

# The National Association of Broadcasters

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PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### GENERAL HEARINGS OPEN

General hearings on Section 307 (c) of the Communications Act of 1934 providing that "the Commission shall study the proposal that Congress by statute allocate fixed percentages of radio broadcasting facilities to particular types or kinds of non-profit radio facilities to particular types or kinds of non-profit radio programs or to persons identified with particular types or kinds of non-profit activities, and shall report to Congress not later than February 1, 1934, its recommendations together with the reasons for the same" opened before the Broadcast Division of the Commission on Monday.

As this issue of NAB REPORTS goes to press, witnesses who propose change in the present system of broadcasting were continuing their presentation of testimony. When this testimony is concluded a summary thereof will be prepared and published for the benefit of all NAB members.

The industry's case, under the NAB, will commence next week and will continue throughout the following week.

### PORTER NAMED ASSISTANT GENERAL COUNSEL

The Federal Communications Commission, this week, announced the appointment of George B. Porter of Iowa as an Assistant General Counsel. At the same time the Commission announced that organization plans provide for approximately 595 employees and explained that: "The Secretary of the full Commission, Herbert L. Pettey, under the new plan has under his jurisdiction the following sections and personnel:

"License—36; Dockets—4; Minutes—3; Public Reference, Correspondence and Records—25; Accounting—7; Duplicating and Supplies—9; Press—3; Sub-clerical section—5; a total of 92.

"The Engineering Department, of which Dr. C. B. Jolliffe is Chief Engineer, will probably be the largest division of the Commission, providing for 174 employees, of whom 110 will be in the field force, checking broadcast stations to see that they keep on their assigned frequency, thus providing good radio reception for listeners.

"This department is composed of 5 section—Telegraph, Broadcast, Telephone, International and Field. The Telegraph section, of which E. K. Jett is Chief, is to be composed of 23 persons; the Broadcast section, Andrew D. Ring, Chief—18; Telephone, W. G. H. Finch, Chief—17; International Section, Gerald C. Gross, Chief—4; and the Field section, W. D. Terrell, Chief—112.

"The second largest unit will probably be the Accounting, Statistics and Tariff section, to be composed of 160 persons. This section will be charged with the task of analyzing and summarizing the numerous reports filed, and to be filed with the Commission in response to its orders to radio stations, telegraph and telephone companies.

"Arnold C. Hansen has just been named Chief Accountant of this section. He has been Senior Examiner of the Interstate Commerce Commission in the bureau of formal cases for a number of years, and assisted Dr. W. M. W. Splawn in the House investigation of Communications Holding Companies.

"The third largest section will likely be the Valuation Department. The tentative set-up calls for 117 employees by this unit.

"The organization of the Law Department, of which Paul D. P. Spearman is General Counsel, has not been completed, nor the

Examiners' Unit. Recently the Commission named Frank Roberson, of Pelham, N. Y., and George B. Porter, of Des Moines, Iowa, Assistants to the General Counsel."

### FEDERAL COMMUNICATIONS COMMISSION ACTION

#### Hearing Calendar

Monday, October 8, 1934

WICC—Southern Connecticut Broadcasting Corp., Bridgeport, Conn.—C. P. 600 kc., 500 watts, 1 KW-LS, specified hours. Present assignment: 600 kc., 500 watts, specified hours.

Wednesday, October 10, 1934

KTUL—Tulsa Broadcasting Co., Inc., Tulsa, Oklahoma—Modification of license, 1400 kc., 500 watts, unlimited time. Present assignment: 1400 kc., 250 watts, 500 watts, LS, unlimited time.

Thursday, October 11, 1934

KFEQ—Scroggin & Company Bank, St. Joseph, Missouri—Renewal of license, 680 kc., 2½ KW, daytime.

Friday, October 12, 1934

WBNX—Standard Cahill Co., Inc., New York, N. Y.—Special experimental authority, 1350 kc., 500 watts, shares with WAWZ. Present assignment: 1350 kc., 250 watts, shares with WAWZ.

WBNX—Standard Cahill Co., Inc., New York, N. Y.—License to cover C. P., 1350 kc., 250 watts, shares with WAWZ.

WBNX—Standard Cahill Co., Inc., New York, N. Y.—Renewal of license, 1350 kc., 250 watts, shares with WAWZ.

### APPLICATIONS GRANTED

WHDL—Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y. 1420 —Granted C. P. to move transmitter and studio from Tupper Lake to Olean, N. Y.

KHJ—Don Lee Broadcasting System, Los Angeles, Cal.—Granted 900 modification of C. P. to make changes in authorized equipment; extend commencement date to October 12, 1934, and completion date to 90 days thereafter.

KGB—Don Lee Broadcasting System, San Diego, Cal.—Granted 1330 modification of C. P. to make changes in authorized equipment; extend commencement date to October 12, 1934, and completion date to 90 days thereafter.

KFRC—Don Lee Broadcasting System, San Francisco, Cal.—610 Granted modification of C. P. to make changes in authorized equipment; extend commencement date to October 12, 1934, and completion date to 90 days thereafter.

WATR—Harold Thomas, Waterbury, Conn.—Granted consent to 1190 voluntary assignment of license to WATR Company, Inc.

WDBJ—Times-World Corp., Roanoke, Va.—Granted license to 930 cover C. P.; 930 kc., 1 KW; unlimited time.

WGAL—WGAL, Inc., Lancaster, Pa.—Granted license to cover 1500 C. P.; 1500 kc., 100 watts, night, 250 watts, daytime, unlimited.

WKBF—Indianapolis Broadcasting Inc., Indianapolis, Ind.—1400 Granted license to cover C. P.; 1400 kc., 500 watts night, 1 KW day; specified hours.

WTOC—Savannah Broadcasting Co., Inc., Savannah, Ga.—Granted 1260 license to cover C. P.; 1260 kc., 1 KW, unlimited time.

WIND—Johnson-Kennedy Radio Corp., Gary, Ind.—Granted 560 license to cover C. P.; 560 kc., 1 KW night, 2½ KW day, unlimited.

WCBD—WCBD, Inc., Zion, Ill.—Granted modification of license 1080 to change studio location from Zion to Waukegan, Ill.

WOWO—Main Auto Supply Co., Fort Wayne, Ind.—Granted 1160 authority to determine operating power by direct measurement.

WSGN—Broyles Furniture Co., Birmingham, Ala.—Granted modification of C. P. extending completion date to Oct. 10, 1934.

KMLB—Liner's Broadcasting Station, Inc., Monroe, La.—Granted 1200 modification of C. P. extending completion date to Dec. 1, 1934.

KGW—Oregonian Publishing Co., Portland, Ore.—Granted modification of C. P. to make changes in equipment and extend commencement date to Oct. 15, 1934, and completion date to 180 days thereafter.

KSD—The Pulitzer Publishing Co., St. Louis, Mo.—Granted modification of C. P. extending commencement date to Oct. 30, 1934, and completion date to Dec. 29, 1934.

WHA—University of Wisc., Madison, Wis.—Granted license to 940 cover C. P., 940 kc., 2½ KW, daytime.

KALE—Kale, Inc., Portland, Ore.—Granted authority to install 1300 automatic frequency control equipment.

WTRC—Truth Radio Corp., Elkhart, Ind.—Granted C. P. to 1310 make changes in equipment.

W9XAL—The First National Television Corp., Kansas City, Mo.—Granted C. P. (experimental visual) for additional transmitter of 150 watts, and additional frequencies of 42000-56000, 60000-85000 kcs.

NEW—National Broadcasting Company, Inc., Portable-Mobile—Granted C. P. (exp. gen. exp.); frequencies of 17310, 25700, 26000, 27100, 31100, 34600, 37600, 40600, 86000 to 400000 kc., 1 watt. (This covers 5 applications for C. P. and licenses for same.)

NEW—National Broadcasting Co., Inc., New York, Portable-Mobile—Granted C. P. (exp. gen. exp.); frequencies for 25700, 26000, 27100, 31100, 31600, 34600, 35600, 37600, 38600, 40600, 41000, 86000-400000 kcs., 150 watts.

NEW—Robert J. Woolsey, Chicago, Ill.—Granted C. P. (exp. gen. exp.); 31600, 35600, 38600 and 41000 kc., 25 watts.

W10XDD—Evansville on the Air, Inc., Portable-Mobile—Granted license to cover C. P. (exp. gen. exp.); 31100, 34600, 37600, 40600 kc., 2.4 watts.

KSO—Iowa Broadcasting Co., Des Moines, Ia.—Application for 1320 special experimental authority to increase power from 250 watts night, 500 watts LS, to 500 watts, night, 1 KW-LS, designated for hearing on Sept. 25th, was reconsidered and granted for period ending Nov. 1, 1934.

### SPECIAL AUTHORIZATIONS GRANTED

WAML—Southland Radio Corp., Laurel, Miss.—Granted special 1310 experimental authority to operate from 2 to 4 p. m., CST, Oct. 3, and each day thereafter that the World Series games are played, in order to broadcast games play by play.

WHDF—Upper Michigan Broadcasting Co., Calumet, Mich.—1370 Granted special experimental authority to operate from 12:30 to 3:30 p. m., CST, on Oct. 3, and each day thereafter during the World Series; also to operate from 12:30 to 5:30 p. m., CST, Oct. 13, 20, 27, in order to broadcast, play by play, high school football games.

WBEO—The Lake Superior Broadcasting Co., Marquette, Mich.—1310 Granted special temporary authority to operate additional hours Oct. 3, and each day thereafter during World Series.

WLBC—Donald A. Burton, Muncie, Ind.—Granted special temporary 1310 experimental authority to operate simultaneously with WTRC from 6 to 7:30 p. m., CST, Nov. 20, 23, 28 and 30, 1934, in order to broadcast athletic events of local high school.

KSD—The Pulitzer Publishing Co., St. Louis, Mo.—Granted modification of special experimental authority extending time in which to obtain survey data from Sept. 22 to Oct. 22, 1934.

KWEA—International Broadcasting Corp., Shreveport, La.—1210 Granted special temporary authority to remain silent for a period ending not later than Dec. 1, 1934.

WCAD—St. Lawrence University, Canton, N. Y.—Granted special 1220 temporary authority to operate from 1:30 to 3 p. m., and from 4 to 5:20 p. m., CST, Oct. 13; from 1:30 to 3 p. m., and from 4 to 4:57 p. m., Oct. 27; from 1:30 to 3 p. m.,

and from 4 to 4:47 p. m., Nov. 3; from 1:30 to 3 p. m., and from 4 to 4:30 p. m., EST, Nov. 10, in order to broadcast special events from College Campus.

WLBC—Donald A. Burton, Muncie, Ind.—Granted special temporary 1310 authority to operate simultaneously with WTRC from 6 to 7:30 p. m., CST, Oct. 8, 9, 10 and 11, in order to broadcast drive of local Y. M. C. A.

WSYB—Philip Weiss Music Co., Rutland, Vt.—Granted special 1500 temporary authority to operate from 11 a. m. to 12 noon, EST, Oct. 7, 14, 21 and 28, in order to broadcast services direct from St. Paul's Universalist Church of Rutland.

### RENEWAL OF BROADCAST PICKUP LICENSES

The Division granted renewal of licenses for the following stations in exact conformity with existing licenses, for period Nov. 1, 1934 to Nov. 1, 1935:

KIEO, Airfan Radio Corp., Ltd., San Diego; WKEM, American Radio News Corp., Portable-Mobile; KIEL, Fisher's Blend Station, Inc., Portable; KIIS, Harris County Broadcast Co., Portable; WNEI, Indianapolis Power & Light Co., Portable; WJER, The Journal Co., Portable-Mobile; KIIH, KFAB Broadcasting Co., Portable; KIFS, KFJD, Broadcasters, Inc., Portable; WIEG, Knickerbocker Broadcasting Co., Inc., Portable; WIEF, Portable-Mobile, Miami Broadcasting Co.; WIEO, National Broadcasting Co., Inc., Portable-Mobile; WIEW, National Broadcasting Co., Inc., Portable-Mobile; WIEX, National Broadcasting Co., Inc., Portable-Mobile; WMEF, National Broadcasting Co., Portable-Mobile; WLEZ, The Norfolk Daily News, Portable, Norfolk, Neb.; KIEF, Seattle Broadcasting Co., Portable; KIEG, Seattle Broadcasting Co., Portable; KIED, Warner Bros. Broadcasting Corp., Portable; WHER, Westinghouse E. & M. Co., Portable; WLEB, WOKO, Inc., Mobile, Albany, N. Y.; KIFI, Geo. W. Young, Portable, Minneapolis.

### SET FOR HEARING

KGHL—Northwestern Auto Supply Co., Inc., Billings, Mont.—780 Modification of license to change frequency from 950 to 780 kc.

### MISCELLANEOUS

KWTN—Greater Kampeska Radio Corp., Watertown, S. Dak.—1210 Modification of C. P. granted, to extend completion date to Dec. 1, 1934.

NEW—Britt A. Rogers, Jr., Tupelo, Miss.—C. P. for new station 990 to operate on 990 kc., 500 watts, daytime, heretofore granted, was retired to closed files for want of prosecution.

NEW—Metro Broadcasting Co., A. Thorner and R. Lillie, Los Angeles, Cal.—Application for C. P. for new station to operate on 820 kc., 100 watts at E. Los Angeles, Cal., re-designated for hearing. Requests limited time with WHAS, Louisville, including all night time hours used by that station.

NEW—Frank Lyman, Jr., Boston, Mass.—Redesignated for hearing amended application for C. P., for new station near Boston, to use 680 kc., 250 watts, daytime to sunset at Raleigh, N. C.

### RATIFICATIONS

(Action taken Sept. 29)

WFAS—Westchester Broadcasting Corp., White Plains, N. Y.—1210 Granted special temporary authority to operate simultaneously with WGN from 2:30 to 3 p. m., EST, Sept. 29, and Oct. 20 and 27, 1934, in order to broadcast football games.

WDBO—Orlando Broadcasting Co., Inc., Orlando, Fla.—Granted 750 extension of special experimental authority to operate with additional power of 750 watts at night, for period Oct. 1 to Nov. 1, 1934.

WILL—University of Ill., Urbana, Ill.—Granted special temporary 890 authority to operate simultaneously with KFNF from 2:15 to 4 p. m., CST, Sept. 29; to operate simultaneously with KUSD from 2:30 to 4 p. m., CST, Oct. 6, provided KFNF remains silent; to operate simultaneously with KFNF from 1:45 to 4 p. m., CST, Oct. 13, in order to broadcast scholastic events.

KUSD—University of South Dakota, Vermillion, S. Dak.—Granted 890 special temporary authority to operate simultaneously with WILL from 2:30 to 4:30 p. m., CST, Oct. 6, 1934, in order to broadcast scholastic events, provided KFNF remains silent.

WTAW—Agriculture and Mech. College of Texas, College Station, Tex.—Granted modification of license to change time of operation from S-KTRH to specified hours: 11:50 a. m. to 12:30 p. m., daily, except Sunday; 8:30 a. m. to 9:30 a. m., Sunday only; 8 to 9 p. m., Monday and Friday. Also granted renewal of license for term ending April 1, 1935.

KTFI—Radio Broadcasting Corp., Twin Falls, Idaho—Granted 1240 renewal of license for term ending April 1, 1935; also granted extension of temporary experimental authority to operate with additional 500 watts night for period October 1, 1934 to April 1, 1935.

KGGM—New Mexico Broadcasting Co., Albuquerque, N. Mex.— 1230 Granted temporary extension of license from Oct. 1 to Nov. 1, pending receipt and action on application for renewal.

WHBI—May Radio Broadcast Corp., Newark, N. J.—Extended 1250 present license on a temporary basis, for period Oct. 1 to Nov. 1, 1934, pending receipt of information relative to application for renewal.

WCAP—Radio Industries Broadcast Co., Asbury Park, N. J.— 1280 Extended present license for a period of 3 months from Oct. 1, on a temporary basis, subject to such action as may be taken on application for renewal pending before the Commission.

WHEF—Attala Broadcasting Corp., Kosciusko, Miss.—Extended 1500 program test period for period of 30 days pending action on license application.

### APPLICATIONS RECEIVED

WMCA—Knickerbocker Broadcasting Co., New York, N. Y.— 570 Modification of license to increase power from 500 watts to 500 watts night, 1 KW daytime, amended to request 1 KW day and night.

WQDM—E. J. Regan and F. Arthur Bostwick, d/b as Regan and 1390 Bostwick, St. Albans, Vermont—Construction permit to install new equipment, move transmitter from St. Albans to St. Albans Bay, Vermont, change frequency from 1370 kc. to 1390 kc., increase power from 100 watts to 1 KW and change in specified hours.

NEW—Philip J. Wiseman, Lewiston, Maine—Construction permit 1210 to erect a new broadcast station to be operated on 1210 kc., 100 watts, unlimited time.

WFBR—The Baltimore Radio Show, Inc., Baltimore, Maryland— 1270 Authority to determine operating power by direct measurement.

Essex Broadcasters, Inc., Detroit, Mich.—Authority to transmit 1200 programs from Detroit, Michigan, over Station CKLW, Windsor, Canada.

WHAZ—Rensselaer Polytechnic Institute, Troy, N. Y.—Modifica- 1300 tion of license to increase power from 500 watts to 1 KW.

WGBI—Scranton Broadcasters, Inc., Scranton, Penna.—Construc- 880 tion permit to move transmitter to northwest of Scranton City, Ransom Township, Penna.

NEW—Valley Broadcasting Service, Inc., Chattanooga, Tenn.— 1120 Construction permit to erect a new broadcast station to be operated on 1120 kc., 100 watts, daytime.

WSBT—South Bend Tribune, South Bend, Ind.—Modification of 1200 license to change hours of operation from specified to sharing time with WGES.

KIDO—Frank L. Hill and C. G. Phillips, d/b as Boise Broadcast 1200 Station, Boise, Idaho—License to cover construction permit authorizing changes in equipment and increase daytime power.

NEW—E. J. Regan and F. Arthur Bostwick, d/b as Regan and 1200 Bostwick, Portable—Construction permit to erect a new general experimental broadcast station to be operated on 40600 kc., 5 watts.

WHEC—WHEC, Inc., Rochester, N. Y.—Modification of license 1430 to increase power from 500 watts night, 1 KW daytime to 1 KW day and night.

WOKO—WOKO, Inc., Albany, N. Y.—Modification of license to 1430 increase power from 500 watts night, 1 KW daytime to 1 KW day and night.

W10XDT—Associated Radiocasting Corp., Portable—License to 1200 cover construction permit for general experimental broadcast station for operation on 31100, 34600, 37600, 40600 kc., 15 watts.

WPAD—Paducah Broadcasting Co., Inc., Paducah, Ky.—Construc- 1420 tion permit to install new equipment, and increase power from 100 watts to 100 watts night, 250 watts daytime.

WGAR—The WGAR Broadcasting Co., Cleveland, Ohio—Modifi- 560 cation of license to change frequency from 1450 kc. to 560 kc., and increase power from 500 watts night, 1 KW daytime to 1 KW day and night. Facilities WIND.

WTAW—Agricultural and Mechanical College of Texas, College 1120 Station, Texas—Modification of license to change hours of operation from sharing time with KTRH to specified hours.

WSOC—WSOC, Inc., Charlotte, N. Car.—Special experimental 880 authorization to change frequency from 1210 kc. to 880 kc. and increase power from 100 watts night, 250 watts day to 250 watts day and night.

KWK—Thomas Patrick, Inc., Kirkwood, Missouri—Authority to 1350 determine operating power by direct measurement.

NEW—KGBX, Inc., St. Joseph, Mo.—Construction permit to 1500 erect a new broadcast station to be operated on 1500 kc., 100 watts night, 250 watts daytime, unlimited time.

NEW—Cache Valley Broadcasting Service Co., Logan, Utah—Con- 1370 struction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited time.

KRKO—Lee E. Mudgett, Everett, Wash.—Construction permit to 1370 move station locally, install new equipment and increase power from 50 watts to 100 watts amended to omit request for new equipment and increase in power.

WSAN—WSAN, Inc., Allentown, Pa.—Modification of license to 1440 increase power from 250 watts to 1 KW, amended to request special experimental authorization to increase power to 500 watts.

WBNS—WBNS, Inc., Columbus, Ohio—Modification of license to 1430 increase power from 500 watts night, 1 KW daytime to 1 KW day and night.

WTAR—WTAR Radio Corp., Norfolk, Va.—Modification of 1780 license to increase power from 500 watts to 1 KW daytime, 500 watts night.

NEW—Jackson D. Magenau, Erie, Pa.—Construction permit to 1370 erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited time.

KBTM—W. J. Beard, Jonesboro, Ark.—Modification of construc- 1200 tion permit authorizing move of station to Jonesboro, Ark., from Paragould, Ark., and installation of automatic frequency control requesting extension of completion date.

WAGF—John T. Hubbard & Julian C. Smith, d/b as Dothan 1370 Broadcasting Co., Dothan, Ala.—Special experimental authorization to operate from local sunset to 6:30 p. m., for the period ending January 1, 1935.

WHBF—Rock Island Broadcasting Co., Rock Island, Ill.—Con- 1210 struction permit to install new transmitter.

NEW—Herbert H. Fette, Meriden, Minn.—Construction permit to 1310 erect a new broadcast station to be operated on 1310 kc., 100 watts daytime, amended to request change in the transmitter site and changes in equipment.

NEW—Louis Wasmer, Inc., Portable—Construction permit to erect 1200 a new broadcast pickup station to be operated on 1518, 2342, 2478 kc., 100 watts.

KGIR—KGIR, Inc., Butte, Mont.—Construction permit to install 1360 new equipment and increase power from 1 KW to 1 KW night, 2½ KW daytime, amended to request changes in equipment.

KGY—KGY, Inc., Olympia, Wash.—Extension of special experi- 1210 mental authorization to operate additional specified hours for the period beginning December 1, 1934, and ending June 1, 1935.

NEW—Arthur Westlund & Jules Cohn, Santa Rosa, Calif.—Con- 1500 struction permit to erect a new broadcast station to be operated on 1500 kc., 100 watts, unlimited time.

NEW—Radio Service Inc., Redlands, Calif.—Construction permit 820 to erect a new broadcast station to be operated on 820 kc., 100 watts daytime.

NEW—Helena Broadcasting Co., Helena, Mont.—Construction 1420 permit to erect a new broadcast station to be operated on 1420 kc., 100 watts, unlimited time, amended to change transmitter location and make changes in equipment.

NEW—David H. Cannon, Pasadena, Calif.—Construction permit 1480 to erect a new broadcast station to be operated on 1480 kc., 100 watts daytime, amended to change transmitter site.

WLBW—Broadcasters of Penna. Inc., Erie, Pa.—Voluntary assign- 1260 ment of license to The Miami Valley Broadcasting Corp.

WLBW—The Miami Valley Broadcasting Corp., Dayton, Ohio— 1260 Construction permit to move studio from Erie, Pa. to 39 S. Ludlow St., Dayton, move transmitter to Dayton, site to be determined, install new equipment.

WQDX—H. Wimpy, Thomasville, Ga.—Construction permit to 1210 move transmitter and studio locally, install new equipment and change hours of operation from unlimited to daytime.

WOW—Woodmen of the World Life Insurance Association, Omaha, 590 Nebraska—Construction permit to increase power from 1 KW to 5 KW, move transmitter from Farnam Street at Fourteenth Street, Omaha, Neb. to site to be determined, Neb., also install new equipment.

WGES—Oak Leaves Broadcasting Station, Inc., Chicago, Ill.—1360 Modification of license to change hours of operation from specified hours to sharing WSBT.

KGER—Consolidated Broadcasting Corp., Ltd., Long Beach, Calif. 1360 —License to cover construction permit (5-P-B-3219) make changes in equipment and move transmitter locally.

WOKO—WOKO, Inc., Albany, N. Y.—Modification of license to increase power from 500 watts night, 1 KW daytime to 1 KW day and night.

WLNH—The Northern Broadcasting Co., Laconia, N. H.—License to cover construction permit authorizing erection of new broadcast station for operation on 1310 kc., 100 watts power, daytime.

WCNW—Arthur Faske, Brooklyn, N. Y.—Modification of construction permit authorizing changes in equipment and increase in daytime power, requesting local move of transmitter and studio and extension of completion date.

WCBA—B. Bryan Musselman, Allentown, Pa.—Modification of license to increase power from 250 watts to 1 KW, amended to request special experimental authorization to increase power to 500 watts.

#### APPLICATIONS RETURNED

WBNS—WBNS, Inc., Columbus, Ohio—Modification of license to 1430 increase night power from 500 watts to 1 KW. (Obsolete form and Rule 6.)

NEW—Leo J. Blanchard, Fredericksburg, Texas—Construction 1120 permit to erect a new broadcast station to be operated on 1120 kc., 250 watts, sharing with WTAW. (Jurat incomplete, Rule 6.)

WHBF—Rock Island Broadcasting Co., Rock Island, Ill.—Construction 1210 permit to make changes in frequency control. (Wrong form.)

WGES—Oak Leaves Broadcasting Station, Inc., Chicago, Ill.—1360 Modification of license to change hours of operation from specified to sharing with WSBT. (Incomplete.)

WSBM—WSBM, Inc., New Orleans, La. 1320

WHBU—Anderson Broadcasting Corp., Anderson, Ind. 1210

KGHF—Curtis P. Ritchie, Pueblo, Colo. 1320

NEW—Geo. M. Knierim, Jr., Honey Island, Texas—Construction 630 permit to erect a new broadcast station to be operated on 630 kc., 6 watts power, night time, studio and transmitter located at Honey Island, Texas.

WHEC—WHEC, Inc., Rochester, N. Y.—Modification of license 1430 to increase power from 500 watts night to 1 KW. (Jurat and Rule 6.)

NEW—James M. Patterson, Jr., Stillwater, Okla.—Construction 1290 permit to erect a new broadcast station to be operated on 1290 kc., 100 watts daytime. (Unsatisfactory equipment and Rule 120.)

KGMB—The Honolulu Broadcasting Co., Ltd., Honolulu, Hawaii. 1320

WBIG—North Carolina Broadcasting Co., Inc., Greensboro, N. C. 1440

WKBH—WKBH, Inc., LaCrosse, Wisc. 1380

WQBC—Delta Broadcasting Co., Inc., Vicksburg, Miss. 1360

WSBT—The South Bend Tribune, South Bend, Ind. 1230

KGGM—New Mexico Broadcasting Co., Albuquerque, N. M. 1230

#### APPLICATIONS FOR RENEWAL LICENSES

KGGM—New Mexico Broadcasting Co., Albuquerque, N. Mex.—1230 1230 kc., 250 watts, 500 watts, LS, unlimited time.

KDLR—KDLR, Inc., Devils Lake, N. Dak.—1210 kc., 100 watts, 1210 unlimited time.

KFOR—Cornbelt Broadcasting Corp., Lincoln, Nebr.—1210 kc., 1210 100 watts, 250 watts, LS, unlimited time.

KFXM—J. C. Lee and E. W. Lee, (Lee Brothers Broadcasting Co.) 1210 San Bernardino, Calif.—1210 kc., 100 watts, S-KPPC.

KGDE—Chas. L. Jaren, Fergus Falls, Minn.—1200 kc., 100 watts, 1200 250 watts, LS, unlimited time.

KIT—Carl E. Haymond, Yakima, Wash.—1310 kc., 100 watts, 1310 unlimited time.

KPPC—Pasadena Presbyterian Church, Pasadena, Calif.—920 kc., 920 1 KW, 2½ KW, LS, unlimited time.

WHIS—Daily Telegraph Printing Co., Bluefield, W. Va.—1410 kc., 1410 250 watts, S-WRBX.

WAML—Southland Radio Corporation, Laurel, Miss.—1310 kc., 1310 100 watts, specified hours.

WBIG—North Carolina Broadcasting Co., Inc., Greensboro, N. C. 1440 —1440 kc., 500 watts night, 1 KW-LS, unlimited time.

WBOW—Bank of Wabash, Inc., Terre Haute, Ind.—1310 kc., 1310 100 watts, unlimited time.

WEXL—Royal Oak Broadcasting Co., Royal Oak, Mich.—1310 1310 kc., 50 watts, unlimited time.

WFAM—The South Bend Tribune, South Bend, Indiana—1200 1200 kc., 100 watts, S-WWAE.

WFAS—Westchester Broadcasting Corp., White Plains, New York 1210 —1210 kc., 100 watts, S-WGBB, WBRB, WGNV.

WFBG—The Gable Broadcasting Company, Altoona, Penna.—1310 1310 kc., 100 watts, S-WJAC.

WGES—Oak Leaves Broadcasting Station, Inc., Chicago, Ill.—1360 1360 kc., 500 watts, 1KW-LS, Sunday, specified hours.

WGH—Hampton Roads Broadcasting Corp., Newport News, Va. 1310 —1310 kc., 100 watts, unlimited time.

WHAT—Independence Broadcasting Company, Inc., Philadelphia, 1310 Penna.—1310 kc., 100 watts, S-WTEL.

WHBU—Anderson Broadcasting Corp., Anderson, Ind.—1210 kc., 1210 100 watts, unlimited time.

WIBU—William C. Forrest, Poyette, Wis.—1210 kc., 100 watts, 1210 unlimited time.

WJAC—WJAC, Inc., Johnstown, Penna.—1310 kc., 100 watts, 1310 S-WFBG.

WMPC—The First Methodist Protestant Church of Lapeer, Lapeer, 1200 Michigan—1200 kc., 100 watts, specified hours.

WNBH—E. Anthony & Sons, Inc., New Bedford, Mass.—1310 kc., 1310 100 watts night, 250 watts, LS, unlimited time.

WRAW—Reading Broadcasting Co., Reading, Penna.—1310 kc., 1310 100 watts, unlimited time.

WTEL—Foulkrod Radio Engineering Co., Philadelphia, Pa.—1310 1310 kc., 100 watts, S-WHAT, WCAM.

WTJS—The Sun Publishing Co., Inc., Jackson, Tenn.—1310 kc., 1310 100 watts night, 250 watts, LS, unlimited time.

WWAE—Hammond-Calumet Broadcasting Corp., Hammond, Ind. 1200 —1200 kc., 100 watts, S-WFAM.

KFH—The Radio Station KFH, Co., Wichita, Kansas—1300 kc., 1300 1 KW, unlimited time.

KFVS—Oscar C. Hirsch (Trading as Hirsch Battery & Radio Co.), 1210 Cape Girardeau, Missouri—1210 kc., 100 watts, specified hours.

KFXR—Exchange Avenue Baptist Church of Oklahoma City, 1310 Oklahoma, Oklahoma City, Okla.—1310 kc., 100 watts night, 250 watts, LS, unlimited time.

KGA—Louis Wasmer, Spokane, Washington—1470 kc., 5 KW, 1470 unlimited time.

KGBX—KGBX, Inc., Springfield, Missouri—1310 kc., 100 watts, 1310 specified hours.

KGCX—E. E. Krebsbach, Wolf Point, Montana—1310 kc., 100 1310 watts night, 250 watts, LS, specified hours.

KRMD—Radio Station KRMD, Inc., Shreveport, La.—1310 kc., 1310 100 watts, unlimited time.

KWG—Portable Wireless Telephone Co., Inc., Stockton, Calif.—1200 1200 kc., 100 watts, unlimited time.

KGHF—Curtis P. Ritchie, Pueblo, Colo.—1320 kc., 250 watts, 1320 500 watts, LS, C. P., 500 watts, unlimited time.

WSBM—WSBM, Inc., New Orleans, La.—1320 kc., 500 watts, 1320 unlimited time.

WROL—Stuart Broadcasting Corp., Knoxville, Tenn.—1310 kc., 1310 100 watts, unlimited time.

WSAJ—Grove City College, Grove City, Pa.—1310 kc., 100 watts, 1310 specified hours.

WSOC—WSOC, Inc., Charlotte, N. C.—1210 kc., 100 watts, 250 1210 watts, LS, unlimited time.

WTRC—Truth Radio Corp., Elkhart, Ind.—1310 kc., 50 watts, 1310 100 watts, LS, simultaneously daytime, S-WLBC night.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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Vol. 2 - No. 49  
OCT. 19, 1934

### BROADCAST ADVERTISING IN AUGUST

#### Developments of the Month

**B**BROADCAST advertising trends continued to be confusing in the main, though some evidence of underlying firmness is discernible. Revenues for the decline this year was slightly greater than in 1933 when August revenues were but 5.9% lower than those of the previous month. National spot volume again showed the strongest seasonal variation, being 21.7% lower than in the previous month. Local volume was approximately equal to July, while regional network volume experienced a gain of 31.2%.

#### Comparison with 1933

August broadcasting was 6.4% above that of the same month of 1933. National spot volume was 17.9% ahead of last year's level, national spot business 9.3% greater, and regional network volume approximately equal to last year's figure. Local broadcast advertising alone was lower than last year, experiencing a decline of 13.9% as compared with August, 1933. It is encouraging to note, however, that the comparative showing of August is better than that of July when local advertising was 20.4% below the level of the previous year.

#### Comparison with Other Media

The usual seasonal declines were experienced during the month in the magazine and farm periodical fields. National magazines were 12.3% lower in advertising vol-

ume than in July, though 6.9% above August last year. National farm paper revenues were 15.2% lower than July, 22.7% less than in August 1933. Drought conditions undoubtedly influenced this trend. Newspaper advertising followed its usual seasonal trend with an increase of 2.4%. Volume, however, was 6.5% below the same month of the previous year.

#### Other Trends of the Month

Stations of 5 kilowatts and more in power were the severest losers during the month, revenues of this class declining 21.6% as compared to July, and reaching a level materially below 1933. Revenues of the 100-watt class rose 6.4% as compared with the previous month. Broadcast advertising volume over the 250-1,000-watt class was 21.5% greater than during the same month of last year, and 34.0% greater in the same case of 100-watt stations.

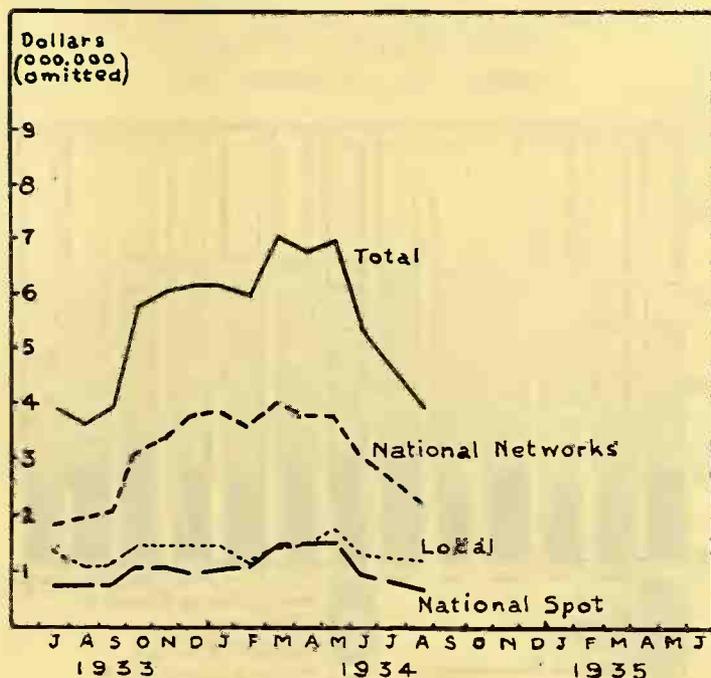
It should be noted that the "2,500-5,000-watt" and the "over 5,000-watt" classes have been combined in this report. This has been done because of the very few stations in the former group.

Declines in revenue as compared with July were greatest in the Southern and Mountain and Pacific areas. The New England-Middle Atlantic district showed a gain of 37.8% over August 1933, Middle Western volume was about equal to last year, Pacific Coast volume slightly less and Southern volume off materially.

National spot electrical transcription volume was 12% under last year. The live talent trend in this field continues, volume of this type of business being 46.6% above last year. Both local and national post announcement business was lower than in August 1933.

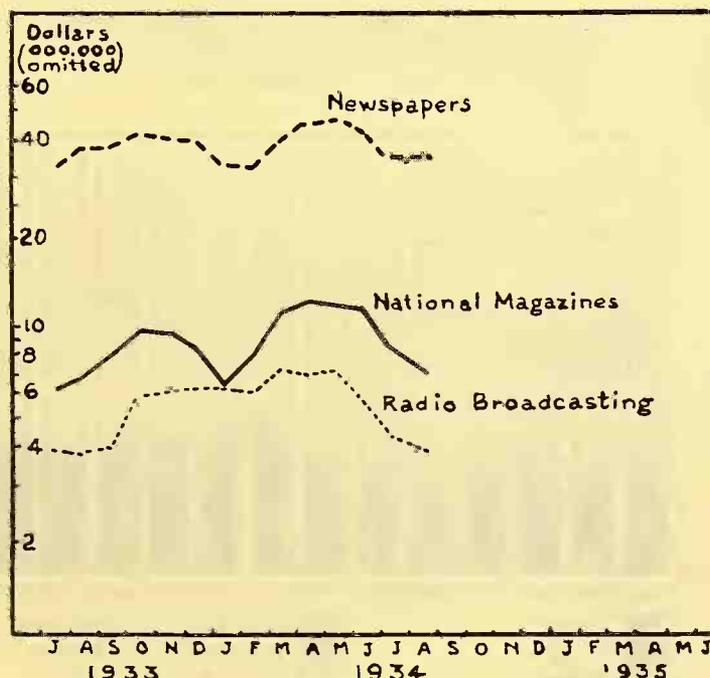
### RADIO BROADCAST ADVERTISING VOLUME

July, 1933, to June, 1935



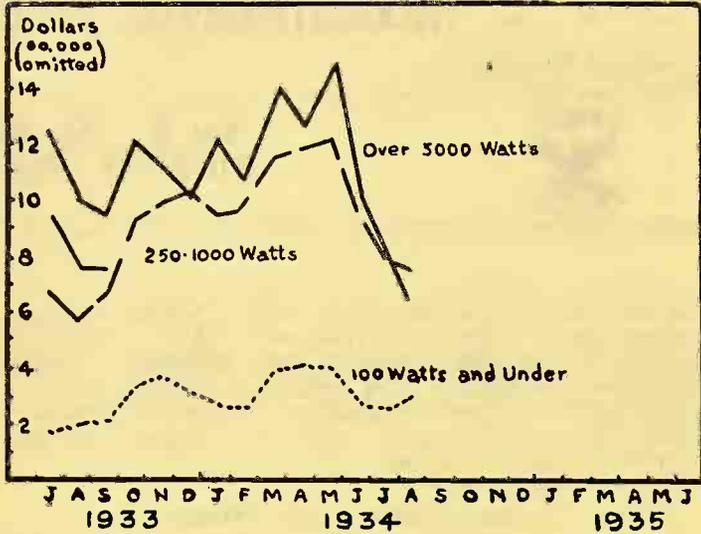
### ADVERTISING VOLUME MAJOR MEDIA

July, 1933, to June, 1935



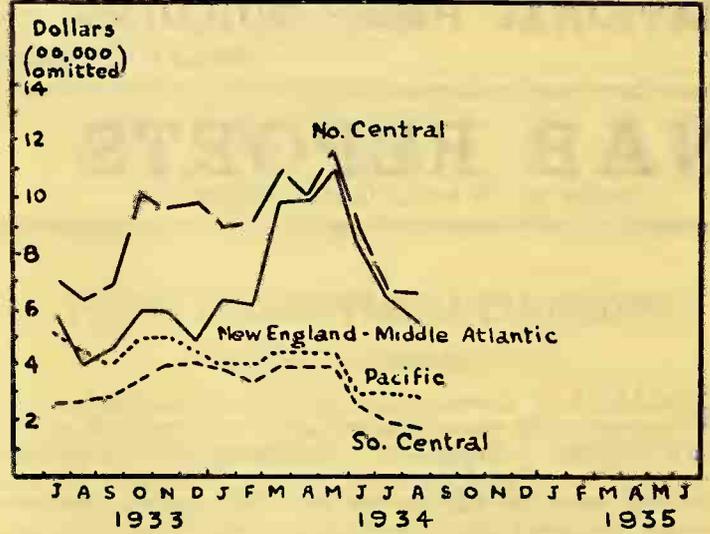
**NON-NETWORK ADVERTISING BY STATION POWER**

July, 1933, to June, 1935



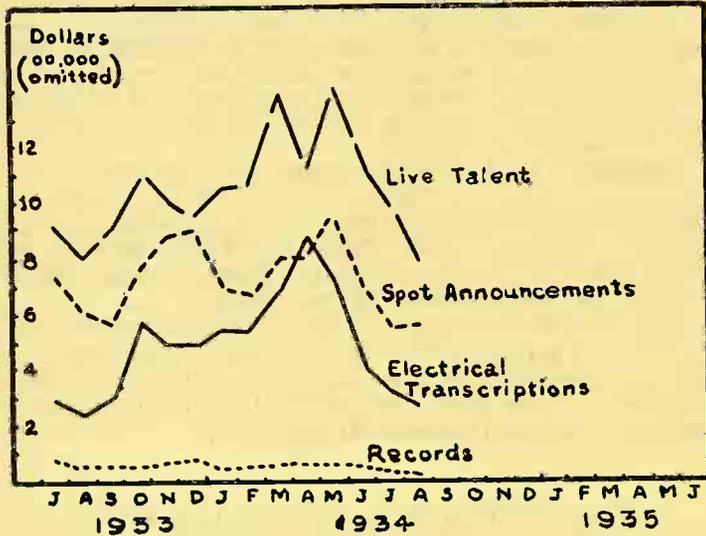
**NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS**

July, 1933, to June, 1935



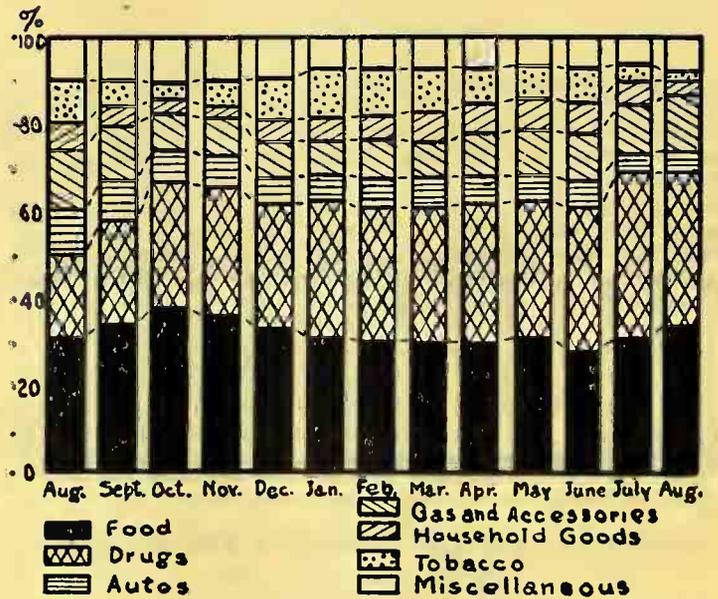
**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

July, 1933, to June, 1935



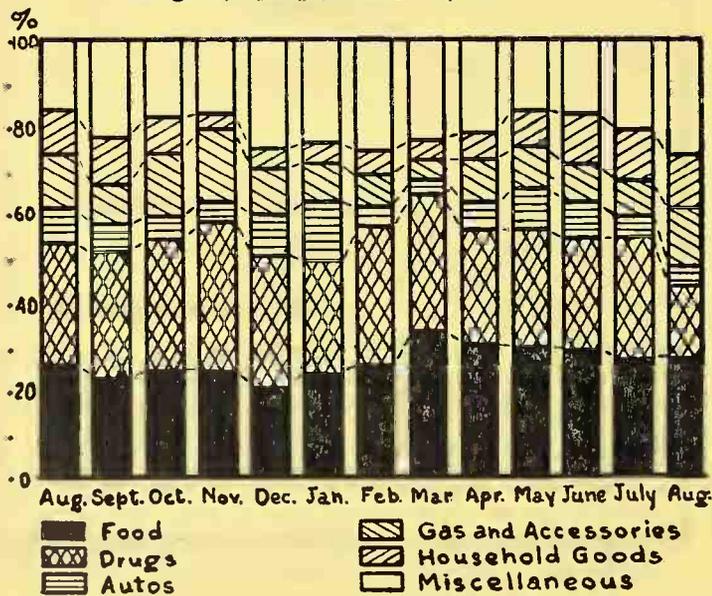
**NATIONAL NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS**

August, 1933, to August, 1934



**NATIONAL SPOT ADVERTISING BY TYPE OF SPONSORING BUSINESS**

August, 1933, to August, 1934



**LOCAL ADVERTISING BY TYPE OF SPONSORING BUSINESS**

August, 1933, to August, 1934



General seasonal declines occurred in most fields during the month. The drop in business was particularly heavy in the amusement field. The usual August upswing in the household furnishing field also manifested itself.

Principal gains as compared with August of the previous year include the following: Gasoline and automobile accessories, 22.5%, due mainly to national spot increase; clothing, 28.0%, with marked rises in national network and national spot volume; drugs and pharmaceuticals, 151%, with marked gains in all fields except local; cosmetics, 58% due to network and local increases; food, 30.1%, the rises occurring in the network and spot fields; miscellaneous, due mainly to political advertising.

The main decreases as compared with 1933 have taken place in the following fields: Amusements, 60.0% less than August of the preceding year; automobiles, 43.0% less due to national spot decreases; confections, 38% less, in spite of a 30% national network gain; soap, 20%; financial 45%, due to network and local decreases; tobacco, 67%, in spite of a spot rise; and retail advertising.

A summary of trends is as follows:

1a. Amusements. 20% decline since July. 60% less than August last year. Local decline reason.

1. Automobiles. 19% less than July and 43% below last year. Networks 8% lower than 1933; national spot 50% lower; local volume about same.

2. Accessories, gasoline and oil. Equal July. Slight increase spot, decrease local. National spot 22.5% above 1933, rest approximately equal last year.

3. Clothing 7.0% less July. Spot dropped 20%, rest declined only slightly.

4. Drugs and pharmaceuticals. 31.6% under July level. Networks off 19%, spot 60%, local 36%. Marked increase 1933, 151% networks, 400% regional networks, and 40% rise national spot. Local volume dropped 40%.

5. 14.5% under July, in spite slightly higher local volume. Materially above 1933. General increase 58%, with networks more than doubled, and local practically same. National spot slightly lower.

6. Foodstuffs. 6.0% under July, in spite of 3% gain in networks volume. Networks above 38.4% above last August, national spot 32.0% and local 16.6% less than last year.

7. Beverages. Slight decline as compared July. Networks 9.0% above 1933 level for month, national spot 27.0% and local 25.1% higher.

8. Confectionery. 4% decrease during month, due to network drop. Local up 40%. Confectionery volume 38.0% under August 1933 in spite of marked increase network volume.

9. Household equipment and appliances. 3% gain during month due to 17.5% rise in local advertising. Current volume 4% under August last year. Network decline reason. National spot up 25.0% and local 31.8%, as against last year.

10. Soap and kitchen supplies. 21% decrease, general in all fields. Household supply advertising 17.3% above August 1933. Gains general in all fields.

11. Insurance and financial. Decrease of 10.8% during month, due to local decline. Financial volume 45.6% under August last year. Main declines in local and network fields.

12. Radio. Increase 34.1% over July, due to rise in national spot volume. Radio volume 16.0% higher than last year. Main gains national spot and local advertising.

13. Retail establishments. General retail advertising 2.2% under July. Department and general store advertising off 16.2%. Main declines include 20% automobile dealers, 9% clothing, 11.4% food, and lesser ones in hardware, and radio. Increases include 24% in gasoline and accessories, 14.0% in household equipment and 70% in furniture retail advertising as compared July. Retail advertising off approximately 20% from August 1933. See retail advertising table.

14. Tobacco products. Marked decline principally network. Some rise national spot tobacco volume during the month. General volume one-third as much as last August.

15. Miscellaneous. Slight increase. Political advertising and some increase in general sponsorship the reason. Volume slightly ahead last year.

## BUSINESS CONDITIONS

During the past week some of the recession of September has been counteracted. Conditions still remain spotty, with considerable uncertainty. The New York Times Index on September 22nd stood at 72.3 as compared with 76.5 at the end of August and 77.7 one year ago.

The passing of the textile strike, however, should be encouraging. In spite of being materially lower than last year, automobile production has declined less than the usual seasonal amount during the past several weeks. Steel has shown some slight gains, while car loadings have remained fairly steady. Prices have held fairly steady, following uncertainty during the past several months. New York department store sales during the first half of September were 7.2% above the same period last year. The index of department store sales for the first seven months of this year was 16.3% above 1933, chain variety store sales 9% greater and mail order volume approximately 36% greater. The gains are much smaller however when compared to 1932.

## TOTAL BROADCAST ADVERTISING VOLUME

Class of Business	1934 Gross Receipts		Cumulative Jan.-Aug.
	July	August	
National networks	\$2,494,710	\$2,248,870	\$26,742,446
Regional networks	32,939	42,694	392,884
National spot business	767,750	598,122	8,976,736
Local broadcast advertising	1,080,064	1,039,070	10,413,633
Total	\$4,375,463	\$3,928,756	\$46,525,699

## ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Medium	1934 Gross Receipts		Cumulative Jan.-Aug.
	July	August	
Radio broadcasting	\$4,375,463	\$3,928,756	\$46,525,699
National magazines <sup>1</sup>	8,147,057	7,141,669	76,698,531
National farm papers	340,234	288,526	3,499,687
Newspapers <sup>2</sup>	34,462,900	35,321,000	312,319,150
Total	\$47,325,654	\$46,679,951	\$439,043,067

<sup>1</sup> National magazine totals are for 108 periodicals, prepared by Publishers' Information Bureau, Inc., from which source national farm papers and networks are also taken.

<sup>2</sup> Estimated.

## NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION

Power of Station	1934 Gross Receipts		Cumulative Jan.-Aug.
	July	August	
Over 1,000 watts <sup>1</sup>	\$797,824	\$625,060	\$8,827,532
250-1,000 watts	791,700	737,332	7,955,961
100 watts	258,290	274,800	2,606,876
Total	\$1,847,814	\$1,637,192	\$19,390,369

<sup>1</sup> This includes high-powered regional and clear channel stations ranging from 5 kilowatts upwards in power.

## NON-NETWORK BROADCAST ADVERTISING BY GEOGRAPHICAL DISTRICTS

Geographical Districts	1934 Gross Receipts		Cumulative Jan.-Aug.
	July	August	
New England-Middle Atlantic Area	\$658,384	\$565,678	\$6,474,563
South Atlantic-South Central Area	212,120	162,600	2,569,843
North Central Area	672,596	637,404	7,361,911
Pacific and Mountain Area	304,714	271,510	2,984,052
Total	\$1,847,814	\$1,637,192	\$19,390,369

## NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION

Type of Rendition	National Spot		Local		1934 Gross Receipts		Cumulative Jan.-Aug.
	July	Aug.	July	Aug.	Total		
	July	Aug.	July	Aug.	July	Aug.	
Electrical transcription	\$224,745	\$176,810	\$95,995	\$77,405	\$320,740	\$254,215	\$4,343,074
Live talent programs	397,450	245,855	559,964	539,265	957,414	785,120	8,982,737
Records	3,188	1,067	29,395	27,250	32,583	28,317	322,367
Spot announcements	142,367	174,390	384,710	395,150	537,077	569,540	5,742,191
<b>Total</b>	<b>\$767,750</b>	<b>\$598,122</b>	<b>\$1,080,064</b>	<b>\$1,039,070</b>	<b>\$1,847,814</b>	<b>\$1,637,192</b>	<b>\$19,390,369</b>

## RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS

(August, 1934)

Type of Sponsoring Business	National Networks	Regional Networks	Gross Receipts		
			National Spot	Local	Total
1a. Amusements	—	—	\$3,963	\$46,760	\$50,723
1-2. Automobiles and Accessories:					
(1) Automobiles	\$92,341	—	20,908	46,844	160,093
(2) Accessories, gas and oils	275,555	11,187	80,135	58,657	425,534
3. Clothing and apparel	25,246	1,000	20,400	108,947	155,593
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	216,277	1,615	63,894	44,426	326,212
(5) Toilet goods	600,693	1,520	31,350	14,962	648,525
6-8. Food products:					
(6) Foodstuffs	504,110	6,695	129,676	146,800	787,281
(7) Beverages	238,640	4,390	32,500	57,780	333,310
(8) Confections	16,061	200	4,300	2,940	23,501
9-10. Household goods:					
(9) Household equipment and furnishings	5,850	—	20,900	94,768	121,518
(10) Soap and kitchen supplies	112,157	—	50,890	6,658	169,705
11. Insurance and financial	36,014	2,140	9,720	26,445	74,319
12. Radios	39,162	—	16,540	3,900	59,602
13. Retail establishments	—	—	3,020	69,625	72,645
14. Tobacco products	38,168	—	21,310	2,418	61,896
15. Miscellaneous	48,596	13,947	88,616	307,140	458,299
<b>Total</b>	<b>\$2,248,870</b>	<b>\$42,694</b>	<b>\$598,122</b>	<b>\$1,039,070</b>	<b>\$3,928,756</b>

## RETAIL ADVERTISING OVER INDIVIDUAL STATIONS

(August, 1934)

Type of Sponsoring Business	1934 Gross Receipts	
	July	August
Automobiles and accessories:		
Automobile agencies and used car dealers	\$41,600	\$33,750
Gasoline stations, garages, etc.	25,740	31,467
Clothing and apparel shops	117,680	109,420
Drugs and toilet goods:		
Drug stores	7,365	7,157
Beauty parlors	3,570	3,180
Food products:		
Grocery stores, meat markets, etc.	34,600	30,450
Restaurants and eating places <sup>1</sup>	20,420	14,113
Beverage retailers	1,343	716
Confectionery stores, etc.	1,785	1,487
Household goods:		
Household equipment retailers <sup>2</sup>	25,160	29,800
Furniture stores	32,463	54,231
Hardware stores	9,640	7,363
Radio retailers	8,575	5,462
Department and general stores	86,450	72,645
Tobacco shops	540	2,075
Miscellaneous	35,720	36,700
<b>Total</b>	<b>\$449,081</b>	<b>\$439,716</b>

<sup>1</sup> Exclusive of hotels.

<sup>2</sup> Such as electric refrigerators, oil burners, sweepers, furnaces, and the like.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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Vol. 2 - - No. 50  
OCT. 31, 1934

### A NOTE AND AN APOLOGY

After nearly four years of regular service, the weekly reports of the NAB were interrupted this month due to the pressure of work at the headquarters office in connection with the October 1 hearings before the Federal Communications Commission.

Some idea of the size of the task which was presented by the hearings can be gathered from the fact that the testimony and exhibits, when the record is completed, will fill more than 20,000 legal size pages. All of the efforts of the headquarters office were concentrated on the hearings with the result that office routines were necessarily neglected. The staff was handicapped also by the reason of the fact that J. C. McNary, technical director and assistant to the Managing Director, was representing the broadcasting industry at the International Technical Consulting Conference at Lisbon, Portugal, during this busy time.

The NAB regrets the interruption of a service which we have always tried to maintain, and have maintained, on a regular schedule for so long a time. We regret the interruption, we apologize and we promise it will not happen again—unless another job of equal importance comes our way.

### RECESS IN GENERAL HEARINGS

General hearings before the Federal Communications Commission pursuant to the requirements of Section 307(c) of the Communications Act of 1934 to determine whether the Commission shall recommend to Congress that it, by statute, allocate fixed percentage of broadcast facilities for particular types of non-profit programs and to non-profit organizations, which commenced on October 1 were interrupted on October 20 and will be continued on November 7. Beginning with November 7 the Commission will hear rebuttal testimony of the proponents of change and certain witnesses for Government departments which have used broadcasting facilities. It is expected that the hearings will be finally closed before the end of that week.

When the hearings are concluded NAB REPORTS will carry a brief summary of the hearings.

### COMMISSION TO SURVEY ALLOCATION

The Broadcast Division of the Federal Communications Commission on October 30 announced that it will make a thorough survey of the broadcast structure both as to the results of allocation on clear channels and on channels to which more than one station is assigned to operate simultaneously at night.

The announcement was made in connection with the petition filed by a number of clear channel stations requesting a survey. The text of the Commission's announcement follows:

"The licenses of certain clear channel stations petitioned the Commission for an investigation of the service rendered on clear channels and a restatement of the regulations regarding them. The Broadcast Division has decided to conduct a thorough survey of the broadcast structure both as to results of allocation on clear channels and on channels to which more than one station is assigned to operate simultaneously at night. This survey will be made for the purpose of determining the service available to the people of the United States and the type of station that the listeners in rural areas are dependent upon for their service. The degree of interference or impairment of service caused by duplication of certain high power stations is to be investigated, as well

as the possibility of providing additional high power stations without reducing the service to the listening public from existing stations.

