



President Roosevelt Wants Television Competition

President Roosevelt gave the broadcasting industry a pat on the back at his April 12 press conference, and made it plain that he thought television should be developed along similar competitive lines.

When asked about his conference the previous day with Chairman Fly of the FCC, Mr. Roosevelt said that television undoubtedly had a great future. Claims that it would result in employment of millions, however, he said, were exaggerated. More important was the question of monopoly control. The FCC wanted to be certain that in this new art there will be the same kind of competition on three angles that the country now had in radio. The President said that the country didn't want to get into a position where one company could control all sending. Radio had pretty effective competition with national networks, regional and local stations. Any set could pick up any program. The development of television ought to follow the same general lines with the listeners having a choice of stations. Eventually the owner of a television set could even get foreign television programs. All the Commission was doing was working along the line of developing television on a competitive basis with no one organization controlling all the sending and every set in the home being able to pick up any television band. The President predicted all this would be worked out this spring and summer so that sets could be put into production. In response to another question as to how the industry felt, he said that the bulk of the industry wanted television on the same basis as broadcasting.

TELEVISION HEARING

Friday, April 12

Mr. Elmer Engstrom resumed testimony for RCA. When questioned about a combination television receiver designed to receive the RMA and the DuMont signals, he said that if the set were built to operate best with a frame frequency of 30 that it would not give as good results when switched to the frame frequency of 15, and

that if the set were built for 15 frames it would not function as well on 30. Mr. Engstrom discussed the relative merits of the various standards proposed, and he reiterated his opinion that the RMA standards represented the best engineering compromise between the various factors involved. However, in view of the apparent deadlock on standards, he recommended that they be left flexible until field testing could determine which set of standards to accept. Mr. Engstrom went into a discussion about the additional cost required in a television receiver in order that the receiver might accept signals transmitted over various standards. His estimate ran between three and forty dollars, depending on the combination of standards to be met. In response to questions put to him by Commission Attorney Dempsey he said that he felt that if standards are set that television will go ahead more rapidly. However, he feels that in view of the deadlock on standards, that field tests should be made before setting standards; and it was also his feeling that not less than six months are needed for field tests after the different system stations are in operation in order to determine which set of standards should be used. Mr. Engstrom also commented that if all considerations except engineering could be eliminated, then we could have standards set by the engineers in a conference rather than wait for field testing on the practical basis. He said that he had hoped that this could be done so that standards could be set at an earlier date. Mr. Engstrom was questioned further concerning the proposed RCA television relay system. He said that it was their intention to have two channels each way between Washington and New York, and that these channels could be rented by anyone who so desired to transmit television programs over and that any standards desired could be transmitted over this system. The television hearing was concluded Friday.

Manton Davis, RCA Vice President and General Counsel, made the following statement at the hearing:

The engineers of the Radio Corporation of America subscribe to the majority opinion of the engineers of the radio and television industry that the transmission standards formulated by the Radio Manufacturers Association represent the best set of standards with which to start commercial television operation in the United States. The RCA is using these standards because it believes they incorporate the best features that have been developed in the major

Neville Miller, *President* Edwin M. Spence, *Secretary-Treasurer*

Edward M. Kirby, *Director of Public Relations*; Joseph L. Miller, *Director of Labor Relations*; Paul F. Peter, *Director of Research*; Russell P. Place, *Counsel*; Lynne C. Smeby, *Director of Engineering*; Andrew W. Bennett, *Special Copyright Counsel*

PRESIDENT ROOSEVELT WANTS TELEVISION COMPETITION

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television laboratories of the United States, England, Germany and the rest of the world.

After years of experimentation and practical operation, we believe that television products built under these standards are superior in performance. In our opinion they will give the public a larger measure of satisfaction than if built under any other standards that may be proposed in the present state of the art, within the 6-megacycle channel which the FCC has allocated for television operation.

During the course of the present hearings the suggestion has been made that television receivers be manufactured that would be able to receive from television transmitters operated under other standards as well as under those of the RMA.

The Radio Corporation of America does not believe that the adoption of such a suggestion would prove to be of advantage either from an engineering, economic or public service standpoint. Nevertheless, if the FCC licenses transmitters to broadcast television programs to the public on standards in addition to those now in use, and will specify what such standards are to be, the Radio Corporation of America is prepared now to build television receivers so that they will also receive television programs from such transmitters.

The Radio Corporation of America hopes that this offer will help the Commission to overcome the present deadlock which is retarding the progress of a new and promising industry and thus create employment for idle men and idle money, on a wide, competitive basis.

The DuMont interests issued the following statement:

By providing for flexible reception now and in the future in his television receivers presently coming off the assembly line, Allen B. DuMont, pioneer television manufacturer of Passaic, N. J., believes he has struck the happy compromise between fear of freezing the art on the one hand, and premature obsolescence of receivers on the other, indicated in recent opinions and decisions of the Federal Communications Commission. He states:

"I am the rare exception in upholding the FCC in its television citation of March 23, ordering a leading company to explain its high pressure merchandising of inflexible television receivers. Frankly, I'm not in accord with the widespread criticism of the FCC's action by other television interests and by an obviously misinformed or at least inadequately informed press. It is patent that all the facts in the case are not being considered by those who hasten to accuse the FCC of autocratic handling of television. Hence I am moved at this time to disclose some of the lesser-known points in the involved television situation.

"In insisting on keeping the television art open for any and all developments and improvements, the FCC is working for the best interests of television progress. Present television images are good, to be sure, but they can be made far better. Especially so in reproducing more general scenes so necessary in telecasting news and sporting events. And particularly so if we go to larger screen dimensions, which we must do. To freeze the art now on the basis of present RMA standards of 441-line 30-pictures-per-second would be just as short-sighted as though the automobile industry had standardized on the basis of the low-compression slow-speed engine of fifteen years ago, because gasoline producers then were not ready to supply high-octane gas.

"To me it seems that the television art has got to be kept wide open. Yet the public must not be sold receivers that may become obsolete next month or next year. That simply means that we must have *flexible* television reception to follow any and all refinements that may be made at the transmitting end.

"My own organization, the Allen B. DuMonts Labs., Inc., has probably a broader vision of this television flexibility than is generally the case. We originally started with cathode-ray tubes and oscillographs for the industrial market, taking the erstwhile laboratory curiosity and making it generally available as an everyday tool for the factory, serviceman and others. When television reached the electronic stage, we simply revised our cathode-ray oscillograph designs to weave television images in place of usual graphs.

"To us a television receiver is simply a refined oscillograph. And if the latter is so flexible that it can translate the most intricate electrical phenomena into visual terms, surely the television receiver can be made equally flexible in handling a wide assortment of television signals. To fit the television receiver rigidly to a given television standard is, in my opinion, poor business. It isn't playing fair with our public nor, for that matter, with the telecaster. Both are being chained together and must lockstep together without hope of freedom and progress.

"Proving our point, the DuMont television receivers now coming off our production line are *flexible* receivers. By means of several inexpensive refinements, these receivers can handle any television signal of any number of lines from 400 to 900, and any picture rate from 15 to 30, in any combination. The added cost for such flexibility is ridiculously small.

"These new receivers follow the present RMA standard signals yet, by the mere flip of a switch, they will follow other standards as well.

"It is our opinion, based on a long study and use in our own television station of the RMA standards, that there already exist better ways of synchronizing transmitter and receiver. The DuMont video signal, for example, follows the same general plan as the RMA signal except that in the vertical synchronization pulse interval a 500 kc. sine wave is introduced which is capable of controlling the receiver at any rate required and for any number of lines between 400 and 800.

"A further refinement is our so-called 'memory screen' which, by its persistence characteristic, tides over from one picture to the next, thereby fading from one to the other without noticeable flicker, even down to 15 pictures per second. By halving the RMA repetitive rate, we can cut the usual television band with from 6 to 4 megacycles or less. Thus we can provide more television channels, but our own recommendation is to retain the present 6 MC. band width and utilize the gained ether space for a greater number of lines and better pictorial resolution so essential in larger screen images such as obtained with our latest 20-inch tube.

"Again I repeat, the FCC, based on all the facts in the case, is correct in insisting first on a flexible system in a television art left open for further progress."

Networks Now Playing New BMI Music

The networks are playing the new BMI tunes.

NBC scheduled four of the new songs for April 17-21, while Columbia scheduled two for April 16-18.

All broadcasters should hear them. The NAB would like to know what use other broadcasters are making of the new music.

The selections and the NBC Blue programs on which they are scheduled are:

"Sagebrush Serenade," April 17, 7:30-8:00 EST—Bill Johnson.
 "In the Silence of the Dawn," April 19, 10:45-11:00 a. m. EST—The Novelettes, sung by Frances Adair, directed by Irving Miller.
 "In the Silence of the Dawn," April 21, 1:30-2:00 p. m. EST—Al and Lee Reiser.
 "We Could Make Such Beautiful Music," April 21, 5:00-5:15 p. m. EST—Yvette.

The selections and the CBS programs on which they are scheduled are:

"Here In the Velvet Night," Tuesday, April 16th, 2:00 p. m. EST—Drifting Melodies.

"We Could Make Beautiful Music," Thursday, April 18th, 4:00 p. m. EST—Ray Bloch.

Merritt E. Tompkins, vice president and general manager of BMI, announced the policy of BMI with respect to the electrical transcription of the compositions of which BMI owns the copyright.

"The copyright law is clear," Mr. Tompkins said. "The maximum fee which can be charged for the right mechanically to reproduce the work is 2¢ per composition for each record manufactured, regardless of the form or purpose of the record.

