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 is 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.

KOY

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 News magazine 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.

KOIL
OMAHA, NEBR.
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.
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 intercede 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 on 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 rebait” if the day 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 like-ly 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 majority, which they said would undermine commercial broadcasting and probably result in eventual Government ownership.

Both Messrs. Trammell and Paley berated the FCC for seemingly trying to “crucify” a MBS while forcing their own networks to knuckle down to rigid new regulatory requirements. Mr. Paley asserted the Commission “strives and strains to protect Mutual.” Mr. Trammell called the rules “brutal” and predicted that if NBC is forced to divest itself of the 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 some 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 stations 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 it.

Complete running story of last week’s hearings before the Senate Interstate Commerce Committee on the White Resolution will be found on Page 34.
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 thus far has heard Chairman 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., general manager of WOW, Omaha, 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 speaker; Samuel H. Cook, president of WFSB, Syracuse, in a similar capacity; NAB President Henry Miller; Clarence Wheeler, WHEC, Rochester; Jonas Weiland, WPTC, Kinston, N. C.; J. W. Lee, KGFF, Shawnee, Okla.; Samuel R. Tregier, FCC legal counsel; C. P. Harkins, WCAX, Burlington, Vt.; Hope H. Barroll Jr., WFBF, 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 for record.

Totally aside from the sharp and oftentimes personal criticism leveled against the rules and Chairman Fly, were repeated observations of committee members as to the radio 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 flight on the war. This was picked up by others.

On the business side, Chairman Wheeler repeatedly urged that networks, stations and the AT&T attempt to work out means by which air networking and the like 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 costs of wire lines with the object of making more successful stations carrying the burden for their ill-fed colleagues. When it was brought out that the networks were spending 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

One basic was 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 divert 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 which news it was a condition to 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 radio. He charged the FCC with having acted as “complaining witness, prosecutor, and judge” and “hangman”. He attributed to Chairman Fly “sneers, speculation, innuendos and accusations” and said that after all these weeks his company had still not been told how to operate a network successfully under the new rules.

Mr. Paley said that to abide by the FCC’s rules 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 FCC matters 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 he asked affiliated stations to agree to the elimination of clauses in the contracts permitting NBC to cancel affiliate agreements, and that such provisions be settled in court for five years; to eliminate the requirement that rates for local business be the same as NBC network rates, and to eliminate the terms that would make a station must rebid the differential between station receipts for a particular local program as against a network program. He also said 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. 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 devise 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 is write a station asking it to set up a network, he declared, “is just rent a theatre and order phone lines.” He called Chairman Fly’s idea of a “scrambled system” in which the advertiser will get the corner.
CBS Offers Counter Proposal to ASCAP

Sustaining Fees Scale

CBS proposes that station sustaining fees shall be $12 a year for stations with net receipts of less than $20,000; $30 a year for those with net receipts of $20,000 to $40,000; $50 a year for net receipts of $40,000 to $60,000; and $100 a year for net receipts of $60,000 and over. The highest half-hourly rate for stations with net receipts of between $50,000 and $150,000 per year, and 12 times the net receipts for years 1936 to 1939 inclusive, and 14% on the excess of net receipts over this average. Programs cleared and passed for at the station shall be excluded, as network programs are excluded, when figuring net receipts.

Ownership Rights at Stake

Under agreements between ASCAP and BMI, all rights of the publishers, who have the right to license ASCAP to license, shall be exclusive. An ASCAP contract with BMI would be effective with ASCAP for the period of the ASCAP contract.

BROADCASTING • Broadcast Advertising

June 23, 1941 • Page 9
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 contract form developed by MBS for use in its dealings with MBS affiliates under FCC monopoly regulations. The proposal was voted by Chairman James Lawrence 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 upon 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 regulations intended thereunder, will comply "with the letter and spirit of the regulations".

In Hearing Record

When a copy of this new form was introduced into the record at the Thursday morning session of the Senate Interstate Commerce Committee's hearings on the White House presentation to Congress of a solution of the broadcasting problem, much of the excitement, especially among representatives of the other networks. The move was interpreted by many as another attempt by MBS to get FCC approval 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 a contract containing no provision for option time, providing opportunity for stations to determine network affiliation at any time, 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 provisions have been made in the contract for penalizing affiliates for broadcasting programs of any other network. Under terms of the agreement, both MBS and stations are to publicize 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 affiliates will not discriminate against MBS in setting on requests for the same period of time as other networks, and the station will adhere to a first-come-first-served principle.

Under terms of the agreement, affiliates would have first call on MBS commercial and sustaining programs in the community served by each affiliate. It was also provided that stations may carry commercial programs, via transcription, at a substitute time if an arrangement can be reached satisfactory to the network, the station, and the advertiser. The network and the station concerned may mutually decide on the matter of carrying transcription or work sustaining programs, but if the available time is not satisfactory, MBS may offer the program to another network, and the affiliate may recapture the broadcast.

(Continued on page 51)

Norwich Yankee Test

NORWICH, PHARMACAL Co., Norwich, N. Y., on June 30 will start WVG, WHAT, WPRK, and WYGB, the interest of Pepto-Bismol on four Yankee network stations: WNAC, Boston; WOR, New York; WJCT, Jacksonville; and WEAN, Providence.

Program has members of the audience relate amazing likeness results of time applications for cash prizes. Frances Ott is m.c. If successful, program will probably go network in the fall, according to Joseph 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. Revised Grant Advertising Inc.'s main office will be in the Guar- diola Bldg., Mexico's largest building, whose top floor has been leased. David W. Echols, formerly 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 $200,000. To date, 75 percent of its clients are large American concerns with Mexican offices.

More than ever before, Grant Adv. S. A., will promote radio. Ready market, station and program surveys are under way. This, according to Mr. Morrow, has been done in Mexico. First results on program popularity show an amazing all day schedule. In the United States, with quizzes and variety shows ranking high.

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 Grant's 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.

Tom Johnson, radio manager of Young & Rubican, has been trans- ferred from New York headquarters to Hollywood, and is succeeded to his regular duties will take over management of the agency's Southern California offices effective July 1, replacing Stauffer.

Armour Spots

ARMOUR & Co., Chicago, on June 25 opened a new 30-week one-minute transcribed announcement program heard live twice weekly on WGN, Chicago, and KOL, Omaha. Surveys of the 600-plex transcribed stations: WHO, Des Moines; WDAF, Kansas City; WYK, Oklahoma City; KSTP, St. Paul; KTUL, Tulsa; KTVN, Oregon; and WCCO, Minneapolis is Federal Adv. Agency, New York.

WIBC, Indianapolis, on June 18 closed its contract with same time network. It started fulltime operation on 1070 kc. Complementing the WIBC network is WIRC replaces WIRE as the Mutual affiliate in Indianapolis, WIRE continuing as an NBM-Red out.
All-Out for the Battle of Vitamins

Newest medicinal rage, neglected by radio, is a likely prospect

Newest medicinal rage, neglected by radio, is a likely prospect. Shows that production of vitamin products rose from $27,098,000 in 1937 to $41,644,000 in 1939—an increase of 53.3% in two years. During the same two years, the production value of all drug advertising for direct sale to the public grew from $184,000,000 to $166,000,000.

Swiftly upward

There are no accurate figures on retail sales value of vitamin products—the Census Bureau figures represent production value only, and there is a big retailer profit in vitamin concentrates ranging around 33 1/3% on advertised brands. However, Dr. M. W. Fulmer, editor of the Journal of The American Medical Assn., estimates that retail sales of vitamin products totaled $100,000,000 in 1940, which can be compared with similar sales in 1939.

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 growing 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, but there is expected an "all-out" major "Battle of the Vitamins" next fall. Both sides have a story to tell, and this should bode no ill for the wide-awake radio time salesman.

Until now, sales of vitamin-mineral concentrates have zoomed without high-pressure radio promotion—the American public just took them naturally. At the loss of pills, the American people didn't have to be pushed into taking magical capsules that contained mysterious 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 talking to over 700 doctors, home economists, social workers, educators, public health workers and food industry representatives at the recent Defense Nutrition Conference stressed the fact that Mr. and Mrs. Average American do not need vitamin and mineral concentrates to assuage themselves and their families during the next fall. Both sides have a story to tell, and this should bode no ill for the wide-awake radio time salesman.

Available and that vitamin pills and concentrates of adequate potency be used only to supplement diets which are necessarily inadequate and by physicians for the treatment of disease.
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 the public, Harold V. Hough, of the Fort Worth Star-Telegram and chairman of the Newspaper-Radio Committee of the Inter-American Circulation Managers Assn. at the Book-Cadillac Hotel, Detroit, June 17, pointed out that just as a newspaper built up its circulation by developing those newspapers which have ventured into the radio field have built up an audience-following by those same principles.

Not a Monopoly

Beitilling the FCC idea that a newspaper controlling the only radio outlet in a city 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 breakdown and analyzing the 126 newspaper-owned stations in localities where these are the sole media under the same ownership, he pointed out that 93 of these have 200 or less watts or less and constitute a monopolistic menace. “These little so-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:

“Radio operators 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 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 mavericks, 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 coloring of news may be due to the fact that the newspapers have been making 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 incorrect, 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 126 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 can be construed into quite a distorted spook.

Looking Them Over

“We have nearly 900 broadcasting stations in the United States. About 250, or 32%, are the newspaper outlets. If this entire herd of one-third went loco overnight, 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 93 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 the have power above 1,000 Watts. To indi—

(Continued on page 19)

AMERICAN PROGRAM EXCHANGE PLANNED.

PROPOSING an inter-American exchange of transcribed programs much along the lines of film exchanges, Mr. Leiser, director of the Asociacion de Radio Television y de Intercambio Panamericano, is currently visiting officials and diplomats in Washington to advance his idea as part of the Administration’s Good Neighbor Policy. Mr. Leiser, a former Paris film director, is a refugee from France, having escaped just before the invasion. He is headquartered at San Miguel No. 265, Havana.

As head of ARTIP, as his organization is known, Mr. Leiser has produced one recorded program built around Cuban culture, while President Batista and the Cuban Ambassador to the United States have auditioned and acclaimed. He proposes to produce in each Latin American country a series of complete radio programs containing the most typical manifestations of culture and art for interchange with every other American country, syndicating the programs to the stations. Staffs would be established in each country to produce and distribute the 15 and 30-minute transcriptions.

Leiser stated that he plans to discuss his idea with M. H. Aylesworth, recently appointed radio chief of the Rockefeller Committee in New York before formulating concrete plans for the syndicate project.

Powers in Canada

NO CHANGE in policy was made by the board of governors of the Canadian Broadcasting Corp. regarding power increase over 1,000 watts for privately-owned Canadian stations, at the Ottawa meeting June 8-10. Representatives of the broadcasters appeared before the CBC board with a request for upward power increases to conform to maximum power allowances under the Havana Treaty. The entire matter will be studied further, and a decision may be given at that next board meeting, possibly next month.

MISSOURI KERNELS, straight off the cob, and other vitamins get intense attention from this quarter of KMOX employees’ picnic, held in mid-June on the Meramec River in St. Louis County. Chomping along in apparent enjoyment are (l to r) C. G. (Tiny) Renier, program director; Arthur Casey, public relations director; Ken Church (standing), sales manager; Merle S. Jones, general manager.

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"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 8000 authors and composers for radio broadcast performance 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." Payments were calculated on the basis of two cents per broadcast per station, with network hookups paying off per 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 quarter, and BMI stated, adding that the combined royalties of radio, sheet music and mechanical reproductions on phonograph records and transcriptions brought the BMI's 8000 individual composers personal 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 determine how exactly this should be done. Here is a step in that direction, and we hope that it will be welcomed by you. We are, during the present quarter, doubling the rate of payment which was tentatively established and we are paying at the rate of 2 to 8 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 shall receive a just and fair and generous treatment."

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**Helen Hiett, NBC Woman Commentator**

First of Six 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 sinking of the battleship of Gibraltar. The 1941 Headliners' awards, going to 12 news writers and photographers, a weekly newspaper, a newspaper bureau, 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 simultaneously on NBC's Blues Tower (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 in foreign territory, the remaining 12 were made by the awards, made annually since 1935.

During her tour of duty in Spain for NBC last fall, Miss Hiett made friends with a group of Gibraltar girls, including 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 to the authorities and was released to make her way home last Sunday and 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; Larry Allen, AP, spot news coverage of Mediterranean sea battles; Jan H. Yindrick, UP, exclusive coverage of the siege of Tobruk; Jay Racusin, New York Herald-Tribune, stories on activities of Dr. Gerald Alsop 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 I. Weller, AP, consistently outstanding domestic feature stories; Max Haas, European Picture Service, spot news pictures on the cop-killing "Mad Espontos" in New York; Myron Selig, Scripps-Howard Daily News, pictorial feature series, "Robin the Cradle for Pictures"; 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. Harbine Monroe, Universal Newswa, best domestic newswa, the collapse of the Tacoma Narrows Bridge; Fox Movietone News, best foreign newswa, the sinking of the French fleet at Oran.

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**DOWNS IS HONORED FOR HEROIC ACTION**

For Heroes in aiding in rescue work following his own rescue from a plane that might have crashed and sank in the Atlantic, Kenneth T. Downs, International News Service correspondent, on June 14 was cited by the British Admiralty. The official citation was delivered to the INS by the British Consul in London by Ragnald Gledowe, wartime secretary in charge of honors and awards. Correspondent Downs, while flying for the United States Army in June six months ago, was heard in news commentaries on several American stations.