"The cooperation of the licensees of all broadcast stations is requested in making this survey. All licensees volunteering their field intensity equipment and personnel to make the observations and measurements should notify the Commission of the facilities which they are willing to place under the direction of the Commission for conducting the survey. The extent and scope of the survey will to some extent depend on the facilities that are made available.

"An informal conference will be held at the office of the Commission in Washington on November 9, 1934, for the purpose of determining definitely the details of the survey and prorating the assignments to the licensees volunteering their facilities. This survey will be made under the strict supervision of the Commission and the measuring facilities of any station accepted will not be limited to measurements on the licensee's station alone, but will be assigned other territories.

"This is the survey generally requested in Proposal numbered (1) by the petitioners.

"The Proposal numbered (2) is dependent entirely upon the survey to be made and need not be considered further. It is obvious that if the information and data secured from the survey indicate that new or amended regulations should be promulgated, they will be considered by the Division later.

"The Proposal numbered (3) of the petition, if granted, would preclude the Division from taking any other or further action with respect to duplicate night time operation on clear channels. It is considered that to grant this proposal would violate the spirit of the law. Therefore, Proposal numbered (3) must be and is denied."

### COMMISSION REVISES QUOTA SYSTEM

The Federal Communications Commission, on October 9, announced revision of rules 109, 110, 111 and 120, dividing the quota due each zone and state within each zone is divided into night and day sections, and the maximum day power on regional channels is increased to 5 kilowatts.

In connection with the revision of these rules the Commission stated:

"Interference caused by stations at night is different from that caused at day. Consequently, the broadcast quota due, the limit of which is interference, has been separated into two parts, 'night quota, and 'day quota.' The quota charge for a station operating both day and night has been divided into two parts, the power and time of operation between 6:00 a. m. and 6:00 p. m. being charged to 'day quota' and the power and time of operation between 6:00 p. m. and 12:00 midnight being charged to 'night quota.' A day station, the operation of which is entirely between 6:00 a. m. and 6:00 p. m. is charged only to 'day quota.'

"The 'night quota' due and 'day quota' due are entirely separate and wholly independent of each other. Applications will be considered in two parts if night and day operation is requested, and the proper quota due considered in connection with each part.

"The 'night quota' due and assigned do not differ materially from the night portion of the present system. The 'daytime quota' due each zone and state within each zone has been increased so that the quota already assigned no longer becomes the limiting factor in many cases to an increase in daytime power of local and regional stations and day and limited time stations on clear channels.

"Rule 120 was modified so that the maximum daytime power on the regional channels listed in this rule was increased to 5000



**DAY AND NIGHT QUOTA UNITS**

Immediately following announcement of revision of its quota system, the Federal Communications Commission made public an up-to-date list of day and night quota units due each state and zone along with the units and percentages over due or under due each. A detailed analysis follows:

**First Zone—Night**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Conn. ....	2.13	1.89	- 0.24	- 11
Del. ....	0.32	0.20	- 0.12	- 38
D. C. ....	0.64	0.60	- 0.04	- 6
Maine ....	1.06	0.99	- 0.07	- 7
Md. ....	2.16	1.95	- 0.21	- 10
Mass. ....	5.63	5.11	- 0.52	- 9
N. H. ....	0.62	0.33	- 0.29	- 47
N. J. ....	5.36	4.085	- 1.275	- 24
N. Y. ....	16.69	18.09	+ 1.40	+ 8
R. I. ....	0.91	0.70	- 0.21	- 23
Vt. ....	0.48	0.06	- 0.42	- 88
<b>Total</b> ....	<b>36.00</b>	<b>34.005</b>	<b>- 1.995</b>	<b>- 6</b>

**First Zone—Day**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Conn. ....	3.85	2.66	- 1.19	- 31
Del. ....	0.57	0.33	- 0.24	- 42
D. C. ....	1.16	1.00	- 0.16	- 14
Maine ....	1.91	1.22	- 0.69	- 36
Md. ....	3.91	3.60	- 0.31	- 8
Mass. ....	10.17	6.35	- 3.82	- 38
N. H. ....	1.11	0.60	- 0.51	- 46
N. J. ....	9.67	4.955	- 4.715	- 49
N. Y. ....	30.14	20.17	- 9.97	- 33
R. I. ....	1.65	0.70	- 0.95	- 58
Vt. ....	0.86	0.66	- 0.20	- 23
<b>Total</b> ....	<b>65.00</b>	<b>42.245</b>	<b>- 22.755</b>	<b>- 35</b>

**Second Zone—Night**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ky. ....	3.38	3.95	+ 0.57	+ 17
Mich. ....	6.25	5.06	- 1.19	- 19
Ohio ....	8.58	9.38	+ 0.80	+ 9
Pa. ....	12.43	12.54	+ 0.11	+ 1
Va. ....	3.13	4.70	+ 1.57	+ 50
W. Va. ....	2.23	1.93	- 0.30	- 13
<b>Total</b> ..	<b>36.00</b>	<b>37.56</b>	<b>+ 1.56</b>	<b>+ 4</b>

**Second Zone—Day**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ky. ....	6.10	4.15	- 1.95	- 32
Mich. ....	11.28	5.96	- 5.32	- 47
Ohio ....	15.50	11.56	- 3.94	- 25
Pa. ....	22.45	14.99	- 7.46	- 33
Va. ....	5.64	5.85	+ 0.21	+ 4
W. Va. ....	4.03	3.90	- 0.13	- 3
<b>Total</b> ..	<b>65.00</b>	<b>46.41</b>	<b>- 18.59</b>	<b>- 29</b>

**Third Zone—Night**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ala. ....	3.32	2.735	- 0.585	- 18
Ark. ....	2.32	2.67	+ 0.35	+ 15
Fla. ....	1.84	3.65	+ 1.81	+ 98
Ga. ....	3.64	4.21	+ 0.57	+ 16
La. ....	2.63	5.10	+ 2.47	+ 94
Miss. ....	2.52	0.99	- 1.53	- 61
N. C. ....	3.97	4.23	+ 0.26	+ 7
Okla. ....	3.00	3.24	+ 0.24	+ 8
S. C. ....	2.18	1.00	- 1.18	- 54
Tenn. ....	3.28	6.05	+ 2.77	+ 84
Texas ....	7.30	11.07	+ 3.77	+ 52
<b>Total</b> ...	<b>36.00</b>	<b>44.945</b>	<b>+ 8.945</b>	<b>+ 25</b>

**Third Zone—Day**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ala. ....	5.99	4.285	- 1.705	- 28
Ark. ....	4.19	4.75	+ 0.56	+ 13
Fla. ....	3.32	4.75	+ 1.43	+ 43
Ga. ....	6.58	4.90	- 1.68	- 26
La. ....	4.75	5.40	+ 0.65	+ 14
Miss. ....	4.55	2.11	- 2.44	- 54
N. C. ....	7.17	4.85	- 2.32	- 32
Okla. ....	5.42	4.90	- 0.52	- 10
S. C. ....	3.93	2.25	- 1.68	- 43
Tenn. ....	5.92	7.25	+ 1.33	+ 22
Texas ....	13.18	13.22	+ 0.04	+ 0
<b>Total</b>	<b>65.00</b>	<b>58.665</b>	<b>- 6.335</b>	<b>- 10</b>

**Fourth Zone—Night**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ill. ....	10.14	11.03	+ 0.89	+ 9
Ind. ....	4.30	3.42	- 0.88	- 20
Iowa ....	3.28	5.02	+ 1.74	+ 53
Kans. ....	2.50	2.49	- 0.01	- 0
Minn. ....	3.41	4.18	+ 0.77	+ 23
Miss. ....	4.82	5.00	+ 0.18	+ 4
Neb. ....	1.83	2.21	+ 0.38	+ 21
N. D. ....	0.90	1.40	+ 0.50	+ 56
S. D. ....	0.92	0.86	- 0.06	- 7
Wis. ....	3.90	3.05	- 0.85	- 22
<b>Total</b>	<b>36.00</b>	<b>38.66</b>	<b>+ 2.66</b>	<b>+ 7</b>

**Zone Four—Day**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ill. ....	18.30	14.74	- 3.56	- 19
Ind. ....	7.77	5.55	- 2.22	- 29
Iowa ....	5.93	7.26	+ 1.33	+ 22
Kans. ....	4.51	3.32	- 1.19	- 26
Minn. ....	6.15	5.37	- 0.78	- 13
Mo. ....	8.70	8.21	- 0.49	- 6
Neb. ....	3.30	5.62	+ 2.32	+ 70
N. D. ....	1.63	1.90	+ 0.27	+ 17
S. D. ....	1.66	2.03	+ 0.37	+ 22
Wis. ....	7.05	5.56	- 1.49	- 27
<b>Total</b>	<b>65.00</b>	<b>59.56</b>	<b>- 5.44</b>	<b>- 8</b>

**Fifth Zone—Night**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ariz. ....	1.32	1.02	- 0.30	- 23
Calif. ....	17.18	18.67	+ 1.49	+ 9
Colo. ....	3.13	4.61	+ 1.48	+ 47
Idaho ....	1.35	1.50	+ 0.15	+ 11
Mont. ....	1.63	1.75	+ 0.12	+ 7
Nev. ....	0.27	0.35	+ 0.08	+ 30
N. M. ....	1.28	1.13	- 0.15	- 12
Oreg. ....	2.89	4.02	+ 1.13	+ 39
Utah ....	1.54	3.30	+ 1.76	+ 114
Wash. ....	4.73	7.26	+ 2.53	+ 53
Wyo. ....	0.68	0.40	- 0.28	- 41
<b>Total</b>	<b>36.00</b>	<b>44.01</b>	<b>+ 8.01</b>	<b>+ 22</b>

**Fifth Zone—Day**

State	Due	Units		Per Cent Over or Under
		Assigned	Over or Under	
Ariz. ....	2.38	1.66	- 0.72	- 30
Calif. ....	31.02	21.05	- 9.97	- 32
Colo. ....	5.66	4.98	- 0.68	- 12
Idaho ....	2.43	1.95	- 0.48	- 20
Mont. ....	2.94	2.30	- 0.64	- 22
Nev. ....	0.49	0.35	- 0.14	- 29
N. M. ....	2.31	2.90	+ 0.59	+ 26
Oreg. ....	5.21	5.89	+ 0.68	+ 13
Utah ....	2.78	3.30	+ 0.52	+ 19
Wash. ....	8.54	8.50	- 0.04	- 0
Wyo. ....	1.24	0.40	- 0.84	- 68
<b>Total</b>	<b>65.00</b>	<b>53.28</b>	<b>- 11.72</b>	<b>- 18</b>

## 100-WATT STATION POLICY ANNOUNCED

The Broadcast Division of the Federal Communications Commission, after considering Section 307 (b) of the Communications Act of 1934, relating to additional 100-watt stations, made an official announcement of policy on October 10.

Section 307 (b) of the Act reads as follows:

"Provided further, That the Commission may also grant applications for additional licenses for stations not exceeding one hundred watts of power if the Commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section."

The Commission's statement in full text reads as follows:

"The Division decided that these stations will be assigned only to the channels designated in Rule 121 as local channels in the Rules and Regulations of the Commission, namely: 1200, 1210, 1310, 1370, 1420 and 1500 kilocycles. In determining interference that may be caused by these stations, the present power-frequency mileage separation tables of the Engineering Department will be followed and the technical requirements for the installation and operation will be the same as for all other broadcast stations.

"New broadcast stations will be licensed under this section only after a full showing has been made that the station will be operated in public interest. This showing must include full facts concerning the applicant's financial and technical ability to operate the station requested. It must be shown that program material is available such that programs can be built that will be of service and interest to the listeners. Proof must be submitted that sufficient possibilities are available that the applicant can provide adequate talent, personnel and properly maintained equipment.

"A review of existing stations in small centers of population reveals that a majority of these stations are having great difficulty in operating with adequate programs, maintenance and personnel.

"Past records show that in many cases applicants hope to obtain a limited facility and expect at a later date to materially increase that facility. The present allocation does not permit such later increases and accordingly the Commission must have proof that the assignment, as requested, has a reasonable promise of success."

## TRADE COMMISSION CONTINUES SURVEY

Expressing gratification at the cooperation furnished by the network systems, stations and advertisers, the Federal Trade Commission on October 18 announced that it would continue its survey of radio advertising in the hope that cooperation would be continued. The announcement of the Commission follows:

"Because of the immense amount of work involved in reading and checking the advertising programs, the Commission has for the present, at least, adopted the policy of making the call by zones, of which the country has been divided into five. Today's call is for continuities to be submitted by the stations in Maine, New Hampshire, Vermont, Rhode Island, Connecticut, Massachusetts, New York, New Jersey, Delaware, Maryland, District of Columbia and Puerto Rico. Calls upon the other four zones will be made later.

"In the Commission's letter making the call for the submission of the advertising continuities, the fact is noted that on the first call, made to cover broadcasts during the month of July, the stations replied one hundred per cent. The Commission's letter says that this is 'a confirmation of our belief that the radio industry would cooperate wholeheartedly with the Commission in its work of eliminating untruthful advertising from the air.' The Commission feels that a promising start has been made and that real progress has been achieved.

"With respect to the procedure as to electrical transcription of advertising matter, the Commission has made a modification to the extent that hereafter the Commission desires copies to be furnished of all commercial announcements appended to or given in connection with a transcription, electrical or otherwise, where such commercial programs are delivered or read by an announcer in the local stations.

"In response to its first call, covering advertising programs for the month of July, the Commission received 180,877 continuities. Of these, 161,466 were found to be subject to no criticism and were filed without further action. The remaining 22,411 were referred for further examination. Of the ten network systems and 598 broadcasting stations in the country, all filed their continuities in compliance with the Commission's request, while the con-

tinuities submitted by transcription companies represent 95 per cent of the total volume of such advertising.

"The Commission is very much gratified at the cooperation furnished by the network systems, the stations and the advertisers and is much encouraged over the progress made in ridding radio advertising of false and misleading matter."

## FEDERAL COMMUNICATIONS COMMISSION ACTION

### HEARING CALENDAR

No hearings have been scheduled by the Commission for the week beginning Monday, October 29th.

### APPLICATIONS GRANTED

**KWK**—Thomas Patrick, Inc., St. Louis, Mo.—Granted license to **1350** cover C. P.; **1350** kc., 1 KW night, 2½ KW LS, unlimited time.

**WCNW**—Arthur Faske, Brooklyn, N. Y.—Granted modification of **1500** C. P. to move transmitter and studio locally in Brooklyn, and extend commencement date to at once and completion date to 30 days from this date.

**WJR**—WJR, The Goodwill Station, Detroit, Mich.—Granted license **750** to cover C. P. covering move of transmitter and change in equipment; **750** kc., 10 KW, unlimited.

**WLNH**—The Northern Broadcasting Co., Laconia, N. H.—Granted **1310** license to cover C. P.; **1310** kc., 100 watts, daytime.

**KSLM**—Oregon Radio, Inc., Salem, Ore.—Granted license covering **1370** new station; **1370** kc., 100 watts, daytime.

**WBBZ**—Chas. Lewis Carrell, deceased, represented by Howard **1200** Johnson, Ponca City, Okla.—Granted license covering local move of transmitter and studio; **1200** kc., 100 watts, unlimited time.

**KWCR**—Cedar Rapids Broadcast Co., Cedar Rapids, Iowa.—**1430** Granted license covering change in frequency from **1420** kc. to **1430** kc., and increase in power from 250 watts night, 500 watts LS, unlimited time.

**KGBZ**—KGBZ Broadcasting Co., York, Nebr.—Granted license **930** covering changes in equipment and increase in power from 500 watts night, 1 KW LS, to 1 KW night, 2½ KW LS, shares KMA.

**WSMK**—Stanley M. Krohn, Jr., Dayton, Ohio.—Granted consent **1380** to voluntary assignment of license to WSMK, Inc.

**NEW**—William J. Sanders, New Britain, Conn.—Granted C. P. for **1380** new station to operate on **1380** kc., 250 watts, daytime hours.

**NEW**—Head of the Lakes Broadcasting Co., Hibbing, Minn.—**1210** Granted C. P. for new station to operate on **1210** kc., 100 watts, unlimited time.

**KPAC**—Port Arthur College, Port Arthur, Tex.—Granted license **1260** covering move of station from Brownsville to Port Arthur, Texas, and changing hours of operation from sharing with KRGV to daytime, on **1260** kc., 500 watts, subject to decision of Court of Appeals in re case of Magnolia Petroleum Co. vs. Sabine Broadcasting Co., Inc. (KFDM), protesting the move of KPAC.

**WBBM**—WBBM Broadcasting Corp., Chicago, Ill.—Granted modification of special experimental authorization for synchronous operation with station KFAB from local sunset, Lincoln, Nebr., to midnight.

**KFAB**—KFAB Broadcasting Co., Lincoln, Nebr.—Granted modification of special experimental authorization for synchronous operation with station WBBM from local sunset to midnight.

**WCPC**—Americus Broadcast Corp., Albany, Ga.—Granted modification of license to change hours from daytime to unlimited (**1420** kc., 100 watts).

**KGIR**—KGIR, Inc., Butte, Mont.—Granted C. P. to make changes **1360** in equipment; increase day power from 1 KW to 2½ KW.

**WEED**—William Avera Wynne, Rocky Mount, N. C.—Granted **1420** modification of license to change hours from daytime to unlimited day, sharing with WEHC night; also to move studio locally.

**KOOS**—H. H. Hanseth, Inc., Marshfield, Ore.—Granted modification of license to change hours of operation from daytime to: daytime and from local sunset to 7 p. m., PST, months of September, October, November, December, January, February, and March, with 100 watts power.

**KSEI**—Radio Service Corp.—Pocatello, Idaho.—Granted modification of C. P. to move transmitter locally, move studio to Yellowstone-LL Highway, employ directional antenna system, and extend commencement date to within one day from this date and completion date to within 120 days hereafter.

- subject to decision of the Court of Appeals in this case and to further order of the Commission thereon.
- WHJB**—Pittsburgh Radio Supply House, Greensburgh, Pa.—**620** Granted modification of C. P. approving transmitter and studio location in Greensburgh, extending commencement date to October 29, 1934, and completion date to 60 days thereafter.
- WRAX**—WRAX Broadcasting Co., Philadelphia, Pa.—**1020** license to cover C. P. for auxiliary transmitter; **920 kc.**, 250 watts.
- WPEN**—Wm. Penn Broadcasting Co., Philadelphia, Pa.—**920** license to cover C. P. for a period of 90 days conditionally as to WPEN; **920 kc.**, 250 watts night, 500 watts LS; stations to share time.
- WRAX**—WRAX Broadcasting Co., Philadelphia, Pa.—**1020** license to cover C. P. for a period of 90 days conditionally as to WPEN; **920 kc.**, 250 watts night, 500 watts LS; stations to share time.
- WKBZ**—Karl L. Ashbacker, Muskegon, Mich.—**1500** cover C. P.; **1500 kc.**, 100 watts, unlimited time.
- WCRW**—Clinton R. White, Chicago, Ill.—**1200** C. P.; **1210 kc.**, 100 watts, specified hours.
- WMAL**—National Broadcasting Co., Inc., Washington, D. C.—**630** Granted modification of license to change main transmitter to auxiliary and change auxiliary to main transmitter.
- WGAR**—WGAR Broadcasting Co., Cleveland, Ohio.—**1450** authority to determine operating power by direct measurement.
- WKRC**—WKRC, Inc., Cincinnati, Ohio.—**550** section 2 of extension of special temporary experimental authorization, dated August 7, 1934, as follows: North tower 7.6 amperes, South tower 4.5 amperes. The current in North tower leads the current in South tower by 120°.
- WXYZ**—Kunsky Trendle Broadcasting Corp., Detroit, Mich.—**1240** Granted authority to transmit programs from WXYZ to stations of the Canadian Radio Commission.
- WTBO**—Association Broadcasting Corp., Cumberland, Md.—**800** Granted license to cover C. P.; **800 kc.**, 250 watts, daytime.
- WCAO**—The Monumental Radio Co., Baltimore, Md.—**600** modification of license to increase day power from 500 watts to 1 KW.
- KGNF**—Great Plains Broadcasting Co., North Platte, Nebr.—**1430** Granted modification of license to increase day power from 500 watts to 1 KW.
- WNYC**—City of New York, Department of Plant and Structures, **810** New York City.—**810** Granted modification of license to increase power from 500 watts to 1 KW.
- WSFA**—Montgomery Broadcasting Co., Inc., Montgomery, Ala.—**1410** Granted modification of license to increase day power from 500 watts to 1 KW.
- WNAD**—University of Oklahoma, Norman, Okla.—**1010** cation of license to increase power from 500 watts to 1 KW.
- WFBC**—The Greenville News-Piedmont Co., Greenville, S. C.—**1200** Granted modification of license to increase night power from 250 watts to 1 KW.
- KFJM**—University of North Dakota, Grand Forks, N. Dak.—**1370** Granted special experimental authorization to change equipment and increase day power from 100 watts to 250 watts, experimentally.
- WJBK**—James F. Hopkins, Inc., Detroit, Mich.—**1500** make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WMBC**—Havens & Martin, Inc., Richmond, Va.—**1420** to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WJW**—WJW, Inc., Akron, Ohio.—**1210** in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WLVA**—Lynchburg Broadcasting Corp., Lynchburg, Va.—**1200** C. P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WRAC**—WRAC, Inc., Williamsport, Pa.—**1370** changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WHEF**—Attala Broadcasting Corp., Kosciusko, Miss.—**1500** license to cover C. P.; **1500 kc.**, 100 watts, 250 watts LS, unlimited.
- KMED**—Mrs. W. J. Virgin, Medford, Ore.—**1310** cover C. P.; **1310 kc.**, 100 watts, 250 watts LS, unlimited time.
- WBNS**—WBNS, Inc., Columbus, Ohio.—**1430** termine operating power by direct measurement.
- WFBR**—The Baltimore Radio Show, Inc., Baltimore, Md.—**1270** authority to determine operating power by direct measurement.
- KWK**—Thomas Patrick, Inc., St. Louis, Mo.—**1350** to determine operating power by direct measurement.
- WJIM**—Capitol City Broadcasting Co., Lansing, Mich.—**1210** license to cover C. P.; **1210 kc.**, 100 watts night, 250 watts day, unlimited time.
- WKJC**—Lancaster Broadcasting Service, Inc., Lancaster, Pa.—**1200** Granted license to cover C. P.; **1200 kc.**, 100 watts night, 250 watts day, share WKBO.
- KGER**—Consolidated Broadcasting Corp., Ltd., Long Beach, Calif.—**1360** —**1360** Granted license to cover C. P.; **1360 kc.**, 1 KW, unlimited.
- KRKO**—Lee E. Mudgett, Everett, Wash.—**1370** locally to 1804 Hewitt Ave, same city; **1370 kc.**, 50 watts, share KVL.
- WLBZ**—Maine Broadcasting Co., Inc., Bangor, Me.—**1310** to make changes in equipment and increase day power from 500 watts to 1 KW.
- WNBX**—WNBX Broadcasting Corp., Springfield, Vt.—**1250** C. P. to make changes in equipment, increase power from 500 watts to 1 KW, and increase hours of operation from daytime to daytime to sunset at Erie, Pa.
- XGRS**—Gish Radio Service, Amarillo, Tex.—**1410** changes in equipment and increase daytime power from 1 KW to 2½ KW.
- WFEA**—New Hampshire Broadcasting Co., Manchester, N. H.—**1340** Granted C. P. to increase day power from 500 watts to 1 KW.
- WALA**—Pape Broadcasting Corp., Inc., Mobile, Ala.—**1380** modification of license to increase day power from 500 watts to 1 KW.
- WBTM**—Piedmont Broadcasting Corp., Danville, Va.—**1370** C. P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- WIBM**—WIBM, Inc., Jackson, Mich.—**1370** changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- NEW**—Aberdeen Broadcast Co., Aberdeen, S. Dak.—**1420** for new station to operate on **1420 kc.**, 100 watts, full daytime hours.
- NEW**—Richard Austin Dunles, Wilmington, N. C.—**1370** for new station to operate on **1370 kc.**, 100 watts, daytime.
- KIT**—Carl E. Hamond, Yakima, Wash.—**1310** changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- KFXJ**—Western Slope Broadcasting Co., Grand Junction, Colo.—**1200** Granted C. P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts day.
- KOOS**—H. H. Hanseth, Inc., Marshfield, Ore.—**1200** make changes in equipment, change frequency from **1370 kc.** to **1200 kc.**, and increase power from 100 watts to 250 watts daytime hours.
- NEW**—E. J. Regan and F. Arthur Bostwick, d/b as Regan & Bostwick, St. Albans, Vt.—**406000** kc., 5 watts.
- NEW**—National Broadcasting Co., Inc., Portable-Mobile (New York City).—**17310, 23100, 25700, 26000, 27100, 31100, 34600, 37600, 40600, 86000-400000, 401000** kc., 15 watts. Also granted license covering same.
- W10XDT**—Associated Radiocasting Corp., Portable-Mobile (Columbus, Ohio).—**31100, 34600, 37600, 40600** kc., 15 watts, for period ending June 1, 1935.
- W3XAI**—RCA Victor Co., Inc., Camden, N. J.—**1935** Granted modification of C. P. extending completion date to March 15, 1935.
- WPAD**—Paducah Broadcasting Co., Inc., Paducah, Ky.—**1420** C. P. to increase power from 100 watts to 100 watts night, 250 watts day.
- KBTM**—Beard's Temple of Music, Jonesboro, Ark.—**1200** modification of C. P. to change location of studio in Jonesboro, and extend completion date to November 1, 1934.
- WOW**—Woodmen of the World Life Ins. Assn., Omaha, Nebr.—**590** Granted modification of C. P. extending commencement date to November 1, 1934, and completion date to May 1, 1935.
- WPEN**—Wm. Penn Broadcasting Co., Philadelphia, Pa.—**920** license to cover C. P., **920 kc.**, 250 watts. For auxiliary purposes only.
- WCLO**—WCLO Radio Corp., Janesville, Wis.—**1200** voluntary assignment of license to Gazette Printing Company, Inc.

NEW—A. M. Rowe, Inc., Portable-Mobile (Fairmont, W. Va.).—  
Granted C. P. (exp.-gen. exp.); 31100, 34600, 37600, 40600  
kc., 10 watts.

### SET FOR HEARING

NEW—Samuel L. Finn (to be determined), Dayton, Ohio.—C. P.  
1250 for new station; 1250 kc., 250 watts, unlimited time.

KGKL—KGKL, Inc., San Angelo, Tex.—C. P. to change trans-  
940 transmitter locally, make changes in equipment, change fre-  
quency from 1370 kc. to 940 kc., and increase power from  
100 watts night, 250 watts LS, to 500 watts night, 1 KW LS.

KABC—Alamo Broadcasting Co., Inc., San Antonio, Tex.—Special  
1310 experimental authorization to change frequency experi-  
mentally from 1420 kc. to 1310 kc. for period ending Decem-  
ber 31, 1934. (No change 100 watts, unlimited time.)

NEW—Mrs. Nellie H. Morris and W. C. Morris, a partnership  
working as "Hotel Eagle."—Authority to transmit programs  
from Hotel Eagle, Eagle Pass, Tex., over KEPN, Piedras  
Nagras, Mexico.

NEW—F. N. Pierce, Taylor, Tex.—C. P., 1310 kc., 100 watts, un-  
1310 limited time.

NEW—A. P. Mueller, Hubert Mueller, Alvin Mueller, Jr., Mueller  
1500 Amusement Co., Seguin, Tex.—C. P., 1500 kc., 100 watts,  
specified hours—7:30 a. m. to 2 p. m.; 4 to 10 p. m.

NEW—Calcasieu Broadcasting Co., T. E. Lanford, R. M. Dean, and  
1500 L. M. Sepaugh, Lake Charles, La.—C. P., 1500 kc., 100  
watts, unlimited time.

NEW—Norman F. Storm, Centralia, Wash.—C. P.; transmitter  
1500 site to be determined between Centralia and Chehalia, Wash.  
Studio to be located in Centralia; 1500 kc., 100 watts, un-  
limited time.

NEW—The Ardmoreite Publishing Co., Inc., Ardmore, Okla.—  
1210 C. P., 1210 kc., 100 watts, unlimited time.

NEW—Munn Q. Cannon, Logan, Utah.—C. P., 1210 kc., 100 watts,  
1210 unlimited. Transmitter site to be determined, Logan, Utah.

NEW—M. D. Smith, Jr., d/b as Smith Broadcasting Co., Chatta-  
1420 nooga, Tenn.—C. P., 1420 kc., 100 watts, unlimited time;  
Broad and Chestnut Streets at 9th, Chattanooga.

NEW—Bailey Bros. (Burton G., Theodore G., David G., and Clin-  
1420 ton J.), San Diego, Calif.—C. P., 1420 kc., 100 watts, un-  
limited time.

NEW—Neth L. Leschman, Dallas, Tex.—C. P., 1200 kc., 100 watts,  
1200 unlimited. Exact location to be determined in Dallas.

NEW—Dr. Wm. J. Reynolds and Wm. J. Reynolds, Jr., Selma,  
1500 Ala.—C. P., 1500 kc., 100 watts, daytime.

NEW—A. L. Chilton, Kilgore, Tex.—C. P., 1200 kc., 100 watts,  
1200 unlimited.

NEW—O. K. Broadcasting Co., Louisville, Ky.—C. P., 1200 kc.,  
1200 100 watts, unlimited (site to be determined).

NEW—Eastern Broadcasting Co., Portland, Me.—C. P., 1210 kc.,  
1210 100 watts, unlimited time.

KSLM—Oregon Radio, Inc., Salem, Ore.—Modification of C. P. to  
1370 make change in proposed equipment; change hours from  
daytime to unlimited; extend commencement date and com-  
pletion date to 10 days after grant and 30 days thereafter,  
respectively.

NEW—O. K. Broadcasting Co., Cleveland (site to be determined).—  
1500 C. P., 1500 kc., 100 watts, unlimited time.

NEW—Dudley J. Connolly, Chattanooga, Tenn.—C. P., 1420 kc.,  
1420 100 watts, unlimited time.

NEW—Carolina Radio, Inc., Anderson, S. C. (John C. Calhoun  
1200 Hotel). Transmitter site to be determined, Anderson, S. C.—  
C. P., 1200 kc., 100 watts night, 250 watts LS, unlimited  
time.

NEW—Patrick J. Goode, New Haven, Conn. (exact site to be de-  
970 termined).—C. P., 970 kc., 250 watts, limited time.

NEW—Joseph M. Kirby, Boston, Mass. (exact site to be deter-  
970 mined).—C. P., 970 kc., 250 watts night, 500 watts LS, un-  
limited time.

NEW—Utah Radio Educational Society, Walter P. Monson, Jr.,  
1430 Pres., North Salt Lake, Utah.—C. P., 1430 kc., 1 KW, un-  
limited time.

NEW—L. M. Kennett, Indianapolis, Ind. (exact site to be deter-  
600 mined).—C. P., 600 kc., 1 KW, daytime.

NEW—Norman Baker, Muscatine, Iowa.—C. P., 1170 kc., 5 KW,  
1170 limited time: 5:30 a. m. to LS, 12 midnight to 3 a. m., CST.

NEW—W. L. Gleeson, Sacramento, Calif.—Special experimental  
1470 authorization, 1470 kc., 5 KW, unlimited time.

WEEU—Berks Broadcasting Co., Reading, Pa.—Modification of  
830 license to change power and increase hours of operation from

1 KW daytime to 500 watts night, 1 KW day, unlimited  
time.

WTBO—Associated Broadcasting Corp., Cumberland, Md.—Modifi-  
800 cation of license to increase hours of operation from local  
sunset at Cumberland to daytime to local sunset at Dallas,  
Tex.

WLBW—Broadcasters of Pennsylvania, Erie, Pa.—Consent to vol-  
1250 untary assignment of license to The Miami Valley Broadcast-  
ing Corp.

WLBW—Miami Valley Broadcasting Corp., Erie, Pa.—C. P. to  
1260 move transmitter and studio from Erie, Pa., to Dayton, Ohio,  
and install new antenna. (1260 kc., 1 KW, unlimited time—  
no change.)

WLIT—Lit Brothers Broadcasting System, Inc., Philadelphia, Pa.—  
560 Special experimental authorization to increase power from  
500 watts to 1 KW night. (Station has S. A. to use 1 KW  
daytime.) No change 560 kc., S-WFI.

KFBK—James McClatchy Co., Sacramento, Calif.—Construction  
1490 permit. Change transmitter location from 57th and H Sts.,  
Sacramento, Calif., to about 4 miles west from center of  
business district of Sacramento, Calif.; make changes in  
equipment; change frequency from 1310 kc. to 1490 kc.;  
increase power from 100 watts to 5 KW.

KFYO—T. E. Kirksey, tr. as Kirksey Bros., Lubbock, Tex.—Con-  
940 struction permit. Install new equipment, change frequency,  
and increase power from 1310 kc., 100 watts night, 250 watts  
LS, to 940 kc., 500 watts.

WTEL—Foulkrod Radio Engineering Co., Philadelphia, Pa.—Con-  
1230 struction permit to make changes in equipment; change fre-  
quency from 1310 kc. to 1230 kc., and increase power from  
100 watts to 250 watts night, 500 watts day; change hours  
of operation from S-WHAT, WTEL 1/3 time and WHAT  
1/3 time, but not permitted to operate any time WCAM is  
operating, to unlimited (use directional antenna).

KNOW—KUT Broadcasting Co., Austin, Tex.—Special experi-  
1290 mental authorization to move studio locally to Norwood  
Bldg., make changes in equipment, change frequency from  
1500 kc. to 1290 kc., and increase power from 100 watts  
to 250 watts.

WROL—Stuart Broadcasting Corp., Knoxville, Tenn.—Special  
1310 experimental authorization to change equipment and in-  
crease power from 100 watts to 100 watts night, 250 watts  
day. Requests waiver Rule 6.

WMBR—Florida Broadcasting Co., Jacksonville, Fla.—Construc-  
1370 tion permit to make changes in equipment and increase power  
from 100 watts to 100 watts night, 250 watts day.

WGL—F. C. Zieg (Allen Wayne Co.), Fort Wayne, Ind.—Construc-  
1300 tion permit to make changes in equipment, change frequency  
from 1370 kc. to 1300 kc., and increase power from 100  
watts to 250 watts night, 500 watts day.

NEW—Great Western Broadcasting Association, Inc., Logan, Utah.  
1500 —Construction permit, 1500 kc., 100 watts, unlimited.

NEW—American Broadcasting Co., Washington, D. C.—Construc-  
830 tion permit, 830 kc., 100 watts, unlimited.

NEW—Winger and Thomas, Chattanooga, Tenn.—Construction  
1420 permit, 1420 kc., 100 watts, daytime.

NEW—Albert T. Roche and Harold Smithson, Chico, Calif.—Con-  
850 struction permit, 850 kc., 100 watts, daytime.

NEW—Brown Radio Service & Laboratory (Cordon P. Brown,  
1210 Owner), Rochester, N. Y.—Construction permit, 1210 kc.,  
100 watts, unlimited.

NEW—Guthrie Broadcasting Co., Guthrie, Okla.—Construction  
1200 permit, 1200 kc., 100 watts, S-WBBZ (7-9 a. m., 11 a. m. to  
1 p. m., 3-5 p. m., 7-9 p. m. daily). Requests part facilities  
WBBZ.

NEW—Joseph H. Hallock, Baker, Ore.—Construction permit, 1200  
1200 kc., 100 watts, daytime.

WKBB—Sanders Bros. Radio Station, E. Dubuque, Ill.—Construc-  
1500 tion permit to make changes in equipment, increase power  
from 100 watts to 100 watts night, 250 watts day, and in-  
crease hours of operation from specified to unlimited.

WMBH—Joplin Broadcasting Co., Joplin, Mo.—Modification of  
1420 license. Change hours of operation from specified to un-  
limited. (No change 1420 kc., 100 watts night, 250 watts  
LS.)

WCLS—WCLS, Inc., Joliet, Ill.—Modification of license. Change  
1310 hours of operation from specified to unlimited (1310 kc., 100  
watts, S. H.).

WLLH—Albert S. Moffat, Lexington, Mass. (C. P. Lowell, Mass.).  
1370 —Modification of license. Change hours of operation from  
specified to unlimited (1370 kc., 100 watts, 250 watts LS).

KWEA—International Broadcasting Corp., Shreveport, La.—Construction permit. Move transmitter and studio from Shreveport, La., to a location to be determined in Baton Rouge, La.; new equipment, and change frequency from 1210 kc. to 1500 kc. (no change 100 watts, unlimited hours.)

KMMJ—The M. M. Johnson Co., Clay Center, Nebr.—Construction permit. Make changes in equipment and increase power from 1 KW to 2½ KW. (Station licensed for 740 kc., limited time.)

WWAE—Hammond-Calumet Broadcasting Corp., Hammond, Ind. 1010 —Construction permit to make changes in equipment, change frequency from 1260 kc. to 1010 kc., and increase power from 100 watts to 500 watts, and change hours of operation from sharing with WFAM to unlimited.

WDZ—James L. Bush, Tuscola, Ill.—Construction permit to make 1070 changes in equipment and increase power from 100 watts to 250 watts. Licensed for 1070 kc., 100 watts, day only.

NEW—Guilford Broadcasting Co., Abilene, Tex.—Construction 1420 permit, 1420 kc., 100 watts, unlimited time.

NEW—Raymond L. Hughes, Midland, Tex.—Construction permit, 1200 1200 kc., 100 watts, daytime.

NEW—W. C. Hilgedick and Geo. C. Knauer, 2 miles south of 1200 Denison city limits (Denison), Tex.—Construction permit, 1200 kc., 100 watts, daytime.

NEW—T. H. Barton, El Dorado, Ark.—Construction permit, 1370 1370 kc., 100 watts, unlimited.

NEW—W. L. Gleeson, Salinas, Calif.—Construction permit, 1210 1210 kc., 100 watts, unlimited.

NEW—A. H. Sconberg, Salinas, Calif.—Construction permit, 1500 1500 kc., 100 watts, unlimited.

NEW—Palmer Broadcasting Syndicate, Inc., Portland, Maine.— 1210 Construction permit, 1210 kc., 100 watts, unlimited.

NEW—Palmer Broadcasting Syndicate, Inc., Cheyenne, Wyo.— 1210 Construction permit, 1210 kc., 100 watts, unlimited.

NEW—Willis T. Shaughnessy, Bay Shore, N. Y.—Construction 1370 permit, 1370 kc., 100 watts, unlimited.

NEW—Great Western Broadcasting Association, Inc., Provo, Utah. 1210 —Construction permit, 1210 kc., 100 watts, unlimited.

NEW—Louis H. Callister, Provo, Utah.—Construction permit, 1200 1200 kc., 100 watts, unlimited.

NEW—Paul Q. Callister, Salt Lake City, Utah.—Construction per- 1370 mit, 1370 kc., 100 watts, unlimited.

KMO—KMO, Inc., Tacoma, Wash.—Modification of license. In 1330 crease power from 250 watts to 500 watts (no change 1330 kc., unlimited time).

WBCM—James E. Davidson, Bay City, Mich.—Modification of 1410 license. Increase day power from 500 watts to 1 KW (no change 1410 kc., 500 watts night, unlimited.) (Col. Brown voted to grant.)

KVOD—Colorado Radio Corporation, Denver, Colo.—Modification 920 of license. Increase day power from 500 watts to 1 KW (no change 920 kc., 500 watts night, S-KFEL equally).

WHP—WHP, Inc., Harrisburg, Pa.—Modification of license. In- 1430 crease night power from 500 watts to 1 KW (1430 kc., 1 KW day, unlimited, no change).

KRKD—Radio Broadcasters, Inc., Los Angeles, Calif.—Construc- 1120 tion permit. New equipment and increase power from 500 watts to 1 KW night, 2½ KW LS (no change 1120 kc., shares KFSG).

WFI—WFI Broadcasting Company, Philadelphia, Pa.—Special ex- 560 perimental authorization. Increase power from 500 watts to 1 KW night (no change 560 kc., S-WLIT). (Station has S. A. for 1 KW daytime.)

WHOM—New Jersey Broadcasting Corp., Jersey City, N. J.— 1450 Renewal of license set for hearing and conditional license granted pending hearing.

WDAG—National Radio & Broadcasting Corp., Amarillo, Tex.— 1410 Renewal of license set for hearing to be held at Amarillo, Tex., before a properly designated official upon a date to be set. Conditional license granted pending hearing. Charge violation of Sec. 316 of Communications Act of 1934.

NEW—James D. Scanell, Lewiston, Maine.—C. P. for new station 1210 to operate on 1210 kc., 100 watts, unlimited.

NEW—Ohio Valley Broadcasting Corp., Parkersburg, W. Va.— 1420 C. P. for new station to operate on 1420 kc., 100 watts, unlimited time.

NEW—William G. Demuth, Uhrichsville, Ohio.—C. P. for new 1420 station to operate on 1420 kc., 100 watts, daytime.

NEW—Radio Service, Inc., Riverside, Calif.—C. P. for new station 820 to operate on 820 kc., 100 watts, daytime.

WSYR—WSYU—Central New York Broadcasting Corp., Syracuse, 570 N. Y.—C. P. to move transmitter locally in Syracuse, make

changes in equipment, and increase power from 250 to 500 watts. (Licensed on 570 kc., unlimited time.)

## MISCELLANEOUS

KMLB—Liner's Broadcasting Station, Inc., Monroe, La.—Granted 1200 petition to take depositions in support of its application for change in frequency and increase in power to be heard November 13, 1934, at Washington, D. C.

WTJS—The Sun Publishing Co., Jackson, Tenn.—Hearing sched- 1310 uled for November 12, 1934, continued for an indefinite period. (Docket 2451.)

WNBR—Memphis Broadcasting Co., Memphis, Tenn.—Hearing 1430 scheduled for November 12, 1934, continued for an indefinite period. (Docket 5244.)

WTMJ—Milwaukee Journal, Milwaukee, Wis.—Reconsidered and 1280 granted request for an increase in daytime power from 2½ to 5 KW; no change in night power, which remains at 1 KW.

WMBH—Joplin Broadcasting Co., Joplin, Mo.—Reconsidered and 1420 granted modification of license to change hours of operation from specified to unlimited, upon motion of Commissioner Brown.

WBAA—Purdue University, W. Lafayette, Ind.—Reaffirmed grant 890 of June 29, 1934, for modification of license changing frequency from 1400 kc. to 890 kc., and increasing day power to 1 KW LS, following withdrawal of the protest of station WILL.

WKBF—Indiana Broadcasting, Inc., Indianapolis, Ind.—Reaffirmed 1400 action of June 29, 1934, granting unlimited time.

WLIT—Lit Bros. Broadcasting System, Inc., Philadelphia, Pa.— 560 Denied request for reconsideration of application to increase night power from 500 watts to 1 KW on the frequency 560 kc., sharing time with WFI.

KCRC—Radiophone Co., Inc., Enid, Okla.—Denied petition that 1360 the Commission reconsider its action in designating for hearing application for modification of license to change frequency from 1370 kc. to 1360 kc., increase power from 100 watts night to 50 watts day to 250 watts day and night; unlimited time.

WAVE—WAVE, Inc., Louisville, Ky.—Denied petition to intervene 1200 in the application of the O. K. Broadcasting Co., Louisville, Ky., which seeks authority to erect a new station to operate on 1200 kc., 100 watts, unlimited time.

WEBR—Howell Broadcasting Co., Buffalo, N. Y.—Redesignated 800 for hearing amended application for C. P. to authorize change in frequency to 800 kc., increase in power from 1 KW, and reduce hours of operation from unlimited to sunset at Dallas, Tex., and to install new equipment.

WALR—WALR Broadcasting Corp., Zanesville, Ohio.—Suspended 1210 grant made October 12, 1934, for removal of station WALR from Zanesville to Toledo, to operate on 1210 kc., 100 watts, because of the protest of station WHBU, Anderson, Ind. An application for removal was designated for hearing.

WFI—WFI Broadcasting Co., Philadelphia, Pa.—Denied request 560 for reconsideration of application to increase night power from 500 watts to 1 KW, on the frequency of 560 kc., sharing time with WLIT.

WMT—Waterloo Broadcasting Co., Waterloo, Iowa.—Granted con- 600 sent to transfer of 100% of capital stock of the Waterloo Broadcasting Co. to the Cedar Rapids Broadcast Co. 100% subsidiary of the Register Tribune Company.

KGA—Louis Wasmer, Spokane, Wash.—Granted extension of spe- 900 cial temporary authorization to operate on 900 kc., 1 KW night, 2½ KW day, subject to action of U. S. Court of Appeals of the District of Columbia in cause No. 6216, Radio Service Corp., Station KSEI, vs. Federal Radio Commission, petition and protest of KFPY against extension denied.

WMBH—Joplin Broadcasting Co., Joplin, Mo.—Denied special 1420 temporary authorization to operate from 2 to 6 p. m., CST, November 2, 9, 16, 23, and 29; from 2 to 3 p. m., November 3, 10, 17, and 24; from 10 a. m. to 10:30 a. m. and from 2:30 to 3:30 p. m., CST, November 4, 11, 18, and 25, 1934.

KSLM—Oregon Radio, Inc., Salem, Ore.—Denied special temporary 1370 authorization to operate daily except Tuesdays and Fridays until 8:30 p. m., and Tuesdays and Fridays to 11 p. m., PST, pending action on application for unlimited time, but in no event for a period longer than 30 days.

WQDM—A. J. St. Antoine and E. J. Regan, St. Albans, Vt.—Appli- 1370 cation for C. P. to move station locally, heretofore granted, was retired to closed files for want of prosecution.

WCFL—Chicago Federation of Labor, Chicago, Ill.—C. P. to install  
970 auxiliary transmitter heretofore granted, was retired to closed  
files as applicants advised construction has been abandoned.

WNOX—WNOX, Inc., Knoxville, Tenn.—Granted modification of  
1010 license to change frequency from 560 kc. to 1010 kc. (The  
Broadcast Division on July 18, 1934, suspended the action  
of June 15, 1934, in granting the above application, affirmed  
its action of June 15 inasmuch as on September 25, 1934, the  
grant previously made to station WIS to change its fre-  
quency from 1010 kc. to 560 kc. and increase power from  
500 watts night, 1 KW day, to 1 KW night, 2½ KW daytime,  
was affirmed and the granting of WNOX's application was  
contingent thereon.

NEW—Frank Lyman, Jr., Boston, Mass.—C. P. to erect new sta-  
680 tion, 680 kc., 250 watts, limited time until local sunset at  
Raleigh, N. C., which was heretofore set for hearing, was  
dismissed at request of applicant.

WGLC—Adirondack Broadcasting Co., Inc., Hudson Falls, N. Y.—  
1370 Granted petition for C. P. to remove station to Albany, and  
approved transfer of 90% of the outstanding stock.

WBAA—Purdue University, W. Lafayette, Ind.—Hearing post-  
890 poned on application to modify license by changing fre-  
quency from 1400 kc. to 890 kc. and increasing daytime  
power from 500 watts to 1 KW at the request of WILL and  
WBAA, because the two stations have reached an agreement  
which they say will result in the withdrawal of the protest  
which brought about the hearing.

WEHC—Community Broadcasting Corp., Charlottesville, Va.—  
1420 Granted application to change frequency from 1350 kc. to  
1420 kc., and power from 500 watts daytime only to 100  
watts night, 250 watts day, unlimited daytime, sharing with  
WEED at night.

NEW—Plattsburg Broadcasting Corp., Plattsburg, N. Y.—Recon-  
1310 sidered and granted application for C. P. for new station to  
operate on 1310 kc., 100 watts, daytime only. Site of trans-  
mitter to be determined.

WALR—WALR Broadcasting Corp., Zanesville, Ohio.—Suspended  
1210 grant of authority to move station from Zanesville to Toledo,  
because of protest of station WJIM, Lansing, Mich. WALR  
operates on 1210 kc. with 100 watts power. Application for  
removal set for hearing.

#### ACTION ON EXAMINERS' REPORTS

NEW—I-6: Lawrence B. Amelung, Washington, Mo.—Denied  
1420 application to construct a new broadcast station at Wash-  
ington, Mo., to operate on 1420 kc., unlimited time, 50 watts  
power. Examiner sustained.

NEW—Ex. Rep. 1-7: Gino Amatucci, Latrobe, Pa.—Denied  
1210 application to erect a new broadcasting station at Latrobe,  
Pa., to be operated with 50 watts power on 1210 kc., day-  
time, sustaining the Examiner.

KGHI—Ex. Rep. 1-11: Lloyd Judd Co., Little Rock, Ark.—Denied  
1200 application for special authorization to operate with 250  
watts power, unlimited time, in lieu of 100 watts night time  
and 250 watts day. Application set for hearing on October  
17, but no appearances entered and no evidence offered in  
support of the application. Default order entered. Examiner  
sustained.

NEW—Ex. Rep. No. 599: Voice of Longview, Longview, Tex.—  
1370 Granted C. P. for new station to operate on 1370 kc., 100  
watts, daytime, reversing Examiner R. L. Walker.

NEW—Ex. Rep. No. 571: Chas. Henry Gunthrope, Jr., Nacog-  
1420 doches, Tex.—Denied application for new daytime station to  
operate on 1420 kc., 100 watts, sustaining Examiner R. L.  
Walker.

#### APPLICATIONS RETURNED

NEW—WMAN, Inc. (Corp. pending), Mansfield, Ohio.—Construc-  
1370 tion permit to erect a new broadcast station to be operated  
on 1370 kc., 100 watts, unlimited time. (Rule 6, 125.)

WPTF—WPTF Radio Company, Raleigh, N. C.—License to cover  
680 construction permit (B3-MP-5). (Sec. 8c, equipment tests,  
Form 327.)

NEW—Brothers & England (L. C. Brothers and H. P. England),  
1370 Mansfield, Ohio.—Construction permit to erect a new broad-  
cast station to be operated on 1370 kc., 100 watts, un-  
limited time. (Wrong form.)

WCSH—Congress Square Hotel Co., Portland, Maine.—Modifica-  
940 tion of license to increase power from 1 KW, 2½ KW local  
sunset, to 5 KW. (Req. attorney.)

WIBU—William C. Forrest, Poyette, Wis.—Construction permit  
1210 to install new equipment, increase daytime power from 100  
watts to 250 watts. (Wrong form.)

KFIO—Spokane Broadcasting Corp., Spokane, Wash.—Construc-  
1120 tion permit to change transmitter site locally, install new  
equipment. (Wrong form.)

KARK—Arkansas Radio & Equipment Co., Little Rock, Ark.—  
890 Construction permit to increase power from 250 watts night,  
500 watts day, to 1 KW; new equipment, change transmitter  
site. (Req. attorney.)

KIEM—Harold H. Hanseth, Eureka, Calif.—Construction permit  
1450 to change frequency from 1210 kc. to 1450 kc., increase  
power from 100 watts to 500 watts, install new equipment,  
(Assigned to Redwood Broadcasting Co., Inc.)

KFPM—Dave Ablowich, tr. as The New Furniture Co., Greenville,  
1310 Tex.

KBTM—W. J. Beard (Beard's Temple of Music), Paragould, Ark.  
1200

#### APPLICATIONS RECEIVED

WOL—American Broadcasting Company, Washington, D. C.—  
1310 Modification of construction permit (1-P-B-3260) to extend  
completion date.

NEW—Broadcasters of Pennsylvania, Inc., Erie, Pa.—Construction  
1420 permit for new station to be operated on 1420 kc., 100 watts  
night power, 250 watts daytime power, unlimited time.  
Studio, 925 Peach St., Erie, Pa. Transmitter site to be de-  
termined, Erie, Pa.

KABC—Alamo Broadcasting Co., Inc., San Antonio, Tex.—Special  
1310 experimental authorization to change frequency from 1420  
kc. to 1310 kc., for period ending December 31, 1934.

NEW—W. Wright Esch, Daytona Beach, Fla.—Construction permit  
1420 for a new broadcast station to be operated on 1420 kc., 100  
watts nighttime power, 250 watts daytime power, unlimited.  
Transmitter and studio located 153 Magnolia Avenue, Day-  
tona Beach, Fla. Amended to request 100 watts power day  
and night. Amended in regard to equipment.

NEW—Hazlewood, Inc., West Palm Beach, Fla.—Construction  
1420 permit for new broadcast station for 1420 kc., 100 watts  
power, unlimited time. Transmitter and studio, El Varano  
Hotel, West Palm Beach, Fla.

WREC—WREC, Inc., Memphis, Tenn.—Construction permit to  
600 increase power from 1 KW to 1 KW night, 2½ KW daytime;  
change equipment.

WHBF—Rock Island Broadcasting Co., Rock Island, Ill.—License  
1210 to cover construction permit (B4-P-124), change studio  
location and make changes in equipment.

WHBL—Press Publishing Co., Sheboygan, Wis.—Modification of  
1300 license (R-B-571) to change frequency from 1410 kc. to  
1300 kc., change night power from 500 watts to 250 watts,  
hours of operation from sharing with WROK to unlimited.

WDAF—The Kansas City Star Co., Kansas City, Mo.—Modifica-  
610 tion of construction permit (4-P-B-3294) to increase power  
from 1 KW night, 2½ KW daytime, to 5 KW; make changes  
in equipment, extend commencement date to 30 days after  
grant and completion date to 90 days thereafter.

KRE—First Congregational Church of Berkeley, Berkeley, Calif.—  
1370 Construction permit to install new equipment and increase  
day power from 100 watts to 250 watts. Amended and re-  
submitted as to equipment.

NEW—Bellingham Publishing Co., Bellingham, Wash.—Construc-  
1420 tion permit for new broadcast station to be operated on  
1420 kc., 100 watts power, unlimited. Studio, corner of  
State and Chestnut Streets, Bellingham, Wash. Transmitter  
site to be determined, Bellingham, Wash.

KUJ—KUJ, Inc., Walla Walla, Wash.—Modification of license  
1370 (5-R-B-69) to change hours of operation from daytime to  
unlimited.

NEW—J. B. Kiefer, Los Angeles, Calif.—Construction permit for  
1480 a new broadcast station to be operated on 1480 kc., 100  
watts daytime. Transmitter and studio site to be determined,  
Los Angeles, Calif. (Westwood Village). Amended to in-  
crease power to 5 KW, unlimited time, and make changes  
in equipment.

W1XCW—E. J. Regan and F. A. Bostwick, d/b as Regan and  
Bostwick, Portable.—Modification of construction permit  
for general experimental broadcast station to change fre-  
quency from 40600 kc. to 31100 kc., power from 5 watts to  
20 watts, and make equipment changes.