"Music publishers initially succeeded in levying higher rates, which have been imposed upon electrical transcriptions by a threat to restrict the performance of compositions after the time of recordation and before the time of broadcast. The precedent created by these charges has been followed by many persons who have not been aware of its implications.

"BMI is in a position to break away from what I think is an improper precedent. We shall, therefore, charge the statutory fee for the use of our compositions for electrical transcriptions. This will help not only the transcription industry, but also the broadcasters themselves, since transcription costs in the last analysis are paid by the broadcasters.

"In thus aiding the transcription industry," Mr. Tompkins concluded, "we are also aiding BMI authors as the use of BMI compositions will be enormously stimulated by our adherence to the legal charges."

The following additions to the BMI staff were announced this week:

HAVERLIN, CARL—

With KFI-KECA from 1923 to 1938. Started as publicity man, then covered sports and special events. Was made sales manager in 1927, which post he held until 1938. In 1938 he joined Davis & Schwegler as station relations director and left to become station relations director at BMI. Mr. Haverlin will be in direct charge of all matters pertaining to station relations and in matters concerning staffs of member stations.

SKINNER, GEORGE DICKSON—

Graduate of Princeton University and Columbia University Law School, has been a lawyer, teacher and writer. He practiced law in New York City. His writing, published under the name Dickson Skinner, includes both fiction and magazine articles. Much of his article work has been in the field of music. Mr. Skinner will be in the public relations department in charge of magazine article writing and publicity.

MERRIMAN, DANA—

Associated with WTIC, Hartford, Conn., as program director from 1924 to 1928, then with the NBC in the program and production department until he went with the World's Fair in charge of music and music copyright. Mr. Merriman will be office manager for BMI.

RCA GIVES GREEN LIGHT TO VICTOR RECORD USE

RCA on April 12 notified stations that until further notice they are free to use Victor and Bluebird phonograph

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records for broadcasting purposes. Existing licenses were terminated and license fees refunded. This action was taken on the day appeal briefs were filed in the RCA-Whiteman case and was ascribed to the belief that final determination of the appeals will be delayed longer than RCA had anticipated. Decca and Columbia had previously notified broadcasters they were free to use their records.

NAB has always taken the position that broadcasters are entitled to play phonograph records, and is represented by special counsel in the Whiteman case in support of this view.

SESAC ADDITIONS

SESAC on April 8 announced the addition of the following publishers to their list:

T. S. Denison & Company, Chicago, Illinois
David Gornston, New York, N. Y.
Heinrichshofen's Verlag, Magdeburg
Frank A. Panella, Pittsburgh, Pa.

INTERNAL REVENUE BUREAU SAYS FCC EXPENSE DEDUCTIBLE

In response to the NAB's inquiry, the Bureau of Internal Revenue has ruled that expenses incurred by broadcasters in connection with applications to the FCC are deductible expenses for Federal income tax purposes for the year in which paid or accrued.

Here is the correspondence:

March 22, 1940

Bureau of Internal Revenue,
Washington, D. C.

DEAR SIRs:

Because of pertinent inquiries received and its general application to the broadcasting industry, permit me to request an opinion on the question of the deductibility of expenses incurred in connection with applications to the Federal Communications Commission.

Such expenses include legal fees, engineering fees, travel and clerical expenses, etc. Such applications may be for a construction permit for a new station, for an increase in operating power of an existing station or for an increase in hours of operation of an

existing station—in any case, having to do only with the terms of a license from the Commission looking to broadcasting operations on an assigned frequency for a limited period of time. Licenses are at present issued for one year, but may be issued for a maximum of three years, are revocable for cause, and grant no property rights in the frequency assigned.

Is it your opinion that such expenses are ordinary business expenses which may be deducted from income in the year paid or accrued, depending upon whether the taxpayer's books are kept on a cash or accrual basis?

Your opinion on this question will be greatly appreciated.

Very truly yours,

NATIONAL ASSOCIATION OF BROADCASTERS.

RUSSELL P. PLACE,

Counsel.

RPP/hml

TREASURY DEPARTMENT

Washington

Office of

Commissioner of Internal Revenue

IT:P:T:2

CP

April 11, 1940.

National Association of Broadcasters,
Normandy Building,
1626 K Street, N. W.,
Washington, D. C.

Attention: Russell P. Place, Counsel.

SIRS:

Further reference is made to your letter of March 22, 1940 requesting an opinion as to the deductibility for Federal income tax purposes of expenses incurred in connection with applications to the Federal Communications Commission.

The facts, as stated by you, are as follows:

"Such expenses include legal fees, engineering fees, travel and clerical expenses, etc. Such applications may be for a construction permit for a new station, for an increase in operating power of an existing station or for an increase in hours operation of an existing station—in any case, having to do only with the terms of a license from the Commission looking to broadcasting operations on an assigned frequency for a limited period of time. Licenses are at present issued for one year, but may be issued for a maximum of three years, are revocable for cause, and grant no property rights in the frequency assigned."

Section 23(a) of the Internal Revenue Code (53 Stat., Part 1) provides for the deduction from gross income in computing net income for Federal income tax purposes of all ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business. In order to secure a license to engage in the business of radio broadcasting an individual is required by law (Title 45, Chapter 5, section 308, U. S. Code) to make application to the Federal Communications Commission for a permit. Inasmuch as you state that the licenses are only issued for one year, it is the opinion of this office that ordinary and necessary expenses incurred in connection with securing the licenses constitute deductible expenditures for Federal income tax purposes for the year in which paid or accrued.

Respectfully,

(signed) J. MOONEY,
Deputy Commissioner.

WAGE AND HOUR ACT

Both Congress and the Wage and Hour Administration are now seriously considering exemption of higher-paid employees from the hours limitations of the Act.

The House is going to take up soon both the Norton (D-NJ) and the Barden (D-NC) amendments. The Norton amendments would exempt employees making more than \$200 a month. The Barden amendments

would set the figure at \$150. In other words, an employee making more than \$200 (or \$150) a month could work any number of hours without payment of overtime unless a union contract provided otherwise. Both the A. F. of L. and the C.I.O. are against both sets of amendments.

The Wage and Hour Administration has been holding hearings on proposals to redefine "executive" and "administrative" in the administration's regulations. The Act provides for exemption of "executive" and "administrative" employees, but the definitions of these in the regulations were so strict that few employees were exempt under them.

The hearings, to date, have been confined to proposals to change the definitions for the wholesale industry. In brief, these proposals called for elimination of that section of the definitions which said a bona fide executive could do no substantial amount of work of the same character as that performed by those under him; and for a minimum wage of from \$25 up. Both the A. F. of L. and the C.I.O. have opposed the redefinitions.

DATA FOR CONVENTION TOURS AVAILABLE AT NAB

Itineraries for Two-Weeks and Three-Weeks All-Expense Tours to the NAB Convention at San Francisco August 4-7 were mailed April 10 to those members responding to the recent questionnaire. Any others may secure this detailed information by writing to the NAB.

"POT O' GOLD" PROGRAM CLEARED BY D. OF J.

The Justice Department last week cleared the "Pot O' Gold" and "Mead's Bakery" programs referred to it by the FCC. Chairman Fly received the following letter from O. John Rogge, Assistant Attorney General:

"Reference is made to our letter of February 21, 1940, acknowledging receipt of yours of February 19, 1940, transmitting for such action as the Department may deem appropriate certain information concerning the broadcasting of the "Pot O' Gold" and "Mead's Bakery" programs, both of which are alleged to be in violation of Section 316 of the Communications Act of 1934.

"After a thorough examination of the material submitted and a careful consideration of the facts presented, the Department has concluded that prosecutive action under Section 316 of the Communications Act of 1934 in these two matters should not be instituted."

Mrs. Selma Seitz

Mrs. Selma Seitz, owner of Station WFAS from 1930 to 1939, died April 7 at her home in White Plains, N. Y. Mrs. Seitz, one of the early woman station-owners, always had as her policy a "local station for a local audience" and concentrated, in programming, on events of special interest to her community. She retired last year because of failing health. Her son, Frank A. Seitz, is still managing director of the station.

FAR EAST NEWS

The American Council Institute of Pacific Relations, Inc., informs the NAB that it has available for news commentators a great deal of background material "which they could use to explain dispatches from the Far East." The Council says it has furnished material for the "American School of the Air" and other programs. The address is 1795 California Street, San Francisco, or 129 East 52nd Street, New York City.

The NAB does not know whose axe, if any, this outfit has to grind.

Sales—Promotion

PUBLIC LIKES TO LISTEN WHILE IT RIDES

When automobile radios were first introduced city councils solemnly debated for long hours over the question of passing a law against them. But they never did, though escape from restrictive ordinances was achieved, in many cities, by an extremely narrow margin.

The motoring public took to auto radio as a duck takes to water. Today 7,000,000 are on the highways, adding approximately 11,000,000 extra hours of radio set use per day during the heavy motoring months of spring and summer, according to Paul Peter, NAB director of research. Others place the figure at 18,000,000.

Nowadays, objections to automobile radio are relatively few and when they are made it is always possible to show that the attack was entirely unwarranted. When a reader of "The Oregonian," Portland, Ore., "wrote a letter to the paper," the newspaper which operates radio stations KGW and KEX, replied editorially:

"Car Radios a Hazard?"

"A reader contends that automobile radios contribute to traffic accidents, consequently should be banned. A single incident was cited in support of the contention, an 'accident' which just missed happening. Such incidents are myriad and inconsequential.

"The argument is made that car radios, by distracting the driver's attention, by taking his hand from the steering wheel to dial, by drowning out sirens and other warning sounds, are contributory causes of accidents. But statistics are lacking, and a strong case also can be made that car radios contribute to safety.

