

PRESIDENT FAVORS RADIO TAX SURVEY

A "THOROUGH study" of the tax situation in connection with broadcast stations was suggested by President Roosevelt to FCC Chairman Frank R. McNinch during a one-hour conference on March 10. At the same session, the President heard from the Chairman a report on the progress of the Interdepartmental Committee on Broadcasting, appointed last month to inquire into the subject of broadcasts from this country to foreign nations.

Following the conference, Chairman McNinch said many subjects were discussed but no definite conclusions were reached. He said he favored a thorough study of the tax situation before any steps are taken and that the President concurred in this view.

On international broadcasting, he asserted that since the President had appointed the Committee he felt he should be kept informed of its work.

A proposal to tax broadcasters 10% of gross receipts upon holders of broadcast licenses was made in the House March 10 by Rep. McFarlane (D-Tex.), while the general tax bill was up for consideration. Rep. Thompson (D-Ill.), tax committee chairman, opposed it, declaring it invaded a field that should be thoroughly studied. The proposed amendment was overwhelmingly rejected 60 to 30. (See stories on pages 19 and 34.)

Many Prizes to Be Given In Two P & G Contests

PROCTER & GAMBLE Co., Cincinnati, will start two new contests for Crisco and Camay. The Crisco contest, to be promoted on *Vic & Sade*, on NBC-Red network, *Kitty Keene* on transcriptions in Canada and Hawaii, and *House-Boat Hannah* on WOR, Newark, starts March 21. First prize of \$1,000 and 200 other prizes will be given weekly for the best endings for the sentence, "Crisco is my favorite shortening because . . ." accompanied by a Crisco wrapper. Agency is Compton Adv. Inc., New York. The Camay series, through Pedlar & Ryan, will be 30 daily contests from March 23 to May 6, for endings of the sentence "I believe Camay is best for my complexion because . . ." Daily prizes of \$1,000 and 40 Emerson radios will be given. The contest will be announced on *Pepper Young's Family* on the NBC-Blue network.

P & G on May 30 will move its five CBS programs into the 1-2 p. m. spot. *Kitty Keene*, for Drefit, is heard only in the West and *The Goldbergs*, for Oxydol, is in the East, so these two will probably occupy the same quarter-hour period. The other programs are *The O'Neills*, for Ivory soap, *Ma Perkins*, for White Naphtha soap, and *Road of Life*, for Chippo. General Mills' *Gold Medal Hour*, now on CBS at 1-2 p. m., on May 30 moves to NBC, to be heard at 2-3 p. m. Number of stations to be used has not been announced in either case.

NEGOTIATIONS between Warner Bros. and Associated Music Publishers for transfer of Wired Radio and other AMP holdings to Warner Bros. have been completed and contracts will be signed within the week, according to Warner's New York office.

Used Car Advertising Drive Clearing Heavy Dealer Stocks

RETURNS from automobile dealers in all parts of the country indicated March 10 that the March 5-12 drive to break the jam of used cars would be successful. A heavy share of the promotion campaign has been carried by radio, with over 400 stations carrying spots as a result of the auto industry's special \$2,250,000 advertising fund.

On the average, dealers in a majority of cities had reached about 50% of their sales quota by March 9 it was indicated by the Automobile Manufacturers Association, which cooperated with the independent Ford Motor Co. in financing the drive.

Would Speed Production

These encouraging reports from dealers led to the prediction that the campaign might even exceed quotas in many regions. If quotas are generally attained, manufacturers expect to resume large-scale manufacture of automobiles after a long slack period caused by the burdensome dealer stocks of used cars.

Some 50 advertising agencies

have been participating in National Used Car Exchange Week and have placed time for national manufacturers as well as countless local dealer groups and individual dealers. Broadcasters have been cooperating by throwing their program and promotional facilities behind the drive.

Among effective stunts has been the burning of thousands of used cars, with stations including the bonfires in their program schedules. Parades, display and other forms of promotion have been employed on an elaborate scale.

Before the drive got under way some 400 stations had been placed on the radio schedule which called for upwards of 18 announcements of 100 words each. This list was increased as local dealers used generous shares of their advertising appropriations on the drive.

Money for used car week was raised nationally by assessing dealers on the basis of their proportional sales in 1937. Almost unprecedented was the participation of every manufacturer in an automotive project.

Lenten Fish Series

TIMED to start right after the beginning of Lent, the Canned Salmon Industry, Seattle, launched a wide-scope advertising campaign on March 4, with the celebration of National Canned Salmon Week. The campaign continued until March 12. Radio, newspapers, billboards, color and black and white copy in magazines and full-color space in the *American Weekly* were used in what was termed by the Association the largest campaign ever launched to sell a canned fish item. In addition a full line of store display material was offered to grocers. Radio stations in 35 cities carried spot announcements and participations in home-economics programs. The agency is J. Walter Thompson, San Francisco and Seattle.

