



1760 N STREET, N. W.

WASHINGTON 6, D. C.

Vol. 11, No. 46, November 12, 1943

## WHITE-WHEELER HEARINGS

A full report of the White-Wheeler hearings is contained in a separate Legislative Bulletin, enclosed with this REPORT.

## LEA TO ASK ADDITIONAL APPROPRIATIONS

Following a recent executive session of the Special House Committee investigating the FCC, Representative Lea of California, Chairman, announced that his committee would ask the House for an additional \$75,000 to carry on this investigation. Those who have been in close touch with the situation feel that the House will allow this or some other amount. It will be recalled that originally the House made an appropriation of \$60,000 for this purpose.

Mr. Lea said also that his committee had not yet decided whether it will continue to retain Eugene L. Garey, the special investigator, who began work when Representative Cox of Georgia was chairman.

Chairman Lea has announced that hearings will be resumed at 2:30 p. m. Monday, November 15.

The session will be devoted to a continuation of the New York hearings with respect to Short Wave Research, Inc.

## COMMISSION PLEDGES COOPERATION

Chairman James Lawrence Fly of the Federal Communications Commission, speaking during the News Conference held in Washington on November 4, pledged the Commission's cooperation with industry in the solving of technical planning problems. Said Chairman Fly:

"The radio spectrum can not be indefinitely and permanently divided up. So at any time there is a problem of reassignment of the various available frequencies it is very essential that we make a cooperative approach. There will be complete cooperation with the industry as the industry is represented by the Radio Technical Planning Board. But of course the *ultimate assignments* and the *responsibility* for those assignments must be carried out by the IRAC working under the Board of War Communications in the one field, and by the Commission in the other. I think we have in the making here a successful cooperative undertaking and the only purpose of the suggested conference (joint meeting of FCC, BWC, IRAC and RTPB on Nov. 17th) is that the groups get together and get organized and get their bearings and their directions and dig in for some hard and useful and significant work."

## RTPB Panel Organization

Rapid organization of RTPB, including thirteen technical panels, has been effected. Mr. L. G. F. Horle of New York, manager of the RMA Data Bureau, has been chosen as "Coordinator" of the panel organization and work. W. B.

Cowilich, assistant secretary of IRE, has been named secretary of RTPB, and Bond Geddes, executive vice president of RMA, is the RTPB treasurer.

Following are the RTPB panels which have been organized and their respective chairmen and vice chairmen:

### *Panel #1 on Spectrum Utilization*

Scope—The analytical study of the factors pertinent to the most effective use of the transmission medium.

Dr. A. N. Goldsmith, Chairman 580 Fifth Avenue New York, N. Y.	Dr. R. H. Manson, Vice Chairman Stromberg-Carlson Mfg. Co. Rochester, N. Y.
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### *Panel #2 on Frequency Allocation*

Scope—The allocation of frequency bands to services on basis of propagation and equipment characteristics with due respect to military requirements, public interest, and past practices.

Dr. C. B. Jolliffe, Chairman RCA-Victor Division Camden, N. J.	Mr. F. M. Ryan, Vice Chairman American Telephone & Telegraph Co. 195 Broadway New York, N. Y.
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### *Panel #3 on High Frequency Generation*

Scope—The present status and probable progress in the development of electronic tubes and the necessary associated equipment for increasing frequency of generation and operation.

Mr. R. M. Wise, Chairman Sylvania Electric Products, Inc. 500 Fifth Ave. New York, N. Y.	Mr. H. F. Argento, Vice Chairman Raytheon Production Company Waltham, Mass.
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### *Panel #4 on Standard Broadcasting*

Scope—The review and further development of standards with reference to broadcasting on medium frequencies.

Mr. Howard S. Frazier, Chairman National Association of Broadcasters 1760 N Street, Northwest Washington, D. C.	Mr. Burgess Dempster, Vice Chairman Crosley Corporation Cincinnati, Ohio
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### *Panel #5 on VHF Broadcasting*

Scope—The review and further development of standards with reference to broadcasting in the frequency band of 30 to 300 mc.

Mr. G. E. Gustafson, Chairman Zenith Radio Corp. 6001 Dickens Avenue Chicago, Illinois	Mr. C. M. Jansky, Jr., Vice Chairman Jansky & Bailey National Press Building Washington, D. C.
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(Continued on page 460)

Neville Miller, *President* C. E. Arney, Jr., *Secretary-Treasurer*

Robert T. Bartley, *Director of War Activities*; Lewis H. Avery, *Director of Broadcast Advertising*; Willard D. Egolf, *Assistant to the President*; Howard S. Frazier, *Director of Engineering*; Joseph L. Miller, *Director of Labor Relations*; Paul F. Peter, *Director of Research*; Arthur C. Stringer, *Director of Promotion*.

## RTPB PANEL ORGANIZATION

(Continued from page 459)

### Panel #6 on Television

Scope—The review and further development of standards with respect to television.

Mr. D. B. Smith, Chairman Philco Corporation Philadelphia, Pa.  
 Mr. I. J. Karr, Vice Chairman General Electric Company Bridgeport, Conn.

### Panel #7 on Facsimile

Scope—The review and further development of standards with respect to facsimile.

Mr. J. V. L. Hogan, Chairman RCA-Victor Division New York, N. Y.  
 Mr. C. J. Young, Vice Chairman RCA-Victor Division Camden, N. J.

### Panel #8 on Radio Communication

Scope—The review and further development of standards with reference to radio communication.

Mr. Haraden Pratt, Chairman  
 % Mackay Radio and Telegraph Co.  
 67 Broad Street  
 New York 4, N. Y.

### Panel #9 on Relay Systems

Scope—The review and further development of standards with reference to radio relay systems.

Mr. E. W. Engstrom, Chairman RCA Laboratories Princeton, N. J.  
 Dr. Ralph Bown, Vice Chairman Bell Telephone Laboratories 463 West Street New York, N. Y.

### Panel #10 on Radio Range, Direction, and Recognition

Scope—The development of standards with respect to radio range, direction finding, recognition, and locating systems.

Mr. W. P. Hilliard, Chairman Bendix Radio Corporation Baltimore, Maryland  
 Mr. C. G. Fick, Vice Chairman General Electric Company Schenectady, N. Y.

### Panel #11 on Aeronautical Radio

Scope—The review and further development of standards with reference to aeronautical services.

Mr. J. C. Franklin, Chairman  
 Director of Communications  
 Transcontinental Western Airlines  
 Kansas City, Mo.

### Panel #12 on Industrial, Scientific, and Medical Equipment

Scope—The study of the necessary characteristics of industrial, medical and scientific equipment with particular reference to potential radio interference and the development of appropriate standards therefore.

Mr. C. V. Aggers, Chairman Westinghouse Elec. & Mfg. Co. Baltimore, Maryland  
 Mr. H. B. Marvin, Vice Chairman General Electric Company Schenectady, N. Y.

### Panel #13 on Police, Emergency Services

Scope—The review and further development of standards with respect to police and emergency services.

