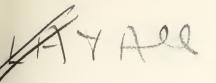
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.





INDEX TO ISSUE OF NOVEMBER 5, 1943

Commander Craven Discusses "A Free Radio"	.1
Radio And Radar Specialists To Meet In Washington	. 5
"Standing Room" Only For Advertising On Local Stations	. 6
Mutual Presents Prayer Book To Chief Service Chaplains Douglas Coulter Elected CBS V-P In Charge Of Programs	. 7
More Equitable Distribution Of Radio Tubes To Public	
Kesten Restates CBS Policy Re News Broadcasts	. 9
OWI Granted Additional \$5,000,000 For Foreign Branch	
Fly Assails Bill To Curb FCC Rule; Senators Differ	11

No. 1576



COMMANDER CRAVEN DISCUSSES "A FREE RADIO"

In a speech delivered before a section on Administrative Law of the District Bar Association last Tuesday night, Federal Communications Commissioner T. A. M. Craven, discussed "A Free Radio" and the following are some of the salient points which he brought out.

"After nearly 25 years of splendid service to the nation, broadcasters are again faced with controversy concerning free speech over the radio. This controversy centers upon rights of minorities to be heard, as well as upon other radio aspects of free speech. Many persons fear that the power of the purse will control the dissemination of facts and opinions to such an extent that the views of minorities cannot be presented adequately to the public and hence, that the public will be deprived of the benefits of all facts and opinions. Others fear potential abuse of power by broadcasters, while still others fear that radio will become solely the Voice of Government. Some demand that radio be free of Government control; and these are opposed by groups advocating more extensive Government regulation.

"Various panaceas are offered, such as "Freedom to Listen", "Freedom of Access to the Microphone", "Freedom to Hear and be Heard", "Needed: A Code of Radio Good Behavior", "Free Speech - An Exploration of the Broadcaster's Duty", and "A Free Radio".

"Many of the philosophical panaces for radio are influenced by the present-day dearth of radio facilities. It is alleged that this scarcity is the principal cause of some of our most difficult radio problems. In spite of the fact that in most cities today there are more radio stations than newspapers and that less capital investment is required to establish a radio station than a modern newspaper, emphasis is laid upon the alleged lack of opportunity to enter the radio field as compared with the so-called free opportunities to establish a newspaper.

"While it may be true that today there does not exist the same 'free' opportunity to establish a radio station as there is to establish a newspaper, the ultra short wave frequency modulation radio developments of the war have made it possible to expand radio's opportunities to a considerable degree. Thus, the day need not be far removed when there will be sufficient opportunity for any number of persons with sound business judgment to establish a radio broadcasting enterprise in any community in this country. Thus, the future opportunities may even favor radio in comparison with newspapers. * * *

"The doctrine "Freedom to Listen" has been advocated recently as a cure for today's radio troubles. This doctrine indicates a misconception of present radio problems insofar as it

implies that listeners do not have the freedom to listen and that a person desiring to use radio for the dissemination of his philosophies to the public has the right to compel listeners to make the choice of either listening to a specific speaker or else 'turning the dial off' or to another station. 'Freedom to listen' should not be so confused. 'Freedom to listen' was established centuries ago, both in America and in England. Thus this right was already the listeners' right when radio was discovered. The people of the United States of America have always had the right to read or to listen to anything they desire, whether by the papers, by radio or by any other means. They have always had the right to listen to the voice of minorities. This is a part of our democracy. This does not mean, however, that anyone has the right to compel people to listen. Therefore, from 'freedom to listen' does not follow an inalienable right to be heard, or in modern parlance, 'freedom to listen' does not convey of itself 'freedom of access' to the microphone.

