The President

Events of worldwide importance have taken place since our Convention last August in San Francisco. Primarily, the changes caused and the conditions created by these events have brought greater opportunities for radio stations to render unusual public service—to report the news of world events as they happen—to carry talks of the leaders of the nations of the world—to furnish a forum for the free and open discussion of the many problems which our own people face and upon which decisions must be made—to cooperate with the various Government agencies in the nation's defense program—and, as the tempo of our life quickens, to provide those necessary aids found in programs of music, religion, education and entertainment, which are so necessary to maintain the morale at a time like the present.

It is not the purpose of this report to survey the whole field of radio, but rather to report briefly upon the activities of your Association during the past year.

The nine months since the last NAB Convention have been nine months crowded with activity and we can look back upon the accomplishments of that brief period with a real sense of satisfaction and pride. The individual reports of the members of the Staff give detailed information concerning the activities of the various departments. It would be repetitious for me to review what is set out in detail in those reports, but I urge you to carefully read each report, because I know of no better way to become familiar with the work of your Association. Our members are continuously making greater use of the services of our Staff, and I am confident that as they become better acquainted with the Staff's activities, they will make even greater use of the services offered.

The greater portion of your President's time this year has been devoted to activities connected with the music copyright controversy. Although this has necessitated almost continuous absence from Washington, I believe it has been justified due to the importance of the matter, and I believe we can confidently state that finally we have solved a problem which has vexed broadcasters for the last two decades.

To Sydney M. Kaye, Merritt E. Tompkins and Carl Haverlin, and to the entire BMI Staff and Board of Directors, we owe a debt of gratitude for the simply marvelous job which has been done. Not only have they performed miracles, but have secured the cooperation of the broadcasters and of many other industries, to the end that what many thought was impossible is now an accomplished fact. Radio has created a competitive market of music, has opened the door of opportunity to the young author and composer and has, despite many handicaps, continued to give the American public musical programs of high quality.

Apart from the work of the BMI Staff, the greatest single factor in accomplishing this result has been the realization by broadcasters that they could no longer afford the luxury of internal warfare. The skeptical, who have often repeated that broadcasters would never approach a problem as a united industry, and those who in the past have been successful by the pursuit of a policy of divide and rule, have been sorely disappointed.

It would serve no purpose here to review the events of the past six months which are fresh in the minds of all of you, but may I repeat once more what I have so often stated; namely, that the determined manner in which the industry has fought through this fight will give courage and determination to the industry in the future and for many years to come you will be gathering additional fruits of your well earned victory.

NATIONAL DEFENSE

The past six months has seen a stepping-up of the activities of all Government departments with the inauguration of many campaigns in connection with the national defense programs. It is to the credit of the industry that it has cooperated wholeheartedly with all branches of the Government. The NAB Staff has been in daily contact with the officials of the various Government departments in an effort to coordinate the activities and render helpful service to both the industry and the Government.

THE CODE

Time continues to prove the wisdom shown by the industry in the adoption of the Code. The highlights of this past year were evidences of continual public approval of the Code, the placing of commercial sections in effect, an exhaustive survey of children's programs prepared by Mrs. Dorothy Lewis, and the continuous intelligent work of the Code Committee, under the leadership of its able Chairman, Edgar Bill.

MEMBERSHIP, DISTRICT MEETING & CONVENTION

Our membership has shown a continuous growth and is now the highest in our history, totaling 526 active members and 21 associate members, for a grand total of 547. Last winter, the Board of Directors adopted a new Associate Membership Plan and we wish to extend a most hearty welcome to our many new Associate Members. We believe that broadcasters have many problems in common with those engaged in other branches of the radio industry, and that through our Associate Membership Plan we shall have an opportunity to pool our energies and resources so as to better solve our common problems.

The District meetings this year have again afforded an opportunity for broadcasters to discuss their problems on an informal basis and have proven most helpful in developing an industry consciousness. The meetings of the Sales Managers in connection with the District meetings have proven successful and undoubt-

edly will be further developed under the new plans of the Bureau of Radio Advertising.

In keeping with the NAB policy of holding the Convention in a different part of the country each year, the Directors decided to hold the Convention this year in the Mid-West, since in the two previous years the Convention had been held in Atlantic City and San Francisco, respectively. Also, the time of the Convention was changed from summer to spring. We shall be interested in having the members' reaction to this change.

As is normal in any trade association, a large part of the work is performed by the Directors and members serving on various industry committees. On behalf of the entire industry, I wish to express to the members of the Board of Directors, to the members of the Executive Committee, and to those who served on the various committees, our sincere appreciation for so generously giving of their time and energy to the work of the Association. It would have been impossible to have carried on the work of the NAB without their assistance.

STAFF

There have been two changes in the NAB Staff. At the request of the War Department, the Board loaned Edward M. Kirby, our Director of Public Relations, to the War Department on a dollar-a-year basis, to direct the Radio Division of the Public Relations Division of the Army. The NAB considered such a request from the War Department not only as a compliment to Mr. Kirby and to the NAB, but also as an opportunity to make a real contribution to the National Defense Program.

Frank Pellegrin, formerly of KOIL, Omaha, has recently succeeded Samuel J. Henry, Jr., in charge of the Bureau of Radio Advertising, and plans are being made for further development of this Bureau. During the year, the Unit Volume Measurement Plan has been put in operation. We believe that with the development of this plan and with the active cooperation of the Sales Managers Committee, this Bureau will become of increasingly greater value to the industry.

What of the future? Between now and our next Convention, we shall be brought face to face with problems which are today unknown, but which I am sure radio can solve. I have read with interest the President's statement contained in a recent letter, as follows:

"We are all agreed that we want to keep radio free . . . This technical limitation on the number of transmitters gives the Government its principal function in the realm of radio, that of referee to determine who the operators of the limited number of transmitters shall be."

May our actions and those of the public and of the Government be guided by the words of our President to the end that freedom of radio may continue to exist unimpaired and that democracy in America as we know it may be preserved.

I believe there are those in radio who have the experience and the ability and the patriotism to guide this industry and that radio as a privately operated competitive business will render a greater service than under Government control.

We in radio face the future with confidence and know that come what may, radio will perform its task with credit to itself, to the Government, and to the American public.

Respectfully submitted,

NEVILLE MILLER,
President.

Secretary-Treasurer

The nine months that have intervened since the 1940 convention have been unusually active and busy ones at NAB headquarters. The work incident to the music controversy consumed a great deal of the time of the staff but, nevertheless, the other activities of the Association have been maintained upon a constructive and active basis. Every effort has been made to operate the Association in a manner that will best serve the interests of broadcasters in every field of their activity. The Association has been operated on a business basis and many economies in operation have been introduced with the result that while the services of the Association have been greatly expanded, the cost of operation has been kept well within the limit of the funds available.

MEMBERSHIP

We are pleased to report that the membership of the National Association of Broadcasters as of May 1, 1941, stands at 547, an increase of 87 members since the date of the last annual convention in San Francisco in 1940. The membership is composed of 526 active and 21 associate members. Included in the 526 active members are 6 FM stations which were admitted to membership during the past year.

During the year, your Board of Directors approved a plan of associate membership which we are pleased to report has met with great success. Six industries and engagements closely allied with radio broadcasting are now eligible for associate membership in NAB as follows: transcription companies, equipment manufacturers, station representatives, news services, telephone and telegraph companies, and market research organizations. These companies hold from one to four $250 units of associate membership depending on their gross volume of business. The NAB is proud to announce that we now have 21 associate members holding 35 units of membership. Included in these 21 members are 7 transcription companies, 10 equipment manufacturers, 3 station representatives and 1 research organization.

As to the active membership, we have been able to increase this to its highest point in NAB history due to the excellent cooperation of the District Directors and by following up our membership campaign of last year.

The following tables show the increase in membership by dues classifications and by NAB Districts from July 15, 1940, as reported at the last convention, to May 1, 1941.

NAB Membership by Dues Classification

Class	NAB Members July 15, 1940	NAB Members May 1, 1941
A	92	108
B	81	82
C	63	76
D	44	54
E	40	49
F	28	27
G	20	21
H	26	38
I	18	16
J	6	16
K	4	4
L	6	9
M	2	4
N	2	2
O	2	2
NBC	15	10
CBS	8	8
Associate	3	21
Total	460	547

NAB Membership by NAB Districts

District	NAB Members July 15, 1940	May 1, 1941
1	31	38
2	31	32
3	28	28
4	47	53
5	30	43
6	26	30
7	25	26
8	22	27
9	31	33
10	35	37
11	19	24
12	16	19
13	24	24
14	24	26
15	20	24
16	23	23
17	25	33
FM	—	6
Associate	3	21
Total	460	547

On May 1, 63% of all operating commercial stations in the country were members of the NAB. Disregarding the FM stations and the Associate members of NAB, the following table discloses some interesting percentages.

Operating Commercial Stations	Total Stations April 1, 1941	NAB Members May 1, 1941	Percent
Network Affiliates	490*	369*	75%
Independents	319	140	44%
Total	809	509	63%
Non-Commercial Stations	37	4	11%
Construction Permits	54	15	28%
Grand Total	891	520	58%

* Includes 9 c.p. stations—8 NAB members.

75% of all NBC affiliates are NAB members.
85% of all CBS affiliates are NAB members.
70% of all MBS affiliates are NAB members.
67% of all newspaper owned stations are NAB members.

FINANCIAL

The financial records of the Association were audited by certified public accountants at the close of the calendar year. Their report has been sent to the Directors and is available to any member on request. During the year 1940 we operated well within our budget and are at present within the budget as approved for 1941.

The following financial statement shows the receipts and disbursements of your Association for the nine months that have elapsed since the 1940 annual convention:

National Association of Broadcasters
Statement of Receipts and Expenditures
For the Period July 1, 1940, to April 1, 1941

RECEIPTS

Cash on Hand, July 1, 1940 (As reported at last convention)	$ 63,525.08	
Receipts during period	211,006.63	
		$274,531.71

DISBURSEMENTS

Annual Convention	$ 9,145.42	
Board of Directors Meetings	6,366.08	
Committee Expenses	6,291.49	
Dues and Publications	2,413.54	
Furniture and Fixtures	1,523.89	
Investment—Government Securities	$31,403.34	
Legal, Engineering and Accounting Fees	19,856.67	
Miscellaneous	16,843.76	
NAB–BMI Special Promotion	12,632.67	
NAB REPORTS	10,680.00	
NAB–RMA Expenses	7,196.61	
Office Supplies	2,248.22	
Postage	3,394.72	
Printing	8,337.25	
Radio Council on Children's Programs	2,037.23	
Rent	6,374.97	
Salaries	84,720.45	
Telephone and Telegraph	3,593.51	
Travel	11,957.57	
		$247,017.39
Cash on Hand, April 1, 1941		$27,514.32

HEADQUARTERS PERSONNEL

Whereas our activities have increased greatly during the past year, our payroll on April 1, 1941, lists only 29 full and part-time employees as compared to 26 employees reported at the last convention, a net increase of only 3 employees. The only major change in our staff involved the resignation of Samuel J. Henry, Jr., on January 31, as manager of the Bureau of Radio Advertising. With his resignation, the Bureau was, upon the recommendation of the Sales Managers Committee, abolished by the Board and in its stead the Department of Broadcast Advertising was created. On April 1, Frank E. Pellegrin assumed his duties as Director of this newly created department.

A complete roster of NAB Headquarters employees follows:

Staff Members

Neville Miller, President
C. E. Arney, Jr., Assistant to the President
Edward M. Kirby, Director of Public Relations
Joseph I. Miller, Director of Labor Relations
J. Robert Myers, Assistant Director of Research
Frank E. Pellegrin, Director of Broadcast Advertising
Paul F. Peter, Director of Research
Russell P. Place, Counsel
Everett E. Revercomb, Auditor
Helen H. Schaefer, Assistant Director of Research
Lynne C. Smeby, Director of Engineering
Arthur C. Stringer, Supervisor of Circulation and Promotion

Secretarial, Clerical and Part Time

Jane E. Arnold
Isabel G. Campbell
Jean M. Chevanney
Thomas I. Chase
Charles H. Dodge
Ethel M. John
Nolan L. Kidwell
Lynne M. Lamm
Hester M. Laster
Miriam E. Moore
Ella P. Nelson
Harriet A. Page
Mildred M. Ramsay
Jean Smith
Molly A. Stonestreet
Anne J. Weir
Pauline J. Willier

MEETINGS

The following Board of Directors, Committee and District meetings have been held since the last annual convention:

Group	Date	Place
Board of Directors	August 6, 1940	San Francisco, Cal.
	December 5–6, 1940	New York, N. Y.
	March 17–18, 1941	New York, N. Y.
Executive Committee	August 7, 1940	San Francisco, Cal.
	September 13, 1940	New York, N. Y.
	October 25, 1940	Washington, D. C.
	December 5, 1940	New York, N. Y.
	January 7, 1941	Washington, D. C.
	February 19, 1941	New York, N. Y.