The message from Mr. Gledowe read:

"I am commanded by my lords commissioners of the Admiralty to inform you that they have been in personal touch with the good services of Mr. K. T. Downs, of INS, who at one time during the night of April 9, 1941, during the rescue of the crew of a sinking ship, after being himself rescued, worked the telephone, radio, and telegraph stations, the Majesty's ships, and kept an able lookout. I am requested to ask that you will convey to him an expression of thanks for his heroic action in the performance of his duties and the saving of life and skillful service."

The dramatic episode came three days after Downs had set sail on a mission by sea from Glasgow to Cairo. When fire broke out aboard ship, the vessel began to sink, and 17 of its 21 members of the crew were rescued by H.M.S. Lincoln, one of the 50 American destroyers transferred to Britain. Within several days, however, the losses were lost in the fire, the citation indicated that the American correspondent was instrumental in keeping the toll down. Present Downs is on duty in the Near East.

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**News for Limit**

CORN PRODUCTS REFINING Co., New York, is advertising Lima with a varying schedule of five-minute newscasts, 30-word chain-breaking announcements, and one-minute transcribed announcements on the following stations: KXOK KMZQ KFAR; KDOK WNAK; KUSO WHAS WNAS KLB. Company is also sponsoring for Limit, one-minute participating announcements on daily quarter-hour and half-hour news network programs; quarter-hour newscast program three-times weekly on WTAG, Worcester; and five times weekly on WTH, Hartford; for Kre-Mel Mix, participation on Saturday Open House on WCCO, Minneapolis. C. L. Miller Co., New York, is the agency.

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**Barbasol Adds**

B A R B A S O L 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 down to 5:00, on one station, no change in the Sunday number of stations. On the Sunday pro-

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**Packard Camera Spots**

MONARCH MFG. Co., Chicago (Packard cameras), in mid-June added 12 stations and two others, making a total of 21 stations. New transcriptions include: WJR KOAM WHIP WHO WGB KGRO WBC WDAY KFAB WIS KMMJ WDSU. Re-

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**Broadcast Advertising**

---
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!
Britain 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 United States government Wednesday opened New York headquarters of the Civilian Technical Corps.

The urgent need for skilled technicians, particularly to operate and maintain Great 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 Captain Eugene George Pirie, air attaché of the British Embassy, at a press conference in Washington, American volunteers passing physical and technical examinations are being hired for non-combat duty with British civilian and military defense forces.

Scale of Pay

In addition to board and room and uniforms they would receive from $500 per month ($38.65 per week), for chief foremen, 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 pounds ($21.11) per week.

Classes of specially trained workers most in demand include radio mechanics, electrical technicians, engine fitters and metal workers, instrument makers and repairers, machine tool setters and operators, motor mechanics and wire 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 bombing a practice in 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 Ireland) unless transferred, as is usual, in case of demands that 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 doubtless there 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 Coasts 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 has 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 some in 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 15 Broad St., New York, but applications from volunteers should be addressed: Civilian Technical Corps, c/o British Consulate General, 25 Broadway, New York.

WCOV Pylon

ENGINEERS of WCOV, Montgomery, Ala., are getting used to it now, but for the first week or so they dodged it everytime it happened. Maxwell Field, air base for the Army in Montgomery, is located about seven miles from the transmitter tower and the soldiers take great delight in using the tower for a pylon on a course they have marked out to practice their flying.

BIG GAIN CLAIMED IN RANKS OF ABTU

MEMBERSHIP in the Associated Broadcast Technicians Unit of the International Brotherhood of Electrical Workers has doubled in each of three successive years according to reports of field representatives at the mid-June council meeting held in Washington. The national council, comprised of broadcast technicians elected to the body from each of the union's district councils throughout the country, is the governing board of ABTU and formulates policies for the national organization and of the locals making up the ABTU unit.

During the week-long session addressed by Joseph L. Miller, NAB labor relations head, who stressed the need for cooperation between labor organizations and the broadcasters and by E. D. Bierets, assistant to the president of the IBEW, who expressed satisfaction with progress of ABTU since its creation in 1939.

Among the policies outlined by the council was launching an immediate organization campaign in the field of television and the planning of a central filing system for the United States to facilitate the placement of technicians and the filling of vacancies throughout the country. The council was given over to a discussion of the monopoly report. During the meeting included Arthur J. Maus, Chicago; E. A. Reamer, Hollywood, vice-president, and Lee Dechant of Racine, Wis., recording secretary.

Pillsbury Plans

PILLSBURY FLOUR MILLS Co., Minneapolis (four and celines), on Sept. 11 will start a four-weekly quarter-hour series, 9-9:15 a.m., Monday through Saturdays on 45 NBC-B networks. Details of the show have not been settled. Contract for 52 weeks has been placed by McCann-Erickson, Minneapolis.
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 23 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 8,500 square miles; Interstate Broadcasting Co., licensee of WQXR, for a Class C outlet on 43.5 mc. to cover 5,500 square miles; and City of New York Municipal Broadcasting Co., operator of WNYC, for a Class C outlet on 43.5 mc. to cover 3,500 square miles.

The Los Angeles grant was to Standard Broadcasting Co., licensee of KPFK, to use 46 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 of adjacent channels, the number available in 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 sites from 45.9 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 last-mentioned station, the FCC also noted its approval of a proposal of Bremer Broadcasting Corp. (WAAT) and New Jersey Broadcasting Corp. (WHOM) applicants for FM in this area, thus making them 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: W3IN, Edwin H. Armstrong, 43.1 mc.; W7NY, Bamberger Broadcasting Service Inc. (WOR), 47.5 mc.; W5NY, National Broadcasting Co. Inc. (WEAP-WZJ), 45.1 mc.; W6NY, William G. H. Finch, 45.6 mc.; W7NY, Metro- City Trans. Inc. 47.5 mc.; W8NY, Marcus Low. Booking Agency (WHN), 46.3 mc.; W6NY, Columbia Broadcasting System Inc. (WABC), 46.7; and in Brooklyn, W6SNY, Frequency Broadcasting Co., 47.5 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 records. The company, at 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 which has handled dramatic and musical shows ever, and in 5 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. 576, the last of which was from the Fort Smith Publishing Co., publisher of the Fort Smith (S. C.) Times & Democrat for a local station in Orangeburg on 45.9 mc. The FCC, using the Fort Smith Publishing Co., publisher of the Fort Smith (Ark.) Southwest American, as an example of a successful local outlet in Fort Smith, 1,000 watts on 550 kc.

At the same meeting the FCC designated for hearing the application of James F. Hopkins, Inc., formerly operator of WJBK, Detroit, for a station in Ann Arbor, Mich., 1,000 watts on 1600 kc.

*Premiere* Renewed

WITH the half-hour Hollywood Premiere radio network's birthday stations effective June 27, Legends Bros. Co. (Lifebuoy), is reported to have been in operation for 22 years. A "free talent" show starring well-known film players, the series has reached a high point in listenership among audiences prior to its start March 28 with the Actors Guild at first refused clearance for the weekly program. [Broadcasting, March 10] It was reported that Miss Parsons and William Esty & Co., agency servicing the account, have worked out an agreement with SAG.

Macfadden Spots

MACFADDEN PUBLICATIONS, New York, to advertise its new Story's new format, is using a varied schedule of from 2 to 45 one-minute transcribed announcements on each of the following stations: WLS (WCAU) WBRE WJF KSD WFBP WNWAN WTMJ WGR WLBW WMAS WMBM KFRC WFBM WAVE KIN KUN WAGST WFAA-WBAP WMC WOF WFBT WTG. Arthur Kudner, New York, agency.

NINE MIKES and 500 pounds of other equipment which he has taken on a trek of over 85,000 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 J. Q. and Doctor I. Q. 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 headquarters each week.

Borax Series on CBS

PACIFIC COAST BORAX Co., New York, which has used NBC for its local and national marketing for 23 consecutive years, Program 3 is placing its Death Valley Days program on CBS, continuing the program in 1941. The Blue only. On CBS, it will be heard Thursdays 8:30 p.m. in the interests of Boraxo and 20-Mule Team Fans, which elicits a recording on the Blue. Agency is McCann- Erickson, New York.

Swing to England

RAYMOND GRAM SWING, MBS news announcer, has been signed for England on a clipper, remaining in London until July 22. During his stay Mr. Swing will do his 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 series for the BBC.

Pep Boys on WOR

FIRST SPONSOR to sign for the Moonlight Savings Time-all night program on WOR, New York, is the Pep Boys auto accessories chain of Philadelphia. The company already sponsors all-night shows on WGL, Washington, and WIP, Philadelphia, and has taken two transcribed 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 64 NBC-Red for its 11 consecutive years. Program is heard 10:30-11 a.m. Agency is Blackett - Sample - Hummert, New York.

WMVA Deal Pending

JONAS WEILAND, owner of WPTC, Kinston, N. C., and partner with William C. Barnes, publisher of the Martinsville (Va.) Bulletin, in the ownership of the Martinsville Bulletin in Kinston, would relinquish his holdings in WMVA under a deal pending with the FCC. Under the terms of the setup Mr. Barnes would retain his 60% of the stock while the other 40% would be bought out by the amicable businessmen of Martinsville with Kenneth C. Whittle, an attorney, acquiring the largest share, 14.7%, and the other 25.3% in operation last February and uses 250 watts night and 100 day on 1460 kc.

Chatterton to Acquire KWKL Half Interest

C. O. CHATTERTON, onetime assistant business manager of the Portland Oregonian and former director of the radio stations KGW and KEX, will become half owner of KWKL, Longview, Wash., under which the FCC approves an application for transfer of the 140 shares at present owned by the McClelland family of Merced, Cal. They propose to sell 125 of the shares to Mr. Chatterton, now managing the station, and 15 to J. M. McClelland, Jr., son of the publisher of the Longview Daily News.

The McClungs recently sold their Merced Sun-Star, but retained their long-held interests which include KYOS, Merced; KHSI, Chico; KVCV, Redding; and 66% of the KFAC. Under the new setup, of the 250 shares in KWKL, Mr. Chatterton would own 125 shares; J. M. McClelland, 80; A. L. Raught Jr., of Tacoma, treasurer of the Weyerhaeuser Timber Co., 20; J. M. McClelland Jr., 15; and C. O. Chatterton, president of Campbell Feed & Fuel Co., 10.

SEEK ANNOUNCERS IN PHILADELPHIA

SCARCITY of Announcers in the Philadelphia area, with unfilled vacancies existing at most of the stations, has resulted in plans for new announcers school. Under the supervision of members of its production department, WDAS will start such a school. Increased phone employment in Philadelphia and the drive have caused a shortage and station employment problems have become more acute, especially for the summer vacation months.

Two stations are sharing the same problem, and are planning to use members of the staff with desk jobs who have had some previous announcing experience.

At WDAS, all applicants for announcing berths who show possibilities 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 enrolled from colleges, dramatic schools and little theatre groups.

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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, dealt 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 plowing 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 ending 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, salesmenapers, 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. 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)

cate more that they are local stations and supported principally by their newspapers, we find that only 16 are located in towns with as much as 75,000 population. I just cannot see how this little band can ever become a national hazard. They may have the only station in town, but theirs is not the only station heard in that town—-they cannot wall up the place. These little so-called 'threats' remind me of friendly, chummy, lightning bugs. In their own yard, they sparkle and shine—no bite, no burn.

Too Many 'Deductions'

"Broadcasting is not nearly the bonanza it is cracked up to be. Too many brass hats have had a yen for parading brass dollars, thinking it would attract attention. It sure has—but they are learning. Radio is infested with too many 'deductions' to ever be able to justify the golden spangles it is supposed to wear.

"Some 16 (of the 126 stations) operate on frequencies below 1,000. Mind you, I do not say that these other frequencies are bad—I merely say that the lower ones are better. So, we find these 16 in the half best part of the spectrum, and the other 106 are in the other bracket, so when the choice assignments were being distributed, the 126 boys were not there. They just seem to be unlucky.

"Forgetting the 126, the next group of newspaper stations is about 70 stations which are located in towns where there is one more radio station. Thus, we have accounted for approximately 205 of the approximate 290 newspaper stations. The other in cities where there are several, so there could not be even the remotest possibility in propagandizing.

"The newspapers in radio have a great epoch to unfold. They have done more for radio than radio has done for them. Many of them have worked all day trying to sell the news and stayed up all night trying to give it away. I know, because I speak from experience.

"If we lose, the effect may be most far reaching. We feel that if the Government can tell us, as newspaper people, that we cannot engage in other lines of legitimate business the same as other citizens, then an entirely new era of human regulation has arrived. A dry goods store might later be told that it could not own trucks, because it should confine itself to buying and selling and not to transportation. This may not be class legislation, but it sure shakes the tree."

COMMERICAL RADIO Equipment Co., Kansas City engineering consultant firm, has established a second office at Crossroads of the World, Hollywood.

WJLS, Decatur, Va., has appointed International Radio Sales its national representative, effective immediately.
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 to the effect that 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 90 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 two networks so as to leave no question but that the stipulated 90-day deferment period pertains to disposal of one NBC network, as well as to disposal of individual stations by networks. The Commission noted that NBC had failed to make 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 themselves to the new requirements," said the press release, "the Commission points out that it is now permissible for stations to enter into new exchange 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 3.107 of May 2, 1941, and of Regulation 3.107 may 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 and to a 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 in agreement 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 whether a 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.

