# The National Association of Broadcasters

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JAMES W. BALDWIN, Managing Director

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# COST PER INQUIRY ACCOUNTS

Evidence of efforts to secure radio time on a cost per inquiry or percentage basis is displayed by the following letter received by a member and forwarded to NAB Headquarters:

"Gentlemen:

"Since the Supreme Court ruling on the Codes now makes it possible for any radio station to accept business on a contingent basis, you might find it profitable to use a few minutes of your morning time in giving the enclosed announcement.

"This announcement has proved itself unusually effective in pulling orders for ...... and we are willing to pay you 17 cents net on each and every ..... order you produce for our client, ...... You might try making this announcement every morning for a week and see for yourself just how productive it is, how it is very likely to more than pay card rates for the time taken in giving the same.

You may accept this letter as authority for going ahead on the basis mentioned above, forwarding all orders for ..... unopened. We will make an accounting weekly or monthly on all orders sent us, whichever you wish."

The Managing Director addressed the following letter to the agency that sent out the above letter:

"Our attention has been directed to your form letter addressed to certain radio broadcasting stations advising that since the Supreme Court ruling on the Codes now makes it possible for any radio station to accept business on a contingent basis, they might find it profitable to use a few minutes in giving an announcement which you enclosed with your letter.

"For your information and guidance the National Association of Broadcasters at a membership meeting held last month adopted a new Code of Ethics which, among other things, outlaws all per-

centage and contingent accounts.

"Radio advertising is not a gamble. Test after test has shown it to be a most effective advertising medium. Radio time on member stations is not a bargain counter commodity and you can best gain the respect of the radio broadcasting industry by cooperating in the maintenance of this standard.

"We shall greatly appreciate a reply from you."

That some stations have accepted this type of business is evidenced by the following reply:

"I have your letter of August 21st relative to our general letter sent out to the radio stations offering a contingent deal on the.....

"I am very glad that you wrote me concerning this matter, since it gives us an opportunity to explain exactly why this offer was

"Some few radio stations do accept contingent deals and this fact was being played up to our client by another advertising agency that has accepted accounts on a contingent basis in the past. In order to protect ourselves it was necessary for us to go on record with every radio station in the country that a deal of this type could be obtained through our office.

"For your information, this account accepts regular advertising programs on a number of large stations for which they pay card rates. It is their intention and ours to continue along this basis. However, we could not have our relationship with this account jeopardized by insinuations of a competitor that they could obtain contingent deals.

"I trust this will explain to you our stand in relation to the offer made. Rest assured that we are heartily in favor with the stand of your Association and certainly hope that radio stations in general will stick to the ethics you set forth.'

As indicated by the letter below, efforts are being made to learn the identity of the stations that have accepted this type of business:

"This will acknowledge the receipt of your letter dated the 24th with reference to contingent accounts with radio broadcasting stations.

"We greatly appreciate your explanation of this matter. We should also appreciate it if you will inform us of any station accepting contingent business, whether through you or anyone else. Such information will be treated as strictly confidential. It will be used to prepare a report to our Board of Directors. I am sure that the membership as a whole will not permit one bad apple to spoil the whole barrel."

If the stations are members of NAB the Managing Director will submit a special report thereon to the Board of Directors.

#### AN EXCHANGE OF IDEAS

The Managing Director believes that a compilation and circulation of outstanding success stories on radio advertising would prove definitely beneficial to members.

If you agree please prepare and forward a manuscript describing (1) the product advertised; (2) the establishment offering the product; (3) the potential audience of the station; (4) the type of program used; (5) the time of broadcasts; (6) the type of merchandising service rendered by station; and (7) the results obtained.

The correctness of copy should be verified by a responsible officer or employee of the station.

# FEDERAL TRADE COMMISSION ACTIVITIES

# Complaint

The Commission has alleged unfair competition in a complaint issued against the following company. They will be given opportunity to appear at hearings to show cause why cease and desist orders should not be issued against them.