AAAA Conference Committee	October 30, 1940	New York, N. Y.
	November 15, 1940	New York, N. Y.
	November 27, 1940	Washington, D. C.
	December 3–5, 1940	New York, N. Y.
	December 20, 1940	New York, N. Y.
	January 6–7, 1941	New York, N. Y.
	January 28, 1941	New York, N. Y.
	January 31, 1941	New York, N. Y.
Code Committee	November 7, 1940	Chicago, Illinois
	February 4–5, 1941	New York, N. Y.
Engineering Committee	January 9, 1941	New York, N. Y.
	February 19, 1941	Columbus, Ohio
Engineering Executive Committee	September 26, 1940	Washington, D. C.
FCC Conference Committee	September 12–13, 1940	Washington, D. C.
Insurance Committee	March 24, 1941	New York, N. Y.
Legislative Committee	December 4, 1940	New York, N. Y.
Research Committee	November 25, 1940	New York, N. Y.
	January 10, 1941	New York, N. Y.
Sales Managers Executive Committee	January 10, 1941	New York, N. Y.
	March 12, 1941	Chicago, Illinois
District 1	December 12, 1940	Worcester, Massachusetts
	March 4, 1941	Worcester, Massachusetts
District 2	December 20, 1940	Syracuse, New York
District 3	December 9, 1940	Philadelphia, Pa.
	April 7, 1941	Philadelphia, Pa.
District 4	December 13, 1940	Washington, D. C.
District 5	December 10, 1940	Orlando, Florida
	April 11, 1941	Jacksonville, Florida
District 6	January 13, 1941	Nashville, Tennessee
District 7	December 19, 1940	Detroit, Michigan
	April 4, 1941	Cincinnati, Ohio
District 8	December 19, 1940	Detroit, Michigan
District 9	December 18, 1940	Chicago, Illinois
	January 30, 1941	Chicago, Illinois
District 10	January 25, 1941	Omaha, Nebraska
District 11	November 15, 1940	Minneapolis, Minnesota
	March 14, 1941	Minneapolis, Minnesota
District 13	February 28, 1941	San Antonio, Texas
District 14	January 27, 1941	Denver, Colorado
District 15	January 18, 1941	San Francisco, California
	April 26, 1941	San Francisco, California
District 16	January 17, 1941	Los Angeles, California
District 17	January 22, 1941	Portland, Oregon

Respectfully submitted,

C. E. Arney, Jr.,
Assistant to the President.

Engineering Department

REALLOCATION

Of prime importance during the past NAB year has been the reallocation that took place on March 29, 1941. At 3 a. m. on this date, approximately 90% of the broadcast stations in the United States changed frequency. To the credit of all concerned the job of changing was accomplished in the remarkably short time of 56 days with very little trouble. A handful of stations were not able to effect the change-over of their directional antennas in such a short time and therefore were authorized to operate with reduced power non-directional until the work was completed.

Plans were started over a year ago to meet the emergency of a short notice period. This planning was formulated in meetings of the Engineering Committee and contacts with the FCC Engineering Department. The consulting engineers were invited to a special "Reallocation Meeting" of the Executive Engineering Committee held in Washington. The Director of Engineering had prepared a 13-page analysis of the directional antennas that were to be shifted in frequency. This analysis was used as the basis of discussion. The deliberation of the meeting culminated in the preparation of a tabulation of the possible difficulties involved in the reallocation and the preparation of requests for certain concessions from the FCC during the reallocation period, such as, the easing of certain regulations. This was taken up with Mr. Ring, FCC Engineer in charge of broadcasting. Mr. Ring was very cooperative in this matter and he deserves a great deal of credit for the way in which he organized the engineering aspects of the reallocation. Subsequent to the reallocation meeting, it occurred to the Director that it would be helpful in making the changes if the normal test period from 1 a. m. to 6 a. m. were extended to midnight to 7 a. m. This was discussed with Mr. Ring and the members of the Executive Committee. The approval of the Committee resulted in NAB officially requesting this extension and the FCC granted the request. Many engineers have reported that this additional test time materially aided them in making the changes.

The Director has also worked with Arthur Stringer for over a year on plans for the promotional work in connection with the reallocation. This work resulted in an industry-wide plan that was ready for instant use at such time as the FCC gave the go ahead. Technical articles on the reallocation were written for the NAB REPORTS, BROADCASTING, Radio Trade Journals and Servicemen's Magazines. A frequency log was also prepared by the Director and this was extensively used by broadcasters and used by many who made up logs for general distribution.

BROADCAST ENGINEERING CONFERENCE

NAB again officially cooperated in the Fourth Ohio State Broadcast Engineering Conference. This was held in February at Columbus. The preliminary program for the Conference was formulated at NAB headquarters during a two-day visit by Dr. W. L. Everitt, Director of the Conference. He was also assisted with the publicity. The Director of Engineering acted as Chairman of The General Discussion and Question Box conducted by A. D. Ring, Assistant Chief Engineer of the FCC in charge of broadcasting. The total attendance of 287 was an increase of 39 over the previous Conference. The members of the Conference presented Dr. Everitt with a wrist watch in token of appreciation for the work he has done in conducting the Conferences.

INSURANCE COMMITTEE

The Insurance Committee has been aided in handling its questionnaire and in publicity of the work being carried on by the Committee

MEMO RECORDING

In an FCC order on October 15, 1940, the International Broadcasters were ordered to record all of their transmissions. Because the recording time per year is great the cost per hour is of utmost importance. At the time of the order, the availability of equipment was not known. At the suggestion of Mr. Arney, information was requested of all known manufacturers of such equipment.

The information was tabulated and presented to the International Broadcasters at a meeting attended by Mr. Arney and the Director. The International Broadcasters decided to standardize on one type of equipment. Several recorders were loaned by a company to be used temporarily until the permanent machines could be delivered. In this way, the International Broadcasters were able to comply with the FCC rule sooner.

BROADENING NAB MEMBERSHIP

Before the last Convention the Engineering Committee instituted proceedings for broadening the scope of NAB to include not

only standard band, but also any other broadcasters. This culminated in a suggested by-law revision that was adopted by NAB at San Francisco. All broadcasters are now eligible for NAB membership and a number of High Frequency stations have joined.

INTERFERENCE RATING

The FCC Engineering Department has had under study for some time, an alteration in the RSS Method of Rating Interference, suggested by NAB. With the reallocation out of the way, the FCC Engineering Department is again active in considering this matter. It is hoped that this controversial rule will be modified soon.

TELEVISION COMMITTEE

In line with its broadened scope, NAB participated in the deliberations of the National Television System Committee. John V. L. Hogan served on the main committee as NAB representative and the Director was a member of one of the panels and also Mr. Hogan's alternate on the main committee.

INSTITUTE OF RADIO ENGINEERS

The Director has cooperated with the IRE in publicizing its Annual Convention. On February 6, F. E. Terman, President of IRE asked the Director to serve on the Board of Editors and on the same date, was requested by A. N. Goldsmith, Chairman of the Board of Editors, to serve on the Committee on Regular Papers. These two appointments were accepted. Mail discussions with Dr. Goldsmith and a conference with Dr. Terman have been directed toward the end that the IRE Proceedings papers be made more attractive to the Broadcast Station Engineers.

RECORDING STANDARDS

During the past few months, discussions have been held with station managers, agency men and engineers concerning the divergence of quality on records and transcriptions produced by various companies and played on machines manufactured by various companies. The Engineering Committee passed a resolution recommending that NAB coordinate a plan to formulate recording and reproducing standards. This resolution was referred to Neville Miller for consideration by the Executive Committee and the project was subsequently authorized. Time has been asked for at St. Louis during the Annual Convention for open discussion of this project. It is planned that the work of formulating standards will be inaugurated by the engineers at the IRE Convention in June at Detroit. Everyone interested in the subject, whether he be an NAB member or not, will be invited to participate in the work.

HEARING COVERED

All FCC Engineering hearings of general interest, including the monopoly hearing, during the past year, have been attended by the Director and reported in the NAB REPORTS.

DEFENSE COMMITTEE

The Director was appointed Neville Miller's alternate on the Domestic Broadcast Committee of the DCB and was appointed NAB technical advisor. The Director is serving as Chairman of one of the Subcommittees.

ENGINEERING HANDBOOK

A revision of the handbook is nearly completed. The time necessary to do this job has been seriously curtailed by other more pressing matters such as, work in connection with the reallocation and work in connection with the Defense Committee. It is anticipated that the revision will be ready for distribution shortly.

SERVICE TO MEMBERS

Many minor functions have been carried on beside the main ones mentioned, not the least of these being individual services to members. Many of the members have availed themselves of this service.

If you feel that the Director can be of help to you, please feel free to call on him.

ENGINEERING COMMITTEEMEN

Without the wholehearted help of the members of the Engineering Committee, the work of the past year could not have been accomplished. Many of the members have given generously of their time in furthering industry-wide projects.

COMMITTEE MEETINGS

The Engineering Committee met on January 9, 1941, in New York City and on February 19, 1941, at Columbus. An Executive Engineering meeting was held on September 26, 1940, in Washington.

EXECUTIVE ENGINEERING COMMITTEE
1940-41

Edward L. Gove—Chairman, WHK
Porter Houston—WCBM
Paul deMars—Yankee Network
E. K. Cohan—CBS
J. R. Poppele—MBS
O. B. Hanson—NBC
L. C. Smeby—NAB—Ex-officio

ENGINEERING COMMITTEE
1940-41

Edward L. Gove—Chairman, WHK
F. M. Doolittle—WDRC
John V. L. Hogan—WQXR
J. C. Leitch—WCAU
Scott Helt—WIS
J. R. Donovan—WTOC
J. H. DeWitt—WSM
R. Morris Pierce—WGAR
Walter Hoffman—WWJ
Carl Meyers—WGN
Paul Loyet—WHO
Julius Hetland—WDAY
K. W. Pyle—KFBI
W. G. Edgerton—KTSA
Eugene G. Pack—KSL
R. V. Howard—KSFO
Jay Tapp—KGER
Francis Brott—KOMO
E. K. Cohan—CBS
O. B. Hanson—NBC
J. R. Poppele—MBS
L. C. Smeby—NAB—Ex-officio

Respectfully submitted,

LYNNE C. SMEBY,
Director of Engineering.

Legal Department

This is the report of the activities of the Legal Department for roughly eight months since the last annual meeting.

CONGRESS. To date no adverse legislation has been enacted. In summary the radio bills and their history are as follows:

In the field of copyright, Executive E, the International Copyright or Berne Convention Treaty is again before the Senate. A sub-committee of the Committee on Foreign Relations held hearings at which NAB appeared in opposition. The perennial bill for legalizing copyright in recorded renditions and interpretations was again introduced under NAPA sponsorship, this time by Representative Sachs (D-Penna.); no hearings have been held or are believed likely in the near future. Companion bills for the preservation of authors' rights were introduced by Senator Bone and Representative Kramer; NAB appeared at the hearing and suggested perfecting amendments. A bill introduced by

Representative Keogh (D-N. Y.), incorporating the minimum damage clause of the Duffy bill, and generally acceptable, has not been set for hearing. The Thomas bill embodying the draft of the Committee for the Study of Copyright has not been introduced; broadcasters are opposed to it.

The Johnson bill to bar broadcast of advertising of alcoholic beverages was reintroduced; when set for hearing NAB will oppose it vigorously.

The Ditter bill to amend the Communications Act and provide for five year license period and to prevent indirect censorship by the Commission was again reintroduced. Hearings have not been scheduled to date.

Bills affecting interception of messages and amendatory of the Communications Act in this respect do not disturb us.

Bills affecting national daylight saving time have been actively supported; hearings have not been set.

Three bills for improvement of administrative procedure, successors to the Walter-Logan bill, are under consideration. The Federal Communications Bar Association's draft of a bill embodying the best features of each is acceptable to counsel. As in the past, no action on such measures has been taken by the NAB.

STATE LEGISLATION. Legislatures in forty-four states have been in session this year. District Directors cooperated with counsel by appointing broadcasters in each state, and wherever possible in the state capital, to serve as Legislative Contacts for NAB. By providing an additional safeguard against overlooking the introduction of bills affecting radio, and liaison for communication on legislative matters in each state, this innovation has been most useful in this department.

Chiefly of note at this year's sessions was the introduction of 35 so-called "anti-ASCAP" bills in 18 states. Other than enactment of the Wisconsin law to provide effective enforcement of existing provisions relating to investigators and music brokers, no such bills have been enacted. The NAB did not encourage or support any legislation of this character. The Montana law of this character was repealed.

The Perry bill to bar off-the-air recording of broadcasts was again introduced, in somewhat different form, in New York. New York State Broadcasters persuaded the author to strike the enacting clause, and the measure was killed. A committee is working to perfect an acceptable bill for introduction at the next session.

Oregon passed a radio libel law, relieving broadcasters from liability for radio defamation unless the plaintiff can prove that the broadcaster failed to exercise due care. A similar bill was vetoed by the Governor of Washington.

LITIGATION. The position of the NAB in *RCA* v. *Whiteman* was sustained in the Circuit Court of Appeals and again in the Supreme Court, thus establishing the law, except in Pennsylvania, that broadcasters are at liberty to play phonograph records without license from the record manufacturer of the performing artists. This was a notable accomplishment for the industry, particularly for the smaller stations. Stuart Sprague and White and Case were on the briefs.

FACILITIES CONTRACT. Nearly five months were required in conference with the AAAA Time-Buyers' Committee to determine that complete reconcilement of views on certain provisions was impossible. The Agency Contract, recommended by the NAB March 21, is the result of the protracted discussions.

FCC APPLICATION FORMS. In cooperation with FCC staff an NAB committee was successful in securing amendment to the standard and FM forms which greatly facilitates filling out of these forms.

GENERAL. Correspondence with stations and their attorneys on numerous matters as well as assistance to staff and general office work has consumed considerable time. Since Ed Kirby's going to the War Department, the duties of Secretary of the Code Committee have temporarily devolved on counsel. Service as alternate to Neville Miller on the International Broadcasting Committee of the Defense Communications Board has not been burdensome to date. There have been no meetings of the Committee on Cooperation Between Press, Radio and Bar since the last report. The New York Tax Committee, appointed to combat assessment by the City of New York of real estate tax on station equipment, was successful in its efforts.

Respectfully submitted,

RUSSELL P. PLACE,
Counsel.

Labor Relations

Just three years ago this week the National Association of Broadcasters set up its labor relations department. Those three years—and especially the last one—have seen American industry plagued by labor trouble. One of the few exceptions has been the broadcasting industry. Paying its employees well, obeying the law and constantly seeking to understand labor's viewpoint on all questions of mutual interest, the broadcasting industry has enjoyed three years of comparative peace.

The industry's labor policy is highly respected not only in other quarters of the business world but by labor and government as well.

Here are a few comments on the department's last report:

Sidney Hillman, now co-director of the OPM—"May I congratulate you on your achievements and the fine record you have maintained . . ."

A. J. Altmeyer, chairman, Social Security Board—"May I send you my sincere congratulations on your good work?"

J. R. Steelman, director of conciliation, U. S. Department of Labor—". . . The broadcasting industry and organized labor must be proud of their record for the past year."

