

FCC Under Fire in House

The House approved the FCC's 1943-44 appropriation this week only after considerable debate. It was proposed at one point to hold up any appropriation until the conclusion of the Cox investigation. This proposal was rejected, 162 to 87.

Most of the debate, as reported in the *Congressional Record*, pp. 1017-1018—1084-1088, is printed below.

February 15

The Federal communications testimony appears on page 1212 of the hearings. The recommendation of your committee is \$7,609,000, as compared with the appropriations for the current year of \$7,386,000. The recommendation reflects a reduction in the budget estimate of over \$479,000.

It is difficult to escape the conviction that there is a good deal of duplication of effort between the F. C. C. on the one hand and the Army and the Navy on the other. The Army, I understand, has thousands of people in its radio intelligence companies. The Navy also has its own set-up. The F. C. C. admits that both services advised at one time that they did not require what the F. C. C. was furnishing them. The Bureau of the Budget, in its testimony, recognizes the conflict.

This agency shows a tremendous number of promotions in the past year or so, 1,806, to be exact, at an increase of \$145,100. Details were furnished the committee with reference to the Legal Division and the Foreign Broadcast Intelligence Service. I shall not encumber the RECORD with those details. I may say in passing, however, that the number of promotions was not only enormous, but that in many instances the same individual has been given more than one promotion in the same year. Among other examples is one individual receiving \$3,400 increase, or 105 percent, within a period of 8 months, another receiving \$1,400, or a 75-percent increase, in 6 months, and another receiving \$2,200, a 110-percent increase, in 16 months. There are many other examples that I could cite.

The record also indicates a request by this agency for deferments from the draft to the number of 442. Of this number, there have been granted 391, in respect to which Chairman Fly expresses the hope that the deferments may be for the duration. All of these deferments may, in fact, be justified. It may be stated, however, that neither the description of the positions held, nor the salaries paid, nor the fact that many of them joined the force after Pearl Harbor, lends force to this conclusion in the first instance.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. O'HARA. With reference to the deferments of this agency, does the gentleman mean deferments from going into the armed forces?

Mr. WIGGLESWORTH. Yes.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. COX. It is common gossip all over town that there is a higher percentage of draft dodgers as a result of the requests of the departments in the Communications Commission than in any other department of the Government. If the gentleman will indulge me further, I am very much surprised to note the success of Mr. Fly in obtaining this large appropriation carried in this item. Apparently he is the witness that appeared in behalf of the Commission, on whose testimony the committee bases its finding. The committee says that the Commission is divided, and that the division differing with Mr. Fly says that the essential work of the Commission can be carried on and carried on effectively with a large reduction of personnel and a large reduction in appropriations. To be exact, it is contended by those in the know that with \$2,000,000 the work of the Commission can be carried on. Mr. Fly, who heads the Commission, has no knowledge of communications, other than experience that he obtained as a switchboard operator before he was placed in the chairmanship. At the present time we find the Army and the Navy subordinated to him, and if the committee had found it possible to have consulted the Army and the Navy, disclosures would have been made to it that Mr. Fly is a terrible handicap to them in his effort to dominate completely in foreign communications of the Army and the Navy.

Others in the know have said to me that the larger part of the appropriations that are made for this Commission are wasted; that you may as well shovel the money out of the window as to expend it in the manner in which the Commission does. In view of the investigation that is going on, the item ought to be stricken from the bill altogether, and later the Congress will be able to make an appropriation that is proper.

Mr. WIGGLESWORTH. I was about to answer the gentleman by saying that the suggestion he makes was in fact made in the subcommittee, to the effect that inasmuch as an investigation has been authorized by the House to go into the activities of this Commission, it might be just as well to delete this item wholly and allow it to be considered later as a deficiency item. The money, of course, will not be required until the first of the fiscal year, July 1.

Mr. COX. I agree with the gentleman that the circumstance demands that the entire item be deleted until later on.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. WOODRUM of Virginia. The same logic would apply to the War Production Board, and to the Army or the Navy, and to any other agency of the Government that is under fire by anybody. That is, put them out of business, convict them, and then afterward, if they are able to prove that they are innocent, give them enough money to carry on. I submit right here in the midst of the colloquy between my two friends that that is not a logical

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Neville Miller, *President* C. E. Arney, Jr., *Assistant to President*

Lewis H. Avery, *Director of Broadcast Advertising*; Howard Frazier, *Director of Engineering*; Joseph L. Miller, *Director of Labor Relations*; Paul F. Peter, *Director of Research*; Russell P. Place, *Counsel*; Arthur C. Stringer, *Director of Promotion*.

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approach to the problem. I feel confident that the investigation of the Federal Communications Commission in the able hands of my friend the gentleman from Georgia [Mr. Cox] and the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH] will be thorough-going.

We may rest assured that long before July 1, when this bill will become law, these gentlemen will apprise Congress of everything they can find that would justify putting the Federal Communications Commission and Mr. Fly out of business. In the meantime it is an agency that Congress has set up to do business and has delegated to it important war functions. The monitoring work of the Federal Communications Commission is very important. However we may feel about individuals in it, let no Member of this House be under any misapprehension that they are performing a very vital and critical service in the war effort. Somebody has to perform that service.

Mr. WIGGLESWORTH. May I say to the gentleman from Virginia that I certainly do not want to place myself in the position of failing to accord this agency every consideration to which it is entitled. It does not seem to me, however, that the deletion of this item has anything to do with the findings which may be made in the course of the investigation. Of course, the Commission must have the money that is necessary on July 1, but it does not need any part of these funds until that time.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. FITZPATRICK. I do not recall any evidence before our subcommittee that the Federal Communications Commission was a handicap to either the Army or the Navy. Does the gentleman recall any such testimony?

Mr. WIGGLESWORTH. The gentleman from South Dakota [Mr. CASE] interrogated the representatives of the agency along that line, and I think substantiated the statement I have made.

Mr. FITZPATRICK. I am referring to the statement contained in a question asked the gentleman as to whether or not they were a handicap to both the Army and the Navy.

Mr. WIGGLESWORTH. A duplication.

Mr. FITZPATRICK. "Handicap" was the word used.

Mr. COX. I used the word "handicap" and I used it advisedly, and if the gentleman will take the pains and manifest sufficient concern in the public interest to call upon the Army and the Navy he will find that the statement is justified.

Mr. WOODRUM of Virginia. If the gentleman will permit, I will say to the gentleman from Georgia [Mr. Cox] that as soon as I can get to a telephone I shall certainly make inquiry of the responsible heads of the Army and the Navy, and if any of those gentlemen say that the Federal Communications Commission is a detriment to the

war effort, I will take advantage of my seniority in the proceedings to move to delete the item myself. Now will the gentleman join me in saying that if the Army and the Navy say they are performing a useful war service, he will give them a chance to have a fair trial before he executes them?

Mr. COX. I am not trying to execute anybody.

Mr. WOODRUM of Virginia. Just take their money away from them?

Mr. COX. No; I am not. I am insisting that in view of existing circumstances the appropriation should not be made available at the time. I can tell the gentleman something that would interest him.

Mr. DWORSHAK. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Idaho.

Mr. DWORSHAK. In spite of the demands throughout the country for economy, it would appear that most of these agencies are attempting to expand their functions under the guise of defense and war activities. In that respect, will the gentleman explain the item of \$206,160 for a War Problems Division under the Law Department, and explain why that is being created? Is there not some existing agency which already has jurisdiction over such activities?

Mr. WIGGLESWORTH. That matter was given consideration by the committee in reducing the request \$479,000 below the budget.

I shall not dwell further upon this item, in view of the fact that an investigating committee has been set up to consider the activities of this Commission in detail.

I may mention in passing, however, first, that the record indicates continued approval of the transfer of stations or control of stations for considerations far in excess of the value of the physical assets transferred, with all the danger we have seen in other fields in the capitalization of Government franchises.

Second, that the serious charges said to have been made in connection with former Commissioner Pickard and others have apparently been whitewashed to the satisfaction of the Commission and the Department of Justice in the absence of further evidence.

Third, that 3 of those included in the list of 38 recently published by the Dies committee are to be found on the pay rolls of this agency.

February 17

Mr. CASE. Mr. Chairman, this amendment, with two succeeding amendments which I propose to offer, would leave the title "Federal Communications Commission" in line 3 but strike out the appropriations relating to the Federal Communications Commission and defer their consideration until later. I had expected to offer the amendments together in the thought that that would save some time. However, this will accomplish the same result.

The purpose in offering this amendment is to permit an intelligent appropriation to be made. The House has adopted a resolution authorizing a select committee to investigate the Federal Communications Commission. In view of the action already taken by the House it would be nonsensical for us now to attempt to appropriate for the Federal Communications Commission for the fiscal year that begins after July 1. How can we appropriate intelligently in this bill when there is pending for a detailed investigation of the activities of the Commission? Some of us believe we cannot so appropriate at this time. Consequently, we believe this appropriation should be deferred.

This does not mean we expect the Federal Communications Commission to be abolished or its activities to be ended. I, for one, would be opposed to that, and so would the other Members of the House. We are acquainted with the work the Federal Communications Commission

is doing, in a large way. Most of it should be continued; possibly some of it should not. Of course, the Deficiency Committee is meeting regularly, and it can handle appropriations for this Commission; or, if the special committee makes its report before the appropriation is considered in the Senate it can be handled there.

There are reasons for raising some question about this appropriation. We asked the Commission for its figures on the draft deferments it had asked for its employees, and found that the Commission had asked for 442 deferments, receiving 391. It is true that the Federal Trade Commission has to have some highly trained technical men. It is probably true that those men in the service of the Federal Communications Commission can do just as effective work as they could if they were in uniform. However, until the select committee is satisfied that these deferments, for example, are justified, we ought not to make appropriations to carry on activities which we may not approve.

Not only that, but there was evidence before the committee that the Commission was doing some work the Army and Navy have the personnel to do. We asked direct questions on that point about some of the inspections and some of the examinations the Federal Communications Commission was making.

It was testified they were doing this at the request of the War and Navy Departments, but upon pursuing the question, it was apparent that the Army and the Navy had the personnel to do these same things. If there is a shortage of manpower, why should we be deferring men to put them in the Federal Communications Commission in jobs that the Army and the Navy have personnel to do? Not only that, but there was some questioning of the promotions made in this agency during 1942. They totaled 1,800, at a total cost of \$145,000. Doubtless some of them were necessary to hold personnel but they should be examined in detail. They should be gone into more fully, and the House has already provided for that. Then, why should we make this appropriation, based upon activities, some of which we may want to abandon after the committee has made its report?

There is another reason. Three or four of the men who are on the list about which there has been a great deal of debate are some of the employees of the Federal Communications Commission. If we were to get into a debate upon the entire appropriation, I have been told those names would come up, and until they have been investigated either by the select committee or the special committee of the Committee on Appropriations which have been authorized to hear these people, we could not appropriate intelligently. I for one do not want to pass judgment on them until they have been heard. It seems to me that we would save time and appropriate more intelligently, if we wait until we have a report from the special committee.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. CASE. Yes.

Mr. RAMSPECK. Is not the same logic applicable also to the Army and the Navy and the appropriations for those Departments?

Mr. CASE. They are not under specific investigation by select committees of the House. Their appropriations are not before us yet and we hope the regular committees will keep the subcommittees currently informed of matters that come to their attention. Remember that I am not striking out this activity. The amendment does not strike out the title in line 3. And as I have already stated there will be ample time to appropriate for this agency before July 1. Of course, if the select committee has not reported by July 1, then we will have to appropriate for Federal Communications as best we can. And the gentleman

knows we will appropriate for the Army and the Navy in due course when their estimates come before us.

Mr. RAMSPECK. And the same thing is true about all of them.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that debate upon this amendment and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Chairman, I ask unanimous consent to proceed for 1 minute out of order.

The CHAIRMAN. Is there objection?

