

Radio Time Sales Tax

AFL OPPOSES TAX

The Executive Council of the A. F. of L. adopted the following resolution:

"While labor is firm in its belief that the U. S. Government should levy extra taxes on the people to pay for defense work, we do not believe in punitive or discriminatory taxes such as that levied on advertising in radio. Broadcast employees, men and women, when out of work cannot fit themselves into defense work."

H.R. 5417, the tax bill, which among other provisions imposes a 5-10-15 per cent tax on the gross receipts of the time sales of broadcasters, is now before the Senate Finance Committee. Hearings which are being held in the Senate Finance Committee Room, third floor of the Senate Office Building, opened on Friday, August 8.

After hearing from its own tax experts and treasury officials, it yesterday called to the stand several who made statements bearing directly upon the proposed tax on radio broadcast receipts.

Among others who were heard were John Benson, President of the American Association of Advertising Agencies. Mr. Benson's statement follows:

"On behalf of the American Association of Advertising Agencies, a professional body whose members handle two-thirds of the national advertising of this country. I desire to protest against imposing a special tax on advertising and advertising media, as provided in Section 3269 of Part II, in the tax measure now before the Finance Committee, H.R. 5417.

"Advertising agencies have no direct financial interest in this tax, as it is not imposed upon them; nor do they have any bias in favor of any one advertising medium or group of media, using them all impartially when and as required to solve a given advertising or marketing problem for a client. Having any ownership interest in a medium of advertising would be a breach of our ethical code.

"Hence we hold no brief for either the outdoor or radio broadcasting media as such. What we deplore about the proposed tax on them is the burden it imposes upon advertising itself and the cost of distributing goods. Advertising is but one of several forms of selling and is often used to facilitate or economize sales effort. If such a tax were imposed, manufacturers would either do less advertising and hence sell less goods, or they would continue to do the same amount of advertising at increased cost, which would tend to raise prices to consumers.

"If advertisers sell less goods, they employ fewer people to make them, and the tax would contribute to unemployment. If the manufacturer raises his prices, it would contribute towards inflation.

"In addition to the above, a tax on advertising would be dis-

criminatory between manufacturers which use advertising as a means of selling and those which use other forms of selling but do not use advertising.

"One of the most important services that advertising renders to distribution is to save time, effort and money in moving goods from producer to consumer. Cost of the media is a big factor, of course, in this economy of the advertising operation. It does not matter how effective the advertising appeal may be, to increase the cost of the channel used to reach a market will lower the efficiency just that much, with one or more of the following results:

1. Slow down civilian production and non-defense employment of labor. Printers and pressmen are not benefited by an offensive tax of this sort. Their employment depends on successful advertising, as a whole, which breeds more advertising and more printing whatever the media used. One medium feeds into another.
2. Lessen volume of business done and reduce available net profit, from which more taxes could be derived.
3. Reduce the margin between selling price and cost of distribution, which might be used in raising wages or in improving product.
4. By raising the cost of selling, add to the upward spiral of prices, with its trend towards inflation.

The plea has been made that this special radio tax is not imposed upon advertising, but on entertainment. In our opinion, this is not true. Only the commercial revenues are to be taxed. Commercial radio advertising is not entertainment; it merely uses entertainment as an aid in selling. Therefore, the tax is on a method of selling, not on entertainment.

"May I say a word about the timely public service which can be rendered by advertising during the defense emergency and why it should not be handicapped or burdened in rendering that service.

"Advertising is a definite brake on inflation and high prices. It does not stimulate desire for more civilian goods than can be produced. It does not encourage indiscriminate demand by the public. It promotes good will for a specific product or service and does not stimulate immediate sale unless the product is available or can be adequately produced. Arousing desire for goods which conflict with defense production would not result in sufficient sales to pay for the advertising, and would also cause ill will instead of good will among customers.

"Advertising thus renders an indispensable service by diverting public attention and desire away from such goods and towards those which can be made in abundance. This satisfies popular demand and builds up volume to absorb the expanded purchasing power of the masses employed in national defense. There is no better hedge against inflation.

"As the President has pointed out, the nation needs all the economic activity it is possible to produce, for the welfare of its people and for financing the war effort. Advertising is the effective spur. How much better to tax wealth and net income than the means of producing them. To do the latter is like consuming seed corn instead of planting it and producing abundant crops for consumption. It would be killing the goose that lays the golden egg.

"And the spur must be vigorous and effective to move an adequate volume of unrestricted production into consumers' hands, with so many lines being restricted by defense.

"In times like these, we should operate our processes of making and selling goods as efficiently and inexpensively as possible. The proposed tax would impair that efficiency, and thus produce, we believe, less total taxes."

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

Edward M. Kirby, *Director of Public Relations*; Joseph L. Miller, *Director of Labor Relations*; Frank E. Pellegrin, *Director of Broadcast Advertising*; Paul F. Peter, *Director of Research*; Russell P. Place, *Counsel*; Lynne C. Smeby, *Director of Engineering*

RADIO TIME SALES TAX

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G. S. McMillan, Secretary of the Association of National Advertisers, Inc., made the following statement:

"The Association of National Advertisers, the body of manufacturers in whose behalf I appear, respectfully protests the imposition of the taxes on advertising proposed in H. R. 5417.

"The Association of National Advertisers, Inc., is a non-profit membership corporation incorporated under the laws of New York State. It is composed of some three hundred manufacturers all of whom use advertising as an aid to selling. Its membership is nation wide and includes companies from almost every industry—steel, shoes, grocery products, drug products, textiles, etc. Represented are both large and small companies with advertising appropriations ranging from the largest to well under \$50,000 a year, a true cross section of American business.

"Membership in the Association is open only to corporations selling goods or services other than advertising. Publishers, advertising agencies, outdoor plant owners, radio station operators and others engaged in selling advertising are not eligible for membership.

"As an association composed solely of manufacturers who are all buyers of advertising, with no financial or controlling interest in any advertising medium, we hold no brief for radio, outdoor, newspapers, or other advertising medium *per se*. An essential part of the business of such media is the sale of advertising; the principal business of the members of the Association of National Advertisers is manufacturing.

"But while we have no particular interest in any one medium, we are vitally concerned with the preservation of the American advertising system and hence in the welfare of all media. We are concerned in the maintenance of free and open competition between media.

"We believe the taxes proposed in Title V, Sec. 557 and Title VI, Sec. 601 of H. R. 5417 are unsound, unfair and discriminatory and that therefore they should be eliminated.

"We have seen no argument whatever in favor of the tax on outdoor advertising. We have seen no argument in favor of the tax on radio advertising except one which proposed such a tax principally as a punitive matter designed to correct alleged unfair competition. If there has been unfair competition—which we do not admit—there are adequate laws dealing with that subject and existing government agencies whom Congress has designated to administer them. We do not believe a revenue measure should be used to confer police power. Further, we believe it is significant that there has been, to our knowledge, no proposal of such taxes on outdoor and radio advertising by publishers of magazines or newspapers nor any testimony favoring the taxes from them.

"It has also been argued that the proposed tax on radio advertising is an amusement tax. This hardly seems plausible. Amusement taxes in the United States are imposed upon and paid by those enjoying the amusement. Taxes on admissions to theatres, athletic games and the like are paid by those who purchase tickets, not by the motion picture companies or the promoters of the amusement. Such is not the case with the proposed tax on radio advertising. Again, the tax would be imposed on radio time sales. That means on sponsored programs only, in other words on advertising. No tax is proposed on sustaining programs, on the broadcasting of special events, speeches, etc., which are just as surely entertainment as is sponsored material.

"No tax is proposed on magazines—and magazines are designed as and purchased for entertainment. No tax is proposed on newspapers—and yet sponsored news broadcasts are to be taxed.

"In view of the above, we cannot view the proposed levies on outdoor and radio in any other light than as a direct tax on advertising. Further, as practical business men, we know that tax will be passed on to the manufacturer, the buyer of advertising.

"We believe it is unwise and unsound to tax advertising. We in this country are engaged in mass production. In order to have mass production we must have mass distribution, and in order to have mass distribution we must have advertising. It is a vital part of selling and by far the most economical way to move the goods made by the men in our factories.

"Advertising is not a finished product. It is a business process—just as important and essential a business process as is engineering or production. It is a function not a product. Taxing one function of business, isolating that function and imposing a tax upon it, is to our mind unsound.

"There is nothing mysterious, there is nothing impractical about advertising. On the contrary it is one of the most practical processes in our whole system of free competitive enterprise. It is the means of telling the public what there is for sale and where it can be obtained.

"More than any other force in business, advertising has a
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Priorities

Commercial broadcast station requirements for maintenance and repairs will soon be brought under the order granting an A-10 priorities rating to those industries considered to be essential to the national defense program, it was stated to NAB by OPM this week. This will take place as soon as the facilities of the Priorities Division permit.