William Green, president, American Federation of Labor—"Such a record must be interpreted as a tribute to collective bargaining, and to the wisdom and self-restraint of management and workers."

Thomas Kennedy, secretary-treasurer, United Mine Workers of America—"That the broadcasting industry and organized labor have gone through a year without any major labor trouble is a tribute to your work in this direction."

Any of these credits which appear to accrue to the NAB's director of labor relations must be interpreted as belonging to the entire industry, for the entire industry has given the labor relations director unstinted support in his efforts.

The NAB proposes to continue its current labor policy during the coming year. Members will be kept advised of trends and developments in the field of labor relations. They will be informed of any changes in labor laws that affect their operations. They may call upon the labor relations director for direct assistance with their individual or collective labor problems. They will find available at the NAB a growing fund of information useful in collective bargaining. The labor relations director will continue his efforts to preserve and foster the general goodwill between the industry and the labor movement, and will count on the continued assistance of the entire membership in this work.

Following is a topical review of labor developments related to the industry since the San Francisco convention last August.

RADIO'S PAYROLL

Latest available FCC figures, for the week beginning October 15, 1939, showed that the average broadcasting employee, executives *excluded,* received $41.08. There is every reason to believe that the Commission's next report will show a considerable increase, keeping broadcasting at or near the top of the list of all industries in this respect.

For comparative purposes it is necessary to *include* executives, in showing the increase in the industry's payroll and average weekly salary in recent years:

Week	Full-time Employees	Average Salary
March 6, 1938	17,085	$45.12
December 11, 1938	18,359	45.20
October 15, 1939	19,883	45.92

These figures do not include highly paid artists, musicians, announcers, writers and others employed for radio shows by advertising agencies. Their inclusion would raise the averages considerably.

WAGE AND HOUR ACT

The headache that came with the first application of the Fair Labor Standards Act of 1938 is gradually wearing off. The remaining dull pain results largely from the disappearance of a give-and-take arrangement as to working hours that prevailed in much of the industry before federal regulation of wages and hours. Before 1938, the broadcasting employee who wanted a day or two off usually got it without question. When he worked a long day or a long week (as the nature of the industry frequently requires), he was usually given compensatory time off. Because of the overtime payment required by the law, these practices necessarily have been discontinued in many cases. Employees have not liked this any more than have employers.

Some relief came last fall with the Wage and Hour Administrator's redefinition of "executives, administrative employees, professionals and outside salesmen," four classes of employees who need not be paid overtime. The new definitions, much broader than the old, exempted a great many broadcasting employees who previously had been covered by the Act. Before the new definitions were drawn, for instance, the Wage and Hour Division maintained that the broadcasting industry's outside salesmen were not outside salesmen within the meaning of the Act. After the NAB labor relations director presented the industry's case at hearings on proposals for the new definitions, the report accompanying the new definitions specifically stated that radio's outside salesmen were exempt.

Only one broadcasting station got into any serious trouble with the Wage and Hour Division during the past year, and that trouble resulted largely from the station management's misunderstanding of how to apply the Act to its employees. A court order requiring payment of back wages and an injunction against future violation resulted. Failure to keep proper records has resulted in several other minor cases, all of which were adjusted out of court.

Last November, after the new definitions mentioned above were issued, the NAB Labor Relations Department published a booklet, "The Wage and Hour Act: How It Affects A Broadcasting Station," which summed up the Act in a-b-c form for broadcasters. It has proved tremendously popular, with distribution already above 1,000. When necessary, this booklet will be revised.

This spring, the labor relations director has taken steps toward further clarification of the status of broadcasting technicians and engineers under the Act. Through a series of conferences and field inspection trips, the labor relations director and Wage and Hour opinion attorneys expect to be able better to advise broadcasters what technicians qualify as executives, professionals or administrative employees, and what ones are clearly non-exempt.

WAGNER ACT

The National Labor Relations Board has cited only two stations during the past eight months for violation of the Wagner Act. One of these was directed to reinstate several employees alleged to have been discharged for union activity. The other case was settled "out of court."

This record is far from bad, considering the number of complaints in other industries, and also considering the number of times broadcasters have dealt with labor unions for the first time.

The NAB labor relations director has advised dozens of broadcasters how to avoid missteps which might be construed as Wagner Act violation, and also has advised them on the technique of collective bargaining. This service should be used even more than it is.

Appointment of Dr. Harry A. Millis as chairman of the Labor Board to succeed J. Warren Madden has been generally hailed throughout the country as a step toward more harmonious labor relations. Both Dr. Millis and Dr. William Leiserson, appointed to the previous vacancy, have long records as mediators and conciliators. Both firmly believe in that technique.

STRIKES

Several incidents have led to the temporary withdrawal of union musicians from broadcasting stations, but there have been only two actual strikes in the industry during the past eight months. One was called at a southern station by the International Brotherhood of Electrical Workers (A. F. of L.) when six months of negotiations failed to produce an agreement on terms for a first contract covering technicians. The other was called by the American Communications Association (C.I.O.) at a New York City station during the course of negotiations toward a contract renewal. The latter was accompanied by sabotage. Neither strike had been settled when this report was prepared.

During a period when strikes made the headlines almost daily, the lack of any serious labor trouble in the broadcasting industry is a tribute to the industry, its employees, and the labor unions it deals with. Good wages, good working conditions, fair dealing and law obedience have paid dividends.

"CLOSED SHOP"

More often than not, the chief obstacle to a first agreement between an employer and a labor union is the union's demand for a "closed shop." The "closed shop" may take several forms:

(1) *The real closed shop, or "hiring hall" system.* This not only requires all employees to belong to the union but also requires the employer to take whatever employees the union sends in when vacancies occur.

(2) *The preferential shop.* This requires all employees to belong to the union and requires the employer to ask the union for replacements when vacancies occur. However, if the union cannot furnish suitable replacements, the employer may hire non-union employees, provided they join the union when they go to work.

(3) *The union shop.* This requires all employees to belong to the union while they are working, but gives the employer complete freedom to hire whomsoever he pleases.

There are many variations of these fundamental definitions. By and large, the two principal technicians' unions in the broadcasting industry (I.B.E.W. and A.C.A.) have insisted upon the closed or preferential shops, although each has settled for a union shop

on several occasions. AFRA has asked only for a union shop.

The principal objection to a real closed shop or hiring hall system is obvious. The employer who has that relationship with a union, theoretically at least, has delegated to the union one of the functions ordinarily associated with management. On the other hand, furnishing competent employees places a tremendous responsibility upon labor unions. In some instances this responsibility has worked well, and the employer has not suffered. In other instances, it has led not only to foisting poor employees on the employer but to job-selling and other racketeering practices on the part of union leaders.

The preferential shop gives the employer, or arbiters, the ultimate word on employment, and thus should avoid most of the trouble that can result from a closed shop. Many employers have found it quite satisfactory, and have used a union to advantage as an employment agency. Others have had sad experiences with it, finding that the preferential shop, as it worked out, was really a closed shop with all the potential evils of a closed shop quickly developing.

The union shop has many advocates in both labor and industry. It is definitely to the advantage of the employer, many say, to have all his employees in the union for the sake of plant morale. Half in and half out means trouble no end, they say, with endless costly bickering. On the other hand, few employers like the idea of requiring any employee to join and pay dues to a labor union.

The NAB labor relations director sets forth these arguments for and against the various types of shops, without opinion, for the information of broadcasters who may sooner or later have to face this question in negotiations. He will be glad at any time to discuss this question further with any association members.

ARBITRATION

Arbitration is a well established principle in the labor policy of the broadcasting industry. Its extension is constantly advocated by the National Association of Broadcasters as fundamental to the development of sound labor relations.

Every contract between stations and the International Brotherhood of Electrical Workers and the American Communications Association, the dominant technicians unions, provides for arbitration of disputes arising under the terms of the contract. Some of these contracts go even further in providing for the arbitration of *any* dispute that arises during the term of the agreement. The unions, in some instances, have been hesitant in accepting the latter type of provision. Arbitration of *all* disputes, however, guarantees a peaceful relationship between the employer and the union for a given period of time, and makes the employer far more willing to bargain collectively in good faith than if he is faced with the possibility of "wild cat" strikes after a contract is made. There is a great variation in technicians contracts in the method of selecting arbiters. The American Arbitration Association, the U. S. Labor Department, local judges, National Labor Relations Board, State Board of Arbitration, and the prominent panel of the American Newspaper Publishers Association, and the Printing Pressmen's Union are among those specified in contracts as arbiters or selectors.

All contracts with the American Federation of Radio Artists, the dominant union of announcers, singers, and actors, provide for arbitration of disputes arising under the contract by the American Arbitration Association.

The American Federation of Musicians, the other principal union in the broadcasting industry, both nationally and locally has refused to insert arbitration provisions in its agreements. These agreements usually have provided for the reference of disputes to the national officers of the union—an arrangement obviously unsatisfactory to the employers.

THURMAN ARNOLD

About eighteen months ago Thurman Arnold, assistant attorney general in charge of anti-trust prosecution, started to prosecute labor unions for some of their practices which he contented were in violation of the Sherman Act. His drive got into full swing about the time that the National Plan of Settlement between the American Federation of Musicians and Network affiliates was about to expire. As you know, the A. F. of M. permitted the National Plan of Settlement, with its "quotas", to lapse.

Mr. Arnold had listed "unreasonable restraints designed to compel the hiring of useless and unnecessary labor" as one of five restraints which he felt were "unquestionable violations of the Sherman Act". Last month, with this type of restraint at issue, Mr. Arnold was reversed by the Circuit Court of Appeals in New York City. A few days later, with this same type of restraint at issue, Mr. Arnold was reversed by the Supreme Court. Previously he had been reversed on most of his other types of labor prosecutions.

In the New York case, Mr. Arnold had prosecuted the truck drivers' union for requiring out of town trucks to put on an extra driver from the New York local when they entered New York and for requiring payment of New York local members for unloading out of town trucks whether or not they actually did the unloading.

The truck owners resisted these demands but the union forced its claims upon them in some instances by actual violence to their drivers and trucks; and some by threats of such violence; and others by persuading receiving clerks not to receive the loads. At times the truck owners refused to allow the New York union members to have any part in the handling of their loads; more often they let them do some of the unloading; but in almost all cases they were forced to pay a full day's wage.

Mr. Arnold accused the union of violating not only the Sherman Act, but the Anti-Racketeering Act as well. Judge Learned Hand, however, turned Mr. Arnold down on both counts. There was no violation of the Sherman Act, he said, "for there is no evidence of any concerted agreement to fix the price of trucking, or of the commodities carried; nor was there any evidence that the action of the accused had, in fact, affected those prices".

Nor was there any violation of the Anti-Racketeering Act (extortion), Judge Hand said, because "if the employee in good faith actually proffers his services, it is the same whether or not they are accepted".

"The position of the accused, when the operators refused to employ them, was like that of 'stand-by' orchestras, so called", Judge Hand added. "If a conductor brings an orchestra from outside into the territory of a union powerful enough to coerce him he must either employ local musicians in their place, or pay an amount equal to their aggregate wages if they had played. In such cases it may be doubtful whether the local players can, in fact, substitute for the outsiders, and that might condemn them; but there was no such doubt here, for the accused were competent drivers."

In the Supreme Court, the decision of District Judge Sullivan of Chicago was upheld, without comment, in Mr. Arnold's case against the common laborers' union. Mr. Arnold had prosecuted this union for requiring Chicago contractors to hire "stand-bys" when concrete mixers were used. The union made the contractors hire as many "stand-bys" as there were men replaced by the mixers.

"I am of the opinion that defendants (the union), under such circumstances, are immune from prosecution under the Sherman Act by reason of the provisions of the Norris-LaGuardia Act which enlarges the scope of section 20 of the Clayton Act," Judge Sullivan said.

After pointing out that no labor union could be prosecuted for "normal, legitimate and lawful activities" Judge Sullivan added:

"Such normal, legitimate and lawful activities of a labor union include the calling of strikes, or threatening to call strikes in order to obtain their demands, as in the present case, a demand against labor-saving devices which will displace their members or, in the alternative, the demand that if the labor-saving device is used, the same number of men be employed as if the other type of mixer were used. These are legitimate and lawful activities which a labor union is permitted to carry on in an effort to maintain employment and certain working conditions for its members, and restraint of trade or commerce attendant thereon, is only indirect and incidental."

Last month, the New York Court of Appeals enjoined the stagehands' union (I.A.T.S.E.) from striking at theaters against "Opera On Tour," a touring opera company using mechanized musical accompaniment. The stagehands issued the strike order at the request of the A. F. of M. The New York court held that the strike issue was not a legitimate labor dispute. This decision may prove to be of far reaching importance.

A. F. OF M.

Only a few local incidents have marred eight months' peaceful relationship between the industry and the American Federation of Musicians (A. F. of L.).

Quite a few local contracts expired in January, and in some instances local demands for increased employment or expenditure for musicians led in several instances to temporary withdrawal of the musicians or withdrawal of name bands for network sustaining programs. Most of these situations have long since been straightened out, although a few were still pending when this report was prepared.

In the middle west, at least one local took a cue from Chicago and St. Louis, and demanded the employment of platter turners. Platter turners are union musicians whose sole duty is to place phonograph records or transcriptions on turn-tables, turn them and remove them. In the larger Chicago stations they are paid $90 for a 25-hour week.

The networks last winter made new contracts with the union covering staff musicians in New York and Chicago. The new agreements provided a wage increase. The networks refused to agree to the union's demand that they would not furnish music to affiliates declared "unfair" by the union.

A. B. T. U.

The Associated Broadcast Technicians Unit of the International Brotherhood of Electrical Workers (A. F. of L.) has continued its organization drive throughout the country with a great deal of success. This union said April 15 that it had contracts covering technicians at 150 stations, while organization or negotiations were underway in at least 75 others. The NAB labor relations director has assisted dozens of stations in negotiations with this union.