FORBES, McMURTRIE JOIN CBS ARTISTS

WITH 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 18 rejoined the network as national sales service contact. Bill McMurry, Columbia Management assistant auditor, also joins the CBS Hollywood staff. The firm has had national sales service contact since Forbes vacated that post to join the talk station, KMPC, but several months ago, has been made 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 to Columbia, Inc., A.A. Radio Writers Guild, Hollywood, has submitted a resolution to Donald W. Thornton, president of the vice-president. It requests that RWG members be given the privilege of securing a release from CMC before the transfer consummated.

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 recitals. The program is relayed on WSWT, WKZO, WDFD, WHEL, WHLS, WBCM, WIBM, WJIM. Agency is R. A. Moritz Co., Davenport, Iowa.

BURNS & ALLAN Signed

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

The case urged upon your committee was that involving the granting of a station license to Station WHDH at Boston on the same wave length as Station KQA at Denver. KQA unaccordingly has the greater strength of the great WHDH. There was no threat to the public interest by the granting of the license. No station in the Pacific Coast region, including the Mountain and California Time Zones, engages in nighttime operation. No public interest was served by the interference of the Judiciary Committee. The case was submitted out of respect for theNotes:1. Regulation 3.107 of May 2, 1941. 2. 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 in agreement upon the foregoing construction of the rule.

Further, that the effective date of Regulation 3.107 is June 22, 1941. If a station and of Regulation 3.107 may be extended from time to time in order to permit the orderly disposition of properties.

SCHOOL DESK, 1941 STYLE

MODERN SCHOOL DESK, product of the American Seating Co., Grand Rapids, looked like this after NBC engineers got through with it. Searchers among a piece of which accommodated 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 accompanying 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. Vendercook, News of the World commentator on NBC Red, demonstrate how they use the desk.

BROADCASTING • Broadcast Advertising
KONB Grant Set For July Hearing

KORN Ownership Transfer Plan Also Scheduled

POSSESSION 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 25, 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—E. 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. Glassmann, motion picture theater operators of Ogden, Utah. The last three also are identified with the ownership of KLD, Ogden.

As the FCC frowns 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 1560 kHz.

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. When 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 13 action of the FCC. KORN operates on 1460 kc. with 250 watts.
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 c o m e Chicago representative of WHN, New York [B rodacasting, May 19]. 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 study 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 United States on all accounts handled by Mitchell-Flanz 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, public relations and radio phases. In addition it will merchandise these campaigns. New York and wholesale Jewish trade outlets throughout the country. Currently, plans for a radio series for the Chr. Hansen Labs, Little Falls, N. Y. (Junket Products) are under way.


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.

Maury Holland, J. Walter Thompson Co., Hollywood, producer of the NBC Chase & Sanborn Show, has been signed by Standards Brand Inc., is the father of a girl born June 15.

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

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 P. HUTCHINSON, until recently eastern sales manager for Sud-Mai Italia, has been named national sales manager of Prudence Foods Inc., according to H. D. Carter, president of the company. The announcement was also made to increase the advertising campaign to include radio network and magazine publications will be started immediately.

CBS' Young Ideas

A "STRAW HAT" stock company composed of CBS Hollywood junior managers, present eight weekly transcontinental broadcasts titled Young Ideas, starting June 15. The programs will be directed by Charles Vanda, network's West Coast program director. The half-hourly on-the-air handle writing, production and dramatization. This apprenticeship serves as a training ground.

Expenses for Year
By National Advertisers

420 Million, ANPA Says

DURING 1940, national advertisers spent a total of $420,749,442 for network, spot and network radio, daily and Sunday newspapers, magazines and farm journals, according to the annual study on national advertising expenditures issued last week by the Bureau of Advertising, American Newspaper Publishers Assn. Of this total, network radio expenditures amounted to 33%; newspapers, $160,839,784 or 38%; magazines, $150,712,332 or 36%; and farm journals, $95,194,625 or 23%.

Analyzing these expenditures by the 23 major Media Records classification groups, the study reports that in the four media combined the grocery classification had the largest expenditure last year, amounting to $97,751,148 or 22.5% of all national advertising expenditures.

The nine next largest classes, in order, were: Automotive, $65,773,444; Insurance, $54,637,556; Tobacco, $36,653,448; Beverages, $27,920,643; Medical, $24,496,745; Drug, $17,406,964; Religious, $13,707,998; Industrial, $13,651,610; Transportation, $12,904,874; wearing apparel, $11,769,823.

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 advertising media, according to Don Belding, PACA president and Los Angeles vice-president of Lord & Thomas, convention chairman.

Bill Blackett, president of Blackett-Sample-Hummert, Chicago, is to address the gathering at the radio departmental July 1, presided over by Donald W. Thornburgh, CBS president.

The June 29 opening features a seven-panel discussion on the expanded program of advertising, arranged by Don Gilman, president of Arthur Kudner, New York, will speak at the advertising agencies' departmental, with William Horsey, president of Pacific National Adv. Agency, Seattle, as chairman.

BROADCASTING • Broadcast Advertising

Page 22 • June 23, 1941

The preferred advertising choice of more radio stations than all other trade publications combined . . . proved the preferred reading medium of time buyers 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 concentrate 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 company spent $3,000,000 in 1936 to promote "Spry", its vegetable-fat shortening. However, the introductory campaign is expected to be more in the nature of a carefully planned educational program than a dramatic selling spurt.

It also has been reported that, prior to the time Vick bought "Vitamins Plus", Lever Bros. made overtures for the purchase of the product. "Vitamins Plus" has been advertised in magazines and newspapers to this date, but it also has been reported that the Sklar Adv. Agency, which handles the account, has recommended a radio campaign for the coming fall.

There are some who believe that properly planned educational campaigns through radio might even be able to overcome the AMA stumbling block so far as the "ethical" pharmaceutical houses are concerned. One company executive indicated that this has never been tried 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 Angeles, one of the first West Coast newspapers to yank its radio columns and news about four years ago, in June 30 starts sponsoring a weekly half-hour news events quiz titled Who, What, Where & Why? on KNX, Hollywood. Contract is for 13 weeks, with placement direct. Art Linkletter will host 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.

ONLY THEN YOU'LL SEE A LOWER COST THAN WTAM'S .000073 CENTS per FAMILY

That's the minimum cost per radio family in the Cleveland area. Check it. Divide the 15 minute daytime rate of each Cleveland Station by the number of radio families each claims in its Primary Area. WTAM's .000073 cents per family is the minimum cost. Check the Surveys, too, for actual listeners. WTAM leads again ... all day ... all night ... all week. First in coverage but lowest in cost. That's why smart buyers of local, spot and network time make WTAM their first choice.

When you see this...

BROADCASTING  •  Broadcast Advertising  June 23, 1941  •  Page 23
WCAU, Philadelphia
American Cigar & Cigarette Co., New York (Paul Mall), 25, 35, 45, 55, 65, weekly, thru
Rutheauf & Ryan, N. Y.
Radio Advertising, Cambridge, Md. (food), 26, thru Altikin-Kenney, N. Y.
Megaw Co., Lowell, Mass. (Crack), 39, thru J. W. Queen, Boston.
Johnston & Johnston, New Brunswick, N. J. (tooth brush), 135, thru
Ferris/Haney Co., N. Y.
American Chicle Co., Long Island City (chewing gum), 6, 25, 35, 45, weekly,
thru Browning & Haney, N. Y.
Marvin Martin Inc., San Rafael, Cal. (county wide Commerce), 3, as weekly, thru

Kelo, San Francisco
Spreckels-Roat Co., Oakland, Calif. (chain stores), 1, 6, weekly, thru Western Radio Productions, Oakland.

SWAL, Renton, Wash. (Par-T-Pak), 3, as weekly, thru Emil Reinhardt, Oak-
land.

KXN, Hollywood
Cost Federal Savings & Loan Assn., Los Angeles (monthly statement), 61, 50, 40, 30, 20, weekly, thru
Seven-Up Bottling Co., Los Angeles (bever-

WQQX, New York
Continental Baking Co., New York (Staff bread), 64, 55, 45, 35, 25, weekly, thru
Ted Bates Inc., N. Y.
A. Black & Warner Co., New York (Savaro-
in coffee), 60, as weekly, thru H. M. Hackett Inc., N. Y.

KECA, Los Angeles
The Marine Co., Chicago (swaps), 6, as weekly, thru BBDO, Chicago.
Fresh Fruit & Vegetable Advertiser, So. Calif., Los Angeles (California orange association), thru
Scholtz Adv. Services, Los Angeles.

KSDL, Salt Lake City
Jacques Mfg. Co., Chicago (KC baking powder), 100, 90, thru

WNAC, Boston
Boudby Labs., South Bend, Ind. (Chap-
Dr. Swett's Root Beer, 69, 59, thru
C. L. Miller Co., N. Y.

WATN, Watertown, N. Y.
Atlantic Refining Co., Philadelphia, 6, 55, 45, 35, thru
Gulf Oil Co., Pittsburgh (Gulf Spray), 27, 25, thru Young & Rubicam, N. Y.

WALTHAM PEN CO., Chicago, has stipulated with the Federal Trade
Commission to stop certain representations for Waltham fountain pens "tending to cause the belief that Walth-
ham fountain pens were manufactured and guaranteed by the Waltham Watch Co., well-known watch manufac-
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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 WRCA and WNB1 to advertise its dentifrice to Latin American audi ences, 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-Elliott-Fisher Co., whose typewriters are used as prizes, is cooperating by advertising the contest in Latin America. Awards will be distributed through local dealers, winning 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, 3:15-4:30 p.m., and Portuguese Monday and Friday, 6:45-7 p.m. Agency is John F. Murray Adv. Agency, New York.

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Uniformity Sought In Disc Standards
NAB Subcommittee to Meet This Week

UNIFORM recording standards to eliminate the difficulties of radio stations due to differences in manufacturing of equipment as well as recording and reproducing equipment will be discussed at a special meeting June 26 sponsored by the NAB engineering committee at the Statler Hotel, Detroit, following the Institute of Radio Engineers convention.

A subcommittee of the engineering committee had been appointed by Edward Luttgens, chairman, comprising Paul Loyet, WHO, chairman, and Morris Pierce, WGAR, and Robert Morris, NBC. The committee sent questionnaires on the recording and reproducing problems to all radio stations.

Need of Coordination

Results showed products of disc, recording and playback equipment manufacturers all possessed different qualities and were not readily adaptable to use with another. Some companies, however, have coordinated all three elements with success. Stations in other instances were compelled to use as many as ten different equalizers for reproducing various transcriptions and even then could not obtain uniform results from some manufacturers.

The problem has been placed before a number of transcription and equipment manufacturers who have indicated they will cooperate in setting standards. All parties interested are invited to appoint an engineering member of the committee and full information can be obtained from Lynne C. Smey, NAB director of engineering, Washington.

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Texaco Talent

TALENT for the initial CBS Millions for Defense program July 2 will include the George Stover board of Stover, San Diego, as Lucky Strike’s Information Please series on NBC, namely, John Kieran, Oscar Levant and Franklin P. Adams, with Secretary of the Treasury Morgenthau as guest. Fred Allen, star of the current Texas Co. series, will be guest m.c. while Larry Elliott, co-announcer of the Texaco programs, will be permanent late-announcer. The Texas Co., which is donating the Wednesday 9-10 p.m. period on CBS to the Treasurers, will assess all costs for Elliott, the music by Al Goodman’s orchestra and Ray Block’s chorus, while guest stars will donate their fees. Buchan & Co., New York, is the agency.

NEW service to listeners advising them how to buy various products in view of the current living situation is now included on Lester Velte’s analysis of business news program on WQXR, New York, titled Ahead of Time.

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GATHERED the table to partake of a few vitamins before dev- ing into business are these smiling guests on the annual conference of NBC divisional engineers held in New York last week. Waiting for service to begin are O. B. Hanson, v-p, and chief engineer (standing); C. D. Peak, San Francisco; A. E. Johnson, Washington; H. C. Luttgens, 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. Loughran, 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 awaken 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 for a faint radio publicity. I would have banished this intruder from our midst with a realistic belief in my power. I spent some thought- ful hours and finally concluded that if I couldn’t lick ‘em I’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 line has increased ap- preciably, 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,” the editor explained. “We signed no contract until we proved to ourselves that we could more than finance the deal.”

Ferguson said the plan worked out like this: The Ledger agreed to spend a maximum of 15 minutes of radio time daily, from 9:15-9:30 a.m., when 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.

No 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 earned two 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 ‘Newcast Sponsors,’” Mr. Ferguson explained. “Going out in 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 in each of the two weeks every month 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.”

Reciprocal Benefits

To build up the listening audi- ence, 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 milli- cating company also gave a packet of its products daily to one housewife listener.

Among other direct effects of the newspaper-radio competition, from the Ledger point of view, are a raising of advertising rates, a big jump in job printing business, with

Amateur Violators Penalized by FCC

Commission Cracks Down on 13 For Foreign Activity

VIOLATION of the emergency in- junction against communicating with stations in foreign countries has led to suspension of licenses of 13 amateur operators for a period of 60 days. Though there was no evidence of subversive activity, the Commission said the licenses were engaging in direct violation of Order No. 72, which bans such ac- tivity because of the emergency.