No. 2529. Carl. E. Koch and Eugene F. Heflebower, d/b as Cooperative Buyers' Service and American Beauty Products Co., Chicago, Ill. Among misrepresentations charged are the following: That Cooperative Buyers' Service operated cooperatively as a purchasing agent, selling merchandise at cost plus a service charge; that it had offices in San Francisco and Paris, and that it sold various items of nationally known beauty supplies when in fact it did not have them in stock but filled orders with products of another brand. The complaint also alleges that the respondents, under the name of Cooperative Buyers' Service, advertised "Marlow Soapless Shampoo Oil" and sold it, when in fact this name was an imitation of a name under which a similar article called "Mar-O-Oil Shampoo" had for several years been manufactured and sold by J. W. Morrow Manufacturing Co., of Chicago.

#### Stipulations

No. 1442. Pergande Publishing Co., Milwaukee, Wis. Respondent agrees to cease and desist from using the words "Civil Service" as part of or in connection with their trade name, either independently or in conjunction with words such as "Institute" or "Publishing Company" or with pictures of a building resembling the United States Capitol, or in any way which may tend to deceive the public into believing that these persons are a branch of or have an official connection with the United States Civil Service Commission.

No. 1443. Teleplex Company, Teaneck, N. J. The respondent agrees to forego the use in advertisements of representations having a tendency to mislead purchasers into the belief that the Teleplex machine has been officially adopted by and is standard equipment for the United States Government, including the Army, Navv and Signal Corps, also the Canadian National Defense and corporations such as American Telephone and Telegraph Co., when this is not true.

No. 0888. Noxzema Chemical Company, Baltimore, Md. Respondent agrees to cease alleging that its cream (Noxzema) is a remedy for any disease of the skin, unless the assertion is limited to the effect of a palliative to relieve burning, itching or irritation. The Noxzema company will also stop advertising that its cream is the "only" thoroughly tested sunburn remedy, or is an effective treatment for baby rash or any other ailment of the skin peculiar to infants, unless this representation is confined to external causes.

No. 0889. The Fox Medicine Co., Cleveland, Ohio. The Fox Medicine Co., advertising its preparation known as "Fox Tabs," agrees to cease and desist from representing, directly or otherwise, that this substance is a competent or effective treatment for rheumatism, lumbago or acid irritation, or that the preparation is known

the world over.

No. 1441. Samuel Diamond and Samuel A. Blitz, tr/as "Perfumes of Paris," Chicago, Ill. Respondent agrees to stop using the word "Paris" as a part of or in connection with their copartnership or trade name or on labels affixed to the containers in which their products are packed, and from employing the word "Paris" in any way which may tend to deceive buyers into believing that their preparations are produced or compounded in Paris, when this is not true.

#### DISMISSAL

The complaint issued against the Hoyt & Worthen Tanning Corp., Haverhill, Mass. (No. 2310), alleging unfair representation in the sale of chamois skins, has been dismissed.

#### NOTICE

Should any station be approached by a person calling himself Bob White, whose real name is said to be Gordon Higham, with a desire to go on the air with "Bob White's Scrap Book," it is requested that they immediately communicate with Station KSFO, Russ Building, San Francisco, by telegraph collect. The station is very anxious to locate this person.

#### WGES RENEWAL RECOMMENDED

The application for renewal of license of WGES, Chicago, set for hearing because of programs sponsored by "Dr. Schyman," heard on June 17, 1935, before R. H. Hyde, examiner, resulted in the recommendation by the examiner that the license renewal be issued. The examiner found that the program brought into question had been discontinued, and that the renewal would serve public interest.

# NEW HARTFORD STATION RECOMMENDED

Examiner Melvin H. Dahlberg's report on a hearing held June 3-6, 1935, involving the applications of the Hartford Broadcasting Co., Inc., Hartford, Conn., for a construction permit for a new station (1200 kc., 100 watts, unlimited time), the Worcester Broadcasting Co., Inc., Worcester, Mass., for construction permit for a new station (1200 kc., 100 watts, unlimited time), and the Hartford Times, Inc., Hartford, Conn., for a construction permit for a new station (1200 kc., 100 watts, unlimited time) concluded by recommending the granting of the application of the Hartford Times, Inc., application for daylight hours only because of interference limitations. The report, submitted this week, found that the proposal of the Hartford Broadcasting Co. and the Worcester Broadcasting Co, to use directional antennas on a local channel to be contrary to the policy of the Commission.