"Many persons advocate the doctrine of 'Freedom of Access' to the microphone as the solution of today's radio problem. This doctrine likewise indicates certain misconceptions of radio, because without equal opportunity of access for everyone in the country, we cannot achieve freedom of access. For example, if every individual in the country operated his own radio station, his station would be valueless to the public as well as to himself. The public would be confronted with a veritable 'Babel' of radio orators. None of these orators could compel persons to listen. * * *

"There are persons who advocate that the broadcast licenses should have the sole responsibility for curing today's radio evils. While this doctrine has much merit, it is possible that it alone will not solve the problems. Under this doctrine the licensee would be required to adjudicate whatever rights any person may have to use the microphone* **It is impossible for a radio broadcast licensee to exercise his responsibility in accordance with the concepts of all the proponents of these ideals, because each proponent has a conflicting concept of what rights should be conferred upon any one desiring to use radio and some do not even understand the practicalities of radio. ***

"We now come to those who advocate that radio licensees must be regulated by the Government with respect to the composition of their radio traffic.

"Proponents of this doctrine advocate that rights of 'freedom of access', 'freedom to listen', and 'free speech' should be adjudicated by the Federal Communications Commission which is likewise charged with licensing radio stations. The advocates of this doctrine fervently believe that this will solve the alleged evils of today's radio. In my opinion, this so-called solution of the problem is probably founded upon the worse conception of radio yet advanced. This solution 'jumps from the frying pan into the fire' and nullifies all freedoms, including whatever rights may be transmitted to radio from the 'freedom of the press'.

"Everyone familiar with the reasons underlying the Bill of Rights knows that freedom of speech and freedom of the press are, in simple terms, merely freedom from fear of Government reprisals for what is said or printed, or for what is not said or printed. In other words, the real freedom of the press guaranteed by the Bill of

Rights is freedom in the true sense to criticize Government without fear of reprisal. Thus, if this Bill of Rights is to mean anything for radio, it should mean, first of all, freedom from fear of Government reprisals or pressures administered by the radio licensing authority, namely, the Federal Communications Commission. * * *

"There are differences between the media of radio and the press, but these differences are not sufficient to warrant the assumption that the principles of freedom of the press should not be extended to radio, in spite of the fact that radio must operate on channels which belong to the people. The principal differences between the two media are due to the difference between the eye and the Radio of today utilizes aural methods, and consequently there is no record of what is said, and in addition, the presentation at any particular time by a radio station must be consecutive rather than simultaneous, as is the case with newspapers. Consequently, the lack of time available to a station or network during the day is a factor which gives rise to many of the radio problems today. However, we should not over-emphasize this difference between radio and newspapers as a justification for denying to radio the principles of a free press. Neither is the fact that in the early days of our history the pamphleteer had certain advantages which radio does not afford today a valid reason for refusing to extend to radio the principles of the Bill of Rights. * * *

"Experience has taught us that radio must be licensed so that technical chaos caused by radio interference between stations may be obviated. This licensing in itself need not constitute an encroachment upon a free radio Such coordination is essential before an effective medium for the dissemination of facts and opinions can be obtained.

"No one desires monopoly in broadcasting. There is no curtailment of a free radio in requiring radio licensees to comply with the laws of the land in exactly the same manner as the press or any one else is required to adhere to the law. Moreover, in the future more radio channels can be allocated to broadcasting. The very fact that there will be more opportunity for competition will contribute greatly to a 'free radio'. The ever present threat of competition can be an automatic weapon in the hands of minorities to correct abuses by radio licensees.

"On the other hand, after having provided an effective radio medium by licensing applicants for radio stations, the regulation of the composition of the traffic or the business affairs of those licensees by the Federal Communications Commission could very easily become a curtailment of a free radio. Consequently, such a concentration of power may be contrary to public interest for the simple reason that such regulation must inevitably delve into the realm of 'freedome of speech'. It must be obvious that when the radio licensing agency also regulates the business affairs and the composition of the radio traffic of licensees, radio can no longer be free in the sense of 'freedom of the press'. * * * The combination of licensing power with the authority to regulate the composition of traffic and the business affairs of licensees into a single bureau of Government, could spell the doom of a free radio regardless of what men constitute the Communications Commission and this, in spite of the fact

that Commissioners will be imbued as they are now, with the best of

intentions in behalf of the public.