AFRA

The American Federation of Radio Artists (A. F. of L.) has been so busy during the past eight months with projects previously undertaken that it has not expanded its territory to any considerable extent.

Last fall, the issue of whether Chicago staff announcers should receive extra pay for local commercials was settled by mediation and compromise. Those making $75 or more a week staff salary are permitted to do a specified number of local commercials without extra compensation. This issue was so complicated by its place in the general AFRA-network relationship that, at the same time, the commercial code was renewed until 1943; the sustaining talent agreements were renewed, with modifications; and NBC renewed its New York staff announcers' contract.

The "Chicago Formula" for payment of staff announcers is one of four now in effect. NBC at some of its managed and operated stations outside of New York and Chicago has agreed to turn over to staff announcers all talent fees it collects. CBS at some of its managed and operated stations outside of New York and Chicago has agreed to pay specified fees for local commercial announcing outside of regular hours. In New York, the networks pay specified fees for all commercials, local and network.

Negotiations toward an AFRA transcription code, covering actors, announcers and singers on transcribed programs, have continued throughout the winter and spring.

IATSE

The International Alliance of Theatrical and Stage Employees (A. F. of L.) maintains it has certain jurisdiction in television, but the various jurisdictional issues in this field have not yet come to a head. This union last month also laid claim to network sound-effects men—a claim disputed by AFRA.

ACA

The American Communications Association (CIO) continued to confine to the larger metropolitan centers in the northeast its efforts to organize technicians, announcers, salesmen and office help. The ACA now has contracts in Washington, Baltimore, Philadelphia, New York City and Buffalo.

Last winter, all broadcasting members were shifted from other locals to Broadcast Local 1, headed by Leonard Ohl of Philadelphia, and an organization drive was announced. Joseph Selley succeeded Mervyn Rathborne, resigned, as ACA president.

ANG

The American Newspaper Guild (CIO) did not enlarge its activities in the broadcasting field.

LABOR ON THE AIR

When the NAB Code of Program Standards was adopted two years ago, we were pretty sure that we could count on an unqualified endorsement from organized labor.

We had said that broadcasting stations were obligated to carry labor programs when they served the public interest. Time should not be sold for such programs. All parties to any controversy raised in a labor program should be afforded an equal opportunity before the microphone.

In other words, when a national labor issue of importance arose, a nation-wide network was obligated to give the justified amount of network time for discussion from all veiwpoints.

When a labor issue of local importance arose, a local station was obligated to give the justified amount of its time for discussion from all viewpoints.

Time should not be sold for this discussion because the employer ordinarily could out-buy the union, and thus weight the argument in his favor. That wouldn't be fair play.

It turned out that labor wasn't with us, 100 per cent. A great majority of labor leaders, however, have given the code their enthusiastic support. We have heard nothing but praise of the national network policy in regard to the amount of time accorded labor leaders and government officials dealing with labor problems. The National Broadcasting Company alone had 43 labor talks

on the coast-to-coast network last year. William Green gave six of these; John L. Lewis, five. The Columbia and Mutual Broadcasting Systems carried about the same number.

Locally labor has fared well under the code. Let me cite an instance:

Out in Cincinnati, about 20,000 of those who work in town live across the Ohio river in half a dozen Kentucky communities. Until last fall, they commuted by two bus lines. One of these lines had a closed shop contract with the "Amalgamated," an A. F. of L. union of bus drivers and street car employees. The other had a closed shop contract with the "Brotherhood," an independent union of bus drivers and railroad employees. The two lines merged. A jurisdictional strike resulted. Service stopped completely. Taxis were at a premium. Thousands had to walk to work.

The issues in jurisdictional strikes are often confused and difficult for the general public to understand. And so L. B. Wilson, manager of Station WCKY, asked representatives of the two unions, the merged companies, government conciliators, and the city managers to sit around the microphone together, to explain the issues from their respective viewpoints.

Only the bus companies turned down the invitation. They said they would not have enough time before the broadcast to prepare their case.

The program was an outstanding success. Ideas were developed that aided materially in the settlement of the strike.

After the forum program, Mr. Wilson assigned several of his best news analysts to "cover" the strike. On a news basis, statements from all sides were carried as they were issued.

After the strike eventually was settled, the station reported to us:

"We found both the companies and the unions willing to cooperate in acquainting the public with the facts, and there was not a single case of objection by the unions, companies, or the listening public to the way our strike broadcast and our strike news was handled."

The forum type of program is not the *only* proper medium for a labor broadcast. It is an extremely fair means of presenting the issues and the arguments of all parties—because all sides reach the same audience—and round table discussion is often more fruitful than set speeches. A forum makes a good show, too. Labor leaders—and others as well—too often are inclined to forget that it takes showmanship to build and hold an audience.

There have been only two outstanding complaints against the operation of the code from labor quarters. They were much alike. Both came from the C. I. O. Both resulted from the refusal of stations to continue C. I. O. local "news" broadcasts for which C. I. O. unions bought time. The first was in 1939, against a small station in Akron, Ohio. The United Rubber Workers, a C. I. O. affiliate, had been broadcasting news *and views* about local labor troubles for some time. After the code went into effect, the station exercised a cancellation clause in its contract with the union, maintaining rightfully that sale of time for discussion of controversial issues would constitute code violation. As a display of good faith, the station staged a forum program to discuss the rubber workers' contention that the code was "unfair to organized labor" and union representatives took part. They refused the station's offer, however, of free time to discuss their problems from time to time, as the public interest warranted. Last fall, a San Francisco station refused to renew an expired contract with the local C. I. O. council for a similar program. Not only the station directly involved but all other stations in San Francisco offered the C. I. O. free time, as the public interest warranted, to discuss labor questions of general public interest. To date, this offer has not been accepted. In both instances, the C. I. O. unions complained to the Federal Communications Commission. The Commission informed them that there was nothing in the Communications Act of 1934 to require a station to accept any program.

Most of the other complaints—and they have been few—have arisen from differences of opinion between local labor leaders and station managers over the air-worthiness of programs or speeches proposed by the labor leaders.

For instance, a local business agent is conducting a strike involving 200 factory employees in a city of 150,000 population. He has a great deal to say about the situation and he wants to tell the whole world, too. And so he goes to the manager of a 50,000-watt, clear channel station that serves not only the 150,000 city dwellers but farmers 100 miles around and asks to buy or get free time to air his views. The station manager informs him that he cannot buy time, under the code, and that he regrets he cannot give away the time, either, because that station's far-flung audience or a good share of it just wouldn't be interested in hearing about the merits and demerits of a small strike.

On the other hand, the size of a strike certainly is not the only criterion for a broadcaster in determining whether it should be discussed on his station. A strike of three employees in a power plant which threw a community into total darkness would surely be of prime public interest.

In this connection, the NAB code manual says:

"The broadcaster who denies time to a labor leader or organization solely because the broadcast might "stir up trouble" or disturb the *status quo* is treading dangerous ground.

"Of course, no broadcaster would permit his facilities to be used to incite to riot or bloodshed. When a broadcaster is in doubt on this score, after reading the proposed script, he might well consult the proper police officials.

"On the other hand, the opinion of an employer that a labor program dealing with his employees would be "dangerous" should be considered for just what it is worth. It is certainly not for the broadcaster to decide that labor unions are good or bad, and give or refuse to give them time accordingly.

Not long ago, the NAB labor relations director helped to arrange for a national network program for a labor leader who had made his first request for time. First, he was surprised that he received it, and received it so promptly. Then he submitted his script. In it, he quite strongly attacked three of the largest industrialists in the country. The network lawyers looked it over, found no libel, and gave it their O.K. The labor leader was amazed.

"Do you mean I can say all that?" he asked.

We think labor is getting a pretty good break on the air.

Just a few weeks ago, the International Ladies Garment Workers Union (A. F. of L) raised a new question which was immediately referred to the Code Compliance Committee. This union had prepared and used with a great deal of success on several stations on a commercial basis a dramatic serial type of program, frankly loaded with propaganda about the benefits of union membership. In one city, all stations refused to accept the serial on the ground that its acceptance would constitute Code violation. The union wanted to know what our attitude was. The union maintained it had as much right to sell union memberships by advertising on the air as had a soap firm to sell soap.

Respectfully submitted,

JOSEPH L. MILLER,
Director of Labor Relations.

Public Relations

At the request of the War Department, Ed Kirby, NAB Director of Public Relations, was given an indefinite leave of absence by the Board of Directors to establish a radio department for the Army. As Chief of the new Radio Branch, Mr. Kirby reports directly to Major General Robert C. Richardson, newly appointed Director of Bureau of Public Relations of the War Department.

A full description of the organization and functioning of the new radio branch follows this annual report on the NAB's public relations activities.

In 1941, American radio must win its service chevrons in a war emergency.

It is about to undergo vast economic and social readjustments.

It is already accommodating itself to a war condition in every aspect of management, programming and of engineering.

The American System of privately owned and competitively operated broadcasting is facing the most crucial test in its brief but brilliant twenty year record.

Such a thought underlies the deliberations of every broadcaster in attendance at this, the nineteenth annual convention of the NAB.

It is pertinent, therefore, that we prepare at once for a new order of things.

For every consideration of self-interest must be submerged in service to the national defense.

No other industry has a more important mission for no other industry reaches such vast audiences of people—and with the spoken word—directly and immediately from the scene of action or from the seat of government.

Radio has a twofold mission: to keep the nation informed, and to inspire a loyalty of country, a pride in the Army and Navy, as the facts warrant.

Its mission, also, is to keep open the channels of trade and commerce, and thus justify its economic existence; to interest and retain large audiences of people before their loud speakers that maximum numbers may be reached instantly, when information must be relayed to the civilian population without loss of time or coverage—and thus justify its social being. The one makes possible the other.

It must, in addition, continue to provide opportunity for the expression of honest diversity of opinion and ideas in accord with the democratic principles we are defending, that truth and the facts may come out, upon which we may base a course of common action .

At the same time, the microphone must be denied to those who would foul its naturally simultaneous unifying character by promoting social, racial or religious strife and discord; it must be denied those whose alien-inspired demands for broadcasting time are for no other purpose than the promotion of civilian and military hysteria and confusion.

Fortunately, this country has seen examples of both types of broadcasting at work abroad.

Again we know that what does *not* go into the microphone is as important as what does.

This is not censorship.

After all, such a diversity of expression was permitted in England, that the British government changed hands in the midst of the most serious war it has faced since the signing of the Magna Carta.

This is the democratic way of finding fault and placing responsibility.

But this is quite a different thing from the use of democratic channels of mass communication by those whose only purpose in invoking the right of freedom of expression is to destroy it; whose only purpose in invoking the right of freedom of worship is to kill it; whose only purpose in using our democratic rights and media is to further advance the ruthless march of those who have no friendly inclinations toward us or toward our institutions.

In a war, every radio transmitter is a military objective, and their control and use a military and political achievement.

What is to be done about it?

This is the question American radio faces at this convention, and will continue to face tomorrow, next week and next year, and perhaps for several years to come.

The beginning and end of all radio problems lies in the character and quality of program service broadcast and heard.

The public relations position of any station, of any network or of the entire broadcasting industry, fundamentally, can be no better nor worse than the character of program service heard by those served.

Through no other means can we create a story to tell, for program service is *the* story. All else is secondary.

Public relations activities which do not permeate the daily radio program structure, or which are not directly and completely in accord—each with the other—visibly and audibly embarrass broadcasting, which may be heard and checked by friend or foe, eighteen hours the clock round.

Broadcasting has earned and can continue to earn public confidence through no superimposed public relations program which is not imbedded in actual program structure and in program improvement, artistic, social and technical.

It is time we start our public relations thinking in the program department. In the critical days ahead, new and greater demands are going to be placed upon the limited hours available for broadcasting. How we use time and talent is all important. Each program, whether musical, entertainment or otherwise must serve some useful purpose. Each day's schedule must be balanced to serve the war-emergency needs of our civilian population, urban and rural, hungry for news, in need of diversion and entertainment, seeking information, relaxation and inspiration from their radio sets. These have been the goals of our operating policies in normal times; they become absolute necessities during times of the war emergency.

There is immediate need for a broader interchange of information, ideas and experiences among all stations through the NAB. There is immediate need for a broader coordination of program effort, for an expansion of contact work with press and other media, and among all social and governmental agencies, telling, interpreting, designing the story of radio. There is immediate need of a central NAB clearance agency that, from the ever-increasing multiplication of demands, program priorities may be established so that prime time is available for prime purposes; that the right time is not given to the wrong person or group.

There is immediate need for considering call of a second, but different, NAB convention in the months of June or July, to which management should send those responsible for programs, for news and for special events broadcasting, in order that these specialists, immediately concerned, will have opportunity to exchange and establish programming and news policies, commercial and sustaining, needed in the emergency we now face. Ample precedent exists for such a practical and intelligent separation in our older sister media: the American Newspaper Publishers Association who convene once a year—*a management convention*—and the American Society of Newspaper Editors who convene, separately, once a year—a convention of news *specialists employed by management*.

Since its inception three years ago, the Public Relations De-

partment has taken the position that so-called industry-wide public relations begins from the grass-roots *up:* that a radio station must serve the local needs of its community in accord with power, policy and income position, and in like fashion, a national network must serve similar interests in the national community. That, therefore, to the individual station or network is attracted every social, religious, educational, civic, political, labor and economic interest within its sphere,—the yardstick of local and national "public interest, convenience and necessity."

That if these interests are honestly served and fairly balanced, the station or network has solved its own public relations problem. But that if an individual operation fails to recognize, balance and serve such social and economic interests and differences in its field, it has created a problem of public relations not only involving itself—from possibly regulatory, and perhaps economic and social standpoints—but it has also created ill-will for the entire industry.

For, unlike in the newspaper field, where an individual paper may be singled out for unfairness and cited for editorial distortion, what the individual radio operation does wrong is, somehow, seized upon as typical of all. Condemnation comes down, not upon the heads of the few, but upon the heads of the many—the whole structure.

Radio is no stronger in the public mind than its weakest operation.

Herein lies the basic reason for a program of self-education on the one hand, and an expanded public relations operation on the other.