The move was indicated by OPM in its release of August 8, which announced a new Maintenance and Repairs Rating Plan immediately available to producers, manufacturers and agencies in nine industrial classifications. When the plan is extended to commercial broadcasting, NAB REPORTS will outline the procedure to be followed in securing maintenance and repair materials thereunder.

Maintenance and repair requirements may now be purchased locally wherever available without papers of any kind. Furthermore, manufacturers may supply needs without papers of any kind when they have no back orders for defense materials. To get maintenance and repair equipment or material in any other case, your supplier must in each case fill out OPM Form PD-1 for decision. Each case stands on its own merits.

As to materials for new construction under C.P.'s, there is no allocation program. Therefore your supplier must use Form PD-1 in each case. It is advisable that you furnish photostatic copy of the C.P. to the supplier to help him in getting the material to fill your order.

Civic Groups to be Contacted

Under the joint auspices of RCCP and NAB, Mrs. Dorothy Lewis, Vice Chairman of the Radio Council on Children's Programs, will again make a nation-wide tour starting from New York, September 21.

She will hold a series of one- and two-day conferences in New York communities, then proceed across the continent by the northern route, returning to the east by the southern route. Her tour will terminate sometime early in December at Louisville, Kentucky.

She will contact civic radio councils, radio station managers and those in charge of children's programs, educators, librarians, and others who are concerned with children's programs, and with radio cultural offerings.

A detailed schedule of her itinerary will be made available as soon as it is completed.

ANOTHER NAB PUBLICATION

BROADCASTING TO THE YOUTH OF AMERICA

A report on present day activities in the field of children's radio programs

By DOROTHY LEWIS

Here are a few comments:

Adah F. Whitcomb, Supervisor of Schools Department, Chicago Public Library—" 'Broadcasting to the Youth of America' is exactly what is needed and is presented in such practical form. It seems as if nothing had been omitted. It will undoubtedly have the desired effect of raising the standards of children's programs, as sponsors and program makers will surely be impressed by the scope of this study."

Niles Trammell, President, National Broadcasting Company—"In 'Broadcasting to the Youth of America', Mrs. Lewis has done a splendid job, and I am certain her efforts will be most helpful to the entire broadcasting industry."

Dr. James R. Angell, Education Director, National Broadcasting Company—"I have had the pleasure of looking over your 'Broadcasting to the Youth of America' and congratulate you upon this accomplishment. The recommendations which you make seem to me almost without exception, sound and in every case interesting."

William S. Paley, President, Columbia Broadcasting System—" 'Broadcasting to the Youth of America' is a very valuable contribution to broadcasters. Dorothy Lewis has compressed into its pages a fair and impartial report which bestows praise and blame intelligently and realistically. Many of her recommendations are in line with the most farsighted planning of broadcasters in their constant effort to provide wholesome, stimulating and worthwhile programs for children."

These are but a few:

Every broadcaster should read this book from cover to cover. We are sending you your copy early next week.

You will want to place this book in the hands of educators, librarians, women's groups, and others. With your copy there will be enclosed an order blank for your use in ordering additional copies.

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stabilizing effect, not only on business but on our economy generally. Aside from its benefits to consumers, it has enabled business to expand and grow. That expansion and growth has made for stability for the future not only for business but also for all of those engaged in business. The effect of that stability has been to contribute to a feeling of security for the future on the part of all employees of business and to enable business to operate on a sound basis. When business is conducted along lines that are sound and stable, it can be depended upon to make a reasonable profit. Unless it does make a reasonable profit it cannot continue, and if it cannot continue it not only makes for unemployment but dries up the principal source of revenue for the government and defense.

"It is to the profits of business that government must look for a large part of the revenue that is to be raised through taxation. To discourage advertising through taxation or to make it impossible for business to advertise will be to strike at the very source of the income the government now needs so badly.

"A tax on advertising would not only seriously cripple one of the most vital tools of business but it would also cripple the media concerned, all of which are substantial taxpayers and employers of labor. Incidentally, we see no way in which the proposed taxes could possibly benefit labor. The effect would be quite to the contrary.

"The proposed taxes would also have a bad effect upon the hundreds of thousands of retailers in all lines of business. Advertising by the manufacturer creates demand for products, moves goods from the retailer's shelves. To cripple advertising would be to slow down that demand, to make for slow turnover and hence lower the profits of the retailer.

"The function of advertising, now of all times, is to strengthen the national economy to meet its burden. As President Roosevelt has said: 'It has been a potent force in making available to our citizens the products of American skill and ingenuity. . . . That force needs now to be applied toward the maintenance of our accustomed standards of living and further progress.'

"It is from the nation's non-defense business that the sinews of war must finally come. To hamper that business is to weaken those sinews.

"Advertising is needed now as never before. Let us take a hypothetical example. There has been a wave of hysterical buying on the part of the public of silk stockings. The United States Department of Agriculture has been working for some time, we understand, on the development of stockings made from other fibers. If, as, and when it becomes necessary to tell the women of America of these new fibers and of the stockings made therefrom, what force can be substituted for advertising to do that job? What other means will there be to spread the knowledge of this new discovery, to convince women that their beauty will be enhanced rather than impaired by the use of the new products made from articles of American manufacture? If there is a better way, manufacturers would certainly like to know about it.

"In addition to this at-the-moment viewpoint, there is also involved the matter of the future. When we find ourselves out of the present emergency, what force at our command could be utilized to better advantage than advertising to maintain the greatly increased productive capacity with which we will undoubtedly find ourselves, to make for stability of employment? The National Resources Planning Board on August 12th—only two days ago—released an interesting report made at the suggestion of President Roosevelt in which it warned the nation that the United States can win the war and still 'lose everything we are arming to defend if in the transition to peace we slip back to a low national income with its inevitable unemployment, suffering chaos and loss of freedom.'

"We do not feel that it would be sound or wise to cripple a force that may be so much needed later to enable us to carry on. There will come a time when it will be highly desirable to stimulate non-defense industry. Advertising, which has been called the dynamo of business, is the force to accomplish that purpose.

"We are entirely aware of the necessity which lies upon all of us to bear increased taxes. We are entirely willing to carry our share of the load. All manufacturers are willingly meeting the increased burden of taxation which has necessarily been thrown upon them, which has arisen from a situation which is neither of their own making nor to their liking. To tax advertising, however, would be to impose a burden on a business function which helps to make sales and thus helps to make taxes.

"The money to be derived from the taxes proposed in the bill on radio and outdoor advertising, even if the estimates are correct, would not seem to be vital to the success of the tax measure. Further, we believe that the American public would pay a far greater price for the tax and its collection than any benefits that might be derived therefrom.

"In view of the above, the Association of National Advertisers respectfully urges that the Committee eliminate the taxes proposed in Sections 557 and 601."

He was followed by Charles E. Murphy, General Counsel for the Advertising Federation of America, who said:

"The ADVERTISING FEDERATION OF AMERICA is the only national organization representing both sellers and buyers of advertising. Among its members are 61 advertising clubs located in key cities in every section of the nation. It, therefore, reaches horizontally across the entire advertising industry and presents here today the cross-sectional viewpoint of the advertising fraternity regarding the proposed taxes on outdoor and radio advertising.

"We consider any tax on advertising, regardless of the media affected, as harmful to the economy of our nation and detrimental to our well-established system of distributing consumer goods.

"The power of advertising as the selling force of industry and as the stimulator and stabilizer of commodity distribution must be protected. This is necessary in supporting the base for emergency taxes, for any impairment in the use of advertising by taxation will in turn affect distribution and the revenues derived therefrom. In our opinion, a tax on advertising will defeat its own purpose.

"We are mindful that vast sums of money must be raised by our Government for national defense. This involves the greatest merchandising effort in the history of our country. Hence it is that our merchandising machinery must be keyed up to the highest notch of efficiency.

"Business uses advertising to maintain and increase its outlets for goods. Unless such outlets are maintained and increased during the coming years, the expanded income on which taxes are based will not be forthcoming. Nothing should be done, therefore, to cripple the merchandising machine that produces income, and a tax on advertising will bring that very result. Income must be taxed, but to tax the process which creates income is an economic fallacy.

"Advertising does not encourage indiscriminate expenditure for civilian goods during the period of national defense. On the contrary, it is used to regulate and stimulate the proper flow of consumer goods based on the products available for non-defense purposes. Advertising will divert public demand to merchandise that can be supplied without harming our defense production and thus keep employment and distribution in non-defense industries at its highest possible level.

"As late as May 20th, 1941, President Roosevelt, in a letter to our organization, said:

Advertising has been responsible for many of the good things which citizens of the United States enjoy. It has been a potent force in making available to our citizens the products of American skill and ingenuity. Without it, many present-day necessities would still be luxuries.