"Above all things, the public will demand a 'Free Radio'.
The only way this can be secured is for the public to retain 'control of the dial' and demand that its representatives in Congress refuse to delegate this power to any one. This power, combined with free opportunity to compete, is the most effective control yet devised to correct abuses of privilege in radio.* *

"We should approach the solution of radio's problem in the atmosphere of our Constitution. It seems clear that we cannot solve the difficulties of radio until we first agree to make radio free in the full sense of the Bill of Rights. Until this is done, radio cannot become truly useful to the public! It is only after having made this concession, can we think of steps tending to eliminate potential abuses arising out of the inherent limitations of radio.

"Another constructive contribution to a free radio can be achieved by providing more opportunities to establish radio stations. This can be accomplished by allocating more radio frequency channels to the service of broadcasting. The radio developments of the war

will make this possible # * *

"Legislation may be required to serve as guideposts to insure a free radio in the fullest sense and at the same time, constitute a protection against potential abuses. * * * The present law already prohibits the Federal Communications Commission from censoring programs but a recent Supreme Court decision seems to imply that the Commission has power to regulate the composition of traffic as well as to make certain rules and regulations governing the contractual and business relations of broadcast licensees. This situation should be clarified by legislation which prohibits the Federal Communications Commission from regulating the composition of radio traffic or in any other way, directly or indirectly, promulgating any regulation or fixing any condition which would interfere with the right of free speech by means of radio communications. * * * *

"The criticism of some aspects of broadcasting is to persistent today that Congress may feel compelled to specify what steps broadcasters may or may not adopt in meeting the demands for access to the microphone. Nevertheless, it is difficult for me to visualize how positive equal rights of access to the microphone could be exercised in practice, even though a new law should accord such rights to all the people. The best that could be achieved in practice in this respect is to make more opportunities to establish competitive radio stations and the enactment of legislation prohibiting broadcasters from imposing harsher conditions upon 'opponents' than upon 'proponents'. Extreme care must be taken that any new legislation does not give advantages to 'proponents' with large cash reserves to the disadvantage of minority groups having little money to spend. Moreover, if the broadcaster is to be prohibited from censorship, he should be relieved from responsibility for libel or for other violations of ethics which he is not empowered to control. If we desire to hold the licensee responsible for what is uttered over his station, we must concede that he should have the right to control such utter-On the other hand, if it is desired to limit such control, it would seem only fair that the licensee's responsibility be limited in proportion.

"I believe the time has come for Congress to settle these controversies. No one else can adjust the matter without either usurping power or else invading the realm of free speech, or both.

"As both a member of the Federal Communications Commission and a citizen of the United States, I urge the Congress to enact legislation which guarantees to the people of this country a 'Free Radio'.

Senator George asked that Commander Craven's "very informative address" be printed in the Congressional Record and it appears in the November 3rd issue.

X X X X X X X X

RADIO AND RADAR SPECIALISTS TO MEET IN WASHINGTON

The accelerated program of electronics production being followed by the Radio and Radar Division of the War Production Board will be explained in detail to fifty field service representatives of the Division at a special three-day conference in Washington, November 8 to 10.

Forty radio and radar specialists and 10 production service men from the 13 WPB Regional Offices have been invited to the conference by Frank S. Horning, Chief of the Field Service Branch of the Radio and Radar Division. The conference will be held in the Social Security Building.

The field service representatives are the Division's direct contact with electronics equipment manufacturers throughout the United States who are producing the huge wartime volume of military radio supplies and essential civilian output. They are in touch with 200 end product manufacturers, approximately 1,000 makers of electronic components and 6,000 suppliers of parts for the electronics program. The field service men render required services to the manufacturers relating to supplies of materials, machines, services and manpower and assist in filling out necessary forms.