# FEDERAL COMMUNICATIONS COMMISSION ACTION

# HEARING CALENDAR

Monday, September 9, 1935

NEW-Wayne Broadcasting Co., Hamtramck, Mich.-C. P., 1370 kc., 100 watts, daytime.

NEW-Hyman Altman, Detroit, Mich.-C. P., 1370 kc., 100 watts, daytime.

WKAR-Michigan State College, East Lansing, Mich.-Modification of license, 850 kc., 1 KW, daytime, sunset at WWL. Present assignment: 1040 kc., 1 KW, S.H., daytime.

# Tuesday, September 10, 1935

NEW-Duluth Broadcasting Co., Duluth, Minn.-C. P., 1200 kc., 100 watts, unlimited time.

### Wednesday, September 11, 1935

NEW—North Side Broadcasting Corp., New Albany, Ind.—C. P., 1370 kc., 100 watts, 250 watts LS, unlimited time. NEW—Champaign News-Gazette, Inc., Champaign, Ill.—C. P.,

1370 kc., 100 watts, unlimited time.

# Thursday, September 12, 1935

# ORAL ARGUMENT BEFORE THE BROADCAST DIVISION

# Examiner's Report No. I-48:

2829—B5-SA-56—KFBB—Buttrey Broadcast, Inc., Great Falls, Mont.—Special experimental authority, 610 kc., 1 KW, 21/2 KW LS, unlimited time. Present assignment: 1280 kc., 1 KW, 2½ KW LS, unlimited time.

#### HEARING BEFORE AN EXAMINER

WHFC-WHFC, Inc., Cicero, Ill.—C. P., 1420 kc., 100 watts, 250 watts LS, specified hours. Present assignment: 1420 kc., 100 watts, specified hours.

WROK-Rockford Broadcasters, Inc., Rockford, Ill.-Modification of license, 1410 kc., 500 watts, unlimited time. Present assignment: 1410 kc., 500 watts, shares with WHBL.

# Friday, September 13, 1935

WKJC-Lancaster Broadcasting Service, Inc., Lancaster, Pa.-Voluntary assignment of license, 1200 kc., 100 watts, 250 watts LS, shares with WKBO.

WKJC—Associated Broadcasters, Inc., Easton, Pa.—C. P. to move studio and transmitter; 1200 kc., 100 watts, 250 watts LS, shares with WKBO.

WKIC-Associated Broadcasters, Inc., Easton, Pa.-Transfer of control of corporation.

# APPLICATIONS GRANTED

WRGA—Rome Broadcasting Corp., Rome, Ga.—Granted license to cover C. P.; frequency 1500 kc., 100 watts night, 250 watts day, unlimited time.

WDGY—Dr. Geo. W. Young, Minneapolis, Minn.—Granted license to cover C. P.; 1180 kc., 1 KW night, 5 KW day, limited

KVSO—The Ardmoreite Publishing Co., Inc., Ardmore, Okla.—Granted license to cover C. P.; 1210 kc., 100 watts, daytime.

WIEW-National Broadcasting Co., Portable-Mobile (New York City).-Granted C. P. to replace transmitter and increase power from 7.5 watts to 20 watts.

W6XHF-KTAR Broadcasting Co., Inc., Portable-Mobile (Phoenix, Ariz.).—Granted license to cover C. P. (exp. gen. exp.); frequencies 31100, 34600, 37600 and 40600 kc., 10 watts.

W2XE—Atlantic Broadcasting Corp., near Wayne, N. J.—Granted modification of license to add frequencies 17760 and 21520 kc.

W1XAL-World Wide Broadcasting Corp., Boston, Mass.-Granted modification of license (exp. exp. relay broadcasting) to increase power from 5 KW to 10 KW.

# SET FOR HEARING

NEW-Geo. E. Carter and Homer G. Wolfe and Clara I. Knight, Partners, d/b as Carter and Wolfe, Mansfield, Ohio (site to be determined).—Application for C. P. for new station to operate on 1370 kc., 50 watts night, 100 watts day, unlimited time.

NEW—Philip J. Wiseman, Lewiston, Maine (site to be determined).
—Application for C. P., 1210 kc., 100 watts, unlimited time.