- NEW—Joseph M. Kirby, Boston, Mass.—Construction permit to erect a new broadcast station to be operated on **970 kc.**, 250 watts night, 500 watts day, unlimited time. Amended to operate on **1120 kc.**
- WOV—International Broadcasting Corp., New York, New York.—**1130** Construction permit to install directional antenna and change time from day to unlimited. Amended to request unlimited time except from 6 to 8 p. m.
- WDRC—WDRC, Inc., Hartford, Conn.—Modification of license **1330** to increase power from 1 KW, 2½ KW LS, to 1 KW night, 5 KW day.
- WAWZ—Pillar of Fire, Alma White College, Zarephath, N. J.—**1350** Modification of license to increase daytime power from 250 watts to 500 watts.
- WROL—Stuart Broadcasting Corp., Knoxville, Tenn.—Construction permit to increase power daytime from 100 watts to 250 watts. Supersedes 3-SA-B-124.
- WFLA-WSUN—Clearwater Chamber of Commerce and St. Petersburg Chamber of Commerce, Clearwater, Fla.—Modification of special experimental authorization to increase power to 1 KW night, 5 KW day.
- WTAR—WTAR Radio Corporation, Norfolk, Va.—Modification of **780** license requesting authority to use present transmitter as an auxiliary.
- KGRS—E. B. Gish (Gish Radio Service), Amarillo, Tex.—Modification of license to change hours of operation from specified hours to unlimited time.
- NEW—Hart & Nelson (J. A. Hart and Wayne M. Nelson), High **1200** Point, N. C.—Construction permit to erect a new broadcast station to be operated on **1200 kc.**, 100 watts, daytime.
- NEW—Eugene DeBogory and Mildred English, d/b as Dallas **1500** Broadcasting Co., Dallas, Tex.—Construction permit to erect a new broadcast station to be operated on **1500 kc.**, 100 watts, daytime.
- NEW—Homer York, Lufkin, Tex.—Construction permit to erect a **1340** new broadcast station to be operated on **1340 kc.**, 250 watts, unlimited time. Amended, equipment changes and transmitter site.
- WDAY—WDAY, Inc., Fargo, N. Dak.—Construction permit to **940** increase power from 1 KW night, 2½ KW day, to 5 KW LS, 1 KW night, and make equipment changes.
- NEW—Abraham Shapiro, Astoria, Ore.—Construction permit to **1370** erect a new broadcast station to be operated on **1370 kc.**, 100 watts, unlimited time. Amended to change hours from unlimited to 7 a. m. to 8 p.m. (specified hours).
- NEW—Louis Wasmer, Inc., Portable.—Construction permit for a **new broadcast pickup station to be operated on 1518, 2342, 2478 kc.**, 100 watts. Amended to change frequency to **1606, 2020, 2060, and 2760 kc.**
- KGBU—Alaska Radio & Service Co., Inc., Ketchikan, Alaska.—**900** Modification of license to change hours of operation from specified hours to unlimited time.
- KPOF—Pillar of Fire (a corporation), near Denver, Colo.—Modification of license to increase daytime power from 500 watts to 1 KW.
- NEW—John R. Langenegger, Poughkeepsie, N. Y.—Construction **1370** permit to erect a new broadcast station to be operated on **1370 kc.**, 100 watts, daytime.
- WSPD—Toledo Broadcasting Co., Toledo, Ohio.—Modification of **1340** construction permit to install new equipment, increase power from 1 KW to 1 KW night, 2½ KW day, requesting extension completion date.
- NEW—Georgia School of Technology, Portable.—Construction permit to erect a new broadcast pickup station to be operated on **1622, 2190 kc.**, 5 watts.
- NEW—Georgia School of Technology, Portable.—Construction permit to erect a new broadcast pickup station to be operated on **1622, 2190 kc.**, 10 watts.
- KTSA—Southwest Broadcasting Co., San Antonio, Tex.—Modification **1290** special experimental authorization to increase power daytime from 2½ KW to 5 KW.
- WSUI—State University of Iowa, Iowa City, Iowa.—Modification **880** of license to increase power from 500 watts to 500 watts night, 1 KW day; change hours of operation from specified hours to unlimited.
- WNAX—The House of Gurney, Inc., Yankton, S. Dak.—Construction **570** permit to increase power daytime from 2½ KW to 5 KW; make equipment changes.
- KOIN—KOIN, Inc., Portland, Ore.—Modification of license to increase **940** daytime power from 1 KW to 5 KW.
- NEW—Jack Powers, Frank C. Carman, David G. Smith, and Grant **1500** Wrathall, d/b as Utah Broadcasting Co., Salt Lake City, Utah.—Construction permit to erect a new broadcast station to be operated on **1500 kc.**, 100 watts power, unlimited time.
- NEW—Harold Thomas, New Britain, Conn.—Construction permit **930** to erect a new broadcast station to be operated on **930 kc.**, 100 watts, daytime.
- WIBG—WIBG, Inc., Glenside, Pa.—Voluntary assignment of license **970** to Seaboard Radio Broadcasting Corp.
- WJAS—Pittsburgh Radio Supply House, Pittsburgh, Pa.—Construction permit to make equipment changes and move transmitter.
- KQV—KQV Broadcasting Co., Pittsburgh, Pa.—Construction permit to make equipment changes and move transmitter.
- NEW—Samuel L. Finn, Dayton, Ohio.—Construction permit to **1250** erect a new broadcast station to be operated on **1250 kc.**, 250 watts, unlimited time.
- WJR—WJR, The Goodwill Station, Detroit, Mich.—License to **750** cover construction permit authorizing equipment changes and move of transmitter.
- NEW—W. Wright Esch, Daytona Beach, Fla.—Construction permit to erect a new broadcast station to be operated on **1420** **1420 kc.**, 100 watts night, 250 watts, local sunset, unlimited time.
- WEBQ—Harrisburg Broadcasting Co., Harrisburg, Ill.—License to **1210** cover construction permit authorizing equipment changes and increase in day power.
- KGBZ—KGBZ Broadcasting Co., York, Nebr.—License to cover **930** construction permit authorizing equipment changes and increase in power.
- KSOO—Sioux Falls Broadcast Assn., Inc., Sioux Falls, S. Dak.—**780** Modification of license to change frequency from **1110 kc.** to **780 kc.**, change power from 2½ KW night, 2½ KW day, to 1 KW night, 2½ KW day, change hours to specified hours except hours now being used by KFDY.
- WLLH—Albert S. Moffat, Lowell, Mass.—License to cover **1370** construction permit authorizing move of studio and transmitter.
- NEW—A. M. Rowe, Inc., Portable-Mobile.—Construction permit to erect a new general experimental broadcast station to be operated on **31100, 34600, 37600, 40600 kc.**, 10 watts.
- WKBO—Keystone Broadcasting Corp., Harrisburg, Pa.—Construction **1200** permit to make equipment changes, increase power from 100 watts night, 100 watts day, to 100 watts night, 250 watts day.
- WGAR—The WGAR Broadcasting Co., Cleveland, Ohio.—Modification **560** of license to change frequency from **1450 kc.** to **560 kc.**, and increase power from 500 watts night, 1 KW day, to 1 KW day, 1 KW night, requesting facilities WIND.
- NEW—John G. Curtis, Erie, Pa.—Construction permit to erect a **1370** new broadcast station to be operated on **1370 kc.**, 100 watts, unlimited time.
- NEW—Mildred English and Genevieve C. Wilson, Dallas, Tex.—**1210** Construction permit to erect a new broadcast station to be operated on **1210 kc.**, 100 watts, daytime.
- WSPA—Virgil V. Evans, Spartanburg, S. C.—Modification of **1420** construction permit authorizing installation new equipment, frequency change, move station locally, increase power, and operate daytime only, requesting approval transmitter site.
- NEW—Mississippi Valley Broadcasting Co., Inc., E. St. Louis, Mo. **1500** —Construction permit to erect a new broadcast station to be operated on **1500 kc.**, 100 watts night, 250 watts day, unlimited time.
- WDRC—WDRC, Inc., Hartford, Conn.—License to cover **1330** construction permit authorizing equipment changes and increase in power.
- NEW—Community Broadcasting Co., Toledo, Ohio.—Construction **1200** permit to erect a new broadcast station to be operated on **1200 kc.**, 100 watts, daytime.
- WTAR—WTAR Radio Corp., Norfolk, Va.—License to cover **780** construction permit authorizing equipment changes.
- WPTF—WPTF Radio Co., Raleigh, N. C.—Modification of special **680** experimental authorization to increase power from 1 KW to 5 KW, change hours of operation from 11 p. m. to midnight.
- KGFI—Eagle Broadcasting Co., Inc., Corpus Christi, Tex.—Special **1500** experimental authorization to increase power from 100 watts night, 250 watts day, to 250 watts day and night.
- NEW—J. L. Scroggin, St. Joseph, Mo.—Construction permit to **1560** erect a new broadcast station to be operated on **1500 kc.**, 100 watts, local sunset to midnight.
- KECA—Earle C. Anthony, Inc., Los Angeles, Calif.—Construction **1430** permit to move transmitter, install new equipment, increase daytime power, requesting extension of time.

- NEW**—William B. Smullin, Salem, Ore.—Construction permit to **1330** erect a new broadcast station to be operated on **1330 kc.**, 500 watts, unlimited time.
- KID**—KID Broadcasting Co., Inc., Idaho Falls, Idaho.—Modification of license to increase nighttime power from 250 watts to **1320** 500 watts.
- WFBM**—Indianapolis Power & Light Co., Indianapolis, Ind.—**1230** Construction permit to install new equipment, move transmitter and studio.
- WIL**—Missouri Broadcasting Corp., St. Louis, Mo.—Construction **1250** permit to change equipment, change frequency from **1200 kc.** to **1250 kc.**, increase power from 100 watts night, 250 watts day, to 250 watts night, 500 watts day.
- WDAY**—WDAY, Inc., Fargo, N. Dak.—License to cover construction permit authorizing changes in equipment and increase in daytime power from 1 KW to **2½ KW**.
- KVOA**—Arizona Broadcasting Co., Inc., Tucson, Ariz.—Modification of license to change hours of operation from specified hours to unlimited.
- KGA**—Louis Wasmer, Spokane, Wash.—Extension of special experimental authorization to operate on **900 kc.**, 1 KW night, **2½ KW** day, unlimited time.
- KSL**—Radio Service Corp. of Utah, Salt Lake City, Utah.—Authority to determine operating power by direct measurement.
- WTAR**—WTAR Radio Corp., Norfolk, Va.—Modification of license **780** to increase power from 500 watts to 500 watts day, 1 KW night.
- WSMK**—Stanley M. Krohn, Inc., Dayton, Ohio.—Voluntary assignment of license to WSMK, Inc.
- NEW**—L. C. Brothers, H. P. England, d/b as Brothers & England, **1500** Wellington, Ohio.—Construction permit to erect a new special experimental broadcast station to be operated on **1500 kc.**, 20 watts.
- WJBK**—James F. Hopkins, Inc., Detroit, Mich.—Construction permit to install new equipment, change frequency from **1500** **kc.** to **680 kc.**, increase power from 100 watts to 500 watts.
- WBNO**—The Coliseum Place Baptist Church, New Orleans, La.—**1200** Voluntary assignment of license to Edward R. Musso.
- NEW**—Educational Radio, Inc., Spartanburg, S. C.—Construction **1420** permit to erect a new broadcast station to be operated on **1420 kc.**, 100 watts night, 250 watts day, unlimited time.
- WBBZ**—Charles Lewis Carrell, deceased, represented by Howard **1200** Johnson. Ponca City, Okla.—License to cover construction permit (B3-P-54) to move studio and transmitter locally.
- W9XK**—The State University of Iowa, Iowa City, Iowa.—Modification of license for additional 5 to 10 meter band, 100 watts, **2000-2100 kc.**
- WTCN**—Minnesota Broadcasting Corp., Minneapolis, Minn.—**680** Modification of license to change frequency from **1250 kc.** to **680 kc.**, decrease power from 1 KW to 500 watts night, 1 KW day, change hours of operation from specified hours to unlimited time.
- KSLM**—Oregon Radio, Inc., Salem, Ore.—License to cover construction permit (5-P-B-3195) to erect a new broadcast station to be operated on **1370 kc.**, 100 watts, day.
- KGDM**—E. F. Pepper, Stockton, Calif.—Modification of license to **1100** change hours of operation from daytime to daytime, 9:00 p. m. to 12:00 midnight.
- KRE**—First Congregational Church of Berkeley, Berkeley, Calif.—**1370** Construction permit to make equipment changes, increase power from 100 watts day and night to 250 watts day, 100 watts night.
- WHEC**—WHEC, Inc., Rochester, N. Y.—Modification of license to increase power from 500 watts night, 1 KW day, to 1 KW day, 1 KW night.
- WKAR**—Michigan State College, East Lansing, Mich.—Modification of license to change frequency from **1040 kc.** to **950 kc.**, increase power from 1 KW day to 1 KW day, 500 watts night, change time from specified hours daytime to specified hours.
- WPTF**—WPTF Radio Co., Raleigh, N. C.—Modification of construction permit authorizing installation of new equipment, increase in power, and move of transmitter site locally, requesting extension of completion date.
- WDOD**—WDOD Broadcasting Corp., Chattanooga, Tenn.—Modification of license to increase power from 1 KW night, **2½** **1280** KW day, to 1 KW night, 5 KW day.
- KWCR**—Cedar Rapids Broadcast Co., Cedar Rapids, Iowa.—**1420** License to cover construction permit (4-P-B-3057) authorizing frequency change, increase in power, and equipment changes.
- KWCR**—Cedar Rapids Broadcast Co., Cedar Rapids, Iowa.—Construction permit to make equipment changes, move transmitter site, increase power from 250 watts night, 500 watts day, to 1 KW.
- KSCJ**—Perkins Bros. Co., Publishers, Sioux City Journal, Sioux **1290** City, Iowa.—Modification of license to change frequency from **1330 kc.** to **1290 kc.**, change hours from simul. day and specified hours night to unlimited time.
- NEW**—William A. Schall, Omaha, Nebr.—Construction permit to **1420** erect a new broadcast station to be operated on **1420 kc.**, 100 watts, unlimited time.
- KFVS**—Oscar C. Hirsch, trading as Hirsch Battery & Radio Co., **1210** Cape Girardeau, Mo.—License to cover construction permit (4-P-B-3297) authorizing equipment changes and increase in daytime power.
- WADC**—Allen T. Simmons, Tallmadge, Ohio.—Modification of **1320** construction permit (2-P-B-3295) to change equipment and extend completion date.
- KADA**—C. C. Morris, Ada, Okla.—License to cover construction **1200** permit (3-P-B-3194) as modified.
- NEW**—Leo J. Blanchard, Fredericksburg, Tex.—Construction permit to erect a new station on **1120** **1120** **kc.**, 250 watts, sharing with WTAW. Amended requesting permit to erect new station on **1310 kc.**, 100 watts, specified hours (12:00 noon to 4:00 and 7:30 to 10:00 p. m.).
- NEW**—W. Wright Esch, Daytona Beach, Fla.—Construction permit **1420** for new station to be operated on **1420 kc.**, 100 watts power night and 250 watts daytime, unlimited time. Amended to request 100 watts day and night.
- KSD**—The Pulitzer Publishing Co., St. Louis, Mo.—Modification **550** of construction permit (4-P-B-3285) as modified to install new equipment, increase power from 500 watts night to 1 KW, and increase day power from **2½** to 5 KW.
- KIEV**—Cannon System, Ltd., Glendale, Calif.—Modification of **850** construction permit (5-P-B-3268) as modified to move transmitter from Broadway and Glendale Blvd. and studio from 701 E. Broadway, Glendale, Calif., to 5454 N. San Fernando Road, Glendale, Calif., and make changes in authorized equipment.
- WBBL**—Grace Covenant Presbyterian Church, M. A. Sitton, Agent, **1210** Richmond, Va.—**1210 kc.**, 100 watts, S. H.
- KFIZ**—The Reporter Printing Company, Fond du Lac, Wis.—**1420** **1420 kc.**, 100 watts, S. H.
- KONO**—Mission Broadcasting Co., San Antonio, Tex.—**1370 kc.**, **1370** 100 watts, S-KMAC.
- WQDM**—E. J. Regan and F. Arthur Bostwick, St. Albans, Vt.—**1390** Construction permit to install new equipment; change frequency from **1370 kc.** to **1390 kc.**; change power from 100 watts to 1 KW; make changes in specified hours; move studio and transmitter, studio to 42 N. Main St., St. Albans, Vt., and transmitter to St. Albans Bay, Vt. Amended to change specified hours to 10:00 a. m. to 1:30 p. m., 4:30 to 6:00 p. m., Sundays.
- WNAC**—Shepard Broadcasting Service, Inc., Boston, Mass.—**1230** License to cover construction permit (1-P-B-3213) to increase power and change equipment.
- WFBL**—Onondaga Radio Broadcasting Corporation, Syracuse, **1360** N. Y.—Modification of license to increase day power from **2½** KW to 5 KW.
- WDNC**—Durham Radio Corporation, Durham, N. C.—Construction permit to change frequency from **1500 kc.** to **590 kc.**, power from 100 watts to 1 KW, install new equipment, move transmitter, site to be determined, Durham, N. C.
- NEW**—Liner's Broadcasting Station, Inc., Alexandria, La.—Construction permit to erect a new broadcast station to be operated on **1370 kc.**, 100 watts power, daytime. Studio at Bentley Hotel, 3rd and DeSoto Sts. Transmitter site to be determined, Alexandria, La.
- WSGN**—R. B. Broyles, d/b as R. B. Broyles Furniture Co., Birmingham, Ala.—License to cover construction permit (3-P-B-3034) as modified to increase day power and make equipment changes.
- KVL**—KVL, Inc., Seattle, Wash.—License to cover construction **1370** permit (5-P-B-3222) to make equipment changes.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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Vol. 2 - No. 51  
NOV. 9, 1934

### BROADCAST ADVERTISING IN SEPTEMBER

#### Developments of the Month

**B**RROADCAST advertising improved materially in volume during September. Total time sales amounted to \$4,576,223, a gain of 16.5% over August. Network advertising rose 13.8% during the month, regional network advertising 35.6%, national spot volume 30.3% and local broadcast advertising 13.1%.

Though the majority of this rise is due to seasonal factors, part of it is a reflection of fundamentally improved business. The September gain over the preceding month was considerably greater than in 1933, when an increase of but 6.9% was experienced.

#### Comparison with 1933

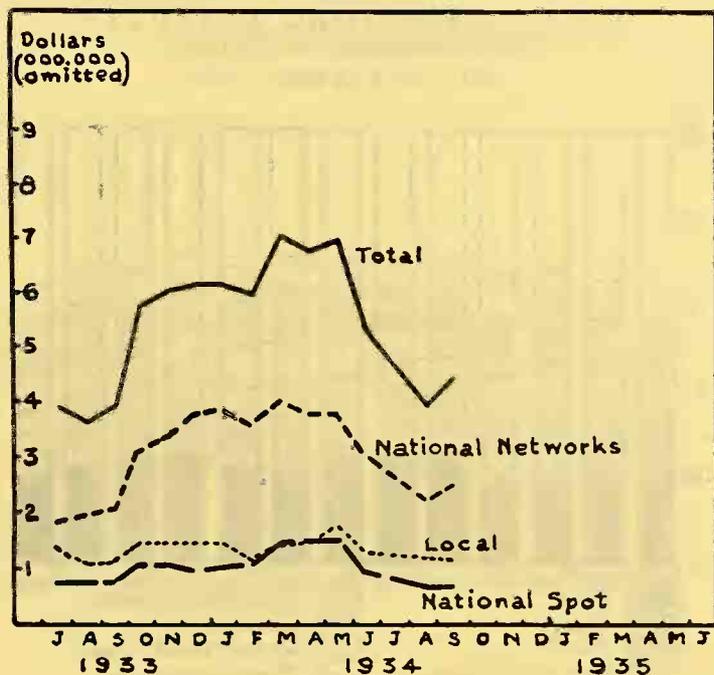
Broadcast advertising during September of the current year was 15.7% greater in volume than in the same month of 1933. National network revenues were 21.7% above the 1933 level, regional network volume almost double, national spot advertising 19.5% greater, and local broadcast advertising approximately the same as in the preceding year. The fact that no great improvement in retail trade has occurred during the year is probably the explanation for the lag in local broadcast advertising.

#### Comparison with Other Media

National magazine advertising showed the greatest degree of increase over August, rising 33.6%. Farm paper advertising increased 14.5% during the month and newspaper advertising 11.3%. National magazine volume for September was 20.1% greater than during the same month in 1933, national farm paper volume 15.0% greater, while newspaper advertising increased but 4.0%. The same conditions undoubtedly are operative here as in the case of local broadcast advertising.

### RADIO BROADCAST ADVERTISING VOLUME

July, 1933, to June, 1935



### Other Trends of the Month

The greatest increase in non-network business during the month occurred in the high powered regional and clear channel field, where revenues rose approximately one-third as compared with August. Regional station volume rose 15.5% and local 100 watt station volume 3.6%. As compared with last year, however, regional and local stations have made the better showing, being 27.6% and 32.7%, respectively, above September 1933.

The New England-Middle Atlantic Area and the Pacific and Mountain Areas experienced the greatest rise in broadcast advertising during the month, volume in both districts increasing approximately 33.0%. Slighter gains were recorded elsewhere. As compared with September 1933, the New England-Middle Atlantic Area has gained 64.0%, the Middle West has made slight gains, the Pacific and Far West has lost approximately 10.0% and the South has lost nearly 40.0% in volume.

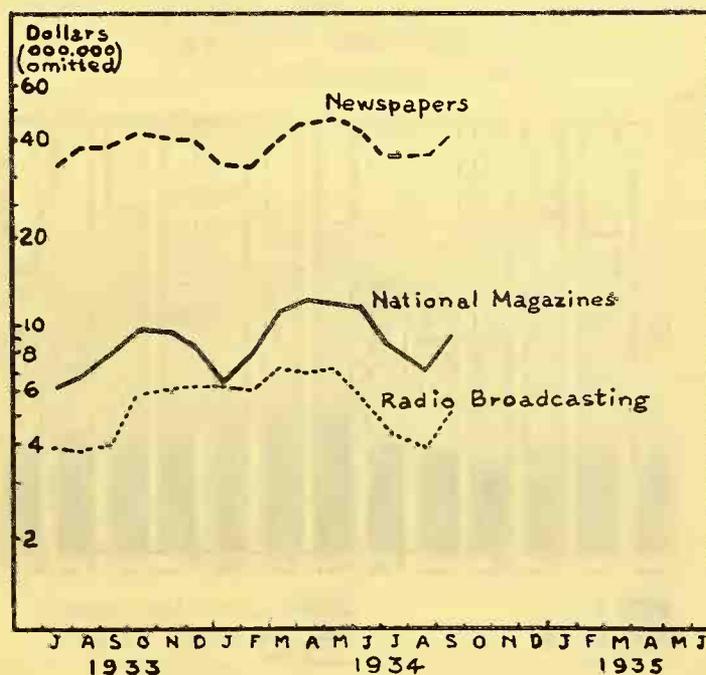
In the electrical transcription field, national spot volume rose 42.8% during the month, local volume remaining equal. National spot live talent volume rose 53.3% and local volume 15.0%. Both national spot and local announcement business increased approximately 13.0%. Compared with September 1933 national spot transcription volume is 13.6% greater, live talent 37.4% above the previous year, and announcement business 14.4% greater. Local volume has remained comparatively changed in all fields.

### Broadcast Advertising Sponsors

Principal trends in the sponsorship of broadcast advertising during the month have included the following: an increase of 41.2% in automotive advertising due to national network and spot increase; a 24.0% rise in clothing advertising due mainly to increased network volume; a 64.0% increase in drug and pharmaceutical advertising, national network and spot fields showing the greatest

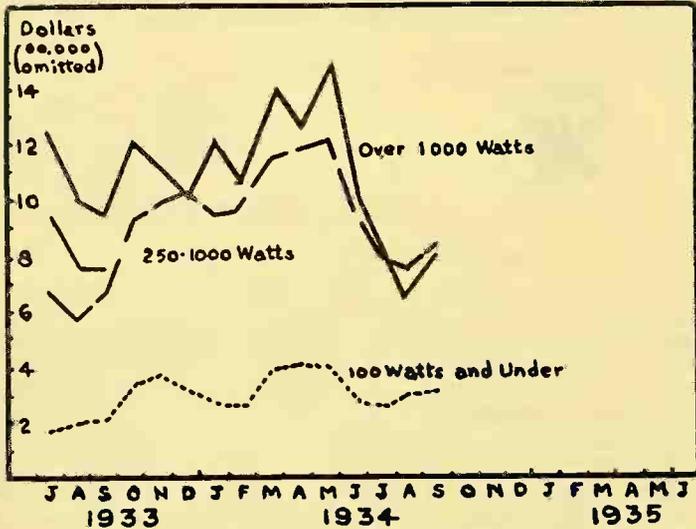
### ADVERTISING VOLUME MAJOR MEDIA

July, 1933, to June, 1935



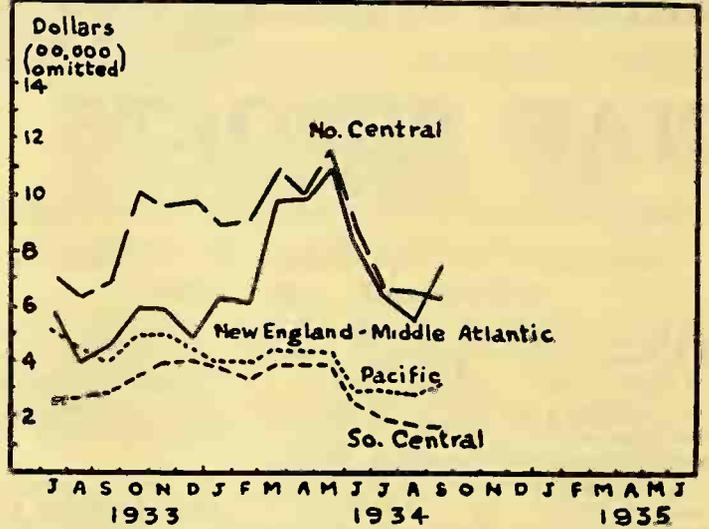
**NON-NETWORK ADVERTISING BY STATION POWER**

July, 1933, to June, 1935



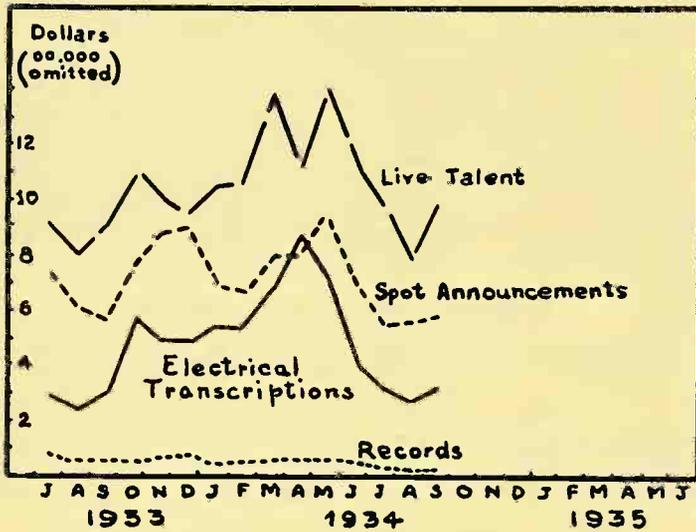
**NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS**

July, 1933, to June, 1935



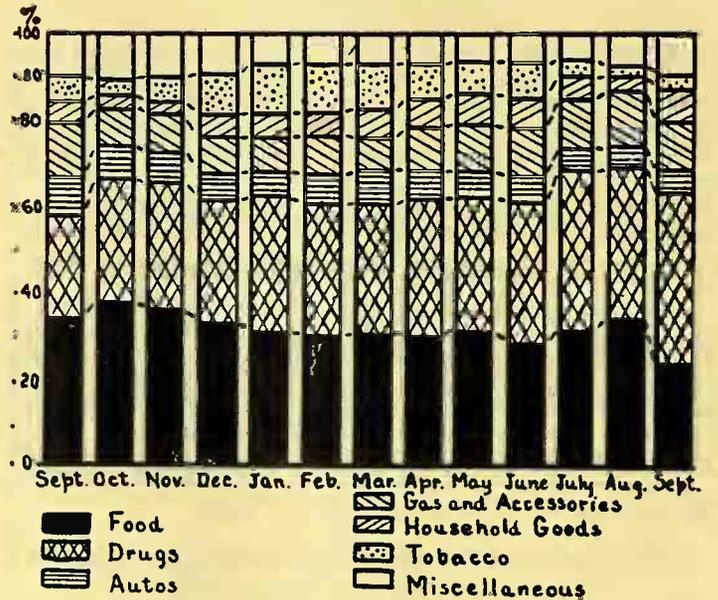
**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

July, 1933, to June, 1935



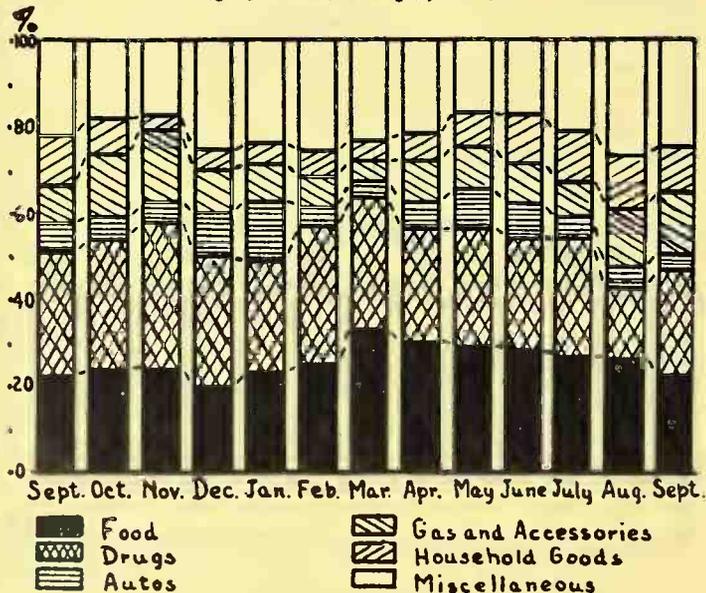
**NATIONAL NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Sept., 1933 to Sept., 1934



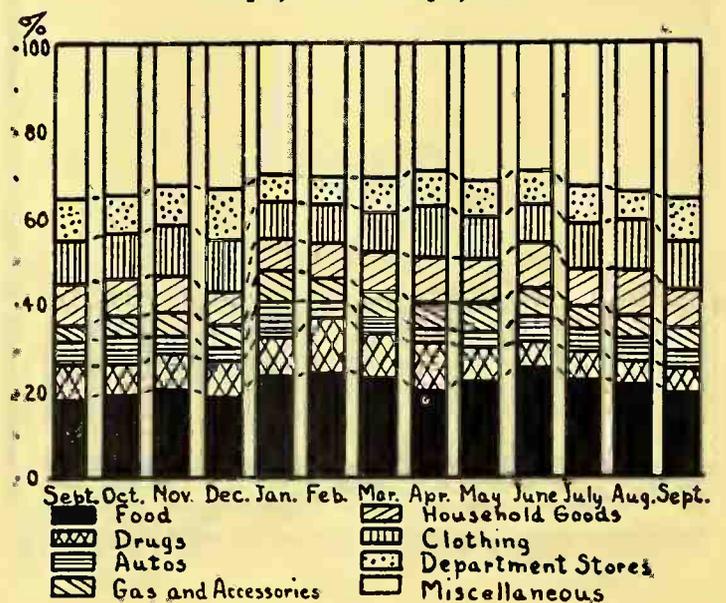
**NATIONAL SPOT ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Sept., 1933 to Sept., 1934



**LOCAL ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Sept., 1933 to Sept., 1934



gains; a rise of 58.0% in household equipment volume with local and national network advertising showing the greatest increases; gains of 26.0% in soap and kitchen supply advertising, 23.0% in financial advertising and 66.0% in department and general store advertising.

Chief gains as compared with September 1933 are as follows: gasoline and accessories 19.0%, cosmetics 48.0%, food 9.0%, and soap 50.0%. Two marked declines occurred, one of 50.0% in financial advertising, and one of 48.0% in tobacco advertising. Declines in national network business were responsible in both cases.

More detailed information regarding changes in particular categories of broadcast advertising is as follows:

1a. *Amusements.* Decline 20.0% as compared with August. Usual seasonal trend. Volume materially below 1933.

1. *Automobiles.* Increase 41.2% over month. Network rise 40.0%, national spot volume double. Local volume down 50.0%. Network volume 16.6% below same month 1933, national spot equal that period and local business 44.0% lower.

2. *Accessories, gasoline and oil.* Slight gain over August due mainly to marked rise in national spot volume. Local business off 25.0% compared with August. Total volume 19.0% above September 1933, with regional and national spot business mainly responsible.

3. *Clothing.* Increase of 24.0% compared to August. National network volume up 50.0%, regional network volume quadrupled, local volume up 9.0% and national spot business unchanged. Marked rise regional network clothing advertising as compared September last year. Local business up 9.0%. Rest unchanged.

4. *Drugs and pharmaceuticals.* Increased 64.0% over preceding month, due mainly to doubling in national spot volume, and 60.0% increase in national network volume. Both classes of business more than double same month 1933.

5. *Toilet goods.* Rise of 12.3% as compared with August, due to doubling national spot volume and 50.0% increase local cosmetic advertising. Cosmetic volume in September 48.0% greater than same month 1933. National network volume double last year and national spot 40.0% lower. Local volume unchanged.

6. *Foodstuffs.* Little change during month. Total food advertising 17.0% above September last year. Regional network volume quadrupled, national spot volume up 30.0%, national network volume up 17.0% and local volume down 17.0%.

7. *Beverages.* A decline of 19.0% during month, national network volume constituting main reason. Slightly below same month of preceding year.

8. *Confectionery.* Decrease of approximately one-third as compared with August. National network and national spot business responsible. Confectionery advertising only about 25.0% September 1933 level.

9. *Household equipment and appliances.* Increase of 58.0% over August. Network volume rose five times previous month's figures, while national spot and local volume doubled. Current month 72.0% above same period 1933.

10. *Soap and kitchen supplies.* Increase 26.0% during month. Local volume up 25.0%, national network volume up 64.0% and national spot unchanged. Advertising 50.0% above same month last year. Network volume doubled September 1933, national spot up 50.0% and local up 10.0%.

11. *Insurance and financial.* Rise of 23.0% compared with August, due to national spot and local increase. Network volume 50.0% below last September, national spot volume three times greater and local volume unchanged.

12. *Radio.* Increase of 16.0% compared with August due to rise in national network volume. General volume unchanged from last year.

13. *Department store and general store.* An increase of 66.0% over August, almost entirely in the local volume. Current season's department store volume approximately same as last year.

14. *Tobacco products.* Little change during month. Tobacco advertising 48.0% lower than same month 1933, due to decline in network volume.

15. *Miscellaneous.* An increase of 21.8% due mainly to national spot and local business. Network volume double same month 1933, national spot up 28.5% and local volume unchanged.

*General Retail Advertising.* Total retail advertising rose 36.3% during the month. Principal gains were as follows: automobile dealers 25.0%, clothing 23.0%, hardware doubled, and department and general store advertising up 66.0%.

### Business Conditions

Business continues in uncertain fashion. Some slight gains are to be recorded in instances. However, the most encouraging factor is the degree to which industrial and commercial activity seems to have stabilized itself at certain levels. This, after all, is the first pre-requisite to any permanent recovery.

The *New York Times* index of business activity on October 13, stood at 75.4 as compared with 71.8 on September 15, indicating a slight increase in general economic activity. Prices, on the whole, tended to recede slightly. The general price index of the Bureau of Labor Statistics was 76.4 on October 13 as compared with 77.5 a month earlier. During the same period the agricultural commodity price index declined from 73.7 to 71.0 and the food price index from 76.2 to 74.8.

The car loading index decreased from 67.1 to 66.3 during the period September 15-October 13. During the same period the electric power index rose from 98.1 to 99.5. Steel production rose from 27.6% of the 1923-35 level on September 15 to 31.6% on October 20, while automobile production, during the same period, declined from 56.3% to 38.1%. Both stock and bond prices, however, rose slightly.

Slight gains were experienced in department store sales during August, variety store sales also increasing. New car sales in August were approximately 9.0% above the preceding year. It seems as if no great upswing in business may be expected in the near future.

## RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS (September, 1934)

Type of Sponsoring Business	National Networks	Regional Networks	National Spot	Gross Receipts	
				Local	Total
1a. Amusements	—	—	\$1,530	\$35,870	\$37,400
1-2. Automobiles and Accessories:					
(1) Automobiles	\$152,953	—	31,425	41,665	226,043
(2) Accessories, gas and oils	262,272	\$14,145	112,462	59,288	448,167
3. Clothing and apparel	39,135	4,103	20,080	128,795	192,113
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	344,248	1,145	137,030	51,507	533,930
(5) Toilet goods	647,695	1,336	59,821	20,064	728,916
6-8. Food products:					
(6) Foodstuffs	475,816	14,032	132,922	144,298	767,068
(7) Beverages	194,319	2,700	29,721	66,648	293,388
(8) Confections	9,340	200	4,945	1,940	16,425
9-10. Household goods:					
(9) Household equipment and furnishings	30,198	424	42,625	116,927	190,174
(10) Soap and kitchen supplies	183,614	—	39,832	6,200	229,646
11. Insurance and financial	40,368	2,675	13,780	36,517	93,340
12. Radios	56,168	—	1,800	12,540	70,508
13. Retail establishments	—	—	1,480	118,854	120,334
14. Tobacco products	46,072	—	12,960	735	59,767
15. Miscellaneous	78,459	17,188	139,490	333,867	559,004
<b>Total</b>	<b>\$2,560,657</b>	<b>\$57,948</b>	<b>\$781,903</b>	<b>\$1,175,715</b>	<b>\$4,576,223</b>

**RETAIL ADVERTISING OVER INDIVIDUAL STATIONS**

(September, 1934)

Type of Sponsoring Business	Gross Receipts	
	August	September
Automobiles and accessories:		
Automobile agencies and used car dealers	\$33,750	\$41,906
Gasoline stations, garages, etc.	31,467	34,586
Clothing and apparel shops	109,420	134,130
Drugs and toilet goods:		
Drug stores	7,157	7,857
Beauty parlors	3,180	7,208
Food products:		
Grocery stores, meat markets, etc.	30,450	35,938
Restaurants and eating places <sup>1</sup>	14,113	16,035
Beverage retailers	716	280
Confectionery stores, etc.	1,487	670
Household goods:		
Household equipment retailers <sup>2</sup>	29,800	26,060
Furniture stores	54,231	46,150
Hardware stores	7,363	13,065
Radio retailers	5,462	6,540
Department and general stores	72,645	120,334
Tobacco shops	2,075	—
Miscellaneous	36,700	59,050
<b>Total</b>	<b>\$439,716</b>	<b>\$549,809</b>

<sup>1</sup> Exclusive of hotels.

<sup>2</sup> Such as electric refrigerators, oil burners, sweepers, furnaces and the like.

**TOTAL BROADCAST ADVERTISING VOLUME**

Class of Business	1934 Gross Receipts		
	August	September	Cumulative Jan.-July
National networks	\$2,248,870	\$2,560,657	\$29,303,103
Regional networks	42,694	57,948	450,832
National spot business	598,122	781,903	9,758,639
Local broadcast advertising	1,039,070	1,175,715	11,589,348
<b>Total</b>	<b>\$3,928,756</b>	<b>\$4,576,223</b>	<b>\$51,101,922</b>

**ADVERTISING VOLUME BY MAJOR MEDIA**

Advertising Medium	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
Radio broadcasting	\$3,928,756	\$4,576,223	\$51,101,922
National magazine <sup>1</sup>	7,141,669	9,548,298	86,246,829
National farm papers	288,526	431,957	3,931,644
Newspapers <sup>2</sup>	35,321,000	39,929,000	352,248,150
<b>Total</b>	<b>\$46,679,951</b>	<b>\$54,485,478</b>	<b>\$493,528,545</b>

<sup>1</sup> National magazine totals are for 108 periodicals, prepared by Publishers' Information Bureau, Inc., from which source national farm papers and networks are also taken.

<sup>2</sup> Estimated.

**NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION**

Power of Station <sup>1</sup>	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
Over 1,000 watts	\$625,060	\$821,938	\$9,649,470
250-1,000 watts	737,332	851,180	8,807,141
100 watts	274,800	284,500	2,891,376
<b>Total</b>	<b>\$1,637,192</b>	<b>\$1,957,618</b>	<b>\$21,347,987</b>

<sup>1</sup> This includes high-powered regional and clear channel stations ranging from 5 kilowatts upwards in power.

**NON-NETWORK BROADCAST ADVERTISING BY GEOGRAPHICAL DISTRICTS**

Geographical Districts	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
New England-Middle Atlantic Area	\$565,678	\$758,314	\$7,232,877
South Atlantic-South Central Area	162,600	172,976	2,742,819
North Central Area	637,404	663,661	8,025,572
Pacific and Mountain Area	271,500	362,667	3,346,719
<b>Total</b>	<b>\$1,637,192</b>	<b>\$1,957,618</b>	<b>\$21,347,987</b>

**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

Type of Rendition	1934 Gross Receipts							
	National Spot		Local		Total		Cumulative Jan.-Sept.	
	August	September	August	September	August	September		
Electrical transcriptions	\$176,810	\$253,473	\$77,045	\$78,145	\$254,215	\$331,618		\$4,674,692
Live talent programs	245,855	376,265	539,265	620,435	785,120	996,700		9,979,437
Records	1,067	1,070	27,250	33,860	28,317	34,930		357,297
Spot announcements	174,390	151,095	395,150	443,275	569,540	594,370		6,336,561
<b>Total</b>	<b>\$598,122</b>	<b>\$781,903</b>	<b>\$1,039,070</b>	<b>\$1,175,715</b>	<b>\$1,637,192</b>	<b>\$1,957,618</b>		<b>\$21,347,987</b>

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.  
 PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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Vol. 2 - - No. 52  
 NOV. 9, 1934

### BROADCAST ADVERTISING (Third Quarter, 1934)

#### Comparison with Previous Periods

Total broadcast advertising during the third quarter of the current year amounted to \$12,880,442. Revenues were 31.6% below those of the previous quarter. This decline approximates the usual seasonal trend at this time of the year. The 42.1% drop in national spot volume, however, exceeds the usual seasonal decrease.

Completion of the current quarter's figures makes possible the first comparison of a quarterly period for two consecutive years on the part of the broadcasting industry.

Broadcast advertising for the third quarter of 1934 was 10.2% greater in volume than during the same period of 1933. The situation with regard to various portions of the broadcasting structure is indicated in Table I.

TABLE I  
 TOTAL BROADCAST ADVERTISING VOLUME  
 (July-September, 1934)

<i>Class of Business</i>	<i>Gross Receipts</i>	<i>Percentage Increase or Decrease as Compared with 1933</i>
National networks .....	\$7,304,237	+ 25.4%
Regional networks .....	133,581	+114.5%
National spot business.....	2,147,775	+ 10.8%
Local broadcast advertising....	3,294,849	- 12.0%
Total .....	\$12,880,442	+ 10.2%

The gain on the part of national spot advertising would have been greater had it not been for the abnormally severe decline in business of this type during the quarter.

Local broadcast advertising has been the only form of broadcast advertising to decline as compared with the same period of 1933. The failure of small business and retail trade to improve materially during the intervening months is most probably the cause for the decline.

#### Comparison with Other Media

The increase in national magazine advertising as compared with the third quarter of 1933 was 19.8%, a smaller gain than that experienced by the national networks, which constitute their radio counterpart. Farm paper advertising registered a gain of 26.4% over the same period of last year. Newspaper lineage rose but 0.9%, again exhibiting the same tendency shown by local broadcast advertising.

#### Trends in Non-Network Advertising

No very definite trends have been revealed in the field of station power with the exception of a slight tendency for the regional stations, 250-1,000 watts in power, to fare better than other classes.

With regard to geographical districts, the Pacific-Mountain area and the New England-Middle Atlantic district have shown the greatest gains over the corresponding period of last year. Revenues of the former area were 44.5% above the third quarter of 1933, while those of the eastern section were 35.6% greater than during the same portion of last year.

Middle Western broadcast advertising increased 7.8% as against the same period of the preceding year, while, following a marked increase during a portion of 1933, broadcast advertising in the South declined materially.

#### Trends as to Type of Rendition

Electrical transcription volume was 2.0% greater than during the third quarter of 1933, while live talent volume rose 2.6%. On the other hand, record volume decreased 48.1% and spot announcement business declined 14.0%.

The significance of these trends becomes more evident when totals are broken down by national spot and local broadcast advertising. In the national spot field electrical transcription volume was 1.2% less than during the same period of last year. Spot announcement volume was 17.6% less, while the small amount of record programs in this field shrank materially. In striking comparison to these trends is the 46.4% rise in live talent spot.

In the local field electrical transcriptions gained 11.8%, live talent dropped off 14.1% as compared with the third quarter of 1933, record volume showed a decrease of 34.4% and spot announcements of 17.9%. It seems clear that it has been the smaller retailer, especially, who has been forced to curtail his broadcast advertising.

#### Trends in Broadcasting Sponsorship

A comparison of broadcast advertising sponsorship during the third quarter of the years 1934 and 1933 show marked changes. In the national network field there has been a marked increase in pharmaceutical and cosmetic advertising, both of these classes more than doubling in volume as compared with the same period of the preceding year. Cosmetic advertising was second only to the general food group during the period.

Other shifts of importance include a marked gain in clothing advertising over national networks, a marked rise in soap and kitchen supply advertising, a decrease in automotive broadcasting sponsorship, and a decline in tobacco advertising.

In the individual station field, other changes of interest have occurred. Beverage advertising has increased 36.5% as against last year, due mainly to a doubling in national spot volume. Household equipment advertising has risen 22.9%. Increased local volume is responsible principally for the increase. Tobacco advertising has increased 43.6%, due to a greater use of national spot broadcasting by some of the smaller tobacco companies. Radio set advertising also has increased materially.

Decreases have occurred in several fields. Non-network cosmetic advertising is only half as much as during the third quarter of 1933, declining national spot volume being the principal cause. Automotive advertising has dropped off 17.9%, both national spot and local volume decreasing. Department and general store advertising has decreased 9.3% as against the same period of last year. Non-network confectionery advertising declined materially due to national spot decreases.

The relative gain or loss of advertising volume during the third quarter of 1934 as compared with the preceding year on the part of various industrial groups is found in Table II.

TABLE II

COMPARATIVE DEGREE OF BROADCAST ADVERTISING BY PRINCIPAL INDUSTRIAL GROUPS DURING THIRD QUARTER 1933 AND 1934

Type of Sponsoring Business	Percentage increase or decrease in time sales	
	National Networks	Non-network Business'
1a. Amusements .....	—	+ 5.0%
1-2. Automobiles and accessories:		
(1) Automobiles .....	— 27.6%	—17.9%
(2) Accessories, gas and oils	+ 4.2%	— 1.0%
3. Clothing and apparel.....	+133.3%	+ 6.3%
4-5. Drugs and toilet goods:		
(4) Drugs and pharma- ceuticals .....	+105.5%	+10.0%
(5) Toilet goods .....	+105.7%	—52.8%
6-8. Food products:		
(6) Foodstuffs .....	+ 31.0%	+ 2.0%
(7) Beverages .....	(no change)	+36.5%
(8) Confections .....	— 10.0%	—76.6%
9-10. Household goods:		
(9) Household equipment and furnishings....	— 21.3%	+22.9%
(10) Soaps and kitchen supplies .....	+ 87.5%	+ 2.3%
11. Insurance and financial.....	— 18.7%	—12.0%
12. Radios .....	— 16.1%	+45.1%
13. Retail establishments.....	—	— 9.3%
14. Tobacco products.....	— 61.8%	+43.6%
15. Miscellaneous .....	+ 23.1%	— 6.4%
Total .....	+ 25.4%	— 4.1%

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

Copyright, 1934, The National Association of Broadcasters



Vol. 2 - - No. 53  
NOV. 10, 1934

### NOTICE TO DELINQUENTS!

Formal notice is hereby given to all NAB members who have not paid dues for the Fourth Quarter of 1934 (or who were in arrears prior to October 1) that unless all dues due and payable are paid on or before November 27, 1934, they will be dropped from the membership rolls of the Association and their membership forfeited in accordance with By-Law 11 which reads as follows:

"The membership of any broadcasting station, individual, firm, corporation, the dues for which have not been paid within a period of three months shall thereupon be automatically forfeited, provided fourteen days' notice thereof be given in writing to such delinquent broadcasting station, individual, firm or corporation and such forfeiture shall operate as a forfeiture of all rights and claims on the part of such member to any portion of the assets of the Association."

Members in arrears in dues may not resign until the total amount due is paid.

The purpose of this notice is that the NAB will shortly publish a new membership directory which will include only members in good standing as of the date of publication.

It is being urged that a list of members dropped for non-payment of dues be published in NAB REPORTS, and that the NAB insignia be removed from the rate listing in Radio Advertising (Standard Rate and Data).

### PLEASE CHECK YOUR RECORDS!

Every member of the NAB whose dues were not paid up to date on November 1 has received an invoice from the Association. You are urged to check your records to see whether or not this invoice has been paid. We do not want to drop from the rolls any member because of misunderstanding or mere neglect. But at the same time the rule laid down in By-Law 11 must be applied without discrimination. Please make a check-up and if you have overlooked payment, send in your check before November 27, 1934.

### NAB FACES HEAVY PROGRAM

The NAB faces the heaviest program of its history. The resolutions adopted at the membership meeting, the general hearings before the Federal Communications Commission, the copyright litigation, and the coming to Washington next January of a new Congress create new demands upon the Association. In the meantime the growth in membership to nearly 400 members has increased enormously the routine duties at the headquarters office.

The NAB must go forward or backward. It cannot stand still. To go forward demands that each and every member do his part.

The new dues system adopted at Cincinnati is working splendidly. It remains now to trim our sails and go forward with full speed ahead.

### REORGANIZATION OF OFFICE WORK

The creation of new services to members called for under resolutions adopted by the membership at the Cincinnati meeting will require a reorganization of office work at NAB headquarters.

Reorganization plans are now being worked out and the engineering and commercial activities are being divided between J. C. McNary and Dr. Herman S. Hettinger. The latter has obtained a leave of absence from his teaching duties at the University of Pennsylvania to assist in developing an agency recognition and credit service and the creation of a central bureau for the coordination of listener and coverage surveys. He will also have complete charge of the statistical and research services and will devote a part of his time this winter to the preparation of a manual on retail radio advertising. Mr. McNary, who recently returned

from the International Technical Consulting Conference at Lisbon, Portugal, will complete the NAB Operators' Handbook and other projects initiated by the Engineering Committee.

Mr. McNary has been appointed Technical Director of the Association and Dr. Hettinger has been appointed as Research Director. Their work will be coordinated with the policies laid down by the Engineering and Commercial Committees of the Association.

### CLEAR CHANNEL CONFERENCE HELD

On invitation of the Broadcast Division of the Federal Communications Commission, 40 representatives of clear channel licensees met in the Commission's offices Friday, November 9, to discuss plans for a survey of broadcasting service in the United States.

The Commission, acting on a petition of KFI and several other clear channel licensees, proposed in its statement of October 30 that a complete survey of service rendered by clear channel, regional and local stations be made during the coming winter months and extending into the next spring season.

The tentative plan as suggested by the Engineering Division of the Commission involves four lines of endeavor, as follows: (1) Continuous field intensity recordings of clear channel stations, the records to be made at distances varying from 1000 to 3000 miles; (2) An analysis of duplicated clear channels (such as 790 kilocycles occupied by WGY and KGO), with complete determination of radiation characteristics of the individual stations as well as determination of the field intensities and service rendered in the areas between stations; (3) Field intensity measurements made in rural districts throughout the United States with correlation with listener habits as determined by personal investigation, and (4) Listener habit survey of rural audiences to be conducted by mail, by the Commission.

It is planned that individual stations may participate in the survey, although all data will be co-ordinated and compiled by the Commission staff. It is understood that the survey is not definitely limited to clear channel measurements, but may include measurements, in some cases, of service rendered by regional and local stations.

Among the stations which offered cooperation in the form of field intensity measuring or recording apparatus, trucks, personnel, etc., were WSM, WSB, WLW, WGN, WSPD, KYW, KFI, WJR, WWL, WFLA, KNX, WHAM, WCAU, WFAA, WSB, WGY, WLS, WOAI, Yankee Network and Jansky & Bailey.

Another meeting of the group is scheduled for Friday, November 23, at the Commission's offices in Washington.

### CCIR DELEGATES RETURN

During the past week nearly all the United States delegates and company representatives to the third meeting of the CCIR at Lisbon returned. Dr. J. H. Dellinger, chairman of the delegation, and most of his staff landed in New York from the SS Manhattan last Thursday, while J. C. McNary, NAB representative, and several others landed at the same time from the SS Saturnia.

The United States delegation was successful in many of its efforts to prevent the adoption of opinions by the conference which might not have been in complete agreement with our present practices. Our delegation had very little of a constructive nature to gain at the conference, but was vitally interested in a number of proposals which were considered by the various interests affected, as objectionable. No opinions were adopted on the subject of broadcasting which could be considered not in accord with present U. S. practices, although some of the original proposals were somewhat at variance with our position.

Among the subjects discussed, resulting in formal opinions, were single side band transmission for broadcasting, directive antennas, anti-fading antennas, frequency separation between broadcasting

channels, short-wave broadcasting channels, wave propagation curves for all frequencies including broadcasting frequencies, receiver stability and selectivity characteristics, synchronized broadcasting, and standard frequency transmission. A number of other subjects were considered and resulted in additional formal opinions thereon.

The United States representation was characterized by almost complete agreement among the several delegates and company representatives on nearly all subjects. An exception was that of single side band transmission for broadcasting, which received the unexpected support of the AT&T Co., although vigorously, and successively, opposed by the NAB.

### EDUCATIONAL HEARINGS CONTINUE

General hearings on the proposal that Congress shall by statute allocate a fixed percentage of broadcast facilities to non-profit groups were resumed this week and will be continued on Monday. The hearings have been in progress since October 1, with an interruption during the period which the Commission heard testimony on applications involving the 640 kc. channel.

Briefs will be due about 15 days after the hearings are closed and copies of the NAB brief will be sent to all NAB members.

### CINCINNATI MINUTES BEING PRINTED

Proceedings of the Twelfth Annual membership meeting of the NAB held at Cincinnati, Ohio, last September are now being printed. One copy will be sent to each active member of the NAB. Additional copies will cost \$4.00 each.

### NEW IDAHO STATION RECOMMENDED

H. E. Studebaker applied to the Federal Communications Commission for permission to erect a new broadcasting station at Lewiston, Idaho, to use 1420 kilocycles, unlimited time and 100 watts power. George H. Hill(e) in Report No. I-12, recommends that the application be granted.

The Examiner found that the applicant is qualified to construct and operate the proposed station, that there is adequate talent available, that Lewiston and its vicinity are now inadequately supplied with radio facilities, and that "no objectionable interference would be caused from the operation of the proposed station to the service areas of any radio stations now licensed."

### KWKH APPEAL DENIED BY COURT

The United States Court of Appeals for the District of Columbia has handed down decisions denying two appeals filed by T. G. Roberts involving decisions made by the Federal Communications Commission in the case of Station KWKH, Shreveport, La., and WWL, of Loyola University, on the ground that he was not the proper party to bring the appeals.

Roberts filed his appeals from a decision of the Commission of July 6, this year, sustaining the motion by the International Broadcasting Corporation to dismiss protests filed by Roberts to the granting of applications of the International Broadcasting Corporation for modification to change the frequency of KWKH.

The Court, on motion of the Commission, dismissed Roberts' appeal, on the ground that he was not the proper person to bring the appeal.