Freedom of the Air

Throughout the past year a consistent effort has been made to drive home the importance of a free American radio. The campaign was inaugurated at the San Francisco Convention where a placque symbolic of freedom of the air was dedicated at the Golden Gate Exposition, with simultaneous ceremonies at the New York World's Fair, each ceremony being the occasion for a three network broadcast in which several hundred independent stations participated as well.

It is gratifying to report that both the concept and the phrase "freedom of the air" have now become part of the language of the day. Seldom does any prominent speaker fail to include "freedom of the air" where "freedom of the press", "freedom of religion" and "freedom of the individual" are discussed.

At Radio's Twentieth Birthday Party held in the Hotel Willard, Washington, last November, both President Roosevelt and Wendell Willkie congratulated the industry for its fairness in the heated presidential campaign, and declared that a free American radio must continue to rank alongside a free American press as cornerstones of American democracy.

Continuing Benefits of the Code

The industry continues to receive social and commercial benefits from the operation of the NAB Code. This will be especially marked during the development of the war-emergency.

The development of the George Foster Peabody Awards for Public Service Broadcasting was one of the public relations highlights of the year.

Reflecting the public relations position over the past year of the radio industry in important related fields, are the following reports representative of outstanding national organizations and social groupings:

From the American News Publishers Association:

My feeling is that relationships between newspapers and radio have constantly improved in recent years. They should continue to improve with better factual understanding on both sides of the tasks involved in each of these fields of endeavor. I cannot speak too highly of the attitude displayed by the officers and staff of NAB in their consistent effort to promote such understanding. The NAB office has been both attentive and efficient in meeting every request for information which I have had occasion to make as chairman of ANPA's radio committee.

JOHN S. GRAY, *Retiring Chairman,*
ANPA Radio Committee.

From the United States Commissioner of Education:

Education by radio is becoming increasingly effective through the combined efforts of broadcasters and educators. Information being received by the Federal Radio Education Committee indicates that broadcasters throughout the country are adhering to the pronouncements in their Code by generously offering time and facilities to schools, colleges, and universities. This fact is substantiated by reports from the Educational Radio Script and Transcription Exchange, of the FREC, which each year offers practical services to approximately 15,000 educational and civic radio groups, many of which are working in close cooperation with their local broadcasters. Experimentation in the studio, the classroom, in listening groups, and in radio workshops is constantly creating programs and methods of utilization which are making radio a truly scientific aid to learning. Forums of the air, schools of the air, and news analyses organized and produced locally, regionally, nationally, and even internationally are but a few examples of the important contributions radio is making at every level of education.

Radio is our most instantaneous medium of mass communication. Its tremendous powers are being harnessed to the task of preparing our people to face unflinchingly the exigencies of the critical days ahead. People must have the facts upon which to base their judgments. Never in the history of our country has there been a greater need for clear and intelligent thinking.

Dictatorships strike with the speed of one man's decisions. Democracies act with the approval of the majority. Learning processes must be speeded up—education for democracy must go into high gear. Radio is playing an important part in meeting this great challenge.

J. W. STUDEBAKER,
U. S. Commissioner of Education.

From the National Council of Women:

Women have become increasingly aware of the importance of radio in shaping public opinion. They have seen how radio has been used by the dictators to pave the way for the conquest of nation after nation. They realize fully that a propaganda offensive against the United States is now being waged from abroad in an attempt to spread confusion, to create disunity and to induce paralysis of thought and action in the United States. They know that the unremitting barrage of words hurled over the ether at the Western Hemisphere is aptly described by the Nazi propaganda machine as "bombs for the mind." And because of their complete understanding of the technique being used to undermine our national morale and unity, American women turn with renewed confidence to their own American system of broadcasting for the truth. They know that the Code adopted by the National Association of Broadcasters insures an impartial presentation of controversial issues and that the news presented by American broadcasters is not tinged with propaganda.

They are indebted to the radio industry for keeping faith with the American people, and enabling them to keep informed. A nation armed with the truth can face the problems which confront it with confidence, courage and a determination to move together, as a united people.

Freedom of radio, then, along with freedom of speech, of worship, of assembly and of the press, is a sacred trust American women will guard zealously to preserve. And when in the future, a just and honorable peace will have been won, they look to radio to strengthen the bonds of international friendship and to help build a world in which the Golden Rule will again prevail.

MRS. HAROLD VINCENT MILLIGAN, *President.*

From the Radio Council on Children's Programs:

Under the joint sponsorship of the National Association of Broadcasters and the Radio Council on Children's Programs, with a grant of $1,500, a survey was undertaken in 1940 to further implement the standards on children's programs as set forth in the Code, adopted by the industry in 1939. As Vice Chairman and field representative of the Council, I contacted 516 stations in 168 cities in 39 states, assembling data on children's programs and holding conferences with 5,000 club and civic leaders and 1,200 radio executives. The tour covered 23,500 miles in 5½

months, during which time 54.000 copies of the Code Manual and the "ABC of Radio" were distributed, through 89 conferences and 62 broadcasts over major stations.

The findings of the survey have been incorporated in a report that is available to broadcasters, advertisers and lay groups. It reveals that in the area checked there are 1,479 programs or program series, 12% of which are transcribed; 48% network series; and 40% local originations. There is an average of 4.5 programs per station contacted; 8.8 programs per city, and 37.9 programs per state visited. 24.2% of these 1,479 programs are sponsored, and 75.8% are sustaining. There are 22 stations out of 372 that carry no children's programs. Local programs are broken down into about 19 classifications with numerous variations.

It is most encouraging to note that the broadcasters indicated their sincerity and good will by a 100% response to the survey and its local requirements of cooperation and effort. Furthermore, by the ample opportunity that travel by car offered, hours of radio listening in each area confirmed the fact that Code compliance is excellent. There is no doubt that when the condition of the children's program field is fully understood, the broadcasters will make a determined effort to remedy indicated weaknesses. Already many stations are setting up better standards and new programs, and are cooperating with local councils or committees that are functioning toward a better understanding of radio. An intelligent industry and listening audience will maintain the American System of Broadcasting to the end that it exemplifies democracy and the essence of freedom.

MRS. DOROTHY LEWIS, *Vice Chairman.*

From the Federal Council of Churches of Christ in America:

The wise course charted by the National Association of Broadcasters in adopting the broadcasting Code has resulted in self-regulation and has removed any existing reasons for external regulation. For this accomplishment on the part of American radio, we are indeed grateful and watch with ever-increasing interest the steady growth of program standards at a time of national and world-wide uncertainty.

DR. FRANK C. GOODMAN, *Executive Secretary.*

From the National Council of Catholic Men:

Having made a survey of religious broadcasting by Catholics only a few months ago, and a similar survey in 1938, there is no doubt in our mind that radio's service to religion is expanding. To that majority of station operators who, conscious of their public service obligation, acknowledge that religion is a definite and an important part of the public service, we express our thanks.

But what is to be done about those operators who fail to see that in contributing good religious programs to their stations, the religious groups are helping them meet the "public interest, convenience, and necessity" clause of the Communications Act; who refuse to give sustaining time, or else the less desirable hours of early morning, for religious programs?

The whole of the radio industry pretty well stands or falls together in public opinion. Unfortunately, therefore, the broadcaster who conscientiously seeks to discharge his public service obligation stands in danger of suffering because of the defaults of the less conscientious members of the industry.

If the NAB Code not only forbade attacks upon another's race or religion but forbade the sale of time for religious programs; and if it went further and did the affirmative thing of at least recommending that all member stations do their best to serve the religious needs of their respective audiences, additional constructive benefit would result.

EDWARD J. HEFFRON, *Executive Secretary.*

From National Conference of Christians and Jews:

This year the national radio networks reached a new high in effective sustaining programs. The increasingly better quality may be due in part to the friendly competition in excellence, the rivalry in "good works" which radio in the American way produces. It takes several entries to make a good horse race. The privately operated radio systems, and the strong independent stations, struggle for the blue ribbon listening audiences. This set-up, by the way, is one reason for the superiority of democratic as compared with totalitarian radio.

An effect of this competition is the demand for good program content made upon public service and educational organizations which appeal for free time. A higher standard in program offerings is required of these organizations. Better showmanship, in the refined sense of that term, is now as characteristic of sustaining programs as of commercials.

The National Conference of Christians and Jews has never been denied time by any broadcasting system when it had programs to offer which were up to the standards that the American listening public now demands. This, we think, is a tribute to NAB as well as to the individual network companies, and to independent stations.

Concomitant with this advance in radio standards there has been a more intelligent service of the radio corporations in advising organizations such as ours in the preparation of scripts, the casting of parts, and the use of proper personalities which together are factors in effective radio production.

Radio is coming of age.

EVERETT R. CLINCHY, *Chairman.*

The Radio Branch of the Bureau of Public Relations of the War Department

Last January all public relations of the War Department were re-organized under Major General Robert C. Richardson and placed directly under the Secretary of War.

The Bureau of Public Relations of the War Department consists of a Press Branch; a Pictorial Branch, for serving newsreels, motion picture industry and still picture agencies; a Radio Branch, to serve radio stations and networks, script writers and commentators; a Special Features Branch to serve magazine and feature writers; and a Press and Radio Intelligence and Analysis Branch.

The Radio Branch is, broadly, divided into two divisions: a writers section, and a special events division. An Administrative Executive, Robert C. Coleson, formerly in charge of Radio and Special Events at the San Francisco Golden Gate Exposition, is responsible for the assignment and scheduling of work, and the follow-through on all detail. In the writers' division, we have Jerry Ross, as Chief Script Writer, former New York Post newsman, free lance radio writer, formerly with Blackett-Sample-Hummert, and author of a dozen network script shows. Morris Jacobs, formerly with Benton and Bowes, and with Blackett-Sample-Hummert, who served as Program director for the Democratic National Committee in 1936, and who has had Army experience, is another staff writer. Also we have Joseph L. Brechner who has written the scripts on most of the Army Recruiting Transcription now on some 700 stations.

In charge of the Special Events Division we have Jack Harris, formerly in charge of News, Special Events and Sports at WSM, Nashville. As associates, are Brooks Watson, formerly in charge of News and Special Events for WMBD, Peoria, Illinois, and Ross Worthington, formerly producer of *We, The People,* and formerly with Pathe News. Mr. Worthington is responsible for coordinating the pictorial aspects of Army radio special events with the Pictorial Branch for newsreel and still picture coverage.

As liaison with educational broadcasters, commercial and non-commercial, is Captain Harold Kent, formerly in charge of Radio for the City of Chicago Public School System.

As Chief of the Bureau, they report to me, and I, in turn, am responsible directly to General Richardson.

The following information about War Department programs and policies will be helpful to members:

1. Clearances of all national network Army programs must be made through the Radio Branch.
2. Clearance of all commercial shows, local, regional, or national, who desire to originate from an Army Post, must be done through the Radio Branch in Washington.
3. It is not necessary to clear with Washington, any local program of a non-commercial nature. These can be cleared with the Commanding Officer of the post involved through the Public Relations officer at the Camp.
4. If you do not know the name of the Public Relations Officer in your area, it is my suggestion that your program manager write or phone the Public Relations at Camps so that your station may have direct and immediate contact with the Army in your area.
5. Army personnel may appear on commercial programs, provided it is done in their own leisure time and in accord with their own free choice as individuals. Under Army regulations, no endorsements or testimonials may be given or inferred.
6. Commercial programs from Army posts must be preceded and closed with a disclaimer in language substantially as follows:

"The origination of this broadcast from (name of Fort or Camp) does not, in itself, constitute an endorsement by the War Department, or its personnel, of the product advertised, the origination of the broadcast from this station being made solely for the entertainment of the military personnel stationed here."

7 Army bands may not be used on commercial programs. Army bands may be picked up by remotes from camps, or on programs of strictly Army nature, they may now broadcast from the studios of the stations.

8 Army radio program ideas, or special events features are offered radio stations and networks purely on their merits and inherent news interest.

9 The transcriptions now being used by the Recruiting Service are regarded as its prime radio recruiting requirement; additional programs on individual stations are not requested, but there is nothing to prevent local stations from working with local recruiting officers in developing special events programs as the opportunity presents itself.

10 News broadcasters should be especially careful to check unconfirmed reports. Definite evidence exists that deliberate attempts have been made by subversive elements to manufacture fear and hysteria by starting campaigns of rumors such as epidemics sweeping over camps, hoping for publication by air or press. Every rumor and unsupported "story" should be checked immediately with the Public Relations officer of the camp. The policy of the Army is to make all facts available, except those of a strictly military secret nature, or in time of war, such stories as movement of troops, and the like, which would be helpful to an enemy.

11 The services of the Radio Branch writers division is available to any station or writer or advertising agency who desire to develop material upon which broadcasts may be based, such as the story of various divisions and regiments, their battle records, individual heroics and citations, their battle songs, traditions and story behind their insignia, etc.; human interest stories; procurement stories—stories showing the importance of the man on the production line backing up the man on the firing line; animal stories such as the training of carrier pigeons; women's interest stories such as the new corps of women Lieutenants, Army hostesses, and Army housekeeping stories, recipes, traveling laundries; educational stories showing the training of farm and city boys to be radio operators, machinists, parachute jumpers, flying cadets; etc.

12 Our Special Events Division can, within regulation, make arrangements for clearance of broadcasts involving use of Army planes, equipment or troops. In the forthcoming Army maneuvers there will be many opportunities for exceptionally newsworthy broadcasts. These maneuvers will be the largest ever staged by any country in peace-time history. They will show the result of the intensive training our new Army has received and will test our combat ability as a fighting machine.

All stations in areas concerned should contact their nearest Public Relations officers so that advance plans may be made now. The Signal Corps are ready to render such technical assistance as may be needed.

