the fact that studios, engineering installations, office space, news departments, outstanding features, artists and personnel must be contracted for more than one year. No responsible business management can enter into such normally necessary business arrangements, knowing how short time to do business only on a transient basis, he said.

Long-Term License Drains Colgoy

Since CBS has been in business, contracts of only seven stations once affiliated with CBS were either cancelled by the network or were terminated by CBS' failure to renew, he said. As against this and despite the absence of any option on the part of the station, CBS voluntarily has consented to 11 stations terminating their contracts before expiration.

Chairman Wheeler attacked the CBS "factual analysis" of the FCC rules, contending that it was not factual since it did not set forth
the rules themselves, but only the CBS version of them.

Chairman Wheeler disagreed with Mr. Paley on five-year contracts, arguing that it was not necessary to "tie up stations" for that period. He said he could understand why a company might like to have them for even longer periods, but that the Government "won't let you".

Pointing out there was a "reasonable expectancy" of renewal "if we do our job right", Mr. Paley said the industry certainly was entitled to a degree of permanence and that the long-term contract constituted protection against encroachment upon network affiliates.

When Senator Wheeler commented that it is for the FCC to decide what term of license is reasonable, Senator Gurney interposed that he felt it was the duty of Congress and not the FCC. Radio, said the former, South Dakota broadcaster, is a "legitimate industry" and is entitled to an expression from Congress on this score.

Cracking the FCC again, Mr. Paley said that the rights should be given to the MBS or other networks "to give them an opportunity to develop for stations. MBS always had that opportunity, but alas, has never been willing to provide the necessary service. He pointed out, however, that "monetary aspects are freely incidental" and further that if the rules are invoked, a serious upheaval would result.

Says Network Has Improved Stations

On network ownership of stations, Mr. Paley said the question is whether CBS should arbitrarily and without any hearing be stripped of interests lawfully acquired. If that is the case, he said, one of the seven stations owned by Columbia which in the testimony of its own community is not a better station today than it was before CBS owned it, "I will agree here and now to give that station up without an argument".

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Most of the CBS owned and operated stations, Mr. Paley said, serve as originating points for national programs or have especially appropriate regional programs as well as affiliates in various sections of the country. CBS now is investigating an increase in service so that WCCO, Minneapolis, can render to several west coast stations such separate programming and perhaps add a few more outlets in those cities. The economies do not seem "very plausible at the moment while we are beset with many dubious and uncertainties about our own future", he said.

The rule which questions ownership of stations by networks is based on the argument that stations so owned will favor the network to which they belong and thus make their facilities unavailable to other networks, he said. If there is any validity to this restriction, he declared, "then I do not see how a network organized on a mutual plan is to be allowed to operate at all. If the network is owned by affiliated stations, it won't favor these stations favor their own network, and is not in the Commission's view an evil?"

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Commission's right to regulate any business aspects of broadcasting, Chairman Wheeler insisted they do have such a right and "when a new law is written, they still will have the right".

**Judge Burns Points To Court Difficulty**

To conclude the CBS case, former Judge John J. Burns, CBS chief counsel during the monopoly hearings and now a member of its board, took the stand.

While he observed that he did not think the primary issue before the committee was that of jurisdiction, he said questions repeatedly had been made that the industry should go to court and have the Commission's rules set aside if it exceeded its authority.

He pointed out that the Supreme Court recently emphasized how limited the judicial review of administrative agencies was in the courts and suggested that Congress is the important agency to correct administrative structures. During the last decade, Judge Burns said, there has been a steady development in our system to revise the administrative procedures.

If the Commission has acted without jurisdiction and if it is at the end of the road and the industry should win in the Supreme Court, broadcasting nevertheless would be so circumvented that great damage will have been done. In any event, he said, the industry would have to come back to Congress.

It is a plain fact, Judge Burns said, that the 14-year-old Communications Act needs clarification and should be "streamlined and brought up to date".

**Favors Independent Review of Facts**

When Senator Bone asked about the effect of the regulations on stations, Judge Burns recalled Chairman Craven had given the committee assurances that during court proceedings the licensee would not be prejudiced and that no punitive action would be taken. He said, nevertheless, that this was hardly a concession.

Judge Burns quoted from writings of Louis G. Caldwell, chief counsel for MBS, in which he criticized the Commission's power as being so broad that it could "write its own ticket" and in which he advocated that a new law should be enacted spelling out clearly the rights on appeal.

He pointed out that the FCC so dislikes litigation that in almost all appellate actions it immediately files motions to dismiss in order to avoid going into the merits of cases. At best, he said, under the existing law, the courts can only ferret out errors of law and remand the cases. He advocated an independent review of all cases.

Senator Wheeler commented that the difficulty with administrations generally has not been the law, but the personnel. The real complaint against the National Labor Relations Board and against other independent agencies has been on personnel over which Congress has no control, he said.

Recalling Chairman Wheeler had observed that for the committee to pass the White Resolution might be a "dangerous precedent" in that any dissatisfied litigants before independent commissions would bring their cases to Congress, Judge Burns said he felt this was not so in the case of the FCC.

He pointed out that for 14 years the FCC and its predecessor Radio Commission did not try to exercise the absolute power reflected in the new regulations. The 1927 statute was reenacted in 1934 so that if there had been any falling on the part of the Commission, Congress would not have enacted the law without substantial change, he said.

Judge Burns said that Commissioner Craven, "one of the most accomplished" members of the Commission, challenged the agency's power to issue the regulations. Moreover, he pointed out that Senator White, who assisted in the drafting of the legislation, repeatedly held that the FCC had never been given the authority.

**Monopoly Control By Federal Agencies**

Following a colloquy with Chairman Wheeler on the intent of Congress insofar as FCC jurisdiction over monopoly was concerned, he declared Congress had decided on judicial, rather than administrative control. He pointed out the anti-trust laws would apply in any case, since broadcasting is in interstate commerce.

When the SEC finds a monopolistic situation, Judge Burns insisted, its function is not to penalize the licensee but to bring it to the attention of the Department of Justice, which is empowered to take action under the anti-trust laws.

Following a bit of by-play indulged in by Senator White on the question of FCC jurisdiction if one of Chairman Wheeler's constituent stations had been involved, the Montana Senator noted for the record that he had never come before the FCC to advocate anything for or against any station in his State. He said he had commented on matters of policy in the Senate and in committee, but that he thought it was improper for members of Congress to bring "pressure to bear" on any Government agency.

Senator Bone, himself an ardent critic of monopoly, said he wondered why any attention did not have to change its notion about monopoly, since it is now "enfranchised in American law". Monopolies are recognized in certain fields such as power utilities and railroads, he pointed out. Agreeing, Judge Burns commented that it may be that the policy should be changed with respect to broadcasting, now a private industry, but that it "ought not to be changed by Mr. Fly".

**Calls Monopoly Report A 'Crafty' Job**

When Senator Wheeler admonished that he meant the Commission majority, the CBS counsel said he wanted to "emphasize Mr. Fly". He said it was a strange paradox that new legislation now appears to be necessary to save the networks but none is needed to destroy them.

Judge Burns quoted at length from the FCC brief in the Sanders case, in which the Commission said it was not authorized to regulate the business practices or rates of broadcast services and, in effect, that it was limited to physical aspects.

Assailing Chairman Fly's contentions of due process in the hearings, Judge Burns said he may have painted a convincing picture, but that it was "a false one". The trouble was that the Commission didn't pay any attention to the evidence adduced at the lengthy hearings. Instead of following the testimony, Judge Burns charged, the Commission went ahead on "preconceived prejudices" and that

The final report was produced by "smart gentlemen" and was a "slicker and more crafty and more wonderful and when a smart man still doesn't deal with the evidence".

The parties in interest, he said, never knew that the Commission had decided on jurisdiction and that the "two touch-stones of the radio network business" would be ruled out.

Many of the statements in the report are "utterly without support in the record", Judge Burns argued. He discounted the "glib assurances" of Chairman Fly that everything was right, pointing out that the most important revelation was the testimony of Comdr. Craven, which struck at the "heart of the problem". He referred to the commissioner's statement that in the preliminary draft of the report was language showing the majority did not know what the effect of the regulations would be and that the competitive effect could not be determined until after actual operating experience. The absence of this language from the final report, Judge Burns said, was significant.

The only signatory of the report who sat during the hearings was Commissioner Walker, Judge Burns declared. Even Commissioner Wakefield voted with the majority—though he was appointed shortly before the final report was issued.

**Procedural Flaws Are Pointed Out**

Striking at the lack of protection in the appellate provisions of the existing statute, Judge Burns said that Congress should write specific new law to provide greater protection. He again referred to previous writings of Mr. Caldwell, who urged legislative changes in the "procedural defects of the statute".

Because of the nature of the rules, Judge Burns said he found it a difficult thing to advise CBS how to proceed legally. He added that even after the regulations were adopted, the FCC changed the requirement of appeal, permitting "any person" rather than "any applicant" to petition for rehearing or reconsideration. He said this indicated that the law department didn't "want to take the time" to keep us out of court, since presumably, under the revised provisions, a network will not have
exhausted its legal remedy if it now goes to court.

Because of all this confusion, Judge Burns said, the question arises on litigation procedures and to which court they should go, on what terms and how. The action should define a clear, precise method of litigation in simple language. If that were done, he observed, perhaps Mr. Paley "wouldn't need to hire a lawyer."

After a luncheon adjournment, Senator Wheeler briefly recalled Mr. Paley to the stand to reopen his dissertation on "soap dramas." He asked which broadcasting agency it was that placed all of these programs. He pointed to the Chicago agency called "Black Star or something," and Mr. Paley responded, "Blackett - Sample - Hummel, Inc.

When Senator Wheeler said his information was that "this outfit writes the script, hires the actors and otherwise handles the programs," Mr. Paley said that the agency was a national one and placed a substantial amount of business, but that it did not place all of the daytime strip shows. He said some of the type of advertising language written by "very good writers." He pointed out that every one of the strip programs has from 8 million to 12 million listeners, indicating a public demand.

Independent Inquiry And New Law Urged

After Chairman Wheeler again had berated these programs as bad radio, Mr. Paley said it would be a dangerous situation if any man or group of men could specify the type of programs that should be broadcast. Radio likes to operate on what he called "the Democratic process" with the audience expressing its likes and dislikes, he said. He declared he was not defending all of the practices in radio, but felt that tremendous progress during the last five years and that the next half-decade would bring other worthwhile developments.

Resuming his testimony, Judge Burns said that under the existing statute the industry could not get a "trial de novo" or from the beginning trial. He iterated that only one of the seven Commissioners actually sat through the hearings and he understood that one of the witnesses participating in the Commission participated in the drafting of the report, as did members of the legal staff.

