

The National Association of Broadcasters

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JAMES W. BALDWIN, Managing Director

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SPECIAL

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REVIEW OF COMMERCIAL COMMITTEE RESOLUTIONS

To refresh the memories of the older members and to inform the newer members, there are reproduced herein those Resolutions touching upon commercial practices which were adopted at the last three annual membership meetings.

Resolution No. 5 (1934)

RESOLVED, That the National Association of Broadcasters hereby pledges its full cooperation to the Federal Trade Commission in its efforts to safeguard the people of the United States against all forms of fraudulent, untruthful or willfully misleading advertising, and urges upon every broadcaster the necessity for maintaining a standard of advertising truthfulness which will justify and strengthen the faith of the public in the dependability of radio advertising.

Resolution No. 7 (1934)

RESOLVED, That the National Association of Broadcasters hereby recommends that the Cost Accounting Committee appointed for the past year by President McCosker be continued with the same personnel until the completion of the standard accounting system which it now has in hand, and that this system be completed, if possible, not later than November 1, 1934.

That on the completion of this standard accounting system, the Managing Director is hereby directed to have copies thereof prepared and sent to all member stations, if possible not later than December 1, 1934.

That all member stations are advised to make the necessary adjustments in their accounting methods, so far as such adjustments may be found practicable, to bring their methods into conformity with the proposed standard systems.

Resolution No. 9 (1934)

RESOLVED, That the National Association of Broadcasters hereby directs the chairman of its Commercial Section to appoint a committee of five to study what is pertinent information for the advertising agencies and the advertisers who are buyers of radio advertising, and to invite discussions with representatives of the American Association of Advertising Agencies and the Association of National Advertisers, with a view to setting up a bureau for the broadcasting industry, such committee to report with recommendations to the Board of Directors for action as quickly as possible.

Resolution No. 10 (1934)

WHEREAS, there is a need in the broadcasting industry for further standardization of units of sale and rate card practices, be it, therefore,

RESOLVED, That the National Association of Broadcasters hereby authorizes the Commercial Committee to publish as the recommendations of said committee, the following:

1. That units of sale be standardized as follows: One hour, one-half hour, quarter hour, five minutes, one minute transcriptions, one hundred words, half minute transcriptions, fifty words or less.

2. That all quantity discounts be given within a period of one year, with discounts retroactive to the first broadcast within that year, discounts to apply within the same time classifications.

3. That operating companies or holding companies operating more than one subsidiary be permitted to buy under a group plan allowing discounts for each of the separate companies under a

blanket order to apply even if more than one agency is involved in placing time.

4. That all stations put on their rate cards, in addition to the regular standard units of time, under a separate heading called—"special service features," such features as time signals, weather reports, sports events, participation programs and any other service features, with an adequate description of what the individual station allows.

5. That no station quote quantity discounts on consecutive times other than 13, 26, 52, 100, 150 and 300.

Resolution No. 12 (1934)

RESOLVED, That the National Association of Broadcasters establish and maintain an agency recognition bureau at the Washington office of the Association; and that such machinery as may be necessary be set up by the Managing Director with such funds as may be deemed necessary and approved by the Board of Directors as a part of the regular annual budget; that, in general, agency recognition be extended to only those agencies which can satisfy the bureau as to credit responsibility, character or operation and radio service facilities; that said bureau be given full power to study applications of agencies for such recognition and to determine whether or not such recognition should be extended, subject to approval of the Board of Directors; and that the bureau furnish a list of those agencies which are extended recognition together with all supplements thereof, with the strong recommendation of the Association that its members pay agency commission only to those advertising agencies extended recognition by the said bureau.

Resolution No. 14 (A) (1934)

RESOLVED, That the National Association of Broadcasters hereby reaffirms the resolution adopted at its 1933 convention referring to the elimination of announcements for electrical transcriptions produced especially for broadcasters, and directs the convention resolutions committee to draft an appropriate resolution for this purpose to be transmitted to the Federal Communications Commission.

Resolution No. 14 (B) (1934)

RESOLVED, That the National Association of Broadcasters hereby reaffirms the following resolution adopted at its 1933 annual meeting:

"WHEREAS, The use of the electrical transcription method of broadcasting programs is generally accepted by both stations and by listeners and has become an important economic factor in the operation of broadcasting stations; and

"WHEREAS, There is definite evidence of serious loss in income to stations because of existing requirements that electrical transcription programs must be announced; and

"WHEREAS, There has been sufficient progress in the manufacture of electrical transcription programs that the reproduction of the majority of such programs are now generally considered as excellent; and

"WHEREAS, The broadcasting industry would be greatly benefited by the removal of existing restrictions, therefore, be it

"RESOLVED, That the National Association of Broadcasters hereby respectfully urges the Federal Radio Commission to alter the existing regulations requiring that electrically transcribed programs made especially for broadcasting be so announced."

RESOLVED, FURTHER: That the National Association of Broadcasters hereby directs its officers to bring this resolution, without delay, to the attention of the Broadcasting Division of the Federal Communications Commission, and to take whatever steps

may be necessary and practicable to secure prompt revision of the regulations in accordance with this resolution.

Resolution No. 15 (1934)

WHEREAS, The National Association of Broadcasters recognizes that merchandising of radio programs and assistance in merchandising of the products of advertisers stimulate the use of broadcasting as an advertising medium and enhance the value of the medium, be it, therefore,

RESOLVED, That the National Association of Broadcasters hereby urges the fullest possible cooperation in merchandising that is consistent with good business practices; but since the merchandising requirements of advertisers are wholly lacking in uniformity the Association recommends, in fairness to all advertisers, that the cooperation of the stations be limited to such activities as do not entail direct expense, and that where any direct expense is involved such costs be borne by the advertiser.