Texaco Eyes Discs

TEXACO Co., New York, whose CBS show with Eddie Cantor goes off the air March 23, is making plans for a summer transcription show to be placed locally by dealers. It has not yet been decided whether the dealers will be asked to buy their own time or whether the company will cooperate. The program, which has not been chosen, will go on the air in June. Agency is Buchanan & Co., New York.

Fenn Candy Series

FENN Bros., Sioux Falls, S. D. (Walnut Crush candy), will start news broadcasts on three stations, using quarter-hour morning programs and five-minute noon programs six times weekly on KGLO, Mason City, Ia., while other programs will shortly be started on stations in Duluth and either in Rochester, Minn., or Rockford, Ill. BBDO, Minneapolis, handles the account.

KREUGER BREWING Co., Newark, on or about March 18 starts three weekly sport reviews with Clem McCarthy on WJZ, New York, Fri. Sat. and Mon., 7-7:15 p. m. Young & Rubicam, New York, is agency.

Test Ballot in Canada Shows Heavy Opposition To Commission System

IN A STRAW vote of Southern Ontario, the most populated area in Canada, conducted by the Danforth (Toronto) Business Men's Association, 23,157 listeners voted against the CBC as against 898 for it, in answer to the question "Are you in favor of a federal broadcasting commission?"

The vote was prompted by the recent increase in the annual radio license fee from \$2 to \$2.50, and from one license for all sets in a house, to one license for each set. The Association prepared a 22-page survey as a result of the vote. Here are the questions and polling results:

"Do you approve of licensing radio?" Yes, 1,472. No, 21,892.

"Do you approve increased cost?" Yes, 38. No, 23,954.

"Are you in favor of a federal broadcasting commission?" Yes, 898. No, 23,157.

More than 1,200 letters offering suggestions and criticism of the CBC came in with the nearly 25,000 ballots, postmarked from 581 postal stations. The letters are understood to have been forwarded to J. Earl Lawson, conservative member of Parliament at Ottawa and member of the Parliamentary Committee on radio, who has been an opponent of the present radio setup in Canada.

General Mills Serial

GENERAL MILLS Inc., Minneapolis, has commissioned Sandra Michael, who wrote *Valiant Lady* which replaced *Hollywood in Person* March 7 on the CBS *Gold Medal Hour*, to author another radio serial. Ed Smith, radio director of General Mills has appointed Lou Jacobson, WGN production director, to handle the direction of *Valiant Lady* which stars Joan Blaine and Francis X. Bushman.

Yardstick Unlikely For Station Sales

FCC Sessions Fail to Yield Rigid Formula for Prices

ANY IDEA of fixing a rigid formula to govern the sales price of broadcast stations may be abandoned by the FCC, following several conference discussions of the subject. Efforts to establish a yardstick have proved fruitless, and there is an even chance, it is thought, the FCC will decide it cannot make any hard and fast ruling and must consider each case on its own merits. A meeting on the subject was held March 8.

In recent arguments before the FCC on station sales the predominant view has been that it does not have jurisdiction to block station transfers simply on the price factor. Confusion has developed over allegations of "trafficking" in station licenses which is regarded as a misnomer and which has been applied to all station sales.

The Three Theories

One school of thought on the Commission has fostered the theory that stations could not be disposed of at a price greatly in excess of the actual tangible value of equipment and investment in studios and other appurtenances. Another has been inclined to favor actual value of tangible equipment plus a "going concern" factor which would be calculated on the basis of annual net profits of stations. The third is that each case should be considered on its own merits and that no rule of thumb can be adopted, on the ground that broadcasting is a business that should not be hemmed in by economic limitations which might discourage stability and as a result be reflected in deterioration of service.

A number of cases involving transfers now are pending. Presumably the Commission will write precedent which it might follow in future transfer cases in each of these proceedings. If a definite formula is decided upon, it is indicated that it will be flexible rather than rigid.

Philip Morris Quiz

PHILIP MORRIS Co., New York, on or shortly after March 25 will start a new weekly network show in addition to the two now running on CBS and NBC-Red. The new half-hour program, entitled *What's My Name?* will be a radio version of 20 questions, parlor game, with audience participation and prizes to winners. The listening audience will be asked to suggest names and questions. The usual "On the Trail" theme and "Call for Philip Morris" will be used, with orchestra conducted by Ray Block. It has not yet been decided whether NBC-Blue or Mutual will carry the program, which will run on a 13-week test basis. Agency is the Biow Co., New York.

Popeye for Popsicles

JOE LOWE Corp., New York (Popsicles), on May 2 will start a CBS show Mondays, Wednesdays and Fridays at 6:15-6:30 p. m. The program will probably be *Popeye, the Sailor*. Agency is Blackett-Sample-Hummert, New York.