On it, he declared, in view of the seriousness of the situation, he declared, has a right to an "independent inquiry" and to a new law. Senator Wheeler said he was not upholding the proceedings of the Commission, declaring that many independent agencies have become exceedingly arbitrary. He said he wanted to correct this situation, but did not choose to go to the other extreme and get a situation that is "just as injurious."

Judge Burns suggested two improvements that Congress could make in the appellate procedure:

(1) Provide that whoever tries the case shall be independent of the Commission and have no allegiance; and (2) Congress tell the Commission specifically the limit of its jurisdiction so that the industry will be dealing with a law and not a man.

Cites Advocates of Changes in Law

Declaring he wished to "call the_roll and hear the change in the law," Judge Burns enumerated that President Roosevelt headed the list, since in 1939 he emphasized the inadequacy of the existing statute and of the FCC, and invited Congress to write a new statute. Next he listed Chairman Wheeler, who pointed to the need for changes during the current hearings; and Commissioner Craven, who, he said, with "sincerity, forthrightness and judicial bearing and technical knowledge, urged the FCC to place all authority to issue the regulations. He also mentioned Mr. Paley's recommendations for specific changes and said "even Mr. Wheeler!" who had testified under examination by Senator Clark (D.-Idaho) that at least a change in procedure was desirable.

Turning to his reference to Mr. Caldwell, Judge Burns quoted another article by Mr. Caldwell published in The Annals of the Academy of Political & Social Science in 1937, in which he said that Congress could contribute greatly by amending the Radio Act on the appellate provisions, as well as negative any invasion of the rights of the FCC, vested in the Federal Trade Commission and in the National Recovery Administration.

In the field of administrative law, he quoted Mr. Caldwell, Government agencies make their own rules and sit as both prosecutor and judge, Commission should as well as a fine lawyer, Judge Burns said he was certain that he would help Congress streamline the new Communications Act.

Claims Terror Is Not Synthetic

Exclusivity, Judge Burns said, is not as bad as it sounds and is "nothing sinister." He said there was no "statemanlike evaluation of the Commission's work" that he would discuss but that the outstanding reaction of the public. Moreover, he said, the Commission's program on exclusivity is at least doubtful. He declared that MBS have gone to Congress for the answer.

There has been no refutation during the hearing on the charges of glaring errors of judgment and Paley that under the exclusivity rules the "rich get richer and the poor get poorer," Judge Burns decried. He added to Chairman Flay's "first call" statements, but said these could not be read out of the regulations.

Rather than take such drastic action, the Commission could have followed several other courses, but in all the rules it resolved against the networks and the industry in the most extreme manner, he charged. He said it was small wonder the industry was "filled with terror that is not synthetic."

Observing that the testimony of proponents indicated that Col. McCormick and Mr. Strauss were "in denial and other experts," Judge Burns said that if MBS ever gets these rules "all I can say is hold your hats!"

Asked by Senator Wheeler whether MBS were responsible for the rules, Judge Burns said he was perfectly willing to accept Mr. McCorser's testimony that it was not, but he failed to see where they opposed them.

He added that he thought MBS would be "harmed considerably if the regulations are permitted to go into effect."

Essaying to answer the argument of MBS that it was blocked out of 70 cities because of exclusive contracts, Judge Burns pointed out that since 1938 some 150 new stations have been licensed. Judge Burns said that if MBS has received 15 additional exclusive outlets and has 7 outlets which it shares. In 8 cities of the 76, fulltime stations have been granted; in 6 other part time stations have been authorized. Thus, he computed, there are 36 out of the 70 cities which are now available to MBS for outlets. Beyond that, he pointed out, in 26 of the 70 cities CBS cannot get outlets.

Option Time Rule Threat to Networks

Judge Burns said he was still at a loss to ascertain why the Commission proposes to outlaw the option time rule. He said it appeared as though it had been written by a group of publishers or other people who were out to ruin radio. In effect, according to Chairman Flay's testimony, he said, option time would be banned for the networks but they could "buy it." Out of this "twisted conception" he said he could only draw the inference that Chairman Flay disliked bigness. He reiterated he could not determine what public service would be served by the abolition of option time, which he described as absolutely essential to network operation.

No complaint has come from affidavites, he said, referring again to previous testimony of Mr. Paley that in 10 years the affiliated stations have increased their portion of the network dollar from 21% to 49%. He said this did not indicate that affiliates are a "helpless ward of the State."

The one-year limit on affiliation might go as well as 48 hours, he said. This rule denotes lack of practical consideration, he declared. He cited this as one of the outstanding reasons the rules should be shelved, so that the fate of the nation would not be left to the "vacillating whim of someone who happens to head the Commission."

The rule on affiliated station rates similarly was attacked. Judge Burns charged the FCC was invading business practices in the teeth of a declaration by the Supreme Court that it has no such powers.

Single Net Clause Described as Vicious

Although CBS is not affected by the rule requiring single network operation, Judge Burns attacked the rule as the "most vicious of all," he said. He did not propose to pass on the wisdom of forcing NBC to divest itself of a network, but there was the question of power.

Judge Burns recalled that Sena-
Trammell Recites Reasons for Passage

Niles Trammell, NBC president, took the witness chair and explained that he would make the only appearance for the network, save for a discussion of the jurisdictional plates by Mr. Frank Patrick, NBC counsel. Frank E. Muller, vice president and general manager of NBC, and Mr. Patrick, sat on either side of the NBC president.

Reading a prepared statement, Mr. Trammell urged the committee to approve the White Resolution, citing three reasons. He said it was his firm belief as one who had been in radio since its inception, that the rules "will disastrously affect the entire broadcasting structure of the nation; that the issues raised by the regulations are not merely industry issues but are distinctly public issues in no wise they affect the users of 50 million receiving sets, thousands of radio programs, the business life of the nation and the morale and welfare of the American people; third, that a national radio policy defined by Congress is urgently needed now to protect by clear mandate the freedom of the air against either private or governmental coercion to insure the continued operation of broadcasting under the American system of private enterprise.

Stating frankly that the operations of NBC are "seriously affected" and that the welfare of 2,300 employees is at stake, Mr. Trammell said these interests are closely interwoven with those of the many public groups served, the independent stations of NBC and the radio audience who so heartily has approved past service.

Points to Changes In the Industry

He said he was not opposed to the proper regulation of broadcasting under the licensing powers authorized by the Congress and administered by the FCC. Such regulation, he said, is essential but "we are operating under a law conceived 14 years ago and before the present problems of network broadcasting could be foreseen". The vagueness of the old law, the lack of clarification of certain vital principles and the limited rights of appeal "all argue strongly for new legislation as the only solution of the major problems confronting us", Mr. Trammell asserted.

Advertising any intention to defend all of the business practices of the industry or to maintain that service cannot be improved, Mr. Trammell said he felt there are no substantial abuses. He said he did not believe that competition has been or is being restricted and that the whole history of progress in the last 15 years of NBC operation refutes these charges.

Predicting that the changes decreed by the FCC will disrupt the present orderly distribution of broadcast service, Mr. Trammell said they were not the result of public demand or a deficiency in service. "They are the result, apparently, of unproven charges of domination, control and monopoly. They stem from the competitive cry of those who seek, through Commission edict and without competitive effort, to replace the pioneers who developed our American system of network broadcasting."

Under the rules, the Commission essays to regulate the business practices of radio and that constitutes the great danger, Mr. Trammell told the committee. He said the industry never believed that Congress intended to give the Commission the power to regulate business rules or program practices, but that it meant to give the Commission power "to regulate the industry, not to operate it".

After quoting from the FCC minority report that the rules would create "anarchy" or a kind of "business chaos" in which the public would suffer, as well as Senator White's observation during the hearing that the Commission has tended to assert authority it does not have, Mr. Trammell observed that broadcasters, the Commission and Chairman Fly do not know how the new system of broadcasting "can operate under the rules as it has in the past".

Post Mortem Relief Aroused Apprehension

The Commission promises in its report, he said, that if the new order does not work, it will appeal to Congress for legislative help. But "we of the industry appeal to the Congress for relief and clarification now", he said.

"I believe that we are properly apprehensive about the willingness of Congress to perform a serious and perhaps fatal operation, while limiting Congressional help to post mortem relief", said Mr. Trammell. Pointing to the confusion and bewilderment created by the "startling change" brought to the regulations, Mr. Trammell said that neither court determination nor the application of present law nor the mere modification of the new rules, leaving unlimited discretion in the hands of the Commission is sufficient. He asked the broadcasters "to go forward with any confidence as to their future status".

He said he was convinced there is a need for legislative study and action on the problems that confront broadcasting. Like previous witnesses, he referred to the Pottsville decision by the Supreme Court which summarized the distinction between the remedies of litigation and legislation.

Declaring that the industry has set up its own machinery for self-regulation to prevent and correct bad trade and program practices, Mr. Trammell declared that the industry has come down a long road to the point where the Commission now demands that the industry yield to it the control of business practices, under the guise of its ability to grant licenses in the public interest, convenience and necessity. He described this as a real issue and contended that it cannot be resolved by law, not by Commission edict, and that the law should be so defined that the industry will know how to proceed.

Alluding to Chairman Fly's testimony that the new rules constituted a "Magna Charta for the broadcasting industry" on the one hand, and that the regulations were self-imposed on a few small clauses in station and network contracts, Mr. Trammell asked: "Magna Charta or minor operation—which is it?"

Rules Give FCC Limitless Power

He pointed out that the Commission in its report said that if the rules do not achieve the purposes hoped for, then Congress should authorize "local regulations appropriate to a non-competitive industry". In other words, he declared, the Commission foresees the possible breakdown of broadcasting by private enterprise.
It is perfectly willing, when the chaos and business anarchy predicted by the dissenting Commissioners becomes apparent, to recommend that a Government-controlled monopoly be legislated by Congress as the only alternative method of operation.

The rules, Mr. Trammell charged, when stripped of non-essentials, would give the Commission almost limitless powers which it seeks to assume without going to Congress for authority. He said these would strike directly at the freedom of the air and that they are but a prelude to further regulation.

It is significant, Mr. Trammell said, that the "Magna Charta", which has been presented to the broadcasters imposes the death penalty for the infraction of every rule. The station is specifically penalized by loss of its license if it does not accept the dictation of the Commission, he asserted. "With such power of life and death held over the station owner, a nod is as effective as an actual conviction.

Relating that broadcasters are "bewildered by the philosophy of control" expressed by the Commission, Mr. Trammell said the monopoly report is "riddled with innuendo and oblique references". The direct charge of monopoly is not made, he pointed out, but a new slogan, "domination", is constantly sounded throughout the report.