They were detected by the Commis- sion’s National Defense Operations Section.


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 li- cense, was found to be communicating with other licensed amateurs. Carl Meeks, 26, was arrested June 13 on a similar charge as was Da- vid Gregg, Sault Ste. Marie, Mich., on June 10. In each ease direction finding equipment in a mobile unit uncovered the unlicensed oper- ations.

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

the city and community becoming co-president of the Radio Manu- facturers 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.
Merchandising & Promotion

Joe or Billy—Kolynos in Spanish—Initiated Slacks—Folding Schedule—Free Trips

CONTESTANTS mailed a postcard in anticipation of Joe Louis or Billy Conn as their choice in a $25 prize contest staged by WHBF, Rock Island, as a build-up for the CBS coverage of the fight. Additional publicity was sent to all weekly and daily papers in the area. The campaign was featured on the daily Sports Extra program.

Golf Orchids

AN ORCHID is awarded every Friday evening to the best woman golfer in the Syracuse area by Nick Smeride, Prop of the Oasis (Smeride Orchids) and winner of the 1940 New York WOR's Women's Open. The Orchid will be sent to a newspaper in the area for display.

New Personalities

AN EASY WAY of becoming acquainted with people whose names appear in current news stories is offered on Morning Clock on KGO, San Francisco. Announcers offer the names, correct pronunciation and about 80 words 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 division sales manager of NBC, attaches a small tube of the product as marketed below the Rio Grande. 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 store owners in the St. Louis area. The window 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 announcements on the late night show which had its premiere June 17.

Slacks With Monograms

SLACK SUITS, in cream and brown, are being worn as a promotional stunt by employees of KRGV, Weslaco, Tex. Call letters are monograms on the shirts and 20 male employees are participating.

Baltimore Match

BOOK matches have been sent out by WBAL, Baltimore, in promoting its boost to 50 kw. Inside is a cutout of WBAL's "little man," caricatured in a white shirt with a bow tie, a red tie and a large smile, holding a match in his left hand. The cutout is attached to an electric match on which the words "the magic of men" have been printed.

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 contestants, who may take a companion on the trip. The contest closes July 6 and the trips must be completed by Oct. 5. The winning amount is Walsh Adv. Co., Toronto.

Food Reporter Posters

LARGE three-color posters promoting the daily WJJJ Federal Food Reporter broadcasts are being displayed in six Chicago 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 be taken to Pensacola Field to record actual flight training scenes. The programs will be recorded and presented by the Navy Department for use on stations throughout Pennsylvania, New Jersey and Delaware.

New Acquaintance

TO ACQUAIN agencies with the operation of its new 50,000 watts, WBAL, Baltimore, has set aside 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 furnishing 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 departments 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, Wradio.

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 KZL presents the weekly Silver Mine sponsored by Blue Bonnet Salad Dressing. Listeners with the sponsor's product on hand answer questions on the show, and winners are picked at random. Prizes include $25 or get consolation prizes picked out of a hat and a houseful of good things.

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 staff, then the account representatives, and the business manager.

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. The program is sponsored by the Department of Parks and Recreation of the City and County of San Francisco, and the Wyoming, Montana, a folk program, is sponsored by Doudmitch Shoe Co., San Francisco.

Fun With Musicians

MUSIC fans in Colorado hear name band folk on Meet the Musician, produced and sponsored on KVOY, Colorado Springs. Wacky format lives interest in the interviews.

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!"
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, vitamins, pills, tablets and wafers—totalled $100,000,000 in 1946, 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. 1.

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 by 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 pratical radio background, who laid the foundation for the industry’s case. He did not spare commercial broadcasting for some of its activities, but he questioned the FCC’s authority to do 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 do more to convince the private 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 “raidring” of small station engineering staffs by larger and more prosperous outfits already under way, with no blanket Selective Service for 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 HAUSER
Assistant Promotion Manager
NIB-Globe Network

THIS IS A STORY about Lemuel Q. Jawbreak, president of the Jawbreak Cereal Co., who dreams 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 merchandize 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 sarness of the Stone Age, he now visualized a single manufac-turing plant. It was the plant of the Jawbreak Cereal Co. modern in the Twentieth Century sense.

It is running 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 and yet maintain a message 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 ponders the matter. An idea springs in his mind. He decides that if the representa-tive 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 discus-sions 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 28)
We Pay Our Respects to

Personal

BARRY BINGHAM, publisher of the Louisville Courier-Journal and Times, operating WHAS, is now stationed at the Naval Training School, having been called up May 15 as a reserve lieutenant. He is acting as assistant public relations officer for the ninth naval district. His duties at staff newspaper and station have been taken over by Mark Ethridge, vice-president and general manager.

JOHN ROYAL, NBC vice-president in charge of international radio, about July 1 leaves for three-week business tour of South America.

BERT ADAMS, of the service division of NBC station relations, is the father of an 8-pound baby, born June 6.

BOB MCKENNEY, general manager of WCN, Columbus, Miss., has been named to head the Radio Division for the Civilian Defense Organization for Lowndes County and vicinity. He was also recently appointed as one of two delegates from the Columbus, Miss., radio station WCN to the Mississippi Exchange Club Convention held in Meridian.

JAMES EATHERTON, of WCBI, Columbus, Miss., formerly secretary of Grove Labs, St. Louis, Mo., has been promoted to head of the WCBI sales department. He replaces Bill Williams.

ROBERT J. RICHARDSON, formerly sales representative of KWK, St. Louis, has been appointed sales service manager.

JACK COMFORT, formerly of the sales department of WMOT, Cedar Rapids, Ia., has joined WGTK, Charleston, W. Va.

JAMES EATHERTON, general manager of WABC, New York, on June 15 (Father's Day) became the father of an 81/2 pound girl, Mary Ann, his third child, according to the State Defense Commission.

JAMES L. HOWE, resident manager of WVTM, Birmingham, Ala., 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 TICHERON, 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 appointed sales representative on the air tour of western stations represented by the Toronto office early in July.

GEORGE F. BOOTH, publisher of WOFF-B, and Gazette owner of WTAG and WXTV, that city, has been named a member of the National Salesmen's Club, and the annual meeting next May in New York City. Mr. Booth is the former manager of the WFFM station in Westerly, R. I.

J. SOUARD JOHNSON, director of sales promotion of KMOX, St. Louis, has been named chairman of the St. Louis Advertising Club's 25th Reel- Reel- Reel Reel-Meetings' annual picnic.

MILTON SHREDNIK 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, a call put out by the agency are bought in a "package" from outside producers.

"I believe in an agency maintaining a free market for radio programs," he says, "and I believe in 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 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 that second-guessing, critical 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 WKEE, Indianapolis, has joined the announcing staff of KRVG, Wlosco, Tex.

BARBARA JO ALLEN, known professionally as Vera Vague on the NBC National 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 HART, public and promotion director of KVOO, Tulsa, is in Hollywood on a business and pleasure trip.

LOU SILVERS, Hollywood musical director of the CBS Los Radio Theater, sponsored by Bayer 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 WBYN, Brooklyn, has joined WNSR, New York, replacing Dougy 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 the production.

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

JOHN HOLBROOK, announcer of WGN, Chicago, on July 9 will marry Jeanne 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 Club.

LEONARD LEVINSON, Hollywood writer, is currently preparing scripts for the NBC Hap Hazard series which starts July 1 under direction of S. C. Cullum, and will be joined by Chicago department head, who will leave for that city July 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.

DAVID KERR, formerly of KOF and Arizona State Network, has joined the writer's staff of Photo & Sound, San Francisco, and will cover Hollywood productions.

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

ROBERTA BEATTY

FEW WOMEN active in radio today can answer the rol call of 100 miles! Shall we be convinced of the future of the new medium by that fellow student—Grace McNamee? During World War I she took an active part in ambulance driving in France for nearly two years. Now, as the presiding personality in the morning feature of ECFP, Montreal, For Ladies Only, Roberta, through her stage and radio experience, has succeeded in bringing an informal technique to her broadcasts, of distinct appeal to women.

FRANK DUNNE, formerly of WTAG, Worcester, has joined the announcing staff of MBS-WOR, New York.

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

JOHN BARTLY, pianist with Johnny 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, formerly of WBBC, has joined the announcing staff of WFVA, Fredericksburg, Va., and will be joined by his fellow graduate, Eddie Martin, former sports announcer for the WOR Vagabonds Trail program, as an announcer-producer of the 2:30 a.m. period added to the WOR schedule seven nights a week.

HUGH HARPER, formerly of WSGV, Richmond, Va., and former sports announcer for the WOR Vagabonds Trail program, has joined the announcing staff of WERF, Richmond.

HUGH CONOVER, WJSV, Washington, announcer, is the father of a baby boy born June 16 at Doctors Hospital, New York.

BRADFORD ANSLBY, formerly of WSGV, Atlanta, and now with AP radio in New York, was married recently.

MANUEL COOPER, assistant publicity director of WSGV, Atlanta, leaves shortly for a year in the Army.

MARGOLM RICHARDS, formerly of WBIA, Opelika, Ala., has joined WWO, Wooster, Ohio, taking the job vacated when Weston Brittt was made full-time musical director.

FRED BARR, former announcer of WARD and WBYN, Brooklyn, has joined WNSR, New York, replacing Dougy Way who resigned to join AFRA.

FRED K. TELFORD, formerly script writer and producer for the radio division of the Democratic pub- lic schools, and William F. McMorrow, former WOR and WORB program director, have joined the radio division, division of the office, for Emergency Management.

CHARLES SEBERTAN, chief announcer of KSCI, Sioux City, Iowa, has joined the 1,000,000 watt news broadcast network of KSCI.

ANUS SCARBROOK, announcer of WJHP, Jacksonville, Fla., is the father of a baby boy born June 16.

BRENDA ROSS, of Boston, has joined WEPG, Atlantic City, to conduct the Home Hour.

JERRY LAWRENCE, announcer and conductor of the WOR Vagabonds Trail program, has joined the announcing staff of the 2:30 a.m. period added to the WOR schedule seven nights a week.

HUGH HARPER, formerly of WSGV, Richmond, Va., and former sports announcer for the WOR Vagabonds Trail program, has joined the announcing staff of WERF, Richmond.

HUGH CONOVER, WJSV, Washington, announcer, is the father of a baby girl, Linda, his second child.

ROBERT SCHMID, MBS sales promotion director, is the father of an 8-pound baby girl, born June 16 at Doctors Hospital, New York.
Lesson 1400

Aunt Emma Lanning, of Kansas City, was installed June 1 as pastor of Bennington Church of Latter Day Saints.

Walden Lilling, news and special events director of KMBC, Kansas City, has joined the foreign language staff of CBS as Spanish announcer and public service programs director. He has joined the foreign language staff of CBS as Spanish announcer and public service programs director.

Joe Gottesman, CBS Hollywood page, who was completing a new illustrated book titled Leopold, the story of a laughing hyena.

Bill Edmunds, formerly staff announcer for KXRO, has joined the foreign language staff of CBS as Spanish announcer and public service programs director.

Joe Gottesman, CBS Hollywood page, who was completing a new illustrated book titled Leopold, the story of a laughing hyena.

Mrs. Emma Lanning

Mrs. Emma Van Alstyne Lanning, 85, homespun 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 Mansfield Hospital, Chicago. Death followed a fall in her home May 3, in which she broke her hip. During the time she was employed by WLS she had not missed a single broadcast. Married at 19, she was a widow before 30. Her only 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 1923 and continuing her studies under her son who graduated from the same institution. Before joining WLS she appeared on stage as the Great White Lady of Brooklyn, in New York, and WNEU, New York, has joined WBAY as Mr. Willkins' secretary.

Francesca Lenni Hurt

Francesca Lenni, radio actress currently playing the part of Princess Narda in the Mandrake the Magician series sponsored on several stations by Purity Baking 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 extremely rare and valuable volumes in its BMI Index, which will be sent to any subscribers writing for them. Only charge will be COD postage.
WILLIAM S. PALEY, CBS president and founder of the network in 1928 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 be maintained in dealing with controversial questions and with news; (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 how it would know precisely what it is empowered to direct; 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 a 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 fash- ible in Committee circles that they are an illegitimate factor in the industry or that in any sense they are evading their responsibilities in 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". He predicted the FCC is now set to do this but there is the back door strike at us through the licensing power it holds over our affiliated stations is proof that there is something inade- quate in the statute itself.

Find 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 discus- sion of current controversial ques- tions 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 complain- ing witness, prosecutor, judge, jury and hangman, and we find ourselves at the end of the role stigmatized as a monopolist and most of the im- portant practices of our business are generally abolished by adminis- trative 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 investi- gate and de- termine whether in the public inter- est there should be a separation of these two fields of activity, one calling for close and detailed regu- lation and the other calling for a large measure of unrestricted free- dom.

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

Pointing to the threat of a public complaint about broadcasting, he said it indicated that radio does not need and never should have the kind of regulation that inevitably will encroach on programming and interfere so materially with business arrangements and private bag- garnings of broadcasters that the industry will be "at 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—by the Orson Welles broadcast. That, he said, is generally true of broad- casting.

The law should limit the FCC to three things, Mr. Paley suggested. They be enacted as: (1) the necessary "traffic job; second, to insiure 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, he said, the law should provide that there can be no arbitrary or capricious decision in these im- portant regards. No broadcaster should be put out of business for a single slip due to a mistake, he felt, or for an error not involving willful misconduct, or because some sub- ordinate somewhere has misunder- stood or failed to live up to his instructions.