Professor D. E. Noble, Chairman Galvin Manufacturing Corporation 4545 Augusta Blvd Chicago, Illinois  
 Mr. Frank Walker, Vice Chairman International Association of Chiefs of Police % Michigan State Police Detroit, Michigan

Organization of RTPB now includes these six contributing sponsors: American Institute of Electrical Engineers, American Radio Relay League, FM Broadcasters, Inc., Institute of Radio Engineers, National Association of Broadcasters, and Radio Manufacturers Association.

## ROCHESTER FALL MEETING

The annual joint meeting of the Radio Manufacturers Association and the Institute of Radio Engineers was held in Rochester, New York, on November 8 and 9. There was a record attendance of engineers and manufacturers. Of particular interest to broadcasters were the following papers presented during the meeting:

"Demountable Versus Sealed-off Tubes,"

I. E. Mouromtseff, Westinghouse Electric & Manufacturing Company.

"Twenty-Eight Volt Operation of Electron Tubes,"

Walter R. Jones, Sylvania Electric Products, Inc.

"Message of RMA Director of Engineering,"

Dr. W. R. G. Baker.

Dr. Baker outlined the organization, procedure and objectives of the Radio Technical Planning Board, of which he is the chairman. More than three hundred radio engineers attended the Tuesday morning session, many of whom will become active in the studies to be made by RTPB, heard from Dr. Baker a detailed report on RTPB activities.

Among the broadcast engineers present were Edward Content, WOR; Howard S. Frazier, NAB; Kenneth Gardner, WHAM, and A. C. Heck, WPIC.

The United States Army Signal Corps exhibited captured enemy radio equipment which was examined with much interest by those present.

## COMMITTEE DISCUSSES RADIO TUBES

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

Under this plan, each of the half dozen manufacturers first would offer for sale to the other manufacturers a certain minimum percentage of each type of tube he manufactures, in order that all manufacturers would have a



supply of all types of tubes. The manufacturers then would offer to the electronics distributors with whom they deal a supply of tubes based on a percentage of the amount of tubes by type which the distributors purchased in 1941. In this way, the distributors would have a more balanced stock with which to supply their dealers who attempt to keep the public's radio sets functioning.

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

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

The program would leave to distributors the decision on how their stocks were to be distributed among dealers in order that the public would be best served.

Although supplies of receiving tubes for household sets are still short of demand because of military requirements, the program seeks to correct unbalanced situations in which one distributor or a dealer has a large stock of one type of tube and none of others or another lacks minimum supplies of any type. It is expected to permit the average owner of a radio set to obtain a replacement tube at the first store to which he applies, instead of having to shop over an entire city for the required tube.

### INFORMATION PLEASE

Information is desired concerning Leonard Wyatt, radio entertainer last on "air" as "Whitey and the Pine Ridge Boys", playing at Knoxville. Also played fiddle with old time music at dances. Anyone having information as to the whereabouts of this party, please send information to NAB, 1760 N Street, N. W., Washington 6, D. C.

### VACATION TRAVEL

Joseph B. Eastman, Director of the Office of Defense Transportation, has requested the executives of all trade associations to call to the attention of the membership the necessity for curtailing holiday travel. Mr. Eastman points out that war impelled passenger traffic is severely taxing the facilities of both rail and bus, as well as air lines, and that every effort should be made to minimize travel, especially between December 17 and January 10.

Employers are requested to refrain from giving employees vacations during that period and to limit business travel to only the most essential occasions.

### 4 RADIO QUESTIONS IN CONSUMER SURVEY

A nationwide consumer survey is currently being conducted for the Office of Civilian Requirements by the Bureau of the Census according to information from Arthur D. Whiteside, WPB vice chairman. Census enumerators will visit with 7,000 households to ask about the availability of 115 types of goods and services used in homes and on the farms.

Items in which broadcasting has a special interest are tubes, radio batteries, radio repair facilities and new sets excluding auto sets.

The following committee has approved the technique being employed:

T. M. Brown, professor of business statistics, Harvard Business School; A. M. Crossley, Crossley, Inc.; George Gallup, director, American Institute of Public Opinion; Paul Lazarsfeld, research professor, Columbia University; Elmo Roper, Elmo Roper, Inc.; and S. M. Wilks, professor of mathematical statistics, Princeton University.

Questions will be asked in the following areas: rural farm; rural nonfarm; 2,500-25,000 cities; 25,000-100,000 cities; and in cities 100,000 and over.

### Hope for the Best

Since the survey is being conducted by the Bureau of the Census it is expected that those interviewed will respond to the best of their ability. However, the size of the data sheets used by the enumerators is somewhat formidable.

With regard to the questions of special interest to broadcasters it is sincerely hoped that usable information will be obtainable. There is a possibility, though, that the fatigue element involved in asking 8 questions concerning each of 115 types of goods and services may render the radio information obscure.

Of the radio questions, radio tubes stand as No. 49, radio batteries, No. 71, new radio sets, No. 86 and radio repair No. 112 in the list of goods and services.

### SALVAGE REPORTS

L. W. Trommlitz, manager, KORE, Eugene, Ore., has stimulated the local salvage committee to greater action in behalf of tin can collection.

F. H. Booton, program manager, WDZ, Tuscola, Ill., reports that fat collection is now "pretty fair."

## FEDERAL COMMUNICATIONS COMMISSION DOCKET

### HEARINGS

The following broadcast hearings are scheduled to be heard before the Commission during the week beginning Monday, November 15th. They are subject to change.

#### Monday, November 15

WGST—Georgia School of Technology, Atlanta, Ga.—Renewal of license, 920 kc., 1 KW night, 5 KW day, unlimited.

#### Wednesday, November 17

#### Further Consolidated Hearing

To be held in Room 582, U. S. Court House, Chicago, Illinois.

WFTL—Ralph A. Horton (Assignor), The Fort Industry Co. (Assignee), Fort Lauderdale, Fla.—Voluntary assignment of C. P., with license of WFTL; and licenses of Relay Stations WAAD and WRET; 1400 kc., 250 watts, unlimited under C. P.: 710 kc., 10 KW, unlimited, DA-night.

WFTL—Ralph A. Horton, Fort Lauderdale, Fla.—License to cover C. P. and authority to determine operating power by direct measurement. 1400 kc., 250 watts, unlimited. Under C. P.: 710 kc., 10 KW, unlimited, DA-night.

WFTL—The Fort Industry Company, Fort Lauderdale, Fla.—Modification of license to move main studio from Fort Lauderdale, Fla. (contingent upon granting of B3-APL-15). 1400 kc., 250 watts, unlimited. Under C. P.: 710 kc., 10 KW, unlimited, DA-night.