Alluding to the criticism of restrictive provisions in the existing contracts between NBC and affiliated stations, Mr. Trammell said that in order that there be no confusion between the minor and the major issues to be considered, he had taken direct action to eliminate any further need for consideration of "these lesser matters so vigorously complained of by the chairman of the Commission".

Contract Clauses
Not Matter of Issue

He said there had been no secrecy whatever about the terms and provisions of NBC contracts. He mentioned three clauses which Chairman Fly, at another length, criticized. These he enumerated as: (1) NBC is permitted to cancel affiliation agreements on 12 months' notice; whereas the station is bound for a period of five years; (2) NBC prevents the station from having rates for local business below those charged for network advertising by NBC; and (3) in the event a station cancels a network program to carry a local commercial program, the station must rebate to the network the amount the network would have paid for carrying the network program and the amount the station received for carrying the local program. Moreover, requiring that these clauses were placed in the original contract at a time when such arrangements were experimental, Mr. Trammell said to his knowledge the first two had never been enforced and the third had been invoked only on rare occasions when a supplemental arrangement mutually agreed upon by the station and NBC.

None of these provisions has been a matter of issue between NBC and affiliated stations, and NBC has never controlled the rates charged by affiliated stations, he said. Mr. Trammell revealed he had prepared memoranda to all NBC affiliates affected by these contract provisions, "asking them to agree to the elimination of these clauses from our contract".

Another sales policy criticized by a competitor (MBS), Mr. Trammell related, was that which permitted advertisers to combine their billboard and network advertising on the Red and Blue networks for a total volume discount. This policy, he said, is not important, affecting only seven of the network's accounts. Its elimination would increase their expenditures by only 2%, he observed. "We are eliminating this discount and all advertisers will be so notified."

"Now that we have eliminated these 'vicious' clauses referred to in the testimony of Chairman Fly," Mr. Trammell testified, "I would like to disclose that no memos of the committee that the 233 contracts NBC has with affiliated stations, 117 are firm commitments with equal rights of cancellation on the part of the station and NBC. The remaining 116 contracts give NBC an option to cancel on 12 months' notice."

Calling Chairman Accuser, Prosecutor and Judge

Like Mr. Paley, the NBC president pointed out that these contracts do not expire simultaneously and that in the course of any one year, one-half of the stations have the opportunity of changing their network affiliations.

While the new rules are far-reaching in their effect on the entire industry and its service to the public, Mr. Trammell said, they involve in addition "a direct attack upon NBC." He said that Chairman Fly, by statement and inference, "has charged us with being a monopoly, with restricting com- mercial advertisers to exercising proper opinion, with dominating all affiliated stations, and, in broad generalizations, unsupported by facts or evidence, has endeavored to discredit NBC.

Mincing no words, Mr. Trammell said NBC has not been adjudged

**SURVEY OF NORTHLANDS**

Famous Routes to Be Retraced,
Recorded by CJCA

A SURVEY of the vast tracts of the North Country will be under taken. The survey will be served in the form of film and recording, by CJCA, Edmonton, Alta., under the direction of Walter J. Hummert, commercial manager. He will follow the route of the history makers of the early Eskimo carrying the recording unit to bring listeners the first stage-by-stage broadcast of a trip through the country of Robert E. Peary, the adventurer and author of the famous poem, "The Cremation of Sam McGee."

In addition to the recordings, the motion pictures will be made to present irrefutable proof that the North is not beneath a blanket of snow throughout the year but that vegetation flourishes right up to the Arctic Circle.

By crewing the discs to the film taken on this trip, CJCA hopes to have a document of considerable interest to everyone who is still susceptible to the call of adventure.

guilty of any of these charges by a jury, but instead has been condemned in advance by a regulatory body and by a chairman and senior prosecutor and judge."

The FCC has given NBC "a death sentence" on one or the other of its two network services and has said that it cannot operate some or all of the stations it has been operating for many years, he claimed.

Affiliated stations have been ordered not to enter into any future contracts under penalty of revocation of licenses "unless we conform in every detail to the latest edicts of the Commission—the most radical and most severe regulations ever issued by that body," Mr. Trammell said.

"With NBC's progress and development in all phases of radio, Mr. Trammell commented that if it is a crime to grow, to extend service and to make reasonable profits, NBC does not deserve the Commission's sympathy."

Wheeler Criticizes Exclusive Contracts

Mr. Trammell made an all-day appearance at the Wednesday session. Depicting the gradual growth of NBC since its formation in 1926, he pointed out that of the 503 stations in the United States affiliated with the four national networks, 103 are on the Blue network, and of these 103 are on the Red.

When Senator Wheeler asked whether NBC had maintained exclusive affiliation contracts prior to 1934, Mr. Trammell asserted that though there were not written contracts, there was an informal understanding that affiliated stations would not take programs of other networks.

Senator Wheeler, however, said this was a reversal of the former position taken by witnesses for NBC at past proceedings, the contention then having been made that affiliates were kept because of superior programs. He insisted that no particular class was created by virtue of non-exclusive contracts and that NBC, prior to their introduction, progressed successfully.

Now, the Montanan continued, the principal networks come before this committee and say that without exclusive contracts radio "will go to hell." He said this sort of argument might impress some people, but he "had been through the mill." If the gentleman's agreement worked in the early days, he said, felt it could work now. Moreover, Senator Wheeler declared some stations agree that exclusive contracts are unimportant transfer of a substantial portion of station time to the control of the networks. He said he thought that the network argument that the Commission had no such powers was fallacious.

Mr. Trammell cited that long-term contracts were essential for stable network operations for various reasons. He recalled that when NBC first placed network service in Montana, the operation was in red ink for three years but now is profitable. If there had been no five-year contract, the stations could have switched to another network and he insisted this would not have been fair.

Flicking through his prepared statement, Mr. Trammell cited the virtues of dual network operation by NBC, particularly in connection with service programs. He read into the record comments from Mr. Wheeler that NBC had maintained exclusive affiliation contracts prior to 1934. Mr. Trammell asserted that though there were not written contracts, there was an informal understanding that affiliated stations would not take programs of other networks.

Senator Wheeler, however, said this was a reversal of the former position taken by witnesses for NBC at past proceedings, the contention then having been made that affiliates were kept because of superior programs. He insisted that no particular class was created by virtue of non-exclusive contracts and that NBC, prior to their introduction, progressed successfully.
leading ecclesiastics, commending NBC’s contribution to religion.

He recounted also NBC’s contributions in the fields of education, women’s and children’s activities, music and informed public opinion. This 15 years of development in working out a “balanced diet of public service programs” was effectuated with the approval of the NBC advisory council of distinguished women, he said.

Mr. Trammell said he wanted to emphasize that these policies “were not laid down for us either by Congress or by the FCC.” Now, the complaint’s monopoly report is there about NBC programs or program policies, he said.

**Cites Expenditures For Program Service**

Asserting that a 15-year record of constantly improving public service should not be lightly overlooked or brushed aside, Mr. Trammell declared that service to the public should be the major test. He estimated that NBC had spent more than $45,000,000 on sustaining programs. In the face of that, he declared, NBC has been charged with being “a large New York corporation” that had made “plenty of money.” The record shows, though, there is “something wrong about profits.”

The record shows, he revealed, that NBC has averaged under $2,000,000 per year in profits for the 15 years of its existence, representing a net profit of 7.29% of its gross income. He pointed out that last year NBC paid Federal, State and local taxes of $2,510,000.

In constantly seeking to improve and expand service, NBC has conducted extensive research and has spent an average of a half-million dollars a year for this purpose, he said. Expenditures for research and development have been increased, he pointed out, as income made it possible, and for the last two years NBC has spent almost a million dollars a year on television alone.

The monopoly report had said that broadcasting is “just a play-thing” compared to the operation of television. NBC, he pointed out, had spent about $2,000,000 on laboratory development.

Mr. Trammell said NBC also has been a pioneer in international shortwave broadcasting and that until two years ago the regulations prohibited acceptance of commercial international traffic for service. Declaring it is still being operated at a loss, he said the service has been maintained by the company throughout these years in conformance with the policies and desires of the Government in international relations. For five years the intercontinental division has in fact maintained a daily schedule of programs in six languages and this service is now on a 24-hour basis, he said.

**Loss of Blue Would Limit Sustainers**

Interrupted by Senator Brooks (R-III) on program development, Mr. Trammell said that if NBC is forced to sell the Blue, it would not have the time on one network to provide the same degree of sustaining program service. MBS, he said, since its formation in 1934, has had the opportunity to spend and develop as has NBC.

Senator Wheeler interjected his repeatedly expressed idea that network advertising, as a matter of public service, should work out means of providing truly national service even if less profits were earned.

Asked by Senator Andrews (D-Fla.) about network religious broadcasting, Mr. Trammell said that both NBC and CBS provide sustaining service, but that in the case of Mutual he did not know what they did in a sustaining way, although he knew they had some “commercial religious broadcasting.”

Charges had been made, said Mr. Trammell, that NBC does not pay its stations a satisfactory stipend. He introduced an exhibit on distribution of revenue from sale of network time for 1940. The aggregate was $25,882,605, after taxes and agents; from this amount $10,562,213, or 44.3%, was paid to affiliated stations, he said. The balance of $13,320,395, or 55.7%, was retained by NBC and from which it paid wirelines, sales expense, sustaining service, studios, network staff, etc.

Mr. Trammell said he did not know that the return of the New York key stations of NBC amounted to, since books were not kept separately. He said gross network sales on the 10 managed and operated stations amounted to $7,700,000 during the year.

**Denies Domination Of Public Opinion**

Answering Chairman Fly’s charges of domination, which he described as a “synthetic creature,” Mr. Trammell said the FCC chairman is a nonentity and that NBC and CBS, as well as their affiliated stations, and dealing with them in terms of gross wattage, had turned two of the most aggressive competitors in American industry into “Siamese twins of his own imagination.”

He said the networks in fact are separate and apart and compete for advertising, station affiliations, programs, news scopes, prestige and the ear of the listening public. “Yet Chairman Fly charges these two companies with a joint control of our national public opinion,” he said.

Denying the accusation of NBC domination of public opinion, Mr. Trammell said that no broadcast station should be permitted to procure such a hold. “I am for any action that it would please Congress to take to prevent even a possibility of control of the air,” he said.

Asserting that the worst domination that could be visited upon public opinion is “domination by a political commission,” Mr. Trammell related that the FCC chairman had given “reams of testimony on what he says is a threat to public interest inherent in the operation of nationwide networks, although these actively and aggressively compete with each other.”

He added the chairman had nothing about the “danger of the assumption of unlimited power by a Commission which consists of seven people, as a matter of course from Congress to make and enforce its policies,” and sound.”