That force needs now to be applied toward the maintenance of our accustomed standards of living and further progress. This may require adjustment but it should mean increased effort.

"The advertising business in America is wholeheartedly behind our Government's monumental efforts for national defense. In common with other businesses, it is paying today, and will continue to pay, huge sums in taxes into our national treasury.

"We have offered our services to the Government and will continue to give them willingly, as it is our duty to do.

"We strongly urge, however, that a tax on advertising, regardless of its nature, will be a grave economic mistake and harmful to the laudable and patriotic cause to which you, your colleagues and all other good Americans are firmly dedicated.

"May I, Sirs, in just a few seconds, add a personal observation? Before becoming a lawyer, I planned and wrote advertising for small stores and small industries in my home town of Trenton, New Jersey. I saw these small firms grow and prosper by promoting worthy products through the judicious use of advertising. From a few employees, I saw them grow to employ many people. I later went to New York to engage in advertising in its larger fields, and there I saw companies place on the market many new, fine and useful products of real benefit and utility to the American people. I saw advertising used to promote and distribute these products. I saw employees added in great numbers as consumption

grew. It was the American system of mass distribution working in its perfect cycle.

"Whether it was in the smaller city or the metropolis, I never saw a dollar spent for advertising except with the greatest care and consideration. Always the question asked was: 'What sales is this advertising dollar going to produce?' A tax on advertising is no different than Congress saying to a merchant or manufacturer: 'We're going to collect from you a tax on the wages you pay your salesmen.' For advertising, gentlemen, is mass selling and nothing else. It is the best, cheapest and only system through which the products of our mass production may reach the consuming public."

On Monday, August 18, the broadcasting industry will present its arguments against the tax. Broadcasters who are in the vicinity of Washington on Monday are urged to sit in at the hearings.

On page 663 NAB REPORTS (August 8, 1941) excerpts from the remarks of several members of the House of Representatives who spoke on the bill were given.

Following are some additional quotations:

Representative Milton H. West (D.-Texas) (member of the House Ways and Means Committee)—"There are several items in this bill imposing taxes * * * on which no hearings were held. We (The Ways and Means Committee of the House) set out to raise a certain amount of money, and when, after the hearings were completed, it was discovered that the items discussed would not produce the estimated needed revenue, the Committee, without hearings * * * reached up into thin air, pulled down and placed in the bill items of taxation * * *. I refer specifically to the proposed tax on billboard advertising, gross sales of net time by broadcasters * * *."

After referring to the fact that many of the interests adversely affected by the bill had been given an opportunity for hearing, Representative West continued:

"The radio broadcasters did not receive such reasonable consideration. The Committee proposes and recommends what in effect is a gross sales tax on this industry. If the proposal becomes a law, a broadcaster may operate at a heavy loss and yet be compelled to pay an enormous tax. Not only that, while we seek to collect this unfair and discriminatory tax from broadcasters, some of their competitors are not taxed, and are in fact subsidized by the Government in the amount of nearly \$80,000,000 per year."

Representative Joseph A. McArdle (D.-Pa.)—"H. R. 5417 proposes to tax only a portion of outdoor advertising and radio advertising and levies no tax whatever on the other national advertising mediums, such as newspapers, magazines, and direct-mail advertising."

"If one national medium of advertising is to be taxed by the Federal Government then certainly all should be taxed, but I do not believe in excise taxes upon any of them, because they all produce sales and profits and we should tax profits instead of the source of profit. Organized labor would be most injuriously affected by the proposed tax on outdoor advertising companies."

BMI NOTES

Since our last announcement on July 21st BMI has welcomed 15 new stations bringing the total, excluding non-commercial stations, to 678. The new subscribers follow:

WTNJ, Trenton, N. J.
KBUR, Burlington, Ia.
KFJB, Marshalltown, Ia.
W-43-B, Boston, Mass.
W-39-B, Mt. Washington, N. H.
WISH, Indianapolis, Ind.
KAVE, Carlsbad, N. Mex.

WISR, Butler, Pa.
KHMO, Hannibal, Mo.
KWBW, Hutchinson, Kan.
W-71-NY, New York, N. Y.
W-45-V, Evansville, Ind.
KFPY, Spokane, Wash.
KBWD, Brownwood, Texas
K-45-LA, Los Angeles, Calif.

More Money for Composers

Checks covering sheet music and mechanical royalties for BMI's second quarter are being mailed out this week. Everyone is being paid even if the song only sold one copy. Biggest money makers

for the quarter in the order listed were: *My Sister and I*, *Walking By the River*, *Wise Old Owl*, *High On a Windy Hill*, *It All Comes Back To Me Now*, *You Walk By*, *G'Bye Now*, *Friendly Tavern Polka*, *So You're the One*, *Because of You*, *I Give You My Word*. Dark horses in the field were *You Might Have Belonged To Another*, *Montevideo*, *Little Sleepy Head*, and *Let's Dream This One Out*. Remember, this payment covers only sheet music and record royalties. The checks for the second quarter for air performances will come later.

BMI Bliss

Just about two years ago Helen Bliss was the raven-haired girl back of the lingerie counter in Halle's Department Store in Cleveland. Today she is the "White-haired girl" of BMI, rapidly gaining recognition as a top-flight writer of words and music.

Last week Miss Bliss' latest tune *I Went Out Of My Way* joined the Hit Parade just as *My Sister and I* stepped off. Thus BMI published tunes retain an unbroken record for Hit Parade performance since early Fall of 1940.

George Marlo, professional manager of BMI, who has been contacting orchestras for a score of years, and Leonard Joy, in charge of popular records for Victor Records, have placed their stamp of approval on Miss Bliss' work.

"Her ability," says Marlo, "to take a frequently used phrase such as *I Went Out Of My Way*, use it as a song title and weave a clever lyric around it, proves that the Cleveland girl is well on her way to making a place for herself in music."

Miss Bliss' first song *The Moon Won't Talk*, written in collaboration with Charles Hathaway, was published by Regent Music, Benny Goodman's publishing firm. She gives Benny full credit for discovering her latent talent and launching her on a song-writing career. She met the band leader while he was playing a week's engagement at the Palace Theater in Cleveland.

Upon coming to New York a year and a half ago Miss Bliss found employment in Macy's Department Store at the hosiery counter where she continued to hum her impromptu tunes during working hours and spent her evenings fashioning words and music. BMI accepted two of her songs *It's Nothing New* and *I Could Have Told You So*. Both of these, as well as *The Moon Won't Talk*, are frequently played over the networks and in the coin operated phonograph machines.

A daughter of Mr. and Mrs. Clayton Albert Bliss, 10-510 Wilbur Avenue, Cleveland, Miss Bliss says she would like to write a song about her home town but the word has a most surprising way of eluding a lyric.

Ballads Last Longer

Under Mark Warnow's signature the Buffalo Courier-Express of July 26th has the following to say regarding the nation's taste in popular songs:

"The favorite tune in the country this year so far has been *I Hear A Rhapsody*, which made first place for ten weeks. Second is *Amapola*, which made first place seven times. *My Sister and I* or *Intermezzo* may eventually surpass *Rhapsody*, but that still remains to be seen.

"It is difficult for rhythm or novelty tunes to retain their popularity long. *So You're the One*, a lilting rhythm tune, started out like a house afire, but it didn't retain its popularity for long. *There'll Be Some Changes Made*, a revival, gave evidence of sweeping the nation, but its sweep wasn't very extensive. *Wise Old Owl*, *Oh, Look At Me Now*, *Walking By The River*, *Goodbye Now* are other rhythms or novelty tunes that have tried hard to get out in front. *The Hut Sut Song*, a current favorite, is an exception."

Eighteen New Publishers Signed

Eighteen newly formed publishing houses have signed contracts for the transfer of performance, broadcasting and television rights in their music to BMI. Among the new songs are five written by Sonny Skyler, author of *Just A Little Bit South of North Carolina*, *My Foolish Heart* and *I* by Harold Varlow, who wrote *The Things I Love*, a national leader. The houses are Bach Music Publishers; Barres Publications; S. Brainard & Sons Co.; Eccma Music Com-

pany; Esquire Music Company; Will Frederic Music Publishers; Hall Music Company; Ideal Music Publishing Company; Immortal Music Publishing Co.; Frank Marsales; Gene McClean Music Company; Melody Moderne, Inc.; Monroe Publications; Grace M. Murray; Palomar Music Company; Kelton Romm Music Company; Ted Steele Publishing Company; and Murray Wizell Music Company.

Among the new compositions published by previously affiliated companies is *By-O By-U. Louisiana Lullaby* by Ted McMichael, Jack Owens and Leo V. Killion, the writers of the *Hut Sut Song*. The newest composition by the trio that made America unconscious is published by Majestic Music Company.