# FEDERAL COMMUNICATIONS COMMISSION ACTION

## APPLICATIONS GRANTED

- W. J. Harpole and J. C. Rothwell, a partnership, Plainview, Texas.—Adopted order granting petition to reinstate and grant application for construction permit for a new station to operate on 1400 kc., 250 watts, unlimited time. This grant is subject to the condition: "Prior to the issuance of a construction permit, the applicant shall obtain approval of the Commission of the exact transmitter and studio location and antenna system to be used. Application for such approval shall be filed within two months after the effective date of this order. If for any reason such application cannot be submitted within the time allowed, an informal request for extension of time must be submitted stating the necessity therefor." (B3-P-3420)
- WLOL—Independent Merchants Broadcasting Co., Minneapolis, Minn.—Granted petition for authority to identify Station WLOL with St. Paul as well as with Minneapolis in making station identification.

## DESIGNATED FOR HEARING

- WJAX—City of Jacksonville, Fla.—Designated for hearing application for construction permit to install a 100 watt transmitter for auxiliary purpose only (B3-P-3541).

## LICENSE RENEWALS

Granted renewal of following station licenses for period beginning December 1, 1943, and ending not later than December 1, 1945:

KGKY, Scottsbluff, Nebr.; KPLC, Lake Charles, La.; KTBI, Tacoma, Wash.; KYCA, Prescott, Ariz.; KYOS, near Merced, Calif.; WDNC, Durham, N. C.; WGAL, Lancaster, Pa.; WJBK, Detroit, Mich.; WMRC, Greenville, S. C.; WMRF, Lewistown, Pa.; WOMI, Owensboro, Ky.; WSTP, Salisbury, N. C.; WWSW, Pittsburg, Pa. (and auxiliary); KNOX, Austin, Tex.

## DOCKET CASE DECISION

The Commission announced the adoption of its Findings of Fact, Conclusions and Order (B-189) granting the application of the WGAR Broadcasting Co., WGAR, Cleveland, Ohio, for construction permit to change frequency from 1480 to 1220 kc., increase nighttime power from 1 to 5 KW, make changes in directional antenna for nighttime use, and move transmitter site locally. This grant is subject to the condition that (a) applicant shall take whatever steps are necessary to improve the signal of WGAR over the Cleveland business district to comply with the Commission's Rules and Regulations when materials and equipment again become available for construction of broadcast facilities; and (b) that applicant shall submit proof that the proposed radiating system is capable of producing a minimum effective field of 175 millivolts per meter at one mile for 1 KW power (or 392 millivolts per meter for 5 KW power). (Docket No. 6309)

Grant was also made of a construction permit to the Ohio Broadcasting Co., WHBC, Canton, Ohio, to make changes in transmitting equipment, install directional antenna for nighttime use, change frequency from 1230 to 1480 kc., and increase power from 250 watts to 1 KW. (Docket No. 6310)

In the same action, the Commission denied the application of Allen T. Simmons, WADC, Talmadge, Ohio, for construction permit to install new transmitting equipment and a directional antenna for both day and night use, change transmitter location, and to change the operating assignment from 1350 kc. with 5 KW power, unlimited time, using a directional antenna, to 1220 kc. with 50 KW power, unlimited time, using a directional antenna. (Docket No. 6311)

## MISCELLANEOUS

- WQAM—Miami Broadcasting Co., Miami, Fla.—Granted license to cover construction permit as modified, for installation

of new transmitter and increase in power (B3-L-1776); granted authority to determine operating power by direct measurement of antenna power (B3-Z-1557).

- WGRC—North Side Broadcasting Corp., Louisville, Ky.—Granted license to cover construction permit for move of main studio and transmitter (B2-L-1778); granted authority to determine operating power by direct measurement of antenna power (B2-Z-1559).

- WJOB—O. E. Richardson, Fred L. Adair and Robert C. Adair, d/b as Radio Station WJOB, Hammond, Ind.—Granted license to cover construction permit for increase in power and change in type of transmitter (B4-L-1774); granted authority to determine operating power by direct measurement (B4-Z-1553).

- WAYX—Jack Williams, Waycross, Ga.—Granted authority to determine operating power by direct measurement of antenna power (B3-Z-1538).

- WNAX—WNAX Broadcasting Co., Yankton, S. D.—Granted license to cover construction permit as modified for increase in power and directional antenna for night use (B4-L-1775); granted authority to determine operating power by direct measurement of antenna power (B4-Z-1556).

- WAHL—Paducah Broadcasting Co., Inc., area of Paducah, Ky.—Granted modification of license to change area of operation to permit use with Station WSON, Henderson, Ky., and WPAD, Paducah, Ky. (B2-MLRY-46).

- W6XLA—Television Productions, Inc., Los Angeles, Calif.—Granted modification for construction permit, as modified, for extension of completion date of new experimental television relay station to February 1, 1944 (B5-MPVB-106).

- United Automobile Workers, Congress of Industrial Organizations, Washington, D. C.—Denied petition requesting informal hearing on alleged censorship and operation contrary to public interest by station WHKC, Columbus, Ohio.

- Pottsville News and Radio Corp., Pottsville, Pa.—Adopted an order denying petition for reinstatement of application for new station to operate on 580 kc. with 250 watts daytime. (Docket 4402)

## APPLICATIONS FILED AT FCC

### 750 Kilocycles

- WHEB—WHEB, Inc., Portsmouth, N. H.—Transfer of control of license corporation from R. G. LeTourneau, to Charles M. Dale, 100% or 750 shares of common stock.

### 1070 Kilocycles

- WIBC—Indiana Broadcasting Corp., Indianapolis, Ind.—Voluntary assignment of license and construction permit to H. G. Wall, Margaret B. Wall and Thelma M. Lohnes, d/b as Indiana Broadcasting Company.

### 1390 Kilocycles

- KSIM—Oregon Radio, Inc., Salem, Oregon.—Transfer of control of licensee corporation from H. B. Read to Paul C. McElwain and Glenn E. McCormick (150 shares of common stock).

### 1410 Kilocycles

- WKBH—WKBH, Inc.—Relinquishment of control of licensee corporation by Harry Dahl through transfer of 400 shares of stock to Howard Dahl, Kenneth Dahl, Dorothy Dahl and Catherine Dahl Wood—100 shares each.

### 1490 Kilocycles

- NEW—Birney Imes, Jr., Tupelo, Miss.—Construction permit for a new standard broadcast station to be operated on 1490 kc., 250 watts, unlimited time.

- NEW—Granite District Radio Broadcasting Co., Murray, Utah.—Construction permit for a new standard broadcast station to be operated on 1490 kc., 250 watts, unlimited time. Amended to specify studio site, changes in transmitting equipment and antenna and change in corporate structure.

- NEW—Kingston Broadcasting Corp., Kingston, N. Y.—Transfer of control of licensee corporation from Benjamin F. Feiner, Jr., Morris S. Novik and Louis J. Furman, to Myer



Wiesenthal, Charles C. Swaringen, John J. Laux, Richard Teitlebaum, Jack N. Berkman, Alex Teitlebaum, Louis Berkman, Louis J. Furman and Morris S. Novik.

## FM APPLICATION

Standard Broadcasting Company, Los Angeles, Calif.—Construction permit for a new high frequency (FM) broadcast station to be operated on 45300 kc. with coverage of 7,000 square miles.