Striking at the monopoly accusa- tions of Chairman Fly, Mr. Paley declared that nature and not man decided that radio facilities should be limited. Technological improvements are steadily increasing the avail- able number of stations, he said, and engineering experts predict that one FM is effectively establi- shed, it will be possible to have as many as 14 networks in this country with that type of broad- casting 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.

Objects to Sneers And Accusations

Asserting that the new rules would bring drastic changes in broad- casting, 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 many comments 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 accusa- tions, and I realize that it is ex- pected of you 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 be- fore that the Commission "has failed to grasp the essential busi- ness and social factors affecting network broadcasting". He re- peated "easy-going assurances" of Chairman Fly that he would take care of everything and that every- thing will be all right, he said, did not jibe with his practical experi- ence. He said he was more uneasy than ever because of the "uncertainty overtly affecting every as- pect 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 inter- est and good programming.""
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 designed...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 its program costs alone cost 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 could have made tremendous revenue on sale of time if it had discussed the controversy issues, such as the public utility holding company act. An estimate revealed that CBS has lost approximately $9,000,000 in revenue on business that has been rejected.

Disputing the contention that networks dominate their stations, Mr. Paley said that station revenue increases more often 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 a network is a service corporation, is required to render national service even at the sacrifice of profits, or even if the advertiser is forced to spurn.

Denying the later 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 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 33 1/2% 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 station 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 affiliations". 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 more than doubled and now amount to 45.85% of the station's 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...
THEY WERE IN THE NAVY THEN
One of a Series

UP FROM THE RANKS of rank wireless operators, World War I vintage, came these present-day radio executives, one of whom is now back in active duty. For identifications and brief sketches of their naval careers, see page 42.

Owen

The exclusivity rule, 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 a 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 "precocious 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 becomes 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 the money 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 Co., America's largest and richest department store and the Chicago Tribune", Mr. Paley said he thought they should take the same kind of risks as it. 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 or less at their time, or do the reverse, and charge the advertisers less. He challenged Mr. Paley's contention of "first call" on station time, declaring this would mean that CBS, for example, could not avail 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's network. He called it a "nice 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 affiliates. There is no better argument for the White resolution than this "fantastic arrangement" in which the FCC feels that 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 dragging the new rules 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, "wouldn't I 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 threatening the NRC 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 Association, expressed hope that he would "reconsider" his conclusion that the FCC’s monopoly regulations may curtail religious broadcasting.

Prompted 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 chagrin at the conclusions set forth in the letter, "which is 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. 1", Mr. Murray declared.

"I can only assume that 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, 1934, ASCAP has granted hundreds of free licenses for the broadcasting of religious songs copyrighted by members of the Methodist, Episcopal and other 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 numbers, 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 to spent in the 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 15 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 McCall

First for three years straight.

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

MU TUA LDON LEE

KHJ LOS ANGELES, CALIF.

(U.P.)

THE MARK

OF ACCURACY, SPEED AND INDEPENDENCE

IN WORLD WIDE NEWS COVERAGE

UNITED PRESS

Showmanship that Wins Intermountain Audiences

The Popular Station

Sid Justice City

Natural Representative: John Blair & Co.

June 23, 1941 • Page 37
that might be impossible because the station might resell to someone else under the option time been.

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 the Illinois bill is most abstruse things. If the national debt goes up as it is doing, business won't be worth anything and you'll lose the big fake," Mr. Paley said. He said the law might be "in Montanna," 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 kicked 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 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 put away the Chairman said the reason for passage of the resolution would be to procure an "investigation" of the rules.

"If 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 statute that we'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."

Mr. Paley asked the law ought to be introduced and I believe 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 Asked

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 for "live under these a year" when serious damage might be done to the service to the public.

Chairman Wheeler reiterated feeling the service rendered by new works is good, and he candidly believed that for a new industry, radio has been subject to criticism.

"What's the rush," asked Mr. Paley.

"You'll have to address that to the Commission," replied the chairman.

"What's what we did. All we got were the eight rules," Mr. Paley responded. "That's why we came here. Why not give us a pause so that these things cannot happen."

* * * "I don't think that's asking too much."

The cross-fire closed when Chairman Wheeler said he thought the Fly promise to stay the effective date of the regulations would hold. Chairman Wheeler then read into the record the letter from Chairman Fly citing the FCC's willingness to grant stays to stations in cooperation with the "anti-monopoly rules". (See page 20.) This session was recessed until Tuesday.

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 adequate number of outlets to accommodate all networks, Senator Wheeler suggested that if there is effect would be no change, since CBS already owned outlets in those cities.

Mr. Paley brought out that there were many other cities aside 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.**

**La Mar, since 1936 special events announcer of the station,* and in radio since 1924,* has been named head of the new division.**

Mr. La Mar 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-to-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 broadcast. 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 network or 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's 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. It is for 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 "dramatic "soap dramas" on every station, cleanliness might be next to godliness, he observed, but he said he did not regard these programs as "trash" either cleanly or godly.

Assenting he was not a purist, Senator Wheeler nevertheless felt programs that character 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, since 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 local stations, and is laying example of the length to which the Commission has gone to upset existing arrangements and practices for the sake of "the principles," although its announced purpose is to protect the stations."

When Senator Wheeler inquired when he thought desirable, Mr. Paley said he felt that a five-year period should be the minimum. He said impracticality 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 he is about to do business only on a transient basis, he said.

### Long-Term License Drains Collogy

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, contesting 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. Pyle on five-year contracts, arguing that it was not necessary to "tie up stations" for that period. He said he could understand why stations would like to have them for even longer periods, but that the Government "won't let you".

Pointing out there was a "reasonable expectation" of renewal "if we do our job right", Mr. Pyle said the industry certainly was entitled to a degree of permanence and that the longer-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, he 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. Pyle said that, while he does seem to be giving MBS or other networks greater opportunity to deal for stations, MBS always had that opportunity, he added, and he has never been willing to provide the necessary service. He pointed out, however, that "monetary aspects are fiendishly important", and he warned that if the rules are invoked, a serious upheaval would result.

Says Network Has Improved Stations

On network ownership of stations, Mr. Pyle said the question is whether CBS should arbitrarily and without any hearing be stripped of interests lawfully acquired. If there can be found in the 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 acquired it, "I will agree that here and now to give that station up without an argument" he said.

Interrupted by Senator Wheeler, who inquired how many stations he thought the network should own, Mr. Pyle said there are many cities in which CBS advantageously could own stations and render a better program service, but that any attempt made to acquire stations "has been frustrated by the FCC".

Most of the CBS owned and operated stations, Mr. Pyle said, serve as originating points for national programs or have especially appropriate regional programs, or serve as affiliates in various sections of the country. CBS now is investigating an increase in service so that WCCO, Minneapolis, can render to several western 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 at least without new ideas, and the 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 one of the seven stations, and it must favor its own network, and is not in the Commission's view an evil?"

He said that in the MBS network has seven stockholders and that it is about to add four more. Thus, he said, the Commission's argument "that it should disturb our ownership and leave Mutual's unmolested seems pretty lame".

Sees Threat in Economic Control

Here again Mr. Pyle charged the Commission "strains and strives to injure Columbia and NBC and help Mutual". He said its argument that there is evil in affiliates leaning toward a single network, "one of the most destructive it has ever advanced" but the Commission nevertheless insists that it is all right for MBS "to be owned by 14 stations and all wrong for us to own it?"

Rule No. 8, under which the Commission, according to Mr. Pyle, "strives to impose advertising rates" was branded a threat as dangerous to the individual radio stations as it is to the networks. Under it, the Commission will refuse a license to any station that agrees with a network as to the rates it will charge, he interpreted. If the FCC can do this, he warned, there is no apparent limit to the extent to which it can control the whole financial structure of radio. "Once it lets control the economics of the industry and its power over broadcasting will know no bounds."

Emphasizing again that broad-casting is not a common carrier and that the public is no more concerned with its advertising rates than with the rates of magazines and newspapers, Mr. Pyle said he is competition among the advertising industry that keeps rates reasonable and fair to the advertiser. The broadcaster collects nothing from the public, he declared. If the Commission can exert the kind of powers it proposes and regulate the whole business of broadcasting to the point of imposing conditions under which it threatens to jerk stations' licenses, "no body in the broadcasting industry is going to have the faintest conception of where its own powers may be and nobody is going to be able to call his soul his own. He said the whole industry is harassed, worried and jittery and finds itself threatened and condemned as if its history were shabbily and evil."

Regulation by Raised Eyebrows

If Chairman Fly can assert these "revolutionary powers over the business practices of the networks and stations", he continued "his control will be so absolute that we will have in this field regulation by raised eyebrows, in which a nod will put one program on the air and frown will keep another off."

Answering the argument that the industry can go to the courts, Mr. Pyle said that the industry will suffer "irreparable damage in the years while this legal fight was in progress" and the public would suffer at the very time when broadcasting should, more than ever before, be a powerful instrument for the public good."

"If we win, it may well be too late. If we lost on the technical issue of the Commission's power, the important issue of public policy still is this: "Did the Congress intend and does the Congress now want a radical revision of the whole broadcasting structure by administrative fiat?"

The entire industry is united except "one small segment", which Mr. Pyle said seeks to sell commercial programs to affiliates of other networks. He asked the committee "to call off the wrecking operation and write a new law".

White Offers to Write A Law Quickly

When Chairman Wheeler observed that it would take considerable time for that, Senator White said he thought he could produce a draft of a new law in 24 hours, get it out of the committee in 48 hours, and have it through the Senate in 10 days. Chairman Wheeler doubted this.

Reviving his plea that the committee hold up the effective date of the regulations until Congress can reach an orderly conclusion, Mr. Pyle said in that way "punitive action" could be averted and "a complete freedom of the air result without threats."

Even if it takes six months to write the new law, no one would be damaged in the interim, he insisted. Senator Wheeler, however, said the Commission had consumed three years in handling the investigation and he did not put much stock in the story that the regulations had been promulgated in "18 hours".

When Mr. Pyle challenged the

C CBC in War Ministry

CANADIAN Broadcasting Corp.

is now part of the Department of

War Services, having been trans-

ferred to the Department of

Transport, according to an Ottawa

announcement. Along with the CBC

the National Film Board, the Go-

vernment Motion Picture Bureau and

the Travel Bureau leave the Min-

istries of Transport and Trade and

Commerce to join the Depart-

ment of War Services under Joe-

ph Thorton, appointed minister

dermatative Jan. 11. The CBC since its inception in 1936 has been part of the Department of Transport, the Radio Branch of

which in turn will continue to license sta-

tions.

A heavy plate glass base coated with the famous Presto "Q" compound , a smoother, faster... more uniform in thickness than any metal base recording blank.

Made heavier (3/32") for added durability. Hand-

le it like any transcription.

Has 2 standard holes for the turntable and the drive pin that prevents slippage of the disc or cutting mechanism.

Made in the new Presto $250,000 disc plant.

Now ready for you in the 12" and 16" sizes. Imme-

diate shipment, any quantity.

Phone your radio distributor for new net prices to radio stations and studios.
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 circumscribed 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 Chairmen G. M.-flint Michigan said we should turn in our used cars. It's OK with me—you can use this one, if you insist.”

"WFDF Flint Michigan said we should turn in our used cars. It's OK with me—you can use this one, if you insist."

CBS Counsel at Probe

JOHN J. BURNS

the final report was produced by "smart gentlemen" and was a "slicker and more crafty and more workable" and "when a new law it still doesn't deal with the evidence".

The parties in interest, he said, never knew that the Commission had designated "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 "glub assurances" of Chairman Fly that everything had been ironed out, 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 matter 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 idea was, "to bring overtime" 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 arose on litigation proceedings to which and to which court they should go, on what terms and how. The action should define a clear, precise method of litigation in simpler 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 advertising agency it was that placed all of these programs. He alluded to the Chicago company 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 subsidiary of the network and placed a substantial amount of business, but that it did not place all of the daytime strip shows. He said some of the programs were 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 the tremendously progressive during the last five years and that the next half-decade would bring other worthies developing.

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

On the side 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 see any way 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;
2. Congress tell the Commission specifically that 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” of those who want a 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 “sin- cerenity, forthrightness and judicial bearing and technical knowledge, would be the best person to authorize to issue the regulations. He also mentioned Mr. Paley’s recommendations for specific changes and “even Mr. Caldwell”!, who had testified under examination by Senator Clark (D-Ideah) that at least a change in procedure was desirable.

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

Exclusively, Judge Burns said, is not as bad as it sounds and is “nothing sinister”. He said there was no “statesmanlike evaluation” of the Commission’s findings. He declared the Commission should have gone to Congress for the answer.

There has been no refutation during the hearing on the charges against MBS, Ethridge and Paley that under the exclusivity the “rich get richer and the poor get poorer”, Judge Burns de-clared. He alluded to Chairman Fly’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 disfavor”, Mr. Burns said that if MBS ever gets these rules “all I can say is hold your hats!”.

Asked by Senator Wheeler whether MBS would re-open the rules, Judge Burns said he was perfectly willing to accept Mr. McCosker’s testimony that it was not, but he failed to see where they opposed it.