Mr. WOODRUM of Virginia. Mr. Chairman, I object.

Mr. LAMBERTSON. Mr. Chairman, I was not on the floor yesterday when the very able floor leader, the gentleman from Massachusetts [Mr. McCORMACK], made his speech attacking Herbert Hoover, who in the minds of a great many people is the greatest living American. He made the direct charge that Mr. Hoover had opposed recommendations to prepare our country for defense, and then went on to cast a long line of suspicion about Mr. Hoover being for appeasement. I want to dismiss it by using the words of the gentleman himself that he used on a recent occasion:

Any such thought is without foundation, and if the gentleman had the courage to make the direct accusation within the rules, I would say that he is making a complete misstatement of the facts. Outside of the House anyone making such statements I would say tells a deliberate lie.

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment. I am astonished that the gentleman from South Dakota [Mr. CASE] takes the position he does in this matter. He is generally a very level-headed member of this subcommittee, but the proposal he makes today seems to me to be absurd. He bases his amendment upon the theory that we should not appropriate money for this agency, which was created by this Congress, because we have authorized an investigation under the leadership of my colleague from Georgia [Mr. Cox]. If his reason is sound and logical, then we should not bring in any appropriation for the Army or the Navy or practically any other agency of the Government until these investigating committees report. We have also authorized the Smith committee to look into the actions of all of the agencies of the Government practically, to see whether they are operating in accordance with the acts of Congress. It seems to me that this type of legislation that is contained in the amendment which we are to vote on here this morning is a type of action that brings Congress into disrepute in the eyes of the country. It is demagogery, and while I do not impute any motive of that sort to the gentleman from South Dakota, I do say that the critics of Congress will look upon it in that way, and to me I think that criticism will be justified. It is our duty as members of Congress to finance the agencies that Congress sets up. We have a splendid gentleman from my own State who is going to investigate the operations of this Commission.

He is going to do a good job, and if there is anything wrong with this Commission I am sure that the gentleman from Georgia will find out about it, and Congress then can take such action as the facts justify, but this is not the proper method of legislation, it is not in keeping with the dignity and the importance of a legislative body, for us to say that we are not going to appropriate any money for an agency we created, an agency that is doing important war work. If the subcommittee could not get the information it desired in the usual manner it could have resorted to the subpoena power recently given to the Appropriations Committee.

Mr. CASE. The committee did not have that power when this bill was prepared.

Mr. RAMSPECK. We have a committee appointed,

headed by the gentleman from Georgia [Mr. COX], that has the power of subpoena and all the power of this Congress with it, and that is the orderly way to act. That is the orderly way to do it. The gentleman did not take the same position the other day about William Pickens. Did we not vote to investigate first before we took him off the pay roll? Are you going to take all these men off the pay roll who are monitoring war messages from across the seas? No; that is not the way to legislate.

Mr. CASE. Will the gentleman yield?

Mr. RAMSPECK. Yes; I yield.

Mr. CASE. Does not the gentleman feel that the Congress would be in a more ridiculous position if it appropriated money for this independent agency and then the special committee set up by the House came in and said, "Here is something that should have been cut out" and the money has already been appropriated?

Mr. RAMSPECK. I certainly do not. I think that is the orderly way to proceed. We have a committee to investigate them and we should not usurp their functions through an appropriation bill.

Mr. CASE. We are not usurping their functions; we are simply withholding action until the full story is before us. The gentleman knows, of course, that this does not touch a dollar of their current appropriation.

Mr. RAMSPECK. I am aware of that fact.

Mr. CASE. And there is plenty of time to appropriate for next year between now and July 1 after the special committee has a chance to report.

Mr. RAMSPECK. Yes, and there is plenty of time to cut off their appropriation after the committee makes its report, if we should so desire.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from South Carolina.

Mr. HARE. If it is abolished between now and July 1 the appropriation will not be necessary.

Mr. RAMSPECK. The gentleman is correct. If as a result of this investigation the Congress decides to abolish the commission or change its function or its personnel, then the appropriation would not be effective.

Mr. FORD. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. FORD. It is not about equivalent to convicting a man in advance without an investigation?

Mr. RAMSPECK. Well, that is true, too. It is an interference with the prerogatives of the investigating committee headed by my colleague, the gentleman from Georgia [Mr. COX].

The CHAIRMAN. The time of the gentleman from Georgia [Mr. RAMSPECK] has expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in supporting the amendment offered by the gentleman from South Dakota [Mr. CASE], I welcome one of the first opportunities that I have had to cast my vote against the rising tide of bureaucracy that is daily encroaching upon the prerogatives and powers of the people's Congress. I welcome this opportunity, and I hope I will have many more occasions to cast my vote against these bureaucrats who are day by day destroying the people's rights with the excuse that they are justified in so doing because they are doing it to win the war. I question very much whether using iron-handed tactics such as the Federal Communications Commission has used over individual and separate radio stations, in choking off free expression as they have done on numerous occasions, is contributing very much to winning the war.

In my locality, just as in every other section of the country, there is a radio station that I believe is serving the community in a patriotic manner. It has opened its air waves to every call of the Government. It has functioned just as the Federal Government would have

it function, and it has given wide expression to wishes of the Government in helping put on War Bond sales, in making announcements for the Army and the Navy, in giving out uncensored information of all kinds. I submit today that this same radio station of which I speak has every right to conduct its business in a private and individual way. I maintain that the Government has no right to step in and question its patriotism, its right to proceed in an orderly, patriotic manner.

Therefore, I welcome the opportunity today to cast my vote for this amendment. I will welcome any other such opportunities. I hope this is but the beginning of an attempt to place the power where the people originally intended it to be placed, to bring prestige back to the House and the Senate. Heaven knows within the past 2 years, due to the encroachments of these bureaucrats, we have lost plenty, at least with the folks back home, and they are the ones who count.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HARE. Assuming that the statement of the gentleman is correct, what would happen in case this amendment were adopted and the war would continue beyond July 1 of this year and the communications systems of the world would be free to communicate any message to inform our enemies? Does not the gentleman think there would be chaos in our war program and in our war effort?

Mr. EDWIN ARTHUR HALL. I am informed by the gentleman from South Dakota [Mr. CASE] that nothing will happen before July 1, as far as the continuation of this Commission goes. Furthermore, I would be the first to raise my voice in indignation against the insinuation of any Government bureau that the people in the radio station in my community would be guilty of any unpatriotic act or of disseminating any propaganda over the radio that would in any way obstruct the war effort.

I pledge my vote to this amendment and I welcome the chance to cast it this way.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COX. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I know there are those of you who think I am sometimes too severe, and yet I speak the truth when I say to you that there is not one of you to whom I would not give the coat off my back did I think you were cold.

My position on this amendment is not an easy one. You know that I happen to be a member of a special committee that has been set up to investigate this agency of the Government. For that reason I am not going to appeal to my friends to support the amendment. That is a matter that they will have to determine for themselves without any appeal on my part. I will not under the circumstances vote on this amendment.

I have no brother nor son—no kinsman—who holds a job with the Federal Communications Commission whose continuance in service is dependent upon my support. On the other hand, I have been maligned, blackmailed, and criminally misrepresented by this agency of the Government.

I have expressed my views heretofore and you know what they are. Exception was taken to an observation I made on the floor that the Chairman of this Commission was in the hair of everybody in Washington, and particularly the Army and the Navy. I would have liked it better had the gentleman from Virginia [Mr. WOODRUM] made his statement before I submitted these remarks to you. I think I know that he is this morning armed with a statement furnished by the Secretary of War and the Secretary of the Navy negating the statement that I made the other day. I am wondering if the gentleman from Virginia on Monday, after the colloquy we had on

the floor, communicated over the telephone with Mr. Fly with respect to this matter and if he knows that Mr. Fly appealed to the Secretary of War and the Secretary of the Navy for the statements which I think he holds. And I am wondering too if the gentleman from Virginia [Mr. WOODRUM] happens to know that this Uriah Heep of the Commission brought political pressure to bear upon the Secretary of the Navy and forced into retirement the man who knew more about communications than any other man connected with the Navy, Admiral Hooper?

Now, Mr. Chairman, I am not urging that you take one position or the other; I will say, however, that I do not consider this motion to strike as being a piece of demagogery.

You will remember that at the beginning of this session we talked about the use of the appropriating power of this Congress as a means of repressing the bureaucrats who are governing America at this time. Now, I know this statement is disappointing to some of my friends, and I regret to make it, but I would feel ashamed of myself if I did not manifest sufficient courage and sufficient decency to say something on this subject. I could say more; I could say much more if the proprieties of the moment made it permissible; but I will say this to you: That I am not the only Member of this House who has been criminally maligned and falsely represented by this Commission; there are others I could name, and I could name them now; and if challenged I might do so.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The Chair regrets to inform the gentleman that debate on this amendment has been limited and time allocated. The Chair feels constrained to recognize the gentleman from Virginia. If time remains after the gentleman from Virginia has concluded the Chair will recognize the gentleman from Massachusetts.

The gentleman from Virginia [Mr. WOODRUM] is recognized.

Mr. WOODRUM of Virginia. Mr. Chairman, it may be that because of the great disparity of numbers, that one who tries to defend the action of this subcommittee is crying in the wilderness.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. O'KONSKI. Where are the Members on the gentleman's side?

Mr. WOODRUM of Virginia. That is what I should like to know. If the gentleman could inform me where they are I should like to know; certainly they are not helping me very much today, I will say to the gentleman.

On a strictly political division of the House awhile ago, strictly political, every Member on the Republican side stood up in support of a motion and every Member on the Democratic side stood up; and there were 84 Republicans and 36 Democrats, I think. I feel that the people should know that, I feel that the Democrats of the country should know that.

But I have got a little bit of a job to do here and I am going to try to do it. First I should like to try to relieve my dear friend from Georgia, because he has been worried as to what I might have said to the Chairman of the Communications Commission and what he might have said to somebody else. Well, I did not call the Chairman of the Communications Commission; I had a clerk call and tell him that it had been stated on the floor of the House that his agency was a detriment to the war effort; and to tell him that if that was so I could not defend it. Mr. Fly replied that he had already gone to the War and the Navy Departments some time ago when the charge was made and that he did not like to annoy them again but that he would enclose me copies of the

letters they had written. This he did, and the gentleman from Georgia is already familiar with them.

I have here, though, Mr. Chairman, a little folder which he sent me, about 12 or 15 sheets. I cannot read them; I cannot put them in the *Record*. Their nature is so highly confidential, so vitally concerned with the heart of the war effort—they are from high-ranking Army and Navy officers, and State Department officials showing the vital, critical work this Federal Communications Commission is doing. I will be delighted, if any Member interested wants to come to my office, to lay them before him and let him read them; and I think he will agree when he sees them that they could not be made public because of their confidential nature.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. TABER. It would be possible for the investigating committee to proceed with its efforts and make a report promptly and to have whatever appropriation might be needed for the Commission provided before the first of July. In this way the Appropriations Subcommittee could have the benefit of the work the investigating committee does.

Mr. WOODRUM of Virginia. No; I do not think that position is tenable at all.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Not for a few minutes: I have but limited time and several very important things I want to say.

Our committee felt there was some duplication in certain of the activities of the Federal Communications Commission and we cut the appropriation over \$400,000 because of the suggestions made by the gentleman from South Dakota, and brought out in the hearings, which showed that some of the work the Communications Commission was doing the Army was doing and had the personnel to do it. We made that cut in the appropriations.

Here is the core of the whole business. If you want to take the responsibility you may do so. The Federal Communications Commission in its monitoring work, in its control of the airways, has to have highly technically skilled, trained personnel, mostly young people, and that is the reason for the high number of deferments in that branch. They have had the greatest difficulty in keeping their people. They have had to get young people, train them, start them at the bottom and work them on up, hence the great number of promotions. They have had great difficulty in keeping this personnel. They are jittery anyway.