## MISCELLANEOUS APPLICATION

NEW—Great Trails Broadcasting Corp., area of Dayton, Ohio.—License for a new relay broadcast station to be operated on 1606, 2074, 2102 and 2758 kc., 125 watts power, A3 Emission.

# FEDERAL TRADE COMMISSION DOCKET

## 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.

**Harry Fischer & Company**, 315 North 12th St., Philadelphia, manufacturing and selling men's topcoats, overcoats and other articles of clothing, is charged in a complaint with violation of the Wool Products Labeling Act of 1939 and the rules and regulations issued thereunder. (5073)

**E. R. Squibbs & Sons**—A complaint has been issued charging E. R. Squibbs & Sons, 745 Fifth Ave., New York, with disseminating false advertisements in connection with the sale of a laxative preparation designated "Granaya with Cascara," which it advertises as an effective treatment for chronic and stubborn cases of constipation. (5075)

**Susquehanna Woolen Mills**, New Cumberland, Pa., engaged in manufacturing and selling blankets and other products, is charged in a complaint with violation of the Wool Products Labeling Act and the rules and regulations promulgated thereunder. (5074)

**Tiger Yarn Company, et al.**—Misrepresentation of the fiber content and origin of knitting yarn is alleged in a complaint issued against Benjamin Goldman, 1643 Bathgate Ave., The Bronx, New York, who trades as Tiger Yarn Co., Minnette Yarn Co., Bengo Yarn Shop and Goldman's Yarn Shop. (5077)

**Victory Coal Saver Mfg. Company**—A complaint has been issued charging Eugene Clement d'Art, 32 North Pearl St., Albany, N. Y., with falsely advertising that a chemical preparation which he sells under the name "Victory Coal Saver," and which contains 90% common salt, is effective in reducing coal consumption. The respondent trades as Victory Coal Saver Mfg. Co. (5076)

## STIPULATIONS

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

**Benedict Manufacturing Company**, East Syracuse, N. Y., manufacturing and selling plated silverware, has stipulated to cease and desist from the use of any false, fictitious or misleading

price representation which purports to be the retail sales price of its products but which is in fact in excess of the price for which such merchandise is customarily sold at retail; and to discontinue directly or inferentially representing, through the use of a fictitious or marked-up price, that the price for which its merchandise is offered for sale is an exceptional price, a low price or a discounted price when in fact the price is that for which the merchandise is customarily sold in the usual course of retail trade. (3742)

**C. A. Briggs Co.**, trading as H. B. Sales Co., 418 Main St., Cambridge, Mass., has stipulated that in connection with the sale of H-B Cough Drops it will cease and desist from use of the term "Hospital Brand" as descriptive of its cough drops, the effect of which may tend to convey the belief that they are made in accordance with a formula prescribed or endorsed by a hospital; and from representing that the cough drops contain vitamin A, that their use will impart the benefits derived from the consumption of vitamin A, or that they purify and soften all hardened places in the throat. (3745)

**Lewis-Howe Co.**, Fourth & Spruce Sts., St. Louis, Mo., selling a drug product designated "NR Tablets" or "Nature's Remedy," has stipulated to cease disseminating any advertisement which fails to reveal that the product should not be used when abdominal pain, nausea or other symptoms of appendicitis are present; provided, however, that such advertising need contain only the statement, "CAUTION: Use Only As Directed," if the directions for use on the label or in the labeling contain a caution or warning to the same effect. (03163)

**National Neckwear Manufacturing Co.**, 359 Broadway, Brooklyn, has entered into a stipulation to discontinue certain misrepresentations in connection with the advertising and sale of neckties. (3746)

**Paramount Dress Company**—Under a stipulation entered into Joseph Kravitz and Louis Duboff, copartners trading as Paramount Dress Co., 302 South Market St., Chicago, agree to discontinue advertising or selling women's dresses or other products composed in whole or in part of rayon without disclosing such fact by use of the word "rayon"; and when such fabrics are composed in part of rayon and in part of other fabrics or materials, they shall be designated in immediate connection with the word "rayon" in letters of at least equal size and prominence which shall truthfully describe such constituent fiber or material. (3747)

**Paramount Yarn Company**, 362 Grand St., New York, selling and distributing knitting yarns, has stipulated to cease and desist from use of the words "Scotch," "Saxony" or other words connoting any foreign geographical origin as designations for or as descriptive of products which are not imported from the country or locality indicated by the use of such geographical designations. (3743)

**Superior Shirt Co.**, 1216 Arch St., Philadelphia, selling and distributing men's shirts, has stipulated to cease representing by use of brands or labels such as "U. S. Pat. No. 2,156,704," "Miracle Weave" or "Guaranteed Miracle Weave," or in any other way that collars not actually constructed in accord with the specifications of such patent or made thereunder, are of the quality indicated, are rightfully or truthfully designated as "Miracle Weave," or that such collars have the same attributes and features as those previously sold under such labels and brands; that a collar made of the same or similar material or of the same threads or ply as the body of the shirt is "Guaranteed for life of the Shirt," or otherwise implying that such collar equals in wearing quality or will outwear the rest of the shirt. (3744)

**Utica Textile Co.**, 138 Eldridge St., New York, wholesale distributor of dry goods and piece goods, has entered into a stipulation to cease and desist from use of the term "full size" as descriptive of a blanket or quilt cover the finished size of which is less than 72 inches by 84 inches, the figures "80 80" as applied

to a product the finished size of which is less than 80 inches square, or any other terms or expressions which do not accurately indicate the true dimensions of the finished articles; and from use of the terms "80 square" or "80 80" as descriptive of the fabric from which such products are made, when in fact the thread count either way per square inch is other than 80, or any other expressions or representations indicative of the thread count which do not accurately inform purchasers with respect thereto. (3741)

**Ward & Sons**, 10534 Vincennes Ave., Chicago, selling a medicinal powder designated "Dr. Gray's Foot Bath Powder," has stipulated to cease representing that the preparation is used by doctors, hospitals or sanitariums; that it is the result of scientific research or a study of foot ailments; that statements in his advertising have been made by or are quotations from the literature of the U. S. Public Health Service, or that the U. S. Public Health Service or any other agency of the Government has endorsed or recommended the use of the product; that a package of the powder has a greater value than the price at which it is regularly sold or that its price is limited as to time; or that the powder draws poisons from the feet, has curative or healing powers or destroys germs. (03164)

**Zimmerman-Scher, Inc.**, 150 West 30th St., New York, engaged in the sale of fur garments, stipulated that it will cease and desist from using the words "camel's hair" to designate garments not made of camel's hair; from using the word "lapin" to describe products made from rabbit or other peltries, unless such word is compounded with the word "dyed" or the word "processed" and when so compounded is immediately followed by the true common English name of the fur; and from describing furs or fur garments in any manner other than by using the true name of the fur as the last name of the description, and, when any dye or process is used in simulating any other fur, the true name of the fur appearing as the last word of the designation or description shall be immediately preceded in equally conspicuous type by the word "dyed" or the word "processed" compounded with the name of the simulated fur, as for example, "Seal-dyed Muskrat." (3748)