It is as important for Congress to guard against this type of domination, he said, as the remote possibility that a network operator “would commit business suicide” by violating the policies which now guarantee freedom of the air.

**Problems Raised By Television**

The confusion and bewilderment of NBC resulting from the Commission’s new regulations in the standard band “are even more apparent” when television is considered, Mr. Trammell told the committee.

He said all that broadcasting has achieved today is dwarfed by the vast possibilities of television.

Pointing out that NBC has the advantage of more than $12,000,000 poured into television research and has spent millions to pioneer establishment of the first public service television network, he went on, as he is against return,” he said his company recognized the great possibilities of this new service and the contribution a new industry will make to the nation’s health program when the present emergency is over.

NBC feels that television must begin with a network and has been doing it. The FCC, he said, brings about the expeditious development. By limiting television licenses to three stations for any one license, the Commission has hamstrung this development, he declared.

Now the FCC has ordered NBC to divest itself of one of its network services and threatens it with the loss of operation of standard broadcast stations, he said, while at the same time it encourages entrance into operation of new stations in television and FM. He pointed out that the older service of broadcasting is profitable but the new services have yet to produce any revenue.

“Apparently the Commission favors our loss of present investments in order to invest in new fields,” he said. “Under the circumstances how can any one know what to do? We cannot plan our course until the Congress has determined definitely what it expects of those engaged in the business and service of broadcasting sight and sound.”

**Blue Network Arouses Interest**

Taking up the Blue Network issue, which he called the “orphan of this country,” Mr. Trammell said that since 1936 NBC has had “about three offers for the property.” But he declared there has not been a single offer since issuance May 2 of the FCC by the new rules. Moreover, he said, none of the original prospect have shown any interest.

Mention of the Blue Network sale excited particular interest among committee members and Mr. Trammell found himself interrupted frequently. The Commissioner suggests, he said, that NBC dispose of the Blue as though it were an entity and on the assumption that NBC has the rights of the affiliated stations now contracting for Blue network service.”

Chairman Fly, who “interprets the new rules to fit the needs of the occasion,” he said, holds that the Blue can be transferred as going concern, that contracts of affiliates will remain stable under new recovery and that business now on the books can be trans-

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**JUNIOR C. OF C. AWARD**

In a radio activity competition between 29 similar groups in California was won by the Oakland Junior C. of C., which utilized over 85 hours of time during the past 11 months on KROW, Oakland. Inspecting the team are (l to r) KROW program director; Jean Bell, radio committee chairman of the Junior C. of C.; and A. Hubbard Moffitt Jr., president of the local group.
ferred with the cheerful consent of advertisers. Calling this inconsistent, Mr. Trammell said the Commission states on the one hand that the stations are to be freed of these restrictive contracts of affiliation and on the other hand tells NBC to "sell these contracts" and transfer them to a new owner.

The Commission and its chairman, he said, did not understand that all of the great programs now on the Blue Network will continue as usual." He said he interpreted Mr. Lombardo's testimony to mean that the Blue Network was far more than its proper share of public service programs to mean that he feels such programs should be replaced with commercials by the new management.

**Difficulty of Placing A Value on the Blue**

"The Commission has ordered the disposal of one of our network stations, which orders destroy existing contractual relationships, prohibit exclusivity of affiliation and optioned time and create situations that seem to be a practically a death warrant for the Blue Network," he continued.

Mr. Trammell questioned how either seller or purchaser intelligently could estimate the value, future stability or future profits of the Blue Network. He said he understood the Commission had issued "clarifying orders" modifying the "day execution" but said that a great deal more than time is involved. Asked by Senator Wheeler what NBC had to sell aside from its own stations, Mr. Trammell declared that in his judgment it has only key station WJZ in New York and the half-share station WENR in Chicago. Since all contracts would have to be rewritten under the rules, he said a scramble for Blue affiliates unquestionably would result and to this he judged there would be only three competitive networks with one partial network as against the "five or six networks" predicted by Chairman Fly. It would seem, he said, that all of the contracts of Blue affiliates would be "thrown up in the air on Aug. 2, with NBC, CBS and MBS all scrambling for them."

As asked by Senator White what practical difference from the standpoint of service to the public there would be if NBC owned its own network in two units against a single unit, Mr. Trammell said this could not be accomplished without obligations of service in the same area.

Mr. Trammell declared that the value of the Blue is gone under the new rules. With the predicted reduction in network programs the same obligations would be present, he said, and there would be a loss to the public rather than the increase foreseen by Chairman Fly.

Reverting to testimony of Chairman Fly that the Blue would be easily and that NBC had exaggerated the effect of the rules, Mr. Trammell said he took it that "we are going to have his assistance and that of the Commission in disposing of the Blue Network and that at least, if he is unconcerned about the effect of such a sale on the NBC, he is certainly strongly believes, that the Blue Network will continue under new management as a vigorous and successful network." He felt the potential purchaser should have reason to assume as to this being possible than are furnished by either Chairman Fly's statement or the new rules.

**Public Service Programs Might Be Endangered**

Mr. Trammell explained that in addition to WJZ and the half-time WENR, the Blue Network owned the two stations, and the Blue could have used in this transaction another station. He said that these transmitters, partition of studios and plant equipment now was used jointly for Red and Blue programs and putting on the block those NBC employees who have been with the company for years, whose services are no longer required for the remaining operation.

While the serious business and personnel problems created by the Commission order are of grave concern, he said the loss in public service is of greater significance. In this connection, he mentioned the National Football Association, broadcast continuously for ten years as a sustaining feature on the Blue, although it could have been sold commercially many times.

When NBC dispenses of the Blue, he said this program could possibly be transferred to the Red, providing those stations wanted it and would replace time now sold for sustaining features; the new operators of the Blue could take it over provided they did not take Chairman Fly's suggestion that there is much more ice on the Blue and that it should be replaced with a commercial, and third that the program could be abandoned. He called the latter not an unlikely possibility.

A number of other public service features likewise would be threatened or go by the board, such as the "in the Air" of the Damrosch Music Appreciation Hour, Metropolitan Opera and others.

Declaring he did not want to oversimplify the situation, Mr. Trammell said it did not seem to him that on the "vague charge of domination and monopolistic practices, unsupported by any evidence of injury to anyone, the NBC is suddenly proclaimed a menace to the public interest because of the extent of the service it renders."

**Program Shifting Between Red and Blue**

Quickly challenged on this statement by Chairman Wheeler, Mr. Trammell nevertheless said that he flew decreed the separation of Blue programing and that he doubts the assumption that a better public service might be rendered. He said there was not a thread of evidence in the testimony that NBC had not rendered an adequate public service.

Chairman Wheeler interposed he felt the observation was exaggerated and that while he did not agree with what the Commission proposed to do, he did not think it was a fair interpretation of the rules. Declaring that Mr. Trammell had "put a halo around the head of NBC as a perfect service," Chairman Wheeler declared he thought the network had done a good job but that there is room for improvement.

The more fact that NBC controls two networks would not make it a monopoly, he commented. The FCC apparently thought, he related, that it would be more in the public interest if there were four chains and if the Blue were an independent operation since it might become more aggressive and render a better public service.

Mr. Trammell retorted that he thought the rule requiring the separation of the Blue Network was "one of the main reasons why Congress should investigate that industry and approve the White Revolution."

"Chairman Wheeler asked about the earnings of the Red Network as compared to the Blue, Mr. Trammell said that separate books were not kept but that he "assumed" the Red network made the substantial profit and the Blue did not. When Chairman Wheeler asked about the shift of worthwhile programs from the Blue to the Red, Mr. Trammell said this worked both ways. He said that certain programs had been shifted to the Red upon insistence of the advertiser and because of distribution. Moreover, he said that many advertisers desire the Blue because the rate is about half that of the Red.

Chairman Wheeler, however, said he felt that if the Blue were owned by some aggressive group, "like Mr. Paley's organization," it would get better programs and do a better business. He added that one of the reasons CBS has done such an outstanding job is because it "belongs to Mr. Paley and his family."

**Refers to Claims Made by Mutual**

Mr. Trammell placed in the record a summary of network program switches from one network to another from 1934 to date. He recited that there had been 19 programs.
Conceivable administrative regulation," let power, give up he enterprise comes in pelition, distinguished from administrative done only May 70% of NBC is networks without central studio facilities, undertaking no engineering developments, contributing nothing to research or new service, as contrasted with the large sums poured into such activities by the "pioneer networks." MBS, he said, has complained that its ability to compete has been hampered by the older networks. Yet, he said MBS in statements to the advertising trade, "refutes its other competing political statements in MBS advertisements that it is "America’s fast growing network," that it covers 227 of the first 300 markets," that "two new network advertisers select Mutual for every one who selects any other broadcasting firm," and that it has "regular network coverage of the coast," that it has more retail sales." Yet, Mr. Trammell said, Mutual cries that competition has been unfair.

Chairman Fly, Mr. Trammell charged, seems to feel that station contract affiliations should be altered and the Blue Network dispensed of in order that Mutual may be able to tone down service in key stations and in more markets. "In other words, Chairman Fly agrees with Mutual that they have gotten after a period of years from the public and he and the Commission want to help them do better and at the expense of the Blue Network."

**Fears the Red May Be Next**

Urging that if a separation of NBC is to be forced, it should be done only after legislative as distinguished from administrative action, Mr. Trammell declared that if the Commission is allowed to compel disposition of half of NBC’s property and if Congress does nothing about it, "don’t be surprised, if six months from now, Mr. Fly comes in and tells us that NBC has to rid itself of half of the Red Network." He observed it would be too late to protest "because his power has been consumed."

"Nowhere in the history of administrative regulation," Mr. Trammell charged, "has so brutal a method for the amputation of a major portion of a major enterprise been invoked." In effect, he said, Chairman Fly proclaims: "Bend your knee, concede my power, give up the BNC, and let you live—you may keep the Red."

If Congress by failure to act now concedes to Chairman Fly the power to force us to give up half our property, then Congress need not be surprised when it learns in it not-too-distant future, that Chairman Fly has taken over the entire radio industry, Mr. Trammell shouted.

Taking up the rule which would ban ownership of stations except in three key cities, Mr. Trammell said that key stations have been fundamental in network broadcasting as originating centers. Pointing out that NBC has ten managed and operated stations, he said the original grants of license by the FCC and the annual renewal of each, is evidence that operation of the stations has been in complete accordance with the law.

NBC does not understand any reason for, or the justice of the Commission’s order which, he said, decree in effect that the Commission will deny a license for any station to a network organization which operates another station in the same area or will refuse to renew a license to NBC to operate a single station in any area where other stations are few in number or less strong in power than the station now operated by the company.