13 Before making public commitment to broadcast any local event of a spectacular military nature, such as blackouts of a city where use of planes and anti-aircraft artillery may be contemplated, it would be helpful to all concerned if a check were made direct with the War Department in Washington through the Radio Branch, to ascertain if the use of military equipment will be authorized. One or two stations have been innocently embarrassed because of giving advance publicity for the broadcast of events based upon the over-enthusiastic statements by local civilian groups or, in some instances, by national guard officers whose units have not been inducted into Federal service and who are not authorized to make commitments for regular Army material or troops. Inquiries may be made by mail, wire or phone. There is always someone on duty in the Radio Branch, from 8:15 A.M. Eastern Time, through to 6:30 P.M. Later on these hours will be extended on through midnight.

The following are authorized to handle telephone inquiries direct with stations:

Robert C. Coleson; Jack Harris; Brooks Watson; Ross Worthington. The War Department telephone number is Republic 6700, Washington.

In case of doubt, call, anytime.

14 Captain Gordon Hittenmark, in charge of radio for the Morale Branch of the Army, is working through the Radio Branch of the Morale Officers of the camps, so that announcers of "early bird morning broadcasts," on stations within range of the soldiers in the various Camps, may procure personal items about the soldiers in camps, etc., which fit into the structure of typical early bird shows.

15 Attention of stations is called to days around which great patriotic interest centers, such as: Flag Day, June 14, the 4th of July, September 14, the day on which Francis Scott Key wrote the Star Spangled Banner, and November 11, Armistice Day.

16 A special service is being set up to serve domestic foreign language broadcasters.

17 The development of such additional programming policies as may be needed through the war-emergency, will be cleared directly through the NAB Code Committee as new conditions warrant.

The War Department is most grateful for the wholehearted cooperation it is receiving. General Richardson on many occasions has expressed his admiration for the public-spirited, patriotic manner in which the industry is going about the service of national defense.

To these, may I add my own expression of thanks.

Respectfully submitted,

Ed Kirby,
Director of Public Relations.
Chief, Radio Branch, War Department.

Research

The NAB Research Department has materially expanded its work since the San Francisco Convention in August of 1940. The NAB Board of Directors and the San Francisco Convention approved the "Unit Plan For Measuring Broadcast Advertising Volume" which called for the collection of monthly information from radio stations giving a list of accounts and products advertised with basic information on source of business, type of rendition, broadcast time, broadcast length and the number of times per month. The information thus collected was to be tabulated in terms of time units by classes of accounts to fulfill the need in the industry for an analytical record of business done which can be used by the radio industry in selling more broadcast advertising.

The approved plan authorized experimental operation to the end of the year 1940 and asked that appropriation be made to continue the service until the Research Committee and the Research Director could recommend a permanent plan of operation.

Membership of the NAB Research Committee is as follows:

William J. Scripps, Chairman—WWJ, Detroit, Michigan
H. M. Beville, Jr., Research Manager, NBC, New York City
Arthur B. Church, President, KMBC, Kansas City, Missouri
James D. Shouse, Vice President, WLW-WSAI, Cincinnati, Ohio
Dr. Frank N. Stanton, Research Director, CBS, New York City
Theodore C. Streibert, Vice President, MBS, New York City
Lee B. Wailes, Manager, Westinghouse Radio Stations, Inc.
James W. Woodruff, Jr., President, WRBL, Columbus, Georgia
Neville Miller, NAB, Washington, D. C.
Paul F. Peter, NAB, Washington, D. C.—Ex officio

The experimental operation has been concluded. "Broadcast Advertising Unit Reports" were released for each month, September through December, 1940. Considerable time was spent in investigating various means of presenting the information and, for that reason, no definite schedule for the release of information has yet been evolved. The September Unit Report was released in the NAB REPORTS December 6, 1940. The October Unit Report was released January 7, 1941; the November Unit Report

February 21, and the December Unit Report appeared in the NAB REPORTS March 21.

On resolution of the Research Committee in meeting January, 1941, notice was given in the December Unit Report that future reports would not appear in the NAB REPORTS, but would be sent to only those stations actually participating in the undertaking. Those stations submitting monthly reports of their business will receive monthly analyses of broadcast advertising.

BROADCAST ADVERTISING RECORD

Beginning with the January analysis, the Unit Plan will be operated under the name "Broadcast Advertising Record". January "Broadcast Advertising Record", published and released in the week of May 5, is a completely new report—revised—a new format to increase the value of this sales tool to individual stations. The Research Department, in collaboration with the Department of Broadcast Advertising, considered the direct application of the analysis to the specific station problem. After careful consideration, it was decided to rearrange the Report, adding some features and eliminating others which did not have direct application.

"Broadcast Advertising Record" consists now of three basic tables. Table I is a detailed analysis of Local broadcast advertising. Local business is presented by type of account under both retail and general advertising and is given in total units for all stations reporting. In an adjacent column, new figures are presented showing average per station. A blank column follows, headed "your station", into which the monthly units for each station can be written in for direct comparison with the average figures. In the following five columns, Local advertising placed in five population classifications is presented to give a positive comparison of the type of business placed in markets of the size of tbe station using the "Record".

Table II presents the same information for national spot business sbowing by type of account, retail and general, for all stations reporting with average per station, a blank column to be entered by the individual station, and national spot business placed in each of five population groups.

In evolving these tables, it was realized that the sales problem in securing local broadcast advertising is usually handled witbin the offices of the individual station, with a sales manager in charge and a staff of salesmen making the contacts. Separate handling of this information, presenting its complete analysis in one table, increases its value manifold. Similar handling of national spot business, which, although completely controlled by the station, is usually handled through the use of branch offices or national representatives and contact with national advertising agencies, warranted separate treatment.

The third table presents totals for the entire industry—a consolidation—presenting by type of account Local units, National Spot units, Regional Network units and National Network units with a total of the four classifications.

It will be noted in the January "Broadcast Advertising Record" that a tabulation by type of station has been omitted. A decision was reached to eliminate the analysis by station classification because of its limited value. Separate grouping of clear, regional and local cbannel stations has statistical value, but does not contribute materially to the sales problem of selling within a specific market. Competition within the industry is seldom confined to class of stations within a metropolitan area. The real situation is that local, regional and clear channel stations compete for advertising business within cities.

The population classifications presented in the January "Record" were settled upon after considered study. In prior analyses, nine classifications were used. However, these were regrouped because it was considered that the sales problems in broadcast advertising were not materially different in various cities to warrant the detailed breakdown. The new classification is as follows:

Less than 25,000 population
25,000 to 100,000
100,000 to 250,000
250,000 to 1,000,000
1,000,000 and over

Work is now well under way in the preparation of a master file by individual advertiser account. The record is started for the month of January. In the completed file a card will be kept for each individual advertiser showing product advertised, the stations used, with type of rendition, time of broadcast and total units. The reference value of this file will be immediately felt by the Department of Broadcast Advertising and, as it develops, its value will assume great importance to participating stations. "Broadcast Advertising Record" gives a quick answer to the question of the prospective advertiser, "How much broadcast advertising is placed by businesses like mine?" The master file will supply the normal question which follows, "What businesses?"

The suggestions of the Department of Radio Advertising and the Research Committee published in the January Broadcast Advertising Record are quoted here because they sum up the use of the "Record" in concise fashion. Those suggestions are as follows:

"1. Fill in your own figures on Tables I and II.
2. See from what sources you get no business or are below average compared with other stations.
3. Compare your own Record with stations in markets of similar size and figure your own relative standing.
4. Pick out one or two sources where you are weakest. Concentrate for a time on a special drive to get such accounts, then later go on to others in turn.
5. Write to the NAB Department of Broadcast Advertising for general data on specific account classifications, plus success stories.
6. Call a meeting of your sales staff and department heads to plan a campaign with specific presentations, using this Record as a starter to show your prospect how others in this field are using radio. Add punch to your presentations with specific program ideas, announcement campaigns, success stories, etc.
7. Then let us know what success you have, so that others may profit, and vice versa."

OPERATION OF THE "RECORD"

During the experimental period, the Research Department has experimented with a station reporting system designed to minimize the work involved in station cooperation. It is termed a "write-back" system. Essentially, it involves submitting forms on which the previous month's business is typed for the station's correction to conform with the current month's business. A service is rendered the station by rearranging the accounts in the exact classification of advertiser used in the "Record". This furnishes tbe station an analysis of its business which may be compared directly with the "Record" tabulations. Experimentation with this system of reporting has established its value and the Research Committee has decided to adopt it as standard procedure as soon as a final budget for the entire operation is adopted.

At the direction of the Research Committee, the Research Director has entertained bids from various tabulating houses for the work of machine tabulation. A recommendation will be submitted to the NAB Board at its meeting Monday, May 5, in St. Louis, on the budget required for the operation of the "Broadcast Advertising Record" and the details of how it is to be operated.

URBAN SURVEY

On recommendation of the Research Committee and the Director of Research, the NAB Board of Directors authorized the publication of a "Survey of Urban Radio Listening in the United States." The field work of the Survey was conducted by quarter during the years 1938 and 1939 by the Research Organization, Crossley, Inc., for the Columbia Broadcasting System and the National Broadcasting Company. The method employed in developing information on radio ownership and listening habits is basically the same as that used by the Joint Committee on Radio Research in conducting the Rural Radio Ownership Study published in 1939. Since NAB was a participant in the Joint Committee on Radio Research and a party to the publication of the Rural Survey, it was eminently proper that it sponsor the publication of an Urban Survey to complete the information on radio listening in the entire country.

On March 24, the publication "Urban Radio Listening in the United States" was mailed over Neville Miller's signature to the NAB membership, principal radio advertisers and advertising agencies—a mailing list of some 8,000 names. The Survey was received with great enthusiasm from stations, advertisers and agencies. Letters to NAB, the Columbia Broadcasting System and the National Broadcasting Company have heralded the Survey as a major contribution to the knowledge of the broadcasting industry.

Requests for copies of "Urban Radio Listening in the United States" have just about exhausted the supply available at NAB. Consideration is now being given the possibility of printing an additional supply.

A great number of stations, advertisers and agencies have written for detailed information to CBS, NBC and the NAB following the suggestion printed on page 40 of the publication.

METHOD STUDIES

The NAB Research Committee, in addition to the work involved in the operation of the "Broadcast Advertising Record" and the publication of "Urban Radio Listening in the United States," undertook a study of methods used in measuring program audience since the San Francisco Convention.

The Committee invited the C. E. Hooper Organization to present to it a report on the method employed in the "Hooper Radio Report 'National Returns' on Radio Programs." The Hooper reports are released monthly to subscribers. The method employed is known as "telephone coincidental." The method report, submitted to the Research Committee by Mr. C. E. Hooper and Dr. Matthew N. Chappell of C. E. Hooper, Inc., shed much light on the operation of the telephone coincidental method and sought to establish the merit of the method in competition with all others employed.

On invitation of the Committee, Mr. Paul West, President of the Association of National Advertisers, arranged to have Mr. A. W. Lehman, Managing Director of the Cooperative Analysis of Broadcasting, present a report on the method employed for that program rating service. The CAB method is described as that of telephone recall. Mr. Lehman delivered a very informative discussion of the method and showed the results of some exploratory studies of its operation in comparison to other types of measurements.

It is the intention of the Research Committee to hear further reports on methods employed in program audience measurement, preparatory to the preparation of a Research Manual for the use of the membership in placing or conducting audience measurement research.

FACILITIES CONTRACT—4A CONFERENCE COMMITTEE

The Director of Research was appointed a member, ex officio, of the 4A Conference Committee. This Committee was appointed by the Association to meet with a Time Buyers' Committee of the American Association of Advertising Agencies to effect needed changes in the "standard order blank for spot broadcasting," published in 1933.

The membership of the 4A Conference Committee was as follows:

Harry C. Wilder, Chairman,—WSYR, Syracuse, New York
Roy L. Harlow, Vice President, The Yankee Network
Richard H. Mason, Manager, WPTF, Raleigh, North Carolina
Edward W. Petry, President, Edward Petry & Company, Inc.
Frank A. Seitz, Vice President, WFAS, White Plains, New York
Dale L. Taylor, Manager, WENY, Elmira, New York
Lee B. Wailes, Manager, Westinghouse Radio Stations, Inc.
Paul F. Peter, NAB, Washington, D. C.
Russell P. Place, NAB, Washington, D. C.—Ex officio

John Benson, President of the 4A's, submitted to Neville Miller, prior to the San Francisco Convention, a list of points established by the 4A Time Buyers' Committee which were felt needed correction in a revision of the standard order blank.

At the first meeting of the NAB Committee with the 4A Committee, it was established that there existed a need for a complete revision and the NAB Committee undertook the task of drawing up a new form. The Committee felt that the form should be set up as a contract, rather than as an order blank, and obtained the approval of the 4A's on this feature.

Numerous meetings of the NAB Committee, alone and in conference with the 4A Committee, resulted in the publication, January 7, of the "Standard Facilities Contract (recommended by NAB)". Publication of this form was pursuant to the instructions of the Executive Committee of the NAB Board of Directors.

The American Association of Advertising Agencies objected to certain features of the Facilities Contract and joint meetings of the two committees were resumed. After a series of meetings, a revision of the contract was submitted to the NAB Board and approved. The new form, labeled "Agency Contract (recommended by NAB, March 21, 1941)," was published in the NAB REPORTS, March 21.

Subsequent to the publication of the March 21 Agency Contract form, the 4A's registered objections to certain features of it. It is quite apparent that the two Committees cannot reach complete agreement on the subject. However, the industry has gained much by the work of the 4A Conference Committee.

RECOMMENDED INVOICE FORM—FOR THE ACCOUNTING COMMITTEE

The American Association of Advertising Agencies indicated their desire to standardize invoice forms used in station billing for advertising service. It was pointed out that a wide variety of forms are employed on which is listed a varying amount and arrangement of information on the subject of billing, which makes it difficult for the advertising agency and the radio advertiser to effectively handle the bills.

The handling of this problem with the American Association of Advertising Agencies was originally assigned to the 4A Conference Committee in conjunction with its work on the "Facilities Contract." Considerable progress was made in developing a recommended invoice form in consultation with the NAB Accounting Committee. The project was turned over completely to the Accounting Committee when the 4A Conference Committee had completed its work.