## CEASE AND DESIST ORDERS

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

**Dickson Weatherproof Nail Co.**, 1515 Sherman Ave., Evanston, Ill., with a branch office and factory in Birmingham, Ala., manufacturing and selling various kinds of roofing nails, including a nail designated "Dickson Lock Screw Shank Lead Head Nail," has been ordered to cease and desist from misrepresentation of the product. (4700)

**Embalmers' Supply Co.**, Westport, Conn., manufacturing and distributing embalming fluids and chemicals, including a product designated "San-Veinio Spray," has been ordered to cease and desist from misrepresentations of the product. (3936)

**Fox Studios**—An order to cease and desist from misrepresenting the quality, price and terms of sale of photographs, particularly colored enlargements and miniatures, has been issued against John C. Lucas, Boise, Idaho, trading as Fox Studios and formerly as United Studios, and Isla Fineman Lucas. (4807)

**Miracle Manufacturing Co.**, Conshokocken, Pa., manufacturing and selling mechanical devices designed as attachments for radio receiving sets, has been ordered to cease and desist from misrepresentations of the devices designated "Miracle Radio Control" and "Miracle Aerial Loop." (4623)

## FTC DISMISSES COMPLAINT

The Federal Trade Commission has dismissed without prejudice its complaint charging Pakula and Co., trading as L. W. Ring Co., Chicago, with misrepresentation in connection with the sale of jewelry and novelties.

The respondent corporation has been dissolved. The Commission in its order dismissing the complaint reserves the right to institute further proceedings should conditions warrant.



# National Association of Broadcasters

1760 N STREET, N. W. \* \* \* \* \* WASHINGTON 6, D. C.

November 12, 1943 SPECIAL LEGISLATIVE BULLETIN

No. 22

## Resumé of Hearings on White-Wheeler Bill

FRIDAY, NOVEMBER 5, 1943

Present: Wheeler, White, Tunnell, Tobey, McFarland, Gurney, Clark, Moore.

Mr. Fly's testimony at the commencement of the Friday hearings was directed to the provision of the White-Wheeler Bill with particular reference to Section 7, 9, 10 and 11, "which relate generally to the subject of free speech." He indicated that he had no objections to the proposals in principle.

With respect to Section 9, (requiring announcement of name of sponsoring person or organization) he said that it is "a very good provision." He suggested, however, that the Committee give consideration to the fact that the announcements required are as important in the case of sustaining time as on commercial time.

With reference to Section 7 (equal opportunity for opposing candidates) of the Bill Mr. Fly said that this provision should be more explicitly spelled out to include also primary elections and matters such as referendums, bond fights, etc., subject to vote by the electorate. Further he suggested that the section be expanded to cover the "forces supporting the candidates" so as to give balance on each side.

Chairman Wheeler touched upon the inequity in the financial inability of small manufacturers to keep up with the financial ability of large manufacturers to buy time but "doubted that we can do anything about that at this time."

Mr. Fly expressed his doubt as to the advisability of authorizing censorship by stations of controversial script because he thought the blue pencil would be used with too heavy a hand in an effort to "relieve the station of libel suits" and further that he felt a station was legally in a better position if it could point to the law which prohibited its censoring political speeches and controversial issues. The legal aspects came in for discussion as to whether Federal Legislation could in effect do away with State Law covering libel. Chairman Wheeler suggested that Mr. Fly submit to the Committee a memorandum covering the legal aspects of this question.

Mr. Fly endorsed in principle (right of reply by opposition on public or political questions) Section 10 of the bill but came up with the sug-

gestion that a "requirement that logs be kept" should be adopted. When confronted with the opinion that if more paper requirements were imposed on business and more papers were filed down in Washington that eventually the sale of all that paper might pay off the National Debt. Mr. Fly said such a requirement would require "only a little column" but should say "What disposition was made of each request for time." He said he didn't want this material filed automatically—even periodically, but "simply to be made available to the Commission when needed."

Mr. Fly terms Section 11 of the bill which treats "anti-censorship" by the Station or Commission generally desirable and would tend to the "more optimum use of the mechanism of Free Speech." In connection with Free Speech, Senator Wheeler asked whether any censorship by the Commission was involved in the Stipulations requested by the Commission from Mr. Edward Noble in the Blue Transfer case. Mr. Fly denied that the Commission "required" a stipulation and offered as an exhibit the Decision which contains a copy of Noble's letter. Mr. Fly said, the fact was that "I personally told Mr. Noble, and told their counsel, that so far as I was concerned we would approve a transfer even though he did not feel he could adopt and enunciate those principles."

Senator Tobey took Mr. Fly through the financial set up of Blue, exploring into who had or is to have financial interests. No new information resulted. Then Senator Tobey went into the question as to whether there was any pressure put on Donald Flamm at the time of Noble's purchase of WMCA. Mr. Fly's reply was that no pressure was put on and that he had asked Thad Brown, who had come to see Fly about charges of pressure, to report back to Flamm that such was not the case.

Senator Clark asked about the Newspaper Ownership Question and drew from Mr. Fly an expression that it was to be "disposed of at an early date." Senator White said that he had a strong feeling that there is nothing in the Act to support action by the Commission against an applicant simply because that applicant is a newspaper and directly questioned Mr. Fly as to what section of the Act he felt conveyed such authority. Mr. Fly

could not point to any particular authority, stating "I just do not know the answer to that question" but added that he thought "our lawyers can give you a pretty good argument on it." Then Senator White turned to Section 16 of the Bill and received from Mr. Fly a gestured "not at all workable, absolutely unworkable."

Following some additional by-play on the Chiefs of Staff recommendation during which Senator Tobey read their recommendations and in which Mr. Fly said the Secretaries of the Navy and War had simply signed without knowing the facts, there followed some additional newspaper ownership discussion, during the course of which Senator White predicted that the time was coming when thorough Congressional consideration would have to be given to the question whether any person engaged primarily in some other business should be allowed to own and operate a broadcast station. He stated, however, that he believed that under the present Act, the Commission had no authority to refuse a license to an applicant on the sole ground that it would be affiliated with a newspaper.

The hearings were recessed until 10:30 A. M. Tuesday, November 9.

Resumé of Senate Hearings, Tuesday, November 9, 1943.

Present: Senators Wheeler, Chairman; White, Clark, Hawkes, Tunnell, Brooks, Shipstead, Gurney, Truman, Smith.

William S. Paley was the only witness and after reviewing briefly his previous appearance before the Committee in connection with the White Resolution, and reviewing the action of the Courts on the network rules, he said: "If I seem to be going over old ground it is because May 10, 1943 marked for American Broadcasting the end of one world and the beginning of another." He remarked: "the Supreme Court said in effect that the powers of the Commission under the present law are without discernible limits" and "have granted the Commission unlimited authority over every aspect of this medium of mass communication." He said that the question which is before the Congress today is: "Do the American people want the Government to have the power to tell them what they can hear on the air?"