### SECURITIES ACT REGISTRATION

The following companies have filed registration statements with the Securities & Exchange Commission under the Securities Act:

- Sigua Manganese Corporation, New York City. (2-1117, Form A1)
- Acker, Merrill & Condit Company, New York City. (2-1161, Form A-1)
- Tahoe Treasure Consolidated Mines. (2-1162, Form A-1)
- Pathfinder Gold Producers, Inc. (2-1164, Form A-1)
- Shafter Mining Company. (2-1165, Form A-1)
- Delta Oil Company, Inc. (2-1166, Form A-1)
- Wee Investors Royalty Company. (2-1167, Form A-1)
- Chemical Service, Inc. (2-1168, Form A-1)
- Whealton Company, Inc. (2-1169, Form C-1)
- Whealton Company, Inc. (2-1170, Form C-1)
- Whealton Company, Inc. (2-1171, Form C-1)
- Whealton Company, Inc. (2-1172, Form C-1)

### ASCAP FILES ANSWER TO U. S. SUIT

The American Society of Composers, Authors and Publishers, et al., on October 31 filed in the District Court of the United States for the Southern District of New York their answer to the anti-trust suit filed by the U. S. Government on August 30, 1934 (see NAB REPORTS, Vol. 2, No. 43). The answer in complete text follows:

Defendants American Society of Composers, Authors and Publishers (hereinafter referred to as the "Society"), and the defendants Gene Buck (sued herein as Eugene Howard Buck) and Louis Bernstein, officers and directors of said Society, and E. Claude Mills, General Manager of the Society, and the following named defendants, to wit:

- |                                   |   |
|-----------------------------------|---|
| A. B. C. Standard Music Pub. Co.  | Forster Music Publisher, Inc.               |
| Belwin, Inc.                      | Milton Weil Music Co.                       |
| Irving Berlin, Inc.               | White-Smith Music Pub. Co.                  |
| Bibo-Lang, Inc.                   | Willis Music Co.                            |
| Century Music Publishing Co.      | Clarence Williams Music Pub. Co.            |
| L. B. Curtis                      | B. F. Wood Music Co.                        |
| Joe Davis, Inc.                   | Saul Bornstein                              |
| DeSylva, Brown & Henderson, Inc.  | Edgar Leslie                                |
| Donaldson, Douglas & Gumble, Inc. | Paull-Pioneer Music Co.                     |
| J. Fischer & Bro.                 | Melrose Bros. Music Co., Inc.               |
| Galaxy Music Corp.                | Walter Donaldson                            |
| Hatch Music Co.                   | Harry Warren                                |
| R. L. Huntzinger, Inc.            | Handy Bros. Music Co.                       |
| Walter Jacobs, Inc.               | F. B. Haviland Pub. Co.                     |
| Kay & Kay Music Pub. Corp.        | Kendis Music Corp.                          |
| Kornheiser-Schuster, Inc.         | Manus Music Co.                             |
| Leo Feist, Inc.                   | Joe Morris Music Co.                        |
| Olman Music Corp.                 | Will Rossiter                               |
| Photoplay Music Co.               | G. Schirmer, Inc.                           |
| Santly Bros., Inc.                | Edgar Leslie, Inc.                          |
| Schroeder & Gunther, Inc.         | Edward B. Marks Music Corp.                 |
| Southern Music Pub. Co.           | G. Ricordi & Co., Inc., of N. Y.            |
| Robert Crawford                   | Max Winkler                                 |
| Walter G. Douglas                 | McKinley Music Co.                          |
| George Fischer                    | Harry Von Tilzer Music Publishing Co.       |
| Lester Santly                     | Carl Fischer, Inc.                          |
| Miller Music, Inc.                | Jenkins Music Co.                           |
| Mills Music, Inc.                 | Lorenz Publishing Co.                       |
| Jack Mills                        | Rubank, Inc.                                |
| Shapiro, Bernstein & Co.          | Villa Moret, Inc.                           |
| Louis Bernstein                   | Jerome Keit                                 |
| Will Von Tilzer                   | Walter Fischer                              |
| Broadway Music Corp.              | Oley Speaks                                 |
| Otto Harbach                      | Sigmund Romberg                             |
| Emil Ascher, Inc.                 | George W. Meyer                             |
| Sherman, Clay & Co.               | Skidmore Music Co., Inc.                    |
| Alfred Music Co.                  | Irving Caesar                               |
| C. C. Birchard & Co.              | Harry Engel                                 |
| Boston Music Co.                  | Denton & Haskins Music Publishing Co., Inc. |
| Ted Browne Music Co.              | Gustave Schirmer                            |
| Harold Flammer, Inc.              | Sonneman Music Co., Inc.                    |

who are members of said Society, reserving to themselves all rights of exception to the petition, answering thereto by Nathan Burkan, their attorney, deny that they have created a monopoly or attempted to create a monopoly, or have restrained or attempted to restrain trade or commerce, or have in any way violated the Anti-Trust Laws, and further deny that the alleged agreements complained of, or any of the alleged acts thereunder, were unlawful:

I. Deny each and every allegation contained in paragraph "3," and aver that the defendant Music Dealers Service, Inc., has no office at 619 West 54th Street, Borough of Manhattan, New York City, nor at any other place.

II. Deny each and every allegation contained in paragraph "5," except that they admit that the persons named and described therein, other than the defendant E. F. Bitner, are holding the specific offices and positions either in the Association or in the Society mentioned and described in such paragraph, but aver that none of the persons named and described in such paragraph is a director, officer, agent or servant of the Service Corporation, and has not been such since prior to the commencement of this suit.

III. Deny each and every allegation contained in paragraph "6."

IV. Deny each and every allegation contained in paragraph "7," and aver that the Society has not created a monopoly and has not attempted to create a monopoly, and has not attempted to restrain and has not restrained trade or commerce, nor has it in any way

violated the Anti-Trust Laws; that neither the alleged agreements nor any of the acts complained of were unlawful; and aver, on the contrary, that the Federal Trade Commission, the Department of Justice and various Patents committees of Congress, as well as the Federal and State Courts, have, for many years, declared by decision and other acts, that the Society was engaged in the lawful and legitimate enterprise of suppressing piracy of the incorporeal and intangible right of public performance for profit secured by its members in their musical works under the Copyright Laws of the United States, and of granting licenses for and in behalf of its members to purveyors of public amusements for profit desiring to publicly perform for profit the duly copyrighted works of its members.

V. Deny each and every allegation contained in paragraph "8," except admit that the defendant Society has its principal office in and directs its business in the Southern District of New York, and avers that the defendant Service Corporation has no office or principal place of business nor does it do any business from any place; that such corporation has ceased and discontinued its activities, business and operations and that the directors of such corporation voted to dissolve the same prior to the commencement of this suit.

VI. Deny each and every allegation contained in paragraph "9," except admit that the defendant Society, an unincorporated association, was organized on the 13th day of February, 1914, by a group consisting of ten leading composers and authors and four prominent publishers of musical compositions in the United States, for ninety-nine years from the date of its organization, for the purposes and objects defined in its articles of association and by-laws; admit that the membership of the Society at the time of the filing of the petition herein consisted of approximately one hundred and two publishers and seven hundred and seventy-eight composers and authors; that the Board of Directors of said Society consists of twenty-four persons, twelve of whom represent publisher members and twelve of whom represent composer and author members; that each director is elected to serve first, for a period of one year, and if reelected, for a period of two years, and if again reelected, for a period of three years; that the terms of office of eight members of said Board expire each year and their successors are elected annually by the remaining members of the Board; that admission to membership in the Society is by election thereto by the Board; that since November, 1921, each member upon admission must execute an agreement granting to the Society the exclusive right to license for a limited period the non-dramatic public performance of such members' musical compositions:

Of which such member is a copyright proprietor; or

Which such member, alone or jointly, or in collaboration with others, wrote, composed, published, acquired or owned; or

In which such member has any right, title, interest or control whatsoever, in whole or in part; or

Which may be written, composed, acquired, owned, published or copyrighted by such member alone, jointly, or in collaboration with others; or

In which such member may have any right, title, interest or control whatsoever, in whole or in part—all as expressly provided in such agreements;

that the term covered by the first such membership-agreement was for a period of five years from January 1, 1921; that the second such term was for a like period of five years commencing January 1, 1926, and that the third term covered by such agreement was for a like period of five years commencing January 1, 1931, and that the present agreement between the Society and its members, a copy of which is attached to the petition and marked Exhibit "A" and expressly made a part thereof, expires on December 31st, 1935.

Further answering paragraph "9" of the petition, defendants aver that prior to 1914 it was the universal practice throughout the United States on the part of proprietors of places of public resort operated for profit (hereinafter for brevity called "users") to perform publicly for profit duly copyrighted musical works without the let, leave or license of the composers and authors (hereinafter referred to as "writers") of such works and the publishers thereof, to the great and irreparable injury, detriment and damage to such writers and publishers, and frequently in ruinous competition with the stage performances of such works, which were written or produced under an arrangement between the writers and theatrical managers and producers, and from which performances such writers derived royalties, remuneration or other direct compensation; that such writers were and are men of very modest and humble means, who relied for the support of themselves and their families solely upon the royalties derived by them from the performance of such works on the legitimate stage and from the publication of such works in sheet music form and their reproduction in the form of phonograph records and music rolls.

Throughout the length and breadth of the nation, in nearly every hotel, restaurant, motion picture theater, vaudeville theater, cabaret, dance hall and other place of public amusement, the most successful works of American authors were seized and appropriated and publicly performed for the profit of the proprietor of such establishments in violation of the copyrights of the author of such work, and in destruction of their value for use in legitimate attractions, wherever such author derived a royalty, revenue, or other compensation; that such author derived a royalty, revenue or other compensation; that such illegal performances were fugitive, fleeting and momentary and multiplied in every part of the United States, and the illegality of such performances was extremely difficult to establish and prove unless a trustworthy and responsible person located in the vicinage where such illegal performance took place was on hand to witness and hear the same and could notify the infringer of his wrongful act, coupled with a demand that he cease and desist from such further unlawful use of such work; that in order for an individual to protect his lawful rights against infringement by this means, it would have been necessary for him to maintain an inspection service at more than thirty thousand different establishments located in practically every city in the United States, which was wholly impossible; that all composers, authors and publishers, both of the United States and of other countries, were the victims of such unlawful practices. In an evening's performance, the works of many authors, composers and publishers, both American and foreign, were combined in a program and pirated.

Prior to the organization of the Society and since, it has been the uniform and invariable custom of the users to invade and infringe the rights of musical copyright owners in every case and without exception unless and until the Society, in behalf of its members, took measures to discover, report and aid in redressing infringements or, as the alternative in behalf of its members, license the legal use of their works.

After twenty years, the amusement field is honey-combed with establishments by the hundreds as yet unapprehended in their violation of the rights of composers and authors. Throughout this period of two decades since the organization of the Society, there have been less than a dozen voluntary applications for the license to publicly perform duly copyrighted musical compositions owned by members of the Society. In almost every case, with so few exceptions as to make them the proof of the rule, amusement establishments have been habitual infringers until halted by the Society.

The users were organized into trade associations whose chief objects were to resist the demands of music writers and publishers that their performing rights be recognized and respected, and to defend by the paid counsel of each such association those of their members who might be sued for piracy.

With the development of powerful, rich, and influential trade associations of users of such performing rights, the individual unorganized music writer and publisher was helpless to prevent the piracy of his works and could not obtain just, fair, and reasonable compensation for the public performance of his works by others for profit.

Under the pressure of these economic conditions a group of composers which included Victor Herbert, Irving Berlin, Silvio Hein, William Jerome, Gustav Kerker, John Golden, Glenn McDonough, Gene Buck, Ernest R. Ball, Raymond Hubbell, James Weldon Johnson, Louis A. Hirsch, Henry Blossom, and others, with a very few publishers, organized on the 13th day of February, 1914, the American Society, principally for the protection of writers and publishers of musical works against the infringement of their performing rights in their copyrighted works in all countries of the world, and for the granting of licenses for and on behalf of its members to perform for profit such works and to collect royalties for such licenses; that the membership of the Society was and is limited exclusively to and is composed entirely of composers, authors and publishers of musical works; that the royalties collected for and on behalf of the members by the Society from licenses to play the works of its members are distributed among its members exclusively in accordance with a scheme of allotment of royalties provided for in its Articles of Association.

That a part of the royalties accruing to the members of the Society collected from the users and from commercial broadcasting stations is, pursuant to the articles of association, devoted to the support and maintenance of the widows and orphans of deceased members, and of members that have become indigent, infirm, aged and decrepit, and that since the formation of the Society no author or composer of music has been buried in a pauper's grave or permitted to famish, or his family to famish, which conditions existed prior to the formation of the Society while the users were capitalizing and using his works for their unjust enrichment and advantage.

The Society does not consider its expenditures in this department as a charity to those who receive the money. In every case, they are persons, or the dependents of persons, who wrote or composed great musical works that enjoyed wide popularity and brought pleasure to the millions while affording the stock in trade of public amusement enterprises. Stephen Foster was perhaps the greatest songwriter that America ever produced. He wrote the real folk-songs of the old South. "My Old Kentucky Home," "Old Black Joe," "The Old Folks at Home" (Swanee River), "Oh! Susanna," and "Sweet Genevieve" are but a few of the songs given by him to the American people and the world. He made a tremendous contribution to the happiness of humanity. He died a pauper. He was never a member of the Society and he never received a cent from any public performance of his works, and the copyright on those works has long since expired. None the less, the Society has felt that his contribution was so real and his service so great to the users of music, even now in our day, that it has afforded financial assistance to his only living relative known to be in dire need thereof. The Society during the last years of the life of George Cooper, the only collaborator Stephen Foster ever had and who, with him, wrote "Sweet Genevieve," made him financially comfortable. Likewise, the Society today, every day, extends financial aid in the payment of life insurance premiums, the saving of homes from foreclosures of mortgages, the payment of hospital bills, the succor of the living and the burial of the dead; grants its aid to those who have written or are dependent upon the writers of successful musical works that have contributed tremendously toward the profitable operation of public amusement enterprises. None of these people ever received or ever would have received a dollar from the users and commercial broadcasters who prospered commercially because of the use of the works resulting from the creative genius of these people and their ilk through the world.

The defendant Society was organized under the necessities of the situation arising out of the new style of entertainment offered to the public. There was introduced a species of entertainment in restaurants, hotels, inns, and other public resorts, which was advertised as an inducement to the public to patronize these places under the names of "cabarets," "tea dansante," "after-theatre revues," "midnight revues," "dinner dancing," "dinner and music" and similar slogans to acquaint the public with the fact that a musical program was the distinctive feature and main attraction of the establishment. While no special admission fee was charged for these entertainments, it was expected that those who patronized them would purchase food and drink. In some establishments "couvert" or other charges were added to the patron's check. The patrons paid for the entertainment by a direct or indirect charge, and the entertainment was given for direct or indirect profit.

The cabaret or revue entertainment consisted of the rendition of music and the singing of songs and dancing to the accompaniment of music. In some of the establishments, the performances were given in make-up and costume, and on a platform or stage. The entertainment was advertised in the daily newspapers in the same manner, mode and means as regular legitimate attractions playing at first-class theatres, which paid the authors and composers a licensee fee or royalty for the use of the authors' and composers' works.

In its most developed form, the cabaret or revue is a regular show, with appropriate intermissions indicated by a suspension of action instead of lowering a curtain.

Cabaret, motion picture and vaudeville shows and revues were presented in nearly every city in the United States, the dominant, distinctive, and principal features of each such entertainment being the vocal and instrumental numbers of the current grand and comic operas, musical plays, as well as standard and popular compositions.

A leading and attractive feature of the larger hotels in the United States was the orchestra and the musical and dance programs.

Dance halls which relied entirely for their operations upon music sprang up like mushrooms in every part of the United States. A direct admission fee was made at the door of these dance halls; in some instances there was a hatcheck, in others, a specific charge of so much per dance.

Motion pictures were coming into prominence as a form of entertainment, and theatres devoted exclusively to the showing of motion pictures were erected in every city and town and village in the United States, and, of course, music and musical attractions played a very important part in such class of entertainment.

All these places of public entertainment were dependent almost entirely for their success upon the songs and instrumental numbers of the composers, authors and publishers. But no proprietor expressed a willingness to, nor did he pay a fee, royalty, or other

compensation to the owners of the works. On the contrary, proprietors of these resorts helped themselves to the current works without the leave or license of the copyright proprietors, completely ignored them and their statutory rights in their property, upon the ground that musical performances given by them were not for profit, because they were given without direct admission fee, or that music was merely incidental to the operation of the premises, and for that reason the performances were not subject to the control of the copyright proprietor.

The writers and publishers realized that their works were capitalized by other and were used for profit, and not only that, but in some instances the performances were in direct competition with those given by legitimate theatrical managers who did pay performing royalties to the writers whose works were used. The creators of these works justly felt that they were entitled to participate and share in a modest way in the profits and revenues made possible by the exploitation of their works.

A single writer or publisher was helpless in dealing with these infringers for the following reasons:

As an individual he could not protect his rights as against the tremendous commercial enterprises who would appropriate it to their use without any compensation to him.

The several groups of users of music were organized in trade associations and were prepared to use the resources of their organizations in resisting the effort of any individual composer to enforce his performing rights, while the composers and publishers were mostly men of humble and moderate means who were not able, singly, to bear the expense of ascertaining and investigating the piracies of protracted and numerous litigations.

Moreover, the use made of copyrighted music in these places was in the form of musical programs in which the works of a number of composers were combined.

The performances as a rule were ephemeral, fleeting, and fugitive, and unless the infringement was detected and established the moment it occurred, proof thereof was well-nigh impossible.

A single entertainment amounted to a composite infringement of a number of compositions of several composers. In the course of a year, the proprietor of a single establishment would violate the rights of hundreds of composers and copyright proprietors, and each of these was a victim of a number of piracies.

Piracies were committed in numerous establishments and in various parts of the United States, and the expense of locating and securing evidence of the piracies was prohibitive for the individual writer or publisher. Separate actions for each act of piracy would involve a multiplicity of litigations.

The piratical practice, having in this way a collective effect, collective and protective action by the writers and publishers was natural and necessary.

There was this further element to urge organized action. The practice grew in leaps and bounds. The resorts where musical works were performed extended to every city and to every part of every city. Motion picture theatres added musical programs to their performances, and their number grew so fast that in a few years the industry connected with motion picture shows became one of the largest industries in the United States, in fact there were some 2,800 theatres in operation by 1921. At the present time there are over 15,000 such theatres.

In many motion picture theatres vaudeville has been displaced by a form of musical and dramatico-musical presentation that runs in competition with legitimate productions. The stage performance often takes an entire hour and such stage performance is advertised in many instances as the main attraction at such motion picture theatres. Indeed, many patrons of motion picture theatres attend merely for the musical presentation.

The box office receipts of some of these theatres has averaged over \$100,000 for a single week.

In addition to the competition which these motion picture theatres have set up as against legitimate performances, many regular theatres have been converted into co-called cabarets or night clubs, giving regular ambitious stage performances in the same manner as, and in competition with, legitimate theatres.

In view of the multitude of places where his rights were being infringed, it was impossible for an individual composer to ascertain and prosecute even a small number of the piracies.

Without the collective action of at least a certain number of writers and copyright proprietors, the performing rights secured by the copyright law remained without effective protection. It became evident that unless composers and copyright proprietors organized in sufficient number to provide mutual aid and the necessary funds for the protection of their rights against an army of pirates, most of whom were banded together in trade associations for the express purpose of making piracy a safe practice, all the

rights granted by the law to copyright proprietors would be nullified.

Furthermore, an organization of the composers, authors, and copyright proprietors was necessary to meet the needs of those establishments which, discovering that the intervention of the Society made piracy an unsafe practice were willing to pay compensation for the use of the works.

No place of public amusement could carry on its musical entertainment by confining its program exclusively to the works of a single composer. Programs had to be attractive, pleasing, international and diversified, and to present the current songs and instrumental numbers that were in vogue or were the reigning "hits" of the day—those that had received popular acclaim, or appealed to the whims, taste and fancy of their patrons.

A dance hall required an average of 81 tunes for its nightly program and the other places of public entertainment from 15 to 35 separate and distinct numbers of different composers. In other words, the program, to be entertaining, had to be composite.

Another element which made the organization necessary was the hardship and inconvenience that would be imposed upon users and commercial broadcasters in their efforts to secure the consent of these writers and proprietors whose works they wished to include in their programs. Writers and publishers were scattered throughout the United States and in foreign countries. There would be certain difficulties in locating the proprietors of such works. Then there would be the endless haggling and bartering over the amount of royalty or license fee payable for a number or group of numbers. All sorts of factors would have to be taken into consideration in fixing a reasonable royalty. There was also the question of time in carrying on and conducting negotiations. It was obvious that it was to the advantage of resort proprietors, writers, and owners of musical works that a large group or body of writers and copyright owners should have an organization to represent them as a unit in dealing with users located in various parts of the United States, particularly when the users would eventually bargain for the rights collectively through their respective trade associations.

The value, both to the author, composer and publisher, as well as to the users and commercial broadcasters, of such an organization was proven by the experience abroad. Similar societies had been organized and were functioning in England, France, Italy, Austria, and Germany.

In France, in January, 1851, there was organized a society known as "Societe des Auteurs, Compositeurs et Editeurs de Musiques," the purpose of which was to protect composers, authors, and publishers of musical works against piracies of any kind, and to grant licenses and collect royalties for the public performance of the works of its members. That society conducted its operations and activities to the mutual advantage of all parties interested, and said French society served as the model for the defendant Society.

Under the scheme of organization of the Society, the publisher did not and does not now enjoy any right in the work superior to that of the composer and/or author thereof, in so far as the Society is concerned. The writer and the publisher shared and now share equally in the royalties or license fees derived from the exploitation of the performing rights.

From the outset the users of copyrighted music refused to recognize the society or its demands. The national, state, and city associations representing the users of copyrighted music informed the society that they would and did actually resist to the utmost any attempt to prevent their members from using copyrighted songs belonging to members of the society, and that they would under no circumstances permit any of their members to take out licenses from the society or treat with it in any way.

The activities of the society were but short-lived and they came to a dead stop in the winter of 1915, with the handing down of the decision in the case of *John Church Co. v. Hilliard Hotel Co.* (221 Fed. 229). It was there held that the playing of copyrighted musical numbers in a hotel dining room where no direct admission fee was made for the performance was not an infringement of the copyright.

The suit was defended by the Hotel Men's Association, through its paid counsel.

This sweeping victory heartened the users and more than ever proved the necessity for an organization such as the defendant society.

Victor Herbert, a distinguished American composer, had written, in collaboration with others, an operetta entitled "Sweethearts," under a royalty agreement with a firm of theatrical managers of approximately 6 per cent of the gross receipts—3 per cent for Victor Herbert and the balance for the book and the libretto writers. The play was produced at the Liberty Theatre, Forty-second Street near Broadway, in New York City, with an ex-

pensive cast and chorus, and appropriate scenic investiture running up into many thousands of dollars. Shanley's Restaurant, located at Broadway and Forty-fourth Street, in New York City, was an outstanding rendezvous for New York night life. It presented nightly a cabaret entertainment, the leading feature of which was the musical number "Sweethearts" which had proven itself the success and hit number of Herbert's operetta.

The number was performed in this cabaret on a stage by actors in make-up and costume, accompanied by an orchestra, and in all respects was competitive with that given in the Liberty Theatre.

As similar infringements were taking place in other cabaret and similar shows in the United States, and as the successful numbers of various legitimate attractions were thus sung, danced to, and featured in cabaret entertainments, the society determined to protect Herbert's property, in accordance with its articles of association.

Thereupon, on the 14th day of April, 1915, the society's counsel commenced an action on behalf of Victor Herbert in the United States District Court, Southern District of New York, against the Shanley Company. The bill was dismissed (222 Fed. 344), and the dismissal was affirmed by the Circuit Court of Appeals (Second Circuit), (229 Fed. 340), but it was reversed by the Supreme Court of the United States on the 22d day of January, 1917 (*Herbert v. Shanley Co.*, 242 U. S. 591). The expense of this suit was borne by all the members of the Society. Herbert alone could not have carried it to a successful conclusion.

The natural effect of the decisions of the district court and circuit court of appeals was to encourage and stimulate the users to make every conceivable use of musical works of composers and publishers.

Shortly after the Supreme Court's decision in *Herbert v. Shanley* representatives of the New York City Hotel Men's Association (comprising practically all the New York hotels) had a conference with representatives of the Society, with a view of arranging for a schedule of rates to be paid by the hotels for the privilege of playing the numbers of the members of the society. The rates proposed by the hotel men themselves were then and there accepted by the society.

The hotel men's association, in 1924, at the Senate Committee hearings on the bill to exempt radio broadcasting from copyright (Senate bill, 2600), indorsed the reasonableness of the rates charged by the Society and the fairness of its policy.

The motion picture theatre proprietors through their trade associations refused to accept the decision in *Herbert v. Shanley* as applicable to the playing of copyrighted music in motion picture theatres. They declared that no direct admission fee was charged for hearing the music; that the music was incidental to the entertainment.

The Motion Picture Exhibitors League of America, a trade association of motion picture exhibitors, adopted a resolution as follows:

"That the organization undertake the legal defense of any exhibitor against whom infringement action is brought by the American Society of Composers, Authors, and Publishers, to apply to non-members as well as members."

This organization was prepared to defend not only infringement committed in its own ranks, but by outsiders. A defense fund was raised by such exhibitors for such purposes, and every exhibitor was asked to contribute \$3.00 with which to defend the infringers.

The challenge of the Motion Picture Exhibitors League was accepted by the Society and its counsel brought a test suit against a member of that organization, i. e., Raymond Hubbell, a composer, against Royal Pastime Amusement Co., a motion picture exhibitor, for playing Mr. Hubbell's song, "Poor Butterfly," the feature hit of the current New York Hippodrome production, from which Hubbell had been deriving a performing royalty.

Judge Mayer, in a decision rendered May 31, 1917, 242 Fed. 1002, held that the copyright law applied to motion picture theatres.

The Motion Picture Exhibitors League retaliated by bringing an action at its own cost and expense and with the aid of counsel supplied by it, in the name of one of its members, the One hundred and seventy-fourth Street and St. Nicholas Amusement Co., against George Maxwell, as president of the Society, and its directors, to restrain the Society from conducting its operations, carrying on its activities, from acting in concert to suppress piracy and from using the funds of the defendant's Society in furtherance of its objects, and enjoining its officers and directors from meeting for any purpose to act in combination or concert, upon the ground that the defendants were a monopoly in restraint of trade.

The decision of Judge Goff, in that case, rendered on April 4, 1918, is as follows (169 N. Y. Supp. 895):

"After considering the arguments of counsel and their briefs, I am of the opinion that the defendant association is exercising only its lawful rights. It existed before the incorporation of the plaintiff and was engaged in the same general work before the plaintiff's existence. The association is formed for lawful purposes, and I find no exercise of any coercion. The institution of legal actions by individual members of the association for violation of copyright is justified for the protection of income from their music. Plaintiff wishes to use the product of the author's labor, ignoring copyright, free of any charge whatever, except the actual purchase price of the printed musical score. *There is no restraint of trade through any act of the association.* Plaintiff may use any music not the property of the members of the association without objection by the association. The only restraint on plaintiff is the possible right of the authors or owners of such music to prevent its use. The moving picture exhibitors have spent thousands of dollars advertising music which may be used by orchestras, irrespective of the wishes of the defendant association, or its individual members. The fact that the music of the authors who are members of the association is popular and in demand presents just so much more reason why it should be protected, and its unauthorized use at public entertainment given for profit prevented. Practically the exhibitors of moving pictures seek to obtain by injunction the right to publicly perform copyrighted musical compositions for profit, without a consent of the holder of copyright, and without compensation to him."

On May 24, 1917, a schedule of rates for motion picture houses was established by the Society.

At the time this schedule of rates was adopted the Motion Picture Exhibitors' League refused to treat with the Society or recognize it in any way, and it refused to treat with the members individually. There was not the slightest hint as to what amount the exhibitors' league and its members would consider a reasonable license fee. There was no fee that they deemed reasonable. The exhibitors did not propose to pay any fee. They wanted to use the works of the members of the defendants' society without any pay and without asking permission of the copyright proprietors. The situation then existing now applies to the case of every user of copyrighted music who prefers to be an infringer rather than a licensee of the copyright proprietors. The average rate was on the basis of 10 cents per seat per year.

In March, 1917, the Society launched a campaign to suppress piracies in Newark, Lakewood, and Atlantic City in New Jersey. A very brief experience made it obvious that it was almost impossible to handle the piracies from the New York office. Letters sent from the New York office to places known to give piratical performances were ignored.

When New York representatives called upon these places to protest against the infringing performances, proprietors of such establishments refused even to see them, much less talk about the infringements. Trade associations with which such infringers were affiliated were appealed to, and endeavors were made to negotiate with such associations upon a basis of license fees satisfactory to such trade associations. They too refused to recognize the society or to respect the rights of the property of the defendant's members. In some instances where members of trade associations were willing to negotiate with the society or its members for licenses, the rules promulgated by such associations prohibited any individual members of its association, under penalty of expulsion, from negotiating directly with or accepting licenses from the defendants' society.

The infringements stubbornly persisted, notwithstanding the several decisions of the court in favor of the society. Not the slightest attention was paid to the activities of the home office, with the result that practically no licenses were issued outside of the city of New York. As the infringements were encouraged by the activities of the trade associations and defended by local counsel representing each trade association in the locality where the infringement occurred, the society could only assert its rights effectively by in like manner engaging local counsel to prosecute the infringers. As the society proceeded in new territory to enforce its rights, a lawyer in that territory had to be engaged. The necessity of the situation compelled the engagement of attorneys residing in the territory where the infringements were the thickest.

On or about January 1, 1921, the members of the Society agreed that it was advisable to vest in the Society a continuous and irrevocable right and power for a period of five years, commencing on January 1, 1921, and ending January 1, 1926, to control the

non-dramatic performing rights of the members and to prosecute and defend all actions involving such rights in the names of the members, and the articles of association were duly amended by providing for the execution and delivery by every new member of an assignment to the Society, vesting in it such right and power for such period, and at the same time, all those who were then members executed and delivered to the Society a similar assignment; that by such assignments, it was intended, among other things, to prevent infringers from asserting that an agent or servant of the record holder of the copyright infringed had either expressly or impliedly assented to the performance complained of; such assignments were also intended to enable the Society to establish in any action or proceeding the right and authority of the Society to institute and conduct such actions or proceedings in the names of the members. That this was brought about because the users of copyrighted music in the United States attempted by trick, artifice and device, in the event law suits for infringement were instituted, to defend on the basis of an alleged assent, express or implied on the part of an agent or employee of the record holder of the copyright. That for some time prior to January 1, 1921, the Society had been vested with, and exercised, the rights and powers mentioned in said assignments, and said assignments were not intended to, and did not, in fact, establish a new policy, except that they provided for the continuance of such rights and powers during said period of five years, and made such powers irrevocable during said period. That said assignments did not restrict, or in any manner affect, the rights of purchasers of copies of musical works; that under the copyright laws, the sale or conveyance, by gift or otherwise, of a copy of a copyrighted work, does not transfer to the purchaser or donee the copyright or any right secured by the copyright in such work; that the purchaser of any copy of a musical composition did not, either before or after the dates of said assignments, and does not now, acquire the right to publicly perform the composition for profit.

The Motion Picture Exhibitors League of America was succeeded by the Motion Picture Theatre Owners of America. The Motion Picture Theatre Owners of America is a national organization made up of State organizations with a membership of approximately twelve hundred motion picture theatre owners. This organization waged a bitter and relentless warfare against the Society and its members. In 1922 that organization filed a complaint against the Society with the Federal Trade Commission, charging it with operating in restraint of trade. The Federal Trade Commission investigated the complaint and dismissed it in an opinion as follows:

"FEDERAL TRADE COMMISSION,

"Washington, January 2, 1923.

"Mr. Sydney S. Cohen,

"President Motion Picture

"Theater Owners of America,

"New York City.

"Dear Mr. Cohen: Your letter of the 14th instant, addressed to the secretary of the commission, making application on behalf of the Motion Picture Theater Owners of America against the American Society of Composers, Authors, and Publishers on account of alleged violation of the law against unfair methods of competition by the imposition of a tax or royalty on motion picture theaters for the right to play the copyrighted music of its members, has been considered.

"We have carefully considered the facts, as stated by you, and examined the decision of the courts applicable thereto, with the result that it has been concluded that the case is not one calling for the exercise of the commission's corrective powers. The chief reason for this conclusion may be stated as the fact that the making of a claim for royalties, apparently in good faith, can not be said to constitute 'an unfair method of competition in commerce'; it can not be said to be unfair in the sense in which the word is used in the commission's organic act, but is merely an assertion of a supposed legal right which is fully determinable by the courts; and it is not a 'method of competition' because the parties to the controversy are not in any way competing with each other.

"It is regretted that we are unable to aid you in this instance.

"Very truly yours,

"FEDERAL TRADE COMMISSION,

"Millard F. Hudson,

"Chief Examiner."

Trade associations of users and commercial broadcasters filed a complaint against the Society with the Department of Justice, and that Department, on August 6, 1926, disposed of the charges in an opinion by the Attorney General, reading as follows:

"As the result of a large number of complaints which were received by the Department of Justice with reference to the so-called music tax collected by the American Society of Composers, Authors and Publishers from the owners of motion picture houses and of other public places of entertainment where popular music is played, a thorough and comprehensive investigation was made of the organization and operations of that Society. Several special agents of the Bureau of Investigation were engaged in that investigation and it was conducted almost continuously for a period of about two years.

"After all the facts elicited by the Department's investigation and also the facts and arguments submitted both by the various complainants against the American Society and by the representatives of the American Society, had been very carefully considered by the Department, the Society has been advised that the Department saw no reason for proceeding against it under the Anti-Trust Laws on account of its operations in collecting licenses for the public performance of copyrighted music from the owners of motion picture houses, of hotels, of dance halls and of similar places where copyrighted music is publicly performed for profit.

"It was found that the rights conferred under the Copyright Act by Congress on the owners of copyrighted music had repeatedly been held by the Federal Courts to be violated by the unlicensed performance of such music, in amusement where the performance of the music constituted at least part of the public entertainment from which the owner of the place of amusement derived profit through the charges made to his patrons.

"The only question for consideration by the Department, therefore, was whether the operations of the American Society in receiving assignments from its members of the rights to the public performance of their copyrighted music and the issuance by the Society to many places of amusement, throughout the country, of the right to publicly perform for profit all the copyrighted music of its members constituted a combination which restrained trade and commerce within the prohibitions of the Sherman Act.

"It was found, however, that the American Society has nothing whatsoever to do with the published music or with any physical objects which enter into the course of interstate commerce, and that it has been held repeatedly by the Courts that acts similar to the granting of licenses for the local performance of music in a place of amusement do not constitute interstate commerce, even when the contracts are entered into in a different state from that where the performance may take place.

"No decision has been reached in reference to the licensing of radio broadcasting stations because of the unsettled state of the law relating to radio and the possibilities of legislation by Congress at the next session."

The Motion Picture Theatre Owners of America established a music department, which was open to its exhibitor members, who were informed by its president that:

"We are assured at this writing of sufficient tax-free classical, orchestral, standard, and popular music to meet any and all demands and we desire to extend to you the cooperation in this regard of our music department."

A report made by the president of the Motion Picture Theatre Owners of America to the annual convention of the association, read as follows:

"To relieve the Theatre Owners of the country from the exactions of the American Society of Composers, Authors and Publishers in the imposition of an unfair music license fee or tax for the playing of copyright productions, an amendment was proposed to the Copyright laws through a bill introduced in the last session of Congress by Congressman Florian Lampert, of Wisconsin.

"Every possible effort was made by your National Organization and the state and regional bodies to bring about a favorable line of action on this bill.

"In the next Congress, we are promised definite relief along this line and we propose to handle it then in the same expeditious manner in which your National Organization brought about the repeal of the 5 per cent Film Rental Tax.

*"In this relation there are several test cases in different parts of the country bearing upon the Music Tax situation to be decided. We believe the matter has never yet been definitely presented to the courts in such a way as to properly conserve the welfare of the Theatre Owners.*

"A department of Music was established at National Headquarters following the Washington convention and association effected with different music publishers, which has enabled Theatre Owners to secure a liberal supply of tax-free music to meet the needs of their theatres.

"We have also the cooperation of the Radio Broadcasters Asso-

ciation, Hotel, Restaurant and Dancing Master Associations, and can, when the occasion requires it, use our screens, our theatre programs and a portion of the space taken by theatre owners for advertising in newspapers to bring our side of this issue squarely before the public."

The Motion Picture Theatre Owners of Kansas and Missouri, at their annual convention held on or about the 27th or 28th of March, 1922, engaged attorneys, in Missouri and Kansas, to defend and appear for exhibitors charged with infringement of the copyrights of the Society's members. In a speech before that convention, one of the counsel for such association urged that no one pay the license fees and pledged his every effort "to go clear to the finish." The president of that association stated in the convention:

"I just want to say in regard to the music tax that when every State in the Union is paying . . . Kansas is not paying, does not intend to pay, and will not pay . . . and will teach the music tax people that we 'have millions for defense but not one cent for tribute.'"

The members of this association brazenly and defiantly violated the rights of the Society's members and infringed their copyrights. Eleven suits were commenced in Western Missouri against the infringers and were bitterly contested by the attorney for such association. A judgment was rendered thereafter in favor of the Society.

At a meeting of the motion picture theatre owners of Eastern Pennsylvania, Southern New Jersey, and Delaware, its secretary and counsel urged all exhibitors within the radius of 50 miles of Philadelphia not to pay any music royalties, and declared that the organization would defend any action brought by the Society against the organization's members in that district. Acting upon these instructions, the members of that association gave public performances for profit of the music of the members of the Society. Sixty-five suits were commenced in the Eastern District of Pennsylvania. These suits were defended by the counsel for the exhibitors' organization. Thirty-nine were tried before a special master and decrees were recommended in favor of the plaintiffs in those cases.

In the States of Ohio, South Carolina, Connecticut, and Massachusetts, exhibitor members of State organizations of the Motion Picture Theatre Owners of America gave performances of the musical numbers of the Society without the leave or license of the Society. Suits were commenced against the infringers and invariably those suits were defended by the counsel for the State associations. The secretary and counsel of the Motion Picture Theatre Owners of America appeared not only in the Pennsylvania cases, but also in the South Carolina cases, and the answer prepared by him was used in the Connecticut cases. Defense funds were raised by voluntary contributions by exhibitors, to resist and oppose to the bitter end the efforts of the Society to suppress piracy.

In New York, the president of the Motion Picture Theatre Owners of America, in his own theatre, gave infringing performances, and 22 actions were brought against him in the District Court of the United States for the Southern District of New York, and the identical answer interposed in the other suits was interposed in the suits against such president.

The Motion Picture Theatre Owners of America and its several State associations and the members thereof were unwilling to treat with the Society as a whole or with the members thereof. They did not seek to secure a license from any individual member of the Society or the composition of any individual composer. Their attitude has been that they were entitled to the free and unrestricted use of the copyrighted music without the leave or license of the copyright proprietors, and by collective and united action they were prepared to resist the demands of the Society to the utmost. Under such circumstances, the existence of the Society justified itself.

The Motion Picture Theatre Owners of America caused to be introduced a bill in the House of Representatives, providing for the repeal of the musical performing rights provisions of the copyright act. Resolutions were passed by the National Association of Motion Picture Theatre Owners and the various State organizations, asking all exhibitors to write to the Senators and Congressmen from their respective States to vote for such repeal. Contributions were solicited from all exhibitors to provide a fund for propaganda purposes to secure the repeal of the law and such funds were actually collected.

During September and October of this year, the several trade associations and chains of motion picture exhibitors combined to form a united front for the purpose of defeating the right of composers, authors and publishers to a reasonable royalty for the use of their works in performances by means of motion pictures.

The following trade associations were represented in this united front:

Motion Picture Theatre Owners of Eastern Pennsylvania, Southern New Jersey, and Delaware;  
 Motion Picture Theatre Owners Association;  
 Motion Picture Theatre Owners of North and South Carolina;  
 Independent Theatre Owners of Southern California;  
 Main Exhibitors;  
 Exhibitors Emergency Committee;  
 Independent Theatre Owners Association;  
 Theatre Owners Chamber of Commerce;  
 Nebraska-Iowa Exhibitors;  
 Allied State Associations;  
 Independent Exhibitors Protective Association of Philadelphia;  
 Southeastern Theatre Owners;  
 Gulf State Theatre Owners;  
 Motion Picture Theatre Owners of Maryland;  
 Allied Theatre Owners of Texas;  
 Motion Picture Theatre Owners of Buffalo;  
 Independent Theatre Owners of New York;  
 Independent Theatre Owners of Northern California;  
 Motion Picture Theatre Owners of Virginia;  
 Allied Theatre Owners of New York;  
 Allied Theatre Owners of Michigan;  
 Allied Theatre Owners of New Jersey;  
 Independent Theatre Owners Association of Atlanta.

The Motion Picture Theatre Owners Association agreed to contribute to a fund to be collected by the Exhibitors Emergency Committee which they called the "War Chest" for the purpose of bringing suits to dissolve the Society and for the purpose of opposing the Society, and they agreed to issue questionnaires to every Senator and Congressman to get them committed to the fact that they would favor repeal of the law which secures performance rights to members of the Society.

Each theatre was taxed one cent for each seat, and it was estimated that the "War Chest" secured in this manner would net at least \$60,000 with which to combat the Society and to destroy the members' public performing rights. The theatre chains actually contributed a very large sum for this purpose.

They proposed to engage in lobbying on a large scale for Congressional action and to engage one hundred contact men for the purpose of inducing Senators and Congressmen to act in favor of the united front and in opposition to the interests of the Society and its members.

During all this time, the rights of the members of the Society were invaded, and the infringers were protected and defended by the State and local associations of motion picture theatre owners.

The Society published a paid advertisement in the motion picture trade papers in the form of an open letter to the officers and members of the Motion Picture Theatre Owners of America, exhibitors organizations, chambers of commerce, etc., inviting such organizations to a conference for the purpose of reaching an honorable understanding and recognition of each other's lawful rights.

A conference was held at Minneapolis between the representatives of the Society and a committee representing an exhibitors' association of Minnesota and South Dakota, and then and there the committee on behalf of three hundred exhibitors agreed to take out licenses from the Society for each of its members at rates varying from \$5.00 per theatre per annum to ten cents per seat per annum in certain other theatres, the rates being adjusted at a joint conference according to the general business condition of the cities in which the theatres were located.

Subsequently, a similar conference was held with a committee representing an exhibitors' association of North Carolina, at Charlotte, North Carolina, where a like procedure was observed. At that conference with that committee, the representatives of the Society agreed upon the rates which should prevail for licenses to be issued to every motion picture theatre in the territory represented by the exhibitors' organization. The rates were mutually agreed upon and as a result of the conference, the exhibitors' organization recommended to each and every of its members that they proceed to take out the licenses at the rates agreed upon.

Further instances of collective bargaining between the Society and other groups of resort proprietors is evidenced by the negotiations and the consummation of negotiations with the Society and the New England Hotel Association, the Atlantic City Hotel Association, the New York Hotel Association, and the Dance Hall Proprietors Association, and the Society of Restaurateurs, the Motion Picture Theatre Owners of Michigan, and the Motion Picture Theatre Owners of Virginia.

The latest instance of this collective bargaining as between the Society on the one hand and a group representing a great industry on the other was conducted with the Exhibitors' Emergency Committee representing some twelve thousand motion picture theatres

in the United States. It was held on October 1, 1934, and an agreement, with the terms of which the committee expressed itself as entirely pleased and which represented a substantial compromise by both sides, was reached. During the course of that conference, it was freely and unambiguously stated by the members of the committee that the exhibitors of America would be confronted with a tremendously difficult and apparently insoluble problem in connection with the use of copyrighted musical works were the Society to be dissolved. In every instance where a user of music in public performances for profit has been confronted with a question as to whether his operations are more convenient and economical under the existence of the Society than they would be if the user were required to deal with the individual copyright owners, the answer has been to the effect that by all means and under all circumstances the continuance of the Society was most to be desired.

The Motion Picture Exhibitors' League of America created a so-called "tax free music bureau." It engaged the services of a leading music publisher to operate the bureau. It invited the submission of manuscripts by authors and composers everywhere. It published a great number of compositions and circulated them freely to the theatres and declared its purpose to create a library of music sufficient for the use of the theatres so that they would not need to secure any license from any copyright owners other than those represented by the bureau. But in every case they secured from the composers and authors submitting works, contracts definitely and perpetually assigning to the bureau all of the performing rights in such works.

At its convention held at St. Louis, Missouri, early in 1933, the National Association of Broadcasters, an association composed of practically all the broadcasters of the United States, authorized the organization of a similar bureau, to be known as the Radio Program Foundation. The declared purpose of the Radio Program Foundation was "to create a music supply sufficiently large to allow all stations to forego their contracts with ASCAP (Society)." Soon after its organization, the Radio Program Foundation acquired control in the United States of the performing rights for broadcasting of the catalog of Ricordi & Company, including some 123,000 musical compositions of all kinds. It also secured broadcast performing rights from the owners of various domestic musical catalogs.

The experiences of the users no less than the creators of musical works, shows the only practicable method of licensing and securing licenses covering the use of copyrighted music in public performances for profit is by means of an organization of composers, authors and publishers, all of whose copyrights the prospective licensee may use and through which organization the copyright owner may have his rights protected and represented. No other method of operation is practicable.

In about the year 1922, another form of invasion of the rights of writers of musical works came into prominence—radio broadcasting. Radio broadcasting for public entertainment purposes was first introduced in 1921. At the close of that year there were in the entire world about five broadcasting stations more or less regularly transmitting programs of entertainment. Within a year there were five hundred and seventy-six radio broadcasting stations installed, equipped and in operation in the United States alone. The stations were licensed by the Department of Commerce, Bureau of Navigation.

The most distinctive, attractive and prominent feature of the daily and nightly programs broadcast was music, and particularly, the musical "bits" of the day. Radio took a sensational hold of the people. The radio audience pays partially for what it hears through paying for its radio equipment and in purchasing of radio parts. The rendition of songs in the studio is for the purpose of "public performance for profit." That profit has been received by the radio manufacturers who could not easily dispose of their receiving sets unless the purchasers expected to hear something of their liking through them.

The members of the Society, whose sheet music and mechanical royalties have been cut to a fraction of their former total, by reason of radio invasion believed that they should be paid for holding the auditors' attention. In many instances, the broadcasting is done for advertising purposes, to introduce a manufacturer's product into the market, to popularize and create a demand therefor, and to promote the sales of radio receiving apparatus and other radio accessories; to introduce the broadcaster and sponsors of commercial programs and their products to the public in order to get certain advertising, good will, and celebrity from such broadcasting.

The Society viewed with great concern the actions and attitude of the broadcasters in giving or causing to be given performance of the works of its members, without regard to the rights of the creators of such works.

The Society adopted on March 1, 1923, amendments to the articles and by-laws of the Society, as follows: •

"(g) To grant licenses and collect royalties for the public representation of the works of its members by instrumentalists, singers, mechanical instruments, *radio broadcasting stations*, or any kind of combination of singers, instrumentalists, and mechanical instruments, and to allot and distribute such royalties." (Section 1, subd. G, Article I.)

The broadcasters, like the hotel men and the motion picture theatre men, were organized into an association under the name of The National Association of Broadcasters. That association issued a proclamation, reading as follows:

"To publishers of dance, jazz, blue, and popular music:

"The members of this association maintain that they will not pay for licenses from any copyright owner or recognize the right to collect any tax until the law plainly states that such payment must be legally collected."

The radio broadcasters took the position that performances given in their studios were not public performances for profit. Printed communications as well as word-of-mouth declarations were issued expressing the intention to broadcast performances of copyrighted musical works, whether or not the proprietors of such works be members of the Society.

The challenge of the broadcasters was accepted by the Society and a suit was brought in behalf of a member, M. Witmark & Sons, against Bamberger & Co., in the United States District Court of New Jersey, to restrain a department store dealing in radio products from broadcasting the plaintiff's copyrighted music. Judge Lynch in that case held that radio broadcasting was a public performance for profit (291 Fed. 776).

Thereupon the National Association of Broadcasters issued a circular letter reading, among other things, as follows:

#### "AMERICAN SOCIETY WINS AGAINST WOR.

(Being the broadcasting station operated by Bamberger.)

"This decision justifies the position taken by this association from its inception:

"1. That our efforts be directed toward a revision of the copyright act rather than any contest in the courts under the present ambiguous law.

"2. That because of the proven value of broadcasting in creating sales of sheet music, phonograph records, and piano-player rolls (now admitted by Judge Lynch in his decision) it is unreasonable for any musical copyright owner to demand payment for use.

"3. That the American Society of Composers, Authors, and Publishers controls but a small percentage of the copyrights recorded in Washington, and therefore are in no position to make any concerted demand.

"4. That our bureau of music release furnishes weekly (for use by members only) good, new, copyrighted, popular music without the payment of any fee or tax.

"With our rapidly growing membership and the strength which comes from numbers, the future of the broadcasting art becomes clearer."

The National Association of Broadcasters thereupon launched a very vigorous campaign of attack against the Society. A number of conferences were called to which were invited associations of motion picture theatre proprietors, hotel, dance hall, ball room, and other places of public amusement proprietors, as well as broadcasters and various trade associations to join with them, for the purpose of taking united action to prevent the Society from continuing its activities; to defend actions brought by the Society on behalf of its members to suppress infringements; to effectuate a dissolution of the Society; introduce and press legislation to repeal the musical performing rights provision of the copyright act, and to otherwise hinder and obstruct the Society from protecting the rights of property of its members.

It was not a question as to the reasonableness of a license fee or royalty for the privilege of performing copyrighted music. The broadcasters refused to recognize the right of a copyright proprietor to control the performance of his works for broadcasting purposes.

Assessments were levied upon the various members of the National Association of Broadcasters, and sums of money were subscribed by and collected from broadcasters, motion picture theatre owners, hotels, restaurants, cabarets, and dance hall proprietors, as well as from trade associations, to carry on and to wage a warfare, legislative and legal, against the Society.

The Illinois Motion Picture Theatre Owners and the Chicago Exhibitors Association, meeting in executive session, unanimously voted to associate with the National Association of Broadcasters in its fight against the Society. The Chicago organization voted

to subscribe at least \$10.00 a house toward the fund necessary for fighting the Society.

The Association of Broadcasters' plan of battle developed three points of attack on the Society: First, the refusal to recognize the right of any copyright proprietor to control the performing rights of his works for broadcasting purposes; second, to secure a change in the copyright law which would deprive the copyright proprietor of all control over the performing rights of his works, and thus end the activities of the Society; and third, to disintegrate the Society by inducing its members to resign therefrom and to effect its dissolution.

The broadcasters' association developed a working plan which provided radio stations with a plentiful supply of music in respect to which no license fee was claimed, and the broadcasters' association planned to extend the service of this bureau to picture theatres and to other purveyors of entertainment.

The broadcasters' association announced that the bureau controlled the performing rights of 3,000 musical compositions which were free of royalty.

In order to give motion picture theatres the advantage of the music privileges of the broadcasters' association, it formed a class B associate membership and motion picture men were invited to become members.

Funds collected under this class B membership, it was said, would be used by the association of broadcasters only for the expense of maintaining and operating the music release bureau and for the purpose of conducting a nation-wide campaign for the amendment of the present copyright law.

The National Broadcasters Association raised a fund in excess of \$50,000.00 for the purpose of carrying on its legislative and legal activities against the Society and its members, and for the repeal of the musical performing right provisions of the Copyright Act, as the Society is informed and verily believes.

All the activities of the motion picture theatre owners and the broadcasters in attacking the right to publicly perform musical compositions for profit which Congress granted to composers and authors have been carried on exclusively through trade associations and on a national and unified basis. That was true prior to the organization of the Society and has remained true to this very day, and in so far as broadcasters are concerned, from the day broadcasting became a regular business.

Defendants aver upon information and belief that this very suit was induced by and brought at the instigation of the several trade associations representing radio broadcasters and motion picture theatre owners throughout the United States, and that the object of this suit is to disable composers, authors and publishers from dealing collectively in protecting their rights against pirates to the end that such users of music may perform the copyrighted musical numbers of composers, authors and publishers for their own profit without paying a cent of remuneration for the genius and labor which created the musical numbers employed in radio programs, motion pictures, cabarets, hotels, night clubs and other places of public resort and entertainment.

As a matter of fact, the National Association of Broadcasters has publicly announced that it will give its full support to the prosecution of this suit by the United States, and that in the event that this suit is successful, the National Association of Broadcasters will establish a music pool of its own and will use only the musical numbers of such composers, authors and publishers as are members of the said pool.

In other words, the broadcasters are seeking to destroy the Society which has been protecting the rights of composers, authors and publishers against infringements and piracy by broadcasters and other users of music, and propose to substitute in its place a group dominated by the broadcasters and subject to the dictates of such broadcasters.

If their scheme were to succeed, any author, composer, or publisher who refused to join the broadcasters' pool would be discriminated against and he would receive no compensation for the use of his composition. Without an organization to represent him, such as the Society, the individual composer and author could not protect his rights and he would again be powerless to prevent piracy.

In other words, the situation would again be the same as that which existed prior to the organization of the Society except that the creator of musical works would be given an option to forego the rights which the Copyright Law intended to give him, or in the alternative, to subscribe and become a member of the broadcasters' pool and to take whatever crumbs the broadcasters might feed him.

There are many composers and musical authors outside of the Society. There are hundreds of thousands of non-copyrighted

works, as well as works upon which copyrights have expired. The Motion Picture Exhibitors League and its successor, the Motion Picture Theatre Owners of America, publish and distribute lists of musical works not controlled by the Society and of publishers whose publications may be used free of charge.

The Motion Picture Theatre Owners of America have established a music department for the purpose of supplying to the theatre owners everywhere, suitable music for all purposes free from license fees. The National Broadcasters Association has also from time to time issued and distributed similar lists. It has maintained a bureau of music release which releases to its members for radio broadcasting at stated periods, numbers available and suitable for such purposes.

How large the supply is from which radio broadcasters, motion picture houses and hotels can draw without infringing upon the rights of the members of the Society, is demonstrated by the fact that some of the largest and most popular broadcasting stations in the United States held no licenses from the Society until 1927, and during that time furnished to their radio audiences musical programs of the highest quality, character and merit.

Evidently these stations had no difficulty in securing musical works that were not controlled by members of the Society. Mr. Klugh, executive chairman of the National Association of Broadcasters, before the Committee on the Merchant Marine and Fisheries of the House of Representatives, having under consideration House Bill 73357, for the regulation of radio communication, ridiculed the idea that the Society was a monopoly. He there expressed himself as follows:

"As a matter of fact, the American Society consists of 253 publisher members out of a known list of 6,500 publishers, authors and composers in the United States, as can be ascertained by going to the Congressional Library in the Copyright Office. Therefore, we maintain that this organization is an aggressive minority who have been successful in some measure in having their way."

When asked by the chairman of the committee what his complaint was with respect to the Society, he said:

"The complaint is that they ask for payment from broadcasting stations for the right to use compositions of their members, and the charge for that right is out of proportion with what they are able to deliver . . ."

Mr. Klugh there also made a statement as follows:

"The question involved is simply this: A minority owning less than 3 per cent of the current copyrights attempts to dictate, attempts to construe the copyright law, and it has succeeded in a certain measure in forcing through coercive measures and collection of money to which they are not entitled. That is our claim."

Several members of the committee questioned Mr. Klugh, and he replied as follows:

"Mr. Bland: How about this large number of composers that you say do not belong to that society? Can not you use them?"

"Mr. Klugh: We can, but there you see one of the effects of lack of organization. Those are all independent operators; they are not organized, whereas this group of 46 publishers out of a known list of 6,500 are well organized and well administered."

"Mr. Davis: Why can not the broadcasters get ample material of meritorious songs of the 97 per cent, instead of being compelled to resort to the 3 per cent?"

"Mr. Klugh: I might answer that by saying we are. We have set up competition with the American Society by encouraging the independents, which has really struck fear into their hearts, and has already caused the resignation of two of their principal members and will cause more."

"Mr. Bland: Organizing the 97 per cent would relieve the immediate situation."

The broadcasters made vigorous efforts to have the copyright statutes amended by repealing such part thereof as secures to a writer the performing rights in his works. Accordingly the National Association of Broadcasters sent out a letter to the Independent Authors, Composers, and Publishers, in which it stated:

"The American Society of Composers, Authors, and Publishers, will appear at this meeting and endeavor to show that they represent the majority of authors, composers, and publishers. We want to appear with evidence which will show that they do not represent the majority, and to this end we are inclosing 10 petitions to be signed by you and any other independent author, composer, or publisher who would like to have the truth known."

The petition mentioned and inclosed in that letter reads in part as follows:

"Petition: The undersigned, believing that the best interests of the public, the composers of music, the authors of songs, the publishers of music, and the performers thereof, will be served, hereby petitions the Congress of the United States to amend the

copyright act of 1909, so that individual or detached songs and melodies, as distinguished from complete musical scores of operas, light operas, musical comedies, oratorios, cantatas, and other musical scores, designed to provide a whole performance, may be publicly performed without restriction by law or otherwise, to the end that 6,500 independent composers, authors, and publishers may have an equal chance with the 326 members of the American Society of Composers, Authors, and Publishers."

Mr. Klugh announced that over "700 petitions for independent composers, authors, and publishers were submitted to the Senate committee." Surely these 700 composers, authors, and publishers ought to be able to supply the reasonable wants of all the broadcasters, all the motion picture theatres, and all the hotels of America.

In accordance with the broadcasters' program, a bill was introduced in the United States Senate (Senate Bill 2600) designed to exempt radio broadcasting from copyright control. This bill was sponsored by the National Association of Broadcasters. The principal line of attack was that the Society enjoyed the benefits of the existing musical performing rights under the provisions of the act and that the Society was a combination in restraint of trade.

There was also introduced, in 1924, in the House of Representatives, a similar bill (H. R. 6250). The National Association of Broadcasters was represented by counsel, and hearings were held before the Patents Committee of the Senate, as well as of the House of Representatives. At said hearings, the Society was represented by its counsel and by its executive officers, and it laid before the respective committees the history of the Society, the manner of its operation, its purposes and objects. The broadcasters were joined in their attack upon the Society by the motion picture theatre associations and other associations of users of music. Exhaustive hearings were held, but the proposed bills failed to become law. In 1925, another bill was introduced in the House of Representatives (H. R. 11258), which proposed to amend the existing copyright act of 1909. At hearings held before the Committee on Patents of the House of Representatives, the National Association of Broadcasters appeared in opposition to the proposed bill, re-enacting the existing law, which secured to the copyright proprietor the exclusive right to communicate the copyrighted work to the public by means of radio broadcasting, telephoning, telegraphing, or any other method of transmitting sounds or pictures. The proposed bill failed to become law. In 1926, new bills were introduced in Congress, to amend the copyright act (S. 2328 and H. R. 10353). The National Association of Broadcasters again appeared and proposed to amend the copyright act to provide for the compulsory price-fixing with respect to radio broadcasting, similar to the compulsory license provision with respect to mechanical reproduction under the existing act of 1909. Thereafter, various bills were introduced in the Senate and the House of Representatives, to amend the copyright act and to permit the United States to join the Berne Convention. Hearings were held before the Patents Committee of the Senate and the House of Representatives, respectively, in 1930 and 1932, and at said hearings, the broadcasters, represented by their counsel, and various other agents and spokesmen, appeared before the respective committees, and attempted to have the proposed amended copyright bill exempt radio broadcasting from the payment of license fees to copyright proprietors; and they also attempted to insert various other provisions which would have effectively prevented the owners of copyrights in musical compositions from enforcing their legal rights through the Society; and at each of said hearings, said spokesmen for the broadcasting interests bitterly attacked the Society. All of the proposed amended bills above mentioned failed to become law.