"Thus it is very difficult for most people to concentrate continuously on driving. The motions used tend to become automatic, like lacing shoes, or any routine a thousand times repeated. Attention wanders. Day-dreaming takes possession of the mind. Under such circumstances the radio may help. It is less dangerous for a motorist to listen to a radio and keep his eyes on the road than to stare vacantly in a day-dream, seeking something of interest in the landscape or to turning his eyes in conversation with a passenger. Some motorists use their radios as an antidote for drowsiness.

"Some eastern broadcasters during peak traffic hours carry safety programs. Suggestions to have brakes adjusted, to drive carefully, are most effective when they reach the motorist at the wheel. Car radios make announcements of road hazards suddenly arising more effective. Radio stations everywhere have letters from listeners thanking them for warning of a flood, slide or other unsafe condition on a highway they were about to traverse. Organizations interested in traffic safety testify to the value of the radio in

getting warnings to motorists already on the road, and in generally helping their safety campaigns. In Portland not a few motorists have been thankful for warning word coming through the car radio en route to work that ice had formed during the night on some hill or bridge approach."

People like to hear radio programs while they ride. And broadcasters and advertisers are naturally overjoyed that there is such an appreciation of the American program service. Whenever auto radio receives unjust criticism the industry will be served best by a stout defense similar to that taken by "The Oregonian."

TWO IDEAS TO BUILD RADIO AUTO LISTENING

Stations in many sections are busy increasing spring and summer listening through the medium of auto radios. Maximum listening naturally occurs when auto sets are in first class operating condition.

In Cleveland where the local chapter of the Radio Servicemen of America has long been a factor in maintaining all sets at a high degree of efficiency, Carl George, program manager, WGAR, is especially active.

At our request he has made two suggestions for special programs which provide a vehicle for service announcements. Since such programs would be heard by auto set owners and non-owners, alike, they might also recite the advantages of being able to "Listen While You Ride." so as to influence increased ownership. Mr. George's suggestions follow:

Idea No. 1

"Here is one which not only promotes radio listening by car owners, but also encourages safe driving. For example—here in Cleveland—certain police cruisers could be designated to short wave the license number of a car that they have chosen as being driven safely. This information would be passed on to the studio announcer and he could immediately announce that the driver of the car bearing license number 000 has been recognized by the Police Department as being a safe driver under observation.

"Because of his safe driving he will receive a complete check up on his auto radio by a RSA member with new parts supplied at cost, providing he telephones his identification into the station within ten minutes after the announcement is made.

"While this program is on the air we could also give safe driving hints to all drivers who have car radios tuned into the program."

Idea No. 2

"Conduct a daily quiz program for auto radio listeners and have spotters telephone in the license plate numbers of cars that pass a given point. Then the announcer will say: 'if the driver of the car bearing license number LX-157 can answer this question, he will receive a free auto radio check up by a qualified RSA member.'

"This auto radio listener would be required to phone in the correct answer to the question within ten minutes after it is asked on the air, in order to qualify for the prize. This will encourage all auto radio owners to listen to the program and will give the announcer an opportunity to put in a good plug for set repair and proper tune up. License numbers would be chosen at random just like a participant in a studio quiz bee would be picked."

GREENSBORO'S MAYOR IS FIRST TO PROCLAIM RADIO FESTIVAL

Preparations for Radio Festivals are already underway in many states, according to letters beginning to drift in at headquarters.

To His Honor Ralph L. Lewis, mayor of Greensboro, North Carolina, goes the distinction of issuing the first proclamation of the event in any city. Official action was taken on April 15 according to Major Edney Ridge, director of WBIG, Greensboro.

On Saturday, April 20, a Radio Festival news bulletin will be sent to all members.

SALES MANAGERS DISCUSS "MEDIA RECORDS" FOR RADIO

A proposed "Media Records" of radio advertising, and NAB participation in the Convention of the Advertising Federation of America to be held June 23-27 in Chicago, were among the matters discussed by the Steering Committee of the NAB Sales Managers' Division, which met in Chicago, April 15.

The Committee reiterated the need for an accurate yardstick to determine radio advertising activity and trends, especially in the national spot and local fields. The NAB Research Department has had such an index, in the form of a standard unit of measurement, under consideration for several months. The data would be made available to member stations and to interested agencies and advertisers.

Preliminary plans for "Broadcasters' Night" at the forthcoming AFA Convention were discussed and approved by the Committee. Tuesday evening, June 25, will be NAB Night when the broadcasting industry will present a program of broadcasts, specialty acts, music and other entertainment in compliment to the AFA and its members. Chicago stations and networks will form a program committee under William R. Cline, Commercial Manager of WLS and Chairman of the NAB Sales Managers' Division, to line up the necessary talent and work out final details for the evening's entertainment.

For the Convention, the NAB Sales Managers' Division is also planning a panel discussion of industry sales and advertising problems, one session to be open to AFA members.

The activities of the Bureau of Radio Advertising were reviewed by the Committee and the problem of dealer-cooperative advertising discussed at length. Present at the April 15 meeting were the following:

William R. Cline, WLS, Chicago, chairman; Ellis Atteberry, KCKN, Kansas City, Kans.; Craig Lawrence, KSO, Des Moines; Charles Caley, WMBD, Peoria; Barney Lavin, WDAY, Fargo; Samuel J. Henry, Jr., NAB Bureau of Radio Advertising.

Also present were C. E. Arney, Jr., recently appointed assistant to the president of NAB, and Earle Pearson, general manager of the AFA, who was a luncheon guest and who outlined general plans for his Federation's 36th Annual Convention.

FCC TO INVESTIGATE RADIO ADVERTISING FURTHER

The Radio and Periodical Division of the Federal Trade Commission, established in October, 1918, which examines newspapers, magazines, catalogues and almanacs for false and misleading advertising matter, and which also reviews advertising copy broadcast through radio for the same purpose, has released an analysis of advertisements reviewed by it during 1939. The percentages presented relate only to the initiation of inquiry and are not necessarily representative of any final adverse action taken by the Commission.

Of the total number of commercial radio continuities marked as warranting further investigation during the first half of 1939 (later data not available), the following shows the respective sources thereof:

	<i>Per Cent</i>
Nation Wide Networks.....	23.1
Regional Networks	4.2
Transcription Recordings	3.9
Individual Low Powered Stations.....	18.1
Individual Medium Powered Stations.....	34.2
Individual High Powered Stations.....	5.9
Individual Clear Channel Stations.....	10.6

PAYNE RECOMMENDS REVOCATION OF FOUR TEXAS LICENSES

Recommendation that license revocation orders be affirmed in the cases of four Texas radio stations—KTBC, Austin; KNET, Palestine; KRBA, Lufkin, and KGKB, Tyler—is made to the FCC by Commissioner George Henry Payne as a result of hearings which he conducted in that State during March. In his opinion, the charges of hidden ownership made in connection with all four stations "have been fully sustained."

At the same time, Commissioner Payne has signed an order remanding the case of a fifth Texas station, KSAM, at Huntsville, for further hearing.

The March hearings developed that the technique used in securing the licenses of KTBC, KNET, and KRBA and of transferring the rights under them was practically the same. To quote Commissioner Payne's preliminary report:

"First, James G. Ulmer prevailed upon three local men of excellent reputation and financial stability to organize a copartnership for the sole purpose of securing a station license. Next, he directed all the important details . . . and finally had his own lawyer, James H. Hanley, file the papers. . . . Soon after the construction permit had been secured, the partners entered into a contract authorizing Ulmer (or one of his co-workers) to finance, construct and operate the station. Thus, in the early history of the station, did the partners assign their license rights without the knowledge or consent of the Commission.

"The partners made no capital investments and received no income from the station. . . . All, or almost all, of the profits found their way into Ulmer's pockets or the pockets of one of his close associates. The partners had no control of the station's bank accounts, receipts or expenditures. . . . They continued to sign papers because they were the licensees of record in order to deceive the Commission.

"It is clear that the partners were simply puppets manipulated by Ulmer who was the puppeteer. It was Ulmer, or one of his associates, who financed, constructed and operated the station.

It was he who controlled the programs and the station policy. It was he who hired or fired employees and enjoyed the profits. "The partners signified under oath by their application and associated papers that they would finance and control the station. This they never intended to do, thus perpetrating fraud upon the Commission. In several instances the partners submitted sworn statements showing that the partnerships involved possessed substantial assets, whereas, in fact, such partnerships possessed no assets whatever. Station assets belonged to Ulmer or one of his associates."

Ulmer is also identified with Station KGKB but this case, points out Commissioner Payne, involves a corporation and differs somewhat from the partnership cases. According to the report:

"Here Ulmer gained voting control of the East Texas Broadcasting Company by means of stock purchases, without the knowledge or consent of the Commission. . . . Here, too, the license rights were illegally assigned and illegally exercised by the assignee, who again was Ulmer.

"Ulmer's conduct is reprehensible in more ways than one. He has induced honest and self-respecting men to violate the law and participate in an intricate scheme of deception. Most of these men made themselves parties to Ulmer's machinations through honorable intentions—a desire to serve their communities. Some of them even tried to break through the net in which Ulmer had caught them. But Ulmer's own conduct was prompted wholly by greed. Ulmer has cast a shadow upon the business of broadcasting."

Orders of revocation were issued by the Commission against Stations KTBC, State Capitol Broadcasting Association, Inc., KNET, Palestine Broadcasting Association, and KRBA, Red Lands Broadcasting Association, on February 7; in the case of KGKB, East Texas Broadcasting Co., on February 13, and that of KSAM, Sam Houston Broadcasting Association, on February 8.