Let the Congress today strike out this appropriation and those twelve or fifteen hundred people, who want to work, who want to eat, and who want to serve, not knowing where they are going to be, or when their jobs are going to be cut off, or whether they will have a job after July 1; and I say to you, you have demoralized that agency, you have thrown confusion into the work of this vital, critical agency, and I do not believe any Member of this House ought to be willing to take the responsibility for doing that.

We have an investigating committee, with full powers, a zealous investigating committee, if you please. You and I may rest with the greatest feeling and security that speedily and thoroughly everything about the Communications Commission will be brought to us and the Congress may then take action.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I think I have a right to speak on this amendment because I happened to be the chairman of the committee that reported the bill to set up the Communications Commission and was the author of the bill. Before that time there was chaos in communications throughout the length and breadth of the land. The telegraph and telephone business had hardly

been touched by the agencies that were supposed to handle them, the Interstate Commission. The old Radio Commission was devoting a little time to broadcasting and to broadcasting only. It was thought at that time that all communications should come under one commission of the Government. This was done back in 1934.

Now, Mr. Chairman, if the amendment offered by the gentleman from South Dakota should be brushed aside as sheer demagoguery, that would be one thing. If the begging of the question by the gentleman from New York that if the investigating committee reported between now and the first of July were convincing, that would be another thing. I do not appeal to your prejudices or to your passions, and I do not accuse people of demagoguery, but I do want to counsel with your reason, with your reason I repeat, with all the earnestness I can command. A great war is on, the world is aflame and the air is full of propaganda from every conceivable portion of the earth. There is only one agency in the United States of America, let me say to you, that has any control whatsoever over the air of the United States. Do you by your vote at this time want to strike down that only agency?

The CHAIRMAN. All time has expired. The question recurs on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The question was taken; and on a division (demanded by Mr. CASE) there were—ayes 87, noes 162.

So the amendment was rejected.

The CHAIRMAN. May the Chair say at this time, that it is only fair to advise the Members that the Clerk, in the absence of any amendments on the desk and in the absence of any objection from members of the committee, was pursuing the course heretofore followed in the reading of bills.

The Clerk will read.

The Clerk read as follows:

Salaries and expenses, national defense: For all expenses necessary to enable the Federal Communications Commission, without regard to section 3709 of the Revised Statutes, to perform its functions related to national defense, including radio monitoring and foreign broadcast analysis, including all of the items of expenditure for which the appropriation "Salaries and expenses, Federal Communications Commission," is available and not to exceed \$9,000 for salary of Director of the Foreign Broadcast Intelligence Service; not to exceed 56 passenger-carrying automobiles; not to exceed \$50,000 for the temporary employment of persons or organizations, by contract or otherwise, without regard to the civil service and classification laws and, in the case of language or other experts, without regard to any requirements of this act with respect to citizenship, where citizens qualified to perform such work are not available; allowances for living quarters, including heat, fuel, and light (not exceeding \$1,700 for any one person), as authorized by the act approved June 26, 1930 (5 U. S. C. 118a); and printing and binding, \$5,590,314.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 13, line 14, strike out the period, insert a colon and the following: "Provided, That upon the expiration of 60 days after the cessation of hostilities between the United States and the principal enemy powers or after the date of an armistice between the United States and the principal enemy powers, this appropriation shall cease to be available for obligations unless Congress shall otherwise provide by law."

Mr. WOODRUM of Virginia. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DWORSHAK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DWORSHAK: Page 13, line 4, strike out "\$5,590,314" and insert "\$5,384,154."

Mr. DWORSHAK. Mr. Chairman, this amendment simply proposes to eliminate \$206,160 which has been provided in the bill for the use of the war-problems division of the law department of the Federal Communications Commission. Unlike the amendment which has just been disposed of, I do not believe there will be much opposition or controversy over this proposed amendment. I believe the subcommittee which has considered this bill probably will be inclined to support my amendment. In proof of that assertion I quote one paragraph of the committee's report:

The committee calls attention to the provisions in the bill providing \$206,160 for a war-problems division under the law department. The committee has not eliminated these funds because they are requested as a national defense measure, but it does regard the value of such projects with some skepticism and recommends that the Commission carefully consider the desirability of discontinuing them.

Mr. Chairman, I think it is our responsibility, not that of the Federal Communications Commission, to determine whether this particular division shall be continued or discontinued.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DWORSHAK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Was any attempt made by an official of the Commission to justify this appropriation?

Mr. DWORSHAK. Yes. The officials pointed out in the hearings that this new War Problems Division was created early in 1942 to take care of the peculiar problems arising because of our participation in the war. However, the normal functions of the law department certainly can be carried on and expanded in wartime. The hearings disclosed that normally the law department employs 56 attorneys. The War Problems Division has 15 attorneys and 8 other employees.

I call attention to the fact that while it has been said that the proposed funds for this Commission have been cut by \$479,686, that is only reduced from the Budget request; and even with the adoption of my amendment this bill carries more than the amount provided during the current year for the operation of this Commission.

May I stress the point that for the regular activities of this Commission \$2,000,000 is provided, and that under the heading of national defense activities more than \$5,000,000 is provided, so that with the adoption of my amendment no effort will be made to interfere with or frustrate the work of the Commission insofar as the war program is concerned.

Much has been said about duplication; that it is time to eliminate 1,000,000 Federal employees of the 3,000,000 now on the pay roll. The only way we can retrench is to retrench. It seems to me this is an evidence of the good faith of Congress in serving notice upon these commissions that existing peacetime personnel should be re-adjusted and utilized to the fullest extent, so that the emergency activities arising from our participation in the war can be carried on successfully and efficiently.

I do not want to interfere with the operation of this Commission, but I believe it is time to consider the serious aspects of the manpower problem now confronting our country.

I ask the Committee at this time to support this amendment, which eliminates only \$206,160 for a war-problems division. Let us serve notice that the regular law department of the Federal Communications Commission should carry on effectively.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I direct the attention of the Committee especially to the fact that this is a part of the national-defense program of the Federal Communications Commission, a particular appropriation for that purpose, not a part of their regular activities.

The War Problems Division, a very small unit, with a small amount of money involved, was set up by the Federal Communications Commission at the request of the Board of War Communications, which is composed of representatives of the Army, the Navy, the State Department, the Marine Corps, and the other agencies interested in communications. It has to deal and it is the only agency having to deal with the broad subject of international communications, the priority of war communications, the sufficiency of telegraph and telephone communications, and the various and sundry complicated legal questions that arise.

When we are establishing and maintaining this intensive network of international communications which are brought about by this war effort, as our committee says, we felt and we suggested that the Federal Communications Commission ought to survey it carefully to see whether it is necessary. They say it is necessary. The War Communications Board says it is necessary. The Army and the Navy say it is necessary. It is a small item, and I believe we ought not now to delete it and deprive them of the functions of that activity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. DWORSHAK) there were—ayes 76, noes 99.

So the amendment was rejected.

The Clerk read as follows:

National defense activities: For all necessary expenses (excepting printing and binding) to enable the Federal Power Commission to perform additional activities in connection with the national security and defense, including activities under the provisions of the Federal Power Act, activities under Executive Order No. 9165, dated May 19, 1942, and activities for the protection of the electric power supply against hostile acts, such expenses to include all items of expenditure for which the appropriations under the heading "Salaries and expenses, Federal Power Commission," are available, \$519,255: *Provided*, That the Commission may make expenditures in addition to the foregoing, for duties connected with the national security and defense from other appropriations available to it.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 14, line 21, strike out the period and insert a colon and the following: "*Provided*, That upon the expiration of 60 days after the cessation of hostilities between the United States and the principal enemy powers or after the date of an armistice between the United States and the principal enemy powers, this appropriation shall cease to be available for obligations unless Congress shall otherwise provide by law."

Mr. WOODRUM of Virginia. I have no objection to the amendment, Mr. Chairman.

The amendment was agreed to.

COX INVESTIGATION

The House on Thursday approved the Cox resolution (H. Res. 122) asking for an appropriation of \$60,000 to carry on his investigation of the FCC. The Resolution

which has been referred to the House Committee on Accounts is as follows:

"That the expenses of the study and investigation by the select committee created by H. Res. 21 not to exceed \$60,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee conducting such investigation and study or any part thereof, signed by the Chairman of the committee and approved by the Committee on Accounts.

"The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged."

Labor

48-HOUR WEEK

If usually well-informed sources are correct, smaller radio stations in the 32 "labor shortage areas" will not need to institute the 48-hour week ordered last week by President Roosevelt (NAB REPORTS, p. 55).

The War Manpower Commission has not yet issued its rules and regulations for administering the Executive Order, and nothing definite can be said until these come out, probably next Tuesday.

However, it is said that these rules will exempt not only employers of less than eight but also *groups* of employees when putting such groups on a longer work week would not enable an employer to release manpower.

If this is true, a station now getting along with four or five technicians on a 40-hour week would be allowed to continue this schedule if it could show that lengthening the work week to 48 hours would not permit the release of a technician.

It would be well for every station in the labor shortage areas to canvass each department—technical, program, clerical, etc.—to see whether the institution of a 48-hour week would permit the release of any employees. If not, why not? Each station may be required to answer this question.

TWO RATES OF PAY

A few stations have employees who work at two different rates of pay during the week. In the past, the Wage and Hour Division has required computation of the overtime rates by dividing total earnings at the two rates by total hours at the two jobs, and multiplying the result by one and one-half. Now the Wage and Hour Division says that one and one-half times the rate in effect when the overtime occurs is acceptable. Please make a note of this change on page 7 of your green Wage and Hour pamphlet.

FARM RADIO BATTERIES

The farm battery situation this month received the attention of legislators, both state and national.

The North Dakota legislature has memorialized the Congress of the United States appealing for relief and Representative Karl Stefan of Nebraska discussed the problem in the House.

Said Representative Stefan:

If conditions that exist in northeast Nebraska respecting the procurement of radio batteries are general throughout the United States, thousands of radio listeners who must depend upon battery receiving sets will be cut off from valuable radio service.

Hundreds of owners of battery receiving sets in northeast Nebraska cannot get batteries. One radio station has told its listeners that because zinc is needed so badly for war purposes it may be impossible for them to get batteries,

and as a result a great many letters have been received indicating that large numbers of radio receiving sets have already been put out of use.

There are hundreds of families in my district who do not have electricity. Many of them have applied for R.E.A. hook-up. In some parts of my district the poles, insulators, and transformers have been installed, but, due to the inability to get copper conductors, these projects must wait over until after the war for completion. This means that hundreds of people who have planned to convert their battery receiving sets to electric-powered sets will have to rely on battery sets for the duration.

A very great number of families that depend solely on radio for news and information are threatened with the discontinuation of this service because they can get no batteries, and the result will be that radio stations will lose thousands upon thousands of listeners.

There are many farmers in my district who do not take newspapers, who do not have telephones, and who have depended entirely on radio for news about livestock markets, and so forth.