NEW-Miles J. Hansen, Fresno, Calif.-Application for C. P. (already in hearing docket) amended to read: 1420 kc., 100 watts; unlimited time.

NEW—Bell Broadcasting Co., Temple, Tex.—Application for C. P. for new station; 1370 ke., 100 watts, daytime.

NEW—Wisconsin Broadcasting Co., Oshkosh, Wis.—Application for C. P. for new station; 1310 ke., 100 watts night, 250 watts day, unlimited time.

#### MISCELLANEOUS

KBTM-W. J. Beard (Beard's Temple of Music), Jonesboro, Ark. -Denied special authority to operate from sunset to 6:30 p. m. for period beginning September 1 and ending in no event later than November 1, 1935, in order to comply with certain contracts.

WJJD-WJJD, Inc., Chicago, Ill.-Suspended grant and designated for hearing application to move transmitter from Mooseheart to Des Plaines, Ill., because of protest of WCFL.

(Action taken August 27, 1935.)

KFJM-University of North Dakota, Grand Forks, N. Dak.-Denied petition asking Commission to reconsider and grant application to change frequency from 1370 kc. to 1410 kc. and increase power from 100 watts to 1 KW night, 5 KW

day. Application now in hearing docket.

Cumberland Broadcasting Co., Inc., Portland, Me.—Denied request for hearing on application for new station at Portland, Me., to operate on 1210 kc., 100 watts, before decision is rendered in the cases involving the frequency 640 kc. This action applies to other applicants seeking station in Portland, Me., to operate on 1210 kc., 100 watts. Commission believes issues in 1210 kc. cases will be more clearly defined after decision is reached in 640 kc. cases.

KADA-C. C. Morris, Ada, Okla.-Denied petition asking Commission to reconsider action in designating for hearing application for authority to operate with 100 watts night and to increase time of operation from daytime to unlimited.

#### ORAL ARGUMENT GRANTED

Oral argument was granted in the case of WQDM, Examiner's Report No. 1-85 (E. J. Regan and F. Arthur Bostwick, St. Albans, Vt.), to be heard December 4, 1935, before the Broadcast Division.

# ACTION ON EXAMINERS' REPORTS

KGFJ—Ex. Rep. 1-52: Ben S. McGlashan, Los Angeles, Calif.—Denied C. P. to make changes in equipment, 1200~kc., 100 watts night, 250 watts day, unlimited time, sustaining Examiner R. L. Walker. Order effective October 15.

KOOS-Ex. Rep. 1-81: H. H. Hanseth, Inc., Marshfield, Ore.-Granted modification of C. P. to change frequency from 1200 ke. to 1399 ke.; 250 watts, daytime, sustaining Examiner J. P. Bramhall. Order effective October 8.

KSTP-Ex. Rep. 1-83: National Battery Broadcasting Co., St. Paul, Minn.—Denied application for modification of special experimental authorization to operate with 25 KW night, 1460 kc.; 25 KW, unlimited time, reversing Examiner R. L. Walker. Order effective September 24, 1935.

WDRC-Ex. Rep. 1-84: WDRC, Inc., Hartford, Conn.-Granted modification of license to increase power from 1 KW, 2½ KW LS, to 1 KW, 5 KW LS; 1330 kc., unlimited time, sustaining Examiner Geo. H. Hill. Order effective October 8.

# ACTION ON CASES HEARD BY COMMISSIONER **BROWN**

KGFJ-Ben S. McGlashan, Los Angeles, Calif.-Granted renewal of license, 1200 kc., 100 watts, unlimited time.

KFWB—Warner Bros. Broadcasting Corp., Hollywood, Calif.— Granted renewal of license, 950 kc., 1 KW night, 2½ KW

day, unlimited time.

KFWB-Warner Bros. Broadcasting Corp., Los Angeles, Calif.-Granted C. P. to install new equipment and increase day power from 2½ to 5 KW, 950 kc., 1 KW night, unlimited time.

KMPC-Beverly Hills Broadcasting Corp., Beverly Hills, Calif.-Granted renewal of license, 710 kc., 500 watts, limited time. (Commissioner Brown's recommendations were sustained in all of the above cases.) Order effective October 1, 1935.