BROADCAST RULES AMENDED

FCC has announced that Sections 3.6, 3.8, 3.9, 3.10, 3.23(c), 3.79, and 3.84 of the Standard Broadcast Rules were amended, effective immediately, providing for a change in the beginning of the broadcast day from 6:00 a. m., local standard time, to local sunrise.

INTERNATIONAL REBROADCASTS

The FCC has amended its rules and regulations to permit standard and non-commercial educational broadcast stations to pick up and rebroadcast the non-commercial programs of international broadcast stations. It was specified, however, that such rebroadcasting shall be on a non-commercial basis.

Briefly, this means that any broadcast station or a non-commercial educational station in the United States may, upon authority of the station originating the international program, pick up and retransmit the same for the benefit of its listeners. This applies to the program of any international broadcast station, whether it is located within or outside of the United States.

This action was taken on the basis of recommendations by a special committee of the Commission that, where possible, domestic listeners should enjoy the benefits of non-commercial international broadcasts.

FEDERAL COMMUNICATIONS COMMISSION

DECISIONS

Federal Communications Commission has entered a final order granting the application of the Martinsville Broadcasting Company for the erection of a new station at **Martinsville, Va.**, to operate unlimited time on **1420 kilocycles**, 250 watts day and 100 watts night. The application of the Patrick Henry Broadcasting Company for the same facilities was denied.

Chairman Fly and Commissioner Craven dissented.

Application of WLAP, **Lexington, Kentucky**, for special experimental authority to rebroadcast over its present broadcast assignment with 250 watts, facsimile transmissions originating over Station WLW, **Cincinnati, Ohio**, has been denied by the Commission.

The Commission found that since the program of research and experimentation proposed by WLAP relate wholly to reception, and applicant has failed to show that the proposed program of research and experimentation has reasonable promise of substantial contribution to the development of facsimile broadcasting service, the granting of the application would not serve public interest.

PROPOSED FINDING

Federal Communications Commission has announced a proposed finding of fact denying the application of Publix Bamford Theatres, Inc., of **Asheville, N. C.**, for a construction permit for a new station to operate on **1430 kilocycles**, 1000 watts, unlimited time.

FEDERAL COMMUNICATIONS COMMISSION DOCKET

Following hearings and oral arguments are scheduled to be heard before the Commission for the week beginning Monday, April 22. They are subject to change.

Monday, April 22

NEW—West Virginia Newspaper Publishing Co., Morgantown, W. Va.—C. P., 1200 kc., 250 watts, unlimited time.

Tuesday, April 23

NEW—Guy S. Cornish, Cincinnati, Ohio.—C. P. for Public Address Relay Station, 310000 kc., 1 watt night, 1 watt LS, Emission A-3, unlimited time.

Tuesday, April 23

To Be Held Before Commissioner George Henry Payne, in Judge Ben Fly's Court Room, Hall of Records, Dallas, Texas.

KAND—Navarro Broadcasting Assn. (J. C. West, Pres.), Corsicana, Texas.—In re: Revocation of Station license of KAND.

Wednesday, April 24

Further Hearing

To Be Held Before Commissioner George Henry Payne, in the County Records Building, Dallas, Texas.

KSAM—Sam Houston Broadcasting Assn. (H. G. Webster, Pres.), Huntsville, Texas.—In re: Revocation of Station license of KSAM.

Thursday, April 25

Oral Argument Before the Commission

REPORT NO. P-5:

NEW—Eddie Erlbacher, Cape Girardeau, Mo.—C. P., 2738 kc., 50 watts, emission A-3, unlimited time. Pts. of Comm.: with vessels on Mississippi and Ohio Rivers.

REPORT NO. B-88:

NEW—C. T. Sherer Co., Inc., Worcester, Mass.—C. P., 1200 kc., 100 watts, 250 watts LS, unlimited time.

FUTURE HEARINGS

During the week the Commission has announced the following tentative dates for broadcast hearings. They are subject to change.

April 29

To Be Held Before Commissioner George Henry Payne, in the Criminal Court Room, County Courts and Jail Building, Houston, Texas.

KGFI—Eagle Broadcasting Co., Inc., Brownsville, Texas.—In re: Revocation of Station license of KGFI.

June 3

NEW—Anthracite Broadcasting Co., Inc., Scranton, Pa.—C. P., 1370 kc., 250 watts, unlimited time.

FEDERAL COMMUNICATIONS COMMISSION ACTION

APPLICATIONS GRANTED

WPRP—Julio M. Conesa, Ponce, P. R.—Granted amended construction permit requesting installation of new equipment, new antenna, move of transmitter site and change in frequency from 1420 to 1480 kc., power from 250 watts to 1 KW-5 KW LS, unlimited time.

WFTL—Tom M. Bryan, Fort Lauderdale, Fla.—Granted modification of license to increase night power from 100 watts to 250 watts.

The Peninsula Broadcasting Co., Salisbury, Md.—Granted construction permit for new station to operate on 1500 kc., 250 watts, unlimited time. Exact site of transmitter and studio to be determined.

The Delmarva Broadcast Co., Salisbury, Md.—Granted construction permit for new station to operate on 1200 kc., 250 watts, unlimited time. Exact transmitter and studio sites and type of antenna to be determined subject to Commission's approval.

Allen B. DuMont Laboratories, Inc., New York City.—Granted construction permit for a new television broadcast station to be located in New York City and operate on an experimental basis on frequencies 60,000 to 86,000 kc., inclusive, with 1 KW power.

WISE—Harold H. Thoms, Asheville, N. C.—Granted consent to assignment of license for station WISE from Harold H. Thoms to radio station WISE, Inc. (1370 kc., 250 watts, unlimited time).

WWRL—Long Island Broadcasting Corp., Woodside, L. I., N. Y.—Granted modification of license to increase night power from 100 to 250 watts.

KMPC—KMPC, The Station of the Stars, Inc., Beverly Hills, Cal.—Granted construction permit to increase night power from 1 to 5 KW, move transmitter and install directional antenna for day and night use as a Class II station. (B5-P-2804).

WHOM—New Jersey Broadcasting Corp., Jersey City, N. J.—Granted construction permit to increase power from 250 watts, unlimited time to 500 watts night, 1 KW LS; install new transmitter and make changes in antenna. (B1-P-2526).

WBXX—WBXX Broadcasting Co., Inc., New York City.—Granted construction permit authorizing installation of directional antenna and increase in power from 1 KW, 5 KW LS, S-WAWZ on 1350 kc., to 5 KW-N. (B1-P-2238).

WPRO—Cherry & Webb Broadcasting Co., Providence, R. I.—Granted modification of construction permit to make changes in directional antenna system, extend commencement and completion dates, in re application to move transmitter site locally, install new equipment to 5 KW. (B1-MP-938).

WOR—Bamberger Broadcasting Service, Inc., Newark, N. J.—Granted construction permit to make changes in directional antenna (night and day). (B1-P-2319).

KIRO—Queen City Broadcasting Co., Seattle, Wash.—Granted construction permit to move transmitter site, increase power from 1 KW to 10 KW, and install new transmitter and directional antenna system for day and night use. (B5-P-2437).

APPLICATION DENIED

WPAY—Chester A. Thompson, Portsmouth, Ohio.—Denied consent to the acquisition by Brush-Moore Newspapers, Inc., of control of the VEE BEE Corporation licensee of station WPAY, operating on 1370 kc., 100 watts, unlimited time.

DESIGNATED FOR HEARING

WAGA—Norman K. Winston, Atlanta, Ga.—Application for consent of the Commission to the voluntary transfer of control of the Liberty Broadcasting Corp., licensee of Station WAGA, Atlanta, Ga., from Norman K. Winston to James M. Cox, Jr. (1450 kc., 500 watts night, 1 KW day, unlimited time).

WTCN—Minnesota Broadcasting Corp., Minneapolis, Minn.—Application for construction permit to change transmitter location to Mendota Road, near Delaware Ave. (near) St. Paul; change frequency from 1250 to 710 kc.; increase power from 1 KW, 5 KW LS, to 10 KW; install new transmitter and directional antenna system for night use. (B-4-P-2439)

KSOO—Sioux Falls Broadcasting Assn., Inc., Sioux Falls, S. Dak.—Application for construction permit to change frequency from 1110 to 710 kc., hours of operation from limited to unlimited; move transmitter from west of Sioux Falls to 6.5 miles east of Sioux Falls; and install directional antenna for night use. (B4-P-2667)

RENEWAL OF LICENSES

Renewal of licenses for the following high frequency broadcast stations were granted for the period ending April 1, 1941:

W2XMN, near Alpine, N. J.; W2XDV, New York City; W8XNU, Cincinnati, Ohio; W9XLA, Denver; W2XAG, Yonkers, N. Y.; W8XNT, Cleveland; W9XBA, Kansas City, Mo.; W5XAU, Oklahoma City; and W1XER, Sargents Purchase, N. H.

The following developmental broadcast stations were granted renewal of licenses for the period May 1, 1940, to May 1, 1941:

W3XDD, Whippany, N. J.; W9XC, Mitchellville, Iowa; W8XO, Mason, Ohio; W10XF, Portable-Mobile (area of New York City); W10XR, Portable-Mobile (area of New York City).

W1XG—General Television Corp., Boston, Mass.—Granted renewal of television broadcast station license for the period ending February 1, 1941.

WBOE—Cleveland City Board of Education, Chas. H. Lake, Supt., Cleveland, Ohio.—Granted renewal of non-commercial educational broadcast station license for the period May 1, 1940, to May 1, 1941.

WNYE—Board of Education, City of New York, Brooklyn, N. Y.—Granted renewal of non-commercial educational broadcast station license for the period May 1, 1940, to May 1, 1941.