The revenue derived by the radio broadcasters in the United States, each year, runs into enormous figures. The amounts collected by the Society for the licenses issued to the radio broadcasters represent the merest fraction of the tremendous revenue derived by them. Upon information and belief, during the year, 1931, the gross income of all the broadcasting stations in the United States (including the two chains, National Broadcasting and Columbia Broadcasting) for advertising time, amounted to over \$70,000,000.00.

It has been the established policy of the National Association of Broadcasters and its several members to prohibit advertisers using the facilities of any broadcasting station from dealing directly with the Society. The said association and its members have always insisted upon collective bargaining with the Society by the broadcaster or the chain for all its and their advertisers.

The fee charged by the Society to broadcasters is low. The licensed hotels, theatre owners and broadcasters give thousands and thousands of performances per year of the works of the Society's

combined catalogue. Were there no organization such as the Society, users of copyrighted music would be under the same obligation to play none of the musical works of the members of the Society without obtaining a license and without the payment of the fee demanded by the composer; each writer would have the legal right to demand a fee satisfactory to him for the right to play his works; he might also demand that his compositions should not be used as a part of a musical performance in which the works of other writers are infringed, because its use would permit the practice of piracy; if the users were obliged to deal separately and individually with each individual composer, publisher and author, the combined royalties payable to the owners of such works, in order to make up suitable programs for the users, would be many, many times the amounts now charged. The users of music, knowing that they would not get the licenses any cheaper by separate contracts with each composer, have never attempted to approach any member of the Society for an individual license agreement providing for a bona fide payment to the composer of a license fee. The fight has been to pay no fee at all, and to secure the free, unlimited and unrestricted use for all performing purposes of copyrighted music.

Every user may obtain the right to publicly perform the music of the Society's members by paying the reasonable license fees that the Society imposes. The Society has never refused to grant its license to any user of music. Thousands of licenses have been granted by the Society throughout the country in the years that it has been in existence. Not one license has ever been revoked, except for non-payment of the license fee. Parties who obtain licenses to publicly perform the works of the members of the Society are not prohibited from using the works of non-members. They may combine in their programs the works of members of any other groups. There is no attempt to force any party to use the works copyrighted by members of the Society; the only aim that the Society is working for is to prevent unlawful public performance of the work of its members. That is the very aim that the National Association of Broadcasters, Restaurant Association, the Motion Picture Theatre Owners of America, and the American Hotel Association and similar trade associations of users and their constituent members are seeking to defeat. It is their aim to deprive the individual writer of the cooperation of his fellow-composers, and of the aid of the organization formed for the purpose of such cooperation, because it is hoped that after the destruction of their organization, the writers will again be helpless against despoliation.

The users of copyrighted music are not confronted by any larger restriction by reason of the organization of the Society, than they would be without it. Every action that has been brought against infringers has been brought in the name of the writer or publisher whose work has been infringed, with his knowledge and consent, and under direct authority of the assignment made by him to the Society. What the Society is doing is merely to use the funds contributed by the members and the royalties derived from their works, under the authority of the members, for the purpose of aiding each member in suppressing piracy and in prosecuting his federal remedy.

The real grievance of the hotel man, the motion picture theatre man, the public resort proprietor, and the broadcaster is that they are not satisfied to make up their musical programs from old classical music and from those innumerable composers and copyright proprietors who are not members of the Society; they find it desirable to perform the works of composers of great reputation who are members of the Society; they want the works of these men because they are better drawing cards, the performances of their works will bring larger audiences, more admission fees, and more profit; and they want to use these works for more profit for themselves, without paying anything whatever to the composers, no matter how small the fee may be.

The music publishers who are members of the Society do not as members represent their printing, publishing and selling business. They are joined solely to cooperate for the protection of the performing rights against the piratical practices of others. The Society was not organized for the purpose of affecting in any way the trade in printing and selling musical compositions or musical instruments. The Society does not sell, circulate, publish, or deal, directly or indirectly, in any publication, or concern itself in the sale of publications or musical instruments. The Society does not ask anyone to buy musical works published by its members. It does not hold title to any copyright. It has never published or owned, nor does it own or publish, any musical works. It concerns itself only in suppressing piracies of the performing rights of the works of its members and in granting licenses to publicly

perform musical works in places of amusement, as an incident of some other principal business, or trade. It confines its activities solely with the intangible and incorporeal right, to give public performances for profit of the works of its members. There is no dealing with an article of trade or commerce, nor any use made of any of the instrumentalities of commerce. The Society's business is not an aid or facility to commerce and does not affect interstate commerce, directly or indirectly, or substantially or incidentally. It does not consign or ship, or cause to be consigned or shipped, directly or indirectly, to any of its licensees, any musical compositions, parts of instruments serving to reproduce mechanically musical works or other matter. The license between the Society and its licensees, or the contracts between the Society and its members, do not in their effect operate in furtherance and in aid of commerce, nor does the Society furnish any facilities, conveniences, privileges, or services connected, directly or indirectly, with interstate commerce. The Society does not send any performing companies, instrumentalities, or singers throughout the country to render musical work of its members. It does not ship any copies of musical works or parts of instruments serving to reproduce mechanically musical works to any person who wishes to perform them. The licensee may buy the musical score whenever and wherever he likes, and he may, as he frequently does, play what he wishes to perform from memory. It is entirely his business.

The broadcasters refused to recognize the legal rights of the copyright owners, notwithstanding the decision of Judge Lynch in 1923, in *Witmark & Sons against Bamberger & Co.* (291 Fed. 776), and thereafter a suit was brought in the United States District Court for the Southern District of Ohio, Western Division, by the Society, wherein Jerome H. Remick & Company, a publisher member of the Society, was named plaintiff and the American Automobile Accessories Company was named defendant, based upon infringement by radio broadcasting; a motion to dismiss was made by the defendant in that case, and District Judge Hickenlooper granted the motion; whereupon, the Society appealed to the Circuit Court of Appeals for the Sixth Circuit, and that court in 1925, in an opinion by Circuit Judge Mack, reversed the District Court and held that broadcasting without a license constituted an infringement of the performing rights in a musical composition (5 Fed. [2d] 411). Thereafter, application for certiorari was made by the defendant to the United States Supreme Court, and such application was denied (268 U. S. 556). The Society was compelled to bring another suit against the General Electric Company, in the Southern District of New York, in 1926, based upon infringement by means of radio broadcasting; District Judge Thacher found that picking up an unauthorized performance by a microphone and rebroadcasting is constituted infringement, and he so decided in an opinion reported in 16 Fed. [2d] 829. However, the broadcasters did not accept that decision as final, and they awaited another opportunity to attack the rights of the members of the Society; they found such opportunity, in 1929, when the defendant Buck, as President of the Society, joining with a publisher, brought a suit against one Wilson Duncan, operating a radio station in Missouri, and the Jewell-LaSalle Realty Company, operating a hotel therein—the suit being brought in the United States District Court, Western District of Missouri, Western Division; in that case, the plaintiffs claimed that the hotel in question, having picked up a program emanating from an unlicensed broadcasting station, had committed an infringement; the court granted a decree sustaining the plaintiffs' contention and awarding \$250.00 minimum damage (32 Fed. [2d] 366); thereupon, the defendants appealed and the Circuit Court of Appeals certified questions of law to the United States Supreme Court; the case came up in that court in 1931; the Supreme Court upheld, in full, the contention of the Society and established beyond any dispute, the right to the minimum damage of \$250.00 (283 U. S. 191). In the appeal to the United States Supreme Court, in the aforementioned case, the counsel for the National Association of Broadcasters acted as counsel for the defendants and filed a brief in their behalf. In the years of litigation between the members of the Society and the proprietors of public resorts operated for profit and radio interests, such interests attempted time and again to interpose defenses, in infringement suits, to the effect that the Society was violating the Sherman Anti-Trust Law; and although such defenses were uniformly thrown out by the courts, they recurred repeatedly in answers interposed by proprietors of motion picture theatres and radio broadcasters in various parts of the country. It required all the resources at the command of the Society to maintain, successfully, litigation establishing the rights of the members of the Society with respect to radio broadcasting.

proval of the Society; that at no time had the Society any association, or connection, or relationship with the Association, nor had it anything to do, either directly or indirectly, with the formation of such Association, or with any of its business, affairs, operations or policies; that it never, directly or indirectly, transacted any business with such Association, or had any communications with it, nor was the Society directly or indirectly concerned with or interested in the business, management, operations, affairs or policies of such Association, nor did it participate in any way, directly or indirectly, in its management, or in any of its business, affairs, operations, activities or policies, nor in the selection, designation, election or naming of any member of its board of directors, officers, agents and servants; that the Society did not, directly or indirectly, require that the Association render any services to it or to its licensees, nor did the Association directly or indirectly render any such services; that the designation, selection, election or naming of any officer, director, agent or servant of the Association was not dependent upon his being a member, officer, director, agent or servant of the Society; that persons not members, officers, directors, agents or servants of the Society have been, and are, members, officers, directors, agents and servants of the Association; and that there is and was nothing in common or any community of interest between the Society and such Association, in any particular, respect or manner whatsoever; that if any member of the Society happens to be a member of the Association, it is purely and solely because such person happens to be an active music publisher, and not because of, on account of or by reason of his being a member of the Society; that the Association has neither directly or indirectly any connection or association with the Society nor has it anything to do with the Society nor has it anything to do with the selection, election, designation or naming of any of its officers, directors, agents, or servants; that it never did, and does not now, direct or participate in the policies, activities, business, operations or affairs of the Society, nor has it anything to do with the administration of its affairs, operations and activities of the Society; that it has not participated, concerned itself or interested itself therein, directly or indirectly; that these two organizations have been, and are, separate and distinct entities, having nothing whatsoever to do with each other in any manner or by any means or mode whatsoever and are absolutely foreign to each other in every respect.

XI. Deny each and every allegation contained in paragraphs "16," "17" and "18," and further answering said paragraphs "16," "17" and "18," defendants aver that the Service Corporation has ceased and discontinued all business, activities and operations and its directors voted to dissolve such corporation before the commencement of this suit: that such corporation was organized in or about June, 1932, upward of eighteen years after the organization of the defendant Society; that such Service Corporation was organized without the knowledge, consent, acquiescence, approval or participation of the defendant Society; that at no time did the said corporation render any service, directly or indirectly, to the Society, or to any of its licensees nor did it require any service to it or to any of its licensees; nor did the Society have anything to do with the cessation and discontinuance of the business, activities and operations of such Service Corporation; that at no time had the Society any connection, association or relationship with the Service Corporation or had it anything to do, either directly or indirectly, with the formation of such Service Corporation or with any of its business, activities, operations or affairs; that it never, directly or indirectly, owned any part of its capital stock, nor directly or indirectly, transacted any business with it, nor had any communication with it, nor was it directly or indirectly concerned with it or interested in its ownership, management, operations or policies; that the Society did not participate in any way, directly or indirectly, in its management or in any of its affairs, business, operations or activities, nor in the selection of its board of directors, officers, agents or servants; that if any member of the Society was at any time in any wise connected with the Service Corporation, then he was so associated and connected solely in his capacity as an active music publisher and not in connection with or on account of or because of his membership or association with the Society; and that his association and connection with such Service Corporation was without the prior consent or approval of the Society and was not dependent upon or connected with his membership in the Society; that he did not first ask the Society for its consent, approval or acquiescence, nor did the Society, by any act, directly or indirectly, consent or approve of his association or connection with such Service Corporation; and that the association or connection of any member of the Society with the Service Corporation, prior to its dissolution, had no relation whatsoever to such member being a member, officer or director of the Society; that there was no connection or community

of interest whatsoever between the Society and such Service Corporation in any particular; that the defendant Society never selected, designated or named, or had anything to do, directly or indirectly, with the selection, designation or naming of any of the officers, directors, agents, or servants of the Service Corporation.

XII. Deny each and every allegation contained in paragraphs "19" and "20" and "22."

XIII. Deny each and every allegation contained in paragraph "21," and further answering said paragraph "21," the defendants aver there is absolutely no competition with respect to the performing rights of musical works for the reason that each number is *sui generis*. It stands in a class by itself, upon its own merit, quality, and pleasing attractiveness, and appeal to the public. A person desiring to hear "Mother Machree" is not satisfied with and will not accept a rendition of "A Kiss in the Dark." A famous opera singer, the predominant feature of whose repertoire is "Madame Butterfly" will, under no circumstances, sing "Carioca." Instances can be multiplied *ad infinitum*. The commercial value of the performing rights in a song lies in its use in combination with and as part of a mixed composite program. Never in the history of the Society was there a request made for permission to give a public performance of a single number or a group of numbers, or for the numbers in the catalogue of a given publisher until recently, when such requests were made at the instigation of the National Association of Broadcasters for the sole purpose of harassing the Society and laying the foundation for a lawsuit. The usual request is for the privilege of selecting from the Society's repertoire a suitable program to be changed daily or weekly as the necessities of the licensee's business may require. There is no way of placing a value upon the performing rights of a single number or group of numbers, or even of the numbers of an entire catalogue of a music publisher. Other than the statutory guide of determining the value of such rights, there is no other method of fixing or ascertaining the value of such rights with the possible exception of production numbers; that is to say, numbers especially written for or interpolated in musical plays, reviews, and comic operas for legitimate theatrical performances. In the case where an entire musical play is written by a composer and author in collaboration, they receive a royalty based upon a percentage of the gross weekly receipts, customarily aggregating to 6 per cent of such gross receipts. In the case of a single number or group of numbers, the royalty varies from one-half to 1 per cent of the gross receipts. Sometimes the royalty is fixed at sums ranging from \$50 a week upward, depending upon whether a single number is interpolated or a group of numbers.

Prior to the formation of the Society there was no market among users for performing rights of single numbers or for groups of numbers or for even the numbers of entire catalogues of writers and publishers. The establishments with which the Society deals helped themselves to the same without trading or bartering for such rights. They never paid for any such rights, never offered or suggested paying for such rights, and there never was any price fixed for such rights, and there was no means of determining the value of such rights.

The only dealings that users of music and broadcasters desire to engage in is upon the basis that they pay no price at all for the rights to use copyrighted music. They claim a perfect *quid pro quo* in the form of the publicity that they give to a number by publicly having it played or sung although it is well known that the constant broadcasting of a particular composition destroys its popularity and disables the writer from securing royalties through other means of production and exploitation.

XIV. Deny each and every allegation contained in paragraph "23," and further answering said paragraph "23," the defendants aver that the owners of radio broadcasting stations have not employed writers to write music, but have simply waited for the music of authors and composers to be popularized by publication or presentation on the stage and have thereafter used the music so published or presented and popularized by others; that instead of the radio popularizing music, the constant plugging of the musical compositions by radio broadcasting has shortened the life of musical numbers and has resulted in a tremendous decrease in the royalties received from the publication and sale of sheet music and the primary source of revenue from copyrighted musical numbers to which the composer, authors and publisher may look as the revenue derived from the public performance for profit of their musical numbers; that under the Copyright Law, the copyright proprietor has an absolute right to select his vehicle for the use of his copyrighted works and if he should decide to refuse to give his music to be used by the radio broadcasters, he is privileged and within his right in so doing; that the activities of the broadcasters with respect to music have been and are limited solely to an attempt to take the music without paying for it.

XV. Deny each and every allegation contained in paragraphs "24," "25," "26" and "27," and further answering said paragraphs "24," "25," "26" and "27," the defendants aver that the composers and authors of all countries have been permitted to organize for their mutual protection against piracy, and to issue their licenses for the public use of their works through one single central agency. In no case throughout the world do the users seek the actual dissolution of such agencies or desire an opportunity to deal with copyright owners separately if they are going to have to pay. If they are going to have to pay at all, they prefer to deal with the organized group. If they could disorganize and separate the group into its constituent elements, they know they would not have to pay because the individual could not enforce, or protect his rights. That is precisely what the users of music have been attempting to accomplish. Were it not for the existence of the Society not a single one of its licensees could hope (if he conducted his business according to the present amusement policy) within the cost of what he is at present paying the Society, to negotiate with individual copyright owners and secure as wide a selection of music as is available under Society's license for anything like the present cost to him. If the users of music really desired Society to be dissolved, there could be but one conclusion drawn from an expression of that desire and that would be that there is an intention toward wholesale piracy of the works of unorganized individuals. To negotiate for individual licenses would require that dealings be transacted with several thousand different copyright owners located all over the world as well as in the United States of America. In the history of Society, there has not been one single instance in which a licensee, actual or prospective, has requested the Society to afford him an opportunity to deal with the individual copyright owners nor, in the entire experience of Society, has there been a single instance in which any licensee or user of music has requested Society to adopt a policy of quoting a price for the use of individual compositions until recently for the purpose of framing a lawsuit. Nor has Society ever offered to quote a price for the use of individual compositions, but it has often offered to users of music an opportunity to deal directly with individual copyright owners and disregard Society entirely. These users wish no opportunity to deal with individual copyright owners nor to have quotations given them upon a license to use individual works. No place of public amusement could purvey a balanced entertainment through the use in its programs of the works exclusively of a single composer or a single publisher. Programs of musical entertainment, in order to accomplish the purpose for which they are intended, the profit of him who presents them, must contain widely varied and diversified compositions. To be entertaining, a program must be composite—it is customary to include currently successful compositions as well as old-time melodies. A dance hall requires eighty or more different compositions with which to provide an evening's entertainment. A broadcasting station on the average plays more than five hundred musical titles in a full day of operation. In both cases, these compositions run the entire gamut of old-time and modern music, domestic and foreign music, popular and classical music, except as to the dance hall, which confines its uses mostly to the popular music of the day. No matter how good his intentions the average user of music could not possibly, within a reasonable time, establish a practical contact with the owners of the copyrights, in the music which he would have to use to present balanced and attractive programs. A failure to establish such contacts would leave him in the position of either infringing the right or not using the work. In either case, he is confronted with a substantial hardship and hazard.

The nearly six hundred broadcasting stations are scattered all over the United States. They are owned and operated by many different interests, and in some cases by huge corporations. The preparation and conduct of a suit for infringement of copyright is an involved and expensive procedure, too involved and too expensive to be undertaken by an individual copyright owner. The disposition of the stations first, to deny entirely the rights of copyright owners, and secondly, to openly infringe them if these rights were not safeguarded by the Society, was perfectly apparent. Had Society not been available as an instrumentality through which the musical copyright owners could ascertain piracies and protect their rights as well as license the legitimate public performance of their works, there can be no doubt but that these rights in actual practice would have been completely lost and the owners thus illegally deprived of their properties.

Broadcasting attained tremendous popularity, reaching in a few years a point where it entertained as nearly as could be estimated 50,000,000 people per day. In the brief period between 1921, with

5 stations, to 1932, with 607 stations, radio grew from a novel toy into a gigantic enterprise with an investment of approximately \$1,800,000,000, paying to entertainers alone salaries amounting to nearly \$40,000,000 per annum, and with more than 35,000,000 receiving sets then in use throughout the world. In 1925, there were less than 5,000,000 homes in the United States equipped with radio receiving sets. In June, 1932, there were 16,800,000 thus equipped. 51,000 retailers in the United States handling radio sets sold, in the year 1931, \$309,270,000 of these products. In the United States, at the end of 1932, there were 133 radio sets per 1,000 inhabitants. During the year 1932, the radio industry sold 44,300,000 tubes, 140,000 automobile radios, 150,000 "cigar box" model receivers, 1,830,000 "midget" sets, and 500,000 "console" type receivers, a total of 2,620,000 radio sets with a retail value of \$196,190,000. 152 manufacturers were engaged solely in the business of making radio receiving sets. A tabulation of the total sales of radio products for a period of seven years, 1926-1932, inclusive, shows the following:

1926	.....	\$506,000,000
1927	.....	425,600,000
1928	.....	690,550,000
1929	.....	842,548,000
1930	.....	500,951,500
1931	.....	309,270,000
1932	.....	196,190,000
		\$3,471,109,500

In the brief period of seven years, the people of the United States purchased radio receiving equipment at an expenditure averaging \$495,873,000 per annum.

It was not until 1927 that the broadcasting stations began really to sell their "time" to sponsors, and their sales of "time" to sponsors grew from \$3,832,500 in the year 1927 to \$49,107,000 in 1932, and during the current year (1934) the expenditure by advertisers for radio "time" of the stations in the United States is estimated to exceed \$100,000,000.

Several of the largest and most powerful broadcasting stations in the United States are owned and operated by companies engaged in the manufacture of radio receiving apparatus. The purchasers of radio sets buy them only because a service of entertainment is available through this means. The broadcasting stations are enabled to render an entertaining service sufficient to induce the purchase of such sets only if music is available for their use. In direct proportion as the program is entertaining, the number of sets purchased increases. In direct proportion as the number of sets in use increases, the value of "time" to an advertiser is enhanced and the opportunity of the station to sell the use of its facilities at increasing prices is enlarged.

In round figures, 80% of the time a station is "on the air," it is broadcasting musical works. This spectacular and unprecedented growth in the popularity of radio as a medium of entertainment has changed the musical habits of the nation. Of pianos, there were sold in the United States in the year 1925 the total value of \$93,670,000, but in 1931, this figure had shrunk to \$12,000,000. The sale of phonograph records in the United States shrank, from 1925 to 1931, over 80% and by 1932, the shrinkage had reached 90%, and today there is being sold something less than 10% of the phonograph records that found a ready market in 1925. In 1925 sales of phonographs totalled \$22,600,000, but in 1931 the sales had shrunk to \$4,869,000, a shrinkage of about 75%. From 1925 to the end of 1931, the average sales of sheet music shrank more than 70%. The broadcasters grew tremendously in strength, financially and politically, whilst those who created music grew poorer and poorer. It would have been impracticable and impossible for an individual musical copyright owner in such circumstances to have protected his rights.

There were a total of 16,885 commercial motion picture theaters in the United States in 1934. In 1925, the average weekly attendance at these theaters was 90,000,000 persons. In 1931, the average weekly attendance was 115,000,000. In 1930, the public purchased admission tickets to motion picture theaters of a value exceeding \$1,500,000,000.

No individual copyright owner could hope to successfully ascertain infringements, protect or license his performing rights to more than 20,000 theatres situated in every city, village and hamlet in the United States of America, in view of the manifest disposition of these users of music to disregard and ignore the rights of musical copyright owners. There are thousands of dance halls, cabarets, road houses and restaurants scattered throughout the United States.

Many of them are in remote localities. The average expenditure per annum in "dance halls and night clubs" for the years 1928-1930 was \$23,725,000. This group as well as those previously described are represented through powerful trade associations, and this group no less than the others has through the years shown a disposition to deliberately and willfully disregard the rights of musical copyright owners. No such individual copyright owner could hope to successfully ascertain infringements, and protect or license his rights to these establishments. Music enables these enterprises to be conducted by these groups at a substantial profit. It is imperative that the musical copyright owner have a means and method whereby he may protect his properties against unlawful use by them, or license them to perform the same.

As a result of these economic conditions, practically the only reward that the writer receives for his labors, and that the publisher receives for the expenditure of time, labor, capital and organization on his part are the royalties received through the Society from the licensing of the right of public performance. If the Society should be dissolved, many writers will be deprived of their livelihood and will become unable to support their families.

XVI. Deny each and every allegation contained in paragraph "28," except that they admit that in 1932, the defendant Society notified all radio broadcasting stations throughout the United States, which had theretofore entered into license agreement with Society, that on and after June 1, 1932, the defendant Society would issue to such broadcasting stations general licenses covering all of the musical compositions of all members of the Society, upon the basis of a fixed sum, plus a percentage of the gross income derived by broadcasters from advertisers; and that after protracted negotiations, the broadcasters entered into agreements, respectively, with the Society, in the form annexed to the petition, upon the basis of royalty payments, plus a graduated percentage of the net receipts from advertisers, to wit,—three per cent for the first year, four per cent for the second year, and five per cent for the third year.

XVII. Deny each and every allegation contained in paragraph "29," except that they admit that with respect to radio broadcasting stations operated by newspapers, fifty-one per cent of the stock thereof being owned by such newspapers, the rates are lower than the rates paid by other radio broadcasters, and are in accordance with the exhibit attached to the petition; that the defendants allege that this distinction in the rates is made for the reason that newspaper-owned radio broadcasting stations do not sell advertising time upon any substantial scale and are not operated primarily for the sole purpose of obtaining revenue from commercial advertisers, but, on the contrary, such broadcasting stations are operated as semi-public media for the dissemination of news and other matters of general interest.

Further answering said paragraph "29" defendants aver that few musical compositions are withdrawn from radio broadcasting; that such musical compositions are withdrawn only when the continued radio broadcasting of such numbers, if not restricted, would destroy the grand or stage or symphonic rights of the members in such works; that the defendant Society, by virtue of the performing rights obtained under its license agreements with its members, is bound in equity and good conscience, to do nothing that will destroy the value of the rights reserved to such members; that one of the important rights reserved to such members is the grand performing right on the stage of the musical compositions composed and published, respectively, by them; that continued radio broadcasting of musical compositions has a tendency to surfeit the public and to destroy the popularity and value of musical compositions within a few weeks after their publication; that dramatico-musical compositions currently successful upon the stage, are produced at a great investment, sometimes as high as \$200,000.00 or \$300,000.00; that if radio broadcasters were permitted, unrestrained and unrestricted, to perform the musical compositions which are part and parcel of such dramatico-musical works, the desire of the public to attend such productions in the theater would be extinguished, and the value of the rights in said musical compositions and dramatico-musical works would be likewise destroyed; and for that reason the Society, at the instance of individual members thereof, restricts from indiscriminate broadcasting, from time to time, such musical compositions, in order to prevent destruction of the rights therein and the rights of the members of the Society therein.

XVIII. Deny each and every allegation contained in paragraphs "30," "31," and "32."

XIX. Deny each and every allegation contained in paragraph

"33," except admit that the Society has adopted and maintains a system for the acquiring of information relative to the musical compositions used by broadcasting stations.

XX. Deny each and every allegation contained in paragraphs "34," "35," "36," "37," "38" and "39."

WHEREFORE the said defendants respectfully pray that the petition be dismissed with costs.

NATHAN BURKAN,  
Solicitor for Defendants,

American Society of Composers, Authors and Publishers et al.

O. & P. O. Address, 1450 Broadway, Borough of Manhattan, City of New York.

## ENGINEERING DATA FURNISHED

Mr. A. S. Clark, of the Radio Research Company, Washington, D. C., has furnished the NAB and its Engineering Committee with data accumulated during the past year on measured characteristics of broadcasting station apparatus. Publication of the data in these REPORTS is thought timely and pertinent, in view of current discussion of high-fidelity transmission.

Little data has heretofore been available on the standards of transmission maintained among broadcasting stations. There has been a general supposition on the part of broadcasters that the transmitted signal is usually of far better quality than the present-day receivers are capable of reproducing. This thought has been encouraged by data on transmitters furnished by manufacturers which invariably depict characteristics little short of perfection. When a transmitter is installed in the field, operated by average personnel, and perhaps connected to a none-too-good telephone line supplied by a miscellaneous assortment of speech input equipment, it is frequently found that the measured over-all characteristics depart somewhat from perfection regardless of whether the apparatus is home-made or made by prominent manufacturers.

Mr. Clark's measurements were made on 35 stations ranging in power from 100 to 5000 watts.

Audio fidelity was measured at 50% modulation. A variable input was applied to the mixer system to maintain that degree of modulation at the various test frequencies.

Audio harmonic content was measured at 400 cycles in each case. The value indicated in the data represents the r. m. s. value of combined harmonics, rather than the arithmetic sum as specified in the FCC Rules. The effective value is, of course, smaller than the arithmetic sum.

The power and type of modulator employed by the various transmitters are shown in Table 1.

The audio fidelity measurements are shown in Table 2. These measurements indicate the audio fidelity of the entire plant from the mixer to the antenna. The departure from the 1000-cycle zero level is indicated in decibels.

While there is some difference of opinion regarding the specifications for good quality transmission which makes a comparison with an empirical standard inadvisable, it can be seen from Table 2 that 47% of the composite installations and 43% of the so-called "standard" transmitters are decidedly deficient in the transmission of the lower frequencies to an extent that they would fail to meet any reasonable standard. Likewise, 71% of the composite transmitters and 54% of the standard transmitters have decidedly poor high frequency characteristics. Disregarding classification of a total of 35 transmitters measured, 52% of them are deficient on the "lows" and 66% of them are deficient on the "highs."

Many stations are dependent upon recorded program material. For lateral recording by far the majority of them use pickups of the general characteristic of curve A in Figure 2. This is a pickup regarded for years as the last word in quality, and was much sought after. Recently, there has been made available at comparatively low cost a lateral pickup having characteristics, as tested in the field, similar to that of curve B, Figure 2. This curve is comparatively flat from 50 to 5000 cycles. With present-day recordings this pickup gives an over-all result in startling contrast to those obtained with old style pickups. Many of the stations using a considerable amount of lateral recordings could make a decided improvement in the quality of transmission through the use of a relatively inexpensive modernization of their pickup equipment. Both curves shown in Figure 2 are a combination of pickup characteristic with the characteristic of the cutter and recording amplifier used by one of the major recording companies,

and depict the net over-all result from the input to the recording amplifier to the output of the pickup.

The curves on audio harmonic content are shown in Figure 1. The difference in harmonic content shown between transmitters of "composite" design and those of "standard" make should not be taken as either a disparagement of one or a recommendation of the other. The difference is accounted for by reason of the fact that the majority of composite transmitters were high-level modulated, and since, in most cases, the designers were not so sure of their ground, they installed a surplus of modulator capacity. On the other hand, almost all of the standard transmitters were of a type and design employing low-level modulation and two "linear" stages with tubes worked right up to their limit. In some power classifications, the tube used in the final amplifier was admittedly not capable of delivering the rated power fully modulated. Such a transmitter is difficult to keep properly adjusted with the checking and maintenance equipment usually available, which consists of a voltmeter and pocket knife both furnished by the operator. In passing, it might be noted that over-modulation was found to be very prevalent, especially among the composite transmitter group.

In view of the interest among stations in Class B modulation, there is included in Figure 1 a curve (D) showing the average distortion in 8 transmitters so modulated.

**TABLE NO. 1**  
**Composite Transmitters**

No.	Power	Modulation	No.	Power	Modulation
1	100	High	13	100	High
2	250	High	14	500	High
3	1000	Low	15	250	Low
4	500	High	16	100	High
5	100	High	17	500	High
6	1000	Low	18	500	Low
7	250	Low	19	100	High
8	100	High	20	100	High
9	100	High	21	100	Low
10	1000	Low	22	100	Low
11	500	Low	23	100	High
12	500	High	24	100	Low

**Standard Transmitters**

No.	Power	Modulation	No.	Power	Modulation
25	1000	High	31	250	High
26	5000	Low	32	500	Low
27	100	Low	33	500	Low
28	2500	Low	34	1000	Low
29	1000	Low	35	250	Low
30	5000	Low	36	1000	Low

**TABLE NO. 2**  
**Composite Equipment**

**FREQUENCY**

Station No.	40	50	60	80	100	200	500	1000	2000	3000	4000	5000	6000	7000	8000	9000	10000
1	+ 2.0	+ 2.0	+ 1.5	+1.0	0	0	0	0	0	+1.0	-1.0	- 4.5	-11.0	-16.0	..	..	..
2	+ 0.5	+ 1.0	+ 1.0	+1.0	+1.0	0	0	0	0	0	+1.0	+ 1.5	+ 2.0	+ 2.5	+ 4.0	+ 2.0	0
3	- 5.0	- 4.0	- 3.0	-1.0	0	0	0	0	0	0	0	- 3.0	- 6.0	- 7.0	- 8.0	..	..
4	..	-10.0	- 8.0	-6.0	-5.0	-2.0	-1.0	0	0	0	-1.0	- 4.0	-10.0	..	..	..	..
5	..	- 3.0	- 2.0	-1.5	-1.0	0	0	0	0	0	+0.5	0	+ 1.0	0	0	- 1.0	-3.0
6	..	0	+ 6.0	+5.0	+3.5	0	0	0	0	+1.5	+2.5	+ 3.5	+ 2.0	- 6.0	..	..	..
7	..	-18.0	-12.0	- 8.0	-6.0	-3.0	-1.5	0	0	0	-1.0	- 5.0	- 8.0	..	..	..	..
8	- 4.0	- 3.0	- 2.0	-1.0	-1.0	0	0	0	0	0	0	- 1.0	- 3.0	- 8.0	-13.0	..	..
9	- 3.0	- 0.5	- 3.0	-4.0	-3.0	-2.0	0	0	0	0	0	0	- 0.5	- 0.5	- 2.0	- 3.0	-4.0
10	0	+ 1.0	+ 1.0	+0.75	+0.5	0	0	0	-1.5	-4.0	-8.0	-12.0	-16.0	..	..	..	..
11	0	+ 1.0	+ 2.0	-2.0	-1.0	0	0	0	0	-1.0	-1.0	- 4.5	-12.0	..	..	..	..
12	..	- 9.0	- 6.0	-4.0	-3.0	-1.0	0	0	0	0	0	0	- 2.5	-10.0	..	..	..
13	- 2.0	- 2.5	- 3.0	-2.2	-2.2	-2.0	0	0	0	0	0	- 1.0	- 1.0	- 1.0	- 1.5	..	..
14	0	+ 0.5	+ 1.0	+0.5	+0.5	0	0	0	0	0	0	0	0	- 1.0	- 1.0	- 2.0	-3.5
15	- 4.0	- 3.0	- 2.5	-2.0	-1.0	0	0	0	0	0	-1.0	- 3.0	- 5.0	- 9.0	..	..	..
16	- 5.0	- 4.5	- 4.0	-3.0	-3.0	-1.5	0	0	0	+3.0	+4.0	+ 4.5	+ 4.0	+ 3.0	+ 2.0	..	..
17	- 9.0	- 8.0	- 7.0	-5.0	-4.0	-2.0	0	0	0	0	-2.0	- 3.0	- 5.0	..	..	..	..
18	-10.0	- 7.25	- 5.5	-2.0	-0.75	0	0	0	+1.0	+1.0	-0.5	- 2.75	- 6.0	-10.0	..	..	..
19	- 8.0	- 6.0	- 4.5	-3.0	-2.0	-0.5	0	0	0	-2.0	-3.0	- 4.5	- 6.0	- 7.5	- 9.0	-10.25	..
20	..	..	..	-9.5	-6.0	-1.0	0	0	0	-0.25	-1.25	- 3.5	- 7.0	..	..	..	..
21	..	..	- 5.0	-2.5	-1.5	0	0	0	-1.5	-1.0	0	- 8.0	..	..	..	..	..
22	..	..	..	-8.0	-6.5	-2.0	0	0	0	0	0	- 1.0	- 5.0	-10.75	..	..	..
23	..	- 5.0	- 3.5	-2.75	-1.25	0	0	0	0	0	0	0	0	- 1.0	- 1.1	- 1.5	-9.0
24	- 0.5	- 0.25	0	0	0	0	0	0	0	-0.8	-1.7	- 2.5	- 3.25	- 4.7	- 6.0	- 8.5	..

N. B.—No. 24 transmitter only without studio equipment.

**Standard Equipment**

Station No.	40	50	60	80	100	200	500	1000	2000	3000	4000	5000	6000	7000	8000	9000	10000
25	- 3.0	- 2.0	- 2.0	-1.5	-1.25	0	0	0	0	0	0	0	0	0	0	- 1.0	-2.0
26	- 8.0	- 6.0	- 4.0	-2.0	-1.5	-1.25	0	0	+1.0	+2.0	+1.0	0	- 1.0	- 3.0	-10.0	..	..
27	- 3.0	- 2.0	- 1.5	-0.75	0	0	0	0	0	0	0	0	0	0	0	- 0.5	-1.0
28	-11.0	- 8.5	- 5.0	-3.0	-2.0	0	0	0	0	0	-1.0	- 6.0	-12.0	-19.0	..	..	..
29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
30	..	- 6.0	- 3.0	-2.5	-1.5	0	0	0	0	0	0	0	0	- 1.0	- 1.0	- 2.0	..
31	- 6.0	- 5.5	- 5.0	-1.5	0	0	0	0	0	0	0	0	- 2.5	- 3.0	- 1.0	..	..
32	..	..	- 8.0	-4.75	-3.5	-1.5	0	0	0	+0.5	+1.25	- 2.0	0	- 3.8	-10.0	..	..
33	..	- 4.0	- 1.5	-1.5	-1.5	-0.75	0	0	+1.0	+2.0	+3.0	- 2.0	- 3.50	-10.0	..	..	..
34	- 3.0	- 1.75	- 1.0	-0.75	-0.5	0	0	0	0	0	0	0	- 1.25	- 4.0	- 7.0	-10.0	..
35	- 9.5	- 7.5	- 5.0	-3.75	-1.25	0	0	0	+0.5	+1.5	+2.25	+ 1.0	- 2.0	- 6.0	..	..	..
36	- 1.0	+ 5.0	+ 3.25	+1.25	+0.25	0	0	0	+0.5	+2.0	+2.5	+ 3.5	+ 2.0	+ 0.75	- 1.5	- 2.75	-5.0

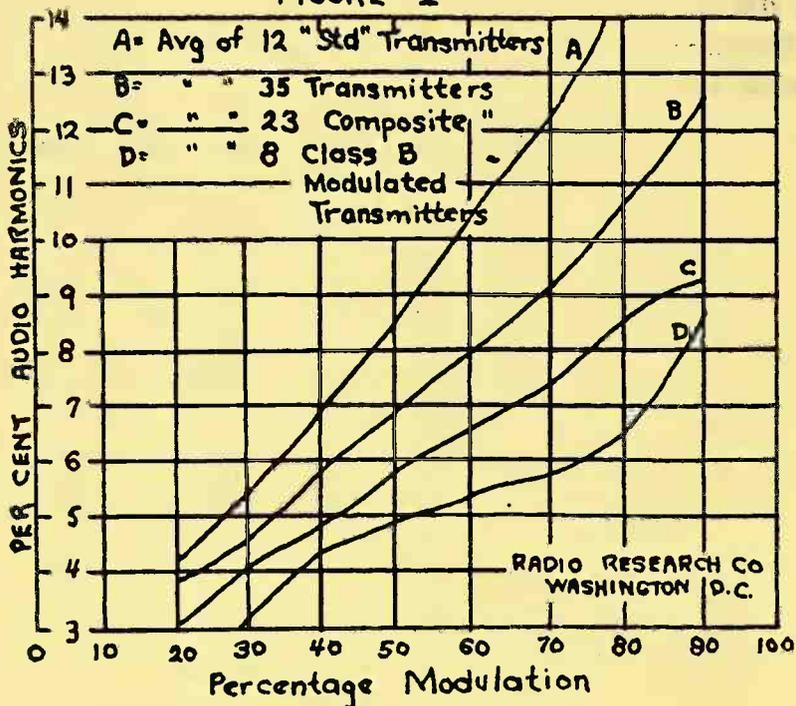
**TABLE NO. 3**  
Audio Harmonic Content of Output  
Percentage of Modulation (Neg.)

Station No.	20	30	40	50	60	70	80	90
1	3.0	5.0	8.5	11.0	14.0	16.0	18.0	20.0
2	2.1	2.5	2.75	3.0	3.6	4.2	5.2	6.0
3	5.5	7.5	10.5	13.0	15.0	16.0	16.5	18.0
4	2.0	2.0	2.5	2.7	3.5	5	5.7	6.1
5	2.5	3.5	6.5	8.0	9.0	9.0	9.2	14.0
6	4.5	4.5	4.5	4.5	4.5	4.5	5.0	5.6
7	2.0	3.0	4.0	5.0	6.0	7.0	9.0	10.0
8	5.6	5.6	5.6	5.6	6.4	7.6	8.4	9.8
9	3.5	4.0	4.5	5.4	5.8	6.3	7.0	9.0
10	..	5.0	6.5	7.8	8.2	9.0	10.4	13.0
11	2.0	2.0	2.5	3.0	4.0	7.0	16.7	20.0
12	3.0	3.0	4.0	5.0	6.0	7.5	8.2	9.5
13	3.0	3.0	3.0	3.5	3.8	4.2	5.0	6.0
14	4.0	5.8	6.8	7.8	8.6	10.0	11.5	12.0
15	2.5	2.5	2.5	2.5	2.5	2.8	3.6	5.6
16	3.5	4.0	5.5	7.0	9.0	10.5	13.0	15.5
17	4.0	6.0	8.5	8.0	7.8	8.2	9.5	11.0
18	3.5	5.0	6.5	7.5	7.5	7.25	7.6	8.5

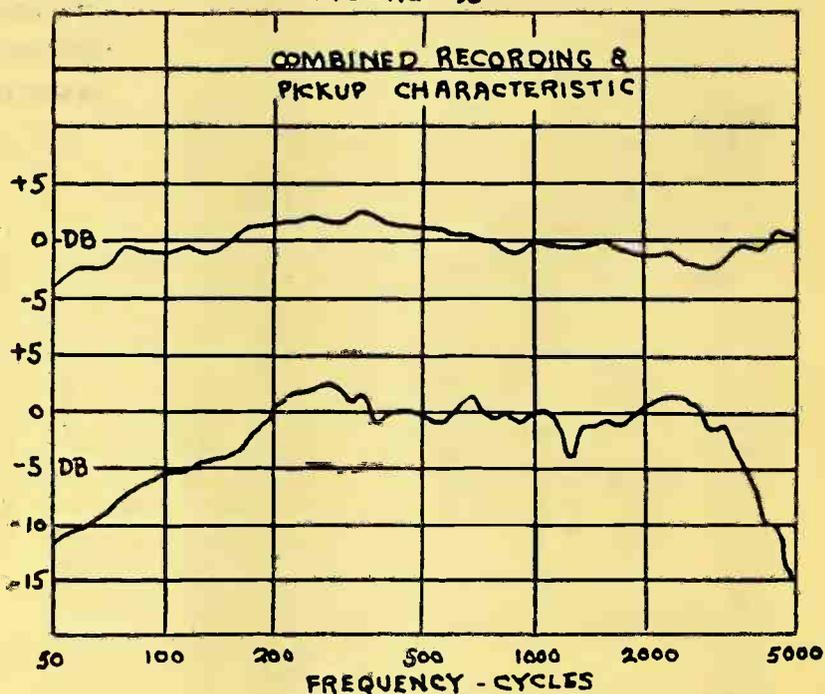
**TABLE NO. 3**  
Audio Harmonic Content of Output  
Percentage of Modulation (Neg.)

Station No.	20	30	40	50	60	70	80	90
19	1.0	1.0	1.0	1.25	1.9	2.1	2.5	3.5
20	2.25	3.0	5.0	5.7	5.8	5.5	5.7	6.5
21	..	..	..	..	..	..	..	..
22	4.0	5.2	6.0	6.8	7.4	7.8	8.2	9.0
23	4.5	5.2	6.0	6.6	7.0	7.6	8.7	9.5
24	3.0	4.0	4.6	4.8	5.2	5.7	5.7	6.2
25	10.0	12.0	14.5	14.0	14.0	14.0	14.0	15.0
26	5.0	7.0	9.5	11.5	14.0	16.0	18.0	19.5
27	1.0	1.0	1.1	1.7	2.4	2.9	3.5	3.8
28	5.0	5.0	5.0	5.0	5.0	5.0	6.0	7.8
29	5.0	5.0	5.5	8.5	13.0	17.0	20.0	23.0
30	4.0	6.5	9.0	10.0	11.5	12.5	13.4	14.5
31	5.0	7.5	11.0	16.0	18.5	22.0	25.0	30.0
32	3.0	3.1	3.3	3.8	4.0	5.0	8.5	19.0
33	3.0	3.9	5.1	6.3	7.5	8.1	9.6	..
34	3.0	3.5	5.0	8.0	10.5	13.5	16.0	19.5
35	4.0	5.2	6.5	8.6	11.8	14.0	20.5	..
36	3.7	5.6	8.0	10.9	13.8	17.0	20.7	25.7

**FIGURE 1**



**FIGURE 2**



**FEDERAL COMMUNICATIONS COMMISSION ACTION**

**HEARING CALENDAR**

**Tuesday, November 13, 1934**

KMLB—Liners Broadcasting Station, Inc., Monroe, La.—C. P., 630 kc., 250 watts, unlimited time. Present assignment, 1200 kc., 100 watts, unlimited time.

**Thursday, November 15, 1934**

WBNX—Standard Cahill Co., Inc., New York City.—Special experimental, authority, 1350 kc., 500 watts, shares WAWZ. Present assignment, 1350 kc., 250 watts, shares WAWZ. Also license to cover C. P., and renewal of license.

**APPLICATIONS GRANTED**

WLLH—Albert S. Moffat, Lowell, Mass.—Granted license to cover 1370 C. P., 1370 kc., 100 watts night, 250 watts day, specified hours.

KGHF—Curtis P. Ritchie, Pueblo, Colo.—Granted license covering 1320 C. P. covering changes in equipment and increase in night power from 250 to 500 watts; 1320 kc., unlimited time.

KVL—KVL, Inc., Seattle, Wash.—Granted license covering changes 1370 in equipment; 1370 kc., 100 watts, sharing with KRKO.

WSPD—Toledo Broadcasting Co., Toledo, Ohio.—Granted modification of C. P. extending completion date of C. P. from October 29, 1934, to January 29, 1935.

KECA—Earle C. Anthony, Inc., Los Angeles, Calif.—Granted modification of C. P. extending completion date of C. P. from October 15, 1934, to December 15, 1934.

WSBT—South Bend Tribune, South Bend, Ind.—Granted modification of license to change hours of operation from specified to sharing with WGES.

WGES—Oak Leaves Broadcasting Station, Inc., Chicago, Ill.—1230 Granted modification of license to change hours of operation from specified to sharing with WSBT.

**SPECIAL AUTHORIZATIONS GRANTED**

WLNH—Northern Broadcasting Co., Inc., Laconia, N. H.—Granted special temporary authorization to operate from 8 p. m., EST, November 6, to 2 a. m., EST, November 7, in order to broadcast election returns.

WISN—American Radio News Corp., Milwaukee, Wis.—Granted extension of special experimental authorization to use transmitter formerly licensed as main transmitter of WHAD as an auxiliary of WISN, to be operated with power of 250 watts, for period October 1 to November 29, 1934.

WPRO—Cherry & Webb Broadcasting Co., Providence, R. I.—

630 Granted special temporary authorization to operate without approved frequency monitor for a period not to exceed 30 days.

WHDF—Upper Michigan Broadcasting Co., Calumet, Mich.—Granted special temporary authorization to operate from 6:30 p. m. to 12 midnight, CST, November 6, 1934, in order to broadcast election returns.

KFJB—Marshall Electric Co., Inc., Marshalltown, Iowa.—Granted special temporary authorization to operate unlimited time for the period November 7 and ending not later than 3 a. m., EST, December 1, in order to broadcast political, religious and civic activities.

WRGA—Rome Broadcasting Corp., Rome, Ga.—Granted special temporary authorization to operate simultaneously with station WKEU from 3 to 4 p. m., CST, November 25, in order to broadcast Watchtower program with Judge Rutherford speaking.

KGCX—E. W. Krebsbach, Wolf Point, Mont.—Granted special temporary authorization to operate from 12 midnight, MST, November 6, to 6 a. m., MST, November 7, in order to broadcast election returns.

WFAS—Westchester Broadcasting Corp., White Plains, N. Y.—Granted special temporary authorization to operate simultaneously with WGNV from 2:30 to 3 p. m., EST, November 17 and 24, in order to broadcast football games.

KGBX—KGBX, Inc., Springfield, Mo.—Granted special temporary authorization to operate from 12 midnight, November 6, to 1 a. m., CST, November 7, in order to complete election returns.

WBSO—Broadcasting Service Organization, Inc., Needham, Mass.—Granted special temporary authorization to remain silent November 29 in order to observe Thanksgiving Day, and December 25 in order to observe Christmas Day.

WTRC—Truth Radio Corp., Elkhart, Ind.—Granted special temporary authorization to operate simultaneously with station WLBC for period beginning 7:30 p. m., CST, November 6, and ending 1 a. m., CST, November 7, in order to broadcast election returns.

KGY—KGY, Inc., Olympia, Wash.—Granted special temporary authorization to operate from 11 p. m., PST, November 6, to 2:30 a. m., PST, November 7, in order to broadcast election returns.

KIDW—The Lamar Broadcasting Co., Lamar, Colo.—Granted special temporary authorization to operate simultaneously with KGIW from 10 a. m. to 12:30 p. m., MST, for the period beginning November 8 and ending not later than December 8, 1934.

#### MISCELLANEOUS

On motion of Commissioner Sykes, the Commission reconsidered and granted by a unanimous vote the application of WLBW to move station from Erie, Pa., to Dayton, Ohio, and to assign license to the Miami Valley Broadcasting Corp. The transmitter site is subject to the approval of the Commission.

WGLC—The Adirondack Broadcasting Co., Hudson Falls, N. Y.—1370 Granted a regular renewal license as application for facilities made by Harold E. Smith has been dismissed at Smith's request.

WJW—WJW, Inc., Akron, Ohio.—Suspended grant and designated 1210 for hearing application for C. P. to increase daytime power from 100 watts to 250 watts because of the protest of station WHBC, Canton, Ohio.

NEW—Patrick J. Goode, New Haven, Conn.—Denied petition to 970 reconsider application for new station at New Haven to operate on 970 kc., 250 watts.

KOL—Seattle Broadcasting Co., Inc., Seattle, Wash.—Denied request for continuance of a hearing now set for November 14, 1934, to change frequency from 1270 kc. to 850 kc. on a special experimental basis.

WMEX—The Northern Corp., Chelsea, Mass.—Denied special temporary authorization to operate with additional power of 150 watts night for period beginning November 7 and ending not later than November 21, 1934.

#### SET FOR HEARING

WRDW—Musicove, Inc., Augusta, Ga.—Voluntary assignment of 1370 license from Musicove, Inc., to Augusta Broadcasting Co.

NEW—Joseph M. Kirby, Boston, Mass.—Set for hearing amended 1120 application for a new station at Boston to operate on 1120 kc., with 250 watts night, 500 watts day, unlimited time.

#### APPLICATIONS DISMISSED

The following applications, heretofore designated for hearing, were dismissed at the request of applicants:

KTAT—KTAT Broadcast Co., Inc., Fort Worth, Tex.—Special 970 experimental authorization, 970 kc., 1 KW night and 1 KW LS, unlimited time.

NEW—The Journal Co. (Milwaukee Journal), Milwaukee, Wis.—620 Authority to use frequency requested for high-speed facsimile and transmitter of WTMJ, 620 kc., 1 KW 12 midnight to 6 a. m.

KWEA—International Broadcasting Corp., Shreveport, La.—C. P. 1500 to move transmitter and studio to Baton Rouge, La.; 1500 kc., 100 watts night, 100 watts day, unlimited time.

NEW—Samuel L. Finn, Dayton, Ohio.—C. P. to erect a new station 1250 in Dayton, Ohio; 1250 kc., 250 watts night and day, unlimited time.

#### ORAL ARGUMENT GRANTED

WKZO—WKZO, Inc., Kalamazoo, Mich.—Granted oral argument before the Broadcast Division to be held November 19, 1934.

#### APPLICATIONS RECEIVED

##### First Zone

NEW—Bamberger Broadcasting Service, Inc. (to be determined).—Construction permit for a general experimental broadcast station on 41000, 38600, 35600, 31600 kc., 1 KW, A1-A3.

Atlantic Broadcasting Corp., New York, N. Y.—Authority to transmit sustaining programs to CKLW, Windsor; CKAC, Montreal; CFRB, Toronto, on Columbia network.

NEW—Palmer Broadcasting Syndicate, Inc., Wilmington, Del.—1210 Construction permit for new station on 1210 kc., 100 watts, unlimited; transmitter and studio sites to be determined at Lewiston, Maine.

NEW—Wodaam Corporation, Newark, N. J.—Modification of 1250 license to increase daytime power from 2½ KW to 5 KW.

WEEL—Edison Electric Illuminating Company of Boston, Boston, 590 Mass.—Construction permit for installation of new equipment, and change power from 1 KW to 5 KW, day and night.

WBNX—Standard Cahill Co., Inc., Bronx, N. Y.—Construction 1350 permit to install new equipment, increase day power from 250 watts to 2½ KW.

NEW—Philip J. Wiseman, Lewiston, Maine.—Construction permit 1210 for new station to be operated on 1210 kc., 100 watts power, unlimited time. Studio located at Pine St., No. 40, Lewiston, Maine; transmitter, Dewitt Hotel, Pine St., Lewiston, Maine. Amended: Transmitter site changed to Webber Avenue, near Lewiston reservoir, Lewiston, Maine.

W8XAI—Stromberg Carlson Tel. Mfg. Co., Rochester, N. Y.—Modification of construction permit, extension of completion date to 12-1-34.

NEW—City of New York, Dept. of Plant and Structures, New York, N. Y.—Construction permit for one frequency between 17760 and 17800; 100 watts, A3.

WBNF—Howitt-Wood Radio Co., Inc., Binghamton, N. Y.—1500 Construction permit to increase power from 100 watts to 100 watts night, 250 watts day, and make changes in equipment.

WTAG—Worcester Telegram Publishing Company, Inc., Worcester, 580 Mass.—Special experimental authorization to operate on 580 kc., 1 KW power, unlimited time, for a period ending 3-1-35.

WNEL—Juan Piza, San Juan, Puerto Rico.—License to cover construction permit (1-P-B-2848) as modified.

WNBZ—Earl J. Smith and Wm. Mace, d/b as Smith & Mace, 1290 Saranac Lake, N. Y.—Construction permit to install new equipment and increase power from 50 watts day to 100 watts daytime.

WFEA—New Hampshire Broadcasting Co., Manchester, N. H.—1340 Special experimental authorization to increase night power from 500 watts to 1 KW, for period ending May 1, 1935.

##### Second Zone

WKRC—WKRC, Inc., Cincinnati, Ohio.—Modification of construction permit (2-P-B-3282) to extend completion date to 1-29-35.

WLVA—Lynchburg Broadcasting Corp., Lynchburg, Va.—License 1200 to cover construction permit (B-2-P-32) to increase power and make equipment changes.

KGRS—E. B. Gish (Gish Radio Service), Amarillo, Tex.—License 1410 to cover construction permit (3-PB-3319) to install new equipment and increase power.

WLBW—Miami Valley Broadcasting Corp., Dayton, Ohio.—Construction permit to move studio from Lawrence Hotel, Erie, Pa., to 39 S. Ludlow St., Dayton, Ohio; move transmitter from Hershey and Robertson Roads, Summit Township, Pa., to site to be determined, Dayton, Ohio; install new equipment. *Amended*: 10-25-34, re equipment; move transmitter to Montgomery County, outside of Dayton, Ohio.

NEW—Brothers and England (L. C. Brothers and H. P. England), 1370 Mansfield, Ohio.—Construction permit for new station, 1370 kc., 100 watts, unlimited time. Studio and transmitter, Westside Public Square, Mansfield, Ohio. *Amended*: 1300 kc., 250 watts; studio and transmitter, Richland Bank Building, Mansfield, Ohio.

WHJB—Pittsburgh Radio Supply House, Greensburgh, Pa.—620 License to cover construction permit (B2-P-3090) to erect new station on 620 kc., 250 watts, daytime, and extend commencement and completion dates.

WIBM—WIBM, Inc., Jackson, Mich.—License to cover construction permit (B2-P-21) to increase power from 100 watts to 100 watts night and 250 watts daytime, and make equipment changes.

WCAE—WCAE, Inc., Pittsburgh, Pa.—Construction permit to install new equipment and increase day power from 1 KW to 5 KW.

WHK—Radio Air Service Corp., Cleveland, Ohio.—Modification 1390 of license to increase power from 1 KW and 2½ KW to 1 KW night and 5 KW day.