Friendly Tavern Week

The week of September 15th to 21st has been set aside by the National Tavern Association as Friendly Tavern Week when good-fellowship will be celebrated throughout the country by the singing of the *Friendly Tavern Polka*. The Association at its 3rd Annual Convention in Saratoga Springs commended the writers of the tune, Jerry Bowne and Frank De Vol, "For producing so descriptive a tune and for the message of friendship and good cheer conveyed to the public for the tavernmen through this song."

BMI FEATURE TUNES

August 18 - August 25

1. I WENT OUT OF MY WAY
2. WASN'T IT YOU
3. ALL ALONE AND LONELY
4. HI, NEIGHBOR
5. YO TE AMO, OH BABY
6. YOU MEAN SO MUCH TO ME
7. BECAUSE OF YOU
8. THE RELUCTANT DRAGON

In preparation: A rhythm novelty *Delilah*

Sales

DR. WELD DEFENDS ADVERTISING

Continued attacks upon advertising, direct and indirect, constitute a serious problem for radio which depends for existence upon advertising revenue.

In the final analysis the weight of public opinion is often the deciding factor, and broadcasters therefore should continually do everything within their power to preach the gospel of advertising to their communities. Talks before business groups, civic clubs, students, women's organizations, etc., all contribute towards this end, and considerable material is already available, such as the "Public Relations and Sales Manual" issued by the NAB Department of Broadcast Advertising, the talks by Colonel Willard Chevalier, Richard Deupree and others, printed and distributed by the NAB.

Additional material has been contributed by Dr. L. D. H. Weld, economist and research expert, former professor of business administration at Yale, and former president of the American Marketing Ass'n. Dr. Weld has furnished answers to the questions raised by Thurman Arnold, who recently sent a questionnaire to leading oil companies, inquiring into their advertising activi-

ties. A digest of Dr. Weld's remarks, made recently in Washington, follow:

1. Advertising is a fundamental feature of our competitive system.

Our free economy involves the right of a company to influence people to buy its products. This means it can use competitive selling methods, including advertising, or not, as it sees fit. Advertising is part of the selling process. There is no more reason to curtail advertising than there is to curtail competitive selling.

2. Competition exists in the oil business.

It must be remembered that real progress in the industry is due to those companies who undertake scientific research and who establish markets for their products (by advertising).

3. Competition results in product differentiation and improvement.

One result of competitive advertising is that each company constantly seeks methods to make its products different from and better than those of its competitors. It is looking for "talking points" to play up in its advertising. Over a period of years great improvements have resulted, the same as in other industries: automotive, electric refrigeration, radio sets, etc.

4. Different brands of gasoline vary in quality.

Tests show that different brands of gasoline vary materially in their performance characteristics; volatility varies, so does vapor pressure, and there is a considerable octane difference between the best and poorest "regular" gasolines among nationally advertised brands. These differences would be greater if local brands were included. Oil companies are continually analyzing their own and competing brands (and making improvements) and oil men know of the differences that exist.

5. Improvements in gasoline over a period of years have been astonishing.

The gradual improvement that has taken place has resulted in a product that is vastly better than gasoline of 15 or 20 years ago. Typical octane ratings have increased from 52 to 75 between 1920 and 1940, or 44¼ per cent; besides this and many other improvements the average retail price of gasoline has been reduced from 29¾¢ to 12¾¢ per gallon (not including taxes). Most improvements have resulted from a succession of painstaking small changes, along with technical developments in the automobile industry, permitting the adoption of high compression motors and increased operating efficiency. There is no doubt but that the opportunity to capitalize on improvements through advertising has been a potent force in bringing these improvements about.

The tendency to belittle the small differences in competing products at any one time completely disregards the longer-time changes that result in such definite improvement. It is obvious that any restrictions on our economic system that decrease the opportunity to profit from product differentiation, however unimportant the differences appear at any one time, would remove one of the greatest incentives in our economic system toward improvement of products.

6. Advertising is of practical value in the marketing of petroleum products.

Advertising helps to move petroleum products into the hands of consumers; supplants the more expensive method of personal salesmanship; results in increased sales; reduces the amount of switching from one brand to others; means more customers per dealer; furnishes valuable information to salesmen; builds loyal dealers; increases turn-over through bulk plants and dealers. In short, it has helped in creating and maintaining a distributing system that is more efficient and less costly than it could have been without advertising.

7. The cost of advertising per unit of product is extremely low.

It is to be measured in tenths of a cent per gallon, and has no appreciable effect on prices.

8. Government restriction of advertising would be a definite step toward the destruction of our competitive economy.

If one believes that we make progress through our system of free enterprise and competition, he can't help believing in advertising. Without advertising there would be little incentive to strive for product differences, which mean product improvement, and the right to influence the public to buy. Advertising is at the very root of our competitive system; anything that hampers it would break down individual incentive and free competition.

Advertising has contributed to the development of mass demand, without which large-scale production, with low operating costs, would have been impossible.

It has made people want things so that they are willing to work in order to get them. It has been a factor in making business men willing to invest in new production facilities, resulting in production of more goods, giving more people employment and earning power. It has been a factor in raising the standard of living and increasing national income from \$100 per capita in 1850 to \$600 per capita today.

Advertising has been a basic stimulus to lower costs, increased investment, greater production, improved products, increased earning power and rising standards of living.

PER-INQUIRY AND FREE TIME

The Hayo Co., of Omaha, Neb., makers of HAYO, a hay-fever remedy, are seeking per-inquiry deals. Previously reported here when the business was placed through an advertising agency, the company now seeks to place orders direct.

Ellen Rose Dickey, "Beauty News Editor", **Ogilvie Sisters**, New York, seeks free time for scripts called "Hair Care in Summer" to promote hair and scalp preparations.

Travel Radio Service, New York, seeks free time for travel scripts on behalf of American Express Travel Service.

Legislation

FEDERAL LEGISLATION

HOUSE RESOLUTION

H. Res. 292 (BARRY, D-N.Y.) PROPAGANDA—Authorizing an investigation of propaganda disseminated by the motion picture and radio industries tending to influence participation of the United States in the present European war. Referred to the Committee on Rules.

National Defense

NEW HIGH IN NAC ENLISTMENTS

The last two or three months have been the best period for enlistments of Naval Aviation Cadets in the entire history of the U. S. Navy. This information was given NAB today and is reliable and official. "Don't let them tell you differently".

NAC recruiting announcements are carried in quantity by nearly every radio station in the country. Other announcements urge general Navy enlistments and enlistment in the Naval Reserve.

THE ANSWER IS "YES"

With reports of Radio Station National Defense Activity for the month of July have come inquiries from a number of executives as to whether a report for August was also desired. The answer is "yes"; the NAB National Defense Committee will appreciate receiving such a report. Toward the last of the month the request will be repeated in a letter to stations.

Many station managers have also written that they have started to keep a national defense log which they believe will be of benefit to themselves as well as helpful in making out the reports.

NEW STATION ASSISTS ND

KBUR, went on the air in Burlington, Iowa, July 20. "Since the very beginning", writes Clark G. Kunej, program director, "we have been cooperating in the national defense program."

WHO'S "DRESS REHEARSAL"

WHO, Des Moines, sponsoring "Dress Rehearsal", a half hour variety show in behalf of defense bonds and stamps 8:30 to 9:00 p. m., Fridays. It is written and produced by Dick Anderson of the WHO staff. Cast includes an orchestra conducted by Don Hovey, WHO musical director, the Songfellows, the Three Little Girls Who Love to Sing, The Foursome, the Sunset Corners Choir, Swackley & Tuttle and guest artists.

AD SECTION FOR KFAR

The July 15 issue of the Fairbanks (Alaska) "Daily News" contains a special "KFAR National Advertisers' Section".

The editorial copy contained a nice balance of stories between the station, station features and product publicity. Half of the space was devoted to consumer advertisements of products advertised over the station.

Just in case you are interested the high temperature in Fairbanks on July 14 was 76 degrees. The low on the 15th was 52 degrees but by 2:00 p. m. the temperature had risen to 69.

FCC FORM 303 CLARIFIED

Numerous stations having found difficulty in answering question 15(a) in FCC Form No. 303 ("Application for Renewal of Standard Broadcast License"), NAB requested the Commission to clarify the meaning of the question. On August 5 the Commission replied as follows:

"Gentlemen:

Receipt is acknowledged of your letter of July 22, 1941, in which you request a clarification of question 15(a) in our Form 303.

The contracts covering program service called for in that question include management contracts, affiliation contracts with networks providing for the broadcasting of live talent programs, contracts with transcription companies providing for transcription service, and any other contracts covering general program service as distinguished from contracts covering specific programs or contracts with individual artists.

Very truly yours,

(Signed) T. J. SLOWIE,
Secretary."