#### APPLICATIONS RECEIVED

#### First Zone

WEAN-The Shepard Broadcasting Service, Inc., Providence, R. I. -Construction permit to install new equipment; increase power from 500 watts to 1 KW; move transmitter from Biltmore Hotel, Washington St. and Exchange Place, Providence, R. I., to site to be determined, Providence, R. I.

NEW—Brown Radio Service & Laboratory (Gordon P. Brown, 1210 owner), Rochester, N. Y.—Construction permit for a new station to be operated on 1210 kc., 100 watts, daytime.

Amended to make changes in antenna.

WIEW-National Broadcasting Co., Inc., Portable-Mobile.--Modification of license to cover construction permit (B1-PY-20) to replace transmitter and increase power to 20 watts.

#### Second Zone

WCAE-WCAE, Inc., Pittsburgh, Pa.-Modification of construc-1220 tion permit (B2-P-198) to install new equipment and increase day power, requesting to make changes in equipment.

WSPD—The Toledo Broadcasting Co., Toledo, Ohio.—License to 1340 cover construction permit (2-P-B-3277) as modified to install new equipment, increase power, and move transmitter.

### Third Zone

WIS-Station WIS, Inc., Columbia, S. C.-Modification of construction permit (3-P-B-3258) as modified authorizing move of transmitter, change in frequency, changes in equipment, and increase in power, requesting extension of completion

date from 10-10-35 to 12-10-35.
WAIM—Wilton E. Hall, Anderson, S. C.—Construction permit to 590 change frequency from 1200 kc. to 590 kc.; install new equipment; increase power from 100 watts to 250 watts, 1 KW day; and move transmitter from Anderson College, Anderson, S. C., to site to be determined, Anderson, S. C.

WREC-WREC, Inc., Memphis, Tenn.-Modification of construction permit (B3-P-161) authorizing changes in equipment, move of transmitter, increase in power, and installation of directional antenna, requesting extension of commencement date from 7-30-35 to 10-12-35.

KMLB-Liner's Broadcasting Station, Inc., Monroe, La.-Con-1200 struction permit to make changes in equipment. Amended

to make further changes in equipment.

KNEL-G. L. Burns, Brady, Tex.-Modification of construction permit (B3-P-212) as modified for approval of studio site at 106 North Blackburn, Brady, Tex., transmitter site at 1 mile east of business district, just outside of city limits, Brady, Tex., and approval of antenna system. Also, extend commencement and completion dates to 10 days after grant and 180 days thereafter.

WGCM-WGCM, Inc., Mississippi City, Miss.-Authority to trans-1210 fer control of corporation from Grace Jones Stewart to Sam

Gates, 280 shares of stock. (Jurat.)

NEW-Benavides Independent School District, Benavides, Tex.-1310 Construction permit for a new station to be operated on 1310 ke., 50 watts, daytime. Amended: Change power from 50 to 100 watts; move transmitter locally, Benavides, Tex. Equipment to be determined.

KGFF—KGFF Broadcasting Co., Inc., Shawnee, Okla.—Construc-1420 tion permit for installation of new equipment; increase power from 100 watts to 100 watts, 250 watts daytime; and move transmitter from Ninth and Bell Sts., Shawnee, Okla., to site to be determined, Shawnee, Okla. (approximately 2 miles south of present location).

W9XHJ-The Pulitzer Publishing Co., Portable-Mobile.-License to cover construction permit for a new general experimental station to be operated on 31100, 34600, 37600, 40600, 86000.

400000 kc., 5 watts.

#### Fourth Zone

KSAC-Kansas State College of Agriculture & Applied Science, Manhattan, Kans.-Modification of license to increase power from 500 watts, 1 KW day, to 1 KW day and night. (Jurat.)
KFRU—KFRU, Inc., Columbia, Mo.—Authority to transfer control of corporation from Nelson R. Darragh to Luther L.

KMMJ—The M. M. Johnson Co., Clay Center, Nebr.—Voluntary 740 assignment of license from The M. M. Johnson Co. to Ne-

braska Broadcasting Company.