**Penalizes Pioneer In Favor of Newcomer**

This rule deprives NBC of the right to operate any station in Washington, Cleveland or possibly in other major markets. Again, he charged, the only justification is "the vague charge of domination, of monopoly, of control and of rendering too exclusive a service." Declaring the rule simply takes from one to give to another, Mr. Trammell assailed it as penalizing the pioneer in favor of the newcomer. The exchanges place good service for something unknown and destroy under terms of forced sale, investments made during years of creative work, an energetic effort to build up the stations.

"Finally," he declared, "it destroys all faith in the fairness of a regulatory body which, when the risk is great and revenues non-existent, encourages a citizen to acquire a license, only to deprive him of it years later because he has been successful."

Insisting that the public would not benefit, Mr. Trammell asked whether this was a game where private enterprise, operating under the regulation of a Commission with a mandate from Congress to ‘foster and encourage the art’ is first cowed, then insulted in and later "kicked out?" NBC, Mr. Trammell testified, currently is licensed to operate in New York two standard broadcast stations, two internation stations, one frequency modulation station and a television station. The latter two are non-revenue producing and already represent substantial investments with profits a long way off.

Under the new regulations, the FCC says it is bad policy and against public interest to operate more than one standard broadcast station in New York but in the public interest to operate the other non-profit making stations, he went on.

While the new rules apply only to the standard broadcast band, he said that if the same reasoning is followed, more new rules can be issued at any time to deprive NBC of any and all of the four stations in the other fields. "I think it is plain, gentlemen," Mr. Trammell said, that the new rules issued by the Commission are not only destructive of the present system of network broadcasting in the standard band, but also of the future service in the high-frequency band yet to be created."

**Sees Inconsistencies In Cleveland Cases**

Attacking the "Cleveland situation", previously cited as an outstanding case wherein MBS has been unable to get a fulltime outlet, Mr. Trammell said that in effect the Commission is trying to force NBC Mutual in 50,000-watt WFTAM, when years ago it could have granted additional facilities in the city. After he had recited several instances in which the FCC had denied applications for new stations in this city on one ground or another, he declared there are still pending two applications for new outlets which, if granted, would provide adequate facilities according to the Commission’s conception of adequacy. All told, he reported an examination of the NBR which shows that since 1930 there have been 19 different applications for an additional station or for fulltime on a present station in Cleveland. In the Commission either has rejected the applications or taken no action.

Senator Wheeler interposed that he could conceive under any the FCC will make a grant in one case and deny in another on substantially the same set of facts. Alluding as he had in the past to “politics” in FCC actions, Chairman Wheel er said that in some instances the Commission makes grants without hearings and in others requires protracted hearings at great expense to the applicants. He said there should be a general rule that would apply to the poor or rich, influential or unimportant political backing, on an equal basis. "I think it is outrageous now," he said.

Senator White observed that as long as the chairman "talked that way," that made him quiet and simply agree with him.

The clear-channel situation also entered the affair when Chairman Wheeler said that he felt the Commission had been somewhat derelict in pronouncing itself in the regard. He said he did not believe, however, that a station in Boston would interfere with a clear-channel station on the Pacific Coast and that greater service would be rendered.

Mr. Trammell, in his recital of several denials of applications for new stations in Cleveland, pointed out that in certain instances the Commission had assigned as reasons for the denials that the service was limited to the 4.8 millivolt line at night. This limitation has since been frequently exceeded in other locations, even to the extent of interference on the 9 or 10 millivolt line, he said.

**Westinghouse Shifts Interest Wheeler**

At the outset of the Wednesday afternoon hearings, Senator Wheel er, reading from a memo, inquired about the shifting of KDKA, WBZ and WWJ from Red to Blue, pointing out that the Farm & Home Hour thereby loses high-power outlets and rural audience. Mr. Trammell explained that KDKA and WBZ were being shifted to the Red upon insistence of Westinghouse, which has resumed their operation after a period of NBC management, and said otherwise, "the development of a competitor". Asked why, if the Blue is such a good network, the owners wanted them on the Red, Mr. Trammell said, "because of a deal they make more money on the Red. We’ve never contended otherwise."

Mr. Trammell added that the staffs of Red and Blue were separated as soon as he became president a
year ago; they now operate, he said, with separate sales and promotion staffs and "they are doing extremely well!".

Resuming his direct statement, Mr. Trammell vigorously denied Chairman Fly's contention that the networks controlled not only the time of affiliates but the public opinion of the country "through a vicious restriction of the stations' freedom of action". Asserting the contrary is true, he declared stations affiliated with NBC always have had the privilege of rejecting network commercial; or sustaing in favor of programs of local importance. He submitted a list of network commercial rejections showing 2,091 commercial program cancellations by stations during 1940 and 1,902 during the first five months of 1941.

"I feel," he said, "that this is the best evidence we can present to disprove the charge of domination over our affiliated stations, or the contention of Chairman Fly that the local station is prevented from carrying a broadcast by the Daughters of the Confederacy or a Senator, to take a network program consisting of a blonde gal from Hollywood who might happen to be on a commercial program. We have never forced them to forego broadcasts of local interest in favor of those offered by the network."

Believes Rules Foster Monopoly
As to exclusivity, Mr. Trammell declared the new rules forbid any station to contract for exclusive network service and make it impossible for any network to render it, thus making it "impossible to assure religious, educational and civic interests, as well as advertisers, to either completeness of coverage or continuity of service."

"In essence," he said, "the rule more viciously fosters monopoly than could any possible restraint which now exists in the industry. If there is 'dominance' in the fact that four competitive networks serve in 500 stations now operate in the standard field (and no such dominance has been proved), what would happen if the best programs, the best features and the largest advertising accounts gravitated, as they would, to the 50 or 60 most powerful stations in the country? Yet that is exactly what would happen under the so-called non-exclusivity rule."

Senator Wheeler then pointed out that NBC has no-exclusive contracts with WDAF, Kansas City; KQW, Milwaukee; WLOM, Des Moines Register & Tribune station, on the Blue, Mr. Trammell, admitting this, said, as a matter of practice WDAF actually takes NBC-Red exclusively, though KQO does take some MBS programs. Senator Wheeler observed that perhaps their independence was attributable in part to the powerful positions by reason of their newspaper ownership.

"Under the new rule," Mr. Trammell responded, "there will be little competition and confusion. Stations will rush for the best features of every network service. Advertisers will try to preempt the best hours on the best stations. Timebuyers will inject unfair methods of competition. Advertising agencies will make their own arrangements for 'frontpage' positions with the bigger and better stations."

He continued that, without exclusive tieups of stations with networks, the possibility of getting better stations for exclusive shows or special features becomes remote. "Every public service program which NBC would offer would be more competitive, and timebuyers permitting the commercial and public service offerings of every other network for that period. There would be no incentive for public organizations to build up at any cost a network to build competitive recognition and prestige. With the development of public service stations the remain will be local service. National service will become the exception, not the rule."

Option Time Not Objectionable

It would be a simple matter, Mr. Trammell explained, for advertising agencies, already equipped with expensive production departments and studios, to build up their own programs. Even now, he said, many advertisers custom-build their own networks to their own distribution needs but within requirements set by the networks. Senator Wheeler said that even as far back as 1930 an advertiser could purchase as few as 10 NBC-Red stations during evening hours, today it is necessary to minimum of 60 outlets. In May, 1934 the average number of stations on an evening Red program was only 40; by May, 1941 it had increased to 75, he said.

Chairman Wheeler at this juncture observed, "I can't see any excuse for not giving you option time if I were a station and wanted to give it to you. Unless there is some reason I don't know of now, I think the Commission is wrong."

Mr. Trammell pointed out that already competitive advertising media are making capital of the present plight of the networks in Washington, and expressed fear some advertisers may be deflected away from radio.

The new regulations, he went on, make it impossible for NBC to maintain these minimum require-ments. "We charge that the Commission, unwittingly perhaps, in its efforts as a service station to free stations from the domination of the major networks, has successfully thrown the domination of radio into the hands of a limited group of stations and a few large advertisers."

"All the advertiser has to do," he observed, "is just rent a theatre and order phone lines." Mr. Trammell then showed the commission the three projected maps of the kind of networks the advertisers might order if given free choice to operate their own switchboard hook up. The first map, outlining what he called the No. 1 Advertiser Network, showed 64 stations affording effective ground-wave coverage of 92.4% of all the radio families in the United States; its time, 9-10 o'clock Monday night, could be purchased for $12,015. A second map showed what a second advertiser would then be left to buy to even approximate the same coverage; it showed 160 stations covering 76.4% of the radio families of the country. Chairmans hook up would cost $14,788. A third network would be virtually impossible to set up to give comparative national coverage, regardless of the number of stations the advertiser desires to buy or the amount of money he has to spend, he said.

Fears Advertiser Corner on Networks

"The significance of these maps," Mr. Trammell asserted, "is to show what startling in contrast with Mr. Fly's statement that he believes that five or six national networks are possible under the 'new freedom.' It looks to me as if even three would be impossible." After reiterating his conviction that the bulk of the advertising revenue would be reserved "to a relatively few of the country's major stations," Mr. Trammell was asked by Senator Wheeler whether this contingency can be remedied by permitting option time.

Mr. Trammell replied that no network now has a corner on major stations, but under Mr. Fly's "scrambled system" he said the advertiser will get the corner.

Senator Wheeler inquired how NBC operated before it had exclusivity rules. Mr. Trammell replied that the radio advertising business has changed considerably since the old days; when NBC had no exclusive contracts, it was doing some $19,000,000 worth of business, whereas now it does $45,000,000 or more.

Explaining option time requirement, Mr. Trammell declared the prohibition on option time "strikes directly at the heart of network broadcasting."

"In building up radio," he said, "it is seen that the common interests of stations and networks to reserve, or option in advance, definite hours for network service to individual stations, so that there may be a assured time for fixed features and the proper balance between local and national programs."

By this means the listener knows when and where to tune in for programs of his choice; the advertiser is assured of definite time and definite coverage; the station can dispose of its hours as between local sustaining and commercial programs; and networks are enabled to plan in advance, as they must, their schedule of operations."

Time Reservations

Insure Stability

NBC recognizes the needs of local service, Senator Wheeler said, by offering his options from its affiliates 10-12 in the morning, 3-6 in the afternoon and 7-7:30 and 8-11 in the evening, with slightly different schedules for Sunday. Under the plan, stations operate 18 to 20 hours daily, this gives NBC a call on less than 50% of the station's operating time.

He offered a chart to show that national network time sales amounted to less than $71,919,428 out of the $164,823,787 worth of radio business sold during 1940, according to the FCC's own recent figures. He went on to show by the figures that the total sale of time by the networks is less than the sale of time by the stations themselves; that local sales went up 20% last year as against 15% for networks; that stations affiliated with networks do better in local time sales than those unaffiliated.