One radio station in my district made a survey a few days ago and received over 300 letters from owners of battery receiving sets. Out of the first 234 tabulated, the report is that in a very small area 384 radio sets are now out of use or soon will be. Forty listeners mentioned the time that their machines have been out of use as follows:

One, 6 months
Four, 5 months
Eight, 3 months
Twenty-five, 2 months
Two, 2 weeks

Radio is a valuable and absolutely necessary part of the life of the people of my district. The people there are most patriotic. They have sent their sons to war. With less than the needed amount of farm help, they have produced a record-breaking amount of food. They are preparing to follow the suggestions of our Government to plant more and more in order to raise more crops, and to produce more meat to feed our fighting men, our allies and our own civilian population. The work of our farms will be more important than ever before in the history of our country during the coming planting time and the time when harvest approaches. The farmer, his wife, and children are and will continue to be the busiest people in our land. They will work from the early dark hours of the morning until far into the night without regard to minimum hours or minimum wages. Their time is just as precious as is the time of the factory or the office in the cities. They must depend upon information about condition of roads, weather, markets, and so forth, which is so vitally important and necessary to keep the farm business going. These farmers have conducted their business in spite of the fact that they face this labor shortage and have faced a shortage of farm machinery and repairs for that machinery. Many of them would like to have their farms electrified through the extension of R.E.A., which had to be curtailed because we could get no more copper and other material for projects, even those partially completed. Now, hundreds of them have a just complaint because they cannot get a battery to keep the medium of information—the radio receiving set—in condition to get the valuable reports which are so necessary to keep the farm fully informed on conditions as they exist in our country and elsewhere, the progress of the war, markets, and weather and road conditions. These farmers listen carefully to the Government-planned programs on drives for the sale of bonds and other matters so vital for the successful prosecution of the war. They invest heavily in bonds and the Treasury Department is largely dependent upon the information which the radio stations broadcast regarding the bond sales and other matters. Should the radio stations lose hundreds of thousands of listeners because these listeners can no longer get batteries for their receiving sets, our Government departments that depend upon the radio stations to furnish that information to these listeners, will lose, in my opinion, thousands of supporters of their programs and, as a result, the war effort will be the loser.

You may be interested to know that the Treasury De-

partment, in its war savings program publicity, does not pay anything for radio announcements and radio programs which the stations use. The Department has prepared radio announcements and there is a little printing expense, but the radio stations have not charged the Government 1 cent for millions of dollars' worth of free publicity which has gone to our people over many of these stations.

I am not prepared to say that zinc or other materials which go into the construction of a radio battery are so scarce that we must now discontinue service for the people who have no means of receiving absolutely necessary news over the radio other than battery receiving sets. I feel that the situation is so serious that immediate attention should be given to it in order that something be done, if that is at all possible, to give these people some immediate assistance. If some assistance could be given to them now, I am sure that we will not only be aiding them to continue to receive the radio service to which they are entitled, but we will be doing a service to our war effort by keeping thousands of people fully informed, whereas, if the service is discontinued, our Government will lose the attention of some of the most patriotic people in our land. Do not forget that a radio receiving set is almost as necessary on a farm today as is a plow.

NAB supplemented its basic information on the subject through the cooperation of the industry, other civilian groups and several Government agencies. Final requests for information from broadcasters was made in NAB REPORTS of January 22 and February 5.

Procedure for preventing the situation becoming acute follows the pattern employed when broadcast equipment was involved.

TECHNICIAN TRAINING

A substantial number of men and women are now employed in the industry who hold restricted operator permits. Many of them have only a very limited technical knowledge of radio, but are anxious to improve their usefulness through spare time study. Chief engineers and other experienced technical personnel can be very helpful in directing this study effort.

Several recent government publications, used in vocational training of war workers, are suggested for this purpose.

1. "Unit Course, Mechanic Learner—Radio," used in training civilian personnel of the U. S. Army Signal Corps. This publication may be obtained from the printer, John Spencer, Inc., Chester, Pa., at \$1.35 per copy, f.o.b. Chester. The course comprises 380 pages of extensively illustrated lessons. Described are mechanical operations, such as soldering practices, soldering wires to terminals, cable forming, hardware used in radio work, drilling and tapping, chassis fabrication, use of the multimeter, resistance and continuity checking, testing tubes, capacitor testing, removal and reinstallation of components from radio chassis and coil repairing.

Descriptive material covers power supplies, audio oscillators, Hartley oscillators, resistance coupled oscillators, radio frequency amplifiers and simple receivers.

The course is particularly recommended for training broadcast station maintenance personnel and home receiver service men. Only limited electrical knowledge is necessary to absorb the instructions.

2. The New York State Education Department, in cooperation with the U. S. Office of Education, has prepared a series of monographs. These publications comprise a laboratory course, well suited to the training of technical personnel for broadcast stations and radio service work, who lack even an elementary knowledge of electricity. The courses do not prepare the student for FCC operator examinations, but are useful in acquiring a good general background of radio fundamentals. The laboratory experiment type of presentation is used throughout the courses.

Each of these monographs present a suggested course dealing with basic principles. The training supervisor should select from these monographs those units and lessons which fit the needs of the individual student, and omit or modify the other portions of the course.

It is suggested that study be in the order listed below.

(a) "Direct Current Fundamentals," 245 pages, price \$1.35.

(b) "Alternating Current Fundamentals," 164 pages, price \$1.25.

(c) "Measurements," 108 pages, price \$.90.

(d) "Fundamentals of Radio Receivers," 320 pages, price \$1.50.

(e) "Electronics," 148 pages, price \$1.10.

This series of publications is obtainable from the New York State Education Department, Albany, New York. Prices indicated are postpaid.

Station engineers can assist radio service organizations by passing this information along to individuals interested in training men and women in the servicing of home receivers.

FLY COMMENTS ON STATIONS' FINANCIAL CONDITION

The results of the 1942 preliminary survey of financial conditions of the broadcast stations are about roughly what the Commission had expected, FCC Chairman James Lawrence Fly told a press conference early this week. There are still a sizable number of stations that failed to get in the returns on this series of questions, the Chairman said.

"The results of this survey," the Chairman said, "are so far roughly about what we expected. 1942, due to the various stimuli in most of the communities, and due further to the fact that the restrictions had not had their full impact during the major portion of the year was on the whole a pretty good year. We are fearful that 1943 and 1944 are likely to be much worse for very obvious reasons."

Mr. Fly said that a handful of stations folded up; six or eight of them have surrendered their licenses, and there have been other possibilities of surrendering licenses, but the number that have lost money recently, "have been pushed into the red due to the present conditions is to date not a startling number. I think it is however obviously a very significant problem and something that we must do whatever we can to alleviate."

Questioned about the Petrillo suggestions for royalties Mr. Fly said that he did not feel competent to pass on the merits of the proposal. He said that he believed as a practical matter that the industry ought to be careful "in any potentiality, to be practical in settling the whole difficulty, and I should be very reluctant to say that it should not be given serious consideration. It is conceivable that something could be worked out of it, or in any event that a good faith attempt to settle the matter around the table will lead to some form of arriving at a satisfactory settlement."

NETWORK RULES ARGUMENT

Continuing the argument before the Supreme Court last week on the validity of the FCC's chain broadcasting regulations, E. Willoughby Middleton, attorney for Stromberg Carlson Mfg. Co., licensee of WHAM, relied on the legal points made by Mr. Cahill for NBC, and introduced two others: (1) the intimation by the trial court that the affiliated stations considered their affiliation contracts burdensome was wrong so far as his client was concerned, their contract being "entirely satisfactory and in fact one of our most valuable assets"; and (2) WHAM had never had its day in court on the question of the validity of its

affiliation contract, the FCC's announcement having indicated only an investigation of the networks and not the affiliation contracts.

Charles Fahy, Solicitor General, argued the case for the FCC. Admitting that the parties to the Commission's investigation were entitled to a full hearing, he contended that such had been the case. Nothing in the Constitution, he said, required a full hearing to be had before a court.

Arguing to Mr. Cahill's point that the regulations would abridge the right of free speech guaranteed by the First Amendment to the Constitution, Mr. Fahy declared that nothing in the regulations would deny any person the right to say whatever he might say under the First Amendment, or deny any radio station the right to rebroadcast any such statement. No restraint of free speech was intended or will be effected by the regulations, he averred.

Ample statutory authority exists for the regulations, he said, under the Communications Act which authorizes whatever regulations may be necessary in the public interest, excepting only those expressly prohibited by the Act.

Referring to Section 311 of the Act, the Chief Justice inquired what section empowered the Commission to revoke a station license in the absence of court adjudication that the licensee was guilty of a violation of the Sherman Act. The Solicitor General replied that the Commission has power to consider monopolistic practices under its power to determine what is in the public interest, and cited the legislative history of the Act in support of his contention.

Charles E. Hughes, Jr., representing CBS, argued that the trial court seemed to rely neither on the Commission's rule-making power nor on its licensing power, but rather on the two powers together. These two powers are separate and distinct, Mr. Hughes declared, and a decision based upon a loose integration of the two in order to support the Commission's authority is not a valid basis for affirmation of the regulations.

Mr. Justice Jackson, referring to Section 303(i), which empowers the Commission "to make special regulations applicable to radio stations engaged in chain broadcasting," asked: "What does Section 303(i) refer to unless it refers to relations between radio stations and network chains?"

"If you read 303(i) alone," Mr. Hughes replied, "the question is raised 'special regulations as to what?' The Commission has authority to make a wide variety of general regulations. The only conclusion is that that power means regulations of the same general type as authorized elsewhere in the Act but applicable only to chain stations rather than being applicable generally. The Government's construction of the Act that this section means something completely dissimilar from other associated provisions of the Act is offensive to all recognized rules of statutory construction."

As to the validity of the regulations under the Commission's licensing power, Mr. Hughes argued that it was beyond the authority of the Commission to follow such inflexible rules as to selection between applicants for facilities. The licensing power, he maintained, was given for the sole purpose of selecting the most competent operators in view of the physical limitations on radio service, and was not intended to be used as a threat to force stations to comply with the Commission's views as to how the business of broadcasting was to be conducted.

Mr. Justice Frankfurter asked if it would make any difference if the Commission came to the same conclusion on similar facts in an individual case. "Yes, a great difference," Mr. Hughes replied. "Whether these competitive facts can be considered in individual applications need not be decided here, but there can be no single controlling test as the one contained in these regulations."

Mr. Fahy, again arguing for the FCC in the CBS case, stressed the point that if the Commission can consider competition in individual cases, it must have the power

to promulgate general regulations on the basis of its experience in passing on individual cases. Such a general rule is beneficial both to the administration of the Act and to the radio industry, he maintained, for the stations will know in advance what the Commission's policy will be with regard to license applications.

Louis G. Caldwell, representing MBS, maintained that the obvious purpose of the Radio Act of 1927 and the Communications Act of 1934 was to guard against monopolies, chiefly the development of chains driving out local programs and controlling local stations. He argued that under the regulations the networks could still obtain options and engage in chain broadcasting, but that they could not keep new networks out of the majority of the cities in the country.

Both NBC and CBS presented motions at the outset seeking a stay of the operation of the regulations for ten days after the court's decision in the event the case should be decided in favor of the Commission. The motions were unopposed. It is expected that the decision of the court will be handed down late next month or early in April. Conclusion of the argument marks the final opportunity in court for NBC and CBS to overthrow the regulations, unless the Supreme Court remands the cases to the statutory three-judge court for trial on the merits.

FREE TIME AND PER INQUIRY

Newby, Peron and Flitcraft Advertising Co., Chicago, is soliciting broadcasting stations with a deal for the "Parfax Gas Booster" on a per-inquiry basis.

The United Advertising Companies, Inc., Chicago, again joins the P-I caravan, this time in the interests of a client selling drinking glasses, and another offering "Money Belts."

Union Fork and Hoe Company, Columbus, Ohio, is attempting to "favor" the broadcasting industry by giving them the privilege of donating free time, as a service to the nation's Victory Gardeners, to promote the company's manual on tool repairs.

All of these companies should be informed by the stations that these methods of advertising are unethical and business will be accepted only on a standard card-rate basis.

CHARLES KAHLER

Any station desiring information about Charles Kahler, alias Dale Tyler, Charles Bennett or Ben Mason should communicate with the NAB. He has been on the Pacific Coast.

PRICE PRAISES RADIO

In a letter to Vice-President Wallace and Speaker Rayburn this week, Byron Price, Director of Censorship, praised the cooperation of the broadcasting industry with his office.

He said that "the entire group of large and small broadcasters have cooperated magnificently in this voluntary endeavor."

CODE MANUAL

New pages for substitution in the Code Manual were mailed to member stations on Tuesday of this week. Extra sets of these new pages may be obtained on request to the Secretary of the Code Compliance Committee at NAB Headquarters, Washington, D. C.