MISCELLANEOUS

KOH—The Bee, Inc., Reno, Nev.—Granted modification of construction permit which authorized installation of new transmitter, directional antenna for night use, increase in power from 500 watts to 1 KW, and move of transmitter, for authority to install new transmitter; frequency 630 kc., 1 KW, unlimited, directional antenna for night use (B5-MP-960).

WTAG—Worcester Telegram Publishing Co., Inc., Worcester, Mass.—Granted license to cover construction permit for installation of new transmitter, changes in antenna, and increase in power; frequency 580 kc., 1 KW, 5 KW LS, unlimited time, directional antenna day and night (B1-L-1129); also granted authority to determine operating power by direct measurement of antenna power (B1-Z-376).

WSMB—WSMB, Inc., New Orleans, La.—Granted license to cover construction permit for increase in power and changes in antenna; frequency 1320 kc., 5 KW, unlimited time (B3-L-1128); also granted authority to determine operating power by direct measurement of antenna power (B3-Z-375).

WAIX—WJHL, Inc., Portable-Mobile (area of Johnson City, Tenn.).—Granted license to cover construction permit for new relay broadcast station; frequencies 1622, 2058, 2150, 2790 kc., power 40 watts (B3-LRY-198).

A. Frank Katzentine, Portable-Mobile (area of Miami Beach, Fla.).—Granted construction permit for new relay broadcast station; frequencies 1646, 2090, 2190, 2830 kc., power 50 watts (B3-PRY-207).

Don Lee Broadcasting System, Portable-Mobile (area of Los Angeles, Calif.).—Granted license for new special relay broadcast station to be used in connection with Television Station W6XAO, Los Angeles, Calif., and Television Relay Station W6XDU; frequencies 1646, 2090, 2190, 2830 kc., power 100 watts, unlimited time, in accordance with Section 4.24, A3 emission, equipment of Station KABB (B5-LRY-175).

Don Lee Broadcasting System, Portable-Mobile (area of Los Angeles, Calif.).—Granted license for new special relay broadcast station to be used in connection with Television Station W6XAO, Los Angeles, Calif., and Television Relay Station W6XDU; frequencies 1646, 2090, 2190, 2830 kc., power 100 watts, unlimited time, in accordance with Section 4.24, A3 emission, equipment of Station KABD (B5-LRY-176).

Don Lee Broadcasting System, Portable-Mobile (area of Los Angeles, Calif.).—Granted license for new special relay broadcast station to be used in connection with Television Station W6XAO, Los Angeles, Calif., and Television Relay Station W6XDU; frequencies 1646, 2090, 2190, 2830 kc., power 8 watts, unlimited time, in accordance with Section 4.24, A3 emission, equipment of Station KAOG (B5-LRY-177).

Don Lee Broadcasting System, Portable-Mobile (area of Los Angeles, Calif.).—Granted license for new special relay broadcast station to be used in connection with Television Station W6XAO, Los Angeles, Calif., and Television Relay Station W6XDU; frequencies 31620, 35260, 37340 and 39620 kc., power 2 watts, unlimited time, in accordance with Section 4.24, A3 emission, equipment of Station KEGO (B5-LRE-277).

Don Lee Broadcasting System, Portable-Mobile (area of Los Angeles, Calif.).—Granted license for new special relay broadcast station to be used in connection with Television Station W6XAO, Los Angeles, Calif., and Television Relay Station W6XDU; frequencies 1646, 2090, 2190, 2830 kc., power 10 watts, unlimited time, in accordance with Section 4.24, A3 emission, equipment of Station KEGQ (B5-LRE-276).

WQDM—Regan & Bostwick, St. Albans, Vt.; and Champlain Valley Broadcasting Corp., St. Albans, Vt.—Referred to Commission en banc the Motion to Stay Further Proceedings in re application of WQDM for renewal of license to operate on 1390 kc., 1 KW, daytime.

Thumb Broadcasting Co., Brown City, Mich.—Granted motion for leave to amend application for construction permit for new station so as to request frequency 600 kc. instead of 880 kc.

WBAX—John H. Stenger, Jr., Wilkes-Barre, Pa.—Granted petition requesting extension of time until May 8, 1940, within which to file Statement of Facts in re application for renewal of license for WBAX to operate on 1210 kc., 100 watts, unlimited.

WWRL—Long Island Broadcasting Corp., Woodside, L. I., N. Y.—Denied motion for extension of time to file proposed findings of fact and conclusions due April 10, in re applications in Dockets 3941, 4029, 4050, 4302, 4331, 4622, etc., and the Commission on its own motion waived default in filing proposed findings.

Miami Broadcasting Co., Miami, Fla.—Denied motion for 30-day continuance of hearing now scheduled for April 16, on application for new station to operate on 1420 kc., 250 watts, unlimited time.

WFDF—Flint Broadcasting Co., Flint, Mich.—Granted petition to accept appearance in re application for construction permit to change frequency from 1310 to 880 kc., and power from 100 watts to 1 KW, unlimited.

Anthracte Broadcasting Co., Inc., Scranton, Pa.—Granted motion to postpone hearing now scheduled for April 15 on application for construction permit to operate on 1370 kc., 250 watts, unlimited time. Hearing to be held June 3.

WNEL—Juan Piza, San Juan, P. R.—Granted extension of special temporary authority to rebroadcast on a sustaining basis the programs to be received from International Broadcast Stations WNBI and WRCA over Station WNEL, for the period April 11, 1940, to not later than June 1, 1940 (B-S-836).

W2XVP—City of New York, Municipal Broadcasting System, New York, N. Y.—Granted license to cover construction permit as modified for new high frequency broadcast station; frequency 26100 kc., power 1000 watts; granted upon experimental basis only, conditionally (B1-LHB-54).

WASQ—The WGAR Broadcasting Co., Portable-Mobile (area of Cleveland, Ohio).—Granted license to cover construction permit for new relay broadcast station; frequencies 132260, 134080, 135480, 135760 kc., power 100 watts (B2-LRE-307).

WSKB—McComb Broadcasting Corp., McComb, Miss.—Granted license to cover construction permit to make changes in transmitting equipment and increase power to 250 watts; frequency 1200 kc., unlimited time (B3-L-1131).

KGHF—Curtis P. Ritchie, Pueblo, Colo.—Granted authority to determine operating power by direct measurement of antenna power in compliance with Section 3.54 (B5-Z-378).

WCFL—Chicago Federation of Labor, Chicago, Ill.—Granted authority to determine operating power by direct measurement of antenna power in compliance with Section 3.54 (B4-Z-379).

WTRC—The Truth Publishing Co., Inc., Elkhart, Ind.—Granted authority to determine operating power by direct measurement of antenna power in compliance with Section 3.54 (B4-Z-329).

WHEB—Granite State Broadcasting Corp., Portsmouth, N. H.—Granted modification of construction permit for increase in power, new equipment, move of transmitter and studio, for new type of transmitter and changes in antenna; frequency 740 kc., 1 KW, daytime (B1-MP-958).

WKHH—Columbia Broadcasting System, Inc., Portable-Mobile (area of New York, N. Y.).—Granted modification of construction permit for changes in equipment and reduction of power, to extend completion date from April 30, 1940, to July 30, 1940 (B1-MPRE-40).

KEGN—Don Lee Broadcasting System, Portable-Mobile (area of San Francisco, Calif.).—Granted modification of construction permit for installation of new equipment, to extend commencement date from November 27, 1939, to May 27, 1940, and completion date from May 27, 1940, to August 27, 1940 (B5-MPRE-42).

KGHF—Curtis P. Ritchie, Pueblo, Colo.—Granted license to cover construction permit as modified for installation of new antenna and move of transmitter; frequency 1320 kc., power 500 watts, unlimited (B5-L-1133).

WMPC—The First Methodist Protestant Church of Lapeer, Lapeer, Mich.—Granted extension of special temporary authority to operate from 9 a. m. to 10 a. m., EST, Monday, Tuesday, Wednesday, Thursday, Friday and Sunday mornings, for the period April 18, 1940, to not later than May 17, 1940, or until the Saginaw Broadcasting Co. is in a position to use said time, in order to broadcast special non-commercial educational programs (B2-S-326).

WBAA—Purdue University, West Lafayette, Ind.—Granted special temporary authority to operate from 1 to 3 a. m., CST, on the morning of April 20, 1940, in order to broadcast part of the Purdue Junior Prom only (B4-S-501).

KGCA—Charles Walter Greenley, Decorah, Iowa.—Granted extension of special temporary authority to remain silent for

the period April 18, 1940, to not later than May 17, 1940, pending the filing of modification of license and completion of arrangements with Station KWLC. (B4-S-519).

KFRU—KFRU, Inc., Columbia, Mo.—Granted special temporary authority to operate simultaneously with WGBF with power of 250 watts from 8:30 p. m. to 9 p. m. CST on April 15, 1940, in order to broadcast opening baseball season program (B4-S-624).

WGBF—Evansville on the Air, Inc., Evansville, Ind.—Granted special temporary authority to operate simultaneously with KFRU with power of 250 watts to permit KFRU to broadcast special program (B4-S-490).

WHJB—Pittsburgh Radio Supply House, Greensburg, Pa.—Granted special temporary authority to operate from 8:00 p. m. to 9:00 p. m. EST (or to the conclusion of the address) on Friday, April 19, 1940, in order to broadcast an address only to be delivered by Dr. John W. Studebaker, U. S. Commissioner of Education before the faculty of the State Teachers' College, Indiana, Pa. (B2-R-835).