"The truth is," he asserted, "that under NBC contracts with its affiliates, local stations always have had and have now the right to reject or cancel any network offering. Time reservations are made for the purpose of insuring stability of stations. It imposes no restrictions on local station management."

"Under the chairman's new pro-
DECKED in their Sunday finest—dress and manners—were the children of KOF, Phoenix, employees, who were invited down to the station with mother to receive Defense Savings books each containing a dollar's worth of stamps. I'll be up to get the last of them.

Making the presentations is Jack Reilly, commercial manager. Recipients are (1 to r) Mrs. Joe Dana and little Carol, Kathryn Mawhinney (standing) Ann Mawhinney, Velda Jean Clelland (standing), Judy Dana, Mrs. Pat McCallion with Nancy, Jack Reilly, Mrs. Rod Clelland with Roderick II. Seven other children not shown here also received books.

Mr. Wheeler said, affiliates tracts best hours their networks. Where they Sees Difficulty in Starting Litigation.

The Communications Act authorizes the Commission to grant or deny applications but does not give the power to grant "interim relief", he said. Mr. Patrick said that if the court has the power to grant interim relief if the Commission consents to that action, in view of the status of the Scripps-Howard stay order case.

Another question which should be put to the Chairman, he submitted, was on what grounds the FCC would grant interim relief. Finally, he said, the Chairman should be asked if, in the event interim relief should be granted by the Commission or the court and the final decision proved to be in favor the Commission, the Commission would relicense a station agreeing to conform to the new regulations.

Mr. Patrick said that all of the regulations are primarily directed against licensees, not networks. Without assurances from the Commission, he said, stations would be reluctant to initiate litigation. Mr. Patrick said that because of the lack of court precedent, the courts were not clear which tribunal had jurisdiction.

Alluding to the invitation of Chairman McCallion to the networks to discuss modification of the rules, Mr. Patrick said that in his judgment for the networks to seek any substantial amendment would be "the height of futility".

If the Commission has the power to make rules, he said, it has the power to amend them. The industry, in point, was "a moving target", he said, and the legal remedy is more apparent than real.

Ascertaining that many changes in the law are urgently needed, Mr. Patrick said the only question is "when". Congressional action might be slower but it was vastly more desirable, he said.

Morency Explains IRNA's Viewpoint. Appearing for IRNA, Paul W. Morency, vice-chairman of the affiliate group and general manager of WTIC, Hartford, explained functions of the organization.

The present law written in 1927 and only slightly modified in 1934, he pointed out, deals exclusively with network stations and gives no recognition to the fact that national service is network service.

The majority of radio operators believe that further development of network broadcasting requires frank recognition in the law, he said. Existing contracts are not entirely satisfactory to affiliates, he went on, but there is no unanimity among them regarding methods to be adopted for effecting the desired changes.

After explaining the background of the case to protect the interests of affiliated stations, Mr. Morency said that while it has accomplished results in copyright, IRNA's Viewpoint. The case has limited the laws on length of commercial credits, IRNA has not made satisfactory headway with networks on other matters, such as "station breaks and similar commercial considerations".

The IRNA convention in St. Louis May 15, he pointed out, was not designed to grant relief to specific stations. He believes the FCC rules would seriously impair the ability of stations to render public service.

For the Interstate Commerce Committee, Mr. Morency related a questionnaire survey was made of affiliated stations of national networks to ascertain whether they approve the action of the IRNA convention.

Replies were received from 232
stations, of which 62 were affiliated with CBS, 53 with NBC Red, 66 with NBC Blue, and 61 with MBS. On the convention resolution, 216 stations approved the action and 15 disapproved of the MBS, as against 37 NBC stations which voted affirmatively. Of the MBS affiliates, 17 also had affiliations with other networks, 3 with CBS, 10 with NBC Blue, 1 with NBC Red, and 3 with both Red and Blue, he pointed out.

**Stations' Approval Of White Resolution**

Another question asked the opinion of affiliates regarding the resolution adopted by the board to support the White Resolution. Of the aggregate, 210 approved and 15 disapproved, with 12 MBS stations in the latter category.

To inquire whether the best interests of the industry and the public would be served by settling questions by business negotiations between affiliates and networks, rather than by Government regulation, 205 stations expressed approval of the business negotiation and 18 disapproval, with 12 of the latter being MBS stations. A fourth inquiry related to the manner in which it is necessary to adopt needed changes by Government regulation and that if they were individually prepared to accept the regulations in their present form, even though they may not agree with them entirely. Of the aggregate vote, 210 stations disapproved this, 11 voted affirmatively, of which 10 were MBS.

The final question asked was that the affiliates believed the changes they want could be accomplished only by Government regulation. On this, the network regulations were, as expected, approved by 2,057 stations. The aggregate of 2,847 stations approved the middle ground by negotiation. Of the aggregate, 160 stations disapproved, while 61 approved the "middle ground" course. Of the latter, 17 were MBS, 16 Blue, 15 Red and 13 CBS.

Mr. Morency concluded there is evidence of differences among affiliates with their existing contracts and substantial numbers of affiliates favor some change in the status quo and approve an effort to find "a middle ground".

"Nevertheless," he said, "it is clear that the overwhelming majority of contract affiliates believe the regulations as drawn go far too far and will impair service to the public."

**Gillin Says NBC Has Been Cooperative**

Speaking as an individual station executive, John J. Gillin Jr., general manager of WOW, Omaha, delivered a powerful argument against the rules, aimed essentially at disruption in business aspects of broadcasting.

From the practical standpoint Mr. Gillin pointed out that WOW is an NBC-Red outlet and has a five-year contract expiring in 1946. The station has maintained cordial relations with NBC both under its exclusive contract and option time provisions, and has always been able to accommodate the needs of local and national spot advertisers, as well as public service programs, he said.

When network commercials have interfered with other programs, NBC has authorized delayed transcription broadcasts and has cooperated at all times, he said. Mr. Gillin stated WOW preferred a limited number of block time stations, a matter on building of audience appreciation. To do that, there must be "reasonable permanency of affiliation", he said, calling it a very valuable means since it is steady, continuing program service.

**Campaign Novelty**

NEW wrinkle in political campaigning by radio was introduced at KTRA, San Antonio, on behalf of Lyndon Johnson's candidacy for U.S. Senate. Mr. Johnson, a Tejana, Tex., went Jack Mitchell, special events chief, with remote equipment. It was set up in the town hall, shop, and the town's citizens were interviewed as they came in for haircuts and shaves. KTRA did not report what Mitchell did when ad lib responses weren't in favor of Mr. Johnson's election.

**Cook Tells Benefits Of Long Contracts**

Samuel H. Cook, president of WFBL, Syracuse, largely echoed Mr. Gillin's views on network affiliation, explaining his station had been a basic CBS affiliate since 1927 and was one of the original stations of the network. When WFBL was purchased in 1932 by a group with which he was associated, he said one of the principal assets was its contract with CBS.

Pointing out that the station recently planned to underwrite a $140,000 improvement program, Mr. Cook said that before this was undertaken, CBS was asked to extend the affiliation contract of the station from Jan. 1, 1941 for five years, replacing the contract which was to have expired in 1943. His company did not want to commit itself without an assurance of long-term network service, he said. Had he known of the monopoly regulations at the time this contract was drawn, Mr. Cook declared, his company might not have gone into its expansion program.

Mr. Cook asserted that option time requirements had never prevented WFBL from operating in the public interest and that the network repeatedly had cooperated on program clearances. He declared it was definitely convinced that option time and long-term contracts are necessary for orderly operation of station and network.

In reply to Senator Brooks, Mr. Cook said his contract with CBS did not carry the 12-month cancellation clause in favor of the network and that he regarded mutual cancellation privileges as desirable. He said he would regret to see the FCC make its regulations effective at this time and that as a "businessman he would like to know where we are going". If CBS is injured, he said, all stations on the network will suffer, and this will apply throughout the industry. He urged Congress to enact new law and pass the White Resolution.

**No Public Complaints, Miller Asserts**

Winding up the day's session, NAB President Charles Miller summarized what he regarded as the over-all effects of the new regulations and gave to the committee the background of the St. Louis NAB convention.

Seeking first to explore the Fly view that tremendous domination of the White Solution chord, Mr. Miller declared: "The theory is, the station's audience is the networks and vice versa. It's a good theory. We have a situation where all the networks are commercially conditioned at the same time. Believing that all the networks are equally commercial, therefore the networks must co-operate. The networks being co-operating, therefore all the networks get the co-operation of the station. The networks getting the co-operation of the station, therefore the networks have co-operation with all the stations. But Mr. Miller stated that the White Resolution theory is not valid. "It is the actual practice of all the networks to co-operate," he said, "and it is the actual practice of all the networks not to co-operate."

The networks are not co-operating, he declared, and they will not co-operate in the future. The networks will not co-operate because it is a commercial practice, he asserted. The networks will not co-operate because the networks are not co-operating."

The networks will not co-operate, Mr. Miller concluded, because the networks are not co-operating."

TO MAKE SURE of getting the audience of Nova Scotia's most thickly populated area it is hardly necessary to stress the fact that the station is .

**CHNS**

Halifax, Nova Scotia

JOS. WEED & CO.

350 Madison Avenue, New York

Representatives
FOR SERVICES "rendered to the Veterans of Foreign Wars, their widows and orphan residents of the State of New Jersey," WHOM, Jersey City, received on a June 11 broadcast this engraved Certificate of Appreciation. Accepting the award on behalf of the station during the special commemorative program was West W. Willcox, WHOM assistant manager (left), from Daniel J. Law, Third District Commander of the VFW Department of New Jersey. WHOM at the 11th hour of the 11th day of each month carries a special VFW program, Speak Up for Democracy.

over affiliates is exerted by the networks and that stations could not "call their souls their own," Mr. Miller said there had been no complaint from the public, from advertising agencies, or from affiliated or independent stations about undue monopoly in radio.

Mr. Fly sought to impart the view that stations are the "slaves" of the networks, he said, but he failed. He said, "the proper procedure, he developed for the purpose of "beclouding the issues." He suggested that the stations themselves be asked whether they were dominated.

A n s w e r i n g Mr. McCooker's charge that the NAB did not speak for the industry, Mr. Miller pointed out that the NAB has a large number of broadcast station members and that this total is greater than that which preceded the convention, though several MBS stations resigned.

The proper procedure, Mr. Miller declared, is to have the Senate make a study of the whole regulatory picture and draft new legislation. He said the present law "is in a fearful state of mind" because of the assumption of power by the FCC. It is getting "awfully close to censorship," he said, and stations are fearful they are going to lose freedom of the air.