NEW—Central Broadcasting Co., Eau Claire, Wis.—Construction 1050 permit for a new station to be operated on 1050 kc., 250 watts, daytime (contingent on granting of B4-P-369 for WTAQ to move to Green Bay, Wis.).
WJAG—The Norfolk Daily News, Norfolk, Nebr.—Voluntary as-

1060 signment of license from The Norfolk Daily News to Ne-

braska Broadcasting Company.

NEW-Burlington Broadcasting Company, Burlington, Iowa.-1370 Construction permit for a new broadcast station to be operated on 1370 kc., 100 watts power, unlimited. Amended: Equipment changes (antenna).

WIRE—Indianapolis Broadcasting, Inc., Indianapolis, Ind.—Con-1400 struction permit to make equipment changes and increase power from 500 watts, 1 KW day, to 5 KW day and night. Amended to change power requested from 5 KW to 1 KW, 5

KW day

KABR—Aberdeen Broadcast Co., Aberdeen, S. C.—Modification 1420 of license to change hours of operation from daytime to unlimited time, using 100 watts power. Amended: Changes

NEW—Herbert Hollister, to be determined.—Construction permit 1420 for a new broadcast station to be operated on 1420 kc., 100

watts, unlimited.

NEW—Appleton Broadcasting Company, Emmons L. Abeles, Secv., 1500 Appleton, Wis.-Construction permit for a new broadcast station to be operated on 1500 kc., 100 watts, unlimited. Amended: Equipment changes—antenna.

WLEZ-The Norfolk Daily News, Norfolk, Nebr.-Assignment of license to Nebraska Broadcasting Company.

#### Fifth Zone

KLZ—The Reynolds Radio Company, Inc., Denver, Colo.—Modifi-560 cation of construction permit (5-P-B-3274) as modified for approval of transmitter site at Pecos and Jewell Sts. (outside of city limits), Denver, Colo. (same as now licensed), and extend commencement date from 8-24-35 to 60 days after grant and completion date from 2-20-35 to 180 days thereKVI-Puget Sound Broadcasting Co., Inc., Tacoma, Wash.-Construction permit to move transmitter from near Des Moines, Wash., to King County, Wash.; make equipment changes, and increase day power from 1 KW to 5 KW. Amended to change transmitter site from King County, Wash., to site to be determined, Washington, and make further changes in equipment.

KGHL-Northwestern Auto Supply Co., Inc., Billings, Mont.-Extension of special experimental authorization to operate

on 780 kc. for period of 90 days from 9-28-35.

NEW-J. Laurance Martin, Tucumcari, N. Mex.-Construction 1200 permit for a new station to be operated on 1200 kc., 100 watts, unlimited time. Amended to make changes in equipment.

NEW-Fairbanks Broadcasting Co., Fairbanks, Alaska.-Construc-1220 tion permit for a new broadcast station to be operated on

1220 kc., 250 watts, unlimited time.

KFOX-Nichols & Warinner, Inc., Long Beach, Calif.-Construc-1250 tion permit for new equipment; increase power from 1 KW

to 1 KW, 5 KW day. Amended: Antenna changes. KFOX—Nichols & Warinner, Inc., Long Beach, Calif.—Voluntary 1250 assignment of license from Nichols & Warinner, Inc., to Hal

Nichols, Inc.

KFBK-James McClatchy Co., Sacramento, Calif.-Modification 1310 of construction permit to request approval of transmitter site, make changes in equipment and antenna. Amended to omit request for changes in antenna.

KMO-KMO, Inc., Tacoma, Wash.-Modification of license to in-

1330 crease power from 250 watts to 500 watts.

KRLC-H. E. Studebaker, Lewiston, Idaho.-Construction permit 1390 for new equipment, increase in power from 100 watts to 250 watts, change frequency from 1420 kc. to 1390 kc.; consideration under Rule 6 (g).

NEW-Mrs. C. A. S. Heaton, Las Vegas, Nev.-Construction per-1420 mit for a new broadcast station to be operated on 1420 kc., 100 watts, unlimited. Amended: Equipment changes, antenna.

W7XBK-Puget Sound Broadcasting Co., Portable.-License to cover construction permit for a new general experimental station on 31100, 34600, 37600, 40600 kc., 2 watts.