The Field Service Branch conference will consist of a series of talks by Washington officials of the Radio and Radar Division describing the operations of the Division. The purpose of the meetings is to bring about the highest production efficiency in the electronics program through cooperation of the Washington and Regional Offices.

X X X X X X X X X X X

The first television transmitting and receiving sets to be operated in Argentina were exhibited September 22 by the Instituto Experimental de Television, a private organization. All materials used in constructing the sets, with the exception of tubes, were obtained in Argentina.

"STANDING ROOM" ONLY FOR ADVERTISING ON LOCAL STATIONS

At his press conference last Monday, Chairman James L. Fly was confronted with Senator Bankhead's assertion that he understood there was "standing room only" for advertising on the radio, and the Chairman was asked if any such situation existed. His reply was that he imagined there were a number of such stations being mostly true of the big networks but perhaps particularly true of a considerable number of smaller, local stations. When queried as to whether the squeeze on news print would bring such a result, the Chairman replied that it was "just conceivable that the news print shortage would tend toward radio advertising, particularly local radio advertising".

Upon being questioned as to whether stations are being deleted because they are "loser stations", the Chairman replied that he felt the score was extremely low as to this. He added "You know the networks are making more money than ever before, and I think this is true to a great extent with the individual stations. I think radio advertising has had better results from the war than any of us ever contemplated. I doubt if the deletions are more than normal. I think all of us have been quite pleased with the operating results in general."

Mr. Fly in answer to a question as to whether there was anything new on the domestic telegraph merger replied that there had been several complaints from employee representatives (mostly unions) with respect to seniority and the moving of Postal employees into comparable positions in the Western Union set up, and vice versa, and there seemed to be some conflict. He said he was hopeful that after a few weeks all the difficulties will be cleared up, despite the fact that it was known at the time the merger was permitted that it would not be an easy matter for either management or employees.

This may be Chairman Fly's last press conference for awhile as he announced that he was calling them off because they were "so dull and a waste of his time and time of those attending". According to Variety, "he made the generous promise, however, that if the boys and girls would liven things up a little by asking 'intelligent' questions, he would reconsider the decision. After denying authorship, the Chairman read a memo suggesting that he was expected to carry the ball once in awhile and give a little info with direct quotes. It went on to say that some of the reporters covering FCC are lacking in background and that those with proper backgrounds refused to ask their best questions at the conferences, preferring to hold them back to get exclusive answers."

X X X X X X X X

There was some mystification as to what communications have got to do with skirts when this dispatch was received from London:

"Women cyclists in Bucharest, Romania, must wear skirts extending at least four inches below their knees 'in order to secure communications and public order', Radio Bucharest said."

MUTUAL PRESENTS PRAYER BOOK TO CHIEF SERVICE CHAPLAINS

In the presence of religious leaders of all faiths, Chief of Army Chaplains William R. Arnold and Chief of Navy Chaplains Robert D. Workman received the first copies of the book "A Minute of Prayer", based on the Mutual network's radio program of the same title, at a luncheon held today at the Hotel Statler in Washington. Miller McClintock, President of Mutual, made the presentation.

Royalties from the book, published by the Garden City Publishing Company, which will sell for \$1.00, will be donated to the United Service Organizations, Inc. Chester I. Barnard, President of the USO, wrote the forward to the book - a collection of prayers by Ministers, Priests, Rabbis and Christian Scientists. The publication of "A Minute of Prayer" marks the first time that the prayers of Catholics, Protestants, Jews and Christian Scientists have been printed in one book.

Speakers at the luncheon were Mrs. Winthrop Aldrich, Vice-Chairman of the Civilian Defense Voluntary Organization, who represented the USO; Frank C. Goodman, Federal Council of the Churches of Christ in America; Rabbi Ahron Opher, the Synogogue Council of America; Dr. Frank F. Bunker, Christian Science Committee on Publications for the District of Columbia; and Van H. Cartmell, the Garden City Publishing Company. Both Chaplain Arnold and Chaplain Workman spoke inspiringly in acknowledging the receipt of "A Minute of Prayer" and paid high praise to the Mutual Broadcasting System for being the radio company who initiated the devotional "Minute of Prayer" and the compilation of these prayers used during the past year into book form - three hundred and sixty-five prayers of all faiths.