WBAP AND KGKO JOBBERS COOPERATE

WBAP and KGKO, Fort Worth, and radio jobbers of same city cooperated in bringing information and instruction concerning occupational deferment of radio servicemen to the service fraternity.

The stations paid for the printing of the material and the jobbers did the mailing. "A good mutual proposition," said R. C. Stinson, technical supervisor. "Jobbers and servicemen both appreciated it."

N. Y. C. JOBBER TELLS SERVICEMEN

H. L. Dalis, Inc., radio parts jobber, New York City, next week will mail 1,500 copies of the procedure to be followed by self-employed radio servicemen or their employers in handling deferment cases. The mailing covers firms in metropolitan New York including southern Connecticut and northern Jersey.

WALL MAINTENANCE PROGRAM

WALL, Middletown, N. Y., has scheduled a 3 p. m. Sunday program featuring Joe Gibbons, local radio technician. Joe gives radio set maintenance hints and is supported with excellent amateur talent. Show is titled "Keep Listening."

TRADE PAPER PROMOTES SERVICE

Alex H. Kolbe, managing director, Radio & Television Journal, has launched a promotion to the trade in furtherance of keeping radios in first-class operating condition. He has distributed thousands of two color window posters among dealers and servicemen.

Top display reads: "Don't Let Your Radio Die!" Then follows: "If your radio is not in first-class condition, have our service department take care of it at once . . . and keep it so for the duration."

FEDERAL LEGISLATION

SENATE

S. 569 (Capper, R-Kans.) LIQUOR ADVERTISING—To prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes. Referred to Committee on Interstate Commerce.

STATE LEGISLATION

ARIZONA:

S. 104 (Minotto) ADVERTISING EXPENSES—CANDIDATES—To exempt from limitations of expenditures by public office candidates the amounts spent for magazine and radio broadcasting.

CALIFORNIA:

A. 1311 (Thurman & Call) ADVERTISING—PHOTOGRAPHY—No person's portrait, name, or picture can be used for advertising or exhibit without obtaining permission from the individual first. Referred to Judiciary Committee.

A. 1824 (Lyons) (For Substitution) FOOD AND DRUGS—To amend Section 26825 and 26826 of the Health and Safety Code, so as to include food. Referred to Committee on Public Health.

IDAHO:

S. 55 (Hanis and Manville) ADVERTISING OF LIQUOR—Amends Section 907, Chapter 222 Idaho Session Laws 1939 prohibiting advertising of spirituous, vinous malt or other alcoholic or intoxicating liquor or beverages and providing an exception. Referred to Committee on State Affairs in Senate, 1/23/43. Passed the Senate, 2/3/43. Referred to Committee on State Affairs in House, 2/5/43. Reported out of Committee without Recommendation, 2/6/43 and recommitted to Committee on State Affairs, 2/8/43.

NORTH CAROLINA:

H. 373 (Hatch et al) LIBEL AND SLANDER—RADIO STATIONS—Partially safeguarding radio stations from

libel and slander suits. Referred to Committee on Judiciary.

NORTH DAKOTA:

HCR R (Dahlen & Forseth) RADIOS ON FARMS—Memorializing U. S. Congress to lift restrictions on batteries for radios on farms. Referred to Committee on Federal Relations.

SOUTH DAKOTA:

H. 163 (Hyde) LIBEL—POLITICS—Relating to the writing, printing, or circulating through the mails, or otherwise, of letter, circular, bill, placard, or poster, relating to any election or candidate at any election, without showing source and authorship; false statements in such letter, circular, bill, placard or poster; what constitutes political criminal libel.

TEXAS:

H. 290 (Knight) RADIO—ELECTION CAMPAIGNING—Providing that any representative, etc., of any radio station who sells, leases, or gives an option on any radio time or services for any purpose designed to advance or defeat the candidacy of any person for State office, must make a report within three (3) days to the Secretary of State, etc. Referred to Committee on State Affairs.

WASHINGTON:

HJM 8 (Behm) ALCOHOLIC BEVERAGES—ADVERTISING—To prohibit circulation in interstate commerce and on the radio of advertising of alcoholic beverages. Referred to Committee on Memorials.

S. 205 (Marsh) COPYRIGHTS—GROSS SALES—Repeals chapter 218, laws of 1937. Relates to use of copyrights and public performance rights of musical compositions. It leaves a three per cent tax on gross receipts of sales.

916 STATIONS

During the month of January, 1943, the Federal Communications Commission issued operating license to one station, and one station was deleted. A comparative table by month follows:

	Feb. 1	Mar. 1	Apr. 1	May 1	June 1	July 1	Aug. 1	Sept. 1	Oct. 1	Nov. 1	Dec. 1	Jan. 1	Feb. 1
Operating	891	893	897	899	906	906	905	905	907	909	908	909	909
Construction	32	31	27	25	18	19	16	15	12	10	10	8	7
	923	924	924	924	924	925	921	920	919	919	918	917	916

FEDERAL COMMUNICATIONS COMMISSION DOCKET

HEARINGS

The following broadcast hearings are scheduled to be heard before the Commission during the week beginning Monday, February 22. They are subject to change.

Tuesday, February 23

WBNY—Roy L. Albertson, Buffalo, N. Y.—Modification of license, 680 kc., 250 watts, unlimited.

Thursday, February 25

WORK—York Broadcasting Company, York, Pa.—Modification of C. P., 1350 kc., 1 KW, DA-night, unlimited.

Further Consolidated Hearing

WALB—Herald Publishing Company, Albany, Ga.—Renewal of license, 1590 kc., 1 KW, DA-night, unlimited.

WALB—Herald Publishing Co. (Assignor), Albany Herald Broadcasting Co. (Assignee), Albany, Ga.—Voluntary assignment of license Station WALB, 1590 kc., 1 KW, DA-night, unlimited.

WALB—Herald Publishing Co., Albany, Ga.—C. P., 1550 kc., 1 KW, DA-night, unlimited.

Friday, February 26

W55NY—William G. H. Finch, New York, N. Y.—Modification of C. P., 45500 kc., 8,500 sq. miles, unlimited.

FEDERAL COMMUNICATIONS COMMISSION ACTION

APPLICATIONS GRANTED

WOOD—King-Trendle Broadcasting Corp., Grand Rapids, Mich.—Granted modification of license to change hours of operation from sharing WASH to unlimited with facilities of WASH (B2-ML-1152).

KTBC—A. W. Walker, Jr., R. B. Anderson, and R. A. Stuart, Transferors, and (Mrs.) Claudia T. Johnson, Transferee, Austin, Texas.—Granted transfer of control (B3-TC-316) of State Capital Broadcasting Association, Inc., licensee of station KTBC, from A. W. Walker, Jr., R. B. Anderson and R. A. Stuart to Claudia T. Johnson, for a consideration of \$17,500 in cash.

WORK—York Broadcasting Co., York, Pa.—Granted petition for reconsideration of Commission's action of July 7, 1942, designating for hearing application for modification of construction permit (B2-MP-1560), to install new transmitter, and granted said application.

DESIGNATED FOR HEARING

KRBA—Ben T. Wilson, R. A. Corbett and Thomas W. Baker, co-partners, d b as Red Lands Broadcasting Corp., Lufkin, Texas.—Designated for hearing application (B3-R-962) for renewal of license.

KRBA—Ben T. Wilson, R. A. Corbett and Thomas W. Baker, co-partners, d b as Red Lands Broadcasting Association (Assignor), Darrell E. Yates (Assignee), Lufkin, Texas.—Designated for hearing application (B3-AL-355) for voluntary assignment of license from Ben T. Wilson, R. A. Corbett and Thomas W. Baker, etc. (Assignor), to Darrell E. Yates (Assignee).

MISCELLANEOUS

KQBC—Delta Broadcasting Co., Inc., Vicksburg, Miss.—Granted petition for a 30-day continuance of the hearing set for February 15, 1943, on application for modification of license to operate on 1470 kc., with 1 KW day, 500 watts night, unlimited time; hearing continued to March 15, 1943 (Docket No. 6166).

The Liberty Life Insurance Co., Portable Mobile, Area of Columbia, S. C.—Granted modification of license of relay station to change name of licensee from The Liberty Life Insurance Co. to Surety Life Insurance Co. (B3-MLRE-110).

WGRC—North Side Broadcasting Corp., New Albany, Ind.—Granted authority to determine operating power by direct measurement of antenna power (B4-Z-1489).

WEGO—Wayne M. Nelson, Concord, N. C.—Granted modification of construction permit as modified, for new broadcast station, for extension of completion date from February 9 to March 9, 1943 (B3-MP-1697).

WBAL—Hearst Radio, Inc., Baltimore, Md.—Approved cancellation of Special Service Authorization expiring April 1, 1944, upon request of applicant.

APPLICATIONS FILED AT FCC

570 Kilocycles

WKBN—WKBN Broadcasting Corp., Youngstown, Ohio.—Modification of construction permit (B2-P-2547 as modified.

which authorized increase in power, installation of new transmitter and directional antenna for night use, and change hours of operation) for extension of completion date from 3-1-43 to 4-1-43.

600 Kilocycles

WSJS—Piedmont Publishing Co., Winston-Salem, N. C.—Modification of construction permit (B3-P-2814 as modified which authorized installation of new equipment and directional antenna for day and night use, change of frequency, increase in power and move) for extension of completion date from 3-22-43 to 6-22-43.

710 Kilocycles

WFTL—Ralph A. Horton, Fort Lauderdale, Fla.—Modification of construction permit (B3-P-3355 as modified which authorized change in frequency, increase in power, installation of new transmitter and directional antenna for night use, and move of transmitter) for extension of completion date from 3-5-43 to 5-5-43.

930 Kilocycles

WPAT—North Jersey Broadcasting Co., Inc., Paterson, N. J.—Transfer of control of licensee corporation from Frank Falknor and Rex Schepp to Donald Flamm (50 per cent of stock).

1410 Kilocycles

WEGO—Wayne M. Nelson, Concord, N. C.—Modification of construction permit (B3-P-3007 as modified which authorized new broadcast station) for extension of completion date from 2-9-43 to 3-9-43.

1490 Kilocycles

WSAP—Portsmouth Radio Corp., Portsmouth, Va.—License to cover construction permit (B2-P-3097 as modified) for a new broadcast station.

WSAP—Portsmouth Radio Corp., Portsmouth, Va.—Authority to determine operating power by direct measurement of antenna power.

WOSH—Howard H. Wilson, Oshkosh, Wis.—Voluntary assignment of license from Howard H. Wilson to Oshkosh Broadcasting Company.

MISCELLANEOUS APPLICATIONS

KEJK—National Broadcasting Co., Inc., Portable-Mobile, Area San Francisco, Calif.—Construction permit to install new transmitter.

KNBC—National Broadcasting Co., Inc., Portable-Mobile, Area San Francisco, Calif.—Construction permit to install new transmitter and reduce power from 100 watts to 75 watts.

NEW—The Crosley Corporation, Mason, Ohio.—Construction permit for a new International Broadcast Station. Frequencies 6080, 9590, 11710, 15250, 17800 and 21650. Power: 200 kilowatts. Emission: A3.

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FEDERAL TRADE COMMISSION DOCKET

Any NAB member wishing to have the full text of any of the FTC releases, printed in part below, should write to the NAB, referring to the number in parentheses at the end of each item.

COMPLAINTS

The Federal Trade Commission has alleged unfair competition 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.