The Chairman asked how many stations' licenses had been revoked and when Mr. Paley replied that he believed only two had been, the Chairman asked whether he thought those stations should have been thrown off the air? Mr. Paley replied that he thought the action was bad in principle but was good in those individual cases. However he added, "I would much rather have two or three or a dozen stations misuse their facilities than have a single man or a single commission tell 900 stations what they should broadcast and what the American public should hear."

Senator Hawkes asked whether something short of revocation, for example, suspension, would not be a better solution. Mr. Paley said that he did

not believe that substitution of suspension for revocation would remove the danger, that he does not believe that "the American people want a radio system which is under the control of a small bureau of men with seven year appointments—that the American people want the kind of radio they have known. And this can be assured only by the free and competitive play of the program judgments of hundreds of broadcasters throughout the country. Certainly government must perform the necessary role of technical supervision over frequency assignments. But any crack through which even the best intentioned board could extend its control into the program field is wide enough to let through the flood of government control over thought."

Mr. Paley recommended the strengthening of the language of Section 8 in view of the experience gained as a result of the May 10 Supreme Court Decision, since the language of Section 8 was drawn "before we were aware of the degree to which statutory language could be construed by the Court to broaden the Commission's powers." The language of the section should be strengthened "in order to make sure that the intentions of Congress cannot be thwarted." He said the language needed to be strengthened in view of a new threat which "has developed here, before you, in the last few days. You will recall that throughout the Supreme Court decision Justice Frankfurter dealt with business and program control as substantially a single entity. Senator White in Section 8 and in his introductory remarks last March, likewise treated these two aspects of control as parts of a single problem. I think it has not occurred to anyone until recently to suggest that business control and program control were anything but two sides of the same all important coin. But Chairman Fly in his testimony before this Commission last week actually attempted to split one of these controls from the other. The Chairman of the Commission stated he had no desire to control programs. He wished only to control the business practices of radio. In my opinion, gentlemen, the idea that these two things can be separated is a fallacy of the most dangerous sort. If any such idea is accepted it could easily frustrate the basic purpose of this bill. Anyone who has operated a radio station or a radio network knows that program control is indivisible from business control.—The two are one."

As an example, he cited the rule of non-exclusivity of programs to a single outlet. He said "this rule purported to control merely the business practices of networks and stations . . . often the result of the rule is to make them (the stations) carry network programs when they prefer to carry local programs, under the fear that other local stations with which they are competing might otherwise carry CBS programs and thus cut into our affiliate's own audience and prestige. . . . It thus constitutes a direct interference with program practices, although it pretends to deal only with business practices."



Senator Wheeler said he felt that the exclusive feature of the network arrangements is bad, to which Mr. Paley replied that if the situation is considered by Congress sufficiently bad, safeguards should be enacted into the basic law and not left to the changing whims and changing minds of a Commission.

Mr. Paley then cited another example: "Another striking example of using so-called business controls as a direct lever for controlling program policies occurred in the Blue Network hearings, which were scarcely touched on here the other day. This was purely a business transaction. One group was ready to buy the Blue Network; another group was ready to sell. The Commission had jurisdiction because the licenses of three of the hundred-and-fifty odd stations on the network were affected. But the Commission used this occasion to probe deeply and exhaustively into program policies and program intentions of the network management. At this two-day hearing an overwhelming proportion of the total time was devoted to a searching inquiry into program policies. Under this questioning the management indicated the policies which it followed in connection with certain types of programs. But until the new management wrote a letter which abrogated these policies, presumably in accord with the Commission's wishes, this business transfer was not approved."

Still another example, Mr. Paley said, is the fact that "on October 7th the Chairman of the Commission publicly stated in effect, that program time should be sold to special pleaders on public issues. Such a practice would have immediate effects on programs. But on November 4th, before your Committee, he disclaimed any desire to influence programs. I can only assume from this that the close relationship between business practices and programs is not yet clearly understood by the Chairman of the Commission." Mr. Paley said it was only a short step from telling stations the kinds of programs they should carry and to saying how much and what percentage of certain types of programs a station should carry.

Mr. Paley said that all these practices could be followed "unless the Commission is denied control of business practices. The whole device is transparent. Look through the window of almost any business practice in radio and you will find program merchandise behind it." He said "should the Commission control the business practices it can tell us what kind of contract we can enter into and with whom. Thus it can control radio's access to the news and hence the news which listeners hear."

He said that it all comes down to this—"the business of broadcasting is the business of programming. If you grant the Commission the power to regulate the business which furnishes the programs you grant it automatically the power to control the programs themselves." Senator White interposed—"the authority to sell time should be entirely in the hands of the licensee or in the hands of the Commission" and that he "per-

sonally thought the licensee should be the one to market the time."

"Coming next to that portion of the bill which he called 'fairness of the air' in political discussion", Mr. Paley expressed the view that he thinks that legislative guarantee is not the answer but that broadcasters should equalize the time so both sides of all controversial issues are covered. Should legislation on this topic be enacted he pointed out "one or two unfortunate results which might flow from such a statute. It is impossible to prove scientifically and mathematically in any particular case that there has been absolute fairness in the presentation of the opposing views on any subject. Since such proof is impossible the result will be I fear that many broadcasters will solve the problem of avoiding unfairness by simply not broadcasting political programs. This result would amount to a great public disservice."

"There is moreover a provision in these sections that the Commission shall make the rules and regulations to insure the fairness of the air. It is precisely in this area of political discussion that temptation is most likely to beset a politically appointed agency. That is why in this area especially it is most urgent that control by the Commission be avoided."

"We urge you, do not give the same agency which already dominates the ultimate destiny of each station the power also to use that domination in the political field. Do not permit the Commission to combine the basic licensing control with the political powers to decide what it is fair for listeners to hear."

The Chairman inquired then as to how you could correct a situation when only one viewpoint is aired and cited the situation where a full network might carry the proponents of a measure and the opponents could secure only a few stations on the network. Senator White pointed out that an attempt to reach that objective had been incorporated in the bill. In this connection, Mr. Paley cited one of the practical problems facing a broadcaster in this regard. That is, if one speaker raises say four controversial issues all within the same time, the next speaker granted time might use his entire time answering only one of the issues raised by the first speaker.

Mr. Paley said "if the Commission is to be divested in Section 8 of the Bill, of authority to determine what goes out over the radio stations of the country, it should not be given this backdoor entrance in section 10. If it is your final decision to write a fairness provision governing political broadcasts into the law then let the Court, not the Commission determine what is fair." It was here that Senator Smith observed that he thought that one of the reasons we are here today is because of a Court decision. Mr. Paley agreed and Senator Smith replied, "Well, in God's name what do you want to go back there for?" Mr. Paley said that the Commission had used Section 311 of the Communications Act as another backdoor into the field of business and program regulations. He said that he thought

that change in the law in this section was also desirable. "Though we cannot believe it was conceived for any such purpose ('that is, into the field of business and program regulations'), Section 311 has been advanced by the Commission as a main source of its power to dictate policy. The FCC announced that Section 311 somehow imposed on it an obligation to apply to broadcasting 'the policy' of the Sherman Act, as the Commission chose to consider that policy. I believe 'the policy' of the Anti-trust laws should apply to Broadcasters as to all other business, but the point is that these laws are enforced by other agencies and their 'policy' is applied by the Court."