DCB DRAFTS PLANS FOR AIR RAID AND EMERGENCY USE OF BROADCASTING

Nation-wide plans to use standard broadcasting stations for air raid warnings and other messages, communiques and announcements in the event of military emergency were outlined August 8 by the Defense Communications Board through James Lawrence Fly, Chairman of the DCB and of the FCC.

The Chairman emphasized that broadcasting would remain in private hands and that all utilization of broadcast facilities will be on a cooperative basis except for possible areas of actual combat. The defense studies have been made in considerable part by the industry itself.

Also announced were protective safeguards designed to ensure continuous operation of broadcasting stations under emergency conditions. The DCB finds the broadcasting structure well adapted to air raid warning and similar uses, but notes certain remediable shortcomings still to be overcome.

Present plans, now under joint consideration by the DCB and the Office of Civilian Defense, are concerned with ways of linking of broadcast stations to local civilian defense centers for instantaneous receipt of local and regional warnings, announcements, etc. In addition, a potential nation-wide supernetwork is available for messages of national scope.

Current reports to the DCB indicate that of approximately 880 standard broadcast stations in operation, nearly 500 are already connected to the potential supernetwork carried on telephone lines. An additional 132 have studios in cities now served by the supernetwork, so that only local links need be secured; and 240 are

located along the lines of the supernetwork and so can be tapped in. Only 12 stations in the country are located away from the regular program lines; and these can be hooked in for emergency announcements, etc., by means of ordinary telephone interconnections. Thus substantially every broadcasting station in the country can be promptly utilized for military or civilian defense message broadcasts. The program transmission network is also available for instantaneous warnings to a particular station that it is in danger of becoming a beacon for enemy aircraft.

DCB surveys indicate that even with every station in the country tied in for emergency broadcasts, certain rural areas would be without reliable reception, especially during daylight hours and during summer months in the Southern States. Various plans for providing reliable broadcast service to such areas are now under consideration. The DCB notes that all urban areas are adequately covered for emergency defense communications, and that few towns with a population of more than 25,000 are without local broadcasting stations.

Forestalling Program Interruptions

Successful use of broadcasting for military or civilian defense under private ownership and operation, the DCB notes, depends upon the reliability of transmission and its freedom from accidental or deliberate interruptions. Preliminary reports to the Board indicate that reliability varies from station to station, but that a high degree of freedom from program interruptions can be attained. Thus 20 selected stations were found to be losing an average of less than a minute and a half per week from program interruptions of all kinds. Reliability of these stations was calculated at 99.982%.

Electric power failure, it was found, is the most frequent cause of interruptions, accounting for about 50% of all program breaks. Since continuous operation of broadcast stations during power failures is essential, the Board has in progress means of continuing service while public power is cut off. At present an estimated 10% of all broadcast stations are equipped with emergency gasoline or steam-driven power generators which will enable them to continue operations under any conditions except actual demolition of the transmitters. A few other stations are served by two or more independent sources of public power. Studies are now under way to decrease the likelihood of broadcast failures from power shut-offs.

Other protective measures fostered by the DCB include procurement of replacement parts, especially tubes, duplicate pumping and tube-cooling facilities, reduction in the vulnerability of antenna installations, standby transmitters, and alternative links between studios and transmitters if the two are geographically separated.

Supernetwork Protection

In addition to steps designed to protect particular stations which may be designated for special defense functions, the DCB has instituted reliability studies of the potential supernetwork which welds the stations into a nation-wide unit. Reports to the Board indicate that the 45,000 miles of program transmission circuits now in existence provide alternate routes to all but two of the 310 cities now served. Thus in the event that all network stations were mobilized for a nation-wide defense broadcast, any particular circuit interruption could be compensated by rerouting over alternative transmission lines. Alternative power supplies for these program transmissions are provided by adequate storage battery reserves in 4,000 relay centers, by two or more independent public power supplies in 800 centers, and by stationary engine-driven generators at 50 centers now, with 350 more on order. To provide for emergencies, 200 small and 25 large portable engine-driven generators are available at key points throughout the country.

The Board states that while certain problems remain, the broadcasting system of the country is cooperating fully, and is in most substantial respects ready for public service in connection with air raid warnings, civilian defense announcements, and other emergency communications, under private ownership and operation.

DEFENSE PROMPTS AIRCRAFT FREQUENCY CHANGES

On recommendation of the Defense Communications Board, through its Aviation Communications Committee, the FCC has withdrawn the frequency 3105 kilocycles from use by scheduled aircraft and substituted the frequency 3117.5 for such use. This action, prompted by congestion on 3105 kilocycles and communication needs for off route flights of aircraft in connection with defense, necessitates the withdrawal of the frequency 3120 kilocycles from availability for assignment to aircraft. However, the latter is little used at the present time and the private flyer will benefit materially by now having exclusive use of 3105 kilocycles.

Section 9.72 of the Commission's Aviation Rules and Appendix B of Part 2 of the General Rules are amended accordingly. The change does not involve modification of existing aircraft licenses.

903 STATIONS

During the month of July, 1941, the Federal Communications Commission issued operating licenses to five stations and granted six permits for the construction of new stations. A comparative table by months follows:

	Aug. 1	Sept. 1	Oct. 1	Nov. 1	Dec. 1	Jan. 1	Feb. 1	Mar. 1	Apr. 1	May 1	June 1	July 1	Aug. 1
Operating	799	806	810	816	825	831	835	836	837	836	849	854	859
Construction	58	57	54	52	51	51	46	54	54	55	48	43	44
	857	863	864	868	876	882	881	890	891	891	897	897	903

FCC SUBPOENA TESTED

There was an argument early this week before Justice James W. Morris of the U. S. District Court for the District of Columbia as to how far the FCC can go in requiring witnesses to appear at its hearings.

Although the case argued before the justice involved only one subpoena, directed to James G. Stahlman, Nashville publisher, counsel for both Stahlman and the FCC drew the basic issue of powers of the commission.

Accordingly the decision will have broad effects on the FCC's future policy. The case is the first in which the FCC power to require testimony has been questioned in the courts.

FCC Commissioner Ray C. Wakefield subpoenaed Stahlman on July 29 to appear August 1 at a hearing on the FCC's future policy toward applications of newspaper owners for licenses for frequency modulations (FM) or standard broadcasting stations.

Thomas E. Harris, FCC assistant general counsel, told Justice Morris that the commissioners wanted to ask Stahlman about the attitude of organized press groups toward radio a few years ago. Elisha Hanson, general counsel for the American Newspaper Publishers Association, appeared for Stahlman and said he had advised the Nashville man not to appear because the FCC had no right to call him. The FCC then asked the District Court to compel Stahlman to testify.

Harris told the court that the FCC had power to hold hearings about any subject in its field of jurisdiction. Hanson replied that any FCC policy singling out newspaper owners from other applicants for radio licenses, whether favorably or unfavorably, would be invalid because of the discrimination, and if the policy being considered was invalid, he continued, hearings on the subject would be without authority and witnesses could not be compelled to appear at them.

FCC AND NETS STILL DISCUSSING RULES

At a press conference early this week speaking of network conferences which have been going on here for weeks, FCC Chairman James Lawrence Fly said that points have been drafted but not written into the rules.

He told the newspapermen that things have been on paper for some time and he expressed the opinion that the conferences

are about over. Right now, he stated, there are some major questions outstanding in wording of the points, particularly on option time. There is not a lot of discussion on other points.

Right now, the Chairman said, the broadcasters are busy getting up a list of the number of cities served by a given number of stations. The subject, he said, is the grounds for some differences of opinion among the broadcasters. He expressed the hope that the results of the network conferences may be clarified before the next press conference (on next Monday).

TELEVISION GRANTS TO CHICAGO AND HOLLYWOOD

FCC has granted construction permits for two new commercial television broadcast stations, one for Chicago and the other for Hollywood, Calif.

The Zenith Radio Corporation, in the first named city, is authorized to operate unlimited time on Channel No. 1 (50,000-56,000 kilocycles), using special emission for FM (frequency modulation). The applicant proposes to use the facilities of its present experimental station W9XZV for the purpose.

Don Lee Broadcasting System, Hollywood, will use the same channel. It, too, contemplates utilizing the equipment of its experimental television station, W6XAO.

TELEVISION STATIONS

FCC has announced the following commercial television broadcast stations as of July 25.

<i>Licensee and Location</i>	<i>Call Letters</i>	<i>Frequency (kc.)</i>	<i>ESR (Effective Signal Radiated)</i>
Columbia Broadcasting System, Inc., New York, N. Y.	WCBW	60000-66000 Channel 2	2400 (C. P. only)
General Electric Company, Schenectady, N. Y., T-New Scotland, N. Y.	WRGB	66000-72000 Channel 3	3100 (C. P. only)
National Broadcasting Co., Inc., New York, N. Y.	WNBT	50000-56000 Channel 1	1800

FEDERAL COMMUNICATIONS COMMISSION DOCKET

Following broadcast hearings are scheduled to be heard before the Commission during the week beginning Monday, August 17. They are subject to change.