Bausch & Lomb Optical Co., Rochester, N. Y., is charged in a complaint with misrepresenting the superiority of the Orthogon type of spectacle lenses it manufactures for resale by dealers, opticians and optometrists. (4903)

Conway Tailors—Use of lottery methods in the sale of men's clothing is alleged in a complaint issued against Ben Cottonbrock, trading as Conway Tailors, 434 Elm St., Cincinnati. (4910)

Freedom Chemical Co., Inc.—Misrepresentation of the quality and performance of a so-called anti-freeze solution designated "60 Below" is alleged in a complaint issued against Freedom Chemical Co., Inc., 815 Superior Ave., East, Cleveland, Ohio. The preparation is sold by the respondent to jobbers, garages and service stations for resale to the public and is advertised in newspapers, trade journals, pamphlets and circular letters. (4905)

Hollywood Film Studios, 7021 Santa Monica Boulevard, Hollywood, is charged in a complaint with misrepresenting the quality of photographic enlargements he sells and the terms on which they may be obtained. (4902)

Master Laboratories, Inc., 27th and N Streets, Omaha, Nebr., compounding and selling hog and poultry medicinal preparations designated "Master Liquid Hog Medicine," "One-Shot Hog Wormer," "Master Floresine," "Master Fluid," "Master Liquid Poultry Medicine," and "Masterol" recommended for use in the prevention of and treatment for various hog and poultry diseases and ailments, are charged in a complaint with misrepresentation. (4908)

H. L. Robinson Company—A complaint has been issued charging Hubert L. Robinson, trading as H. L. Robinson Co., 1447 Northwest Sandy Blvd., Portland, Oreg., with concealing the true terms or conditions under which he sells or leases the Neon display signs he manufactures. (4906)

Superior Hatchery, Windsor, Mo., engaged in the hatchery business and in the sale of chickens and baby chicks, is charged in a complaint with misrepresentation. (4909)

CEASE AND DESIST ORDERS

The Commission issued the following cease and desist orders last week:

STIPULATION

During the past week the Commission has announced the following stipulation:

Allied Laboratories, Inc., also trading as Pitman-Moore Co., Indianapolis, has entered into a stipulation to cease and desist from misleading advertising in connection with the sale of biological products used in the treatment of diseases of domestic animals. (3608)

National Association of Broadcasters

1760 N STREET, N. W. * * * * * WASHINGTON, D. C.

February 19, 1943

SPECIAL A. F. of M. BULLETIN

No. 16

THE PETRILLO PROPOSALS

On February 11, Mr. Petrillo sent to the major phonograph record companies and to some of the companies engaged in making electrical transcriptions a set of proposals, which, together with the communication which he sent to these companies, is printed in full in this issue.

The proposals included no demands on the radio industry. At a press conference which he held on February 12, Mr. Petrillo said, "This memorandum covers the whole situation. We have no fight with radio". Mr. Petrillo's statement that he has no demands to make on the broadcasting industry will be welcomed by broadcasters who remember:

(1) Mr. Petrillo's original statements quoted in the trade papers and daily newspapers in July and August to the effect that he wanted the recording companies "to find a way to keep the records out of radio stations", and that "it is up to the recording companies to see to it that the records do not get to the stations".

(2) The statements of Mr. Petrillo and his counsel before the Senate Committee which were devoted very largely to claims against radio, including the assertion that broadcasting stations had caused unemployment and should employ many thousands more musicians than they are now doing.

(3) Mr. Padway's arguments before the Federal Court asserting that the union had a controversy with broadcasting stations that could employ musicians, and suggesting that 20,000 to 60,000 more musicians should be employed.

Mr. Petrillo's proposals include one directed to "juke boxes", but Mr. Petrillo stated at his press conference that he had not yet decided how this demand could be enforced or made workable. No representative of the "juke box" industry attended the meeting with Mr. Petrillo.

Representatives of phonograph record and transcription companies had one meeting with Mr. Petrillo and his Executive Board on February 15 and since then have had several meetings among themselves. The latter meetings were so protracted that it was found necessary to postpone to a date not yet fixed further discussions with Mr. Petrillo.

Mr. Petrillo himself stated at his press conference that his demands were entirely new and of a type never before made by a labor union. He stated at the meeting on February 15 that he would not state his dollar demands until the recording industries accepted his basic principle, namely, the making of a contribution directly by them to the union for the purpose of enabling the union to relieve unemployment, to increase cultural interest in music, to give free concerts, etc.

The complexities confronting the record and transcription companies include:

(1) The unsound public policy involved in the acceptance by any industry of an obligation to persons whom that industry does not employ, has never employed and with whom it has no relation.

(2) The unsound public policy involved in permitting any organization to levy taxes upon employers and the public for unemployment purposes instead of leaving such taxing power to the government.

(3) The problem of whether the payment of such a sum would be regarded as an evasion of wage stabilization regulations, since, under the precedent which would be created by the acceptance of the demands, any labor leader could, instead of asking for increased pay for the members of his union, ask for an equivalent amount to be paid directly to the union itself.

(4) The problems relating to income tax and other liability on any industry which made such a payment, especially since the labor union itself would be exempt from taxation on the amounts received.

(5) The conflict between the acceptance of such a principle and the desire of the War Manpower

(Continued on page 2)

THE PETRILLO PROPOSALS

(Continued from page 1)

Commission to draw all citizens not engaged in necessary work into war industry.

(6) The conflict with the anti-inflationary policies of the Office of Price Administration, which has frozen the cost of products and services at the prices charged during March 1942.

(7) The precedents which would be established with respect to other labor unions representing singers, announcers, actors, engineers, etc.

(8) Conflict with the National Labor Relations Act which forbids direct contribution by employers to unions.

(9) The problems involved in the admission, implicit in the acceptance of such a principle, that Mr. Petrillo has a genuine grievance or any real unemployment problem.

The record and transcription manufacturers are having meetings among themselves as this issue of the Bulletin goes to press, and broadcasters will be advised of further developments as information becomes available.

Another development in the situation came on February 15 when the United States Supreme Court, without opinion and without hearing argument, denied the petition of the government to review Judge Barnes' decision in the first of the government's anti-trust suits against the American Federation of Musicians. On Wednesday, however, Judge Barnes refused to grant an A. F. of M. motion to dismiss an amended complaint and gave the union 20 days to answer it. Judge Barnes' memorandum appears in this issue.

Mr. Petrillo's demands upon the recording companies apply to all records made by members of his union. Stations which purchase and use phonograph records would, therefore, be in the same position as the public with respect to phonograph records.

So far as the transcription companies are concerned, Mr. Petrillo acknowledges that no charge should be made on commercial transcriptions which are played only once, but he will not remove his ban on such transcriptions unless transcription companies accede to all his demands. He seeks from the transcription companies a percentage of the rental on library transcriptions. If his demands were acceded to, it is conceivable that the broadcasting industry might be faced with increased cost of library services.

Editorials from the "New York Times" and the "New York Herald-Tribune" are reprinted in this bulletin.

Judge Barnes Memorandum

This cause comes on to be heard on the motion of the defendants to dismiss.

The complaint herein is substantially the same as the

complaint in *United States vs. American Federation of Musicians et al.* Decided by this court October 12, 1942 (57 F. Supp. 304) with the following changes, additions and subtractions:

Section 14 of the earlier complaint has been changed by the insertion of a new clause as the second clause of the section, and by the addition of a new paragraph at the end of the section, so that the first two clauses of the section read as follows:

"14. That for the purpose of restraining and destroying all interstate commerce in phonograph records and electrical transcriptions; of destroying entirely independent radio stations depending upon phonograph records or electrical transcriptions for their musical requirements;"

And so that the last paragraph of the section reads as follows:

"(1) To eliminate from the air independent radio stations which depend largely or entirely upon phonograph records or electrical transcriptions for their musical requirements, since no live musicians are available;"

Section 16 of the earlier complaint has been omitted from the new complaint.

Section 17 of the earlier complaint became section 16 of the new complaint, and has been changed to read as follows:

"16. That the effect of the activities hereinbefore described is to destroy independent radio stations which depend upon transcribed music for their musical requirements because no live musicians are available; to destroy completely competing businesses such as manufacturers, jobbers, and retailers of phonograph records and electrical transcriptions, as well as manufacturers, distributors and operators of 'juke boxes'; and of denying to amateurs the right to the air forum for artistic expression."

The prayer of the earlier complaint for a preliminary and a final injunction enjoining the defendants from entering any conspiracy to do certain acts and things, has had added to it, in the new complaint as a last paragraph, the following:

"(1) To eliminate from the air independent radio stations which depend largely or entirely upon phonograph records or electrical transcriptions for their musical requirements;"

The defendants assign three reasons for a dismissal:

(1) The court lacks jurisdiction by reason of the Norris-LaGuardia Act (47 Sta. 70), since the complaint sets forth a case involving or growing out of a labor dispute; (2) The complaint fails to state a claim against the defendants upon which relief can be granted; and (3) The issues presented have all been decided by the court in the earlier case, above referred to.

The defendants, in their arguments in support of their motion to dismiss, make the following points:

(a) The complaint sets forth a controversy involving a labor dispute within the meaning of the Norris-LaGuardia Act, which act precludes the court from granting the relief sought, even assuming that a violation of the Sherman Anti-Trust Act has been alleged;

(b) No violation of the Sherman Act is alleged because the acts complained of are included in the conduct specified in section 20 of the Clayton Act, and, as such, do not violate any law of the United States;

(c) The decision of this court in *United States vs. American Federation of Musicians et al*, decided October 12, 1942, is *res adjudicata*;

(d) The defense of *res adjudicata* may be raised by motion to dismiss;

(e) The complaint at bar adds no relevant fact that was not alleged in the earlier complaint, and raises no legal issue that was not raised by the earlier complaint;

(f) The complaint in the earlier case alleged a purpose on the part of defendants to destroy independent radio stations;

(g) Assuming that the allegation of a purpose to destroy independent radio stations is new, nevertheless, it cannot be disassociated from the rest of the complaint and treated as a separate isolated allegation;

(h) If the allegation of defendants' purpose to destroy independent radio stations is treated separately, the court can grant no adequate relief without reversing its judgment in the earlier case;

(i) Even if the allegation of a purpose on the part of defendants to destroy independent radio stations is new and can be isolated from the rest of the complaint, nevertheless, the complaint at bar does not state a violation of the Sherman Act.

The United States, in its argument against the motion to dismiss, in addition to the points made in the earlier case, makes the following points:

(a) Paragraph 14 of the complaint at bar alleges that it is a specific purpose of defendants "to destroy entirely independent radio stations depending upon phonograph records or electrical transcriptions for their musical requirements"; the situation alleged in the complaint at bar is not one wherein small stations are destroyed as a mere incident of achieving another purpose which is legitimate: on the contrary, destruction of such small stations is alleged to be a specific purpose of the defendants.

(b) Paragraph 16 of the complaint at bar alleges that one of the effects of the conspiracy charged will be to drive the independent radio stations out of business.

(c) The complaint at bar specifically prays that the defendants be enjoined from conspiring to achieve the result lastly above referred to.

(d) The complaint at bar raises issues not ruled upon by the court in the earlier case.

(e) The decision in the earlier case is not *res adjudicata*.

(f) The defense of *res adjudicata* cannot be raised by motion.

(g) The new allegation of purpose is only one of four purposes. Since all four purposes are supported by the same elements or means, and since the new purpose is part of a broader plan, it cannot be disassociated from the rest of the complaint and treated as a separate isolated allegation. The new allegation of purpose may make unlawful a plan which the court declared lawful in the earlier case.

Counsel on both sides of the case have indicated to the court their desire that the court dispose of the case on this motion, so that they may speedily take the case to

the reviewing courts. The court would be glad to do this but for one consideration, which will hereafter be referred to.

The court is inclined to the view that the complaint at bar raises issues neither raised nor ruled upon in the earlier case.

It may be true, as the defendants substantially contend, that, even if the allegation of a purpose on the part of defendants to destroy independent radio stations is new, nevertheless, the complaint at bar does not state a violation of the Sherman Act.

But for the consideration above referred to, the court would definitely decide these two issues (neither is decided) and permit the losing side to take the case up.