The membership of the NAB Accounting Committee is as follows:

H. K. Carpenter, Chairman,—Vice President, WHK-WCLE, Cleveland, Ohio
S. R. Dean, Assistant Treasurer, CBS, New York City
E. J. Gluck, President, WSOC, Charlotte, North Carolina
Harry F. McKeon, Auditor, NBC, New York City

Glenn Snyder, Station Manager, WLS, Chicago, Illinois
Harold Wheelahan, Manager, WSMB, New Orleans, Louisiana
Paul F. Peter, NAB, Washington, D. C., Ex officio

The NAB Accounting Committee is currently reviewing invoice forms drawn up by the Research Department. The principal feature of the new forms will be the substitution of a certificate of performance offered to replace the affidavit of performance which has been used in the past. Discussions with the 4A Fiscal Committee have indicated their open-mindedness on the subject, contingent only on the NAB ability to educate advertisers and agencies on the significance of station logs.

It is hoped that agreement can be reached with the 4A's at an early date, and recommended invoice forms published as a revision of the NAB Accounting Manual.

CENSUS OF 1940

NAB Research Department has been in contact with the Bureau of Census during the past year and has assembled a complete file of census information released to date. Final figures on population have been released by state and county. Preliminary figures from the Housing Census have been released on occupied and unoccupied dwelling units by state and county. The Bureau has started the release of valuable information to the broadcasting industry on population of metropolitan areas. The 1930 Census definition of metropolitan areas has been continued. However, rather than confine their study to areas of 100,000 population and more, the 1940 releases will include those of population down to 50,000.

Considerable information has been released on the Census of Manufactures, the Agriculture Census, the Census of Business and preliminary detail breakdowns of the Population Census.

No information has been released to date on radio ownership which was obtained in the Housing Census. The original schedule of the Census Bureau was to start releasing radio figures by state early in 1941. The work of the Bureau has been such that that schedule was abandoned and, as nearly as can be approximated now, the first releases of radio information will not be available before June. The Bureau of Census has displayed a spirit of cooperation and Mr. Howard G. Brunsman, Chief, Housing Statistics, Population Division of the Bureau, in a letter dated April 8, 1941, has indicated that the radio information will be presented in the following detail:

1. All occupied dwelling units.
2. All owner-occupied dwelling units.
   a. White owners.
   b. Nonwhite owners.
3. All tenant-occupied dwelling units.
   a. White tenants.
   b. Nonwhite tenants.

The radio statistics for tenure and race, as indicated above, will be presented for each of the following areas:

1. All dwelling units in each state.
2. All urban dwelling units in each state.
3. All rural nonfarm dwelling units in each state.
4. All rural farm dwelling units in each state.
5. Each city with 50,000 inhabitants or more, separately.
6. Each metropolitan district, separately.

Statistics regarding radio will be presented in the Second Series Bulletins for all occupied dwelling units as follows:

1. All occupied dwelling units in each county.
2. All rural nonfarm dwelling units in each county.
3. All rural farm dwelling units in each county.
4. All occupied dwelling units in each urban place.

NAB DAYLIGHT SAVING TIME SURVEY

At the request of the NAB Board of Directors, the Research Department sent to all stations on March 12, 1941, a Daylight Saving Time questionnaire. The Survey was designed to develop information on the experience of the radio industry with daylight saving in effect in certain sections of the country during summer months. The questionnaire was sent to 837 stations and replies were received from 483. This represents a return of 58%.

The Research Committee reported the results of the Survey to the NAB Board of Directors.

SURVEY OF PROGRAMS ORIGINATING AT ARMY POSTS

At the request of the Public Relations Office of the War Department, the NAB Research Department conducted a survey of programs originating at army posts. A questionnaire on the subject was sent to 836 stations on March 5, 1941. The replies were received from 338 stations, a return of 40%. The questionnaires, as submitted, have been turned over to the Public Relations Department of the War Department.

MERCHANDISING POLICY AND PRACTICE SURVEY

On request of the Sales Managers' Committee and the Department of Radio Advertising, the Research Department conducted a survey on merchandising policy and practice among a selected group of stations in the NAB membership to obtain information on the subject for use at the St. Louis Convention. A preliminary report on the subject will be made to the Sales Managers' meeting at the Convention.

STATION ANALYSIS

As of April 1, 1941, the stations in the United States and Possessions numbered 891. An analysis of these by class of station is presented by the following table, together with the count of NAB member stations within each classification. These classifications agree with those used by the Federal Communications Commission in analyzing financial data furnished by stations. For purposes of comparison, figures as of July 15, 1940 are also presented.

	Stations as of July 1, 1940	NAB Membership July 15, 1940	Stations as of April 1, 1941	NAB Membership May 1, 1941
Clear Channel:				
Unlimited (50kw)	33	32	37	35
Part-time (50kw)	4	4	4	4
Unlimited (5 to 25kw)	11	9	19	15
Part-time (5 to 25kw)	5	1	11	6
Regional Channel:				
Unlimited (High Power)	8	6		
Unlimited (Other)	212	156	218	168
Limited and Day	67	35	41	21
Part-time	30	16	24	12
Local Channel:				
Unlimited	330	168	385	221
Day and Part-time	40	15	48	14
Total	740	442	787	496
Non-commercial	39	3	37	4
Territorial	12	4	13	5
Construction permits	56	(2-Ter.) 8	54	(1-Ter.) 15 (1-Ter.)
Grand Total	847	457	891	520

The second analysis of radio broadcast stations by population of metropolitan district or city appears in the following table. The information presented here shows the total number of stations in each classification as of April 1, 1941 and NAB member stations as of May 1, 1941. The nine population classifications agree with those employed by the FCC in their financial analyses.

Metropolitan Districts (1930 Census)	Operating Commercial Stations Continental U. S.		Non-Commercial Stations		Territorial Stations		Construction Permit Stations		Total Stations	
	Total	NAB	Total	NAB	Total	NAB	Total	NAB	Total	NAB
2,500,000 and over	51	23	3	1	0	0	2	0	56	24
1,000,000 to 2,500,000	60	46	3		0	0	0	0	63	46
500,000 to 1,000,000	44	36	3		0	0	4	2	51	38
250,000 to 500,000	95	69	4	2	0	0	3	1	102	72
100,000 to 250,000	102	78	1		4	3	10	4	117	85
City and Town										
50,000 to 100,000	56	36	2		2	1	5 (1-T)	2	65	39
25,000 to 50,000	106	69	1		1	0	7	4	115	73
10,000 to 25,000	164	90	8		1	0	13	1	186	91
Less than 10,000	109	48	12	1	5	2	10	1	136	52
Total	787	495	37	4	13	6	54	15	891	520

GENERAL RESEARCH ACTIVITY

In addition to the specific projects mentioned in the foregoing paragraphs, the Research Department has continued the work of assembling basic industry data and can report progress since the San Francisco Convention. The material now at hand has enabled the Research Department to better serve the various departments of the Association, the membership, and the many requests received from advertisers, agencies and the general public.

During the course of the last year, the Research Department has devoted much time to the music copyright problem under the direction of President Neville Miller.

The Department has rendered research counsel to the Engineering Department, the Labor Relations Department, the Public Relations Department, the Department of Broadcast Advertising, the Promotion Department and the Office of the Secretary-Treasurer.

During the course of the last year, the NAB Research Department has been called upon by the membership to a much greater extent than heretofore for research counsel and general industry information.

Your Research Director feels that the Association has advanced in matters of research during the past year. He has enjoyed his work for the industry and is looking forward to further progress during the coming year.

Respectfully submitted,

PAUL F. PETER,
Director of Research.

Promotion and Circulation

National Defense, Listen Before You Vote, Radio's 20th Birthday and Reallocation were focal points of attention for broadcasters and this department since last August.

Continuing aid to National Defense is in line with the Board of Directors' "Defense of the Nation" resolution adopted at the San Francisco Convention. The aid is a demonstration of the desire, ability and capacity of the industry to assist the nation in this period of emergency. Indications are that these duties will increase.

Assistance to various government departments has been in accordance with the accepted industry understanding of the American System of Broadcasting. This has resulted in outstanding service to the country and the economical use of facilities of broadcasters. In all contacts the fact is emphasized that listening is voluntary, cannot be commanded; that if stations were to sanction violation of the listener-interest principle, there would be only one result—less listening, fewer listeners.

MAN POWER

Through NAB nearly 700 broadcast stations have pledged their cooperation to secure skilled man power for national defense projects by broadcasting Man Power announcements. Through radio at least 325,000 skilled workers were added to national defense employment rolls up to April 15, 1941, according to the United States Civil Service Commission.

NAVAL AVIATION

Procurement of embryo flyers for the Navy continues to be another service to the nation. According to Captain F. E. M. Whiting, USN, the announcements have sharply increased the number of accepted candidates. Because of age, educational and physical requirements for Navy flyers this is one of the most difficult and exacting recruiting assignments. On April 10 Captain Whiting expressed his appreciation of the help the Navy had received from the broadcasting industry and urged its continuance.

Earlier in the year, broadcast stations throughout the country cooperated with selective service. They also cooperated with the Department of Justice in alien registration.

At this writing the Treasury Department has made known preliminary plans for the sale of securities to the public. Several conferences have been held with officials in charge.

Another service which falls into the national defense category is to provide information concerning various groups, organizations or individuals claiming to be engaged in or affiliated with national defense.

Contacts with the Army are handled directly with Ed Kirby, NAB Director of Public Relations, who has been loaned to the Army for the duration. It is anticipated that before convention time the local recruiting-radio problem will be satisfactorily adjusted.

RADIO MOVIN' DAY

Months before FCC released its orders for stations to move to new frequencies the plan for marshalling the entire radio industry had been prepared. In actual practice servicemen, dealers, manufacturers, jobbers, utilities, electric associations, educators, civic groups, governors of states, mayors of cities, all contributed to the educational and promotional efforts of broadcast stations.

The nature and amount of united effort which taught the new dial locations to 100,000,000 listeners were presented in the brochure, "56 Days," mailed all stations and agencies on March 27.

A unique feature of the campaign was the assistance received from forty-seven of the forty-eight governors and the Governor of Puerto Rico. These men issued official proclamations or statements designating March 29 as Radio Movin' Day. Proclamations received wide newspaper publication. In some instances they were broadcast by every station within a state.

The cooperating governors and the names of the broadcasters who secured the proclamations on behalf of the radio industry follow:

Governor Frank M. Dixon, Alabama
Howard E. Pill, WSFA, Montgomery

Governor Sidney P. Osborn, Arizona
Dick Lewis, KTAR, Phoenix

Governor Homer M. Adkins, Arkansas
Ed Zimmerman, KARK, Little Rock

Governor Culbert L. Olson, California
Howard Lane, KFBK, Sacramento

Governor Ralph L. Carr, Colorado
Gene O'Fallon, KFEL, Denver

Governor Spessard L. Holland, Florida
W. Walter Tison, WFLA, Tampa

Governor Eugene Talmadge, Georgia
J. Leonard Reinsch, WSB, Atlanta

Governor Chase A. Clark, Idaho
C. G. Phillips, KIDO, Boise

Governor Dwight H. Green, Illinois
Leslie C. Johnson, WHBF, Rock Island

Governor Henry F. Schricker, Indiana
Eugene C. Pulliam, WIRE, Indianapolis

Governor George A. Wilson, Iowa
J. O. Maland, WHO, Des Moines

Governor Payne Ratner, Kansas
Ben Ludy, WIBW, Topeka

Governor Keen Johnson, Kentucky
W. L. Coulson, WHAS, Louisville

Governor Sam Houston Jones, Louisiana
James A. Noe, WNOE, New Orleans

Governor Sumner Sewall, Maine
George Kelley, WCSH, Portland

Governor Herbert R O'Conor, Maryland
John Elmer, WCBM, Baltimore

Governor Leverett Saltonstall, Massachusetts
John Shepard, III, Yankee Network, Boston

Governor Murray D. Van Wagoner, Michigan
John E. Fetzer, WKZO, Kalamazoo

Governor Harold E. Stassen, Minnesota
Earl H. Gammons, WCCO, Minneapolis

Governor Paul B. Johnson, Mississippi
Wiley P. Harris, WJDX, Jackson

Governor Forrest C. Donnell, Missouri
Merle Jones, KMOX, St. Louis

Governor Dwight Griswold, Nebraska
John J. Gillin, Jr., WOW, Omaha

Governor E. P. Carville, Nevada
W. D. Warren, KOH, Reno

Governor Charles Edison, New Jersey
Albert J. McCosker, WOR, New York

Governor John E. Miles, New Mexico
Ivan R. Head, KVSF, Santa Fe

Governor J. Melville Broughton, North Carolina
Edney Ridge, WBIG, Greensboro

Governor John Moses, North Dakota
F. E. Fitzsimonds, KFYR, Bismarck

Governor John W. Bricker, Ohio
Richard A. Borel, WBNS, Columbus

Governor Leon C. Phillips, Oklahoma
Neal Barrett, KOMA, Oklahoma City

Governor Charles A. Sprague, Oregon
C. Roy Hunt, KOIN, Portland

Governor Arthur H. James, Pennsylvania
Dr. Leon Levy, WCAU, Philadelphia

Governor J. Howard McGrath, Rhode Island
John J. Boyle, WJAR, Providence

Governor Burnet R. Maybank, South Carolina
G. Richard Shafto, WIS, Columbia

Governor Harlan J. Bushfield, South Dakota
A. A. Fahy, KABR, Aberdeen

Governor Prentice Cooper, Tennessee
Harry Stone, WSM, Nashville

Governor W. Lee O'Daniel, Texas
Harold Hough, WBAP, Fort Worth

Governor Herbert B. Maw, Utah
S. S. Fox, KDYL, Salt Lake City

Governor James H. Price, Virginia
C. T. Lucy, WRVA, Richmond

Governor Arthur B. Langlie, Washington
H. J. Quilliam, KIRO, Seattle

Governor Matthew M. Neely, West Virginia
Howard L. Chernoff, WCHS, Charleston

Governor Julius P. Heil, Wisconsin
H. H. Born, WHBL, Sheboygan, and
James F. Kyler, Janesville

Governor Nels H. Smith, Wyoming
H. L. McCracken, KYAN, Cheyenne

Governor Guy J. Swope, Puerto Rico
John A. Zerbe, WKAQ, San Juan

Proclamation Statement

Governor Robert A. Hurley, Connecticut
Thomas C. McCray, WTIC, Hartford

Governor Walter W. Bacon, Delaware
J. Gorman Walsh, WDEL, Wilmington

Governor Robert O. Blood, New Hampshire
Earle Clement, WLNH, Laconia

Governor Herbert H. Lehman, New York
Harold Smith, WOKO, Albany

Governor William H. Willis, Vermont
Charles P. Hasbrook, WCAX, Burlington

In addition to the governors' proclamations there were 148 proclamations issued by the mayors of cities.