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. Furthermore, MBS has received 15 additional exclusive outlets and has 7 outlets which it shares. In 8 cities of the 70, 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 Networiks

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 persons who were out to ruin radio. In effect, according to Chairman Fly’s testimony, he said, option time would be banned for the networks but they could “buy it”. Out of this “twisted concept” he said he could only draw the inference that Chairman Gun disliked bigness. He reiterated he could not determine what public service would be serving by the abolition of option time, which he described as absolutely essential to network operation.

No complaint has come from affiliates, 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 as well be 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 Mr. Paley 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 Senator

War and Horses

FIRST time a CBS commentator from Berlin has been stopped by a censor and then told to continue operations June 15 during the 7:30 p.m. World News Tonight program. Howard Smith, the CBS man in Berlin, was telling about Croa- tia’s adherence to the Axis, when a German voice stopped him. Mumbling could be heard, and the German voice gave the “go ahead” order. Berlin, now resumed with the absurd that race horses in Germany now have German names- and Smith just signed off.

St. Petersburg’s prosperity is reflected in the number of automobiles per 1,000 families.

St. Petersburg 1,418

as compared to

U. S. Average 820

St. Petersburg is only part of the Tampa Bay Area—the Class “A” Market—covered completely and economically by WTSP.

Adopted to this bargain—your advertising is absolutely free every day the sun fails to shine on. . .

WTSP
St. Petersburg TIMES Affiliate
A REGIONAL STATION
R. S. Stratton, Manager
St. Petersburg, Fla.
Represented by
Radio Advertising Corp.
New York • Cleveland • Chicago

June 23, 1941 • Page 41
NOW THEY LOOK LIKE THIS
See page 36

PHOTOGRAPHS ON PAGE 36 in same (1 to 2) order show: (1) O. B. Hanson, NBC engineering vice-president, who was radio operator on the British steamer Nenepano, plying between New York and St. Johns, Newfoundland, when it was torpedoed off Nantucket Light by a German submarine just prior to the United States entry into the war. (2) G. W. (Johnny) Johnstone, former NBC and WOR publicity chief now doubling as radio director of the Democratic National Committee and the President's Birthday Ball Committee, who was a "ham" when he enlisted at the Brooklyn Navy Yard in 1917, served on munitions carriers between New York and France and was on the USS George Washington as one of President Wilson's confidential operators when he went to Europe in 1919. (3) Earle J. Gucke, manager and chief owner of WSOO, Char lottesville, N. C., who since last April has been on active duty as assistant district communications officer at the Navy Yard, Charleston, S. C., hav ing been called up as a Lieutenant Commander, U.S. N.R.; he enlisted in the Navy in 1917 as a radioman third class, serving on cruisers, sub chasers and transports and being mustered out in 1919 as chief radioman.

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 phase, by Mr. Patrick, NBC counsel. Frank E. Mul len, 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. 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 because 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; and 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 control, and 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 facing us", Mr. Trammel asserted.

Disclaiming 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 proven 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 is given power 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 prescribe 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 AROUSES 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" wrought by the regulations, Mr. Trammell said that neither court determination nor any other law of Congress under the present law nor the mere modification of the new rules, leaving unlimited discretion in the hands of the Commission is sufficient. He urged broadcasters "to go forward with any confidence as to their future status".

He said he was convinced there is 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 "right" to issue 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 Carta for the broadcasting industry" on the one hand, and that the regulations would amount to a "major operation" on a few small clauses in station and network contracts, Mr. Trammell asked: "Magna Carta 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 "determinate 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 Commission members become apparent, to recommend that a Government-controlled monopoly be legislated by Congress as the only alternative means of operating broadcasting.

The rules, Mr. Trammell charged, when stripped of non-essentials, would give the Commission almost limitless powers which it seems 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 "Magnas Charters" which has been presented to the broadcasters imposes a 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 affirmative answer.

Relating that broadcasters are "bewildered by the philosophy of control" expressed by the Commission, Mr. Trammell said the monopoly report is "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 great 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 broadcasting by NBC; and (3) in the event the 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. Pointing out 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 contracts".

Another sales policy criticized by a competitor (MBS), Mr. Trammell related, was that which permitted advertisers to combine their billings on the Blue 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 point out that memoranda of the committee that of 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."

**Calls 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, half 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 competition," and "inventoried public opinion, with dominating all affiliated stations, and, in broad generalizations, unsupported by facts or evidence, has endeavored to discredit every station.

Minacing no words, Mr. Trammell said NBC has not been adjudged 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, he felt it could work now. Moreover, Senator Wheeler declared some stations agree that exclusive contracts are undesirable transfer of a portion of the influence of advertising agencies over network broadcasting was begun by Senator Wheeler. Mr. Trammell refuted his contention that such agencies as Blackett-Sample-Hummert "dominate the industry." He said the majority of the agencies realize that when they put together a program detrimental to the medium, they hurt themselves, since radio has proved a very profitable operation for them. While they have some influence, Mr. Trammell denied they are in the position of exercising any "lot of pressure".

**Effect of Long-Term Contracts Discussed**

Senator Wheeler said that the FCC, in his judgment, could exercise authority over contractual affiliations and long terms, since in effect they involve 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 nothing to do with such exclusive contracts was "laughable."

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 never have happened.

Flecking 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
leading ecclesiastics, commending NBC's contribution to religion.

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." There was, he said, "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.

Mr. Trammell 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 material for this service. Declaring it is still being operated at a loss, he said the service has been maintained by the company throughout these years by maintaining 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-Ill.) on program development, Mr. Trammell said that if NBC is forced to sell the Blue, it wouldn't have the time on one network to provide the same degree of sustaining program service. MB5, 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 affiliations, 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 $29,882,586, after taxes and agencies, or 44.3%, was paid to affiliated stations, he said. The balance of $13,290,536, or 55.7%, was retained, he said, from which it paid wirelines, sales expense, sustaining service, studios, network staff, etc.

Mr. Trammell said he did not know what 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's ideas were "laughing stock" to 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 scoops, 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 broadcaster should be permitted to procure such a hold. "I am for any action that it would please Congress to take to prevent even a pretend influence of the air," he said.

Assuming that the worst domination that could be visited upon public opinion "is domination by a political commission," he said, NBC had explained 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 insists that it has a mandate from Congress to make and enforce regulations of public interest, convenience and necessity."

It is as important for Congress to guard against this type of domination, he said, as keeping 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, the commissioner pointed out. NBC and Mr. Trammell talked to 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 station in the nation, he said, "the great possibilities of this new service and the contribution a new industry will make to the nation's culture program when the present emergency is over."

NBC feels that television must begin with a network and has been doing everything in its power to bring 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 investment and wants us to invest in new fields," he said. "Under the circumstances how can anyone 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 Aroused Interest

Taking up the Blue Network issue, which he called the "orphan of this hearing," 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 by the FCC of the new rules. Moreover, he said, none of the original prospects 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, he said, said that NBC dispose of the Blue as though it were an entity and on the assumption that Blue had 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--
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 said to be 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 a “clarifying order” modifying the “80-day execution” but said that a great deal more than time is involved. Asked by Senator White 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-time stations WGNR in Chicago. Since all contracts would have to be rewritten under the rules, he said a scramble for Blue affiliations unquestionably would result and that his judgment was 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 affiliations would be “thrown up in the air on Aug. 2, with NBC, CBS and MBS all scrambling for them.”

Asked by Senator White what practical difference from the standpoint of service to the public there would be if the Blue network in two units as against a single unit, Mr. Trammell said this could not be accomplished without elimination 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 size, the same areas would have a loss to the public rather than the increase foreseen by Chairman Fly.

Reverting to testimony of Chairman Fly that the Blue could be easily and that NBC had exaggerated the effect of the rules, Mr. Trammell said he took it “we are going to have his assistance and that of the Commission in disposing

FREE LESSONS IN SPANISH

WTSP and Newspaper Cooperative in Gesture to Enhance Latin American Relations

At 7:15 p.m. Tuesday and Thursday evening, WTSP conducts oral exercises covering the principles of Spanish. The press-radio course consists of 20 lessons. Although the complete textbook is not available, some booklets will be sold, and the twice-weekly reprints will serve for any listener, students may purchase the Cortina textbook complete.

The new project received a hearty sendoff at a special civic program May 29 in the Ybor City section of Tampa. WJZ President; Mr. Rafael Ybor, former Cuban diplomat; and Mr. Luis A. Larrea, of the Cuban consulate, and Senator Gomez Foro.

“It is a good idea. We have to be together. We are so close to each other that what happens to the United States is what happens to Cuba and the South American republics,” commented Senor de la Puente. Senator Wheeler declared also: “It is a splendid move. There is no better way to understanding a country than to learn its language.”

Public Service Programs Might Be Endangered

Mr. Trammell explained that in addition to WJZ and the half-time WGNR, the Blue Network owned WMER and KGO. In 1940 the Blue had a volume of about $8,000,000 after discounts and agency commissions. The truth of the matter is that the Blue is not being sold for its “inherent” value, he strongly believes, that the Blue Network will continue under new management as a vigorous and successful network. He felt the potential purchase price with Blue to the Red, 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. Mr. Trammell said it did not seem to him that the “vague charge of domination and monopolistic practices, unsupported by any evidence of injury to anyone, the Red 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 Mr. Fly decreed the separation of Blue from Red stations and that a situation 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 that he felt the observation was somewhat 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 mere 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 a 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.”

As chairman of a Senate committee, Mr. Trammell said that separate books were not kept but that he “assumes” the Red network makes 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 Wheel, 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 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

50,000 WATTS

CBS

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LISTENING

RADIO FAMILIES

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CENTRAL SOUTHWEST

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SHREVEPORT, LA.

THE BRANHAM COMPANY

REPRESENTATIVES

BROADCASTING • Broadcast Advertising

June 23, 1941 • Page 45
CONTRIBUTION to the safety of Boston was made by WORL in the
form of this six-foot sign carrying a graphic message to drivers, placed
strategically in traffic-laden Kenmore Square near the WORL studios.
At dedication broadcast were (1 to r) Station Manager George Lasker,
Fred Bailey, director of WORL "M-I Safety Squad" having 25,000
members; Ed Dinsmore, announcer; Deputy Supt. O'Dea, Boston police.

Chairman Fly's statement, page 3, column 1: "penalized broadcasting
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Corporation," are obvious examples of how the phrase "broadcasting firm," and
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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 sustaining 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 Daugh-
ters of the Confederacy or a Sena-	or, 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 as-
sure 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 and 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-ex-
clusivity rule.”

Senator Wheeler then pointed out that NBC has non-exclusive contracts with WDAF, Kansas City; WTMJ, Milwaukee; 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 KSO does take some MBS programs. Senator Wheeler observed that per-
haps their independence was attrib-
uted only because of local radioполитical positions by reason of their news-
paper ownership.

“Under the new rule,” Mr. Trammell said, “there will be a swift and confusion. Stations will rush for the best features of every net-
work service. Advertisers will try to preempt the best hours on the best stations. Time salesmen will in-ject unfair methods of competition. Advertising agencies will make their own arrangements for ‘front-
page’ positions with the bigger and better stations.”

He continued that, without ex-
clusive tieups of stations with net-
works, the possibility of getting stations for exclusive service be-
comes remote.

“Every public service program which NBC would offer would be more expensive and according to the commercial and public serv-
ioffers of every other net-
work for that period. There would be no incentive for public organ-
zations to build up no reason for any network to spend the sums they now spend to build competitive recognition and pres-
tige. With the payment of public
funds remains will be local serv-
ice. National service will become the exception, not the rule.”

Option Time Not Objectionable

It would be a simple matter, Mr. Trammell explained, for adver-
sizing agencies, already equipped with expensive production depart-
ments and studios, to build up their own local stations. 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 then said an
advertiser could purchase as few as 10 NBC-Red stations during even-
ing hours, today it is necessary to minimize of 60 outlets. In May, 1934 the average number of stations on an evening Red pro-
gram was only 40; by May, 1941 it had increased to 78, he said.

Chairman Wheeler at this juncture observed, “I can’t see any ex-
cuse 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 Com-
mmission, unwittingly perhaps, in its effort 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 sta-
tions and a few large advertisers.”

“All the advertiser has to do,” he observed, “is just rent a theatre and order lines.”

Mr. Trammell then showed the committee three projected maps of the kind of networks the ad-
vertisers might order if given free choice to operate their own switched board hookup. The first map, out-
lining 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 even to approximate the same cov-
erage; it showed 160 stations cov-
ering 76.4% of the radio families of the country. Claims hookup would cost $14,748. A third net-
work would be virtually impossible to set up to give comparative na-
tional 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 what startling in contrast with Mr. Fly’s statement that he believes that five or six national networks are possible under the ‘new free-
dom.’ It looks to me as if even three would be impossible.”

After reiterating his conviction that the bulk of the advertising revenue under the new regulations will go to a relatively few of the coun-
try’s major stations,” Mr. Tram-
mell 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 ma-

jor stations, but under Mr. Fly’s “scrambled system” he said the ad-
vertiser will get the corner.

Senator Wheeler inquired how NBC operated before it had exclu-
sive options. Mr. Trammell re-
plied 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 require-
ments, Mr. Trammell declared the prohibition on option time “strikes directly at the heart of network broadcasting.”

In building up radio,” he said, “it seemed fair to have 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 reserved time for fixed fea-
tures and the proper balance be-
tween local and national pro-
grams.”

By this means the listener knows when and where to tune in for programs of his choice; the adver-
tiser 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 en-
abled to plan in advance, as they must, their schedule of operations.”