The consideration which the court has now referred to twice is this,—it is not satisfied that the issues of law, which will be made by the evidence when it comes in, will be the same as the issues of law made by the motion to dismiss. In other words, the court is inclined to think that, by ruling on the pending motion and making possible an immediate appeal, it would be sending to the reviewing courts issues which will probably not be in the case after a hearing on the merits.

The court has, accordingly, decided to defer the ruling on the motion to the trial on the merits, which will be granted promptly. The court has this day rendered an order deferring the ruling on the defendants' motion to dismiss to the trial on the merits, and ruling the defendants to answer the complaint within 20 days from this date.

(SIGNED) BARNES, Judge.

February 17, 1943.

Petrillo Proposals

February 11, 1943.

Gentlemen:

Enclosed is a copy of the proposals of the American Federation of Musicians for settlement of the controversy with various branches of the music industry.

We invite you to meet with the Executive Board of the American Federation of Musicians, Monday, February 15th, for the purpose of negotiating respecting these proposals.

The meeting will be held at the offices of the Federation, 1450 Broadway, New York City, at two P. M.

Very truly yours,

JAMES C. PETRILLO.

It is a matter of common knowledge based upon years of experience that the accomplished musician becomes such only after many years of study and training, which study and training he must continue uninterruptedly

thereafter in order to maintain the technique necessary for the accomplished musician. He is therefore required for that purpose, to maintain his standard and technique, which of necessity are lost by suspending the period of study and training or by devoting any time to any other field or industry.

It is also a matter of common knowledge that practically none of the symphony orchestras composed of accomplished musicians are self-sustaining and in the past have depended upon voluntary contributions and subsidies, which, because of other current conditions and obligations are continually becoming less and less, thus threatening even the continuance of symphonic and other recognized activities of orchestras necessary for the maintenance of musical culture.

The problem of technological unemployment caused by "canned" music has been with us for many years, resulting in recognized decrease in employment of musicians and their displacement by "canned" music in such places as theatres, hotels, restaurants, dance halls, musical halls and many others of like nature.

The inroads upon employment of musicians by such "canned" music have been ever-increasing with no abatement at any time and no evidence of any abatement, but rather continual increase for the future. Experience has also shown that in the employment of members, preference is always given to the younger musicians, thus making the unemployment situation aggravated for those men who have devoted years in acquiring their talent and skill and who are no longer in a position if they were inclined, to become part of or train for any other field of endeavor. This has resulted in the employment exchanges of the different locals of the Federation being continually filled to overflowing by musicians looking for employment opportunities, many of which were taken away and displaced by "canned" music. Continuance of this situation must of necessity destroy the incentive for the study of music and eventually would destroy the entire music industry and music culture. Therefore, it becomes necessary for the preservation and maintenance of music culture and to alleviate the unemployment situation that means be created for the continued dissemination of music and maintenance of musical culture by employing musicians and furnishing music gratis throughout the United States and Canada, including localities which have not the means financially to provide the advantages of current live music by the use of such fund created for that purpose. Symphony orchestras, bands and other instrumental combinations would be employed and used to furnish live music throughout the United States and Canada for all classes and all communities.

PROPOSALS

A fund shall be created by the payment of a fixed fee to be agreed upon, for each reproduction of records, trans-

criptions, mechanical devices, and library service, the master of which was made by members of the American Federation of Musicians. This fund shall be used by the Federation for the purposes of reducing unemployment which has been created in the main by the use of the above mentioned mechanical devices, and for fostering and maintaining musical talent and culture and music appreciation; and for furnishing free, live music to the public by means of symphony orchestras, bands and other instrumental musical combinations.

Canned music includes among other things the following branches of the music industry:

1. Records
2. Transcriptions
3. Library Service
4. Wired Music
5. Juke Boxes
 - (a) Common juke box
 - (b) Telephone Music Box
(Patron through telephone device chooses selection)
 - (c) Soundies
(Music box with picture accompaniment)

RECORDINGS: The Federation shall receive from the manufacturer of recordings a fixed fee for each side of musical recordings made by members of the American Federation of Musicians, such fee to be agreed upon by negotiation.

TRANSCRIPTIONS AND LIBRARY SERVICE OF TRANSCRIPTIONS: Members of the Federation will make commercial or sustaining transcriptions without additional fee to the Federation providing they are played one time only. (The number of copies made of transcriptions to be determined by agreement.) With respect to other transcriptions used on a rental basis, the Federation shall receive from the company engaged in the business of renting-out transcriptions a percentage of the rental charge, such percentage to be agreed upon by negotiation.

WIRED MUSIC: The Federation shall receive from the company engaged in the business of selling wired music a percentage of the price charged, such percentage to be agreed upon by negotiation.

JUKE BOXES: The Federation shall receive annually for each juke box used, a fixed fee, such fee to be agreed upon by negotiation.

Editorial Comment

(*N. Y. Times, Feb. 16*)

Mr. Petrillo's New Demands

Mr. Petrillo is distinguished from his fellow labor leaders by greater audacity and imagination. He realizes

clearly the enormous powers of private dictatorship that the present state of the law, the beneficent attitude of the Administration, and the timorousness and vacillation of Congress have placed in his hands.

He has now put forward the demand that the operators of juke boxes, the companies that send music over the wires, the makers of phonograph records and the great radio companies pay a monetary tribute directly to his union for the privilege of doing business. All he asks is a cut-in on every record and every phonograph sold. These fees will be paid into the union treasury. The money will be used, according to Mr. Petrillo, to reduce unemployment, to subsidize symphony orchestras and "to foster and maintain musical talent and culture and musical appreciation."

What Mr. Petrillo is proposing, in brief, is that the recording companies—which must ultimately mean the public that pays for the records—must submit to a private tax so that he can set up his own private system of unemployment relief. What he is proposing is that the members of his own union must submit to a private income tax—in the form of that part of their fees which would, in effect, go to the union instead of to themselves—in order to support this private system of unemployment relief. What he is proposing is that, at a time when war demands have made the shortage of manpower more acute than ever, he shall have the power of levying private tribute in order to create unnecessary jobs for men and women as musicians.

Mr. Petrillo no doubt looks at these matters from so disinterested a standpoint that he has not considered what abuses might develop if this device were also adopted by other unions less single-mindedly devoted to the public weal than his. These unions could insist that every employer pay a special fee to them for the privilege of employing a member of their union. These unions could make themselves rich beyond the dreams of avarice. In one or two cases, no doubt, they might even be tempted to increase the salaries and other emoluments of their officials. For, as Mr. Petrillo knows, nothing but his own high conscience would prevent him from using these enormous fees in ways that did not directly promote the public welfare. There is no law which forces unions to make an accounting of their funds or even to publish financial statements. And though the Wagner Act forces employers to recognize unions, it contains not a word which compels these unions to be in any way responsible.

Mr. Petrillo, in short, can lay down the law to the phonograph companies, the recording companies, the radio companies, and to the members of his own union; but nobody can lay down the law to Mr. Petrillo. The Supreme Court emphasized this fact yesterday by affirming the Chicago Federal court ruling that the Govern-

ment could not prosecute the American Federation of Musicians under the anti-trust laws because it will not permit new records to be made for juke box and radio reproduction.

As long as Congress acquiesces in the Supreme Court's decision that labor unions enjoy sweeping immunity from the anti-trust acts and from the Federal anti-racketeering act; as long as Congress forces employers to recognize and deal with unions, but does nothing whatever to compel these unions to conduct their affairs democratically or responsibly; as long as Congress retains a law which forces an individual to join a union, whether he wants to or not, because his source of livelihood would otherwise be cut off by boycott of himself or his employer, or by other means—as long as Congress tolerates all this, we shall continue to have private dictators like Petrillo; and they will continue to find further means for enriching their treasuries and extending their powers.

(*N. Y. Times*, Feb. 17)

Why Mr. Petrillo Rules

James Caesar Petrillo has the power to force practically every musician in the country to join his union. He has the power to tell these musicians when and how and whether or not they can make recordings. He has the private arbitrary power to tell the American people what music they can and cannot hear. This has just been confirmed by a decision of the highest court in the land. The Administration must be perfectly satisfied with this condition of affairs, as it has never proposed any revision in the law to change it. Congress must acquiesce in this arrangement, because it has never passed, nor is it now considering, any law to end it.

(*N. Y. Herald Tribune*, Feb. 14)

"Something Absolutely New"

Mr. James Caesar Petrillo, worming his way through the complexities of his battle with mechanical music, has turned up with "something absolutely new." It is not precisely a penalty upon producers of mechanical music in order to find work for Mr. Petrillo's unemployed. Nor is it a change from a flat fee basis of payment for recordings and transcriptions to a royalty system. In fact, it has nothing to do with relations between employer and employed. It is simply a tax, levied by the American Federation of Musicians, to be expended for purposes which Mr. Petrillo believes desirable.

This is, indeed, something absolutely new. James Caesar evolved it in response to a curt request from

Congressional leaders that he produce some concrete statement of the union's desires in the long-drawn-out conflict over recordings and transcriptions. No one expected that Mr. Petrillo would pop up with a super-check-off. Some have indeed accused the union head of attempting to set up a "private W. P. A." but Mr. Petrillo is following the pattern of government far more closely than any one could have realized. He proposes to collect his taxes and then reduce unemployment among union members by "furnishing free, 'live' music to the public by means of symphony orchestras, bands and other instrumental musical combinations."

Obviously Mr. Petrillo's scheme is inadmissible. The principle of the fees he proposes to collect would set a most injurious precedent, even if the organization collecting them were impeccable and the safeguards over disbursements absolutely perfect. When it is James Caesar Petrillo, the dictatorial, who suggests such a scheme; when the public control over the financial operations of unions and the union control over their leadership is so slight, the whole thing becomes ridiculous. Mr. Petrillo must find another solution for his problem and find it speedily. The country is in no mood for further imperfections.

The National Association of Broadcasters

1760 N STREET, N. W. * * * * * WASHINGTON, D. C.

February 19, 1943

SWAP BULLETIN

No. 29

New NAB Service

As stated in the FCC Notice to all Radio Station Licensees (Serial No. 60) dated November 20, 1942, it was the original intent of the Commission to provide each licensee with a copy of the complete catalog. However, the material is so voluminous, approximately 1,100 pages, that this procedure is entirely impractical.

Copies have been located at strategic points throughout the country where the catalog may be inspected by stations in need of materials. According to the Commission,

"Persons interested should inspect the lists in person and not attempt to correspond with the Commission or the stations in custody of the lists as these include thousands of items and such correspondence is entirely impractical and would constitute an unreasonable burden."

As a service to all broadcast stations the NAB Engineering Department will answer promptly inquiries concerning equipment listed in the catalog. There will be no charge for this service. When requested, replies will be made by collect telegraph. Please do not telephone.

The 1,100 page catalog is a Treasure Chest "chuck full of" essential replacement material and will become increasingly valuable as existing equipment deteriorates.

To indicate the scope of the catalog, there are, for example, 1402 listings of vacuum tubes in quantities varying from 1 to 100 tubes per listing. This is a lot of tubes in any man's language. The offering of some other items is comparable. The FCC catalog is a major contribution to wartime conservation. Use this new NAB service and make the most of the national inventory.

Please do your part to keep every broadcaster supplied with essential parts and materials. Check your stock today. List your long items under the heading "WILL SELL" and the items you need under "WILL BUY." Then write: POOL, National Association of Broadcasters, 1760 N Street, N.W., Washington, D. C. Your fellow broadcasters will do the rest.

WILL SELL

For sale by Ed Pfeiffere, 577 Rahway Ave., Woodbridge, N. J.

1 Plate trans., UTC heavy duty mod. Mod. P.A. 311 1500-1235-0-1235-1500 at .500 amps. Pri. 110-220. \$35.00.

1 Swinging choke to match above P.A. 109, 5-25 henries .500 amps., 60 ohms d.c. res. UTC. \$20.00.

1 Standard trans. corp. mod. P-6334.110 v. pri., sec. 600-400-0-400-600 at .350 amps. regular duty not amateur quality. \$10.00.