KFRO—Voice of Longview, Longview, Tex.—Granted special temporary authority to operate from 7:45 p. m. to completion of program of East Texas County Judge Meeting on April 20, 1940, and on April 21, from 6:45 p. m. to start of Church Service and from 7:45 p. m. on April 22 and 23, to completion of program of East Texas Chamber of Commerce Convention; to operate April 27 from 7:30 p. m. to completion of Band and Orchestra Contest, and May 13 and 14, from 7:30 p. m. to completion of program of Longview Friendly Trek. All time above CST. (B3-S-838).

WAAU—Columbia Broadcasting System, Inc., New York, N. Y.—Granted special temporary authority to transmit to standard broadcast station WGAR on April 16, 1940, between 10:00 a. m. and 5:00 p. m., EST, program material in connection with the Ohio State World's Fair Women's Committee program.

WPRA—Puerto Rico Advertising Co., Inc., Mayaguez, P. R.—Granted modification of construction permit which authorized antenna changes new equipment, move of transmitter, change in frequency, increase in power and change in hours of operation, for extension of completion date from April 26, 1940, to May 26, 1940; frequency 780 kc., 1 KW, 2½ KW day, unlimited time. (B-MP-963).

KAQY—Don Lee Broadcasting System (area of Los Angeles, Calif.), Portable-Mobile.—Granted modification of construction permit for new relay broadcast station to extend commencement date from December 10, 1939, to June 10, 1940, and of completion date from June 10, 1940, to December 10, 1940. (B5-MP-41).

WKBV—Knox Radio Corp., Richmond, Ind.—Granted special temporary authority to remain silent April 16, 1940, from 10 a. m. to 6 p. m. CST, on account of death of Mrs. Wm. O. Knox, wife of president of Knox Radio Corp. (B4-S-487).

W2XWV—Allen B. DuMont Laboratories, Inc., New York, N. Y.—Granted special temporary authority to operate a 50-watt television transmitter on frequencies 60000-86000 kc., at 515 Madison Avenue, New York City, for the purpose of conducting field tests for a period not to exceed 30 days.

KFRO—Voice of Longview, Longview, Tex.—Granted special temporary authority to operate with power of 250 watts from 7:45 p. m. CST, to completion of services on May 5, 12, 19, and 26, 1940, in order to broadcast church services only. (B3-S-838).

WGRM—P. K. Ewing, Grenada, Miss.—Granted authority to install automatic frequency control. (B3-F-139).

The Associated Broadcasters, Inc. (area of San Francisco, Calif.), Portable-Mobile.—Granted construction permit for new relay broadcast station; frequencies 1623, 2058, 2150, 2790 kc., power 15 watts. (B5-PRY-214).

APPLICATIONS FILED AT FCC

610 Kilocycles

WCLE—United Broadcasting Co., Cleveland, Ohio.—Construction permit to install new transmitter, directional antenna for day and night use, change frequency and power from 610 kc., 500 watts to 640 kc., 1 KW, time from daytime to daytime (local sunset California). Move transmitter from Pleasant Valley Rd., Village of Seven Hills, Ohio to Clinton Rd., Cleveland, Ohio. Class II station. Requests facilities

WHKC. Amended: Request limited time to local sunset California.

630 Kilocycles

WPRO—Cherry & Webb Broadcasting Co., Providence, R. I.—Modification of construction permit (File No. B1-MP-831) for equipment changes, changes in directional antenna and increase in power, further requesting changes in directional antenna and extend commencement date to 30 days after grant and completion date 90 days thereafter. Amended: Re antenna.

1350 Kilocycles

WBNX—WBNX Broadcasting Co., New York, N. Y.—License to cover construction permit (B1-P-1527) as modified, for changes in D. A., increase power, move transmitter and install new transmitter.

WBNX—WBNX Broadcasting Co., New York, N. Y.—Authority to determine operating power by direct measurement of antenna power.

1370 Kilocycles

WPRA—Puerto Rico Advertising Co., Inc., Mayaguez, P. R.—Modification of construction permit (File No. B-P-1941) as modified, for change in frequency, increase power, change hours of operation, move transmitter, changes in equipment and antenna, requesting extension of completion date from 4-26-40 to 5-26-40.

KFPW—Southwestern Hotel Co., Fort Smith, Ark.—License to cover construction permit (B3-P-2419) as modified for change in frequency, increase power, new transmitter and antenna and move of transmitter.

KERN—McClatchy Broadcasting Co., Bakersfield, Calif.—Modification of construction permit (B5-P-2278) to change frequency, increase power, new transmitter and antenna, move transmitter and studio requesting approval of antenna and transmitter site at Oak at Ming, Bakersfield, Calif., and studio location at present site.

WCNC—Aubrey G. McCabe & Trim W. Aydlott, d/b as Albemarle Broadcasting Co., Elizabeth City, N. C.—Authority to determine operating power by direct measurement of antenna power.

1420 Kilocycles

KRBM—KRBM Broadcasters, Bozeman, Mont.—Authority to determine operating power by direct measurement of antenna power.

WLAP—American Broadcasting Corp. of Kentucky, Lexington, Ky.—Modification of license to increase power from 100 watts, 250 watts day to 250 watts day and night.

MISCELLANEOUS

NEW—Seaboard Radio Broadcasting Corp., Hillcrest, Pa.—Construction permit for new high frequency broadcast station to be operated on 43800 kc., 1000 watts, special emission for frequency modulation. Location: Cheltenham Twp., Hillcrest, Pa.

NEW—Piedmont Broadcasting Corp., near Salisbury, N. C.—Construction permit for new high frequency broadcast station to be operated on a regular commercial basis, 43400 kc., 1000 watts. Special emission for frequency modulation. Location: Statesville Rd., near Salisbury, N. C.

NEW—Spartanburg Advertising Co., near Spartanburg, S. C.—Construction permit for new high frequency broadcast station to be operated on 43600 kc., 1000 watts. Special emission for frequency modulation. Location: U. S. Highway 176, 1.3 miles north, near Spartanburg, S. C.

NEW—KTRH Broadcasting Co., Houston, Texas.—Construction permit for new high frequency broadcast station to be operated on 43400 kc., 5000 watts. Special emission for frequency modulation. Location: Main and Rusk Sts., Houston, Texas.

W1XCS—Connecticut State College, Storrs, Conn.—Construction permit to change frequencies from 39540, 139960, 300000-400000 kc. to 26300, 139960, 300000-400000 kc.; increase power from 250 watts to 1000 watts; add multiplex emission; changes in equipment; and change corporate name to UNIVERSITY OF CONNECTICUT.

NEW—WODAAM Corporation, New York, N. Y.—Construction permit for new high frequency broadcast station to be

operated on **42400 kc.**, 1000 watts, special emission for frequency modulation. Site to be determined, in or near New York City, N. Y.

NEW—New Jersey Broadcasting Corp., Jersey City, N. J.—Construction permit for new high frequency broadcast station to be operated on **43600 kc.**, 1000 watts, special emission for frequency modulation. Location: Foot of Washington St., Jersey City, N. J.

W3XO—C. M. Jansky, Jr., and Stuart L. Bailey, d/b as Jansky & Bailey, Georgetown, D. C.—Modification of license to change frequency from **43200 kc.** to **43400 kc.**

W1XS—The Travelers Broadcasting Service Corp., Avon, Conn.—Construction permit to increase power from 1000 watts to 50000 watts and make changes in equipment, operating on a regular commercial basis.

WEIC—General Electric Co., Portable-Mobile.—Construction permit to increase power from 15 watts to 50 watts and install new transmitter.

WOEG—General Electric Co., Mobile.—Construction permit to install new transmitter.

NEW—Foulkrod Radio Engineering Co., Philadelphia, Pa.—Construction permit for a new high frequency broadcast station to be operated on **42400 kc.**, 1000 watts, special emission for frequency modulation.

NEW—United Broadcasting Co., Cleveland, Ohio.—Construction permit for a new high frequency broadcast station to be operated on **42600 kc.**, 1000 watts, special emission for frequency modulation.

KAOW—Albert S. and Robert A. Drohlich, d/b as **DROHLICH BROTHERS**, area of Sedalia, Mo.—Modification of construction permit (B4-PRE-333 for new relay station), requesting extension of commencement and completion dates from 3-25-40 and 9-25-40 to 7-1-40 and 12-1-40, respectively.

NEW—WGN, Inc., Chicago, Ill.—Construction permit for new relay broadcast station to be operated on **133030, 134850, 136810 and 138630 kc.**, 50 watts power, special emission for frequency modulation. Location: 435 N. Michigan Ave., Chicago, Ill.

NEW—United Broadcasting Co., Seven Hills Village, Ohio.—Construction permit for a new high frequency broadcast station to be operated on **43400 kc.**, 1000 watts, special emission for frequency modulation.

NEW—WDAS Broadcasting Station, Inc., Philadelphia, Pa.—Construction permit for a new high frequency broadcast station to be operated on **42800 kc.**, 1000 watts, special emission for frequency modulation.

NEW—KSTP, Inc., St. Paul, Minn.—Construction permit for a new Class II television broadcast station to be operated on **44000-50000 kc.**, 1000 watts visual and aural, emission A3 and A5.

W9XYH—Head of the Lakes Broadcasting Co., Superior, Wis.—License to cover construction permit (B4-PHB-75) as modified for a new high frequency broadcast station.

NEW—Caribbean Broadcasting Association, Inc., San Juan, P. R.—Construction permit for new broadcast station to be operated on **1500 kc.**, 250 watts power, unlimited time. Studio, Stop 21, Ponce de Leon, Puerto Rico; transmitter to be determined, San Juan, P. R. Amended: for antenna changes and specify transmitter site as Stop 21, San Juan, P. R.