WHK—Radio Air Service Corp., Cleveland, Ohio.—Modification 1390 of license to increase power from 1 KW night and 2½ KW day to 5 KW day and night.

WPHR—WLBG, Inc., Petersburg, Va.—Modification of construction permit (2-P-B-3291) to extend commencement date to 12-15-34 and completion date to 1-15-35.

### Third Zone

KARK—Arkansas Radio and Equipment Co., Little Rock, Ark.—890 Construction permit to install new equipment, move transmitter, and change power from 250 watts night and 500 watts day to 1 KW day and night. (Request of applicant.)

NEW—Wilton E. Hall, Anderson, S. C.—Construction permit for 1200 a new station to be operated on 1200 kc., 100 watts, 250 watts, unlimited time. Transmitter and studio located at 112 East Market St., Anderson, S. C.

KADA—C. C. Morris, Ada, Okla.—License to cover construction 1200 permit (3-P-B-3149) as modified. Resubmitted and amended regard to equipment.

NEW—James M. Patterson, Jr., Stillwater, Okla.—Construction 1290 permit for new station on 1290 kc., 100 watts, daytime. Transmitter and studio located at Stillwater, Okla. *Amended*, changed frequency to 1210 kc.

KARK—Arkansas Radio & Equipment Company, Little Rock, 890 Ark.—Construction permit to make equipment changes and increase power from 250 watts night, 500 watts day, to 500 watts night, 1 KW daytime.

WJBO—Baton Rouge Broadcasting Company, Inc., Baton Rouge, 1420 La.—Modification of construction permit (3-P-B-2743) as modified, to extend the completion date to 1-1-35.

NEW—William L. Waltman, Muskogee, Okla.—Construction per- 1200 mit to erect a new broadcast station on 1200 kc., 100 watts, daytime. Studio located at Fifth and Wall Sts., Hotel Severs, Muskogee, Okla., and transmitter located at Fifth and Wall Streets, Muskogee, Okla.

NEW—East Texas Broadcasting Company, Dallas, Tex.—Con- 1500 struction permit to erect a new broadcast station on 1500 kc., 100 watts power, specified hours of operation. Studio located at 1415 Main Street, Dallas, Tex.; transmitter located Trinity River Industrial Blvd., Dallas, Tex.

WJBO—Baton Rouge Broadcasting Co., Inc., Baton Rouge, La.— 1420 Voluntary assignment of license to Capital City Press, of Baton Rouge, La. Requests call letters of WBRG.

WMC—WMC, Inc., Memphis, Tenn.—Voluntary assignment of 780 license to Memphis Commercial Appeal, Inc.

NEW—David Parmer, Atlanta, Ga.—Construction permit for new 1370 station on 1370 kc., 100 watts power night, 250 watts power daytime, unlimited time. Studio and transmitter, 660 Peachtree St., Atlanta, Ga. Requesting facilities of radio station WJTL.

NEW—Pope Foster, Mobile, Ala.—Construction permit for new 1200 station on 1200 kc., 100 watts power, daytime. Studio and transmitter on Cawthon Hotel, corner St. Francis and Conception Sts., Mobile, Ala.

### Fourth Zone

KYW—Westinghouse Electric & Manufacturing Co., Chicopee 1020 Falls, Mass.—Modification of construction permit (2-MP-B-521) to extend completion date to 1-10-35.

NEW—W. R. Cramer and G. A. Anderson, d/b as Omaha Broad- 1200 casting Co., Omaha, Nebr.—Construction permit to erect a new station to be operated on 1200 kc., 100 watts power, unlimited time. Transmitter located at Washington and So. 36th St., Omaha, Nebr.; studio located at Paxton Hotel, 14th and Farnam Sts., Omaha, Nebr.

NEW—Wm. H. West, St. Louis, Mo.—Construction permit for new 1200 station on 1200 kc., 100 watts power, unlimited time. Studio and transmitter location to be determined, St. Louis, Mo. (Contingent on the granting of B4-P-142, Radio Station WIL.)

KSTP—National Battery Broadcasting Co., St. Paul, Minn.— 1460 Modification of special experimental authority to change night power from 10 KW to 25 KW.

WDGY—Dr. George W. Young, Minneapolis, Minn.—Construc- 1180 tion permit to increase daytime power from 2½ KW to 5 KW and make changes in equipment. Consideration under Rule 6 (g).

KMBC—Midland Broadcasting Co., Kansas City, Mo.—Modifica- 950 tion of license to use present licensed auxiliary transmitter as regular transmitter for nighttime operation.

NEW—D. E. Kendrick and W. E. Vogelback, Indianapolis, Ind.— 850 Construction permit for a new station to be operated on 850 kc., 5 KW power, unlimited time. Transmitter location, Crawfordsville Road, Highway 52, 1 mile northwest of Clermont, Ind. Studio located at 540½ North Meridian, Indianapolis, Ind.

WIBU—Wm. C. Forrest, Poynette, Wis.—Construction permit to 1210 install new equipment, increase day power from 100 watts to 250 watts.

KWK—Thomas Patrick, Inc., St. Louis, Mo.—Construction permit 1350 to make changes in equipment, increase day power from 2½ KW to 5 KW.

NEW—National Battery Broadcasting Company, St. Paul, Minn.— 680 Construction permit to erect a new broadcast station to be operated on 680 kc., 500 watts night and 1 KW daytime, unlimited time. Transmitter location to be determined, St. Paul, Minn. Studio location, St. Paul Hotel, St. Paul, Minn.

KWCR—Cedar Rapids Broadcast Co., Des Moines, Iowa.—Con- 1430 struction permit to move transmitter from 3rd Ave. and 3rd St., Cedar Rapids, Iowa, to site to be determined near Des Moines, Iowa; and studio from Montrose Hotel, 3rd Ave. and 3rd St., Cedar Rapids, Iowa, to 715 Locust St., Cedar Rapids, Iowa.

WEBC—Head of the Lakes Broadcasting Company, Superior, 1290 Wis.—Construction permit to increase power from 1 KW night, 2½ KW daytime, to 1 KW night, 5 KW daytime, and make change in equipment.

WIBW—Topeka Broadcasting Association, Inc., Topeka, Kans.— 580 Modification of construction permit (4B-P-57) to increase power from 1 KW night, 2½ KW day, to 1 KW night and 5 KW day.

NEW—Southern Minnesota Broadcasting Co., Rochester, Minn.— 1310 Construction permit for new station to be erected on 1310 kc., 100 watts power, unlimited time. Studio and transmitter sites to be determined, Rochester, Minn.

WMT—Waterloo Broadcasting Co., Des Moines, Iowa.—Construc- 620 tion permit to change location of transmitter from approximately 5 miles from Waterloo, Iowa, to site to be determined near Cedar Rapids, Iowa, and the studio from Third and Lafayette Sts., Waterloo, Iowa, to 3rd Ave. and 3rd St., Cedar Rapids, Iowa.

### Fifth Zone

KID—KID Broadcasting Co., Inc., Idaho Falls, Idaho.—Modifi- 1320 cation of license to increase nighttime power from 250 watts to 500 watts. *Amended*: Change power from 250 watts night, 500 watts day, to 500 watts night and 1 KW day.

- KLO—Interstate Broadcasting Corp., Ogden, Utah.—Construction 1400 permit to make changes in equipment. (Signature, 15(d), transmitter and geographical location.)
- KOIN—KOIN, Inc., Portland, Oreg.—Construction permits to increase day power to 5 KW, install new equipment. Considered under Rule 6. (Request of applicant.)
- KJBS—Julius Brunton & Sons Co., San Francisco, Calif.—Modification 1970 of license to change hours of operation from specified hours to unlimited time.
- KHJ—Don Lee Broadcasting System, Los Angeles, Calif.—Modification 900 of construction permit (5-P-B-3199) as modified to increase daytime power from 2½ KW to 5 KW.
- KGAR—Tucson Motor Service Co., Tucson, Ariz.—Modification 1450 of license to change frequency from 1370 kc. to 1450 kc., increase nighttime power from 100 watts to 250 watts.
- KFSG—Echo Park Evangelistic Association, Los Angeles, Calif.—1120 Modification of license (B-5-R-15) to increase day power from 500 watts to 1 KW.
- NEW—Northern California Amusement Co., Inc., Yreka, Calif.—1500 Construction permit for a new station for 1500 kc., 100 watts power, unlimited time, transmitter and studio located at Broadway Street, Yreka, Calif.
- KGA—Louis Wasmer, Spokane, Wash.—Modification of license to 950 change frequency from 1470 kc. to 950 kc., change power from 5 KW day and night to 1 KW night and 5 KW daytime.
- KHQ—Louis Wasmer, Inc., Spokane, Wash.—Modification of 590 license to increase power from 1 KW to 2 KW-LS to 5 KW day and night.
- NEW—Hauser Radio Co., C. R. Hauser & John McGinnis, Ventura, Calif.—Construction permit for a new radio station to be operated on 1160 kc., 100 watts power, daytime operation. Transmitter and studio located at 487 Main Street, Ventura, Calif. *Amended:* Regard to equipment, change power from 100 watts day to 100 watts day and night and change frequency from 1160 to 1210 kc., change hours of operation from daytime to unlimited.
- KFRC—Don Lee Broadcasting System, San Francisco, Calif.—610 Modification of construction permit (5-P-B-3200) as modified to increase day power from 2½ KW to 5 KW.
- KGW—Oregonian Publishing Co., Portland, Oreg.—Modification 620 of construction permit (B-5-P-3106) as modified to increase day power from 2½ KW to 5 KW.
- NEW—Richard Field Lewis, Del Monte, Calif.—Construction permit 1210 to erect a new broadcast station to be operated on 1210 kc., 100 watts power, daytime operation; to be considered under Rule 6. Transmitter and studio located at Del Monte Hotel, Del Monte, Calif. *Amended:* 10-15-34 to request unlimited time and 100 watt power for nighttime operation.
- KLO—Interstate Broadcasting Corp., Ogden, Utah.—Construction 1400 permit to make changes in the equipment. *Amended:* In regard to equipment.
- NEW—Fred L. Packard, A. Rosenberg, Los Angeles, Calif. (Westwood Village).—Construction permit for a new broadcast station to be operated on 1160 kc., 100 watts power, limited time. Studio: Recreation and Masonic Club, Westwood Village, Los Angeles, Calif. Transmitter site to be determined, Westwood Village, Los Angeles, Calif.
- NEW—The Close-Up Publishing Co., Bell, Calif.—Construction 1070 permit for a new station to be operated on 1070 kc., 100 watts power, daytime. Studio and transmitter at 4313 E. Gage, Bell, Calif.
- KPCB—Queen City Broadcasting Co., Seattle, Wash.—License to 710 cover construction permit (5-P-B-3160) as modified to install new equipment and increase power.
- KPCB—Queen City Broadcasting Co., Seattle, Wash.—Modification 710 of special experimental authorization to operate with 250 watts power on 710 kc.
- KFIO—Spokane Broadcasting Corp., Spokane, Wash.—Construction 1120 permit to move transmitter locally from 213 Riverside Ave. to 526 Riverside Ave., Spokane, Wash. *Amended:* Move studio from 213 Riverside Ave. to 526 W. Riverside Ave., Spokane, Wash.
- KUJ—KUJ, Inc., Walla Walla, Wash.—Extension of special experimental 1370 authorization for period ending July 1, 1935.

#### APPLICATIONS RETURNED

- NEW—W. L. Gleason, Sacramento, Calif.—Special experimental 1490 authorization to erect a new station on 1490 kc., 5 KW power, unlimited time. Transmitter located over 6 miles south of city of Sacramento, Calif., on Sacramento River. Studio location to be determined, Sacramento, Calif. *Amended:* To request limited time. (Rule 5.)
- NEW—General Television Corp., Boston, Mass.—Construction 1570 permit for experimental broadcast station 1570 kc., 1 KW, variable. (Returned, Rule 49.)
- WGCM—Grace Jones Stewart under trade name of Great Southern Land, No. (Not Inc.), Gulfport, Miss.—Special experimental 1210 authorization to operate with additional 150 watts night and changes in specified hours of operation. (Request of applicant.)
- KHQ—Louis Wasmer, Inc., Spokane, Wash.—Modification of 590 license to increase power from 2 KW day to 5 KW. (Request of attorney.)
- NEW—Harold Thomas, New Britain, Conn.—Construction permit 930 for a new station to be operated on 930 kc., 100 watts power, daytime operation. Transmitter and studio location to be determined, New Britain, Conn. (Rule 120.)
- NEW—Mildred English and Genevieve C. Wilson d/b as Dallas 1210 Broadcasting Co., Dallas, Tex.—Construction permit for a new broadcast station to be operated on 1210 kc., 100 watts, daytime. Shares with KNOW. Studio and transmitter: 1610 Ross Ave., Dallas, Tex. (Superseded by application No. B-3-P-166.)
- WSGN—R. B. Broyles, Tr. as R. B. Broyles Furniture Co., Birmingham, Ala.—License to cover construction permit (3-P-B-3034) as modified to increase power and make change in authorized equipment. (Signature.)
- KCMC—North Mississippi Broadcast Corp., Texarkana, Ark.—1420 Construction permit to increase power from 100 watts to 1 KW and install new equipment. (Power and transmitter site.)
- NEW—George H. Johnson, Helena, Mont.—Construction permit 1420 for new station on 1420 kc., 100 or 250 watts power night, 250 watts day, unlimited. Transmitter and studio Adj. Inter-mountain Union.



# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

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### GREEN WITHDRAWS LABOR RESOLUTIONS

On Monday of this week, at the closing session of the hearing before the Federal Communications Commission to determine the advisability of setting aside by statute a fixed percentage of broadcasting facilities for use of religious, educational, labor, and non-profit organizations, William Green, president of the American Federation of Labor, formally withdrew previous testimony offered by William C. Hushing, AFL legislative representative.

Mr. Hushing had placed in the record resolutions passed by the San Francisco American Federation of Labor convention relating to broadcasting. One of these resolutions was to the effect that AFL expected to broadcast 30 radio programs per year in an attempt to promote labor unionization; another which included the recommendation that the AFL insist that 50 per cent of all radio facilities be allocated to organizations operating on a non-profit basis; and the third resolution recommending that the AFL protest the continuance in office of any Commissioner voting to surrender more than 50 per cent of the radio facilities to commercial broadcasting.

Mr. Green explained that "Mr. Hushing was not fully informed as to the action of the Executive Council following the adjournment of the convention. The Council, after giving consideration to the resolutions and the action of the convention, referred them to me, as president, for such action as I might decide to take. I had decided, in conformity with that decision of the Executive Council, to withhold the submission of these resolutions to the Commission. For that reason I now wish to formally withdraw these resolutions from further consideration by the Commission."

Parties to the hearing may file briefs on or before November 26.

The brief to be filed on behalf of the National Association of Broadcasters, now being prepared by Henry A. Bellows, will be ready for printing within several days. Copies of this brief will be furnished to NAB members at approximately the time of its filing with the Communications Commission.

### CODE AUTHORITY MEETS

The Code Authority for the Radio Broadcasting Industry will hold a meeting at 10 a. m., Thursday, November 15, at the National Press Building in Washington, D. C. It will have on its agenda, among other things, the several resolutions adopted at the open code meeting held in Cincinnati, Ohio, on September 20.

### SECURITIES ACT REGISTRATION

The following companies have filed registration statements with the Securities and Exchange Commission under the Securities Act:

- Crystal Mines Company, Augusta, Me. (2-1173, Form E-1)
- Percy Cowan et al., Chicago, Ill. (2-1174, Form D-1)
- Ok'ahoma Day Trust, Tulsa, Okla. (2-1175, Form A-1)
- American Credit Corporation, Oakland, Calif. (2-1176, Form A-1)
- Virginia City Mining Company, Butte, Mont. (2-1177, Form A-1)
- Royalty Depositor Corporation, Jersey City, N. J. (2-1178, Form C-1)
- Real Del Monte Metals Company, Carrizozo, New Mexico. (2-1179, Form A-1)
- B. Woodruff Weaver et al., Washington, D. C. (2-1180, Form D-1)

### BRITISH INVESTIGATE TELEVISION

A delegation of the British Government, consisting of Lord Selsdon, F. W. Phillips, Col. A. S. Angwin, and Noel Ashbridge (chief engineer, British Broadcasting Corp.), visited New York, Camden, and Washington last week to investigate American progress with television.

It was stated by members of the delegation that Britain is faced with a decision on television within the near future, and that it was

their plan to collect as much information as possible relative to television's status in other countries to assist them in reaching a conclusion.

### FEDERAL COMMUNICATIONS COMMISSION ACTION

#### Oral Argument Before the Broadcast Division

- KGFK—Ex. Rept. No. 1-4: Red River Broadcasting Co., Inc., Duluth, Minn.—C. P., 1500 kc., 100 watts, unlimited time.
- WWSW—Ex. Rept. No. 1-5: Walker & Downing Radio Corp., Pittsburgh, Pa.—C. P., 890 kc., 250 watts, 500 watts LS, unlimited time (facilities of WMMN). Present assignment, 1500 kc., 100 watts, 250 watts LS, unlimited time.
- WMMN—A. M. Rowe, Inc., Fairmont, W. Va.—Renewal of license, 890 kc., 350 watts, 500 watts LS, unlimited time.
- WKZO—Ex. Rept. No. 1-8: WKZO, Inc., Kalamazoo, Mich.—C. P., 590 kc., 250 watts, 1 KW LS, unlimited time. Present assignment, 590 kc., 1 KW, daytime.

### APPLICATIONS GRANTED

- NEW—Joseph M. Kirby, Boston, Mass.—Reconsidered and granted in part application for C. P. for a new radio station to operate daytime only on 1120 kc., 500 watts. The part requesting 250 watts night was left on the hearing docket. This action was taken on a motion by Commissioner Sykes, seconded by Commissioner Brown, and was carried unanimously.
- NEW—Patrick H. Goode, New Haven, Conn.—Granted amended application to erect new broadcasting station to operate on 900 kc., 500 watts, daytime only. This action was taken on motion by Commissioner Sykes, seconded by Commissioner Brown, and was carried unanimously.
- NEW—J. H. Speck, Santa Fe, N. Mex.—Granted C. P. for new station to operate on 1310 kc., 100 watts, unlimited time (site to be determined).
- WKRC—WKRC, Inc., Cincinnati, Ohio.—Granted modification of C. P. extending commencement date to October 29, 1934, and completion date to January 29, 1935.
- WPHR—WLBG, Inc., Petersburg, Va.—Granted modification of C. P. extending commencement date to December 15, 1934, and completion date to January 15, 1935.
- KYW—Westinghouse E. & M. Co., Whitmarsh Twp., Pa.—Granted modification of C. P. extending completion date to January 10, 1935.
- W9XK—University of Iowa, Iowa City, Iowa.—Granted C. P. to add another transmitter and change frequencies to include 42000-56000, 60000-86000 kc., and increase power to 100 watts. Also granted modification of license to include the frequencies in C. P. above.
- W1XCW—Regan & Bostwick, Portable (St. Albans, Vt.)—Granted modification of general experimental C. P. to change equipment to crystal control and change frequency to 31100 kc. in lieu of 40600 kc.; increase power to 20 watts, and extend construction period to 90 days after commencement of construction.
- W9XAI—Stromberg Carlson Tel. Mfg. Co., Rochester, N. Y.—Granted modification of C. P. to extend completion date to December 1, 1934.

### SET FOR HEARING

- NEW—Robert H. Fette, near Meriden, Minn.—C. P. for new station; 1310 kc., 100 watts, daytime.
- NEW—KGBX, Inc., St. Joseph, Mo.—C. P. for new station; 1500 kc., 250 watts day, 100 watts night, unlimited time.
- NEW—Arthur Westlund and Jules Cohn, Santa Rosa, Calif.—C. P. for new station; 1500 kc., 100 watts, unlimited time.
- NEW—Wm. A. Schall, Carter Lake, Iowa; Studio, Omaha, Nebr.—C. P. for new station; 1420 kc., 100 watts, unlimited time.

WDAG—National Radio & Broadcasting Corp., Amarillo, Tex.—Modification of license to change frequency from 1410 kc. to 1120 kc.; hours from specified to unlimited.

### MISCELLANEOUS

WWSW—Walker & Downing Radio Corp., Pittsburgh, Pa.—Denied petition of attorney for a continuance of the oral argument on Examiner's Report No. 1-3, set for November 19, 1934, before the Broadcast Division of the Commission.

WOWO—Woodmen of the World Life Ins. Association, Omaha, Nebr.—Granted petition to intervene and become a party to the application of Nellie H. and W. C. Morris, who seek a permit to locate and operate a studio and apparatus for the production of programs to be transmitted from Eagle Pass, Tex., to radio station XEPN, at Piedras Negras, Mexico.

WCSH—Congress Square Hotel Co., Portland, Me.—Granted permission to intervene in the application of the Eastern Broadcasting Co. for C. P. to construct a radio station at Portland, Me., to operate on 1210 kc., 100 watts, unlimited time.

WISN—American Radio News Corp., Milwaukee, Wis.—Affirmed original grant increasing the daytime power to 1 KW following the withdrawal of the protest of WTMJ at Milwaukee.

Stations WBBR, WARD, WBBC, WVFW, WLTH, all of Brooklyn, N. Y.; WEVD, New York City; WHAZ, Troy, N. Y.; WFAB, New York City, Brooklyn Daily Eagle Broadcasting, Inc., Arde Bulova, and Norman K. Winston; all of the foregoing cases involving the frequency 1400 kc., set for hearing November 19, 1934, were continued to December 3, 1934, and the Commission designated Examiner George H. Hill to conduct the hearing.

W8XK—University of Iowa, Iowa City, Iowa.—Present license extended from November 1 to December 1, 1934; 2000-21000 kc., 100 watts.

### APPLICATIONS DISMISSED

The following applications, heretofore set for hearing, were dismissed at the request of applicants:

NEW—Bamberger Broadcasting Service, Inc., Kearney, N. J.—Special experimental license to use transmitter of WOR between 12:30 and 6 a. m.; 710 kc., 2,500 to 5,000 watts.

KOL—Seattle Broadcasting Co., Seattle, Wash.—Special experimental authorization; 850 kc., 1 KW night, 2½ KW LS, unlimited time.

WCHS—Charleston Broadcasting Corp., Charleston, W. Va.—Modification of license, 580 kc., 1 KW night, 1 KW LS, unlimited.

WTAG—Worcester Telg. Pub. Co., Inc., Worcester, Mass.—Modification of license, 580 kc., 1 KW LS, 1 KW night, unlimited.

### APPLICATIONS RECEIVED

#### First Zone

WBBR—Peoples Pulpit Association, Brooklyn, N. Y.—Construction permit to increase power from 1 KW to 1 KW night, 5 KW day, and make changes in equipment.

WFEA—New Hampshire Broadcasting Company, Manchester, N. H.—License to cover construction permit (1-MP-B-560) to increase day power from 500 watts to 1 KW.

WATR—The WATR Company, Inc., Waterbury, Conn.—Modification of license to change frequency from 1190 kc. to 1200 kc., change power from 100 watts daytime to 100 watts day and night, hours of operation from daytime to unlimited.

WARD—United States Broadcasting Corp., Brooklyn, N. Y.—Voluntary assignment of license to Broadcasters of Brooklyn, Inc.

WVFW—Paramount Broadcasting Corp., Brooklyn, N. Y.—Voluntary assignment of license to Broadcasters of Brooklyn, Inc.

WLTH—Voice of Brooklyn, Inc., Brooklyn, N. Y.—Voluntary assignment of license to Broadcasters of Brooklyn, Inc.

WFEA—New Hampshire Broadcasting Co., Manchester, N. H.—Authority to determine operation power by direct measurement of antenna power.

W1XBS—American-Republican, Inc., near Waterbury, Conn.—License to cover construction permit for a new experimental broadcast station for 1530 kc., 1 KW power, unlimited time.

#### Second Zone

WCHS—Charleston Broadcasting Corp., Charleston, W. Va.—Special experimental authorization to increase night power from 500 watts to 1 KW, period ending 3-1-35.

WHAT—Independence Broadcasting Co., Inc., Philadelphia, Pa.—Modification of license requesting change in operating time from shares with WTEL 1/3 time to unlimited time, if and when WTEL vacates 1310 kc., WHAT not to operate when WCAM is operating.

WEHC—Community Broadcasting Corp., Charlottesville, Va.—License to cover construction permit to reduce maximum rated carrier power, change power, equipment, and hours of operation.

#### Third Zone

NEW—Attala Broadcasting Corp., Kosciusko, Miss.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts power, unlimited time; transmitter and studio located Chamber of Commerce Building, Clarksdale, Mississippi.

NEW—Samuel Nathaniel Morris, Stamford, Tex.—Construction permit for a new broadcast station to be operated on 1420 kc., 100 watts power, specified hours; transmitter location, 2 miles east of town, Stamford, Tex.; studio located at Barrow Furniture Co., Stamford, Tex.

KWKH—International Broadcasting Corp., Shreveport, La.—Modification of special experimental authorization to extend time for period ending 2-1-35, to operate daytime with conventional non-directive antenna and nighttime unlimited time with directional antenna.

#### Fourth Zone

NEW—Salt City Broadcasting Co., Harold Bourell, Chester Gregory, R. M. Dalton, Hutchinson, Kans.—Construction permit to erect a new broadcast station to be operated on 1500 kc., 100 watts power, unlimited; transmitter and studio, 501 N. Main, Hutchinson, Kans.

KFJB—Marshall Electric Co., Inc., Marshalltown, Iowa.—Construction permit to install new equipment, change frequency from 1200 kc. to 1230 kc., increase power from 100 watts and 250 watts daytime to 500 watts day and night, and change hours of operation from specified hours to unlimited time.

NEW—KGBX, Inc., Sedalia, Mo.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts power night, 250 watts daytime, unlimited time; transmitter and studio locations to be determined, Sedalia, Mo.

NEW—Dr. Geo. W. Young, Minneapolis, Minn.—Construction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts power, unlimited time; transmitter and studio location to be determined, Minneapolis, Minn.

NEW—Mississippi Valley Broadcasting Co., Inc., Hannibal, Mo.—Construction permit for new station for 1310 kc., 100 watts, 250 watts daytime, unlimited time; transmitter and studio locations to be determined, Hannibal, Mo.

KMBC—Midland Broadcasting Co., Kansas City, Mo.—Construction permit to install new equipment and increase power from 1 KW and 2½ KW daytime to 1 KW night, 5 KW daytime.

#### Fifth Zone

KIEM—Redwood Broadcasting Co., Inc., Eureka, Calif.—Construction permit to install new equipment, increase power from 100 watts to 500 watts, change frequency from 1210 kc. to 1450 kc., move transmitter from Vance Hotel, Eureka, to McFarland Tract, outside of city limits of Eureka.

KALE—KALE, Inc., Portland, Ore.—Modification of license to change frequency from 1300 kc. to 1250 kc., change hours of operation from specified hours to unlimited.

E. R. Irely and F. M. Bowles, Portable.—Construction permit for 31100 and 40500 kc., 30 watts, A3-Emission, general experimental for broadcast pick-up.

KOL—Seattle Broadcasting Co., Inc., Seattle, Wash.—Modification of construction permit to extend completion date to 11-25-34.

KGDM—E. F. Peffer, Stockton, Calif.—Construction permit to install new equipment; move transmitter, the exact site to be determined in Stockton, 4 miles west of present site; increase power from 250 watts to 1 KW; increase time from daytime to unlimited. Amended re transmitter, located 5 miles from present location. Amended to 1 KW, daytime only.

KFWB—Warner Bros. Broadcasting Corp., Hollywood, Calif.—Construction permit to install new equipment, and increase day power from 2½ to 5 KW.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### FCC TO INVESTIGATE A. T. & T. CO.

Commissioners Walker, Chairman, Case and Sykes, at a regular meeting of the Telephone Division of the Federal Communications Commission, held on the 14th day of November, 1934, issued Order No. 11, as follows:

"The Telephone Division having under consideration Sections 215(a), 215(b), 215(c), 218 and 403 of the Communications Act of 1934, and it appearing that Section 215(a) requires that the Commission shall examine into transactions of telephone carriers relating to the furnishing of equipment, supplies, research, services, finances, credit, or personnel; that Section 215(h) requires that the Commission shall investigate the methods by which and the extent to which wire telephone companies are furnishing wire telegraph service and wire telegraph companies are furnishing wire telephone service; that Section 215(c) requires the Commission to examine all contracts of carriers subject to this Act which prevent the other party thereto from dealing with another common carrier subject to this Act and shall make a report thereon to Congress; that Section 218 provides that the Commission may inquire into the management of the business of all carriers subject to this Act, and shall keep itself informed as to the manner and method in which the same is conducted, and as to technical developments and improvements thereof; and that Section 403 authorizes the Commission to institute an inquiry, on its own motion, as to the foregoing:

"IT IS ORDERED, That the Division, on its own motion and without formal pleading, enter upon a proceeding of inquiry and investigation into and concerning such transactions, methods, contracts and management of the business of telephone carriers subject to the Communications Act, for the purpose of making such a report to Congress, and for the further purpose of carrying out any provisions of the Communications Act and making such findings or issuing such orders as may be appropriate thereunder.

"IT IS FURTHER ORDERED, That copies of this Order shall be served upon all telephone carriers subject to the Act, and that such carriers be made respondents to this proceeding; and that copies of said Order be sent to the Governor of each State and to each State regulatory body having jurisdiction over telephone carriers.

"AND IT IS FURTHER ORDERED, That this proceeding be assigned for hearing at such times and places, and with respect to such transactions as the Commission by order or public notice may hereafter direct."

The Telephone Division of the Federal Communications Commission later issued the following statement in connection with its Order No. 11.

"1. It is proposed to make an investigation as speedily as funds and the organization of the Commission will permit, and with the minimum of inconvenience to persons concerned. To this end the Division announces the following tentative program:

"(A) The investigation and study of the corporate history and the financial structure of the American Telephone and Telegraph Company, including the connections and relationships with the associated Bell Companies and the other subsidiaries of the American Telephone and Telegraph Company. This examination will also include subsidiaries which manufacture equipment and supplies for the parent American Telephone and Telegraph Company and for the associated Bell Companies, including all subsidiaries or related companies which affect the communications industry, under the jurisdiction of this Commission. The examination will include the financial arrangements between the American Telephone and Telegraph Company and its subsidiaries, and the agreements, financial and otherwise, of the various subsidiaries with each other.

"(B) A general inquiry into the license and service contracts between the American Telephone and Telegraph Company and the various associated Bell Companies.

"(C) A general inquiry into the contracts between the American Telephone and Telegraph Company and the Western Electric Co., Inc., also the contracts between the Western Electric Co., Inc., and the associated Bell Companies.

"2. The initial investigation will include only the American Telephone and Telegraph Company and its associated or related companies or organizations, or services, or contracts, as outlined in the foregoing.

"3. Public hearings will be had. That ample time may be provided for preparation, such public hearings will not begin until some time after January 1, 1935, and on dates to be announced by the Division. Work of investigation by the Commission's staff, however, is expected to start forthwith.

"4. With the completion of the testimony of the witnesses of the American Telephone and Telegraph Company and its subsidiaries, the hearings will be adjourned and at some subsequent date, not far removed, witnesses will be heard from the Independent Telephone Companies which come under the jurisdiction of the Communications Act. This inquiry will be directed at the financial structures, services, agreements, and contracts of the Independent Telephone Companies engaged in interstate commerce.

"5. The program of investigation will take into consideration the provisions of the Communications Act which authorizes cooperation with State Regulating Commissions.

"6. Other interested parties will be permitted to intervene and will be heard following the testimony of witnesses for the American Telephone and Telegraph Company and its subsidiaries and for the Independent telephone companies, and subsequent to a short adjournment following the testimony of witnesses for the Independent telephone companies.

"7. Interested parties, other than the telephone companies designated as respondents, may attend any or all of the hearings and participate therein.

"8. The facts and the data obtained through the investigation and through these public hearings may be used as a basis for a special report to Congress and will be available for and will be considered in any future investigations of telephone rates, made by this Commission."

### CODE AUTHORITY MEETS

The Code Authority for the Radio Broadcasting Industry held a meeting in Washington, D. C., on November 15th and 16th. An agreement was reached on the method of conducting an investigation of the hours of labor and the wages of radio artists and performers as required by Article VI, Section 3 of the Code.

Announcement of other actions taken by the Code Authority will be made shortly.

### ROSENBLATT GETS ADDED DUTIES

The National Recovery Administration announced yesterday that Sol A. Rosenblatt has been appointed Director of Field Administration and Enforcement. Mr. Rosenblatt will perform the duties of that office in addition to his duties as Division Administrator.

### CLEAR CHANNEL INVESTIGATORS MEET

A second meeting of engineers and others interested in the Federal Communications Commission's investigation of secondary coverage will be held Friday, November 23, at the Commission's offices.

Definite plans for the co-operative investigation will be formulated at the meeting, with the intention of proceeding with the field work as soon as possible.

### CODE AUTHORITY BULLETIN PUBLISHED

James W. Baldwin, Executive Officer of the Code Authority for the Radio Broadcasting Industry, announced that he would mail Code Authority Bulletins 13, 14 and 15 to all stations during the present week. The Bulletins include, among other items, opinions on Cosmopolitan and American magazine programs.

With reference to the tenders made to various radio stations by Cosmopolitan magazine, the bulletin includes an excerpt of a letter addressed to Mr. Daniel Henderson, Director of Promotion, as follows:

"This is to inform you that we consider the terms and conditions contained in your letters to radio broadcasting stations for the presentation of Cosmopolitan Radio Dramas an attempt to frustrate the purpose and intent of the Code of Fair Competition for the Radio Broadcasting Industry, and radio broadcasting stations will be advised accordingly."

The bulletin adds that "the Code Authority has auditioned Program No. 1 entitled 'The American Magazine Program' and finds that the programs contain lines of definite commercial value to the American Magazine. Broadcasting stations and network companies are, therefore, directed to refuse to broadcast these programs on a sustaining basis."

### MANAGING DIRECTOR HUNTS BEARS

Philip G. Loucks, NAB Managing Director, has been away from Washington during the past ten days on a hunting trip with Harry Shaw, former NAB president. He is expected to return November 26.

### FCC REQUESTS \$2,000,000

The Federal Communications Commission asked the Bureau of the Budget for an appropriation of \$2,000,000 for the fiscal year beginning July 1, next.

It is understood that the Bureau refused that and at first allowed only \$1,000,000 but that this was later raised to \$1,500,000 where it is now understood to stand. There are officials of the Commission who feel that with that amount of money it will be impossible for the Commission to do an efficient job.

The Commission will also ask the coming session of Congress for some \$500,000 for the period from January 1 to June 30, 1935, in addition to the appropriation which it now has under the old Federal Radio Commission. At this time some 70 additional employees have been taken into the new Commission as compared with the old Radio Commission. Additional personnel is still needed and will be added as the Commission's appropriations allow.

### KFUO CELEBRATES

KFUO, St. Louis, will celebrate its tenth anniversary, Sunday, December 9, in a special broadcast from 3 to 4:30 P. M.

### FCC ON INTERLOCKING DIRECTORATES

The Federal Communications Commission this week issued this statement:

"The Commission will regard the following as substantial compliance with the showing required by paragraph (c) 7 of Commission Order No. 4 as amended by Commission Order No. 6: (1) if the applicant is an officer, director, trustee, receiver, attorney or agent of any business corporation he must make a complete disclosure of such position and state the general character of the business conducted by such corporation; and (2) if the applicant has a financial interest in any corporation furnishing equipment, supplies, research, services, finances, credit or personnel, directly or indirectly, to any communication company, he must make a complete showing of his interest and state the general character of the business conducted by such corporation, only in cases where five per cent or more of such corporation's annual gross business consists of furnishing equipment, supplies, research, services, finances, credit and/or personnel, directly or indirectly to communications companies. If the applicant holds a position named in (1) in a corporation described in (2), he must make the disclosures called for in both (1) and (2).

"Regularly licensed and practicing attorneys will not be required under number (1) above to show clients represented by them, unless such client corporations are engaged in conducting a communica-

tions service as a common carrier or come within the description in number (2) above."

### INFORMATION WANTED

Anyone having information concerning the whereabouts of Mr. L. W. Shilby and his associates, H. B. Lee, William Martin, Owen Ray, Dan Delano and Grant Schaeffer (or Mr. Grant) is requested to communicate with NAB headquarters.

### AAAA BULLETIN PUBLISHED

Frederic R. Gamble, executive secretary of the American Association of Advertising Agencies, announced this week the publishing of Section C, "Market and Newspaper Statistics," Volume III. Section C deals with the 46 cities having more than 100,000 population having ABC Audit Reports for periods ending March 31, 1934.

Section C is similar in form to Sections A and B, which covered, respectively, the 27 cities having audits to September 30, 1933, and the 22 cities having audits to December 31, 1933. All sections are loose-leaf and can be secured under one cover.

The studies contain figures on population, number of families, English reading persons, income tax reports, audited newspaper circulation, local rates, national rates, and the differential between local and national rates, lineage, and an analysis of sections of ABC Audit Reports dealing with inducements.

"Market and Newspaper Statistics" is a part of a program for the advancement of newspaper advertising being conducted by the AAAA Committee on Newspapers.

Copies of Sections A and B are available to other than AAAA members at \$2.50 per section, and Section C is available at \$5.00, the approximate cost of production.

### A. N. A. ON AGENCY COMMISSIONS

According to "Editor and Publisher," Albert E. Haase has recently completed a report for the Association of National Advertisers on the advertising agency commission system, which was summarized as follows:

"1. Advertising agent is agent of advertiser only . . . owes the advertiser an undivided loyalty.

"2. Advertiser pays the agency. . . . The money flows directly from the advertiser through the agent to the medium.

"3. Agents set present rate of compensation. . . . The owners of advertising mediums are not of prevailing importance in determining the rate. They have been influenced and guided in their decision by agents.

"4. Major fault of discount system (commission system) is its seeming rigidity. . . . No single factor has done more . . . to create an outward show of resistance to change . . . than the improper use of the word 'rebate.'

"5. Discount system has been modified in actual business practice . . . four basic arrangements are now in use.

"6. Advertiser is free to make any terms he wishes with advertising agent. . . . The agent cannot, legally or ethically, accept the obligation of serving as the advertiser's agent, if he is already bound by, or, if he afterwards signs an agreement with, advertising mediums or others which conflict with his obligation to his principal—the advertiser. . . . Any single agent or owner of an advertising medium can, with perfect safety, set down terms upon which he will do business, but when he undertakes to prescribe a course of conduct for businesses other than his own, then he is confronted with the highly important question of restraint of trade. . . . There is no need for the sudden overthrow of the discount system as a cover-all system. As advertisers, agents and mediums come to know and understand their own rights and duties and act accordingly, this cover-all system will, in all probability, gradually disappear without injury to anyone."

### SECURITIES ACT REGISTRATION

The following companies have filed registration statements with the Securities and Exchange Commission under the Securities Act:

- Fundamerican Corporation, New York. (2-1181, Form C-1)
- Protective Committee for Choctaw, Oklahoma & Gulf Railroad Company, and Choctaw & Memphis Railroad Company, (2-1181, Form D-1)
- Bondholders Protective Committee of Follansbee Brothers Company. (2-1183, Form D-1)
- Larkins-Warr Trust, Tulsa, Okla. (2-1184, Form A-1)
- Southwest Investment Trust, Tulsa, Okla. (2-1185, Form A-1)

Bondholders Protective Committee of Herald Square Building,  
New York City. (2-1186, Form A-1)  
Plymouth Consolidated Gold Mines, Ltd., Wilmington, Del.  
(2-1187, Form A-1)  
Farmers Manufacturing Company, Norfolk, Va. (2-1188, Form  
D-1A)

## FEDERAL COMMUNICATIONS COMMISSION ACTION

### HEARING CALENDAR

KTUL—Tulsa Broadcasting Co., Inc., Tulsa, Okla.—Modification  
of license, **1400 kc.**, 500 watts, unlimited time. Present as-  
signment: **1400 kc.**, 250 watts, 500 watts LS, unlimited time.

### APPLICATIONS GRANTED

WHBF—Rock Island Broadcasting Co., Rock Island, Ill.—Granted  
**1210** C. P. to make changes in equipment and increase day power  
from 100 to 250 watts.

WHBY—WHBY, Inc., Green Bay, Wis.—Granted C. P. to install  
**1200** new equipment and increase day power from 100 to 250  
watts.

WJBO—Baton Rouge Broadcasting Co., Inc., Baton Rouge, La.—  
**1420** Granted modification of C. P. to extend completion date from  
December 1, 1934, to February 1, 1935.

KOL—Seattle Broadcasting Co., Inc., Seattle, Wash.—Granted  
**1270** modification of C. P. to extend completion date to December  
25, 1934.

WTAR—WTAR Radio Corp., Norfolk, Va.—Granted modification  
**780** of license to increase day power from 500 watts to 1 KW.

KVOA—Arizona Broadcasting Co., Tucson, Ariz.—Granted modifi-  
**1260** cation of license to change hours of operation from specified  
to unlimited.

WDSU—Joseph H. Uhalt, New Orleans, La.—Granted voluntary  
**1250** assignment of license to WDSU, Inc.

WAGF—Dothan Broadcasting Co., Dotha, Ala.—Granted special  
**1370** experimental authorization to operate from LS to 6:30 p. m.  
daily until January 1, 1935.

### SET FOR HEARING

NEW—Jackson D. Magenau, Erie, Pa.—C. P. for new station;  
**1370** **1370 kc.**, 100 watts, unlimited time, location to be determined.  
NEW—John G. Curtis, Erie, Pa.—C. P. for new station; **1370 kc.**,  
**1370** 100 watts, unlimited time, location to be determined in Erie.  
NEW—F. L. Whitesell, Forty Fort, Pa.—C. P., **930 kc.**, 500 watts,  
**930** daytime only.

NEW—E. B. Gish (Gish Radio Service), Abilene, Tex.—C. P., **1420**  
**1420 kc.**, 100 watts, unlimited time (transmitter site to be deter-  
mined).

WIL—Missouri Broadcasting Corp., St. Louis, Mo.—C. P. to change  
**1250** equipment, change frequency from **1200 kc.** to **1250 kc.**, in-  
crease power from 100 watts night, 250 watts LS, to 250 watts  
night, 500 watts LS.

NEW—J. C. and E. W. Lee (Riverside Broadcasting Co.), River-  
**820** side, Calif.—C. P., **820 kc.**, 100 watts, limited time.

NEW—Radio Service, Inc., Redlands, Calif.—Construction permit,  
**820** **820 kc.**, 100 watts, daytime.

WOKO—WOKO, Inc., Albany, N. Y.—Modification of license to  
**1430** increase night power from 500 watts to 1 KW; requests con-  
sideration under Rule 6 (g).

WHEC—WHEC, Inc., Rochester, N. Y.—Modification of license to  
**1430** increase night power from 500 watts to 1 KW. To be con-  
sidered under Rule 6 (g).

WBNS—WBNS, Inc., Columbus, Ohio.—Modification of license to  
**1430** increase night power from 500 watts to 1 KW. To be con-  
sidered under Rule 6 (g).

WHAZ—Rensselaer Polytechnic Institute, Troy, N. Y.—Modifica-  
**1300** tion of license to increase power from 500 watts to 1 KW.

WKAR—Michigan State College, East Lansing, Mich.—Modifica-  
**950** tion of license to change frequency from **1040 kc.** to **950 kc.**;  
change hours of operation from specified daytime only to  
daily except Saturdays and Sundays, 10:58 a. m. to 3:30 p. m.  
and 6 p. m. to 8 p. m.; Saturdays, 10:58 a. m. to 3:30 p. m.,  
using 500 watts for night operation. (Licensed on **1040 kc.**,  
1 KW, S. H. daytime.)

WGAR—The WGAR Broadcasting Co., Cleveland, Ohio.—Modifi-  
**560** cation of license to change frequency from **1450 kc.** to **560 kc.**  
and increase night power from 500 watts to 1 KW. To be  
considered under Rule 6 (g); requesting the facilities of

WIND. (Licensed on **1450 kc.**, 500 watts night, 1 KW LS,  
unlimited.)

KONO—Mission Broadcasting Co., San Antonio, Tex.—Modifica-  
**1370** tion of license to change hours of operation from specified to  
unlimited. (Licensed for **1370 kc.**, 100 watts, S-KMAC.)

KSCJ—Perkins Brothers Co., Publishers, Sioux City Journal, Sioux  
**1290** City, Iowa.—Modification of license to change frequency  
from **1330 kc.** to **1290 kc.** and hours of operation from  
simultaneous day with WTA and specified hours night, to  
unlimited. (Applicant requests consideration regardless of  
Rule 6.) (Licensed on **1330 kc.**, 1 KW night,  $2\frac{1}{2}$  KW day.)

KCDM—E. F. Pepper, Stockton, Calif.—Modification of license to  
**1100** change hours of operation from daytime only to specified  
from 6 a. m. to local sunset, 9 p. m. to 12:00, PST. (Licensed  
for **1100 kc.**, 250 watts, daytime.)

WSOC—WSOC, Inc., Charlotte, N. C.—Special temporary author-  
**880** ization to change frequency from **1210 kc.** to **880 kc.**, increase  
night power from 100 watts to 250 watts. Requests con-  
sideration under Rule 6 (g). (Licensed for **1210 kc.**, 100  
watts night, 250 watts day, unlimited.)

### MISCELLANEOUS

WMCA—Knickerbocker Broadcasting Co., New York City; WSYR  
**570** —Central N. Y. Broadcasting Corp., Syracuse, N. Y.—De-  
**570** nied petition to reconsider and grant the application of  
WMCA to increase power from 500 watts to 1 KW; and  
application of WSYR to increase power from 250 to 500  
watts; install new equipment and move transmitter locally.

NEW—Montana Broadcasting Co., Helena, Mont.—Denied petition  
**1420** to reconsider and grant application for new station to operate  
on **1420 kc.**, 100 watts, specified hours.

WTMJ—The Journal Company, Milwaukee, Wis.—Denied petition  
**620** to reconsider application to increase night power from 1 to 5  
KW. The application of WTMJ to increase day power from  
 $2\frac{1}{2}$  to 5 KW was granted October 30, 1934, but that part  
requesting increase in night power was designated for hearing.

WCSH—Congress Square Hotel Co., Portland, Me.—Denied peti-  
**940** tion of WCSH to reconsider and grant without hearing their  
application to increase daytime power from  $2\frac{1}{2}$  to 5 KW.

KVOD—Colorado Radio Corp., Denver, Colo.—Denied petition to  
reconsider and grant application to increase day power from  
500 watts to 1 KW.

WACO—Central Texas Broadcasting Co., Inc., Waco, Tex.—Re-  
**1420** considered and granted without hearing application of WACO  
to increase hours of operation from specified to unlimited.

KECA—Earle C. Anthony, Los Angeles, Calif.—Reconsidered and  
**1430** granted application to increase daytime power from  $2\frac{1}{2}$  to  
5 KW.

KRKD—Radio Broadcasters, Inc., Los Angeles, Calif.—Recon-  
**1120** sidered and granted application to increase power from 500  
watts to  $2\frac{1}{2}$  KW, and dismissed that part of application to  
increase night power to 1 KW.

WLLH—Albert S. Moffat, Lowell, Mass.—Reconsidered and granted  
application to increase hours of operation from specified to  
unlimited.

KPRC—Houston Printing Co., Houston, Tex.—Reconsidered and  
**920** granted application to increase daytime power from  $2\frac{1}{2}$  KW  
to 5 KW; application to increase night power to remain in  
hearing docket.

KDYL—Intermountain Broadcasting Corp., Salt Lake City.—  
Granted authority to intervene in hearing in re application  
of Utah Radio Educational Society to construct a new station  
at Salt Lake City to operate on **1450 kc.**, 1 KW, unlimited  
time.

NEW—Portland Broadcasting System, Inc., Portland, Me.—Granted  
petition to intervene in hearing of the application of Congress  
Square Hotel Co. (WCSH) for modification of license to  
increase power to 5 KW day.

W. J. Reynolds, Jr., Selma, Ala.—Granted request to take deposi-  
tions in re application in hearing Docket No. 2604, set before  
an examiner on December 6.

J. D. Kolesar, Stockton, Calif.—Granted authority to take deposi-  
tions in re application of Norman F. Storm, in re application  
set for hearing before an examiner on December 11.

NEW—Abraham Shapiro, Astoria, Ore.—Redesignated for hearing  
**1370** the amended application of Shapiro for a new station to  
operate on **1370 kc.**, 100 watts power, specified hours, in  
Astoria, Ore., to be heard together with application of KSLM  
for increase in hours to unlimited time of operation on same  
frequency (**1730 kc.**).

WIEH—Knickerbocker Broadcasting Co., Inc., Portable.—Granted renewal of broadcast pickup station license in temporary service for period November 1, 1934, to November 1, 1935, in exact conformity with existing license.

KILB—International Broadcasting Corp., Portable.—Granted renewal of broadcast pickup station license in temporary service for period November 1, 1934, to November 1, 1935, in exact conformity with existing license.

W8XO—The Crosley Radio Corp., near Mason, Ohio.—Granted renewal of special experimental station license in exact conformity with existing license.

WTCM—Minneapolis Broadcasting Corp., Minneapolis, Minn.—C. P. requesting authority to change transmitter location from Fridley to Richfield, Minn., and make changes in antenna, heretofore granted, was retired to closed files at applicant's request.

## APPLICATIONS RECEIVED

### First Zone

WOV—International Broadcasting Corp., New York, N. Y.—Construction permit to install directional antenna, change time from day to unlimited, amended to request unlimited time except hours assigned to WLWL on 1100 kc.

WNBX—WNBX Broadcasting Corp., Springfield, Vt.—Construction permit requesting change in antenna, change hours of operation from daytime to unlimited (1 KW power).

WMFF—Plattsburg Broadcasting Corp., Plattsburg, N. Y.—Modification of construction permit (1-P-B-3221) to make equipment changes and extend commencement and completion dates.

### Second Zone

NEW—WMAN Broadcasting Co. (John F. Weimer, Eugene Altwies, 1370 Gerald G. Roberts, and Rose Altwies), Mansfield, Ohio.—Construction permit for a new broadcast station to be operated on 1370 kc., 100 watts power, unlimited time. Transmitter and studio sites to be determined, Mansfield, Ohio. Amended: Changed name from WMAN, Inc. (Corporation pending), to WMAN Broadcasting Co.

WJBK—James F. Hopkins, Inc., Detroit, Mich.—License to cover construction permit (2-P-B-3311) to increase power and make equipment changes.

WSMK—WSMK, Inc., Dayton, Ohio.—Special experimental authorization to operate unlimited time simultaneously with KQV, period ending 5-1-34. Amended to change name from Stanley M. Krohn, Jr., to WSMK, Inc.

WMPC—The First Methodist Protestant Church of Lapeer, Lapeer, Mich.—Modification of license to change hours of operation from Central Standard Time to Eastern Standard Time, and Sunday hours from 10 a. m. to 2 p. m., 3:30 to 6 p. m., 7:30 to 11 p. m., to 10 a. m. to 2 p. m., 3 p. m. to 6 p. m., 7:30 p. m. to 10:30 p. m.

### Third Zone

NEW—R. B. Broyles, trading as R. B. Broyles Furniture Co., Portable.—Construction permit to erect a new broadcast pickup station to be operated on 1622, 2060, 2150, 2790 kc., 10 watts.

NEW—A. H. Belo Corp., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 34600 kc., 3 watts.

WPFB—Otis P. Eure, Hattiesburg, Miss.—Voluntary assignment of 1370 license to George T. Bishop.

WKEU—Radio Station WKEU, LaGrange, Ga.—Construction permit to move the transmitter and studio from 906 Hill St., LaGrange, Ga., to Griffin Hotel, West Solomon St., Griffin, Ga., and to change hours of operation from specified to daytime. Amended re hours of operation.

### Fourth Zone

NEW—H. LeRoy Miller, d/b as The Minneapolis Broadcaster, 1370 Minneapolis, Minn.—Construction permit to erect a new broadcast station to be operated on 1350 kc., 100 watts, daytime, amended to change frequency to 1370 kc.

WMAQ—National Broadcasting Co., Inc., New York, N. Y.—Modification of construction permit to extend commencement date from 10-4-34 to 12-3-34 and completion date from 12-4-34 to 4-4-35.

WJBC—Wayne Hummer and H. J. Dee, d/b as Kaskaskia Broadcasting Co., Bloomington, Ill.—License to cover construction

permit (4-P-B-3113) for move of studio and transmitter. Amended re signature.

NEW—Perkins Brothers Co., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, and 40600 kc., 2.7 watts.

WOC—The Palmer School of Chiropractic, Davenport, Iowa (formerly KICK).—License to cover construction permit (4-P-B-3071).

WHB—WHB Broadcasting Co., Kansas City, Mo.—Modification 860 of license to increase day power from 500 watts to 1 KW.

KFOR—Cornbelt Broadcasting Corp., Lincoln, Nebr.—Authorization to install automatic frequency control. Amended re signature.

KWK—Thomas Patrick, Inc., St. Louis, Mo.—Construction permit 1350 to change equipment and increase day power from 2½ KW to 5 KW. Amended re equipment.

### Fifth Zone

W6XAI—Pioneer Mercantile Co., Bakersfield, Calif.—Modification of construction permit for change in type of transmitter.

KFWB—Warner Bros. Broadcasting Corp., Hollywood, Calif.—950 License to cover construction permit (5-P-B-3307) for change in equipment and increase in day power from 1 KW to 2½ KW.

KUJ—KUJ, Inc., Walla Walla, Wash.—Construction permit to 1340 make change in equipment, change frequency from 1370 kc. to 1340 kc., increase power from 100 watts to 1 KW, and time of operation from daytime to unlimited, requesting facilities of KFPY. Amended: Change equipment, location of transmitter from 2nd and Rose Sts. to County Road and College Ave., Walla Walla, Wash.

NEW—Richard Field Lewis, Del Monte, Calif.—Construction permit to erect a new broadcast station to be operated on 1210 1210 kc., 100 watts power, unlimited time, to be considered under Rule 6. Amended: Change transmitter location to Polo Field House, Del Monte Hotel, Del Monte, Calif.

NEW—Helena Broadcasting Co., Helena, Mont.—Construction permit 1420 for new station to be operated on 1420 kc., 100 watts power, unlimited time. Amended re location, to Montana Life Ins. Bldg., Lawrence St. and Fuller Ave., Helena, Mont.

## APPLICATIONS RETURNED

WKRC—WKRC, Inc., Cincinnati, Ohio.—Modification of construction 550 permit (2-P-B-3282) as modified to install new equipment and increase power from 500 watts and 2½ KW to 1 KW night, 5 KW day. (Transmitter location.)

WKEU—Radio Station WKEU, LaGrange, Ga.—Construction permit 1500 to move transmitter and studio from 906 Hill St., LaGrange, Ga., to Griffin Hotel, West Solomon St., Griffin, Ga., and change hours of operation from specified hours to daytime only. (Hours of operation.)

WJBC—Wayne Hummer and H. J. Dee, Bloomington, Ill.—License 1200 to cover construction permit (4-P-B-3113) for move of transmitter. (Signature.)

KOIL—Mona Motor Oil Co., Council Bluffs, Iowa.—License to 1260 cover construction permit (4-P-B-3299) as modified to install new equipment and increase power. (Wrong form.)

NEW—D. A. Gibbs, Jr., and E. H. Shemorry, d/b as KWIL Broad- 1500 casting Company, Williston, N. D.—Construction permit to erect a new broadcast station to be operated on 1500 kc., 100 watts, daytime; specified hours: 11:00 a. m. to 2:00 p. m. and 5:00 p. m. to 8:00 p. m. (Power equipment, and over quota.)

NEW—Eli M. Lurie, Greenport, N. Y.—Application for construction 1200 permit to erect a new broadcast station to be operated on 1200 kc., 100 watts, daytime (8 a. m. to 6 p. m.); studio and transmitter sites to be determined, Greenport, N. Y. (Jurat and equipment.)

WATR—Harold Thomas, Waterbury, Conn.—Modification of 1190 license to change hours of operation from daytime to limited time. (Wrong name on application.)

NEW—B. F. Meek, Kermit, Tex.—Construction permit for new 1260 station to be operated on 1260 kc., 100 watts power, daytime. Transmitter and studio located, Kermit, Tex. To share with KPAC and KRGV. (Rule 6 and equipment; Rule 120; Section 14 (d) and (e).)

NEW—Alexandria Broadcasting, Inc., Alexandria, La.—Construction 1370 permit for new station to be operated on 1370 kc., 100 watts night power, unlimited time. Transmitter and studio located at Rapides Parish, Third and Desoto Sts., Alexandria, La. (Location and daytime power.)