Mr. Paley said—"let me make it perfectly clear—that I do not come to you asking that radio be relieved from any of the restrictions which are imposed on all other businesses. We do not seek a privileged place. We are bound by and should be bound by the various laws which have been designed to protect the public interest. The Anti-trust laws are ours to face and comply with like anybody else. We ask merely in this respect we be restored to equality with other American enterprises. This would seem to require that Section 311 be eliminated."

Senator Wheeler pointed out that other companies, such as railroads, and businesses regulated by the ICC and the SEC have brought this regulation on themselves as a result of certain abuses. And said however "that the FCC should not enforce the anti-trust laws." Mr. Paley said he hoped for freedom of broadcasting but that if regulations were required "please make them law." "Give us a law which permits no Commission with limitless authority to make rules this week, revoke them next, change them at will and extend their effect to the entire field of broadcast operation." Mr. Paley said further, "Each of those 900 stations is in active competition, often with a dozen or more stations for all or part of its audience. Each of them is thus responsive to the public and is subject to the checks and balances which such competition imposes. The public's retribution upon bad broadcasting is as swift as the flick of a switch or the turn of a radio dial. Public approval is vital to each licensee. It is not vital to any government commission endowed with unlimited power. Is it not far better to divide program control among 900 broadcasters, each under the discipline of competition and the constant need for public approval than to concentrate it in the hands of one Commission free from both restraints?" He said "the absolute power of the Commission does not even need the instrument of written regulations to assert itself. I once mentioned 'regulation by raised eye-brow'. The mastery which the Supreme Court Decision has assured to the Commission has brought that stage to our doorstep. Thus when the Chairman of the Commission or a Commissioner, either as an individual, or in his official capacity, makes a statement that news and news analysis should be handled in a certain way or time should be sold to certain groups or

individuals, he makes such statements on a different level than anyone else. What he is really saying is this: 'In my opinion it is in the public interest that each of these things should be done.' As the Commission issues and revokes licenses, under the present law, on the basis of its own opinion of what is in the public interest, any such expression is unmistakable notice to all broadcasters that they conform their operations to such views or make the threat that their licenses may not be renewed.

"This does not mean that I wish to see either Mr. Fly or the Commission silenced. I think it is wholesome thing for our administrative officers to express their opinions clearly and openly. What makes Mr. Fly's views harmful is neither their content nor that they are his views. It is only that he now has such authority that his mere expression of opinion will, in many quarters, be taken as a mandate. It has been said, 'Whoever can do as he pleases commands when he entreats.' Certainly by reestablishing the principle that the Commission cannot do as it pleases, the Commission's arguments and suggestions can be received and considered on their merits. This will remove the Commission from the pedestal of dictation to the platform of debate.

"For fifteen years radio has served one master—the public. Public needs and public desires have been, inevitably, the guiding principle of every successful radio operation.

"Since the May 10 decision we have learned we have a second master—the Commission. The result has been that broadcasters can no longer devote their full attention to the service of the public. Today their energies are diluted by an increasing concern to avoid any disapproval by the Commission. No longer can broadcasters gauge their program service by the yardstick of listener survey and audience response. Now they must scan the latest speech by a Commissioner for the current pronouncement on what the public should hear.

"William Pitt has said, 'Unlimited power corrupts the possessor.' I do not mean to charge the present Commissioners with sinister motives. But sooner or later power will be used. Just how tempted any power in administration would be to use this instrument to guarantee to its own future success at the polls or to mold public opinion in certain directions on controversial public issues, is of course, hard to ascertain. But for us to allow such temptations to exist, knowing the human failings of men, especially when they are badly pressed, is to do injustice to everything we stand for as a nation.

"The freedom of thought of the American people cannot be left dependent on the self-restraint of any Commission, however well-intentioned.

"Yet that is where the Supreme Court decision leaves it. The Supreme Court told the Commission that hereafter it would have 'expansive' powers; that it must not 'merely police the wave lengths' and supervise the traffic over them, but



must hereafter also bear 'the burden of determining the composition of that traffic.'

"And so the Court confirmed a new power, unique in our democratic history. It gave to an administrative bureau not only the right, but the duty, the task of determining what the people shall hear over their radios.

"We come to you, finally, as the court of last resort. Only you, the spokesmen for the public, can reverse the effect of the Supreme Court's decision. Not only did the Supreme Court point this out—it also disclaimed any responsibility for the practical results of its decision. Justice Frankfurter said 'Our duty is at an end when we find that the action of the Commission was based upon findings supported by evidence, and was made pursuant to authority granted by Congress. It is not for us to say that the 'public interest' will be furthered or retarded . . . the responsibility belongs to the Congress. . . .'

"I do not doubt that you are weighted down today with many grave and difficult problems. We are in a desperate war against tyranny and the Congress has much pressing work to do.

"But I urge you to consider the problem I have presented as not the least of your tasks. If under the stress of other important issues the freedom of radio should be neglected, your work to win the war will be incomplete. It is not too much to say that when radio ceases to be free and democratic, the whole fabric of our freedoms is imperilled.

"The danger is here and the time is late. The broadcasters ask your help. The whole public needs and deserves it."

The hearings were recessed until 10:30 a. m. Thursday, November 11.

#### Resumé of Senate Hearings, Thursday, November 11

Present: Senators Wheeler, Chairman; Hawkes, White, Tunnell, Brooks, Smith.

Mr. Fly was the only witness and the principal topic of discussion was program content of broadcasting stations and networks and followed the question and answer procedure, as has been the case heretofore with Mr. Fly's testimony. Mr. Fly commenced his testimony concerning "new fields" in radio—to which Senator Wheeler suggested we call in the Engineers. Mr. Fly then turned to a suggestion that the Commission be given authority to look into the relationship of ownership of stations where less than a majority of stock was transferred.

In commenting on Mr. Paley's statement, Mr. Fly said he believed Mr. Paley's strategy is to create fear "by dragging in censorship by the tail in order for two New York Corporations to again secure monopolistic control."

Senator Brooks asked Mr. Fly "whether freedom of speech applied to radio and if so whether the action of the Commission in the "Boston" case was not censorship." Mr. Fly replied that "that

station had had its own editorial staff, and when a station promotes its own idea it is not operating in the public interest."

In response to a question Mr. Fly said he could not believe that public owned frequencies should be granted to serve the selfish interests of a licensee. The Chairman presented the hypothetical case where three simultaneous applications from the same area were before the Commission and all three applicants were legally, financially and technically qualified, whether or not it wouldn't be necessary for the Commission to grant the license to the applicant who made a showing that he could best serve the public interests.