Resolution No. 13 (1935)

RESOLVED, That the Managing Director be instructed to proceed immediately with the creation of a bureau of agency recognition in accordance with the plan approved and recommended by the Commercial Committee, with the understanding that the said bureau will be finally established only if the cost of its first year of operation is underwritten by the stations proposing to avail themselves of its services.

Resolution No. 14 (1935)

WHEREAS, the 1934 convention of the National Association of Broadcasters directed the chairman of the Commercial Section to appoint a committee of five to study what is pertinent information for the advertising agencies and the advertisers who are buyers of radio advertising and to invite discussions with representatives of the American Association of Advertising Agencies and the Association of National Advertisers with a view of setting up a bureau for the broadcasting industry, and

WHEREAS, such committee was appointed, studied the problem and conducted discussions with the aforementioned organizations, the results of which discussions have been reported by the chairman of the Commercial Section to the Board of Directors and the convention.

THEREFORE BE IT RESOLVED, That the National Association of Broadcasters reaffirms its willingness to cooperate with the advertisers and agencies in the creation of a cooperative bureau, and that the President of the Association be directed to appoint a committee of not less than five members, to be approved by the Board of Directors and to be responsible to it, the said committee to conduct such activities as may be necessary to the establishment of such a bureau and to represent the National Association of Broadcasters in any discussions or negotiations with advertisers and/or agencies.

Resolution No. 16 (1935)

RESOLVED, That the National Association of Broadcasters hereby adopts the revised code of ethics as presented in the report of the chairman of the Commercial Committee.

REVISED NAB CODE OF ETHICS

The following is the revised Code of Ethics adopted by the Thirteenth Annual Convention of the NAB. The code incorporates the principal trade practice provisions of the radio broadcasting code which were found to be of benefit to the industry. Other than this it remains substantially the same as the code adopted in 1929.

CODE OF ETHICS

1. Recognizing that the radio audience includes persons of all ages and all types of political, social and religious belief, each member station will endeavor to prevent the broadcasting of any matter which would commonly be regarded as offensive.

2. When the facilities of a member station are used by others than the owner, the member shall ascertain the financial responsibility and character of such client, that no dishonest, fraudulent or dangerous person, firm or corporation may gain access to the radio audience.

3. Matter which is barred from the mails as fraudulent, deceptive or obscene shall not be broadcast by a member station.

4. Each member station shall refuse any advertising matter regarding products or services injurious to health.

5. Each member station shall maintain a public record of its current rates charged to advertisers for the use of broadcasting time together with all discounts, rebates, refunds and agency commissions which shall be allowed to the users of such time or to their recognized agents.

6. Each member station shall refuse to accept any business on a cost per inquiry, contingent, or percentage basis, or to accord free time for commercial use.

7. No member station shall permit the broadcasting of advertising statements or claims which he knows or believes to be false, deceptive or grossly exaggerated.

8. No member station shall defame or disparage a competitor, directly or indirectly, by words or acts which untruthfully call in question such competitor's business integrity, ability to perform contracts, credit standing or quality of service.

9. No member station shall claim for its service a character, scope or quality which cannot be substantiated, nor shall it claim as regular characteristics of its service features which it knows to be purely temporary or accidental.

10. Where charges of violation of any article of the code of ethics of the National Association of Broadcasters are filed in writing with the Managing Director, the Board of Directors shall investigate such charges, give opportunity for hearing and afterwards notify the station of its findings.

Resolution No. 9 (1936)

RESOLVED, That the Managing Director be instructed to proceed immediately with the creation of a bureau of agency recognition in accordance with the plan approved and recommended by the Commercial Committee, with the understanding that the said bureau will be finally established only if the cost of its first year of operation is underwritten by the stations proposing to avail themselves of its services.

Resolution No. 14 (1936)

RESOLVED, That the Committee on Radio Research for the year 1936-1937 consist of seven members appointed by the president, so as to represent the following groups, in addition to the Managing Director: (1) each major network contributing to the project; (2) local stations; (3) regional stations; and (4) clear channel or high powered stations.

BE IT FURTHER RESOLVED, That the committee be empowered to select five of its membership to represent the broadcasting industry on the Joint Committee on Radio Research.

RESOLVED, That this convention approve the activities of the NAB Radio Research Committee during the past year, and that it commend the excellent progress made by the Joint Committee on Radio Research sponsored by the National Association of Broadcasters, Association of National Advertisers, and American Association of Advertising Agencies.

RESOLVED, That the Board of Directors of the National Association of Broadcasters be empowered to devote for exploratory purposes upon recommendation of the NAB Radio Research Committee the sum of \$10,000.00, and that additional funds be devoted to the project if necessary, and if, in the opinion of the Board, this can be done without impairing the financial position of the Association.

Resolution No. 19 (1936)

WHEREAS, it is the sense of this convention that the interests of those attending are becoming more and more varied and

WHEREAS, there has been an ever increasing tendency toward the formation of smaller groups within the Association, and

WHEREAS, experience has proven this to be a healthy development, tending to interest a greater number of individuals in the work of the Association, and

WHEREAS, the sales promotion problems of the industry and individual stations both are becoming increasingly important

NOW THEREFORE BE IT RESOLVED, That

1. This Association favors the formation of a Sales Managers Section of the NAB, to be affiliated with the Commercial Committee.

2. This Association recommends to the Board of Directors their approval of this project, and recommends that the Board authorize the Managing Director to pay such incidental expenses as are necessary for postage, printing and similar items out of funds of the Association.