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### BOARD MEETING DECEMBER 11 AND 12

President Ward has called a meeting of the NAB Board of Directors at New York on December 11 and 12. The first meeting since the reorganization meeting in Cincinnati last September, the Board will give consideration to next year's NAB program.

### NAB FILES BRIEF IN HEARINGS

The NAB this week filed a brief of the testimony submitted by the industry in connection with the general hearings before the Federal Communications Commission. Copies of the brief will be mailed to all NAB members.

### PROCEEDINGS BEING PRINTED

Proceedings of the recent NAB Convention held at Cincinnati are now in the hands of the printer and will be ready for distribution at an early date. One copy will be sent to each NAB member. Additional copies must be purchased at \$4.00 each.

### REPORT ON DELINQUENTS

The Managing Director will report to the Board of Directors at its New York meeting on December 11 and 12 that all but 23 of the 375 NAB members are in good standing. It will be recommended that the 23 members in arrears at the time of the meeting be dropped from NAB membership.

### OBJECTS TO COMBINATION DISCOUNTS

Radio broadcasting stations and network companies would be prohibited from granting special discounts on facilities sold in combination with other advertising media under a code amendment which has been submitted for NRA approval by the radio broadcasting industry's Code Authority.

Another amendment proposed would forbid the granting of special discounts or rates on a "run of schedule time" basis.

The Code Authority also has suggested an amendment which would make mandatory upon industry members the payment of assessments to cover code administration expenses. The proposal would empower the Code Authority to prepare a budget and basis of contribution for NRA approval, and if approved, to collect contributions from members and make expenditures called for under the budget.

Objections or suggestions concerning these proposed amendments may be submitted to Deputy Administrator William P. Farnsworth before December 17.

### A. N. A. CONVENES

Proposals for the revision of the present form of agency compensation, recommendations for the creation of an advertising research foundation, the announcement of plans for the extension of the traffic studies conducted in recent years by Bureau of Street Traffic Research of Harvard University, and a discussion of probable future legislation affecting advertising, were among the highlights of the twenty-fifth annual meeting of the Association of National Advertisers, held in Atlantic City last week.

Among the outstanding points developed by the A. N. A. agency report, as described by Lee H. Bristol at the closing session, was the contention that agency commission is not a commission in the legal sense, but rather a discount; that this system of payment has been greatly modified in business practice; that the agency is agent of the advertiser only and not of the medium; that the present system of compensation is too rigid; that this rigidity is aiding in forcing advertisers to place increasing amounts of advertising outside of the agency.

It was recommended that advertisers review their present agency contracts in view of the findings of the report, though it was stated that no immediate and complete elimination of the present 15 per cent system was being sought.

The A. N. A. report was prepared as an answer to the agency compensation survey conducted for the A. A. A. A. by Prof. James W. Young of the University of Chicago in 1933.

President Allyn B. McIntire announced the formation of a new advertising research foundation, with the approval of the executive board. The foundation is to be cooperatively financed and managed by all units within the industry—buyers and sellers alike—and is designed "to perform the function of directing, supervising, and guiding the work of those major research agencies which offer promise of providing results of greatest value to the greatest number."

Dr. Miller McClintock, director of the Bureau for Street Traffic Research of Harvard University, outlined a program for the study of trading areas and traffic flow. The study will be carried on in 15 to 20 different markets and will be sponsored by seven or eight manufacturers utilizing various types of retail outlets. The work of the Bureau thus far has been of particular importance in developing measures applicable to outdoor advertising circulation.

The possibility of government legislation regarding advertising and branding was discussed by a number of speakers, the consensus of opinion being that some form of additional regulation was highly probable. All speakers seemed agreed, however, that no drastic, bureaucratic legislation was imminent.

### CODE BEGINS SCRUTINY OF CONGOIN

James W. Baldwin, Executive Officer for the Code Authority, announced today that numerous letters have been received from stations in reference to a proposal made by the Congoin Company of Los Angeles, California. The Congoin Company, after listing a number of powerful and well-known radio stations over which Congoin programs are broadcast, proposes to furnish to stations a series of 26 electrical transcriptions at a cost to the station equal to the value of time consumed in broadcasting them, with the understanding that each station that reaches its quota of inquiries (a specific quota being fixed for each station) will receive from the Congoin Company a confirmed order, with check attached, for 52 additional periods of time. This proposal violates the provision contained in Article VII, Section 1, paragraph (b) of the Code, which prohibits free time.

The Code Authority will investigate the accounts of all stations mentioned in the Congoin Company correspondence. Agreeably with the policing policies of NRA codes, station managers and executives are requested to furnish the Code Authority with the call letters of stations carrying the Congoin programs.

### NAB COPYRIGHT PAYMENTS

In connection with inquiries received by the NAB relative to NAB copyright assessments, it is pointed out that Treasurer Levy announced at the Cincinnati convention that it will be unnecessary to continue such payments for the present.

### "BLUE EAGLE" PUBLISHES NAB DATA

The November 19 issue of *The Blue Eagle*, official publication of the NRA, carried on the first page a summary of broadcast advertising statistics as published by the NAB.

### NAB BUSINESS INDEX IN DEMAND

The monthly business figures published by the NAB have gained steadily in popularity and today is one of the most valuable services of the Association.

## TELEGRAPH HEARING MONDAY

Recently the National Association of Marketing Teachers asked that the NAB send copies of these monthly reports to its members throughout the United States. This request was refused, but we gave the Association permission to reproduce the figures or send to the Association's headquarters a sufficient number of copies of the reports for inclusion in its regular mailings to its 375 members, teachers of marketing, distribution and advertising throughout the nation.

The American Association of Advertising Agencies recently requested 100 extra copies of these reports for use by its members. This request was granted.

"With regard to your reports on advertising expenditures in radio broadcasting," says Fred Gamble, Executive Secretary of the Association, "I can tell you without any hesitation that they are of great value to advertising agencies. Our reason for asking for more copies was to relieve us of having to circulate the two or three copies we had among all of our interested members and the strain got too great.

"Magazines and newspapers have long had, through national advertising records and media records, information of this character. It seems only logical that expenditures on radio broadcasting should be available to advertisers and agencies with equal accuracy."

Some months ago the Association of National Advertisers requested permission to reproduce the figures in its regular publication to members. This request also was granted.

The service is being improved and NAB members are requested to give their best support to this project. More than 100 stations have participated since the beginning. Many others have joined since. All are asked again to give prompt attention to filling out the information blanks so that these monthly reports can be published at the earliest dates.

### CODE EXEMPTIONS REQUESTED

The NRA announced today that requests for exemption from the provisions of the radio broadcasting industry code have been received from the following stations:

WBBR, Peoples Pulpit Association, Brooklyn, N. Y.; WEW, St. Louis University, St. Louis, Mo.; WSVS, Seneca Vocational High School, Buffalo, N. Y.; WFKU, University of Kansas, Lawrence, Kans.; KFUE, Evangelical Lutheran Synod of Missouri, Ohio, etc., St. Louis, Mo.; KPPC, Pasadena Presbyterian Church, Pasadena, Calif.; KTW, the First Presbyterian Church of Seattle (Wash.).

Objections or suggestions concerning these applications may be made to Deputy Administrator William P. Farnsworth before December 17.

### SECURITIES ACT REGISTRATION

The following companies have filed registration statements with the Securities and Exchange Commission under the Securities Act:

Chester Imes, Oklahoma City, Okla. (2-1189, Form G-1)  
Pioneer Gold Products, Inc., Durango, Colo. (2-1190, Form A-1)  
Interstate Mining Corporation, Twin Falls, Idaho. (2-1191, Form A-1)  
Basin Gold and Silver Company, Basin, Mont. (2-1192, Form A-1)  
Morning Star Gold Mines, Ltd., Sacramento, Calif. (2-1193, Form A-1)  
Chicago Title and Trust Co., as Trustee, Chicago, Ill. (2-1194, Form E-1)  
Louis A. Zolkov et al., Oaklyn, N. J. (2-1196, Form D-1)

### A-HUNTING WE WILL GO!

Harry Shaw, ex-NAB president, ex-broadcaster, and your Managing Director, ex-deer hunter, returned this week from a hunting trip in northern Minnesota, near Lake Kabetogama. It was Shaw's idea.

Interviewed as he climbed out of an upper berth at the Washington station (with snow-shoes in hand), the ex-deer hunter broke down and made the following confession:

"I have told so many conflicting stories about the trip that I don't remember whether I got a deer or not or whether he had five or six prongs."

Asked whether he shot a bear, he replied:

"They have many lovely swamps up there."

Pressed for an elaboration of this statement, he continued:

"There's lots of woods up there; the scenery is beautiful; it's plenty cold." He mumbled something about plumbing as he dropped to the station floor, completely revived from his vacation.

Shaw could not be found for an interview.

The Federal Communications Commission, on Monday, December 3, 1934, will conduct a hearing to determine a basis for recommendation to Congress regarding the enactment of laws authorizing the consolidation or merger of communication companies.

The Postal Telegraph-Cable Co., Western Union Telegraph Co., Continental Telegraph Co., A. T. & T. Co., American Radio News Corp., RCA, Association of Western Union Employees, Commercial Telegraphers' Union, United Telegraphers of America, the State of New Hampshire, and the War and Navy Departments are scheduled to appear.

## FEDERAL COMMUNICATIONS COMMISSION ACTION

### HEARING CALENDAR

Monday, December 3, 1934

Eighteen applications filed by WARD, WBBC, WVFW, WLTH, Brooklyn Daily Eagle, Arde Bulova and Norman K. Winston, WEVD, WHAZ, and WFAB for 1400 kilocycle facilities in Brooklyn and 1300 kilocycle facilities in New York, will be heard by an Examiner.

Monday, December 3, 1934, at Washington, Pa.

WNBO—John Brownlee Spriggs, Silver Haven, Pa.—Renewal of license, assignment of license, and C. P. (1200 kc., 100 watts, S. H.)

Wednesday, December 5, 1934

WAAT—Bremer Broadcasting Corp., Jersey City, N. J.—Renewal of license (940 kc., 500 watts, daytime).

WAAT—Bremer Broadcasting Corp., Jersey City, N. J.—License to cover C. P.

NEW—The Ardmoreite Publishing Co., Ardmore, Okla.—C. P., 1210 kc., 100 watts, unlimited time.

Thursday, December 6, 1934

NEW—T. H. Barton, Eldorado, Ark.—C. P., 1370 kc., 100 watts, unlimited time.

NEW—Calcasieu Broadcasting Co., Lake Charles, La.—C. P., 1500 kc., 100 watts, unlimited time.

NEW—Wm. J. Reynolds and Wm. J. Reynolds, Jr., Selma, Ala.—C. P., 1500 kc., 100 watts, daytime.

### APPLICATIONS GRANTED

WKEU—Radio Station WKEU, LaGrange, Ga.—Granted C. P. 1500 to move transmitter and studio from LaGrange to Griffin, Ga., and change hours of operation from specified to daytime hours, on 1500 kc., 100 watts.

NEW—W. Wright Esch, Daytona Beach, Fla.—Granted C. P. for 1420 new station to operate on 1420 kc., 100 watts, unlimited time.

WNAC—Shepard Broadcasting Service, Inc., Boston, Mass.—1230 Granted license covering C. P. authorizing increase in day power from 1 KW to 2½ KW, 1230 kc., 1 KW night.

WOL—American Broadcasting Co., Washington, D. C.—Granted 1310 modification of C. P. to extend completion date to January 15, 1935.

WADC—Allen T. Simmons, Tallmadge, Ohio.—Granted modification of C. P. to change equipment and extend completion date to January 10, 1935.

WAMC—Raymond C. Hammett, Anniston, Ala.—Granted modification of C. P. approving transmitter site at 10th and Noble Streets, Anniston, Ala.; change authorized equipment and extend commencement date to at once and completion date to 45 days hereafter. (Application granted with conditional clause.)

KXYZ—Harris County Broadcast Co., Houston, Tex.—Granted 1440 license covering special experimental authority to operate with additional power of 250 watts and make changes in equipment.

WSAN—WSAN, Inc., Allentown, Pa.—Granted special experimental 1440 authority for period of 60 days to increase power from 250 to 500 watts, on 1440 kc., sharing with WCBA.

WCBA—B. Bryan Musselman, Allentown, Pa.—Granted special 1440 authorization to increase power from 250 to 500 watts, for period of 60 days.

WEDC—Emil Denmark, Inc., Chicago, Ill.—Granted renewal of 1210 license on a temporary basis subject to such action as may be taken upon pending application for renewal.

NEW—Bamberger Broadcasting Service, Inc., location to be determined (Newark, N. J.)—Granted C. P. (gen. exp. exp.), frequencies 31600, 35600, 38600, 41000 kc., 1000 watts power, for special for facsimile communications.

### SET FOR HEARING

WHOM—New Jersey Broadcasting Corp., Jersey City, N. J.—C. P. 1450 to move transmitter from Jersey City to Hoboken, N. J., and make changes in equipment.

NEW—Community Broadcasting Co., Toledo, Ohio (site to be 1200 determined).—C. P., 1200 kc., 100 watts, daytime.

NEW—Lake Region Broadcasting Co., Lakeland, Fla.—C. P., 1310 1310 kc., 100 watts, unlimited time.

WTAR—WTAR Radio Corp., Norfolk, Va.—Modification of license 780 to increase night power from 500 watts to 1 KW.

WBNO—The Coliseum Place Baptist Church, New Orleans, La.—1200 Consent to voluntary assignment of license to Edward R. Musso.

WBHS—Virgil V. Evans, Huntsville, Ala.—Renewal of license; 1200 1200 kc., 100 watts, shares WFBC-WBHS, 6/7 time.

WROL—Stuart Broadcasting Corp., Knoxville, Tenn.—C. P. to 1310 make changes in equipment and increase day power from 100 watts to 250 watts. (This application supersedes an application for special experimental authority formerly filed requesting same authority.)

### ORAL ARGUMENT GRANTED

The Broadcast Division will hear oral arguments on January 16, 1935, beginning at 10 a. m., in re Examiner's Report No. 1-2, regarding the application of KTAR at Phoenix, Ariz., to increase its night power from 500 watts to 1 KW.

### MISCELLANEOUS

WJJD—WJJD, Inc., Chicago, Ill.—Application for modification of 1130 license set for hearing on December 3, 1934, continued and a new date will be fixed when the application of WOV will be heard.

WBBM—WBBM Broadcasting Corp., Chicago, Ill.—Hearing of 770 application for C. P. continued and a new date will be fixed by the Docket Section.

WBBR—Peoples Pulpit Association, Brooklyn, N. Y.—Denied peti- 1300 tion to continue for 90 days hearing on application for renewal of license set for December 3, 1934.

WARD—United States Broadcasting Corp., Brooklyn, N. Y.—De- 1400 nied petition for a "clarification or modification" of the order remanding the Brooklyn cases for further hearing.

WVFW—Paramount Broadcasting Corp., Brooklyn, N. Y.—Denied 1400 petition for a "clarification or modification" of the order remanding the Brooklyn cases for further hearing.

WNBO—John Brownlee Spriggs, Silver Haven, Pa.—Denied re- 1200 quest for continuance of hearing scheduled for December 3, 1934, at Washington, Pa.

KTUL—Tulsa Broadcasting Co., Inc., Tulsa, Okla.—The Commis- 1400 sion reconsidered its action in designating application for hearing and upon reconsideration thereof granted said application on an experimental basis for 60 days.

NEW—Carolina Radio, Inc., Anderson, S. C.—C. P. for new station 1200 to operate on 1200 kc., 100 watts night, 250 watts LS, unlimited time, heretofore set for hearing, was dismissed at request of applicant.

W5XL—East Texas Broadcasting Co., Portable-Mobile.—C. P. for 1200 new general experimental station, heretofore granted, was retired to closed files for want of prosecution.

### LICENSE RENEWALS

WLAC—Life and Casualty Ins. Co. of Tennessee, Nashville, Tenn.— 1470 Granted renewal of license for the period ending May 1, 1935.

WBAX—John H. Stenger, Jr., Wilkes-Barre, Pa.—Granted renewal 1210 of license on a temporary basis subject to such action as the Commission may take on their pending application for renewal as well as upon application for modification of license pending before it.

WKOK—Sunbury Broadcasting Corp., Sunbury, Pa.—Granted re- 1210 newal of license on a temporary basis subject to Commission's action on pending application for renewal as well as upon any application affecting this station.

WNBO—John Brownlee Spriggs, Silver Haven, Pa.—Granted re- 1200 newal of license on a temporary basis subject to such action as the Commission may take on licensee's pending application for renewal.

WIBG—WIBG, Inc., Glenside, Pa.—Present license extended for 970 two months from December 1, 1934, on a temporary basis subject to such action as may be taken upon pending application for renewal.

KGVO—Mosby's, Inc., Missoula, Mont.—Present license extended 1200 for three months from December 1, 1934, subject to such action as may be taken on pending application for renewal.

WABI—First Universalist Society of Bangor, Maine.—Present 1200 license extended for three months from December 1, 1934, subject to such action as may be taken on pending application for renewal.

WIP—Pennsylvania Broadcasting Co., Philadelphia, Pa.—Present 650 license extended for three months from December 1, 1934, subject to such action as may be taken on pending application for renewal.

WJBW—Chas. C. Carlsen, New Orleans, La.—Granted renewal of 1200 license on a temporary basis subject to such action as the Commission may take on renewal application, which was designated for hearing.

WBNO—The Coliseum Place Baptist Church, New Orleans, La.— 1200 Granted renewal of license on a temporary basis subject to such action as the Commission may take on renewal application, which was designated for hearing.

KVOS—KVOS, Inc., Bellingham, Wash.—Granted renewal of license 1200 on a temporary basis subject to such action as the Commission may take on renewal application, which was designated for hearing.

WOCL—A. E. Newton, Jamestown, N. Y.—Granted renewal of 1210 license on a temporary basis subject to such action as the Commission may take on any applications pending affecting this station, particularly the application of Brown Radio Service & Laboratory, for such part of this station's facilities as is necessary to operate simultaneously day and 100 watts night, unlimited time, as well as upon renewal application of this applicant, which was designated for hearing.

WIP—Pennsylvania Broadcasting Co., Philadelphia, Pa.—Special 610 authorization to increase power to 1 KW experimentally was extended pending further consideration by the Commission, for the period December 1, 1934, and no later than March 1, 1935.

W9XK—University of Iowa, Iowa City, Iowa.—Granted renewal 1200 of experimental visual license in the exp. service effective 3 a. m., December 1, 1934, and ending 3 a. m., EST, May 1, 1935, in exact conformity with existing license.

### APPLICATIONS RECEIVED

#### First Zone

National Broadcasting Co., Inc., Bound Brook, N. J.—License to 1200 use transmitter already constructed for 2020, 2102, 2760 kc., A1, A2, A3.

W2XR—John V. L. Hogan, 3104 Northern Blvd., Long Island City, 1550 N. Y.—Modification of license to change name of business to "John V. L. Hogan, d/b as Scientific Broadcasting Service."

WNAC—Shepard Broadcasting Service, Inc., Boston, Mass.—Con- 1230 struction permit to make changes in equipment and increase power from 1 KW, 2½ KW, to 1 KW night, 5 KW daytime.

WSAR—Doughty & Welch Elec. Co., Inc., Fall River, Mass.—Con- 1450 struction permit to make equipment changes, increase power from 250 watts to 1 KW.

WPRO—Cherry & Webb Broadcasting Co., Providence, R. I.— 630 Extension special experimental authorization to operate on 630 kc., power 250 watts, period ending 6-1-35.

WHDL—Tupper Lake Broadcasting Co., Inc., Olean, N. Y.—License 1420 to cover construction permit (B1-P-53) to move transmitter and studio to Olean, N. Y.; make equipment changes.

WNBX—WNBX Broadcasting Corp., Springfield, Vt.—License to 1260 cover construction permit (B1-P-56) to make changes in equipment and increase power.

W8XCN—Onondaga Radio Broadcasting Corp., Portable-Mobile.— 1200 License to cover construction permit for new general experimental station to be operated on 31100, 34600, 37600, 40600 kc., 5 watts.

W8XCO—Onondaga Radio Broadcasting Corp., Portable-Mobile.— 1200 License to cover construction permit for new general experimental station to be operated on 31100, 34600, 37600, 40600 kc., 5 watts.

WNAC—Shepard Broadcasting Service, Inc., Boston, Mass.—Construction permit to make equipment changes and increase power amended to change frequency from 1230 kc. to 830 kc., increase night power to 5 KW, change location of transmitter, requests facilities WHDH.

### Second Zone

WKBBZ—Karl L. Ashbacker, Muskegon, Mich.—Construction permit to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts daytime.

WSAI—The Crosley Radio Corp., Cincinnati, Ohio.—Modification of license to increase power from 1 KW, 2½ KW, to 1 KW, 5 KW day.

### Third Zone

NEW—Denton Broadcasting Co., Eugene DeBogory, Owner, Denton, Tex.—Construction permit for new station to be operated on 1420 kc., 100 watts power, daytime hours of operation. Studio and transmitter located Local Hotel, Denton, Tex.

NEW—Wm. L. Waltman, Muskogee, Okla.—Construction permit for a new station to be operated on 1200 kc., 100 watts power, unlimited time. Studio, Fifth and Wall Streets, Hotel Severs, Muskogee, Okla.; transmitter site Fifth and Wall Streets. Amended: Change frequency from 1200 kc. to 1500 kc.; hours of operation from daytime to unlimited time.

NEW—Alexandria Broadcasting Company, Inc., Alexandria, La.—Construction permit for new station requesting 1370 kc., 100 watts power night, unlimited time. Transmitter and studio located at Rapids Parish, Third and DeSoto Streets, Alexandria, La. Amended: Requests 100 watts power night and day; transmitter site moved to Upper 4th Street, Alexandria, La.

NEW—Evangeline Broadcasting Co., Lafayette, La.—Construction permit for new station to be operated on 1310 kc., 100 watts power, unlimited time. Studio and transmitter located at 525 Jefferson Street, Lafayette, La.

KGHI—Lloyd Judd Company, Little Rock, Ark.—Voluntary assignment of license to Arkansas Broadcasting Co., Little Rock, Ark.

WFBC—Greenville News-Piedmont Company, Greenville, S. C.—Construction permit to install new equipment and increase power from 1 KW to 1 KW night and 5 KW daytime. Transmitter site to be determined.

NEW—Winger & Thomas, Chattanooga, Tenn.—Construction permit for a new station to be operated on 1420 kc., 100-watt power, daytime. Studio located at 7th and Market, Chattanooga, Tenn.; transmitter location to be determined. Amended: Change frequency from 1420 kc. to 1200 kc., hours of operation from daytime to unlimited. (To be considered under Rule 6 (g)).

NEW—A. Garfield Tubbs, Pampa, Tex.—Construction permit to erect a new broadcast station to be operated on 940 kc., 1 KW, unlimited time, transmitter and studio to be located at 354 Foster Ave., Pampa, Tex.

WGST—Georgia School of Technology, Atlanta, Ga.—Modification of license to increase power from 500 watts, 1 KW-local sunset, to 1 KW.

KNOW—KUT Broadcasting Co., Austin, Tex.—Special experimental authorization to be operated on 1290 kc., 250 watts; change equipment, period not to exceed 1-1-35. Amended to change frequency to 1330 kc. contingent upon release that frequency by station KTRH.

WSIX—Jack M. Draughon, Louis R. Draughon, d/b as 638 Tire & Vulcanizing Co., Springfield, Tenn.—Construction permit move transmitter from 115 Public Square, Springfield, Tenn., to site to be determined, Nashville, Tenn., and studio from same to Andrew Jackson Hotel, Nashville, Tenn.

NEW—Wilton E. Hall, Anderson, S. C.—Construction permit to erect a new broadcast station to be operated on 1200 kc., 100 watts night, 250 watts local sunset, unlimited time. Amended to request 100 watts day and night.

NEW—F. N. Pierce, Taylor, Tex.—Construction permit to erect a new broadcast station to be operated on 1310 kc., 100 watts, unlimited time. Amended to request daytime operation.

KLUF—George Roy Clough, Galveston, Tex.—Extension special experimental authorization to increase power from 100 watts to 100 watts night, 250 watts local sunset, from 1-1-35 to 7-1-35.

WWL—Loyola University, New Orleans, La.—Construction permit to install new equipment, increase power from 10 KW to 50 KW, change hours from specified hours to unlimited time.

NEW—Palestine Broadcasting Assn., Palestine, Tex. (John C. Welch, Wm. M. Keller, Bonner Frazzelle).—Construction permit to erect a new broadcast station to be operated on 1420 kc., 100 watts, specified hours; studio, 315 W. Spring Street, Palestine, Tex.; transmitter, 1 mile east Palestine, Tex.

### Fourth Zone

WTRC—Truth Radio Corp., Elkhart, Ind.—License to cover construction permit (B4-P-91) to install new equipment.

WDZ—James L. Bush, Tuscola, Ill.—Construction permit to make equipment changes, increase power from 100 watts to 250 watts. Amended to change frequency from 1070 kc. to 1020 kc. when KYW moves to Philadelphia.

NEW—Harold Rieth, Goshen, Ind.—Construction permit to erect a new general experimental station to be operated on 1614, 3492.5, 4797.5, 6425 kc., 30 watts. Amended to change class of station to experimental visual broadcast to be operated on 42000-56000, 60000-86000, 2000-2100, 2750-2850 kc., 30 watts.

KWTO—KGBX, Inc., Springfield, Mo.—Construction permit to install new equipment, increase day power from 1 KW to 5 KW.

NEW—Black Hills Broadcast Co., Rapid City, S. D.—Construction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited time; studio, Alex Johnson Hotel, Rapid City, S. Dak.; transmitter, Rapid Creek, Rapid City, S. Dak.

NEW—Mississippi Valley Broadcasting Co., Inc., East St. Louis, Ill.—Construction permit to erect a new broadcast station to be operated on 1500 kc., 100 watts night, 250 watts local sunset; transmitter and studio site to be determined; unlimited time. Amended to request changes in equipment; change daytime power from 250 watts to 100 watts.

NEW—Mid-Central Broadcasting Co. (J. E. Davidson, Jr., M. M. Smith, and J. M. Davidson), Kansas City, Mo.—Construction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited time. Requests facilities KWKC. (Application supersedes B4-P-13.)

NEW—National Battery Broadcasting Co., Minneapolis, Minn.—Construction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited time.

WOC—The Palmer School of Chiropractic, Davenport, Iowa.—Modification construction permit (4-P-B-3071) to make changes in equipment. (Formerly KICK.)

WOC—The Palmer School of Chiropractic, Davenport, Iowa.—License to cover construction permit (4-P-B-3071 as modified).

### Fifth Zone

KOA—National Broadcasting Co., Inc., Denver, Colo.—Authority to determine operation power by direct measurement.

KIT—Carl E. Haymond, Yakima, Wash.—Voluntary assignment of license to Valley Broadcasters, Inc.

NEW—Radio Service, Inc., Las Vegas, Nev.—Construction permit for new station on 1200 kc., 100 watts power, unlimited time. Studio and transmitter sites to be determined, Las Vegas, Nev.

KFXD—Frank E. Hurt, Napa, Idaho.—Construction permit to make changes in equipment, increase daytime power from 100 watts to 250 watts.

NEW—Peninsula Daily Herald Co., Monterey, Calif.—Construction permit to erect a new broadcast station to be operated on 820 kc., 100 watts, daytime. Transmitter and studio to be located Pearl and Washington Streets, Monterey, Calif.

NEW—George B. Bairey, Valley City, N. Dak.—Construction permit to erect a new broadcast station to be operated on 1310 kc., 100 watts, unlimited time.

KIT—Carl E. Haymond, Yakima, Wash.—Modification of construction permit (5-P-B-3325) to change location of transmitter and studio from 109½ E. Yakima Avenue to 6 So. 2nd Street, Yakima, Wash.

NEW—Fred L. Packard, A. Rosenberg, Los Angeles, Calif.—Construction permit to erect a new broadcast station to be operated on 1160 kc., 100 watts, limited time. Amended to request 250 watts, daytime.

KLZ—The Reynolds Radio Co., Inc., Denver, Colo.—Modification construction permit (5-P-B-3274) to extend commencement date from 10-30-34 to 12-1-34 and completion date from 1-30-35 to 4-1-35.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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DEC. 6, 1934

### BOARD WILL HEAR COPYRIGHT REPORT

The Board of Directors of the NAB at its meeting in New York next week will hear a report from its Copyright Committee and will give consideration to the various resolutions adopted at the membership meeting at Cincinnati. The Board faces a heavy agenda and the meeting will likely consume two days.

A meeting of the Copyright Committee and the Special Committee studying the creation of a cooperative coverage and listener data bureau also will meet.

President Ward will announce committee appointments for the coming year at the Board meeting.

### HAVE YOU CAST YOUR BALLOT?

Members of the Industry who are eligible to participate in the administration of the Code of Fair Competition for the Radio Broadcasting Industry have received Code Authority Bulletin No. 14 requesting their ballot on a proposed amendment to Article VII, Section 1, paragraph (a) of the Code. These amendments which have been proposed by the Code Authority are in keeping with the purpose and intent of Resolution No. 13 adopted at the NAB Convention. An affirmative vote sustains the NAB position in this matter. Remember the balloting will close December 14.

### A. F. OF M. OPPOSES ASCAP

Edward Canavan, chairman of the Local No. 802, New York musicians' union, issued a statement opposing the licensing activities of the American Society of Composers, Authors and Publishers.

"Owing to the prohibitive fee demand by ASCAP, employers have dispensed with the services of musicians and the exorbitant charges for playing copyrighted numbers have acted as a detriment to the best interests of members. Members having definite knowledge should report for the benefit of the Department of Justice places where members might have been employed or which dispensed with orchestras because of the fees charged by ASCAP."

### FREEDOM OF SPEECH BY RADIO

Louis G. Caldwell, former general counsel of the Federal Radio Commission, will discuss freedom of speech by radio in an address before the annual conference of the American Civil Liberties Union in Washington, D. C., on December 8. The subject of allocating time on all stations for non-profit and educational groups will be discussed by Bethuel M. Webster, former general counsel of the Federal Radio Commission, and Dr. Levering Tyson, director of the National Advisory Council on Radio in Education.

### FINAL 1933 RETAIL CENSUS DATA RELEASED

Retail sales of slightly more than 25 billions of dollars were reported for 1933 by more than one and one-half million stores, according to the final summary of the 1933 Retail Census released by the U. S. Department of Commerce this week.

With the number of stores practically unchanged since 1929, there was a decrease in dollar volume of sales amounting to 49 per cent. Actual physical volume of trade experienced a considerably smaller decline than did dollar volume, though no complete information is available on this point.

Trends in retail trade in various parts of the country, and with regard to particular types of retail outlets suggest the existence of new potential markets for broadcast advertising. In the gasoline field, the number of filling stations has increased by 49,000, and, despite a decrease in the price level, the retail sales volume of the gasoline industry was only 14 per cent below 1929.

Variety stores, unchanged in number of outlets since 1929, experienced a decline of but 25 per cent in dollar volume of trade. Food

stores declined very little in number, and experienced only a 38 per cent decline in dollar volume of sales. The proportion of retail food sales to total retail sales increased from 22 per cent to 27 per cent during the period 1929-33. Since the food industry is one of the most important users of radio broadcast advertising, this is of particular interest.

An important trend in the food field is the increasing importance of combination stores, dealing in both groceries and meat products. Whereas in 1929 these stores accounted for but 36 per cent of total retail food volume, this proportion rose to 47 per cent in 1933. Since it is these stores which enjoy the largest average volume of sales per outlet, they constitute one of the most significant potential markets for local retail food advertising.

Important shifts also were revealed in the relative proportion of total retail trade accounted for by various sections of the country. All six New England states increased in relative importance as far as retail sales volume was concerned. Other states showing similar increases included the nine South Atlantic states, California, Idaho, Kentucky, Louisiana, Minnesota, Missouri, Nevada, New Jersey, New York, Tennessee and Wyoming.

### COMMISSION HEARS TELEGRAPH COMPANIES

The Telegraph Division of the Federal Communications Commission on Monday of this week began hearing testimony of the telegraph companies operating in the domestic field relative to the possible consequences of a merger of the companies into a single company having a monopoly of the record communication business. The testimony favorable to the creation of such a monopoly originated with the Postal Telegraph & Cable Co., which seeks permissive legislation, based on a recommendation of the Commission, allowing a merger of Postal, Western Union, Mackay Radio, RCA Communications, and the teletypewriter and leased wire business of the A. T. & T. Co. The ostensible purpose of the Postal Telegraph proposal is the creation of a single record communication system to foster the person-to-person printer communication business and thus create an active competitor to the long-distance telephone. It was stated that continuance of existing competitive conditions cannot long permit the survival of the telegraph companies.

The merger proposal found little support from the other companies represented, and was actively opposed by labor representatives. It was contended by Labor that the only purpose of the proposed merger is the reduction of operating expenses, which would mean the reduction of the number of persons now engaged in the telegraph business. The Bell System expressed unwillingness to part with their leased-wire business, on the ground that they had built it from the ground up and that it is their intention to keep it. It was admitted by them that the teletypewriter and printer exchange services might function efficiently when operated by a single company.

The Communications Commission is authorized to report to Congress on desirable legislation relative to consolidation of communications companies.

### ADDITIONAL DATA BEING PREPARED

Additional information secured by the 1933 Retail Census is now in process of preparation, much of which will be of interest to broadcasting stations. Information by size of business, type of operation, and kinds of outlets is being compiled for all counties and for cities of 2,500 to 10,000 population. Preliminary reports for a number of states and areas are now available, while other information will be published during the next few months. Retail Census information may be procured by writing the Bureau of Census, Department of Commerce, Washington, D. C.

## NEW MARKETING INFORMATION MADE AVAILABLE

The addition of a number of important services to the trade information now published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, have just been announced.

More comprehensive trade statistics on the trend in retail sales, including data showing the trend in sales in each region of the country, will be collected by the newly organized Market Data Section. Information now being gathered for new passenger car sales, variety store chain sales, grocery sales in rural areas, automobile financing and department store collections, will be supplemented as soon as possible with information regarding drug store, and furniture sales.

A series of indexes for wholesale trade will be developed, and plans have been made for the revision of the "Market Data Handbook of the United States," the fundamental market statistics publication of the Bureau.

The Market Service Section is at present engaged in the revision of the Bureau's publication, "Market Research Source," which list of significant market research available and all sources of importance.

Marketing, merchandising and sales executives in the broadcasting field will find it worth while to keep a careful check on new information released by the Bureau.

## MIAMI TAXES COPYRIGHT REPRESENTATIVES

The city of Miami has passed an ordinance "providing for the registration of all persons, firms and corporations engaged in certain businesses, professions or occupations" and providing license fees for such persons, firms or corporations. Section 4 of the ordinance provides:

"Section 4. No person, firm, corporation or association shall engage in or manage any business, profession or occupation in this section mentioned without first obtaining from the City a license therefor for each separate location in the City; and provided a license shall be required to cover each and every business advertised by sign, newspaper, magazine, or otherwise, and any such sign, newspaper, magazine or other advertisement shall be considered evidence or conducting the business advertised and sufficient for conviction by the court; and provided further that said license shall be issued to cover but one location; and the assessments of such taxes are hereby fixed as follows: \* \* \*

"Royalty and copyright agents and salesmen—\$2,500.00

"Shall mean each person, as agent for another, or as the representative of another in any capacity, collecting, or attempting to collect, or receiving money, or other valuable consideration for rights, royalty, rents or fees on copyrighted music, books, recorded music for mechanical reproduction, radio programs and/or patents."

## FTC BARS DENTAL PLATE ADS

Misrepresentation in the sale of dental plates is prohibited in a Federal Trade Commission order against Benjamin D. Ritholz, of Chicago, doing business under the names of "Chicago Dentists" and "Chicago Dental House, Inc." Among practices enjoined are the use of testimonials, endorsements or guarantees in or through newspapers, magazines, the radio or circulars to represent that the respondent's dental plates are of a value greater than is actually the case; that he can make a properly fitting and satisfactory dental plate from an impression of the mouth taken by a layman for whose use the plate is intended, and that the respondent is using in his manufacture the scientific methods used by dentists.

## PLEASE! PLEASE! PLEASE!

Costs incidental to the general educational hearings before the Federal Communications Commission have burdened the NAB treasury and it would be extremely helpful if members who have neglected to pay dues for the October-November-December quarter would send in their checks promptly.

## PLEASE ADVISE US

A member of the NAB is anxious to know where he can get in touch with Joseph J. Moore, National Features Service. Please advise NAB, Washington, D. C., if you know Mr. Moore's present address.

## BRIEF FILED BY COMMISSION

A brief has been filed in the United States Court of Appeals for the District of Columbia by the Federal Communications Commission in the appeal against a decision of the Commission in January, 1934, by the Don Lee Broadcasting System.

In this case the Commission denied an application of this System for the erection of a new broadcasting station at Redlands, Calif., specifically requesting the facilities of Stations KTM and KELW at Los Angeles, Calif.

The Commission, in its brief, contends that the findings of the Commission "are fully sustained by the record." The Commission's findings, the brief states further, "are complete and adequate, fully supported by the evidence and its decision should be sustained."

## FEDERAL COMMUNICATIONS COMMISSION ACTION

### HEARING CALENDAR

Monday, December 10, 1934

#### Hearing Before Broadcast Division

- WNAC—Shepard Broadcasting Service, Inc., Boston, Mass.—Modification of license; 830 kc., 1 KW, unlimited time. Present assignment: 1230 kc., 1 KW, unlimited time.
- WHDH—Matheson Radio Co., Inc., Boston, Mass.—Modification of license; 830 kc., 500 watts night, 1 KW LS at Denver, unlimited time. Present assignment: 830 kc., 1 KW, daytime.
- NEW—American Broadcasting Co., Washington, D. C.—C. P., 830 kc., 100 watts, unlimited time.
- WEEU—Berks Broadcasting Co., Reading, Pa.—Modification of license; 830 kc., 500 watts, 1 KW LS, unlimited time. Present assignment: 830 kc., 1 KW, daytime.

#### Hearing Before Examiner

Tuesday, December 11, 1934

- NEW—Utah Radio Educational Society, Salt Lake, Utah.—C. P., 1450 kc., 1 KW, unlimited time.
- NEW—Louis H. Callister, Provo, Utah.—C. P., 1200 kc., 100 watts, unlimited time.
- NEW—Paul Q. Callister, Salt Lake City, Utah.—C. P., 1370 kc., 100 watts, unlimited time.
- NEW—Norman F. Storm, Centralia, Wash.—C. P., 1500 kc., 100 watts, unlimited time.
- NEW—Great Western Broadcasting Assn., Inc., Logan, Utah.—C. P., 1500 kc., 100 watts, unlimited time.
- NEW—Great Western Broadcasting Assn., Inc., Provo, Utah.—C. P., 1210 kc., 100 watts, unlimited time.
- NEW—Munn Q. Cannon, Logan, Utah.—C. P., 1210 kc., 100 watts, unlimited time.

#### Hearing Before an Examiner

Wednesday, December 12, 1934

- WEBR—Howell Broadcasting Co., Inc., Buffalo, N. Y.—C. P., 800 kc., 1 KW, limited time until LS at Dallas, Texas. Present assignment: 1310 kc., 100 watts, 250 watts LS, unlimited time.
- WTBO—Associated Broadcasting Corp., Cumberland, Md.—Modification of license; 800 kc., 250 watts, 6 a. m. to LS at Dallas, Texas. Present assignment: 800 kc., 250 watts, daytime.

## APPLICATIONS GRANTED

- WQDX—Stephens Luke, Thomasville, Ga.—Granted consent to 1210 voluntary assignment of license to H. Wimpy. (Licensed on 1210 kc., 100 watts, unlimited.)
- WQDX—H. Wimpy, Thomasville, Ga.—Granted C. P. to move 1210 transmitter locally in Thomasville; make changes in equipment and change hours of operation from unlimited to daytime.
- KSD—The Pulitzer Publishing Co., St. Louis, Mo.—Granted modification of C. P. to make changes in equipment; increase power from 500 watts night, 2½ KW day, to 1 KW night, 5 KW day; and extend commencement date to 2 days after this date and completion date to 60 days after this date.
- WDRG—WDRG, Inc., Hartford, Conn.—Granted license to cover 1330 C. P. authorizing increase in day power from 1 KW to 2½ KW and changes in equipment. Operates on 1330 kc., unlimited time, 1 KW night.

WMEX—The Northern Corp., Chelsea, Mass.—Granted license to 1500 cover C. P., 1500 kc., 100 watts night, 250 watts day, unlimited time.

WTAR—WTAR Radio Corp., Norfolk, Va.—Granted modification 780 of license to use present transmitter as an auxiliary, Composite—DCC Max. 1 KW.

KADA—C. C. Morris, Ada, Okla.—Granted license covering C. P. 1200 for new station; 1200 kc., 100 watts, daytime.

KFVS—Hirsch Battery & Radio Co., Cape Girardeau, Mo.—1210 Granted license covering C. P. authorizing increase in day power from 100 W. to 250 watts, and changes in equipment.

WTAR—WTAR Radio Corp., Norfolk, Va.—Granted license covering 870 ing new equipment; 780 kc., 500 watts, unlimited time.

WDAY—WDAY, Inc., Fargo, N. Dak.—Granted license covering 940 C. P. authorizing changes in equipment and increase in day power to 2½ KW; 940 kc., 1 KW night, unlimited time.

WEBQ—Harrisburg Broadcasting Co., Harrisburg, Ill.—Granted 1210 license covering C. P. authorizing changes in equipment and increase in day power to 250 watts; 1210 kc., 100 watts night, specified hours.

WHBF—Rock Island Broadcasting Co., Rock Island, Ill.—Granted 1210 license covering C. P. authorizing new equipment and moving studio locally; 1210 kc., 100 watts, unlimited time.

KIDO—Boise Broadcast Station, Boise, Idaho.—Granted license 1350 covering C. P. authorizing increase in day power and installation of new equipment; 1350 kc., 1 KW night, 2½ KW day, unlimited time.

KUJ—KUJ, Inc., Walla Walla, Wash.—Granted modification of 1370 license to increase hours of operation from daytime to unlimited, on 1370 kc., 100 watts.

W6XAK—Pioneer Mercantile Co., Bakersfield, Calif.—Granted modification of C. P. to change transmitter from Composite type to standard RCA, Type 1 d.

#### SPECIAL AUTHORIZATIONS GRANTED

WTCN—Minnesota Broadcasting, Minneapolis, Minn.—Granted 1250 special temporary authority to use the transmitter now licensed to WLB pending the filing of and action on application authorizing the installation of the equipment, but for a period not to exceed 30 days.

WMFG—Head of the Lakes Broadcasting Co., Hibbing, Minn.—1210 Granted special temporary authority to operate a 25-watt portable transmitter on 1210 kc., to conduct field intensity survey tests between Hibbing and Virginia, Minn., for period of 10 days from December 8.

KLUF—George Roy Clough, Galveston, Tex.—Granted special 1370 temporary authorization to operate from 10 a. m. to 2 p. m., CST, December 25, 1934, instead of unlimited time as assigned by license, in order to observe holiday.

KFUO—Evangelical Lutheran Synod of Missouri, Ohio and other 550 States, Rev. R. Kretzschner, Chairman, Board of Control of Concordia Seminary, Clayton, Mo.—Granted special temporary authorization to operate with 1 KW power from 12 midnight, December 14, 1934, to 3 a. m., December 15, CST, in order to broadcast a DX program, provided KSD remains silent.

KSO—Iowa Broadcasting Co., Des Moines, Iowa.—Granted special 1320 temporary authorization to operate a 100-watt portable transmitter on 1320 kc., to conduct field strength measurements in the vicinity of Des Moines, between 1 and 6 a. m., CST, for period not to exceed 20 days, in order to determine new location for transmitter, provided KSO remains silent during Commission monitoring schedule: 2:50 to 3:10 a. m. and 5:10 to 5:30 a. m., EST, December 4; and 5:30 to 5:50 a. m., EST, December 5; and 5:10 to 5:30 a. m., EST, December 1, 1934.

WIBA—The Badger Broadcasting Co., Inc., Madison, Wis.—1280 Granted special temporary authority to operate without an approved frequency monitor pending repair of said monitor, but not later than December 15.

#### MISCELLANEOUS

WOL—American Broadcasting Co., Washington, D. C.—Granted request that hearing on application of Matheson Radio Co., set for December 10, be continued to a date in February, 1935.

WBBR—Peoples Pulpit Assn., Brooklyn, N. Y.—Denied petition to dismiss application of station WEVD, which seeks to operate unlimited time on 1300 kc., since case is now being heard by an Examiner.

KRKD—Radio Broadcasters, Inc., Los Angeles, Calif.—Denied special temporary authority to operate with power of 1 KW

during daytime, pending completion of construction as authorized by C. P., but for not longer than 30 days.

KSOO—Sioux Falls Broadcast Assn., Inc., Sioux Falls, S. Dak.—Denied special temporary authority to operate simultaneously with WRVA, using 500 watts power, from 8 to 9:45 p. m., CST, on December 4, 5, 12 and 19, in order to broadcast Tri-State Intercollegiate Conference basketball games.

#### ACTION ON EXAMINER'S REPORT

NEW—Ex. Rep. No. 1-10: Julio M. Conesa, Ponce, Puerto Rico.—Granted C. P. for new station to operate on 1420 kc., 100 watts night, 250 watts day, specified hours. Examiner Ralph L. Walker sustained. Order effective December 18, 1934.

#### SET FOR HEARING

WHDA—Matheson Radio Co., Inc., Boston, Mass.—Renewal of 830 license. Its facilities have been applied for by station WNAC, and also to determine if WRDH is operating in the public interest.

NEW—Amzi G. Barber, Montgomery, Ala.—C. P. for new station; 1210 1210 kc., 100 watts, unlimited time.

NEW—Liner's Broadcasting Station, Inc., Alexandria, La.—C. P., 1370 1370 kc., 100 watts, daytime; exact transmitter location to be determined.

NEW—Edward Hoffman, St. Paul, Minn.—C. P. for new station; 1310 1310 kc., 100 watts, unlimited time.

WPTF—WPTF Radio Company, Raleigh, N. C.—Modification of 680 special experimental authorization to increase power from 1 KW to 5 KW, and increase time from limited to 12 midnight, EST, operating simultaneously with KPO, and employing directional antenna. To be heard by the Division en banc on January 21, 1935.

#### APPLICATIONS RECEIVED

##### First Zone

WBAL—Consolidated Gas, Electric Light & Power Co. of Baltimore, Baltimore, Md.—Voluntary assignment of license to American Radio News Corporation.

NEW—Howell Broadcasting Co., Inc., Rochester, N. Y.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts night, 250 watts local sunset, unlimited time, transmitter and studio site to be determined.

WTIC—The Travelers Broadcasting Service Corp., Hartford, Conn. 1040 Special experimental authorization to change frequency from 1060 kc. to 1040 kc.; change time from S-WBAL to simultaneously with KRLD (unlimited); requests extension for regular license period 8-1-35.

WRC—National Broadcasting Co., Inc., Washington, D. C.—Construction permit to install new equipment; increase power from 500 watts night, 1 KW day, to 1 KW night, 5 KW day; move transmitter, site to be determined.

WJEJ—Hagerstown Broadcasting Co., Hagerstown, Md.—License 1210 to cover construction permit (B1-P-25), move of transmitter to 16 W. Washington St., Hagerstown, Md.

##### Second Zone

WLIT—Lit Bros. Broadcasting System, Inc., Philadelphia, Pa.—550 Voluntary assignment of license to WFIL Broadcasting Co.

WFI—WFI Broadcasting Co., Philadelphia, Pa.—Voluntary assignment of license to WFIL Broadcasting Co.

WGBI—Scranton Broadcasters, Inc., Scranton, Pa.—Construction 880 permit to move transmitter amended to omit request to move transmitter; requests install new equipment, increase power from 250 watts to 1 KW day and night.

KYW—Westinghouse Electric and Manufacturing Co., Philadelphia, 1020 Pa.—License to cover construction permit (2-P-B-2615), move of transmitter to Joshua Road, Whitmarsh Township, Pa.; studio, Philadelphia, Pa.

WPAD—Paducah Broadcasting Co., Inc., Paducah, Ky.—License to 1420 cover construction permit (B2-P-115) to install new equipment, increase day power from 100 watts to 250 watts.

WBCM—James E. Davidson, Bay City, Mich.—Modification of 1410 license to increase day power from 500 watts to 1 KW.

WGH—Hampton Roads Broadcasting Corp., Newport News, Va.—1310 Construction permit to install new equipment, increase day power from 100 watts to 250 watts.

WFDF—Flint Broadcasting Co., Flint, Mich.—Construction permit 1310 to install new equipment.

- WRAK**—WRAK, Inc., Williamsport, Pa.—License to cover construction permit (2-P-B-3210) as modified, move transmitter to 244 W. 4th St., Williamsport, Pa.; install new equipment; increase power daytime from 100 watts to 250 watts.
- WPHR**—WLBG, Inc., Petersburg, Va.—Modification construction permit (2-P-B-3291), exact location transmitter northeast corner Franklin and Adams Streets, Petersburg, Va.
- WKRC**—WKRC, Inc., Cincinnati, Ohio.—Modification construction permit (2-P-B-3282) to install new equipment; increase power from 500 watts, 2½ KW local sunset, to 1 KW night, 5 KW local sunset.
- WGAR**—The WGAR Broadcasting Co., Cleveland, Ohio.—Special experimental authorization to increase power from 500 watts night, 1 KW local sunset, to 1 KW, period to 5-1-35.
- WBEO**—The Lake Superior Broadcasting Co., Marquette, Mich.—Modification of license to change hours of operation from 9:30 a. m. to 1:15 p. m., 5 p. m. to 7 p. m.; Sunday, 9 a. m. to 1:30 p. m.; to 9:30 a. m. to 4:30 p. m. daily; Sunday, 9 a. m. to 1:30 p. m.

### Third Zone

- KTSA**—Southwest Broadcasting Co., San Antonio, Tex.—Modification of special authorization to operate on 550 kc., 5 KW, from midnight to 6 a. m., period ending 4-1-35.
- KFRO**—Voice of Longview, Longview, Tex.—Modification construction permit to change equipment; move studio and transmitter to on Green Street one-quarter to one-half mile city limits, Longview, Tex.
- NEW**—Robert Louis Sanders, Palm Beach, Fla.—Construction permit to erect a new broadcast station to be operated on 1420 kc., 100 watts, unlimited time; transmitter and studio, 235 Sunrise Ave., Palm Beach, Fla.
- WBHS**—Virgil V. Evans, Huntsville, Ala.—Construction permit to move studio and transmitter from Huntsville, Ala., to Chattanooga, Tenn., site to be determined; change call letters to WTVA.
- WAPI**—WAPI Broadcasting Corp., Birmingham, Ala.—Modification of license to change frequency from 1140 kc. to 590 kc., power from 5 KW to 1 KW night, 5 KW local sunset; change hours of operation from simultaneously with KVOO day, S-KVOO night, to unlimited time.
- NEW**—Educational Radio, Inc., Spartanburg, S. C.—Construction permit to erect a new broadcast station to be operated on 1420 kc., 100 watts night, 250 watts day, unlimited time, amended to request 100 watts day instead of 250 watts.
- NEW**—Leo J. Blanchard, Fredericksburg, Tex.—Construction permit to erect a new broadcast station to be operated on 1310 kc., 100 watts, specified hours, amended re equipment.
- WIS**—Station WIS, Inc., Columbia, S. C.—Modification construction permit (3-P-B-3258), approval transmitter site at Bluff Road, near Columbia, S. C.; changes in equipment; increase day power from 2½ KW to 5 KW.

### Fourth Zone

- NEW**—Garden City Broadcasting Co. (a partnership), (Homer A. Ellison and Frank D. Conard), Garden City, Kans.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts, unlimited time; studio, 108 N. Main Street, Garden City, Kans.; transmitter, city limits west, Garden City, Kans.
- KFYR**—Meyer Broadcasting Co., Bismarck, N. Dak.—Modification of license (4-L-B-418) to increase day power from 2½ KW to 5 KW.
- WKBf**—Indianapolis Broadcasting, Inc., Indianapolis, Ind.—Modification of license (B4-L-23) to increase night power from 500 watts to 1 KW.
- WIND**—Johnson-Kennedy Radio Corp., Gary, Ind.—Construction permit to make equipment changes; increase power from 1 KW night, 2½ KW local sunset, to 1 KW night, 5 KW local sunset.
- NEW**—J. L. Scroggin, St. Joseph, Mo.—Construction permit to erect a new station to be operated on 1500 kc., 100 watts, local sunset to midnight, amended to make changes in equipment.

- KFRU**—KFRU, Inc., Columbia, Mo.—Modification of license (4-B-630 L-566) to increase day power from 500 watts to 1 KW.
- WCAZ**—Superior Broadcasting Service, Inc., Carthage, Ill.—Construction permit to make equipment changes, change day power from 100 watts to 250 watts; requests facilities WDJ.
- WJBC**—Wayne Hummer and H. J. Dee, d/b as Kaskaskia Broadcasting Co., LaSalle, Ill.—Construction permit to make equipment changes move transmitter from 2nd and Marquette, LaSalle, to Gregory Ave., Normal, Ill., studio from same to Illinois Wesleyan University, Bloomington, Ill.
- WDAY**—WDAY, Inc., Fargo, N. Dak.—Construction permit to make equipment changes; increase power from 1 KW night, 2½ KW local sunset, to 1 KW night, 5 KW local sunset, amended re equipment.
- KGKY**—Hilliard Company, Inc., Scottsbluff, Nebr.—Construction permit to install new equipment; increase power from 100 watts to 100 watts night, 250 watts local sunset.
- WMBD**—Peoria Broadcasting Co., Peoria, Ill.—Modification of license to change frequency from 1440 kc. to 1410 kc., and change hours of operation from S-WTAD to unlimited time. Requests facilities WHBL and WROK.

### Fifth Zone

- W7XBD**—Oregonian Publishing Co., Portland, Ore.—Modification construction permit to erect a new general experimental station to be operated on 1614, 2398, 3492.5 kc., 1 KW, for extension of completion date to 8-15-35.
- NEW**—Walter L. Stricker and Chris Larsen, Rock Springs, Wyo.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts, unlimited time, studio and transmitter sites to be determined.
- KOIN**—KOIN, Inc., Portland, Ore.—License to cover construction permit (5-P-B-2820) as modified to change equipment and increase power from 1 KW to 1 KW night, 2½ KW local sunset.
- KDFN**—Donald Lewis Hathway, Casper, Wyo.—Modification of license to change frequency from 1440 kc. to 630 kc.
- KGVO**—Mosby's, Inc., Missoula, Mont.—Construction permit to install new equipment, change frequency from 1200 kc. to 1260 kc., increase power from 100 watts to 1 KW, amended to change location, transmitter site to be determined (near Missoula).
- KGIX**—J. M. Heaton, Las Vegas, Nev.—Modification construction permit (5-P-B-2660A) as modified to install new equipment, increase day power from 100 watts to 250 watts, change time from specified hours to 8 a. m. to 8 p. m.
- KGIX**—J. M. Heaton, Las Vegas, Nev.—Modification construction permit (5-P-B-2660A) as modified to extend completion date to 2-2-35.
- KSEI**—Radio Service Corp., Pocatello, Idaho.—License to cover 890 C. P. to move studio and transmitter.
- KOOS**—H. H. Hanseth, Inc., Marshfield, Ore.—Modification of 1260 C. P. to change frequency from 1200 kc. to 1260 kc.

### APPLICATIONS RETURNED

- WRAK**—WRAK, Inc., Williamsport, Pa.—License to cover C. P. to move transmitter, install new equipment, and increase power. (Wrong form.)
- KFBB**—Buttrety Broadcast, Inc., Great Falls, Mont.—C. P. to make equipment changes, increase power from 1 KW, 2½ KW LS, to 1 KW night, 5 KW LS, and to change studio location. (Rule 14 e and 14 f.)
- WIBG**—WIBG, Inc., Glenside, Pa.—C. P. to install new equipment, move transmitter, increase power, change hours of operation (request of applicant).
- KOIL**—Mona Motor Oil Co., Council Bluffs, Iowa.—License to cover C. P. as modified to install new equipment.
- NEW**—The Close-up Publishing Co., Bell, Calif.—C. P. to erect a new broadcast station to be operated on 1070 kc., 100 watts, daytime (equipment and transmitter location).
- NEW**—W. L. Gleeson, Sacramento, Calif.—Construction permit to erect a new broadcast station to be operated on 1490 kc., 5 KW, unlimited time, amended requesting daytime operated. (Rule 5.)