Time Reservations

Insure Stability

NBC recognizes the needs of lo-

cal service, he said, but small 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 individual stations. Those 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 $154,823,787 worth of radio business sold during 1940, according to the FCC’s own re-
cent 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 sta-
tions 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 un-
affiliated.

“The truth is,” he asserted, “that under NBC contracts with its affilia-
tes, local stations always have had and have now the right to re-
ject or cancel any network offer-
ing. Time reservations are made for the purpose of insuring stabil-
ity of contracting and are not restrictions on local station man-
agement.”

“Under the chairman’s new pro-

BROADCASTING • Broadcast Advertising

June 23, 1941 • Page 47
DECKED in their Sunday finest—dress and manners—were the children of KOY, 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 potty to fill up the books for the youngsters. 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.

Appeals for the District of Colum- bia to enter orders staying FCC deci- sions during litigation. This issue, awaiting final decision of that court, was decided originally in favor of the FCC's contention of no jurisdiction.

Alluding to Chairman Fly's state- ment the FCC would "stay" the effect of the regulations and take punitive action against any station licensee which sought to test out the Commission's jurisdiction, Mr. Patrick said that if the court had power to grant a stay, he could not understand how the Commission could do so. He described the positions taken by the Commis- sion as "absolutely inconsistent".

Sees Difficulty in Starting Litigation

The Communications Act au- thorizes the Commission to grant or deny applications but does not give an applicant power to grant "interim relief", he said. Mr. Pat- rick said he thought Chairman Fly, who is scheduled to make a rebut- tal appearance before the commit- tee, would power, to the point of not understanding how the Com- mission could do so. He described the positions taken by the Commis- sion as "absolutely inconsistent".

Mr. Trammell said the Networks were not clear on the FCC's presence in the networks, and insisted the advertiser as well as the networks has to think of good- will over the country as a whole.

Mr. Trammell, explaining that advertisers were quite ready to admit the FCC's principle, declared that he was doubtful whether they would accept full networks as against other media, like newspaper, which would have to have the sales messages in accordance with their distribution. He pointed out that NBC now spends $4,000,000 on long-time tolls, while Edward Klauber, CBS executive vice-pres- ident, said CBS spends about $2,- 000,000 and Mr. Caldwell said CBS spends about $1,000,000.

Mr. Trammell said his time-option discussion by pointing out that under the new rules "there will be a free-for-all fight for the best hours of the best stations." He next defended long-term con- tracts as a measure of stability, and denied they are designed for control of affiliated stations. In fact, he said, affiliates have insisted on them because, in view of their in- vestments in studios and equip- ment, they require the assurance of continued network service and revenues. The network itself enters into commitments for wire-lines, plant and contracts for talent be- yond the one-year term. Toscanini's long-term leases for studios and three-year contract was cited.

"Long-term expenditures," he said, "which may be productive only in the future, must be made by network organizations for pe- riods much beyond the regular li- censing period. Congress recognizes this situation by providing in the Communications Act that the Com- mission may grant licenses up to a three-year period. The Commis- sion apparently prefers to keep the industry on annual sufficiency."

Winding up with an appeal for approval of the White Resolution and legislation to place more defi- nite controls on the administrative agency, Mr. Trammell declared:

"It should be evident from the facts that have been presented to us that the question involved in the new rules is the question of the extent of business control of broadcast- ing by the Commission. Business control means program control. In- volved here is the choice between operation of broadcasting by pri- vate industry and operation by gov- ernment."

"The breakdown of our present broadcasting structure inevitably would make it incumbent on the government to step in and, per- haps, finally to subsidize stations or to tax listeners."

Columbia's Station for the SOUTHWEST

Call Any Edward Petry Office

WASHINGTON'S OWN STATION

LOW RATES—COMPLETE COVERAGE

WINX BUILDING • WASHINGTON, D.C.
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 it. Of the aggregate, 210 approved, 15 disapproved, and 12 MBS stations in the latter category.

To the inquiry whether the best interests of the industry and the public would be served by settling questions by business negotiations between stations and networks, or by Government regulation, 205 stations expressed approval of the business negotiation and 18 disapproval, with 12 of the latter being MBS stations. The resolution related that a number of affiliates felt it was necessary to adopt needed changes by Government regulation and that 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 resolution, 211 voted affirmatively, of which 10 were MBS.

The final question posed was that the affiliates believed changes they want could be accomplished only by Government regulation but that they thought the network regulations went entirely too far and favored some 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 disapproval 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 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 of 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 operated them at all times, he said. Mr. Gillin stated WOW preferred a local station in the same building to building of audience appreciation. To do that, there must be "reasonable permanency of affiliation", he said, calling it a very valuable station in a strong market.

Moreover, the "other stations", which he classified as the second, third and fourth stations in major markets, would get only the leftovers.

Advertisers will have to contact stations personally for time clearance, he declared, and the best station in each market will receive the preponderance of the business. Stations in secondary markets, he said, will receive no pay for outstanding commercials, will be offered them on "bonus basis" or not at all, since advertisers will maintain that such programs attract audience and that the market is not essential.

In the Omaha market, Mr. Gillin said, WOW would be helped under the new rules from the business standpoint, because of its position and of its network affiliation. But non-exclusive contracts would hurt other stations in the market he predicted. He said it would not be economically feasible to have six networks. The competition existing today is already, he declared, and competition has taken care of rates. Even though WOW has a lower national spot rate than the network rate, he said NBC had never threatened the station. Mr. Gillin predicted that networks would become simply program builders if they were exclusive and the advertisers would be a far more potent influence.

Each advertiser would seek to build his own network, or an advertising agency would deal for a block of three hours of time, and possibly distribute it among his clients. He would result in "block booking", which he said this did not mean sound or healthy for radio.

Cook Tells Benefits Of Long Contracts

Samuel H. Cook, president of WFBF, 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 WFBF 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 undersell 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 expire in 1943. His company did not want to commit itself without an assurance of long-term network service, he said. Had it 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 WFBF from operating in the public interest and that the network repeatedly had cooperated on program clearances. He declared his company 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 the new law and pass the White Resolution.

No Public Complaints, Miller Asserts

Winding up the day's session, NAB President Carl 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 Number Two situation.

Seeking first to explore the Fly view that tremendous domination
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 commemoration 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 can not do so. He "developed" the purpose of "bleeding the issues." He suggested that the stations themselves be asked whether they were dominated.

Answering Mr. McCosker's charge that the NAB did not speak for the industry, Mr. Miller pointed out that the NAB has 650 affiliated and 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 "an impossible one and radio today 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 Action Favoring 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 the "slaves" because of influence from the "executive" branch. He predicted that unless the industry makes a determined effort to present both sides, censorship will be invoked and 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 "slaves," which rigidly restrict trade association operations.

No Evidence of Monopoly Says 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 WHEC, 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 a very keen competition, and the only time any terms of our contract with Columbia were 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 hours conference."

Mr. Wheeler said he was fearful that the actual results of the FCC rule will be "in our particular case, that this affiliation that we have will be 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 nation will have to scan the new possibilities offered to them under the new rules, and it could easily come about that the Ford Hour that we have carried 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."
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 most of you." Mr. Lee said that NBC had no desire to have 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 "Mutual nor a network." He said the rules were a "wrecking" 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 that 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 WCAK, 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 WCAK from a competitive angle, he explained, emphasizing the need of network programs if it was to succeed financially.

As 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 WCAK 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 WCAK 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, Burlington, CBC's exclusive 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 was made to prevent affiliation of WFBR with MBS.

He recited events 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 has never recall any development that has concerned our Protestant leaders quite as much as the FCC rule. 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 blanket 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.

Mr. 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 effect." He added his group believes the regulations should not destroy or impair public service programs as now constituted.

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

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 30 days prior to the normal expiration date of the contract. The affiliate is not bound to take any particular MBS program if in that certain spot has a MBS affiliate approved. The affiliate is prevented from opting 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 of 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.

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

INTERNATIONAL NEWS SERVICE

WRNL ALWAYS RINGS THE BELL

IN RICHMOND, VIRGINIA

NBC BLUE • 1000 WATTS

June 23, 1941 • Page 51
**Actions of the Federal Communications Commission**

**June 14 to June 20 Inclusive**

### Decisions

**JUNE 16**

WTMC, Ocala, and WDLP, Panama City, Florida—Amended application for construction hearing to specify June 14 at Jacksonville, Florida, thereafter at Ocala and Panama City.

**JUNE 17**

New, standard broadcasting co., Los Angeles—Granted CP for new FM station 43.5 mc, 7,000 w.

NEW, Massac Co., New York—Granted CP for new FM station 44.7 mc, 5,000 w. & 1,000 w. & 250 w. D.

NEW, City of New York Municipal Broadcasting System, New York—Granted CP for new FM station 48.5 mc to cover 3,500 sq. mi.

**JUNE 18**

**MISCELLANEOUS—WCBX, Chicago, granted modification of CP to decrease to 5 kw increase hours to 6 minutes at Fort Worth and another station to 8 minutes for re-lighting in matter; KWLW, Willmar, Minn., granted CP change transmitting equipment increase to 250 w 1940 kw; WCBE, New York City, N. Y., granted modification to change frequency on Channel No. 5.

**JUNE 19**


**JUNE 20**

Newspaper—Radio hearing postponed from 6-15:41 to 7-5:41.

### Applications

**JUNE 19**

**WNAB, Bridgeport, Conn.—Granted** modification to increase to 1 kw WPTX, 1 kw WCBX, 1 kw WABC, 1 kw WOR.

**NEW, Norfolk County Broadcasting Co., Canonsburg, Pa.—Granted CP new station 1460 kw w. u. contingent on WBOC going to 1520 kw.

**WCAI, Cedarton, Ga.—Modification of CP for transmitting equipment change.

**NEW, Bernard N. Walls Broadcasting, N. C.—CP new station 1400 kw 250 w. D.

**NEW, Bayview, Inc.—Modification of license for increase to 250 w a.m.

**KDG, Coffeyville, Kan.—Amend application for CP to increase to 1 kw w. u. on 690 kw.

**KDB, Santa Barbara, Calif.—Transfer control from J. W. & B. D. Merrill, executors of estate of Don Len, deceased, to Don Len Broadcasting Co.

**KGW, Alamosa, Col.—CP increase to 250 w. install new transmitter.

**JUNE 19**

**NEW, NBC, New York—CP new tele¬vision station Channel No. 1.

**NEW, Northwestern Pennsylvania Broadcast¬ing Co., Wilkes-Barre, Pa.—New CP new station 1240 kw 250 w. Facilities WAX.

**NEW, San Francisco, Calif.—CP new station 1470 kw 1 kw w. u., facilities vacated by KXYZ.

**WGQ, Youngstown, Ohio.—CP—and Licensed new station 1300 kw 1 kw w. u., facilities vacated by WKNZ.

**KCRR, Green Bay, Wis.—Modification of license for increase to 1 kw w. u. on 1260 kw.

**KSYX, Council Bluffs, Iowa.—Amend application for CP to increase to 1 kw w. u. on 1520 kw.

**KGW, Fillmore, Calif.—Amend application for CP increase to 5 kw w. u. and 600 kw.

**KOLA, Boise, Idaho.—Amend application for CP increase to 1 kw w. u. and 1400 kw.

**KQW, Union, Mo.—Amend application for CP increase to 5 kw w. u. and 1400 kw.

**KOMO, Seattle.—Amend application for CP increase to 1 kw w. u. and 1400 kw.

**KQW, Union, Mo.—Amend application for CP increase to 5 kw w. u. and 1400 kw.

**KOMO, Seattle.—Amend application for CP increase to 1 kw w. u. and 1400 kw.

### Improves Outlets

GENERAL ELECTRIC's three shortwave stations will be made even more effective by new transmitting equipment now being installed in Schenectady and San Francisco, according to R. S. Peare, GM of broadcasting.

The improvement in 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. WGEF, Schenectady, licensed for 100,000 watts and long famous as the most powerful shortwave broadcasting station in the world's hemispheres, is also receiving new equipment to further increase its efficiency late in August.

### AFRA Sings WTAM

AMERICAN Federation of Radio Artists has signed a contract with NBC covering the announcing staff of WTAM, Cleveland, eighth NBC network station to be signed by the union.

Contract is standard, providing 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 WMOR, 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 advertising 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.

### Maj. Bowes Recovering

MAJ. EDWARD W. BOWES, 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 comfortably." Chrysler Corp., Detroit, sponsor of BOWES' "Let a Woman Have Her Say," on CBS, has arranged a temporary substitute program in the Thursday 9-10 p.m. period pending his full recovery. Program started June 19 and features Morton Gould's Orchestra.

### Solve Platter Matter with 1300A Reproducer Set

"Solve Platter Matter with 1300A Reproducer Set" says Chief Engineer

"If present reproducer is member of tribe long established, if programs suffer...hunt up Graybar message telling tale of Western Electric 1300A Reproducer Set," says Chief Engineer.

"You'll discover it includes the 300A Reproducer Panel... turntable, motor switch, speed change switch, combined impedance matching coil and variable equalizers—four distinct output impedances and 7 reproducing characteristics."


### Tentative Calendar

**JUNE 24**

WTEL, Philadelphia—CP change to 1500 kc 250 w u.

### Network Accounts

All time EST unless otherwise indicated.