Strong support was accorded Movin' Day by utilities which serve a large segment of the entire population. Among them were:

Appalachian Power Company
Boston Edison
Buffalo, Niagara & Eastern Power Company
California Oregon Power Company
Central Illinois Electric and Gas
Central Illinois Public Service
Cincinnati Gas and Electric
Cleveland Electric Illuminating Company
Columbus (Miss.) Light & Power Dept.
Consolidated Edison of New York
Consolidated Gas, Electric Light & Power Company of Baltimore
Dallas Power & Light Company
Duke Power Company
Electric Power Board of Chattanooga
Georgia Power Company
Grays Harbor Public Utility District
Indiana Service Corporation
Kansas City Power and Light Company
Kansas Gas & Electric Company

Kentucky Utilities Company
Los Angeles Bureau of Power and Light
Louisville Gas & Electric Company
Monongahela West Penn Public Service Company
Nashville (Tenn.) Electric Service
New Orleans Public Service
Northern States Power Company (Minneapolis-St. Paul)
Oklahoma Gas and Electric Company
Pacific Gas and Electric Company
Pacific Power and Light Company
Peoples Power Company
Philadelphia Electric Company
Potomac Electric Power Company (Washington, D. C.)
Public Service Company of Colorado
Puget Sound Power & Light Company
Rochester Gas & Electric Company
San Antonio Public Service Company
Southern California Edison Company
South Carolina Electric & Gas Company
Southwestern Gas and Electric Company
Southwestern Public Service
Toledo Edison Company
Virginia Electric and Power Company
Virginia Public Service Company
Western Massachusetts Electric Company
Wisconsin Power & Light Company

Most distributed stuffers but some, such as Virginia Electric and Power, bought newspaper space, air time and made car and bus cards available to local stations. One bus company included mention of the change over in a letter to a list of 100,000 patrons.

The Ohio Bell Telephone Company, Cleveland and Toledo, distributed stuffers as did the Southwestern Bell Telephone Company, San Antonio. In Tampa, the Peninsular Telephone Company included Movin' Day stuffers in bills, the practice followed by Inter-Mountain Telephone Company, Johnson City, Tenn., and Missouri Telephone Company, Columbia.

The Northwestern Ohio Natural Gas Company, Toledo, was among the exclusive gas utilities which cooperated in Movin' Day. Assistance was also had from the city of Richmond (Va.) Gas and Water Department.

Department stores in many cities, grocery chains and gasoline and oil marketing companies distributed hundreds of thousands of leaflets and logs.

Members of the Radio Manufacturers Association supplied several million logs and tens of thousands of window streamers and a smaller number of window trims. One company scheduled a page in the *Saturday Evening Post*.

"LISTEN BEFORE YOU VOTE"

Preparation for the "Listen before You Vote" campaign began prior to the 1940 NAB Convention. Tempo increased in the early fall and peaked at election time. The emphasis laid on hearing both sides of the question resulted in an increase in the stature of radio. The use of radio is credited with producing the largest number of ballots ever cast in a presidential election. The 1940 total was 49,808,624, an increase of 4,200,000 over the 1936 record.

RADIO'S 20TH BIRTHDAY

Radio's 20th Birthday was celebrated throughout the country between November 11 and 30, 1940. Station managers and their personnel proved particularly adept in building interesting programs which focused public attention on radio's contribution to the American way.

On November 26 the National Radio Birthday Party was held at Hotel Willard, Washington, D. C. Guests included all members of FCC, members of the Cabinet, Senators, Representatives and more than a score of men who had been in radio for twenty years. Letters were received and read at this birthday celebration from President Roosevelt and Wendell Willkie.

RADIO CHRISTMAS

The December promotion, "50 Million Radio Sets by Christmas," was widely supported. The result is seen in the findings of NAB's Research Department that the total number of sets in operation in the United States at the year's end had increased to 50,100,000.

Respectfully submitted,

ARTHUR STRINGER.

Broadcast Advertising

From May 1939 to January 31, 1941, the NAB Bureau of Radio Advertising functioned as an agency to serve the entire industry in matters relating to the commercial aspects of its business. Under the direction of Samuel J. Henry, Jr., this Bureau inaugurated many services and activities of great value to all broadcasters. The Bureau was a sub-department of the Association and its work was largely experimental. The value of the activity was made so apparent and the demand for enlarged efforts in a commercial field was so widespread, that consideration had been given for some time to the affairs of the Bureau.

With Mr. Henry's resignation on January 31, 1941 as supervisor of the Bureau, the Sales Managers Committee recommended and the Board approved, the abolition of the Bureau and the creation of the Department of Broadcast Advertising as a coordinate department of NAB. Frank E. Pellegrin was named and on April 1 he assumed his duties as Director of the newly created Department of Broadcast Advertising.

Annual Report—Department of Broadcast Advertising

Much of the time since that date has been spent on organization, the establishment of a central filing system to classify and make available useful material, in setting up policies and planning a program of action to be carried out with the assistance of the Sales Managers' Committee.

The aims and policies of the Department, as approved by the Sales Managers' Executive Committee, are as follows:

Statement of Aims, Policies and Objectives Department of Broadcast Advertising, NAB

Recognizing that the whole structure of the American system of radio is dependent upon the steady flow of revenue from the sale of commercial time, it shall be the purposes of the Department of Broadcast Advertising of the National Association of Broadcasters:

1. To promote the use of radio as an advertising medium wherever and whenever possible. To accomplish this purpose by:

   a) Maintaining a constant and practical contact with advertising agencies, manufacturers, trade associations;
   b) Helping sales departments of member stations sell more radio time—locally, regionally, nationally.

2. To uncover new fields for broadcast advertising revenue; to develop dealer-cooperative advertising for radio; to eliminate discrimination by advertisers against radio in favor of competing media; to compile and publish lists of dealer-cooperative advertisers, with all helpful data such as percentage of cost shared by parent company.

3. To gather complete files of success stories on all types of radio advertising, and make these readily and freely available to all members; to continue Trade Studies in various fields and distribute through the "Results from Radio" series and in other usable forms. To build special Sales Manuals on pertinent topics, such as Real Estate, Department Stores, Automotive, Motion

Pictures, etc.; to build visual presentations promoting the sale of radio as an advertising medium, for the use of local salesmen of member stations.

4. To advise new stations in the establishment and organization of an effective sales department. To develop and distribute effective sales formulae; to make practical analyses of all available surveys; to interpret and distribute these to member stations. To build a lending library of tested, successful programs and campaigns, on transcription and in complete sales presentation form; to make these freely available to members.

5. To cooperate fully with all other departments of NAB; to interpret their work and findings to the sales managers of member stations; to review and summarize items of significance or interest to sales managers that originate in the NAB Department of Engineering, Legal Department, Research Department, the Departments of Public Relations and Labor Relations, and the Department of Circulation and Promotion, as well as in such NAB committees as the Code Committee, Program Standards Committee, etc. To work closely with the Department of Research in carrying on the Broadcast Advertising Record (formerly the Unit Plan of Volume Measurement); to articulate and explain its functions and purposes, and to point out its practical application by sales departments of member stations through using it as radio's media record to increase station revenue.

6. To encourage and give immediate attention to requests for advice, information or assistance, from stations, advertisers and potential advertisers.

7. By self-regulation through voluntary and cooperative action, to forestall and make unnecessary further governmental regulation of commercial broadcasting.

8. To cooperate with broadcasters, agencies and advertisers to increase the effectiveness of radio as an advertising medium.

9. To cooperate with broadcasters in various areas in the matter of agency recognition, with a view to establishing desirable standards and exercising wholesome control over such important commercial considerations as credit, per-inquiry or contingent offers, requests for free time for disguised commercials, requests for excessive merchandising and plus services, etc.; to persuade them to maintain ethical standards and to convert them whenever possible into buyers of commercial time at established rates; to go direct to clients if necessary to correct agency abuses.

10. To study, evaluate and provide the answers to claims of superiority by competing media.

11. To compile lists of trade papers and house organs by fields of interest; to achieve close cooperation with them and to seek publication of constructive and informative articles on the value of radio as an advertising medium. To call attention to and make available all books, articles, speeches and studies of radio as an advertising medium, wherever and whenever published in any form. To watch, study, interpret and report any significant trends by consumer groups and by organizations of all sorts that may affect commercial broadcasting. To build towards a weekly published report to sales managers.

12. To cooperate in the sales promotion work of all types now being carried on independently by all others interested in radio as a medium, such as the networks, the national radio sales representatives, the trade publications, etc.; to plan definite objectives and secure the voluntary acceptance of individual assignments from this list by each interested agency.

13. To encourage and implement effective public relations work by sales managers in their respective localities, and to supply them with material for public speeches and programs before business, advertising, civic and social groups. To collect all speeches and articles prepared by members; to make these available to all other members; to arrange for publication in trade papers and house organs. To cooperate with schools, colleges and universities to the end that students of business and advertising may be properly and fully educated and kept abreast of the effective functions of radio as an advertising medium.

14. To attend district meetings of sales managers twice yearly; once for sales managers only and once in conjunction with the general district meeting; to carry on a year-round program of field work in cooperation with the Sales Managers' Committee. To participate and secure adequate representation of radio at meetings and conventions of other groups, such as the AFA, AAAA, NRDGA, ANA, etc. To cooperate along similar lines through the Sales Managers' Committee, with local advertising clubs everywhere.

15. To maintain governmental and informational contacts as necessary to handle questions and problems involving commercial radio, submitted to NAB by member stations. To observe and report on legislation affecting radio advertising.

16. To study and define "Station Promotion" and "Merchandising"; to make available a study on standards of practice; to act as a buffer against undue pressure from agencies and advertisers for exorbitant merchandising services not provided for in the rate structure.

17. To encourage a standardized, uniform radio contract form and other forms, and make these freely available to members. To encourage standardized frequency discounts; standardized lengths for spot announcements, with classification of stations according to network affiliation; standardized rate practices as to 1-minute ETs, 1-minute announcements, 100-word announcements, etc.; to encourage standard practices as to special charges for ETs or talent charges for live announcements, charges for network cut-in announcements, etc.

18. To explain and defend the American system of commercial radio as superior to all other systems; to make increasingly plain to the listening public that the preservation of our system depends upon the ethical and profitable use of radio as an advertising medium by those who make it possible.

19. To carry on these aims, policies and objectives, plus others that may be added in the future, through the constant cooperation with and suggestions from the sales managers of all member stations, expressed through the district chairman of each of the 17 Sales Managers' Divisions by proper channels to the Sales Managers' Executive Committee, which is recognized as the policy-making group for the Department of Broadcast Advertising; and thus through this modus operandi to carry on the administrative work of this Department through the united, correlated understanding and effort of all those whose responsibility it is to maintain the unceasing flow of revenue that supports the American system of broadcasting.

Work done by the Bureau of Radio Advertising since the last annual report was submitted, and by this Department since April 1, has included the continuation of the "Results from Radio" trade studies, with printed releases issued on these subjects:

Department Stores (2)	Light and Power
Laundries (2)	Automobiles
Furniture Stores	Drug Stores
Ice Cream and Confectionery	Alka-Seltzer
Garden and Field	Miscellaneous

Reprints of these studies, available at cost to NAB members, are being used by over 300 stations in direct solicitations by salesmen and as direct-mail promotion pieces with the station's individual message imprinted. Five thousand copies of each issue

are printed and distributed. Many direct sales have been reported by members through the use of this material.

Other sales helps have been furnished in the form of a visual presentation on "Radio Reaches People", and special manuals and reprints on "Radio Advertising by Savings & Loan Associations", "Dealer-Cooperative Advertising", "Radio for Cleaners & Dyers", "Radio for Chain Druggists", "The Case for Distribution", "The Case for Advertising", "Building Field Sales Manual", and "Sales Administration of Stations".

Special emphasis in the future will be placed on making this Department a national clearing house for radio success stories and other sales helps in all types of business, and much more of this material will be distributed to the sales departments of member stations.

Through the Bureau and Department, the radio industry was represented at many national and regional conventions of groups and associations important to the business of broadcasting, such as the Advertising Federation of America, the American Association of Advertising Agencies, the Association of National Advertisers, the National Retail Dry Goods Association, and others.

Other field work has entailed trips to NAB District meetings and meetings of Sales Managers' Divisions, and direct selling trips to call on advertisers, associations and agencies.

The Department has continued its investigation of requests for free time and for contingent or pre-inquiry deals, and in each case has enlisted the cooperation of stations and endeavored to convert the advertiser to the proper use of radio on the basis of established rates.

Working contacts have been established with several governmental agencies to render better service to commercial broadcasters, and numerous requests from members for special information or assistance have been handled.

Work has been started by this Department in cooperation with the Department of Research to interpret the "Broadcast Advertising Record" (formerly the Unit Plan of Volume Measurement), to develop this into a practical means of increasing station revenue. Already useful when properly applied by sales managers, this record will become increasingly valuable from month to month as figures are gathered to show significant upward or downward trends.

At least one meeting of the Sales Managers' Division has been held in each district, providing a much-needed opportunity for a discussion of mutual problems, a helpful interchange of ideas, and recommendations to NAB, which have found expression in the statement of aims and policies given above.

Respectfully submitted,

Frank E. Pellegrin,
Director, Department of Broadcast Advertising.