NEW—United Broadcasting Co., Columbus, Ohio.—Construction permit for new high frequency broadcast station to be operated on **42600 kc.**, 1 KW power, special emission for frequency modulation. Amended: re transmitter site to be determined, in or near Columbus, Ohio.

NEW—Havens & Martin, Inc., near Richmond, Va.—Construction permit for new high frequency broadcast station to be operated on **42800 kc.**, 1 KW power, special emission for frequency modulation.

NEW—Courier-Journal and Louisville Times Co., Louisville, Ky.—Construction permit for new high frequency broadcast station to be operated on **42600 kc.**, 1 KW power, special emission for frequency modulation.

NEW—Tom M. Bryan, Miami, Fla.—Construction permit for new high frequency broadcast station to be operated on **43200 kc.**, 1 KW power, special emission for frequency modulation.

NEW—The Kansas City Star Co., Rural (Johnson County), Kans.—Construction permit for new high frequency broadcast station to be operated on **43000 kc.**, 1000 watts, special for frequency modulation.

FEDERAL TRADE COMMISSION ACTION

COMPLAINTS

Federal Trade Commission has alleged unfair competition in complaints issued against the following firms. The respondents will be given an opportunity to show cause why cease and desist orders should not be issued against them.

L. C. Case & Company, Inc.—See Sanford Mills.

Ideal Candy Novelties Co., Inc.—A complaint has been issued charging Ideal Candy Novelties Co., Inc., 770 Coney Island Ave., Brooklyn, and Abraham and Rose Aronoff, its president and vice-president, with the sale of assortments of candy and other merchandise so packed and assembled as to involve the use of lottery plans when resold to consumers.

The complaint alleges that one assortment sold by the respondents consisted of 150 pieces of caramel candy of uniform size and shape, together with 14 lead pencils and 8 lead pencil sets. It is alleged that some of the caramels were red, some were chocolate, and a majority were vanilla, the color being effectively concealed from purchasers until a purchase was made and the wrapper removed. All of the caramels retailed at 1 cent each.

Without additional cost, a purchaser procuring a chocolate caramel receives a pencil and the purchaser obtaining a red caramel or the last caramel in an assortment, gets a pencil set, wholly by lot or chance, according to the complaint. (4086)

Macher Watch & Jewelry Company—A complaint has been issued against Caroline R. and Robert J. Macher, trading as Macher Watch & Jewelry Co. and as Wholesale Watch & Jewelry Co., 15 Maiden Lane, New York, alleging misrepresentation in the sale of watches, jewelry, silverware, electrical appliances and other merchandise.

Catalog and circular advertising of the respondents allegedly represented that they are wholesalers and jobbers and that by reason thereof are enabled to sell merchandise at prices far below the customary retail prices; that the prices they charge represent the wholesale or jobber prices with resulting large discounts and savings to the purchaser; that the respondent's rings are set with genuine rubies and sapphires, and that their business has been in operation for more than half a century.

The complaint alleges that in fact the respondents are not wholesalers or jobbers but retailers; that the prices they represent as customary retail prices are in most instances exaggerated; that the prices they charge are not wholesale but the customary retail prices; that the rings they sell as being set with genuine stones or gems have artificial or synthetic stones of little or no value, and that the respondents have not been in business for 50 years, having begun operations about 1930. (4087)

National Lacquer Manufacturing Company—Alleging misrepresentation in the sale of paint and paint products, a complaint has been issued against Jacob Swimmer, trading as National Lacquer Manufacturing Company and as National Titanium Company, 123-131 Eleventh St., Brooklyn.

In advertising literature the respondent is alleged to have represented, among other things, that the regular price of his "Genuine Synthetic Outside White Paint" is \$3.65 a gallon and that is being offered at a sacrifice price of \$1.55, when in fact the customary price is \$1.55; that he maintains warehouses at points other than at his place of business and at places in the vicinity of the solicited prospective purchasers, in which certain specified amounts of his products will be available; that he has been in business for more than half a century; that his product is fresh stock, implying that the ingredients are fresh, unused material, and that the product comes directly from the original paint manufacturer.

which is the world's largest synthetic paint maker, when such are not the facts.

The complaint alleges that the respondent's product is not fresh stock but is made from waste paint which has been lost in the process of applying the original fresh stock on refrigeration boxes and other surfaces, and which has been recovered and sold to the respondent, who reconditions and redissolves it into the product he sells. The respondent's representations are alleged to be misleading in that they fail to disclose that his product is a reconditioned, redissolved paint product. (4088)

National Titanium Company—See National Lacquer Mfg. Company.

Sanford Mills, of Sanford, Me., and its subsidiary and exclusive sales agent, L. C. Chase & Co., Inc., 295 Fifth Ave., New York, are charged with misleading representation in the sale of a mohair upholstery fabric, in a complaint.

Through advertising matter, the respondents are alleged to have represented their product "Velmo" as having "a moth-proof guarantee—permanently," as being "moth-proofed at the mill" and as being treated by a process which makes moth trouble "so negligible that the guarantee is given, not for a term of years, but for the life of the fabric—permanently," when in fact their fabric is not permanently moth-proofed and moth-resistant, but is subject to attack and destruction by moths. (4084)

Wholesale Watch & Jewelry Company—See Macher Watch & Jewelry Co.

STIPULATIONS

During the past week the Commission has entered into the following stipulations:

Beanit Mills, Inc.—See Luxuray, Inc.

Brockman & Schloss, Inc., New York, N. Y., agrees to cease representing that it has taken over the handkerchief manufacturing activities of Marshall Field & Co. or of any other organization and to discontinue employing the word "Manufacturing" or similar words in a manner indicating that the respondent manufactures the products it sells or owns and controls the factory in which they are made, when such are not the facts. (2737)

Consolidated Pinnacle Coal Company, Denver, Colo., operating mines in Routt County, Colo., has been prohibited from using the word "Pinnacle" in any corporate or trade name, or at all, when the coal sold has not been mined from the Pinnacle Mine at Pinnacle, Routt County, Colorado. The Commission cease and desist order also forbids description of coal not mined from the Pinnacle Mine as being Pinnacle coal.

The term "Pinnacle," as applied to coal, the Commission finds, has been used since 1915 by Victor American Fuel Company, a competitor of Consolidated Pinnacle Coal Company and operating a mine at Pinnacle, Routt County, Colorado. Victor American spent more than \$200,000 in advertising and has built up good will and reputation for its coal under that name, and registered a trade-mark containing the word "Pinnacle" in combination with the phrase "mined and shipped only by the Victor American Fuel Company," the Commission finds.

Use of the name "Pinnacle" by the respondent company tended to confuse purchasers into believing that in buying the respondent's coal, which was mined at Hayden, Routt County, 42 miles from Pinnacle, they were getting the higher grade Victor American Fuel Company's "Pinnacle" coal, according to Commission findings. (3234)

Victor Eckardt Manufacturing Company, Inc., 132 Green point Ave., Brooklyn, agrees to cease and desist from use of the word "Manufacturing" as part of its corporate or trade name in connection with the offering for sale, sale, or distribution of its

boys' carpenter sets, and from use of the word "Manufacturing" or the words "Made by", followed by its corporate or trade name or in any way, the effect of which tends to convey the belief to purchasers that it makes or manufactures tools of which the carpenter sets are composed, or that it actually owns and operates or directly and absolutely controls the plant or factory in which such tools are made or manufactured. The corporation also agrees to cease representing, on containers of its merchandise or in any other way, by use of the words "Made in U. S. A." or similar words, that an assortment of merchandise to which the words refer is composed wholly of American-made products. If the assortment is composed of items made in the United States and in part of an item or items made elsewhere and the letters "U. S. A." are used properly to designate American-made items, there shall be accompanying words printed in equally conspicuous type which indicate clearly that the assortment is not composed wholly of items made in the United States. (2739)

Hall Hardware Company, Minneapolis, Minn., in the sale of its "Supermix" varnish and paint products, agrees to desist from the use of the name "Supermix" in a manner implying that its products have been recommended or endorsed by the United States Department of the Interior or by any Federal department or agency, when such is not a fact. The respondent stipulates that it will cease using in advertisements the word or trade name "Supermix" in connection with the statement "Facts You Should Know About Painting—Most of These Facts Are Taken from Bulletin No. 193, U. S. Dept. of The Interior", so as to imply that the products are specifically referred to in that Government bulletin, when such is not a fact. (2736)

Hedaya Importing Company—The copartners trading as Hedaya Importing Company, New York, N. Y., stipulate that they will desist from using the word "Manufacturers" as descriptive of their business and from representing that they have plants at Shanghai, Swatow, Wusih and Wenchow or elsewhere, when in fact they are not manufacturers and do not have factories of their own in the cities named. (2741)

Licourie Sponge Company, Inc., San Francisco, Calif., packer and distributor of sponges, agrees to cease representing that it maintains offices or places of business in Chicago or in Tarpon Springs, Fla., or in any other city or locality, or that it has a wharf or packing house at Tarpon Springs or elsewhere, when such are not the facts. The respondent also stipulates that it will desist from use of illustrations or other representations the natural and probable consequence of which may be to mislead buyers into believing that the corporation operates a fleet of sponge fishing boats from which fishing by the diving method is conducted, when in fact it neither operates such a fleet nor carries on sponge fishing by means of divers. A further representation which the respondent agrees to discontinue is that it is a producer of the highest grade of "Rock Island Sponges", or that it is a "producer" of any sponges, when in truth it conducts no sponge fishing operations but buys from others the sponge products which it packs and sells. (2738)