"The radio program 'Minute of Prayer' was born two weeks after Pearl Harbor when President Roosevelt issued a proclamation marshalling for victory the great power of prayer. Ever since this daily, one-minute program has been one of Mutual's most popular programs", Mr. McClintock said. "The publication of this book makes me very happy. It is further proof of the power of radio to bring the strength and guidance of religion to a troubled world."

X X X X X X X X

DOUGLAS COULTER ELECTED CBS V-P IN CHARGE OF PROGRAMS

The Board of Directors of the Columbia Broadcasting System on Monday elected Douglas Coulter, Director of Broadcasts, to the position of Vice President in Charge of Programs. Mr. Coulter has been with CBS since April, 1936, joining them as Assistant Director of Broadcasts. He was named Director of Broadcasts in Spring of 1941. He had previously been connected with the Radio Department of N. W. Ayer & Son, Inc. for 11 years.

Mr. Coulter was born in Baltimore and attended Johns Hop-kins University from which he received an A.B. degree in the Class of '21. After a period of post graduate study devoted to geology, he went abroad for further study and to teach. He taught for a period at the American University in Cairo, Egypt. It was on his return to the United States in 1925 that Mr. Coulter joined the Ayer agency, later becoming Vice-President in Charge of Radio.

MORE EQUITABLE DISTRIBUTION OF RADIO TUBES TO PUBLIC

Plans whereby the present and future output of non-military radio receiving tubes would be made available from manufacturers to distributors on an equitable basis and thus receive wider distribution among owners of household radio sets for maintenance and repair were discussed by the Electronics Distributors Industry Advisory Committee meeting in Washington yesterday (Thursday). A plan proposed by Frank H. McIntosh, Chief of the Domestic and Foreign Radio Branch of the Radio and Radar Division, War Production Board, who was Government Presiding Officer, was recommended by the Committee.

Under this plan, each of the half dozen manufacturers first would offer for sale to the other manufacturers a certain minimum percentage of each type of tube he manufactures, in order that all manufacturers would have a supply of all types of tubes. The manufacturers then would offer to the electronics distributors with whom they deal a supply of tubes based on a percentage of the amount of tubes by type which the distributors purchased in 1941. In this way, the distributors would have a more balanced stock with which to supply their dealers who attempt to keep the public's radio sets functioning.

The plan would not necessarily bring about any additional supply of radio tubes for civilians, Mr. McIntosh emphasized, but would result in a more balanced distribution based on distributors' business in 1941. Some manufacturers have been following this practice voluntarily, but others have been filling orders for tubes on the basis of precedence of orders, members of the Electronics Distributors Industry Committee said.

The Radio and Radar Division's proposal also provides that manufacturers would set aside a suitable quantity of their production for export purposes.

Although supplies of receiving tubes for household sets are still short of demand because of military requirements, the program seeks to correct unbalanced situations in which on distributor or a dealer has a large stock of one type of tube and one of others or another lacks minimum supplies of any type. It is expected to permit the average owner of a radio set to obtain a replacement tube at the first store to which he applies, instead of having to shop over an entire city for the required tube.

X X X X X X X X X

FCC GRANTS APPLICATION OF WGAR, CLEVELAND

The Federal Communications Commission announces the adoption of its Findings of Fact, Conclusions and Order granting the application of The WGAR Broadcasting Co., WGAR, Cleveland, Ohio, for construction permit to change frequency from 1480 to 1220 kilocycles, increase nighttime power from 1 to 5 kilowatts, make changes in directional antenna for nighttime use, and move transmitter site locally. This grant is subject to the condition that (a) applicant shall take whatever steps are necessary to improve the signal of WGAR over the

Cleveland business district to comply with the Commission's Rules and Regulations when materials and equipment again become available for construction of broadcast facilities; and (b) that applicant shall submit proof that the proposed radiating system is capable of producing a minimum effective field of 175 millivolts per meter at one mile for 1 kilowatt power (or 392 millivolts per meter for 5 kilowatts power).