Monday, August 18

Broadcast

Consolidated Hearing

Further Hearing

WPAY—Chester A. Thompson (Transferor) and The Brush-Moore Newspapers, Inc. (Transferee), Portsmouth, Ohio.—Transfer of control, **1400 kc.**, 100 watts, unlimited time.

WPAY—Vee Bee Corporation, Portsmouth, Ohio.—Renewal of license, **1400 kc.**, 100 watts, unlimited time.

FUTURE HEARINGS

During the past week the Commission has announced the following future hearings in broadcast cases. They are subject to change.

September 16

KGLU—Gila Broadcasting Company, Safford, Arizona.—Renewal of license, **1450 kc.**, 250 watts, unlimited time.

Consolidated Hearing

WARM—Union Broadcasting Company, Scranton, Pa.—License to cover C. P., has C. P. for **1400 kc.**, 250 watts, unlimited time.

NEW—Anthracite Broadcasting Company, Inc., Scranton, Pa.—C. P., **1400 kc.**, 250 watts, unlimited time.

NEW—George Grant Brooks, Jr., Scranton, Pa.—C. P., **1400 kc.**, 250 watts, unlimited time.

September 29

NEW—Hawaiian Broadcasting System, Ltd., Honolulu, T. H.—C. P., **1340 kc.**, 250 watts, unlimited time.

Consolidated Hearing

NEW—Scripps-Howard Radio, Inc., Houston, Texas.—C. P., **1230 kc.**, 250 watts, unlimited time.

NEW—Texas Star Broadcasting Company, Houston, Texas.—C. P., **1230 kc.**, 250 watts, unlimited time.

NEW—Greater Houston Broadcasting Co., Inc., Houston, Texas.—C. P., **1230 kc.**, 250 watts, unlimited time.

October 10

WSAM—Saginaw Broadcasting Company, Saginaw, Mich.—Modification of license, **1400 kc.**, 250 watts, unlimited time.

October 13

WJAX—City of Jacksonville, Jacksonville, Florida.—C. P., **930 kc.**, 5 KW, DA-night, unlimited time.

October 15

KALB—Alexandria Broadcasting Co., Inc., Alexandria, La.—C. P., **580 kc.**, 1 KW, DA-night, unlimited time.

October 17

WAAF—Drovers Journal Publishing Co., Chicago, Ill.—C. P., **950 kc.**, 1 KW, DA-night, unlimited time.

FEDERAL COMMUNICATIONS COMMISSION ACTION

APPLICATIONS GRANTED

Western Radio Corporation, Pendleton, Oregon.—Granted construction permit for a new station to operate on **1240 kc.**, 250 watts, unlimited time (B5-P-3183).

Don Lee Broadcasting System, Hollywood, Cal.—Granted construction permit for a commercial television broadcast station to operate on frequencies **50,000-56,000 kc.**; Emission A5 and Special for frequency modulation. Unlimited time (B5-PCT-7).

Zenith Radio Corporation, Chicago, Ill.—Granted construction permit for a new commercial television station to operate on frequencies: Channel No. 1, **50,000-56,000 kc.**; Emission: A5 and special for frequency modulation (B4-PCT-9).

W3XE, W3XP—Philco Radio & Television Corp. (Transferor), Philco Corporation (Transferee), Philadelphia, Pa.—Present assignment: (W3XE) **66,000-72,000 kc.**; A3, A5 emission; 10000 watts night and day, visual and aural. (W3XP) **230,000-242,000 kc.**; emission: A5; 15 watts night and day. Granted consent to transfer control of experimental television stations W3XE and W3XP, Philadelphia, from stockholders of Philco Radio and Television Corp. to Philco Corporation. The transferors agree to exchange all the issued and outstanding capital stock of the licensee (13,826 shares, common, par value \$100 per share) for an equal number of shares of

the common voting stock of the transferee (par value \$100 per share) (B2-TCVB-1).

WKNE—Twin State Broadcasting Corp. (Assignor), WKNE Corp. (Assignee), Keene, N. H.—Present assignment: **1290 kc.**; 5 KW unlimited time. DA night and day. Granted consent to the assignment of license of station WKNE, from Twin State Broadcasting Corp. to WKNE Corp. (B1-AL-309).

W9XBT—Balaban & Katz Corp., Portable-Mobile Area of Chicago, Ill.—Present assignment: (Under construction permit which expired 5-17-41), Channel No. 11, **204000-210000**, Channel No. 12, **210000-216000 kc.** Emission A5, 250 watts. Granted reinstatement of construction permit (B4-PVB-72) for a new relay television station to operate on frequencies: Channel No. 11, **204000-210000** and Channel No. 12, **210000-216000 kc.** Emission: A5, 40 watts night and day and for changes in equipment (B4-PVB-84).

Mutual Broadcasting System, Inc., Chicago, Ill.—Granted extension of authority to transmit programs to Station CKLW, Windsor, Ontario, Canada, to stations owned and operated by the Canadian Broadcasting Corp. and to stations licensed by the Canadian Minister of Transport, through the facilities of the American Telephone and Telegraph Co. (B4-FP-89).

WMBG—Havens & Martin, Inc., Richmond, Va.—Present assignment: **1380 kc.**; 1 KW night, 5 KW day, unlimited time. DA night and day (Under ML granted subject to installation of DA for night use only, using 5 KW night and day). Granted construction permit to make changes in directional antenna system for night use only (B2-P-3197).

W3XP, W3XE—Philco Radio & Television Corp., Philadelphia, Pa.—Granted renewal of experimental television broadcast station licenses; W3XP to operate on frequencies **230000-242000 kc.**, 15 watts, Portable-Mobile relay. W3XE **66000-72000 kc.**, 10000 watts visual and aural (B2-RVB-19 and B2-RVB-8).

DESIGNATED FOR HEARING

KRBC—Reporter Broadcasting Co., Abilene, Texas.—Present assignment: **1450 kc.**, 250 watts, unlimited time. Application for construction permit to change frequency to **1470 kc.**; increase power to 1 KW night and day, nondirectional antenna night and day; install new transmitter, make changes in antenna and move transmitter to North 12th, 1.4 miles West of Abilene (B3-P-2553).

WQBC—Delta Broadcasting Co., Inc., Vicksburg, Miss.—Present assignment: **1390 kc.**, 1 KW, daytime only. Modification of license to change frequency to **1470**, change hours to unlimited time using 500 watts night and 1 KW day (B3-ML-1076).

H. C. Cockburn, tr/as San Jacinto Broadcasting Co., Houston, Texas.—Construction permit for a new station to operate on **1470 kc.**, 1 KW, unlimited time, contingent on channel being vacated by KXYZ. This application will be heard jointly with that of KRBC and WQBC listed above (B3-P-3214).

MISCELLANEOUS

KFJZ—Tarrant Broadcasting Co., Ft. Worth, Tex.—Granted modification of construction permit for new transmitter, increase in power from 1 to 5 KW, install directional antenna and move transmitter, for change in frequency from **1240 kc.** to **1270 kc.** and make changes in directional antenna system, accordingly, and extend commencement date to one day after grant and completion date 180 days thereafter (B3-MP-1349).

KIJG—Eagle Broadcasting Co., Inc., area of Brownsville, Tex.—Granted renewal of relay broadcast station license for the period ending October 1, 1941 (B3-RRY-10).

WNYC—City of New York, Municipal Broadcasting Co.—Granted special temporary authority to operate additional time from sign-off time (August, 8:15 p. m., EST) to 9 p. m., EST, on August 2, 4, 5, 6, 7, 9, and 11 to 31, 1941, inclusive, in order to broadcast musical programs only.

WKRC—The Cincinnati Times-Star Co., Cincinnati, Ohio.—Granted special temporary authority to operate with power of 5 KW from 2 p. m. to 3 p. m., EST, August 9, 1941, only, in order to carry a special DX broadcast.

Nashville Radio Corp., Nashville, Tenn.—Denied motion for continuance until Commission has reached decision on Order No. 79, consolidated hearing scheduled for August 11, 1941, on petitioner's application for construction permit for new

station to operate on **1410 kc.**, 1 KW, unlimited time directional antenna day and night and the application of A. M. Burton for the same facilities. Exception to ruling noted by counsel for Nashville Radio Corp.

WIBU—Wm. C. Forrest, Poynette, Wisc.—Granted authority to make changes in automatic frequency control equipment (B4-F-233).

KSKY—Chilton Radio Corp., Dallas, Tex.—Granted modification of construction permit for new station, for approval of antenna system, approval of studio site and transmitter (B3-MP-1359).