#### New Business

PACIFIC COAST BORAX CO., New York (Borax, 20 Mule Team Flakes), has advertised on four NBC Red Network stations on 58 CBS stations, Thurs., 8-8:30 p.m. (EDST). (PST) Agency: McCann-Erickson, N. Y.

ANACIN Co., Jersey City, on June 21 started America the Free on 59 NBC Red Stations, Sat., 10-10:30 p.m. Agency: Blackett-Sample-Hummert, N. Y.

ANACIN Co., Jersey City (headache remedy), on June 23 started Page Farrell on 78 MBS stations, Mon., Thurs., Fri., 1:00-1:15 p.m. Agency: Blackett-Sample-Hummert, N. Y.

LUTHERAN LAYMEN'S LEAGUE, Boston, on Oct. 19 starts 26 half-hour programs on 11 Colonial stations, Sun. 1-2 p.m. Agency: Kelly, Stuhlim & Zahmst, St. Louis.


### Renewal Accounts

LEVER BROS. Co., Cambridge (Spry), on June 23 renews Aunt Jemima's Real Life Stories on 61 CBS stations. Mon. thru Fri., 11:45 a.m. 12 noon (reb.: 2-12:30 p.m. A.M. A.A. Buhl & Rep., N. Y. 1.)

LEVER BROS. Co., Cambridge (Rinso), on June 23 renews Big Biscuits on 75 CBS stations, Mon. thru Fri., 11:30-11:45 a.m. (reb.: 2-2:15 p.m. A.A. Buhl & Rep., N. Y. 1.)

LEVER BROS. Co., Cambridge (Life-bouy soap), on July 9 renews for 52 weeks Meet Mr. Week on 60 CBS stations, Mon. thru Fri., 8-8:30 p.m. (reb.: 4-4:30 p.m. A.A. Buhl & Rep., N. Y. 1.)

AMERICAN CHICHE Co., Long Island (Gum-Crunch-a-lets), on June 30 renews for 33 weeks Ben Grazer's Drama Behind the News on 71 NBC Blue stations, Mon., Wed., Fri., 8-8:45 p.m. Agency: Badger & Browning, Inc.

STERLING PRODUCTS Co., New York (Bayer's Aspirin), on July 29 renews Second Husband on 75 CBS stations, Mon. thru Fri., 7-7:30 p.m. Agency: Blackett-Sample-Hummert, N. Y.

### General Foods

All time EST unless otherwise indicated.

#### Network Changes

GENERAL FOODS Corp., New York (Grape Nuts), on July 4 replaces Kate Smith. Newer with Claude Davis on 42 CBS stations, Fri., 8-8:30 p.m. Agency: Young & Rubicam, N. Y.

PEPSODENT Co., Chicago (toothpaste), on June 24 replaces for 13 weeks the Bob Hope Show with A Date With the Giants on NBC Red stations, Tues., 10-10:30 p.m. (EDST). Agency: Lord & Thomas, Chicago.

Help Wanted

Wanted—Engineer. Experience and commercial. Box 516, BROADCASTING.

Wanted—Engineer capable of taking responsibility composite transmitter maintenance. Box 615, BROADCASTING.

Salesman—Regional and Exclusive Market devices experienced salesmen. Send full particulars to Box 614, BROADCASTING.


Salesman—Excellence opportunity for right man, in progressive local station, large Midwest city. Box 619, BROADCASTING.


Wanted—Experienced man with money to purchase stock in Station. Take over management. Only well experienced man with capital considered. Box 668, BROADCASTING.

Experienced Salesman—Wanted at once for local accounts. Must be clean-cut, aggressive, and able to furnish good references. Prefer with new Midwest local station. Send picture, full particulars, and references first letter. Box 609, BROADCASTING.

Situations Wanted

Sports Announcer—Of outstanding ability who has been doing sport reviews, and play-by-play in major league baseball, hockey, wrestling, football, etc., for the past ten years in a city of approximately one million population. Would like to start with a reasonable salary, but must have quick offer. Unusual local situation necessitates change. Excellent references. Box 622, BROADCASTING.

Girl, Single, 26: Experienced—Program kinds of writer. Also have features woman's program. Voice good. Excellent references. Box 611, BROADCASTING.


Experienced—Female continuity writer. Also have featured woman's program. Voice good. Excellent references. Box 611, BROADCASTING.

CBS Man With Exceptional Qualifications—Desires chief engineer or supervisory position. 1 to 50 kw. Licenses anywhere. Box 664, BROADCASTING.

Engineer—Five years as chief engineer with excellent recommendations. Ten years in broadcast work, University education. Box 605, BROADCASTING.

Production-Program Manager—Also announce, write, fourteen years of experience.—will go anywhere—employed but wants to make a change. Box 610, BROADCASTING.

Salesmanager—10 years radio—11—married—high record of personal sale.—real results with salesmanship. Desires manage-salaries midwest station. Box 608, BROADCASTING.

Salesman—Now employed. Aggressive, imaginative, good personality, dependable. Extensive newspaper background. Three years radio. Beeks connection local outlet needing new blood and results. 1000 W preferred. Box 618, BROADCASTING.

LATEST series of transcriptions supplied to clients of United Press introduces A. L. Bradford, newly-appointed radio news manager in the New York office, describing his newspaper-gathering experiences across continents. Other side of the UP disc presents Joan Younger, women's editor of the UP radio department, in interviews with Broadway stars.

Matthew F. Burns

MATTHEW F. BURNS, S1, a resident of Los Angeles, and vice-president of RCA Mfg. Co., died at Mayo Clinic, Rochester, Minn., June 16. He received back injuries in a fall while in New York three months ago. Surviving are his widow, Mrs. Ida E. Burns, and a son, Richard V. Burns.

FOLGER Test

J. A. FOLGER & Co., Kansas City, (coffee), on June 16 started a special test campaign of five-weekly ten-minute news programs on WHEL, Virginia, Minn. Contract is for 13 weeks. Agency is Lord & Thomas, Chicago.

Bit Discs

UNION OIL Co., Los Angeles, in promoting Bit fly survey with a varying schedule of one-minute transmitted announcements on KPSD KOY KKBK KEKN KIDO RKO KMJ KFBE KT KH KVI KQW KYGO KTIMS KHQ. Lord & Thomas, Los Angeles.

PROFESSIONAL DIRECTORY

JANSKY & BAILEY

An Organization of Qualified Radio Engineers

Dedicated to the

SERVICES OF BROADCASTING

J. HENRY BARRON

Consulting Engineer

192 National Press Bldg.,
Washington, D. C.

L. F. GODLEY

Consulting Radio Engineer

Phone Montclair (N. J.) 2-7859

PAGE & DAVIS

Consulting Radio Engineer

Munsey Bldg.,
District 8456
Washington, D. C.

A. EARL CULLUM, JR.

Consulting Radio Engineer

Highland Park Village
Dallas, Texas

McNARY & CHAMBERS

Radio Engineers

National Press Bldg.,
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Washington, D. C.

H. R. SKIFFER

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FIELD INTENSITY SURVEYS

Stations Location Surveys

CUSTOM BUILT EQUIPMENT

St. Paul, Minnesota

CLIFFORD YEWDALL

Empire State Bldg.,
NEW YORK CITY

An Accounting Service

Particularly Adapted to Radio

Radio Engineering Consultants

Frequency Monitoring

COMMERCIAL RADIO EQUIP. CO.

2441 Main St.
KANSAS CITY, Mo.

R. W. FRAZIER

Consulting Radio Engineer

Design of First Directional Antenna Controlling

Interference

8717

R. M. WILMOTT

Consulting Radio Engineer

WATERTOWN, SD

R. W. FRAZIER

Consulting Radio Engineer

Design of First Directional Antenna Controlling

Interference

DOWNTOWN Bldg.,
WASH., D. C. 12717

RING & CLARK

Consulting Radio Engineers

WASHINGTON, D. C.

Munsey Bldg.,
Republic 2347

Frequency Measuring Service

EXACT MEASUREMENTS

ANY HOUR—ANY DAY

R.C.A. Communications, Inc.
66 Broad St., New York, N. Y.

RAYMOND M. WILMOTT

Consulting Radio Engineer

Design of First Directional Antenna Controlling

Interference

Advertise in BROADCASTING for Results!
**Video Rate Card Prepared by NBC For July 1 Start**

DuMont and CBS Progressing With Television Plans

FIRST television rate card is expected to be announced momentarily by NBC for W2XBS, its television transmitter in New York. Network's television executives were conferring on the rate schedule and planning to proceed immediately to contact numerous advertisers who have expressed interest in getting in at the offset of this newest advertising medium last weekend, following notification that the FCC had approved NBC's application for commercial television operation in New York.

The Commission acted with unusual promptness in granting the network's application, which covered not only W2XBS but W3XBN in Washington and a new station to be constructed in Philadelphia. Application was filed Monday and granted Wednesday. W2XBS, which has been operating on a three-weekly schedule since last fall, will be on July 1. Commission approved annual, weekly, operation, it was said. Full program plans were reported to be completed and approved but NBC has not indicated that it will be on the air with sight-and-sound programs some time between 2 and 11 p.m. six days a week.

Free Adjustments

W3XNB, Washington, will probably be ready to start testing in November as a part of NBC's national service by next March, it was said, and it is hoped the Philadelphia station will be in operation by July 1, 1940. It is estimated that it will be on the air with sight-and-sound programs some time between 2 and 11 p.m. six days a week.

Expect 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 day-night 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 yearround 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 remaining two stations with ready has indicated, on the basis of these studies, that DST appears to offer a partial remedy for the power situation in the Southwest. With OPM seen as a defense Administration backing, 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 schedule into CBS Steelmakers, to NBC-Blue in October when it returns following a summer layoff to begin after its June vacation. Provision for the switch was contained in a memorandum sent to MBS affiliates by Fred Weber, MBS advertising manager, who charged that it is a "further demonstration of the concern NBC exercises over its affiliates."

The advertising manager of Wheeling Steel, the memorandum read, has expressed the hope that Mutual might make a deal with ASCAP, but when the contract has lapsed, has informed the company that they have been buffeted Mutual's suggestions that he use ASCAP music on his programs, agreeing with WWVA, Wheeling, which originates the program although it is an NBC affiliate, not to use any ASCAP music.

"We were given the understanding that mutual continued, that "WWVA could feed Mutual under clearance at the source of an individual station license. Then Mutual's affiliating stations affiliated with Mutual and other networks wired they would not use either Mutual or with ASCAP music even with infringement exception. Wheeling's advertising manager was then acquainted with the boycott aspect of the incident. This was restated by him and caused his cancellation order, because he agreed with WWVA to follow NBC's policy and use Mutual music to supplement the absence of ASCAP music on a Mutual music program."

Tru-Ad Spot

TRU-AD BOTTLING Co., Los Angeles (fruit beverage), through Beaumont & Hohman, that city, is currently using a series of one-minute communications and advertisements on WRC-WMAL, Washington, as well as participation five times weekly in Happy Johnny on WBAL, Baltimore. In addition the Tru-Ad Bottle of their campaign is sorings for 13 weeks a weekly half-hour program titled Tru-Ad Quiz Party on WTMJ, that city. Robert H. Schmelzer is account executive.

Government of Mexico Seizes XERA, Alleging Undue Foreign Influence

CHARGING undue influence by "foreign elements" and transmis- sion of code-name "without authority, the Mexican Government has seized and confiscated XERA, a Mexican border station identified with radio activities of Dr. John R. Brinkley. Seizure of the broadcast plant was simultaneous June 27, by Mexican Federal army troops, at the direction of Mexico's President Avila Camacho, to prevent the station from reaching the State Department in Washington.

President Camacho, in announcing the seizure, declared the confiscation was considered to be in the general interest of the mother country. He charged that XERA was "in the hands of certain foreign elements, some of them Nazi sympathizers, and that code-name was sent out of the station without authorization of the Mexican Government."

XERA had been licensed to operate with 500,000 watts, but actually operating with a reported 180,000 watts, was termed "the third most pow- erful station in the world," in the well-known border station, long operated by Dr. Brinkley, was forced to diminish its long-range service beamed to United States listeners when the Havana Treaty allocations went into effect March 1. When price had been announced, the Mexican Government has stated the owners will be notified and that it will take over operation of the station, the State Department reports indicated.

**ARTIST GROUP SALE STILL UNSETTLED**

DETAILS regarding the sale of Columbia Artists Bureau to Music Corp. of America have not yet been revealed, which sale word, that separate no deal on personnel or the merger of activities will be made until later this month when the sale has been fully consumated. It is understood that Lou Mindling, who recently joined CoMB as director of Lincoln, and Robert Rosenthal, executive vice-president, will remain at CBS in the Program Service Department instead of rejoining MCA.

Officials of NBC stated that "no deal has been had" for the network's Artists Service, "nor has any price been set," although figures and data supplying an overall picture of all services operations have been given to prospectie purchasers. A number of talent officers, who have been interested in acquiring all or part of NBC's booking bureau, with the William Morris Agency and MCA are most actively interested.

Fire Destroys WFTM

FORCING the station off the air for new quarters and in the process, a fire of unknown origin in mid-June destroyed the building housing both the transmitter and main studios of WFTM, Fort Myers, Fla., according to reports reaching the FCC. The estimated $15,000 damage was covered by insurance.
Antone Dyer and his family, just like many other 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. 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.

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 4-H Clubs soon.

THE NATION'S most Merchandise-able STATION