Mr. Miller admitted the industry gradually is approaching the point, due to the indefinite determination of rights, where stations are "losing their independence." He emphasized the tremendous value of broadcasting in national defense, but said that the 50 million radio sets now in 30 million homes will be "worth nothing unless people listen." It is a very easy matter, by regulatory manipulation, he declared, "to transform these sets from listening instruments to pieces of furniture." If radio is tinkered with and does not give good programs, the public will stop listening, he predicted.

AAA A c t i o n F a v o r i n g Resolution Cited

Offsetting Chairman Fly's statement that the regulations would have no effect on advertising, Mr. Miller placed in the record a letter from John Benson, president of the American Assn. of Advertising Agencies, asserting that the regulations "have caused deep concern among our members" and recommending that the White Resolution be adopted in the best interests of the public, the broadcasting industry and the advertising fraternity. Mr. Benson also observed that many of the AAAA members are executives in charge of outstanding programs now on the air.

Radio, Mr. Miller averred, has not been guilty of high financing or watered stock accusations made against the industry. The only complaints have been on an occasional program and, he said, this was remarkable in the light of 18 hours of program service rendered daily by 800 odd stations.

Declaring that radio faces the most serious crisis at a time when national defense is of utmost importance, Mr. Miller said haste in invoking the new regulations would be detrimental and would serve no good purpose.

Senator Brooks said many stations have indicated they carried certain programs because of influence from the "executive" branch. He predicted that unless the industry makes a determined effort to present both sides, censorship will be accepted. He said he thought it was a job for the NAB.

Mr. Miller pointed out that in its effort to engage in "self-regulation" NAB had to watch closely the "chain stations," which rigidly restrict trade association operations.

No Evidence of Monopoly
S a y s Clarence Wheeler

The Friday sessions opened with only three members of the committee present, McFarland (D-Ariz.), Tunnell (D-Del.) and Andrews (D-Fla.). Senator McFarland addressed:

First witness was Clarence Wheeler, vice-president of WHRC, Rochester, N. Y., who said "I have never seen any evidence of any monopolistic power on the part of the networks. Certainly, there has been very keen competition, and the only time any of our contract with Columbia was ever changed was at our request."

"That involved a change in the method of arriving at our weekly compensation, and the change was made after an "hour conference." Mr. Wheeler said he was fearful that the actual results of the FCC rule will be "in our particular case, that this affilitation that we have under so stable and made it possible for us to make these large expenditures, won't mean anything. I am fearful that the agencies who handle the larger programs of the national networks and scan the new possibilities offered to them under the new rules, and it could easily come about that the Ford Hour that we have had since its inception because we were on Columbia might migrate to our 50-kw. clear channel competitor as the agency might find it in their interest to do so because that would give them a larger audience."

In answer to Senator McFarland, Mr. Wheeler said his contract with Columbia is still in three years, and that he was fearful of dis-vesting himself of it because of the possibility of a civil suit; on the other hand he was under FCC order to terminate his CBS contract.

Weiland Tells of Effort to Join NBC

Jonas Weiland, owner of WFTC, Kinston, N. C., told of attempting to get in on its Blue network after being unable to negotiate the monthly line costs to retain an MBS affiliation. This resulted, he said, from a station at Wilson, N. C., with a "little" MBS station, and thus placing too great a burden on his station to meet the line charges. He said the FCC had advised him the network regulations would prevent him from signing an NBC affiliation contract and leaving him without any network affiliation.

He said his station's audience habit became used to network service and would not be satisfied without it, and he added that he wanted to sign a three-year contract for network service. The rules, he said, acted as a brake on his station from getting network service.

Called back after testimony by J. W. Lee, manager of KGFF, Shawnee, Okla., Mr. Weiland said he had been unable to negotiate with NBC because of the regulations. Senator McFarland asked if he were aware that NBC, under its affiliation contract, could terminate it in 12 months. Mr. Weiland said he was unaware of this. Senator McFarland added that he was interested because he had been unable to negotiate a new type of station contract other than the one that had been discussed during the hearings.

Active Competition Between Red and Blue

Mr. Lee, whose station is affiliated with NBC-Blue, said he had observed the greatest competition between the Red and Blue networks, contrary, he said, to testimony presented to the committee. His station, Mr. Lee said, had run into difficulty by being affiliated with MBS and NBC, receiving complaints from listeners because of conflict of "the more important" programs of both networks. He said KGFF had decided to affiliate with NBC because of "superior program service."

Mr. Lee said he had found that the "Mutual" deal is excellent for a large station but a very poor one for a small one, pointing out that he must pay for network service in cash while with NBC affiliates may pay on time.

To Senator Bone (D-Wash.), who came late, Mr. Lee said his station made $60 per week for Class C lines. Senator Bone asked him to prepare him a "little memorandum" on his line charges and said the telephone company "had attached itself to this business and
seemed to pay dividends whether anyone in radio made money or not.

"That is a phase of this problem," Senator Bone said, "that has not been gone into enough. I am a little more interested than ever."

Mr. Lee said it was like having an exclusive contract with NBC to prevent other stations from getting NBC-Blue programs in his area. In two months time, he said, NBC had placed more commercial programs on his station than MBS had in four years.

Mr. Lee told the committee that after four years association with MBS he thought the Mutual was neither the Mutual nor a network. He said the rules were a "reckless" operation so far as small stations were concerned.

Seymour Krieger, of the FCC legal department, asked by Senator Bone, estimated line costs of station and network operations at about $8 million dollars. Senator Bone said he thought this was quite high, commenting he had wondered why stations had not protested line costs that were "very, very heavy, and had not resorted more to transcriptions.

Hasbrook Tells of Vermont Affiliation

C. P. Hasbrook, owner of WCAX, CBS affiliate in Burlington, Vt., cited the unique terrain of Vermont which makes it a "blind spot" for outside radio service. The new rules do not threaten WCAX from a competitive angle, he explained, emphasizing the need of network programs if it was to succeed financially.

Asked by Senator Bone about line charges from Albany, paid by CBS, Mr. Hasbrook estimated the charge at $7,500 to $10,000 a year. Senator Bone commented that apparently a telephone line was a better investment than a radio station.

Speaking of time options, Mr. Hasbrook said so far as WCAX was concerned, time options to the network had never worked to the disadvantages of the local station. The FCC rules, he said, "would take the bridge out from under me when I am half-way across the stream."

He commented that if WCAX had to pay for lines in cash rather than in time, the station would be forced out of business.

Barroll Outlines WFBR Switch

Hope H. Barroll Jr., executive vice-president and general manager of WFBR, Baltimore, NBC-Red affiliate since 1931 and scheduled to switch to MBS Oct. 1, charged that NBC monopolized, through its options, the bulk of the most desirable station time.

Mr. Barroll read into the record a letter from William S. Hedges, NBC vice-president in charge of station relations, written early in 1940, which he said constituted a "veiled threat" to shift WFBR from the profitable Red because the station sought to refuse a P & G commercial show on the network in favor of a long-established Maryland National Guard recruiting program. He declared his belief that NBC's offer of an economic guarantee for a WFBR Blue affiliation, which came after negotiations were concluded switching WBAL as a new station was made to prevent affiliation of WFBR with MBS.

He recited events leading up to the shift in affiliation from the Red to MBS.

Religious and Women's Groups Appear

The hearings were adjourned subject to the call of the chair after statements were placed in the record by Frank C. Goodman, executive secretary, Federal Council of Churches of Christ in America; Edward J. Heffron, executive secretary, National Council of Catholic Men, and Mrs. Helen Wiley, chairman of the legislative committee, General Federation of Women's Clubs.

Mr. Goodman said that in 24 years he had never seen any development that has concerned our Protestant leaders quite as much as the FCC regulation. He said his group was opposed to any regulations that may cause confusion in present-day radio.

Replying to Senator Bone he said his statement was in blank opposition to the regulations but that it was particularly concerned with the possibility of a change of ownership in the Blue network. He said his group was concerned because they have facilities from the network greater than from all other networks combined.

Heffron said "we do not feel we have any sufficient way of predicting the overall effect of the regulations but we do feel the FCC should determine such effects." He added his group believes the rules should not destroy or impair public service programs as now constituted.

Mrs. Wiley submitted a Federa resolution asking further study the two problems by a Senate committee and also endorsed the White Resolution.

**AP Begins New Teletype Service**

PRESS ASSN, the Associated Press subsidiary which handles news for radio, has announced the inauguration of "Teletexts," a new service of special radio news features involving complete scripts cued for music or appropriate sound effects. Special AP features already have been adapted to the new technique and others will be added. Those six, currently sent to PA subscribers daily, are "The Sportman, Listen Ladies, Farm Fair, Hollywood and Broadway, Flowers of Life, and Between the Lines."

According to Tom O'Neill, PA's radio news editor, the "Teletexts" are so named "because they really are complete scripts transmitted to stations over the regular news tele-type. They are a radical departure from the sketchy, item-by-item features which stations in the past have received, ... and appear to be the answer to many good many program problems." He added that a special department has been created at PA with suitable talent to handle the new service.

PA also announced that 25 additional stations have signed for AP service in the last three weeks, while 12 stations previously receiving the regular AP news report have changed to the special radio wire in the same period. New stations are: WJAZ HWEB WSUN WBBM WOR WCVB WFAA KATX KPRW KFH WMSB WTCN WDGY KOHM KGHL WMJ KOCY WBRE KCMC KPQF KPFL KABC WIND KBIX KBUR WLNN KGKY.

**MBS Contract**

(Continued from page 10)

cast rights upon one-week notice. The law department commented on this latter proviso, "This provision does raise a question whether other stations will find it feasible to carry MBS 'rejected programs'."

The contract term is one year, with automatic renewal clause which is effective unless either party gives notice 90 days prior to the normal expiration date of the contract. The affiliate is not bound to take any particular MBS program if in time that certain spot has become "sacred." A MBS affiliate is prevented from options time to other networks, the law department held.

The affiliated station also is given the responsibility of rejecting network programs if they are reasonably believed unsatisfactory or unsuitable and of rejecting programs it has committed itself to believing are not likely to public interest or if it becomes desirable to substitute programs of outstanding national and local importance, the law department indicated.

**Law Dept. Comment**

The contract gives MBS authority to terminate firm commitments for commercial programs if the affiliation contract is terminated during the period of commitment. On this point the law department commented that it does not violate the rules, but it should be watched because it may give the network a degree of dominance.

In transmitting its report to the Commission, the legal department noted that the proposed contract was scheduled for presentation to the MBS stockholders' meeting June 17, commenting that FCC approval would eliminate uncertainty and assist affiliates in considering the contract form if the FCC indicates the form as offered was in substantial compliance with the rules. It was stated also that if MBS can succeed in arranging for affiliations upon these terms, it would be a "strong practical demonstration" of the feasibility of network operation under the regulations.