Grant was also made of a construction permit to The Ohio Broadcasting Co., WHBC, Canton, Ohio, to make changes in transmitting equipment, install directional antenna for nighttime use, change frequency from 1230 to 1480 kilocycles, and increase power from 250 watts to 1 kilowatt.

In the same action, the Commission denied the application of Allen T. Simmons, WADC, Talmadge, Ohio, for construction permit to install new transmitting equipment and a directional antenna for both day and night use, change transmitter location, and to change the operating assignment from 1350 kilocycles with 5 kilowatts power, unlimited time, using a directional antenna, to 1220 kilocycles with 50 kilowatts power, unlimited time, using a directional antenna.

X X X X X X X X X

KESTEN RESTATES CBS POLICY RE NEWS BROADCASTS

Paul W. Kesten, Executive Vice-President of the Columbia Broadcasting System restated yesterday (Thursday) the policies of CBS regarding the selling of time for controversial discussion and the broadcasting of unbiased news and news analyses by its commentators. He spoke at a luncheon meeting of the Radio Executives Club in New York City.

"CBS has always been able to achieve unbiased news reports and news analyses", he said. "We utterly reject the idea that free speech means free bias on the air for a few people. We grant no one the right to distort the news in order to further any private interest.

"We will keep factional opinion and crusading fanaticism out of the news, and we will make room, as we always have made room, for special pleading and controversy in their appropriate place - which is not, according to our policies, on news programs."

At a meeting of the same group a month ago, James L. Fly, Chairman of the Federal Communications Commission, urged the sale of time for presentation of controversies and solicitation of memberships in such groups as labor unions and cooperatives. He disapproved of commercial sponsorship of debates of forums and condemned the policy of CBS against "opinionated" commentaries.

Without replying specifically to Mr. Fly, Mr. Kesten said the watchword of CBS on putting controversial matter on the air is to bring it fully and fairly to the public. He declared that it had been proved it could be done on a non-commercial basis, but expressed doubt that it could be done as well on a commercial basis.

OWI GRANTED ADDITIONAL \$5,000,000 FOR FOREIGN BRANCH

Cutting a \$1,196,428,749 Appropriations Bill down to \$215,368,444, the House Appropriations Committee still left intact the Office of War Information's request for an additional \$5,000,000 after top-ranking military chiefs (Gen. George C. Marshall, Army Chief of Staff, and Gen. Dwight Eisenhower, Lt. Gen. George S. Patton and Lt. Gen. Jacob L. Devers) highly praised its war work. In the 1,600 printed page transcript of hearings and from the formal report of the Committee itself, the matter was brought out that the Office of War Information "was a large factor in the delivery of the Italian fleet into Allied hands practically intact " * * More than 80 percent of the German and Italian prisoners captured in Sicily admit being impelled to give up by propaganda leaflets and broadcasts"

"The Committee is not willing to assume any responsibility for delaying, hampering or impeding the war effort or failing to provide any instrumentality or funds that will save the lives of American soldiers or sailors, shorten the war and lessen its cost. Failure to provide these funds would have that effect."

Some Congressional disapproval of OWI is expected to bring on a battle over its allotment when the Bill reaches the House floor.

X X X X X X X X X

A.F.M. HINTS AT NETWORK STRIKE AT RCA-CBS-WLB HEARING

At Wednesday's opening hearing of the Radio Corporation of America and the Columbia Broadcasting System before a War Labor Board panel meeting in New York in connection with the American Federation of Musicians' demand that the transcription companies pay fees directly to the Federation's headquarters rather than to the musicians actually engaged by an employer, the WLB panel upheld the AFM. Ralph F. Colin, counsel for NBC and CBS revealed that his clients had asked to appear before the WLB in Washington to fight the principle of direct payments.