Luxuray, Inc., wholly owned subsidiary of Beaunit Mills, Inc., Fort Plain, N. Y., and Beaunit Mills, Inc., 450 Seventh Ave., New York, each of them engaged in the sale and distribution of women's undergarments, agree to cease and desist from representing, by means of advertising matter, labels or otherwise, that their undergarments, of the type commonly known as "Woolies," or garments made of similar fabrics, are 30 per cent wool and silk, or that they are composed of fibers in any designated proportion other than the correct and accurate ratio thereof. (2749)

Maxine Company—Frederick Hoffman, doing business under the trade name of Maxine Company, Fairfax, Okla., in the sale of "Aviola," designed for use in the prevention, treatment and cure of rectal diseases, agrees to cease representing that the preparation is a preventive or competent cure for rectal ailments; that it is sold at a price intended to cover only the cost of manufacture and not to include a profit; is "Guaranteed under the Pure Food and Drug Act"; has been examined or approved by the Federal Government, or that the Federal Government guarantees that it

complies with the law. He also agrees to cease representing that his instructions for enema are free or will enable one to keep the bowels clean and the body healthy. (02541)

Nasal Filter Company, 12 North Third St., Columbus, Ohio, agrees to cease representing that "Dr. Weaver's Nasal Filter" will cure hay fever, relieve asthma or sinus trouble, prevent asthma, hay fever, sinus trouble or anthracosis, or that it will provide a defense against colds or prevent all dust from entering the nostrils. (02543)

Purcell and Company, Inc., 11 South Desplaines St., Chicago, distributor of drugs, cosmetics, toilet goods and other beautician supplies, has entered into a stipulation to discontinue certain representations in the sale of its products.

The respondent company agrees to cease furnishing to beauty shop or school operators which it designates as "service members", so-called "membership certificates" representing or implying that the respondent company possesses knowledge enabling it to certify that the "member" or person named in the certificate is informed concerning the chemicals used in the manufacture of beauty preparations, when in fact the respondent corporation is not so informed as to the extent of the knowledge on this subject possessed by such "service members".

Further representations or implications which the respondent corporation agrees to cease making are that it manufactures the products it sells, does chemical research work, maintains a laboratory, employs chemists, or prepares quantitative analyses of preparations submitted to it by its "service members" or others, or that its products have world-wide distribution. (2735)

Puro Company, Inc., 3107 Pine St., St. Louis, has entered into a stipulation in which it agrees to discontinue certain representations in the sale of a moth repellent designated "Puro". The stipulation is supplemental to one accepted by the Commission September 5, 1934.

The respondent company agrees to cease representing that "Puro" will protect upholstery from damage by moths; that it is a brand new and an amazing discovery and contains a secret chemical, or that, by any other terminology, it is new or different from all other moth preventives.

The respondent company also stipulates that it will cease representing that persons selling "Puro" are earning fortunes thereby, or are making \$5 to \$8 a day, and agrees to cease representing, by use of such words as "up to", "as high as" or words or terms of like import, that prospective salesmen, agents or dealers can make earnings or profits within any specified period of time which are in excess of the net average earnings or profits within like periods made by a substantial number of its active full-time salesmen or other representatives in the usual course of business. (0727)

Rittan Knitting Mills, Inc., 11th and Jefferson Sts., Hoboken, N. J., agrees to cease and desist from selling or offering for sale any silk product which contains any metallic weighting, without full and non-deceptive disclosure of the presence of such metallic weighting together with the proportion or percentage thereof, made on the labels, tags or brands attached to the merchandise and in the invoices and all advertising matter, sales promotional descriptions or representations, and also from selling or offering for sale any silk or silk product without disclosure of the fact that such material or product is silk, made clearly and unequivocally in the invoices or labels, tags or brands attached to the merchandise and in whatever advertising, sales promotional descriptions or representations thereof may be used where such non-disclosure has the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public. (2750)

Schultz Surgical Instrument Company—Jacob Schultz, trading as Schultz Surgical Instrument Company, 17 West 20th St., New York, engaged in the sale and distribution of hospital and laboratory supplies and equipment, including microscopic cover glasses bearing the trade name "Crystal", has agreed, in connection with the sale and distribution of his cover glass products, to cease from use in his advertising matter or trade literature, or otherwise, of the slogan or legend "Made in U. S. A." or other words or terms of similar inference so as to import or imply that the imported

glass of which his products are composed is, or that the products in their entirety are, of domestic origin. (2740)

Sutton & Hosney—Joseph M. Sutton and Abraham Husney, trading as Sutton & Husney, 244 Fifth Ave., New York, engaged in the importation, sale and distribution of handkerchiefs, linens and laces, agree to cease and desist from representing that they have or maintain their own office or place of business in China or in any other locality when such is not a fact, or from representing as their own any office or establishment belonging to an independent agency with which they have no more than a contractual relationship. (2744)

CEASE AND DESIST ORDERS

Following cease and desist orders have been issued during the past week:

Curtice Brothers Company, packer and distributor of fruits, vegetables and vegetable products, and which maintains packing plants at Rochester, Bergen, Mount Morris and Wilson, N. Y., with its principal office at 20 Curtice St., Rochester, N. Y., has been ordered to cease and desist from certain price discriminations, in violation of the Robinson-Patman Act, in the sale of its products.

Findings of the Commission are that since June 19, 1936, in the course of its business, the respondent corporation has used three different price lists designated by the letters "R," "A" and "S." The "S" price list is designated for those customers who place a minimum order for 1,000 cases of the respondent's products for shipment in quantities of not less than 250 cases. The "A" price list is designated for those customers who place a minimum order for 300 cases of the respondent's products for shipment in quantities of not less than 50 cases. The "R" price list is designated for customers who place orders for less than 300 cases. The prices at which the respondent's products were and are sold by use of the "A" price list, were and are lower by from 2.5 per cent to 8.3 per cent than the prices at which such products were and are sold by use of the "R" price list, and the prices at which the products were sold by use of the "S" price list were and are lower by from 5.1 per cent to 16.6 per cent than the prices at which the products are sold by use of the "R" price list.

Findings further are that the respondent sold its products at prices specified by the "S" price list to some customers who did not take the required minimum number of 1,000 cases of respondent's products. In practice, the findings continue, the respondent has confined its sales made by use of the price lists to "future orders" for goods to be shipped when harvested and packed.

The Commission also finds that since June 19, 1936, the respondent has been discriminating between different purchasers of its canned fruits, vegetables and vegetable products by paying, granting and contracting to pay certain sums of money to and for the benefit of some of its customers in consideration for advertising services furnished by such customers in connection with the sale or offering for sale of the respondent's products without making such payments or advertising allowances available on proportionally equal terms to all of its customers competing in the sale and distribution of its products. (3381)

Forson Laboratories, Inc., 353 Fifth Ave., New York, engaged in the sale and distribution of a medicament known as "Nu-Myst" and a vaporizer for its use, has been ordered to cease and desist from misrepresentation of the efficacy of the preparation.

The Commission finds that "Nu-Myst" is a liquid composed of common ingredients prescribed by physicians for relieving "colds", and containing menthol, camphor, thymol, oil of pine, eucalyptol, benzyl benzoate and aromatics, with an alcohol base of 87 per cent.

Through radio broadcasts over stations of sufficient power to convey programs to various States, and in advertisements in newspapers, periodicals and trade journals, the respondent corporation is found to have represented that the preparation brings speedy relief to sufferers from colds, hay fever, rose fever, asthma and other nasal and bronchial afflictions.

Findings are that the representations are misleading and untrue; that the diseases named, except colds, are grouped under the so-called "allergies," the causes of which are manifold, and that since there are so many causes it is impossible for a formula such as "Nu-Myst" to bring relief from any of these conditions.

The respondent is ordered to cease and desist from representing that the preparation will destroy or prevent the growth of bacteria; that it is a cure or remedy for colds, whooping cough, hay fever, rose fever or asthma, or that it is an effective treatment or relief for these ailments beyond such temporary relief as may be afforded by the temporary allaying of local irritation. (3361)

Michigan Bean Shippers Association, Saginaw, Mich., a trade association, its officers and members, have been ordered to discontinue activities deemed to be in restraint of price competition in the purchasing of beans and barley from Michigan growers and the resale thereof to canning companies, chain store organizations, foreign importers and other buyers.

Respondent member companies, representative of the association's membership, are: Charles Wolohan, Inc., Birch Run, Mich., jobber; J. P. Burroughs & Son, Flint, jobber; Hammerslag & Tinkham, Inc., and Minor Walton Bean Company, Grand Rapids, jobbers; Michigan Elevator Exchange, East Lansing, jobber and elevator operator; Ryon Grain Company and Stickle-Swift, Inc., Lansing, jobbers; Hart Brothers and Michigan Bean Company, Saginaw, jobbers and elevator operators.

Respondent officers of the association are: L. W. Todd, president, and Asa E. Walcott, secretary-treasurer, and the respondent directors are Claude H. Estee, E. H. Bueschlen, and William R. Neumann. (3937)

Mills Sales Company of New York, Inc., 901 Broadway, New York, and five of its officers, have been ordered to discontinue lottery methods in the sale of cosmetics, shaving and dental creams, drug and household sundries and other articles. The respondent officers are David, Evelyn, Joseph and Walter Jacoby, and Estelle J. Kruger.

The Commission order directs the respondents to cease and desist from (1) selling and distributing merchandise so packed and assembled that sales to the public are to be made by means of a game of chance; (2) supplying to or placing in the hands of others (a) merchandise together with push or pull cards, punch boards or other lottery devices, or (b) such devices either with assortments of merchandise or separately, which devices are to be or may be used in selling any merchandise to the public, and (3) selling or otherwise disposing of any merchandise by means of a gift enterprise or lottery scheme. (3910)