WFDF—Flint Broadcasting Co., Flint, Mich.—Granted license to cover construction permit for new transmitter, directional antenna for day and night use, increase in power, change in frequency and move of transmitter to new site (B2-L-1463).

WBIG—North Carolina Broadcasting Co., Inc., Greensboro, N. C.—Granted license to cover construction permit for increase in power and installation of directional antenna for night use (B3-L-1456).

Scripps-Howard Radio, Inc.—Denied motion for postponement of hearing indefinitely, now scheduled for September 15, 1941, in re applications of Scripps-Howard Radio, Inc., Texas Star Broadcasting Co., and Greater Houston Broadcasting Co., Inc., for new stations at Houston, Tex., with leave to petitioner to file within 5 days a petition to delete issue No. 6 in the notice of hearing. On Commission's own motion, continued hearing to September 29, 1941.

KONB—MSB Broadcast Company, Omaha, Nebr.—Dismissed motion for conditional continuance of hearing in re applications for construction permit for new station to operate on **1490 kc.**, 250 watts, unlimited time, and application for modification of construction permit.

KORN—Nebraska Broadcasting Corp., Fremont, Nebr.—Dismissed motion for conditional continuance of hearing in re applications for renewal of license of KORN and application for transfer of control.

WLAW—Hildreth and Rogers Co., Lawrence, Mass.—Withdrew petition to intervene in re hearing on application of Thomas Patrick, Inc. (KWK), St. Louis, Mo., for construction permit to operate on **680 kc.**, 50 KW, unlimited time, directional antenna day and night.

George Grant Brooks, Jr., Scranton, Pa.—Granted in part motion for continuance of hearing now set for August 20 in re applications of George Grant Brooks, Jr., and Anthracite Broadcasting Co., Inc., for new stations at Scranton, Pa., and application of Union Broadcasting Co. (WARM), Scranton Pa., for license to cover construction permit; said hearing continued to September 16, 1941, only.

WBNY—Roy L. Albertson, Buffalo, N. Y.—Granted extension of special temporary authority to broadcast sustaining musical programs from 8:30 to 10 a. m., EST, Monday, through Friday from August 16 to September 8, 1941, provided WSVS remains silent.

WEAU—Central Broadcasting Co., Eau Claire, Wisc.—Granted special temporary authority to operate on frequency **790 kc.**, with power 5 KW, daytime, using the transmitter and one of the antenna towers at the transmitter site authorized in construction permit for a period not to exceed 30 days, pending completion of the second antenna tower and proof of performance measurements.

Evansville on the Air, Inc., Portable-Mobile, area of Evansville, Ind.—Granted construction permit for new relay broadcast station; **156750, 158400, 159300, 161100 kc.**, 30 watts, special emission for frequency modulation (B4-PRE-402).

Pinellas Broadcasting Co., Portable-Mobile, area of St. Petersburg, Fla.—Granted construction permit for new relay broadcast station; **30820, 33740, 35820, 37980 kc.**, 25 watts (B3-PRE-401).

Redwood Broadcasting Co., Inc., Portable-Mobile, area of Eureka, Calif.—Granted construction permit for new relay broadcast station; **30820, 33740, 35820, 37980 kc.**, 2 watts (B5-PRE-400).

WSAZ, Inc., Portable-Mobile, area of Huntington, W. Va.—Granted construction permit for new relay broadcast station; **1606, 2102, 2758** and conditionally **2074 kc.**, 40 watts (B2-PRY-247).

Frontier Broadcasting Co., Portable-Mobile, area of Cheyenne, Wyo.—Granted license to cover construction permit for new relay broadcast station; **30820, 33740, 35820, 37980 kc.**, 2 watts (B5-LRE-353). Same (B5-LRE-354).

W49D—John Lord Booth, Detroit, Mich.—Granted modification of construction permit which authorized construction of new high frequency broadcast station, to make changes in antenna system (B2-MPH-33).

WKZO—WKZO, Inc., Kalamazoo, Mich.—Granted modification of construction permit which authorized increase in daytime power and installation of new transmitter, for change in type of transmitter (B2-MP-1362). Granted license to cover construction permit as modified (B2-L-1460).

WMAW—C. T. Sherer Co., Inc., Worcester, Mass.—Granted modification of construction permit which authorized new broadcast station, for extension of completion date from August 17, 1941, to February 17, 1942 (B1-MP-1376).

WBAF—L. B. Wilson, Inc., Cincinnati, Ohio.—Granted special temporary authority to operate relay station WBAF with one-half watt transmitter in order to broadcast from a parachute jumper while in descent on August 10, 1941, only.

KIRO—Queen City Broadcasting Co., Seattle, Wash.—Granted license to cover construction permit for new transmitter, installation of directional antenna for day and night use, increase in power from 1 to 50 KW, and move of transmitter (B5-L-1453).

WSBT—The South Bend Tribune, South Bend, Ind.—Granted license to cover construction permit to install directional antenna, change frequency to 960 kc., change hours of operation to unlimited, and move transmitter (B4-L-1440).

K45LA—Don Lee Broadcasting System, Los Angeles, Cal.—Granted extension of special temporary authority to operate frequency modulation station commercially on 44500 kc., 1000 watts power, special emission for frequency modulation, with transmitter located on top of Mt. Lee, Los Angeles, described as Western Electric type 503-A-1, maximum rated power 1000 watts and using a 4-day turnstile antenna, for the period September 5 to not later than November 3, 1941.

W8XVH—WBNS, Inc., Columbus, Ohio.—Granted extension of special temporary authority to operate a high frequency experimental broadcast station on 43000 kc., 250 watts, special emission for frequency modulation, with transmitter located at 50 West Broad St., Columbus, described as General Electric Type 4GF1A1, maximum rated carrier power 250 watts, for period August 29 to not later than September 28, 1941.

W43B—The Yankee Network, Boston, Mass.—Granted extension of special temporary authority to operate frequency modulation station commercially on 44300 kc., 50000 watts power, special emission for frequency modulation, using the transmitter of High Frequency Experimental Station W1XOJ at summit of Asnebumskit Hill, Paxton, Mass., for a period August 27, 1941 to not later than October 25, 1941, without prejudice to the issues to be determined in the hearing on application File No. B1-PH-51).

WADA—WSAZ, Inc., Huntington, W. Va.—Granted special temporary authority to operate relay mobile station WADA, licensed to the Charleston Broadcasting Company, for a series of special programs consisting of interviews with housewives of Huntington, W. Va., the program originating in the studios of WSAZ and being transferred to selected points in various parts of the city of Huntington, on August 8, 15, 22, 29, and September 5, 12, 19 and 26, 1941, only.

KFQD—R. E. McDonald and Barbara McDonald (Transferees), Midnight Sun Broadcasting Co. (Transferee), Anchorage, Alaska.—Present assignment: 780 kc., 250 watts, day and night; specified hours. Placed in pending files pursuant to Order No. 79, the application for consent to transfer control of Anchorage Radio Club, Inc. (KFQD), Anchorage, Alaska, from R. E. McDonald and Barbara McDonald, to Midnight Sun Broadcasting Co. (B-TC-264).

WWNC—Asheville Citizen-Times Co., Asheville, N. C.—Granted petition for reconsideration and grant without hearing application for renewal of license; hearing heretofore designated, cancelled; and WWNC granted renewal of license to operate on 570 kc., 1 KW, unlimited time (B3-R-457).

KMA—May Broadcasting Co., Shenandoah, Iowa.—Granted petition for reconsideration and grant without hearing application for renewal of license; hearing heretofore designated, cancelled, and KMA granted renewal of license to operate on 960 kc., 1 KW night, 5 KW day, unlimited time (B4-P-2827).

West Allis Broadcasting Co., West Allis, Wisc.—Denied petition to reconsider and grant without a hearing application for a new

station to operate on 1480 kc., 250 watts, daytime only (B4-P-3045).

WWRL—Long Island Broadcasting Corp., Woodside, L. I., New York.—Denied petition of WWRL requesting Commission to amend its Findings, Conclusions and Order heretofore issued in Brooklyn cases, or in the alternative for reconsideration and oral argument thereon; the answer to said petition filed by Arthur Faske (WCNW); and response to said answer filed by WWRL.

KWTO—Ozarks Broadcasting Co., Springfield, Mo.—Present assignment: 560 kc.; 5 KW from 6 a. m. to local sunset; 1 KW from 5 to 6 a. m.; daytime. Granted petition to reconsider and grant without hearing application for construction permit to install directional antenna for night use and increase hours of operation to unlimited, subject to such rules or policies as may hereafter be adopted with respect to multiple ownership of stations serving same area.

APPLICATIONS FILED AT FCC

600 Kilocycles

WREC—Hoyt B. Wooten, tr/as WREC Broadcasting Service, Memphis, Tenn.—License to cover construction permit (B3-P-2979) for changes in directional antenna system and increase in power.