1 Thordarson swing choke mod. 7551, 250 mils, 13 hy, 121 ohms.

2 Thordarson chokes Mod. 1998.

1 Thordarson multimatch class "B" trans., Mod. 11M76, 75-125 watts. Pair Thordarson class "B" trans. for 6N7, 53 etc. T 17M59 and 67D47.

1 WE 213D input 200 to 320,000 ohms.

1 Utah line to grid, 0-200-500 to grid #7817.

1 Kenyon parallel plate impedance.

1 UTC CS-293 PP plates to PP grids.

1 WE 261-A input 50 or 200 to 100,000.

1 WE line to line Rep.—118-A, 50 or 200 to 50 or 200.

1 WE interstage 4000 or 16,000 to 8000 or 64,000.

1 Acme filament trans. for 866's, 110 pri.—2½ v. 10 amp. sec., 5,000 v. ins.

1 WE "Saltshaker" dynamic mike.

1 Vibroplex, flat bar, bug.

2 GR "T" pads, 200 ohms type 653 MB.

1 Cardwell variable dual 440 mmfd. at .07 MB spacing.

1 Cardwell variable single 440 mmfd. at .07 MB spacing.

1 Cardwell variable dual 220 mmfd. at .07 MB spacing.

1 Each of Barker and Williamson coils:
40 TL, 20 TL, 10 TL, with plugs and one jack base.

Large selection of midget variables, national, Cardwell, Hammarlund, fixed resistors, small wirewound sizes.

Make offer on items above not priced.

For sale by Normau B. Lyons, 23 Samuel St., Fitchburg, Mass.

Weston mod. 267 0/100 milliamperes DC	\$5.00
GE GL 807 used 250 hrs.	2.50
Thordarson 19F89 filament trans.	1.00
Thordarson 17C00B choke	1.25
Kenyon T1 low impedances to grid	1.50
Supreme mod. 570 signal generator	30.00

For sale by KGER, 435 Pine Ave., Long Beach, Calif.

One completely modernized RCA 1 KW trans. together with plenty of spare tubes, ground wire, coaxial line, etc. Also 180 ft. Blaw-Knox self supporting tower. Make offer.

For sale by Kreamer-Weber Co., 313 Factory St., Dover, Ohio

4 Dubilier mica cond. type 596B capacity .025 MFD-18000 v. in cast aluminum cases with large porcelain insulators and safety gaps. Used short time, good cond. Make offer.

For sale by KRLH, Midland, Texas

One Bliley type BC-46-T 1420 KC crystal, oven etc. In very good cond. Complete unit \$25.00.

For sale by WHUB, Cookeville, Tenn.

Triplet 0-1 milliampere 4 inch used meter—easily repaired. Make offer.

For sale by WOI, Ames, Iowa

- a. 2 New Federal F-1708-14-B water jackets for 220-B tubes.
- b. 2 Used WE 124-A water jackets for 220-B tubes.

For sale by Edward S. Gagnon, c/o Radio Station WDEV, Waterbury, Vermont

Description	Net Each
2 0-1 Ma. D.C. with Volts, Ohms, and Milli-amperes Scale	\$5.00
1 General Electric 8" Dynamic Speaker with Output Transformer. Primary 8,000 Ohms	3.00
1 Meissner "Align-Aire" Input I.F. Transformer #16-6643. Frequency Range 415-540 Kc. Peak 456 Kc.	3.00
1 Meissner "Align-Aire" Interstage I. F. Transformer. #16-6123. Frequency Range 415-540 Kc. Peak 456 Kc.	3.00
1 Meissner "Align-Aire" Output I.F. Transformer. #16-6645. Frequency Range 415-540 Kc. Peak 456 Kc.	3.00
1 Teleplex Automatic Type Sender with Six Tapes, 2 Lessons each. (Without Oscillator)	10.00
1 Electric Eye Tuning Attachment (Including Tube Mounting Bracket, Socket and 12" Leads)	2.00
1 GM Lab. Inc., Type F2. Photo Electric Cell	5.00

For sale by E. C. Wenger Co., 15th and Harrison Sts., Oakland, California

A quantity of Eimac 250TH and 100TH tubes for broadcast stations on an A-1-J or higher priority.

For sale by Albert J. Meyer, Box 109, Tonganoxie, Kansas

1 C-D Dykanol filter cond., 2 mfd 1500 volt d.c. type TJU	\$3.00
1 C-D Dykanol filter cond., 4 mfd 1500 volt d.c. type TJU	5.00
1 Triplett mod. 326 R.F. ammeter 0-2.5 amps, external couple	6.00
1 RCA Aerodynamic microphone 7 foot cable and plug	11.50
1 UTC filament trans., 115 volts to two 6.3 volt 5 amp center tapped sec.	2.50
2 IRC 5000 ohm 80 watt resistors with sliding tap. Each	1.25
1 Ward Lenard D.P.D.T. and two S.P.S.T. 4 amp contacts, 115 AC op- erated relay. 5000 volt insulation	6.00

For sale by WDEV, Waterbury, Vermont

Description	Net Each
1 Weston Meter, Resistor. Type 5-2. Max. Volts 1000. Model 301	\$10.00
2 Webster Electric Co. Model 50A2X Pickups. Hi-Imp. For 16" Turntables	5.00
2 Western Electric 7-A Equalizers	10.00
1 Supreme Model 333 Deluxe Analyzer. (ohm meter out of order—repairs quoted @	29.00 11.00)
4 250 ohm "t" Pads	3.00
1 Kenyon Audio Parallel Feed Choke 250 hrs. Max. D.C. 15 Ma. Res. 4700 Ohms	5.00
1 Kenyon Center Tapped Audio Choke 280 Hys. Max. D.C. 12 Ma. D.C. Res. 5000 Ohms.	6.00
1 Kenyon PP Plates to PP Grids 1.75; 1 Ratio each side	6.50
1 Deforest Audio Transformer. Pri. 55,000 ohms. Secondary 500,000 ohms	5.00
3 Deforest Audio Transformers. Pri. 400 Ohms. Sec. 200 Ohms	5.00
1 Deforest Audio Transformer. Pri. 500 Ohms. Secondary 50,000 ohms	5.00
1 7.5 Volt Filament Transformer	5.00
2 Thordarson Choke Coils, 30 Hys. 150 Ma. Type 2071	3.00
1 Jewel No. 147 5" Frequency Deviation Meter from General radio Type 581-A Frequency Monitor	10.00
1 Weston Model 506 0-5 D.C. Milliammeter	5.00
1 Weston Model 506 0-140: 0-7 Volts D.C.	6.00
1 General Radio Type 507-G Non Polar Relay 250 ohms S.P.D.T.	7.00
1 General Radio R.F.C. Coil 60 MHYS. Type 379	1.00
1 Amertran Audio Transformer Type 923-A Input	3.00
1 Amertran Audio Transformer Type 151 Input	3.00

WILL SELL OR SWAP

WFTL, Ft. Lauderdale, will sell

- 1 WE 250 watt trans.
- 1 Collins 26C amplifier.
- 1 Collins 12H console.

- 1 GR 731-B modulation monitor.
- 1 GR 475-B freq. monitor.
- 1 GR 681-A freq. deviation meter.
- 1 Blaw Knox self-supporting tower.
Tower lighting system.
- Approx. 1500 lbs. copper grounding strip in
standard 6 inch width rolls.
- 2 1400 kilocycle crystals in mountings.

OR Will Swap for:

- 1 GR 608-A or RCA 68-B or equivalent os-
cillator.
- 1 GR 732-B distortion and noise meter or
RCA 68-B or equivalent.
- 1 GR 732-P1 range extension filters.
- 1 GR 400 cycle oscillator.
- Standard Variable Line Equalizers.
- Address Fred R. Clark, Chief Engineer.

WILL BUY

Wanted by KMBC, Kansas City, Mo.

- 1 WE KS-7503 power trans., or equivalent,
for 5-kw 355-B1 trans.

Wanted by WMMN, Fairmont, W. Va.

- 1 Weston mod. #476 0-25 AC v. meter.

Wanted by WGRC, Louisville, Ky.

- Weston or Triplett "VU" meters and RCA
or WE microphones. Advise type and price.

Wanted by WJDX, Jackson, Miss.

- 2 Greenflyer 33 $\frac{1}{3}$ —78 RPM Turntables in
good condition and one Microdyne or similar
high impedance 16" pickup. Quote prices.

Wanted by WCED, Dubois, Penna.

- 1 two or three channel remote amplifier, 50
or 250 ohm source impedance, 600 ohm load
impedance with 110 volt AC power supply.
- 2 RCA 74-B Jr. Velocity Microphones (or
equivalent).
- 2 floor microphone stands.
- 1 pair Brush Crystal high impedance head-
phones (or equivalent).

WILL SWAP

WHUB, Cookeville, Tenn., will swap

- 1370 kc. RCA TMV type crystal unit.
FOR similar RCA unit having 1400 kc.
crystal.

TUBES AVAILABLE FROM AMATEURS

The American Radio Relay League is cooperating with the NAB Engineering Department in an effort to secure tubes for broadcast stations now in the possession of amateur stations. A notice appeared in QST, official organ of the ARRL, requesting amateurs to list available tubes with NAB. This section of the Swap Bulletin contains some of the offers.

Broadcasters desiring to purchase any of these tubes are asked to correspond directly with the owner.

For sale by Ed Pfeiffere, 577 Rahway Ave., Woodbridge, N. J.

- 1 WE 211-D, used approx. 50 hrs.
- 4 WE 242-C, used approx. 100 hrs.
- 2 WE 304-A, used approx. 10 hrs.
- 2 WE 249-B, used approx. 250 hrs.
- 2 TZ 40, used 200 hrs.
- 1 RCA 1623, used approx. 100 hrs.
- 2 RCA 807, used approx. 100 hrs.

Priced at 25% less than list values.

For sale by Maurice Kraay, 8444 White Oak Ave., Hammond, Ind.

- 1 RCA 803 tube, used less than 10 hrs. \$25.00.

For sale by John Revak, 2209 Columbia Ave., Swissvale, Pittsburgh, Pa.

- 1 RCA 813 tube, unused, in original carton. \$22.50.

For sale by Carlyle Stockslager, W8TQT, 316 Ackton St., Lewisburg, Ohio

- 1 RCA 838 (new).
- 2 HY 866 (new).
- 1 RCA 866 (used approx. 10 hrs.).
- 2 RCA 811 (used approx. 30 hrs.).
- 1 HY 61 (used approx. 800 hrs.).

Make offer.

For sale by G. C. Green, W4GBR, Ft. Payne, Ala.

- 2 new RCA 810 tubes.
- 2 slightly used Taylor 203B.
- 1 Taylor T55, new.

Make offer.

For sale by Robert R. Hall, W9CRO, 706 E. 5th St., Redwood Falls, Minn.

2 810 RCA tubes, new, never used. \$13.50 each, plus \$1 for handling and packing, plus transportation and insurance costs.

For sale by Frank M. Murphy, Beam Engineering Service, 4837 Rockwood Rd., Cleveland, Ohio

- 2 RCA 849, new cond., apparently unused, carbon plates.
- 2 RCA 845, carbon plates, in original cartons, unused.
- 1 RCA 204A, carbon plate, new cond.
- 1 5 KW screen grid water cooled tube, apparently unused.
- 1 WE 212A new cond.

Make offer.

For sale by George Fried, Panoramic Radio Corp., 242 W. 55 St., N. Y.

- a. 3 new 204A, in original cartons. \$92.50.
- b. 1 used 204A, excellent cond. \$75.00.
C.O.D., F.O.B., Brooklyn, N. Y. Responses honored in order.