Mr. Fly replied that the Commission would have to give consideration to the types of programs the station would carry before they could reach a conclusion that the service would be in the public interest.

Senator Brooks inquired if an applicant was a newspaper whether that would have a bad effect on the application being granted to it. Mr. Fly said that it would be a question of the individual case as to whether the granting of a license to a newspaper would tend toward dissemination of news in that area in a monopolistic manner.

Senator Brooks asked whether the Commission contemplated rendering a decision finally in the newspaper investigation and Mr. Fly replied "Yes."

Senator Tunnell said "I understand you believe that stations should have no editorial policy" to which Mr. Fly replied that he believed a licensee's duty is to the public.

Chairman Wheeler interposed—if editorials are to be carried they should be branded as such. Senator Brooks inquired as to whether foreign language station renewal applications have been held up due to program content and Mr. Fly said that situation had been cleared up and that no license renewals were now being held up—that "that's no longer a problem."

Mr. Fly then took to task Mr. Paley for his testimony and stated that what Mr. Paley wants is to make broadcasters "legalized outlaws," by putting the authority to exercise control "where it won't be effective" and said further if you can't trust the Commission then "abolish it" and set up some other effective control.

Mr. Fly said it was most unfortunate, but it seems to be true that the more prosperous stations are the fewer public service programs they have on the air and what it seems to come down to is whether a station is in business purely to make money or whether an obligation should be put on it to render public service programs. The Chairman said "Just thinking out loud—what do you think of regulating networks as networks," to which Mr. Fly replied that he did not feel very strongly about it, but the time is coming when public service laws should be enacted to apply also to networks. The Chairman then asked whether Mr. Fly felt that in view of the huge network profits they should extend the service to areas even where it would not be profitable in

the individual case to the networks and Mr. Fly agreed that this was a desirable objective.

The Chairman then inquired as to whether developments after the war might entirely change the system of broadcasting and Mr. Fly indicated that the change might be pretty fast after the war and might be considerably different within a decade. He said that consideration was being given to higher frequencies for many types of service but of course the question of allocation and assignment of frequencies was a fairly long drawn out process since they had to be given thorough consideration and eventually covered by international regulation.

Mr. Fly then referred to Mr. Paley's comment about "censorship by lifting an eyebrow" and said that while he is strongly opposed to the preponderance of soap operas on the air, you

can't get them off with a crowbar much less an eyebrow. He said that if there is danger of censorship he had language to remedy censorship and then sarcastically read the language of the existing Section 326 of the Act.

Senator Hawkes inquired as to who is going to judge what the public should hear, to which Mr. Fly replied that he thinks the broadcasters themselves should make that determination but that eventually Congress might have to act.

Mr. Fly agreed with the Chairman that when a Commentator "slanders" someone that Commentators time should be turned over to the one slandered for reply.

The Chairman indicated a desire that Commissioner Craven appear and give testimony.

The hearings recessed until 10:30 a.m. Friday, November 12.



# Retail Promotion Committee

NOVEMBER 12, 1943 ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ No. 10

535 5th Avenue NATIONAL ASSOCIATION OF BROADCASTERS New York, N.Y.

## RETAIL PROMOTION PLAN CONTINUES TO IMPRESS LEADERS IN RETAILING

### Master Showings Now Scheduled in New York, Philadelphia and Detroit

Reports continue to flow into NAB headquarters, recounting the enthusiasm with which the Retail Promotion Plan is being received in showings from coast to coast. Wherever the story is presented to forward-looking retailers, the reaction has been the same: "the facts and figures are amazing and educational."

Already more than a dozen radio stations have reported sudden and sincere interest in the use of broadcast advertising by the "toughest" prospects in town—retailers who were previously unapproachable on the use of the medium.

In one large Eastern city, the advertising and sales promotion manager of a nationally known department store, who witnessed the presentation, borrowed the charts and MC script in order to present the "Looking Forward" and "Closing Commercial" sections of the presentation to the meeting of the Board of Directors of the store. Preliminary reports from the station manager, through whom the loan of the material was arranged, indicate that the store may shortly become a substantial user of broadcast advertising.

Since the last special bulletin of the Retail Promotion Committee, the Master Showing has been presented in the following cities—among others—with the attendance listed:

Bristol, Tenn. ....	70
Chattanooga, Tenn. ....	165
Cleveland, Ohio ....	400
Davenport, Iowa ....	158
Des Moines, Iowa ....	165
Flint, Mich. ....	200
Fort Wayne, Ind. ....	90

Kalamazoo, Mich. ....	92
Kingsport, Tenn. ....	117
Macon, Ga. ....	114
Newark, N. J. ....	125
Peoria, Ill. ....	150
Roanoke, Va. ....	60
Rock Island, Moline, East Moline. ....	236
Spartanburg, S. C. ....	126
Terre Haute, Ind. ....	136

Comments of retailers included: "Presentation most revealing," "Facts bear out our experience and make us more enthusiastic than ever about radio advertising," "Sincerely appreciate the opportunity to see the full story of broadcasting," "Must admit we have been viewing radio emotionally instead of objectively—this opens our eyes to its possibilities."

Radio station managers commented as follows: "We are receiving very flattering reports from retailers on the presentation," "Many merchants praised it to the sky," "Reception of presentation by retailers was excellent," "Following the meeting, and yet today, several persons who attended have expressed their appreciation and interest in the showing," "Men putting on the show deserve industry's eternal gratitude," "Our presentation was accorded a most hearty reception by those present."

### Four New York Showings Booked

The Retail Promotion Plan will be presented in the beautiful Barbizon-Plaza Hotel Theater for four afternoons, beginning Monday, November 15

and continuing through Thursday, November 18, 1943. All presentations will start at 3:00 P.M. and will be followed by a reception and cocktails.

Invitations have been extended to advertising agency executives, newspaper and trade paper editors for the Monday showing; to retailers for Tuesday; to national advertisers for Wednesday and to educators for Thursday. A total attendance of 2000 is expected for the four-day series.

The New York Presentation Committee, headed by James V. McConnell of WAAF, extends a cordial invitation to any radio station executives who have not seen the Retail Promotion Plan to witness it during the four-day showing in New York. Other members of the Committee include: Arthur

Hull Hayes, WABC; John McNeil, WJZ, and R. C. Maddux, WOR.

## **Philadelphia and Detroit Scheduled**

Similar showings of the Retail Promotion Plan are booked for Friday, November 19, 1943, at 2:30 P.M. in the Crystal Room of the Adelphia Hotel in Philadelphia. According to Roger W. Clipp of WFIL, who is in charge of the arrangements, an attendance of approximately 400 retailers is expected.

The showing in Detroit has been booked for the main ballroom of the Statler Hotel at 2:30 P.M. on Tuesday, December 7, 1943. Arrangements are being supervised by Leo J. Fitzpatrick of WJR.