WREC—Hoyt B. Wooten, tr/as WREC Broadcasting Service, Memphis, Tenn.—Authority to determine operating power by direct method.

1280 Kilocycles

WDSU—WDSU, Incorporated, New Orleans, La.—Modification of Construction permit (B3-P-2923) for move of transmitter, increase in power and installation of directional antenna for day and night use, for extension of completion date from 9-1-41 to 12-1-41.

1300 Kilocycles

WFBR—The Baltimore Radio Show, Inc., Baltimore, Md.—Authority to determine operating power by direct measurement of antenna power for main transmitter.

WFBR—The Baltimore Radio Show, Inc., Baltimore, Md.—Authority to determine operating power by direct measurement of antenna power for auxiliary transmitter.

WFBR—The Baltimore Radio Show, Inc., Baltimore, Md.—License to use directional antenna (as authorized under C. P. B1-P-3131), with auxiliary transmitter.

WFBR—The Baltimore Radio Show, Inc., Baltimore, Md.—License to cover construction permit (B1-P-3131) which authorized increase in power from 1 KW; 5 KW-day to 5 KW day and night, and changes in directional antenna.

NEW—Lake Shore Broadcasting Corporation, Cleveland, Ohio.—Construction permit for a new broadcast station to be operated on 1300 kc., 5 KW, unlimited time, employing directional antenna day and night.

1490 Kilocycles

KSAM—H. G. Webster, C. N. Shaver & W. Bryan Shaver, d/b as Sam Houston Broadcasting Association, Huntsville, Texas.—Voluntary assignment of license from H. G. Webster, C. N. Shaver & W. Bryan Shaver, d/b as Sam Houston Broadcasting Association, to W. J. Harpole and J. C. Rothwell, d/b as Radio Station KSAM.

MISCELLANEOUS APPLICATIONS

NEW—Adirondack Broadcasting Co., Inc., Portable-Mobile Area of Albany, N. Y.—Construction permit for a new relay broadcast station; to be operated on 31620, 35260, 37340, 39620 kc., 2 watts power, A3 emission.

NEW—WOKO, Inc., Portable-Mobile, area of Albany, N. Y.—Construction permit for a new relay broadcast station to be operated on 33380, 35020, 37620, 39820 kc., 2 watts power, A3 emission.

KABC—Alamo Broadcasting Co., Inc., San Antonio, Texas.—Authority to determine operating power by direct measurement.

FEDERAL TRADE COMMISSION ACTION

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

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.

Bentley Company—Melvin V. Eisenberg, Irwin Goldberg, Harry Krohner and Seymour Eisenberg, individuals trading as Bentley Company, Mail Order Division, located at 900 North Francisco Ave., Chicago, engaged in the sale and distribution of a medicinal preparation designated as "Fat-O-No," are charged in a complaint with misrepresentation and false advertising. (4552)

Curtiss Candy Company—A complaint has been issued charging The Curtiss Candy Co., Chicago, large candy manufacturer, with knowingly inducing some manufacturers of corn syrup to discriminate in price in favor of itself and with knowingly receiving the benefits of price discrimination from some of such manufacturers contrary to the Robinson-Patman Act. (4556)

Electrical Alloy Section of the National Electrical Manufacturers' Association, 155 East 44th St., New York City; George B. Cumming and William J. Donald, its executive secretary and managing director, respectively; Alloy Metal Wire Co., Inc., Prospect Park, Pa.; Hoskins Manufacturing Co., Detroit; Wilbur B. Driver Co., Newark, N. J.; C. O. Jelliff Manufacturing Corp., Southport, Conn., and Driver-Harris Co., Harrison, N. J., are charged in a complaint with entering into and carrying out an agreement having the effect of restricting and hindering price competition. (4558)

Felder Brothers, Inc., 583-587 Broadway, New York City, and Abraham Felder, David Felder and Louis Felder, individually and as officers of the corporation, are charged in a complaint with misrepresentation. (4555)

General Surveys, Inc., and John H. Thies as president and G. J. Doucette as a director, respectively, of the corporation, are charged, in a complaint, with misrepresentation.

The complaint alleges that the respondents, whose place of business is at 203 North Wabash Ave., Chicago, are engaged in the sale and distribution of sets of reference books known as "The American Educator Encyclopedia" and other books and a so-called quarterly loose-leaf extension service for the encyclopedia, and certain so-called research services. The encyclopedia is sold in sets of ten or twenty volumes and also in conjunction with the loose-leaf extension service and a ten-year membership in an organization known as General Research Foundation, which answers members' questions on general subjects within the scope of encyclopedia service. (4554)

Grant Company—Grant T. Whiteside, trading as Grant Company, Sabina, Ohio, engaged in the preparation and sale of medicinal preparations designated as "Ton Jon No. 1," "Ton Jon No. 2" and "Ton Jon No. 3," is charged, in a complaint, with misrepresentation and false advertising. (4553)

Milk & Ice Cream Can Institute—Alleging unfair practices in restraint of trade in the sale and distribution of milk and ice cream cans, a complaint has been issued against The Milk and Ice Cream Can Institute, the industry's trade association, and against a promoting and organizing group, and nine manufacturing corporations which sell approximately 1,000,000 milk and ice cream cans a year. (4551)

Stay Die Cutters Assn., Inc.—A complaint has been issued charging a manufacturer and three distributors of "bogus" paper; seven operators of stay die cutting businesses; the Stay Die Cutters Association, Inc., a trade association, and Sidney Haberman, its executive secretary, all of New York, with a combination and conspiracy to restrain competition and trade in the sale of "bogus" paper. (4559)

J. E. Todd, Inc., Kenmore, N. Y., engaged in the sale and distribution of a medicinal preparation designated "Todd's Capsules," is charged, in a complaint, with misrepresentation. (4549)

STIPULATIONS

During the past week the Commission has made public the following stipulations:

Plough, Inc., Memphis, Tenn., engaged in selling "Mufti Shoe White," has stipulated that it will discontinue representing that Mufti Shoe White will not rub off; that it provides twice the ordinary coverage or is more economical than other shoe whites, and that it does not build up on leather. The respondent further agrees, in connection with the offering for sale and distribution of Mufti Shoe White, that whenever it represents that its product is guaranteed, the terms and conditions of the guarantee will be clearly set forth within the representation making such guarantee. (02851)

Frederic W. Ziv, Incorporated, 2436 Reading Road, Cincinnati, an advertising agency, has stipulated to cease disseminating advertisements on behalf of Rubel Baking Co., Cincinnati, which contain certain representations concerning "Rubel's High Vitamin B₁ Wheat Bread," also designated as "Rubel's High Vitamin Wheat Bread." (02850)

CEASE AND DESIST ORDERS

Commission has issued the following cease and desist orders during the past week:

Atlas Wall Paper Mills, Inc., Coal City, Ill., engaged in the manufacture and sale of wall paper, has been ordered to cease and desist from misrepresentation in connection with the sale of its products. (4288)

Bengor Products Company—Benjamin Gordon and Louis Gordon, trading as Bengor Products Co. and Magnet Merchandise Co., 878 Broadway, New York City, engaged in the sale and distribution of drug sundries, notions, and other novelty merchandise, have been ordered to cease and desist from the use of lottery methods in the sale and distribution of their merchandise. (4474)

Lee Boyer's Candy, 103 Southwest Front Ave., Portland, Ore., and George G. Blaisdell, Walter G. Blaisdell and Homer G. Barcroft, trading as Zippo Manufacturing Co., Bradford, Pa., have been ordered to cease and desist from lottery methods in the distribution of their products. (4265-4497)

Giant Tiger Corporation—An order has been issued directing Giant Tiger Corporation, 41st and Chestnut Sts., Philadelphia, to cease and desist from violation of the brokerage section of the Robinson-Patman Act. (4276)

Thermalaid Method, Inc., and Charles H. McFarland, its president, Steubenville, Ohio, have been ordered to cease and desist from certain misrepresentations in the sale of "Thermalaid," an electrical device for the treatment of prostate gland and associated ailments by application of heat. (4078)

C. F. Sauer Co., with headquarters in Richmond, Va., and operating plants in Richmond and in Greenville, S. C., has been ordered to discontinue price discriminations and discriminatory

advertising allowances in the sale of food products and insecticides in violation of the Robinson-Patman Act. (3646)

FTC CLOSES CASE

The Federal Trade Commission closed without prejudice a case growing out of a complaint which had charged six individuals trading as National Optical Stores Company and Dr. Ritholz Optical Company, 1148-1160 West Chicago Ave., Chicago, with violation of Section 5 of the Federal Trade Commission Act in the sale of eye glasses. The individual respondents are Benjamin D., Morris I., Samuel J., Sylvia, Fannie and Sophie Ritholz.

The case was closed without prejudice to the Commission's right to resume proceedings, should future facts so warrant. (3143)