Joseph A. Padway, attorney for the Union, objected to any intervention by the RCA and CBS subsidiaries, declaring that they merely wanted to undo contracts already signed (22 companies have signed such contracts) and that their actions were "very detrimental to the Union's interests".

Mr. Colin agreed that they were detrimental and said that they had just begun to fight. He said, "The principle of direct payments goes far beyond radio or transcriptions. It affects all of industry in the United States. We are going to fight it until somebody tells us we're wrong."

Mr. Padway replied that both William S. Paley, President of CBS, and David Sarnoff, President of RCA, had shown a willingness to negotiate and charged that it was the National Association of Broadcasters that precipitated the new row and "always wants to fight".

At the same time James C. Petrillo hinted that the Federation might ask the Federal Government "to take over a good deal of the nation's networks and stations" if it becomes involved in a dispute with the broadcasting industry, as counsel for both RCA and CBS had indicated that a serious controversy was in the offing.

Petrillo contended "We have the biggest club that any labor organization ever had and we could use it against NBC and Columbia. We have never once mentioned it and we don't intend to use it." However, it was acknowledged by the Union outside the hearing that Mr. Petrillo's office would not revoke his ban on locals of the Union negotiating new network agreements, one official explaining "we've got to hold on to our chief weapon now".

Closed sessions have been held on Wednesday and Thursday afternoons at which time Mr. Sarnoff and Mr. Paley testified, and this (Friday) afternoon it is understood they are scheduled to meet

with Mr. Petrillo at the Union's office.

At yesterday morning's session, Mr. Padway contended that RCA and CBS had failed to make out a case in their petition for a WLB order directing the musicians to resume work. Also the proposal by RCA and CBS that their record subsidiaries collect fees on disks used by radio stations was rejected flatly by the National Association of Broadcasters, it became known.

X X X X X X X X X X X

FLY ASSAILS BILL TO CURB FCC RULE; SENATORS DIFFER

The proposed amendment of the 1934 Communications Act to circumscribe the powers of the Federal Communications Commission and to reorganize some of its proceedings, was opposed by James L. Fly, FCC Chairman, at the opening hearing Wednesday before the Senate Interstate Commerce Committee on the Wheeler-White Radio Bill.

The first effect of such legislation, he told the Committee, would be to restore to the major networks "monopolistic control" of the broadcasting industry previously exercised by them. He said they had been trying to recover this control with the aid of the National Association of Broadcasters, which he characterized as a "stooge" organization. The NAB was accused by the witness of "stirring up small stations" and otherwise aiding the networks to "create a deluge of 'public opinion' against the regulations and in favor of the Bill. Whenever NBC and CBS are needled in any way, a cry goes up from Neville Mill, er President of NAB."

Extension of the right of appeal would serve no useful purpose, according to Mr. Fly, nor would the proposed reorganization of Commission procedure, especially the limitation placed on the powers of the Chairman which the witness argued would leave him in

a position of responsibility without authority.

At yesterday's (Thursday) hearing both Senator Wheeler and Senator White, authors of the Wheeler-White Bill, took exception to the contention advanced by Mr. Fly that the effect of the proposed legislation would be to restore to the major networks "monopolistic control" of the broadcasting industry. They contended that no provision in the pending bill, nor any action contemplated by the Committee, would relieve the networks from the necessity of compliance with the anti-trust laws, nor in any way change existing law with respect to the applicability to them of these laws.

"The point is, you never had, under the present law, the power to do what you have done", Senator Wheeler told Mr. Fly. "What we are looking for is regulation in the public interest, not complete control of radio stations. And the Supreme Court decision now

turns over to the Commission regulation of every detail."

XXXXXXXXXXX