**INFORMATION SERVICE**

The INS staff in Washington, scene of important and vital news developments, comprises veteran and experienced reporters.

**INTERNATIONAL NEWS SERVICE**

**WBNL**

ALWAYS RING THE BELL
IN RICHMOND, VIRGINIA
NBC BLUE • 1000 WATTS

June 23, 1941 • Page 51
**Western Electric**

**BROADCASTING • Broadcast Advertising**

**JUNE 14 TO JUNE 20 INCLUSIVE**

**Decisions**

**JUNE 16**

WTEM, Ocilla, and WDLF, Panama City, Fla.—American Broadcasting con-

ceptions hearing to be held at Jacksonville and thereafter at Ocalla and

Panama City.

**JUNE 17**

NEW, Standard Broadcasting Co., Los Angeles—Granted CP new FM station
34.5 mc., 7,000 w un.

NEW, Musak Corp., New York—Granted CP new FM station 447 mc., 8,500 w.

NEW, Interstate Broadcasting Co., New York—Granted CP new FM station 45.9 mc.,
8,000 w.

NEW, City of New York Municipal Broadcasting System, New York—Granted
CP new FM station 43.5 mc. to cover 3,500 sq. mi.

MISCELLANEOUS—WCBD, Chicago, granted modification of CP to decrease to
5 kw increase hours to seven at Fort Worth and denied petition to increase FM for
refraining in matter; KWLM, Willmar, Minn.—Granted CP change transmis-
tion equipment increase to 250 w 1940 kw; WEEY, New York, N. Y.—Granted
license to change frequency to Channel No. 8.

SET FOR HEARING—WASM, Saginaw, Mich.—Modification of license to 250 w un.
1400 w on WABC, New York, N. Y., to New D Ann Arbor, Mich. CP new station 1600 w 1 kw w.

Placed in pending file under Order No. 31, June 24, granted CP new FM station at
C. P. new station; NEW, Fort Smith News-


**JUNE 19**

WNAV, Bridgeport, Conn.—Granted modified station to period for

transmitter.

JERRY VOGEL, 27, salesman of KPST, St. Paul, and his companion, Miss Blanche
Blundell, 26, Minneapolis model, were

instantly killed June 15 when Voyer’s car collided with another machine.

**Improves Outlets**

GENERAL ELECTRIC’S three

shortwave stations will be made

even more effective by new trans-

mitting equipment now being

installed in Schenectady and San

Francisco, according to R. S. Peare,

GM manager of broadcasting.

WGEA, Schenectady, and KGEI,
San Francisco, operating at 25,000

and 20,000 watts respectively, are

both being increased to 50,000

watts as of July 1. WGEZ, Schen-

ectady, licensed for 100,000 watts

and long famous as the most pow-

erful shortwave broadcasting sta-

tion in the western hemisphere,

is also receiving new equipment to

increase further its effectiveness

late in August.

**AFRA Signs WTAM**

AMERICAN Federation of Radio

Artists has signed a contract with

NBC covering the announcing staff

of WTAM, Cleveland, eighth NBC

market to be signed by the

union. Contract is standard, pro-

viding for an AFRA shop, five-day

40-hour week and extra pay for

commercial programs, and gives the

staff immediate wage increases ranging from 10-20%. AFRA is now negotiating with WQXR, New

York, for a renewal of the present

contract for staff announcers which

expires July 1.

**Simpers Disbands**

ROBERT S. SIMPERS, president of The Simpers Co., New York ad-

vertising agency, has announced the discontinuance and liquidation of

the company. Most of the staff

has been placed elsewhere, Mr.

Simpers stated, and he plans to

join J. Walter Thompson Co., New

York, July 1.

**AFRA Signs WTAM**

**Network Accounts**

All time EDT unless otherwise indicated.

**New Business**

PACIFIC COAST BORAX Co., New

York (Borax, 20 Mule Team Flakes),

has signed a contract for 90 seconds

on 58 CBS stations, Thurs., 8-8:30

p.m. (EDST). Agency: McCac-Cornick, N. Y.

ANACIN Co., Jersey City, on June

21 started America the Free on

50 WNY Red stations, Sat. 10-30-11 a.m.

Agency: Blackett-Sample-Hummert, N. Y.

ANACIN Co., Jersey City (headache

tablets), on June 23 started Page

Farrell on 78 MBS stations, Mon.

through Fri., 1-10-45 p.m. Agency:

Blackett-Sample-Hummert, N. Y.

LUTHERAN LAYMAN’S LEAGUE,

Boston, on Oct. 19 starts 26 half-hour

programs on 11 Colonial stations, Sun.

1-30-2 p.m. Agency: Kiley, Stuhiman

& Zahnradt, St. Louis.

BROOKLYN & WILLIAMSON TO-

RACCO Corp., Louisville (Avilion cig-

arettes), on June 19 started for 52

weeks Piedmont Trails, transcribed

musical on 32 Don Lee Pacific Coast

stations, Mon., Thurs., Sat., 6-15-3-36


**Applications**

**JUNE 19**

WNAV, Bridgeport, Conn.—Granted modified station to period for

transmitter.

**JUNE 20**

Newspaper-radio hearing postponed from 6-8-41 to 7-5-41.

**Applications**

**JUNE 19**

WNAV, Bridgeport, Conn.—Granted modified station to period for

transmitter.

**JUNE 19**

NEW, Ulica Broadcasting Co., Utica, New York—Granted CP new FM station at
ULICA station 1490 mc, 3 kw w un., facilities to be located at Utica.

NEW, Norfolk County Broadcasting Co.,

Norfolk, Va.—Granted CP new FM station 1460 mc 3 kw w un. contingent on WBOC going to 1520 mc.

WGCW, Cedartown, Ga.—Modification of CP for transmitting equipment changes.

NEW, Bernard N. wall, Portland, N. C.—CP new station 1400 kw 250 w un.

KELZ, Lebanon, Pa.—Modification of license for increase to 250 w un.

KGGF, Coffeyville, Kan.—Amend applica-

tion for CP to increase to 1 kw un.

KDE, Santa Barbara, Cal.—Transfer con-

tract for transmitter.

NEW, NBC, New York—CP new tele-

vision station Channel No. 1.

NEW, Northwestern Pennsylvania Broad-

casting Co., Wilkes-Barre, Pa.—CP new

station 1248 kw 250 w un., facilities WBAJ.

NEW, San Francisco Broadcasting Co.,

San Francisco, Calif.—CP new station 1470 kw 1 kw w un., facilities to be

located at San Francisco.

WGNO, Valdosta, Ga.—CP new trans-

mitter, increase 500 w N 1 D change to 1400 w.

NEW, I. M. Weaver Broadcasting Co.,

Morpheusboro, Tenn.—CP new station

1270 kw 200 w un., facilities of WSBX.

KKBAP, Bakersfield, Calif.—Modification of assign-

ment of CP to Baker Broadcasting Co.

KBCI, San Juan, P. R.—Modification of

CP to change equipment, increase to 5 kw un.

**Tentative Calendar**

**JUNE 24**

WTLE, Philadelphia—CP change to

1500 kw 20 w un.

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**Maj. Bowers Recovering**

MAJ. EDWARD P. BOWERS, former radio showman, on June 19 underwent an
operation in Doctors Hospital, New

York, for incarcerated ventral hernia. The operation proved successful and as Broadcasting went to press, the

major was reported “resting comfort-

ably.” Chrysler Corp., Detroit, spon-

sored the show. Bowers’ program,

AIR TIME, is licensed and arranged

for WXYZ, Philadelphia, Detroit.

AFRA Signs WTAM

on CBS, has arranged a temporary substitute program in the Thursday
11-11 p.m. period pending his full

recovery. Program started June 19 and features Morton Gould’s Orchestra.
Expected OPM Backing for Fast Time Viewed as Speeding Action by Congress

DESPITE delay in organizing Administration forces to back the proposal, prospects continue to grow that some system of universal daylight saving time will be put into effect in this country shortly.

Present indications are that the Office of Production Management soon will issue a statement supporting establishment of daylight saving time, perhaps on a year-round basis, as a defense measure. Rumored in the works for several weeks, the OPM statement is expected to emerge as soon as the Federal Power Commission completes a series of regional surveys designed to supply data on just what savings in power and other advantages would accrue from "fast time."

The FCC is understood to have completed six of its regional surveys and is expected to conclude the others through its director. With OPM's approval and agency support, Congress is expected to proceed rapidly toward enacting a daylight saving time statute similar to that in force during World War I. A fourth daylight saving bill was introduced in the House last Wednesday by Rep. Flannery (D-Pa.).

STEELMAKERS SHIFT FROM MBS TO BLUE

WHEELING STEEL Corp., Wheeling, W. Va., will move its Sunday afternoon "Mutual Steel- makers," to NBC-Blue in October when it returns following a summer layoff to begin after its June suspension. The switch was initiated in a memorandum sent to MBS affiliates by Vice President George Weber, who is in charge of NBC's programming, and recommended that Mutual might make a deal with ASCAP, but when the contract has expired. The move is an attempt to meet competition and is a stroke at a new NBC exercises over its affili- ates.

The advertising manager of Wheeling Steel, the memorandum said, has previously expressed hope that Mutual might make a deal with ASCAP, but when the contract has expired. The move is an attempt to meet competition and is a stroke at a new NBC exercises over its affili- ates.

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Antone Dyer and his family, just like many another progressive farm family living in WLW's primary area, daily rely on the Nation's Station for News, Weather Reports, Entertainment and Markets. The farm home of Antone Dyer is located a few miles west of Terre Haute, Indiana. Mr. Dyer is a breeder of prize winning Percheron horses and farms 350 acres in wheat, corn, soy beans and hay.

Mr. Dyer, recognized by his Indiana farmer-friends as a young, progressive farmer, is a director of the Vigo County Fair, and also serves as a member of the County Council and the Farm Bureau.

The Dyers have three children, Sonny, 11, Eddie, 8, and three months old, Sue. Their radio is turned on about 9:00 o'clock each morning for the latest news and livestock quotations. WLW's "Boone County Jamboree" is a radio favorite of the whole Dyer family.

Mr. Dyer exercises a Prize-Winning Percheron. He's a great baseball fan and appreciates especially Ed Mason's daily broadcasts from "Everybody's Farm."

Sonny and Eddie are already following in their father's footsteps. Sonny especially likes WLW's Lulu Belle and Scotty, while Eddie's favorite is Jack Armstrong. Both plan to join Four-H Clubs soon.

Mrs. Harriet Dyer dresses a chicken in her kitchen. Her favorite programs are "Everybody's Farm," "Linda's First Love" and the newscasts of Peter Grant and H. R. Gross.

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