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### SEPTEMBER 17, 1934

#### Monday Morning

The opening session of the twelfth annual convention of the National Association of Broadcasters, held at the Netherland-Plaza, Cincinnati, convened at 10:15 o'clock, President Alfred J. McCosker (Bamberger Broadcasting Service, Inc., Newark) presiding,

#### ADDRESS OF THE PRESIDENT

ALFRED J. MCCOSKER

(Bamberger Broadcasting Service, Inc., Newark, N. J.)

Ladies and gentlemen, I would like to declare open the twelfth annual convention of the National Association of Broadcasters.

I received word just a few moments ago that the Hon. Russell Wilson, Mayor of Cincinnati, will be delayed this morning in his

attendance here. As a matter of fact, he had already prepared to leave his office and was stopped by an emergency matter so he sent us word and he will appear later on the program.

Therefore, we will proceed to the second item on the program, which is the address of your President. I want to say, first of all, a word of welcome. I am very gratified and encouraged by the numerical attendance. It will require the holding of the meeting, the various sessions, to find just what work will be done but I am optimistic about that.

Today we of the broadcasting industry open our twelfth annual convention. A dozen years have passed since the organization of the National Association of Broadcasters by a few enterprising individuals in a new field of endeavor that hardly could be termed an industry.

In other major industries, a twelve-year span usually is significant. But, in broadcasting, it harks back to the beginning of our industry. Let us take a quick inventory. We find that the first station began operation in 1920, that the first radio advertising program was broadcast in 1923 and that the first commercially sponsored program to be handled on a national basis occurred in 1925. The first permanent nation-wide network was not organized until 1926 and orderly regulation of broadcasting did not begin until 1928.

Just twelve years ago—in 1922 when our Association was formed—the estimated number of receiving sets was 60,000. The next year the total grew to 1,500,000 and in 1927 there were 6,500,000 sets. Now, there are more than 18,500,000 families who have radio receivers, or a potential listening group in excess of 50,000,000. About 60 per cent. of the country's homes possess sets. Nearly half of the world's total of receiving sets are in American homes.

All through this development period, the majority of the broadcasters, with only a few striking exceptions, have taken their trade association for granted. They have not appreciated the magnitude of the job in combating those opponents who have relentlessly and insidiously fought our existing system. Apparently, because the industry has never lost a battle, they feel that these only too real threats against the "American System" are simply figments of imagination.

I want to tell you as forcibly as I can that without the National Association of Broadcasters, there would not be a private radio broadcasting industry in this country today. That may sound absurd, fantastic, but, in my opinion, it is so. Individual squabbles about rates, time clearances, talent and news broadcasts are insignificant, collateral issues when stacked up against the broad industry issue that is constantly seething in Washington.

You will hear about the legislative situation from Henry A. Bellows, our Legislative Committee Chairman. And, you will hear about other phases of the Washington picture from our distinguished guest speaker—Chairman Hampson Gary of the Broadcast Division of the Federal Communications Commission; Col. Thad H. Brown, Vice Chairman of the Broadcast Division of the Federal Communications Commission; Senator C. C. Dill; Commissioner Ewin L. Davis of the Federal Trade Commission; and Sol A. Rosenblatt, Division Administrator of the NRA. Mr. Oswald Schuette and Mr. Joseph Hostetler will likewise address you.

When you listen to their words, put yourself in the frame of mind of the men who look after our interests in Washington, of the officers of your Association. You will realize that they have to be prepared for any emergency. Broadcasting is the most regulated of American industries. We have had no quarrel about that. But, we must be on the alert to prevent over-regulation. It is only a short step from proper regulation to that character of federal control which might impair, if not wreck, our freedom of operation.

The point I want to stress is that our biggest industrial job, for

the present, anyway, must be directed on the Washington front. That is where our opponents have concentrated their efforts. Coupled with that, of course, must be judicious control of our program and commercial methods through our own efforts, but we have done an effective work during the past two years in spiking the guns of the opposition on these scores by our self-imposed housecleaning program. We must act together in this Washington offensive and we can do that only by giving our trade association our best support.

As Mr. Loucks and Mr. Bellows will tell you, the past year, from the legislative standpoint, has been the most hectic in our history. We came through unscathed, first, because we were right and, secondly, because we had the men on the job. But, the task is not yet finished. Really, it has only begun.

On October 1, the Broadcast Division of the Federal Communications Commission begins hearings in compliance with the Congressional mandate that it investigate and report on the demands of those so-called non-profit groups, like the religious and educational, for a share of the broadcasting facilities available to the country. We all know that any class allocation by Congress of the character proposed would undermine our industry and might lead eventually to nationalization of American broadcasting, after the fashion of continental systems. We know that a strong defense is necessary. We know we can prove our case on the facts but we must have those facts. That is why we have called upon you for cooperation. We know that our system provides for the listening public the best program service available to any other people in the world.

The October hearings are all-important. I shudder to think what might happen if we did not have an NAB, supported by the industry, in readiness to handle presentation of our case. Upon the FCC report, it follows, Congress will be guided in enacting new radio legislation next year.

During this convention you will hear about the steps we have taken in building our case for the October hearing. And, you will get an idea of the amount of work entailed in the preparation of such a case, which is the case of each individual broadcasting station, of network and independent outlet alike, of the clear channel stations in the major markets and the 100-watters in the smaller markets.

During our three-day session we will take inventory of the last year and devise plans for the future. We have many problems, some of which have been with us from the beginning. All of them converge at the same point—means of providing maximum service to our patrons, the listeners, while maintaining our freedom of action and enjoying the constitutional privilege of reasonable profit on our investments and for our labors.

In closing, I want to pay tribute to my associates in administering the affairs of the Association during the past year. We have never had a busier year and we have never had a more industrious Board of Directors. To our Legislative Chairman, Mr. Bellows; to Frank M. Russell, M. R. Runyon, John Elmer and others, we all owe a debt for giving unstintingly of their time and efforts in devising the legislative procedure in behalf of American broadcasting during the past year, also to John Shepard of Boston and his associates on the Code Committee. Well, it would be impractical and impossible for the average member to realize the amount of time and effort that is requisite when it is necessary to attack the problems that are brought before the Code Committee.

I believe that the last year has been a year of progress in the NAB. I think there has been progress in the enlarged membership, progress in its financial status, progress in its legislative attack, progress in the copyright situation, progress in the prestige in the minds of the national administration and progress in commercial acceptance.

I thank you. (Applause.)

Now, ladies and gentlemen, I have pleasure in presenting the man who more nearly than any other single individual stands at the head of government regulation of the broadcasting industry in the United States—the Chairman of the Broadcast Division of the Federal Communications Commission.

Hon. Hampson Gary is a son of the West. He has had a distinguished career. He was captain of the U. S. Volunteers in the Spanish-American War and later colonel of an infantry regiment. He has been standing master in chancery in the Federal Courts, is a former solicitor of the State Department, our war-time Minister to Egypt, technical delegate to the Peace Conference in Paris and United States Minister to Switzerland after the Armistice. First and foremost, however, Mr. Gary is a lawyer of many years busy practice, which he left at the invitation of President Roosevelt to become Federal Communications Commissioner.

He has done us the honor to accept our invitation to be present today and address us. His subject is "Broadcasting under the New Deal." Ladies and gentlemen, Commissioner Gary. (Applause.)

## BROADCASTING UNDER THE NEW DEAL

Address by HON. HAMPSON GARY

(Chairman, Broadcast Division, Federal Communications Commission)

President McCosker, members of the convention, ladies and gentlemen: I appreciate sincerely the kind invitation to be present at this, the twelfth annual convention of the National Association of Broadcasters. It is a pleasant privilege to meet so many of the men and women who help make radio what it is today, to meet you personally, learn from your proceedings here and talk over with you informally some of the problems pertaining to your work. For, my friends, the Federal Communications Commission has been created by your government to serve—to serve you and the whole people—and we earnestly desire to know you better, understand more thoroughly your problems, that we may the better do our part of the work.

I am glad your convention is being held this year in the Queen City of Cincinnati, home of the most powerful broadcast station in the world. Here, in the city that claimed for its own, Lawrence Maxwell, Nicholas Longworth, Judson Harmon, William Howard Taft and others who greatly served the nation, you may gain fresh inspiration to carry on your important work.

You will not expect me to attempt this morning any panegyric on radio—amazing art and science. All of us appreciate full well that it is an extraordinary medium for good or ill, and that it must be guarded zealously. Nor do I have to tell you that we of the Communications Commission, under the law, have no powers of censorship over radio. And let me add, we desire none. The United States is the land of freedom of speech, freedom of the press, and radio should be maintained as a free American enterprise. The Communications Commission has no wish to dictate what manner of entertainment or discussion shall go on the air. It is not desirable or necessary. We want the broadcasters themselves to maintain, for the sake of their own continued existence, a clean, wholesome American attitude and balance, the kind that good taste and common sense suggest.

Without trying to flatter you, let me say that, taking into consideration all the circumstances, the broadcasters have so far done a good job. But, you will be the first to admit, I'm sure, there is room for improvement. There is certain advertising being done on the radio that is unfortunate, to say the least. We've all heard people on the air who should not have been on the air. Here is presented the opportunity for you to do some housecleaning. Is it not practicable in our free land for the radio advertisers themselves, together with the radio stations and networks, to develop their own school of ethics, guiding themselves? I think it is!

I'm glad to say I already see a voluntary and earnest effort on the part of broadcasters and the broadcast advertisers to maintain themselves and their programs, in their own interests as well as the public's, as great public service institutions. There are different schools of thought with respect to the program character of broadcasting, but assuredly there can only be one school with respect to its ethical standards. What plan for radio shall we make permanent in the United States? Members of the convention, you, and those associated with you, have it in your power to do, voluntarily, in the immediate future, a work that will gain you the wide approval of the people of our country. It is my personal opinion that you have it in your power at this time to establish in the people's consciousness the status radio is to occupy permanently in the United States.

We hear often today the word "censorship," of an alleged threatened interference in the freedom of speech, the press and the air. Is there an American, familiar with our history and traditions and with the provisions of the constitution of the United States, who truly believes his government desires, or would attempt, such a preposterous thing? The question answers itself. Certainly it is not censorship to bar from the wave lengths the vicious, the indecent, the profane! The law compels this be done.

In the proper employment of radio facilities, the United States Court of Appeals for the District of Columbia has held that one may not demand, as of right, the continued use of an instrumentality of interstate commerce for strictures upon character, for the criticism of religious practices, for the satisfaction of personal malice, or to indulge in slander, which opinion the Supreme Court

of the United States, on certiorari, refused to disturb, thus, in effect, leaving this the law of the land.

This doctrine accords with the familiar and fundamental principle that free speech does not include unrestricted license. The broad rule governing matters of this kind is, of course, to be found in the legislative yardstick "public convenience, interest or necessity." The Supreme Court, in construing these words, has said that the standard set up is not so indefinite as to confer unlimited power, that "the requirement is to be interpreted by its context, by the nature of radio transmission and reception, and by the scope, character and quality of services."

In considering whether public interest will be served by the renewal of a license, the courts have held the Commission has not erred in taking into consideration the past conduct of licensees. This, the courts have said, is not censorship. The rule "by their fruits ye shall know them" may sometimes seem harsh in its application but we must visualize the widespread damage that would follow uncontrolled abuse of the air—by even a single station—broadcasting, let us say, false, misleading and fraudulent advertising. And, there could be abuse graver than this.

In so far as the broadcasting of obscene, indecent or profane language is concerned, the courts have, of course, sustained as constitutional this statutory provision. Regulation such as this is not censorship.

These decisions do not restrict—on the contrary, they safeguard—our constitutional guarantees. So much, then, as to license, never a part of free speech.

Right here I want to say a few words about our Legal Department. In Paul Spearman, our General Counsel, and his staff of capable attorneys, we have the men and women to aid us on the questions of law that so genuinely affect the public welfare.

Now, I know you are all interested, perhaps some of you are disturbed, too, in what our Broadcast Division of the Federal Communications Commission is going to do in a technical way. There has been much loose talk about an imminent reallocation and about wholesale shifts in existing frequency and power assignments.

Let me assure you, nothing revolutionary is in view. Naturally, we shall bend every effort to improve the existing set-up for the benefit of the public's reception and for your benefit. We recognize, of course, that there must be a sound economic as well as technical basis for the broadcasting structure. But, the technical basis must not be disturbed if it will seriously affect adequate service to the listener. The listener comes first—and especially the remote listener on the farms and in the villages whose happy existence is so definitely bound up with radio entertainment and education.

The scientific side of broadcasting must be maintained above reproach, as I think it has been under our predecessor, the old Radio Commission—at least, considering the task that confronted it in accommodating, in collaboration with our Canadian neighbors, so many stations on this continent on so few wave lengths. In Dr. Jolliffe, our Chief Engineer, and the efficient members of his staff, I believe we have the men to carry on the work on a basis of sound scientific principles. They have guided and will, under the direction of the Communications Commission, continue to guide in the best interests of the public, whose interests, after all, are yours.

Of course, I do not mean to say or infer that things are to be stationary in radio. Advantage must be taken of technical developments as they occur, and it is our duty to you and the public to see that this is done. It has been a primary principle in the past that broadcast stations must be maintained and operated in accordance with good engineering practice. This principle must, and will, be continued. We want to make changes with a minimum of disturbance to the existing structure, nevertheless we must keep an eye to the future. That is one reason why the Commission, not long ago, opened three frequencies between 1500 and 1600 kilocycles not previously used for broadcasting, for "high fidelity" experimentation. That is why we of the Broadcast Division, after we have obtained the reports and recommendations of our engineers, may urge or direct you, from time to time, to alter your equipment to keep pace with the new developments in the radio art and science. You may have to dig into your pocketbooks but the price will be small by comparison with the results to be achieved in maintaining the proper technical service to our great American public.

Let me assure you again: What we do will be with a minimum of breaking down the present allocation and assignments thereunder. What we direct will be evolutionary rather than revolu-

tionary. What we shall ask of you is simply that you maintain the same progressive standards on the technical side that the public demands you shall maintain on the side of culture and entertainment.

This, my friends, is the spirit of broadcasting under the New Deal. Let us renew our faith and confidence this day. Let us go out from this convention with a sense of security in business, with a deep desire to serve, and with courage and resolution to make a better day.

(The convention arose and applauded.)

PRESIDENT McCOSKER: Commissioner Gary, I am sure that I bespeak the feelings of the members of the National Association of Broadcasters when I thank you for coming to our convention and thank you for your well-informed, temperate and encouraging talk. And, further, I feel that I bespeak the attitude of the members of the National Association of Broadcasters when I say that we are in complete accord with you in connection with the safety of broadcasting in the hands of the present Commission and those whom you have named, Mr. Paul Spearman and Dr. Jolliffe.

Gentlemen, at this time I have the privilege of bringing before you a letter from the President of the United States who, because of his absorption in affairs of state as well as the necessity for a brief vacation at Hyde Park, found it impossible to accept the invitation which was extended to him.

The letter is dated from Hyde Park, New York, September 14, 1934.

"My dear Mr. McCosker:

"It gives me pleasure again to extend to you and the members of the National Association of Broadcasters, assembled in convention at Cincinnati, Ohio, my heartiest greetings. A year ago in a brief message to you, I made the statement that I was looking forward to your continued cooperation in assisting the Government to present to the people of the United States honest discussions of all phases of national problems we would face and their solutions.

"The cooperation given by your members in these discussions, over the past twelve months, has given me great faith in the American system of broadcasting. I know, as you must, that the American system of broadcasting is a regulatory system and by its every fundamental principle relegates the thought of censorship to the background of the minds of every one who really knows and appreciates your policies and daily problems. The American system of broadcasting assures an equality of freedom similar to that freedom which has been and is the keystone of the American press.

"I am not unmindful of another benefit which radio gives all the people and to all classes of business. That is a stimulation of buying power and its assistance to commerce generally.

"I know this convention will carry forward another year of successful achievement and assure you that you have my good wishes and those of the entire country.

"Very sincerely yours,

"(Signed) FRANKLIN D. ROOSEVELT."

(Prolonged applause.)

Gentlemen, it is now my pleasure and privilege to present to you, because, assuredly, he needs no introduction, the Hon. C. C. Dill, United States Senator from Washington.

(The convention arose and applauded.)

In two senses of the word, at least, Senator Dill has come home today for he was born in Knox County—that is one reason why he is back home. And, the other is that he is among the broadcasters and that certainly is home to Senator Dill. We all know that his work in the Senate for the broadcasting industry has been friendly, intelligent and militant, and I am sure he knows how completely he has the gratitude of the members of the National Association of Broadcasters. Senator Dill. (Applause.)

## NEWS BY RADIO

Address by HON. C. C. DILL

(U. S. Senator from Washington)

Mr. Chairman, members of the convention, ladies and gentlemen: some of you know I had a little accident. If it hadn't been that I had spent so much time and felt I had a message I wanted to give you, I think I would have canceled my engagement. But, that may have its advantage. Whatever I say will depend largely upon its own merits and not any gift of expression I might other-

wise have been able to have given had I been in better physical condition.

I appreciate the introduction of your President. During the years I have been in the Senate, it has been my privilege to have something to do with the legislation regarding radio and to attend a great many of these conventions. I am not sure just which ones I have missed but I am sure I have attended at least a majority of your twelve conventions.

When Mr. Spence wrote me at Spokane and invited me to come here and address you, he suggested I might choose my own subject and I immediately chose the subject "News by Radio." I chose that subject because I believe it is the most important subject for broadcasters to consider among themselves in connection with radio today.

The controversy in this country over news by radio centers about the question whether the radio or the newspapers should be first to give important news to the public. We may properly recall that the broadcasting of news not yet printed in the newspaper gave birth to radio in the United States. Since radio broadcasting service originated in this country, news by radio brought radio service into existence for the human family.

Why did the broadcasting of election returns from East Pittsburgh on election night in 1920 arouse so much interest? Because those returns were news, up-to-the-minute news not yet printed in the newspapers. What if those election returns had not been broadcast for several hours after the newspapers printed them? Do you think the listeners would have written such strong letters to the Westinghouse Company urging the broadcasting of more news? Of course not. Those election returns were flash news—up-to-the-minute news, if you please—that made them so interesting.

Our newspaper friends should note also that the newspapers furnished those election returns to the Westinghouse Company and that those same listeners were not satisfied with simply the flash news heard by radio that night. They bought the newspapers the next morning just as previously. They wanted the full reports and the interpretative discussions which only the newspapers furnish. The people wanted newspapers before we had news by radio. They will continue to want newspapers after radio gives up-to-the-minute news flashes and brief news reports in the future.

News by radio gave birth to radio broadcasting not only in this country but also in Denmark. A few years ago The Politicken, the leading daily newspaper of Copenhagen, was operating an experimental radio station. It announced in its news columns that each day at noon the radio station would broadcast brief news reports of the trial of the president of a large bank in Copenhagen who was charged with embezzlement. Depositors all over Denmark were deeply interested.

As a result, the interest of listeners in radio became so great that the government later took over all radio broadcasting there. Today the government radio station of Denmark broadcasts news four times each day and pays The Politicken several thousands of dollars annually for the news which it furnishes.

What is the result? There are more radio sets in proportion to population in Denmark than in any other country in the world, and The Politicken has found that news by radio is one of its best means of securing and holding its circulation.

News by radio in this country has had a haphazard history. Generally radio stations have used news reports from newspapers, sometimes by permission and sometimes not. Of course, no radio station has any right to use news collected by press associations or newspapers without paying for the news, but since radio stations can give news so much more quickly and to such vast numbers instantaneously, news by radio serves the public interest, and serving the public interest is the legal basis for the grant and renewal of radio licenses.

During the winter of 1934, representatives of the press associations and of the radio chain systems held a conference on this subject and formulated what is known as the Press-Radio Agreement for news by radio. By that agreement, the radio chains surrendered radio's birthright. They made the agreement as an experiment to avoid a bitter fight over the question of whether radio or the newspapers should be first to give the news. They yielded to the newspapers.

At that time I protested against the agreement on the floor of the Senate. I predicted it would be highly unsatisfactory to radio listeners. I pointed out it would certainly bring rebellion and confusion among radio stations and that it could not continue long.

Several months have passed. The result is chaotic. The Press-Radio Agreement is a failure. It satisfies nobody because it flies in the face of progress. The listeners are disgusted with it. Most

stations refuse to use it. Many newspapers say it is unsatisfactory. Radio stations and newspapers all over the country are trying all sorts of schemes to furnish news by radio in violation of the spirit of the agreement. Even most of the stations now using the Press-Radio bulletins pronounce them highly unsatisfactory.

Either the press associations must change the terms of the agreement so radio stations can give their listeners up-to-the-minute news and for longer periods of time, or radio stations will find or create means and methods for securing news entirely independent of the press associations.

This is not only their full right, it is their duty; it is a part of that public service which they are bound to give if they are to justify the use of the radio frequencies the government has granted them.

Let me call attention to how one-sided the Press-Radio Agreement is:

First, it limits the time which stations may broadcast general news to two five-minute periods during each twenty-four hours. This is about 1000 words per day.

Second, it fixes the time at which even those five-minute periods shall be used, so that the news by radio will not be broadcast until after it has been printed in the newspapers.

Third, representatives of the press associations, and they alone, determine what news shall be broadcast and what shall not be broadcast.

Fourth, the representatives of the press associations, and they alone, write the language of the broadcast copy, and literally hundreds of station managers say the language used is uninteresting and tiresome.

Fifth, no station is allowed to have the news it broadcasts sponsored by a commercial advertiser.

Sixth, the press associations give the news to the stations. They say it is a "public service." That makes the stations charity institutions, as it were, so far as news by radio is concerned. Since the news costs them nothing, the radio stations can't complain. They must take what they get and be thankful.

Seventh, and worst of all, radio stations are bound not to use news from any other source except the 1000 words from the press associations. This compelled the Richfield reporter on the Pacific Coast recently to abandon the up-to-the-minute news reports which have made that service so popular.

As operated today, this Press-Radio Agreement simply results in the press associations censoring all national and world news by radio. From the standpoint of radio, it is tyrannical and indefensible. Every radio station that complies with it, makes radio subservient to the press in the collection and dissemination of news. It can not continue because radio stations will not submit to it.

There have been so many complaints that the press associations themselves have changed the agreement. The press associations have lately been giving brief flashes of world news too important to be held up until newspapers have printed them. Such events as the killing of Dillinger and the SOS call from the Morro Castle steamship last Saturday morning are examples of this change. But, even with this change, the radio stations bound by this agreement must await the pleasure of the press associations as to what flashes they may broadcast and when.

The most objectionable thing about the Press-Radio Agreement is the effect it is having on radio listeners. Intentionally or unintentionally, the press associations are chloroforming radio listeners into believing that news by radio is a poor substitute for news by newspapers. To that extent, they are destroying the listening public of radio.

They are teaching radio listeners that they must look first to newspapers for news. If they can't get the newspapers until they are old, then they may get a stale, sketchy, uninteresting statement of a few items of news by radio. In actual operation, this plan causes radio stations to destroy their own listeners' love for one of their most popular and informative features, namely, live, hot, up-to-the-minute reports of news events of the nation and the world as they happen from hour to hour by day and night.

This Press-Radio Agreement had one virtue. By surrendering their birthright of broadcasting news before it was printed and limiting the broadcasts to two five-minute periods each twenty-four hours, the radio chains proved their willingness to do everything possible to avoid a fight. Now that this plan has proved a failure, the press associations should be willing to sell uncensored news to radio stations, let them broadcast that news with sponsors or without sponsors, whenever the stations desire. Newspapers and radio stations should cooperate fully and freely, and radio stations be just as free to broadcast any and all news as newspapers are to print any and all news.

While there may seem to be some competition between the press and the radio in giving news to the public, the fact is they supplement one another far more than they compete with one another. News by radio must be brief to be interesting. News by newspapers must be more detailed to satisfy readers. News by radio lasts but for the moment. News by newspapers is in permanent form.

News by radio includes descriptions of events while they are happening such as sports, races and celebrations, and radio also may give the actual event itself, such as a speech, a musical program or a convention. Such news is exclusively for radio. News by newspapers contains descriptions of things about these events impossible for radio to cover at the moment and also interpretations by leaders and experts.

The fact is the newspapers should use the radio transmitter as a new advertising medium. Not all newspaper publishers have overlooked this because newspapers own sixty-eight radio stations and an even larger number have mutually beneficial arrangements with privately-owned radio stations.

In the past, newspaper publishers have been quick to seize upon new inventions. They replaced the pony express with the telegraph and the telephone. Then they added the teletype and the automatic printer. They bought linotype and typesetting machines. They bought high-speed presses. They established mail distribution by auto and airplane. Why? To speed up the delivery of news.

In addition, they have used every device possible to attract readers. They have erected bulletin boards outside their offices to carry news headlines of events before being printed. They have newsboys to shout headlines of their newspapers in stentorian tones. Why? To whet the news appetites of those on the streets.

Here is a medium by which the newspaper can cry its headlines and brief news statements to literally hundreds of thousands and millions all at once. It seems unbelievable that they don't use it or that they should try to throttle and handicap it to the point where they force radio stations to set up a competitive service, which a few years hence may easily become so powerful that it will prove a Frankenstein to them by printing radio newspapers simultaneously all over the world.

There can be only one explanation. The business manager has supplanted the news manager in dealing with news by radio. In other words, they are thinking in terms of advertising. They think if radio becomes more popular, radio advertising will increase and newspaper advertising will be more difficult to secure.

Statistics show that fear is more imaginary than real. Radio advertising has never exceeded one-seventh of the amount spent for newspaper advertising nor one-ninth of the combined total for newspapers, weeklies and magazines. There can not be much increase in this proportionate expenditure for radio advertising because the number of radio stations is limited and increased rates can not more than keep up with natural increase in newspaper and magazine advertising.

But, even if the fears of newspaper publishers were justified and even if increased popularity of radio would decrease newspaper readers, there is a bigger consideration than the financial one. The public interest demands that radio stations give news to their listeners in order that the people may know the truth and whole truth regarding public controversies.

When the forefathers wrote the constitution, they inserted freedom of speech and freedom of press as two of the chief pillars of the temple of liberty. They knew that no majority, however strong, should ever be allowed to override these rights and that any majority, however weak, must always be able to exercise them.

What has happened? By taking advantage of inventions for rapid communication and rapid printing and speedy transportation in the newspaper business, newspaper publishers are giving the American people millions of copies of daily newspapers every day.

Exercising this right of freedom of the press, the owners of many of these newspapers omit some news, exaggerate other news and minimize or distort still other news. In short, many of our largest newspapers have become the personal or partisan organ of the corporation or individual who owns them.

If readers complain, their answer is that this is a free country and you can start a newspaper of your own. But, that isn't as simple as it sounds. It takes enormous sums of money to start a daily newspaper and build it into a paying proposition. The result is that year by year, big newspapers are being bought by their competitors and we have larger and fewer daily newspapers in our great cities each year with a more monopolistic control of sources of news.

The abuse of this right of free press by great newspapers, as I have described it, has destroyed the confidence of the masses of

the people in the press in many parts of the country. They doubt that they are getting the full truth about controversial matters. They deplore their inability to get both sides, and in many communities the support of certain newspapers for any cause, often does that cause more harm than good.

During this development of the free press into such a vast power in the creation and influencing of public opinion, the power of free speech has dwindled greatly in comparison. The human voice can be heard only a short distance. Without newspaper publicity, it has often been impossible to assemble crowds to listen to a speaker. The newspaper reaches millions and they are often dependent on one set of newspapers for their information.

Now we have radio. It can combat the abuse of the power of the press as no other agency ever developed, if we establish complete freedom of speech on the radio. We must make freedom of speech by radio as sacred as freedom of speech on the platform has so long been.

We have the only system of radio by which we can compel freedom of speech by radio. Under government-owned radio systems, there is no freedom of speech. There is no freedom of speech by radio in Germany or Italy or Russia. In those countries, speech by radio is simply propaganda by those in power to retain control of the government. Even in democratic England, in free France and in liberty-loving Denmark, there is no freedom of speech by radio for the discussion of public questions.

Under our system, Congress makes the law for regulating radio stations and Congress will compel freedom of speech by radio whenever public opinion demands it. I think the law already implies that. Freedom of speech on the radio is a public necessity. If radio listeners are to be able to think and act intelligently as free men and women in the formation of that public opinion which, in the end, becomes the law of this land, they must have the facts that only freedom of speech by radio will give them.

News by radio is the very essence of freedom of speech by radio. No radio station would dare omit important news items or exaggerate or distort facts. That would be against the public interest and would endanger the renewal of its license. Radio stations today which broadcast only the one-sided reports of individual newspapers are likely to find themselves in that kind of trouble when their licenses come up for renewal. That is one of the strongest reasons why radio stations should have their own independent radio news service.

Another great public benefit which a radio news service giving both sides of all public controversies would render would be that it would compel those newspapers now guilty of omitting, exaggerating or distorting the news to cease such practices, or stand convicted of duplicity before the world. By means of short waves and chain system broadcasts, an independent radio news service could reach the whole country. This would make radio an invaluable force in the creation and formation of an intelligent public opinion. It would compel the press to serve its highest purpose of telling "the whole truth and nothing but the truth" because the truth will keep us free.

Radio stations are handicapped because they are not organized to secure news by radio. The Associated Press has 1,200 members. But, the Associated Press, the United Press, the International News Service and the Universal Service, with their 2,000 newspapers, are all solidly united when they deal with radio stations regarding news by radio. It is the old, old story: "In union there is strength." If radio stations are to be able to assert their rights to give news by radio, they must have an organization for that purpose.

Let me now outline what an associated radio news organization of 100 or more stations could do.

First, it could either induce press associations and newspapers to sell news flashes and brief news reports for use by radio stations, or failing in that, it could finance the beginning of a great radio news service. At a cost of \$25 per week for small stations and \$50 to \$75 per week for large stations, it could set up its own news bureaus in large cities, use its own station members as correspondents in smaller communities, and buy a foreign news service for use until it became powerful enough to create its own world radio news service.

Second, an associated radio news organization of 100 or more stations could secure recognition for its correspondents on an equal basis with press associations, because its listening public would be greater than any press association on earth.

Third, such an organization could send its news to member stations by short waves to be received on automatic short wave silent printers in station offices, at rates low enough for sending 3,000 to 4,000 words per day. This short wave printer is not a

dream of the future. It is a reality now. I have seen it in operation. It is being tested for distance of reception now and will be on the market for commercial use before an associated radio news organization of 100 stations or more can be formed and in readiness to use it.

Fourth, such an organization could secure licenses for its members to use the necessary short waves to pick up sport events or celebrations where wire service is not available. The Associated Press and United Press often secure short waves for such purposes, but individual stations in small communities find it almost impossible. Such an organization could work out schedules for the use of short waves by member stations with approval of the radio engineers of the Communications Commission.

Fifth, if the newspapers should start a fight on radio because of news by radio and refuse to print station programs, as they have repeatedly threatened to do, such an organization could easily print their own national weekly publication such as the Radio Times of the British Broadcasting Corporation. It could then copyright radio programs and no newspaper would dare print them except by permission and then in the form the organization might direct. When it is possible to transmit newspapers by facsimile, it will be able to compel newspapers to treat fairly or face a new kind of competition in their own field.

Sixth, such an organization could keep in direct touch with the impending developments in short wave facsimile transmission, which will certainly revolutionize the art of communication. This development again is not a dream of the distant future. It is already a reality that is just ahead, probably not more than a year or two at most. Radio broadcasters should have such an associated radio news organization to take advantage of these developments as fast as they are made, in order to fulfill the true destiny of radio in presenting news first to all the world.

Such an organization is not only possible now but it is highly desirable in the interest of radio. I believe the broadcasters of this Association should start it before they leave Cincinnati.

I have talked to many leading radio men of this country. I have read the replies of 364 of the active station managers to my letter and questionnaire. Practically all of them believe that listeners want news by radio, and 281 of 363 replies favor the formation of an associated radio news organization.

In other words, 80 per cent. say they favor such an organization. Of course, nobody knows the attitude of the other 200 stations which did not reply, but having had considerable experience with election returns, I have generally found that when 60 per cent. of the vote was in, if that 60 per cent. was from all parts of the state or nation, the final totals generally resulted only in added majorities for those who were ahead.

Several of the newspaper-owned stations favored such an organization unless the press associations release more up-to-the-minute news. Many stations favored on condition the cost is not too heavy.

The 281 stations favoring the formation of an associated radio news service consisted of:

	Watt station
1	15
2	50
98	100
21	250
63	500
55	1,000
3	2,500
13	5,000
5	10,000
2	25,000
12	50,000

Of the 106 chain stations of the two networks replying, 62 favored such an organization and 34 opposed it.

Of the 364 replies, 296 give some kind of news by radio and 141 use Press-Radio. Of these 141 such users, 100 said it was unsatisfactory, while 54 stations not using Press-Radio news declared it so unsatisfactory they would not use it.

Of the 364 replies, 214 favor sponsoring the news by commercial advertisers. So long as press associations give their stale reports to radio stations "as a public service," they will never permit the stations to secure commercial sponsors. This is another reason why many radio stations are so insistent for an associated radio news organization. They want news which can be sponsored.

I wrote also to the capitals of the leading foreign countries of

the world to learn what they are doing in the way of news by radio. I have made a table of their replies. It reads as follows:

	<i>News Source</i>	<i>Govt. Control</i>	<i>Periods</i>	<i>Remarks</i>
France.....	Yes, press	Yes	2 15-min.	
Poland.....	Yes, press	Yes	3 5-min.	News 2 hrs. old
Denmark....	Yes, press	Yes	4 10-25 min.	
Finland.....	Yes, press	Yes	5 10-15 min.	2 languages. 14% of all hrs. used for news
Italy.....	Yes, press	Yes	1 daily	4 languages. Govt. propaganda
Egypt.....	Yes, Reuters	Yes	1 daily	Only 1 station in Egypt
Canada.....	Yes, press	Yes	2 5-min.	
England.....	Yes, press	Yes	1 25-min. and 2 15-min.	
Switzerland..	Yes, govt. agency	Yes	2 20-min.	
Norway.....	Yes, press	Yes	2 10-min. and 1 15-min.	
Germany.....	Yes, press	Yes	7 5-20 min.	Govt. propaganda
Sweden.....	Yes, press	Yes	2 7-min.	
China.....	Yes, govt. agency	Yes	irregular	
Ireland.....	Yes, press	Yes	2 15-min.	Mostly local news
Spain.....	Yes, radio reporters		1 hr. 8 a. m. 5 10-min.	Compete with newspapers
Japan.....	Yes, press and radio reporters		5 5-30 min.	Stations pay news agencies more than newspapers do
Cuba.....	Yes, newspapers acct. no regulations			Compete with papers. 1 station rents 8 hrs. for news.
Mexico.....	Yes, press		4 15-min.	Do not compete—news sponsored by press.
Austria.....	Yes, press	Yes	5 5-10 min.	
Panama.....	No, stations			
Greece.....	No			
Russia.....	Yes, press	Yes	2 30-60 min.	
Belgium.....	Yes, press	Yes	3 15-min.	

I am not a member of this Association nor have I any personal interest in or connection with any broadcasting station or radio news organization whatsoever. My interest is in radio, its development, its enlarged use for communication purposes, and most of all, its service for increasing the happiness of the human race. Yet I dare to urge this convention to take some positive action to enlarge and improve news by radio for the American people.

You can either appoint a small committee of members of this Association with power to organize a non-profit, cooperative, station-owned news organization for such stations as desire to join, or empower your board of directors to take such action. If your board or such a committee will take charge of this work, you will find an amazing response by stations and radio listeners. The situation is ripe for action now.

There is one more consideration I desire to present in connection with such an organization. Those who hold radio licenses today are confronted with a serious and pressing demand that 25 per cent. of existing radio facilities be granted to educational and religious stations. You are about to participate in hearings on the subject before the Communications Commission. What new service of an educational nature can you offer?

An associated radio news organization is one answer. It could present up-to-the-minute news flashes and brief news reports that would be different from newspaper reports. It could originate a new method of presenting such news also, by adding to the news flash statements concise, historical, scientific and human interest data. It would require men and women of big ability who could collect and concentrate facts quickly in relation to the news event, but radio can and should hire such men and women to do that kind of a service. No one station can afford it, but an associated radio organization combining their finances can.

Marlin Pew once wrote that the ideal newspaper would be a newspaper, every line of which would be of interest to every possible reader. So, the ideal radio program would be a program, every part of which would be of interest to every possible listener. There is no program that will command so nearly 100 per cent. attention and interest of radio listeners as a program of up-to-the-minute news events combined with interesting data bearing upon the subject of the news.

For years I have worked and fought in Congress and out of Congress for a free radio service, an interesting and informative

radio service, and a service that would command advertising support because of its popularity.

I have helped to write and keep on the statute books a radio law that bases the grant and renewal of licenses upon public interest and public service. The Supreme Court has declared that law constitutional. It is the American plan of radio. It stands alone among the government-owned radio systems of the world. Its continuation depends on popular support.

News by radio will do more to maintain and strengthen that plan than any other feature broadcasters can use. I urge you: seize it, use it, glorify it!

(The convention arose and applauded.)

**PRESIDENT McCOSKER:** Senator Dill, if you were in doubt as to the popularity of your theme or its treatment before addressing this organization, I think you should feel gratified now to witness not the polite applause but the zealous, interested and thoroughgoing applause that followed your discussion. I think, personally, it was the best talk that I have ever heard on a timely subject from an informed viewpoint since I have been attending or presiding over these conventions of the NAB. If news by radio had nothing else to recommend it, your repeated statement that it is in the public interest should be sufficient to encourage this membership so to conduct itself as to make it a reality. (Prolonged applause.)

I am sure that is the reaction of these people. And, to use the vernacular, to show how well that speech was up my alley, since its inception, I have refused to sign the Press-Radio Agreement. (Applause.)

May I express the hope, Senator, that a way will be found to avail ourselves of your assistance in bringing this thing to a reality. (Applause.)

Now, ladies and gentlemen, the next item on this program brings before us Bill Hard. Will you come up, Bill? To be brief, because we all know Bill Hard and know his work, I am going to confine myself to saying (and in so doing it is high praise, in my opinion) that Bill Hard is an educated and human person, a distinguished author, radio commentator and journalist from Painted Post, New York. (Applause.)

## RADIO AND HUMAN LIBERTY

Address by WILLIAM HARD

(Author and Radio Commentator)

Mr. Chairman and gentlemen, before I go over into my own observations, I would like to add a very small detail to what was told you by Senator Dill.

In the summer of 1931 I was in Berlin and went to examine the German national radio broadcasting organization. I found that they had a very considerable press news department. There I found some fifteen or twenty writers engaged in writing the news for publication over the air. I noticed on the wall certain orders to the persons working in that department. Two of them struck me very forcefully. One was that no item of news should go out over the German air as written in the press dispatches received in the German radio broadcasting organization. Every item of news was re-written from written language into spoken radio language, just exactly as the Senator has suggested. In the second place, an additional rule provided that nothing should go on the German air which had previously been printed in newspapers. Now, there is a pretty extraordinary mark to shoot at.

Coming to my own subject, I am unhappily conscious of having undertaken a vast subject. Radio itself is sufficiently vast. Human liberty is vaster still. My apology is that you want to consider radio and I doubt if it is possible to consider radio without at once also considering human liberty.

A radio broadcasting organization must, of course, begin with providing entertainment. Radio was not invented, apparently, to bore the human race. All over the world every truly professional broadcasting organization is primarily an entertainment enterprise. This is for an inescapable reason.

A radio signal goes out indiscriminately to every class of man. It, thereupon, transcends all classes. Its client is the mass-man. And, what is his desire?

His desire today is precisely what it was when the Greek poets sang of the benefit he then entreated from the Muses. It is "surcease from care." It is pardon from the jail of fact to the free land of fancy.

Every broadcasting station or system must, therefore, first amuse. It otherwise has no audience justifying its existence. When, though, that audience is secured, an extraordinary shift of scenic effect immediately follows.

The broadcasting organization which gained an audience through entertainment is now under a recognized public duty to summon it seriously to better citizenship. Again the reason is inescapable.

Broadcasting is done on public property. The true real estate upon which it operates is the ether. Bands of the ether are allocated to broadcasters everywhere by the public authorities. The broadcaster is a tenant of a public domain. He owes a social duty to his landlord. His landlord is human society organized through government into a civic social purpose.

Accordingly, the broadcaster who a moment ago was an entertainer is now a civic educator. He was the stage, and now he is a civic forum. He was vaudeville, and now he is statesmanship. No other business in the world can show in any comparable degree so great a contrast, so great a comprehensiveness, of obligations.

To put it in strictly American terms, radio is a union of the subject matter of Hollywood and of the subject matter of Washington for the evolution of a livelier and better and greater American social civic future.

Thus stated, and thus truly stated, it all seems very rosy. Radio is progress. So we assume. So we constantly assert.

But so we fall into illusion. We mistake mechanism for soul. We point out that radio shortens the time of communication between mind and mind. We point out that it shortens the time of communication between country and country. We imply that thereby all minds and all countries will be brought into closer appreciations and closer collaborations. We inscribe upon the portals of the British Broadcasting Corporation in London the confidently prophetic words: "Nation Shall Speak Peace Unto Nation."

But, let us test that optimism by a contemplation of Europe. Radio is prevalent in Europe. Transmitters often of excellent technique and often of stupendous power exist all over it. Mornings, afternoons and evenings, they send forth their messages in vast volume to the European populations. These messages are heard at millions upon millions of receiving sets.

Will anybody contend that the animosities which rend Europe have thereupon been settled? Will anybody contend that they thereupon have been even assuaged? Where are the Russian broadcasts inculcating love of non-Russian capitalistic foreigners? Where are the German broadcasts teaching admiration for non-Teutonic non-Nordic foreign peoples? Where are the Italian broadcasts expressing an identity of aspirations between Latin Italy and Latin France? On how many occasions anywhere in continental Europe is there a broadcast of international exchange of view and feelings?

The fact is that a broadcasting station in any great and powerful European continental country is an agency not at all for international understanding but wholly one-sidedly for the understanding and underwriting of any and every policy embraced and promoted by its foreign office. In former times in Europe, there was one great organ for the accentuation of nationalistic passion and ambition. That was diplomacy. Now there is also radio.

Radio has not blunted nationalism in Europe. It has sharpened it. The international state of Europe with radio is not better. It is worse. It is worse through a development to which a large contribution has been made by governmentally directed broadcasting systems.

Those systems can, and do, often operate in an air of culture. They can not and do not operate in an air of genuinely free discussion. No government anywhere can or will invoke on its own facilities a genuinely free and, therefore, a potentially successful criticism of its own policies. The public-affairs broadcasts of a governmentally directed broadcasting system are, therefore, either colored in favor of the government or—at the best—colorless. Never can they welcome that combat of all colors which alone ultimately produce the white light of truth.

But the severance between radio and liberty on most of the area of the continent of Europe does not stop even at this point. It proceeds farther. In countries controlled by dictatorships, the power of radio is a power which every day teaches great multitudes of listeners to disdain liberty and to prefer servitude. Free institutions are flouted. Worshipful obedience to secular authority is defended and demanded. The young are indoctrinated in the theory that it is their noblest duty to grow up into being the automata of an omnipotent mechanized state.

How foolish, then, for us to say that radio, in and of itself, means progress. It can equally mean retrogression. Radio is not a salvation. It is only an acceleration. It can hurry life faster toward the better. It can hurry life faster toward the worse. Its destination depends upon the soul that man puts into it. It can be the greatest organ ever invented for the opening of wider hori-

zons to the free development of mankind. It can equally be the cunningest engine ever devised for riveting the chains of mass-prejudice and mass-superstition and mass-slavery upon the mass-mind.

Do not imagine, therefore, that in your industry you are called to an easy task. You are the managers in the United States of an instrumentality which can ennoble or degrade, which can be a blessing to the earth of a curse, and which forever everywhere must make a choice between those two destinies in precise proportion as it makes a choice between being the servant of liberty or the servant of centralized monopolized arbitrary authority.

In this country today it has still an unbounded opportunity to be the servant of liberty. If it is ever to become the servant of liberty throughout the world, the inspiration toward that end must come from this republic. It must come from a successful display here of the economic possibility and of the social advantage of a radio system freely operated. You are the trustees accordingly not only of a certain heritage but also of the example which that heritage may offer to other countries and other continents.

I must then remind you of the extraordinary nature of the social arrangement which you illustrate. The basis of your efforts is an invisible but nevertheless governmentalized physical phenomenon called the radio spectrum. You toss upon it waves at stations assigned to you by governmental edict. You are lightships on the sea of the spectrum, anchored to spots which you hold only by revocable governmental permission and order.

Yet in the United States we have ordained that those lightships, since they light the storms and coasts of thought, shall be free. On a governmentalized physical medium we have established a free mental medium. It is an accomplishment substantially unique in the history of governmental political science. The microphone is an amazing physical invention. The arrangement which we have devised in this country for the custody and control, for the popularization and emancipation of the microphone, is a social invention equally amazing. We Americans, we Americans alone, have striven completely to combine a necessary regulatory coercive governmental physical background of radio with an adventurous private commercial competitive free promotion and development of it.

It is an arrangement—I ask you next to note—which is necessarily precarious. You hold your tenure of the air only provisionally. The proviso is that you shall serve “the public convenience, interest or necessity.” Those are the words of the law under which you live.

At any time the government, without any change in the law, can say to you:

“You may be serving the public convenience but we do not think that you are serving the public interest and still less do we think that you are serving any public necessity. We, therefore, herewith terminate your licenses and transfer your wave lengths to the hands of others and particularly to the hands of governmental agencies much more qualified, in our opinion, than you are to represent the public necessity and to interpret it.”

Such might be at any moment the attitude taken and the policy adopted by the government. Greater revolutions have repeatedly been achieved in human history with even less express warrant of law. Your existence as free broadcasters hangs always, therefore, by a thread near which repose, in a silken case but with ever ready keen blades, the shears of the public executioner.

Nor is there any way, nor should there be any way, of making this situation less perilous or less stimulating to you. You can never establish a right of indefeasible property in the air. You can establish only—at the most—a claim of uncontradictable service. And you will always be obliged to press that claim less in the court of the letter of the law than in the court of the spirit of the people who, in the end, make the letter of the law confirm to their will.

What then must we say in sum is the state of liberty in radio in the world? We must say that the extension of liberty in radio in the world is hinged upon the preservation of liberty in radio in the United States. We must say that the preservation of liberty in radio in the United States is hinged upon the daily continuous conduct of the personalities and organizations present or represented in this room. We must say, with no invocation of rhetoric but only in deference to reality, that no body of men in this whole world bears a greater responsibility for the perpetuation of free thought and of free speech and, therefore, of the essentials of all human liberty in the future of mankind than do the broadcasters of the United States.

The practical question then occurs: How can the broadcasters of the United States successfully meet that responsibility? There are two reasons why they must endeavor to meet it.

One is a reason of necessity. They must meet it or else cease to possess their special social reason for economic existence.

The other reason—and I prefer to dwell upon it—is a reason of honor. When men are called, whether by an act of will or by a chance of circumstance, to a post of high and crucial combative opportunity, it is within their nature to come forward to it and to hold it and to advance it with a courage and persistence to which the only alternative is a sense of shame.

You are at such a post. How can you both fortify it and expand it?

Only, surely, by spectacularly illustrating the one thing that constitutes your basic and abiding singularity among the broadcasting systems of the world. That one thing is liberty—and nothing else.

It is true that the entertainment which you provide is undoubtedly the world's most spacious and sumptuous. Yet consider what governments might do in that field if they so desired.

Governments have the power of taxation. There is no limit except utter human exhaustion to the exercise of that power. Do you spend a hundred million dollars a year on entertainment? Will you spend two hundred? A government could spend three hundred, five hundred.

A government which decided to attract the masses to its political standard not only by unlimited relief but also by unlimited entertainment, a government which decided to emulate the generosity of the Roman emperors not only in the matter of bread but also in the matter of the circus, could out-spend you without the slightest difficulty. You hire many of the best entertainers in the country. A government could hire them all. You transmit occasional music from the Orient trans-oceanically. A government could import whole troupes of Oriental musicians to bring Thibet and Kashmir to the microphones of Boston and Dallas. You spend large sums of money reporting yacht races. A government could at any time provide the races themselves as well as the reports. In a word, you entertain lavishly but a government could entertain more lavishly still.

Not long ago a European broadcasting system turned deliberately from an emphasis upon its scholastic educational features to an emphasis upon its features of entertainment. Modern governments are learning ancient lessons. They are learning them as they incline more and more toward becoming dictatorships. The wise dictator, ancient or modern, keeps his people subjected—and amused.

In any country, accordingly, and at any moment, a population seeking amusement might derive it more copiously from the governmental treasury than from private enterprise. And what can private enterprise say to its listeners in bidding against that bribe? It can only say:

I offer you the one thing that no government ever did or can give. I offer all reputable and responsible elements among you, proletarian or capitalistic, agricultural or urban, reactionary or conservative or liberal or progressive or radical, governmental or oppositional, contented or discontented, popular or unpopular, full access to expression. I offer you the freedom of your mind. I offer you the retention of your soul.

It is at those heights that you must walk if you would out-bid government for the occupancy of the ether. You walk there already to a degree which is notable but which, unfortunately, is neither sufficiently proclaimed by yourselves nor thereupon sufficiently realized by the country.

You are constantly assailed for an alleged censorship of the broadcasts issuing from your stations. Multitudes of your fellow countrymen believe that you control and color your broadcasting to favor your own monetary interests or the interests of other supposed so-called “malefactors of great wealth” or the interests of whatever administration may be current in Washington.

In practice, as an industry, you provide a very considerable answer to that charge. At my own receiving set, I have recently heard both sides of the contemporary cotton textile strike expounded without fear of capital, without fear of labor and without fear of the NRA or of any division of the government.

I have had a similar experience in marking the development of the career of the current administration on the air of the country which it rules. The current administration had a honeymoon. Every administration has a honeymoon. Every honeymoon, public or private, is traditionally greeted by a serenade to the lovers. The serenade gradually yields to dissensions about the cooking. From the very moment when those dissensions arose regarding the national meal as served by the current administration, I have heard talkers on our American air denounce the New Deal for inflating our money and credit too much and denounce it for inflating our

money and credit too little, call it an importation of Bolshevism and call it a surrender to the Steel Trust, attack it for governmentalizing our banks and attack it for not governmentalizing our banks, charge it—in the manner of the Crusaders—with plunging us headlong into the unknown, and charge it—in the manner of the League for Industrial Democracy—with standing on the brink of experiment torpidly and timidly.

It is true that the spokesmen of the administration have addressed us voluminously via the ether; but it is also true that in no other country in the world in the last twelve months has the ether carried so large a number or so large a variety of spokesmen of the opposition.

Yet you can not be satisfied in this matter to rest upon your present performance.

In the first place, you do not competently convince the public of the present extent of your impartiality and comprehensiveness. Millions of listeners still suspect the existence of some vague covert sinister control of radio programs. You do not effectively correct that impression by any persuasive narrative and exposition of your record as made.

In the second place, the record still has gaps. Important social elements, important educational elements, important economic elements, sometimes individually small but collectively very large, still feel themselves inadequately admitted to the air. Broadcasters sometimes tend to defer their hospitality to such elements till newspaper publicity has given them prominence and power. I venture to suggest a hospitality more positive, an energy more foresighted.

American radio should not be the mere mirror of notorieties already achieved. It should not be a mere amplification of thoughts and issues already familiar. It should itself be the discoverer and first publisher of the novelties which knock at the door at the moment and which so often build the house of the future. It can and should excel all other agencies in contributions to the architecture of that house. It can do so because of its universality of appeal. It can do so only—only—by a corresponding universality of welcome to all the ideas, all, that struggle together to make the character of the ages that shall come after us.

The broadcasting industry of the United States will be invulnerably immune to political attack precisely on the day when our citizens overwhelmingly, and without any mental reservations whatever, shall say to themselves: "Do we want to know what is coming? Do we want to know it first? Do we want to know every side of it? Do we want to know all of it? We will listen to our publicly uncensored and privately uncensored adventurous exploratory American air."

This they will say in those circumstances if the spirit and the material makings of liberty still subsist among them. We must always, however, be asking: What, after all, is liberty?

We fall into great confusion about it because there are indeed three liberties. There is the liberty from foreign rule; and we can distinguish it under the name of independence. There is the liberty from autocratic rule; and we can distinguish it under the name of democracy. But then, there is the liberty, at certain points, of the individual even from the rule of his fellow citizens, even from the rule of democracy, and we have put it, in our constitution, into the bill of rights, and we call it personal liberty, but we often seem to regard it as the mere outcome of independence and of democracy and, therefore, subordinate.

The fact is that it is primary. When its sentiments expire in the breasts of men, the other two liberties can readily expire also. National liberty and political liberty are outward forms of governmental action. Personal liberty is an inward form of spiritual possession. It originates every other free aspiration, while it itself is originated only from within.

Its source is solely the interior light which is said to light every man that comes into the world. It was with reason that the most reasoning man of all times, Socrates of Athens, said to the judges who denied him his freedom of speech and who were about to condemn him to death: "Men of Athens, I honor and love you. But, I shall obey God rather than you. And, while I have life and strength, I shall never cease from the practice and teaching of the search for truth."

But, we then and there encounter the greatest of all paradoxes. This duty and right of free speech, so spiritual, is welded to a body physical and also economic. It can not be free unless that body in a high degree is free also. A certain very considerable liberty of property becomes thus eternally essential to liberty of thought and of expression.

I hasten to assure you that in speaking of free property, I am not among those who see an unwarranted invasion of it whenever

a government undertakes any new exertion of its immemorial duty to prevent fraud and coercion in its country's economic life. I want freedom from unethical economic slaughter by my fellow citizens in private life just as much as I want freedom from arbitrary economic slaughter by my fellow citizens turned bureaucrats. I contend only that governmental regulation can not safely be permitted to pass over into governmental domination; and I can give you a very concrete and compact illustration of my meaning.

The power of advertisers in this country is today limited by the fact that they are so enormous in number and so disassociated in interest. They do not and can not act as one. Let now the government, however, extend its domination of all business to the point of controlling all advertising through one agency in Washington and there will not be left one free newspaper or one free radio station in the United States.

Government does not need to throttle free speech by imprisoning the practitioners or agents of it. It can throttle it by controlling—and by granting or withholding—their incomes. A country that deeds its government its stomach deeds it also its tongue.

Private radio, therefore, if it wishes to retain the individual personal liberty of free speech, must join in the general battle for retaining in the necessary degree the individual personal liberty of free property. Private radio, in whatever test tube it may be analyzed, whether of idealism or of commerce, emerges a necessary champion of liberty in total.

You will here discuss many problems that you will call practical. I dare to say that the most practical problem to which you can here and now address yourselves is this: "How can we find the resources and times and how can we devise the broadcasts that will dramatically and convincingly (A) illustrate liberty and (B) teach liberty? How can we sufficiently clearly and powerfully both make our listeners know that we are free and make them themselves desire all freedom?"

Unless they desire it in all its aspects for themselves, they will not appreciate it or desire it in you. Your special liberty rests upon the vitality of liberty in general.

That vitality can ebb. We see it ebbing all over the world today. Yet, by faith and act, it can be turned from ebb to flow. It has never retreated so far that it has not again advanced. In the history of continental Europe, it has produced Caesars only in the fullness of time to produce Garibaldi. In the history of our own development, it permitted Anglo-Saxon liberty to give way to Norman and Plantagenet feudalism and to Tudor and Stuart absolutism; but it caused that absolutism presently itself to give way to a newer and a greater liberty in Chatham, Burke, Jefferson, Hamilton, Washington.

It will be so again. It will be so again through a process in which you are cast for a leading part. You are the guardians of a medium which has the broadest existing—or conceivable—approach to the mass-man. You are the guardian of a medium which in this country reaches its highest actuality as a possessor of freedom and its highest potentiality as a teacher and extender of it. I know that you will not be able—and I am sure that you would not wish to be able—to escape from the enlistment to which you are thus summoned in the inevitable battle which some day will indisputably disclose the fallacies and failures of contemporary dictatorships and once again triumphantly restore free institutions to the earth. (Applause.)

PRESIDENT McCOSKER: Mr. Hard, I want to say, on the part of the members of the National Association of Broadcasters and on my own behalf, a word of thanks for the learned analysis which has been given the radio business and the prognosis of what should be our activity for the future. I am sure it was very greatly enjoyed and represents a tremendous amount of work.

Now, ladies and gentlemen, I have the deferred honor and privilege of presenting to you at this time the Hon. Russell E. Wilson, Mayor of Cincinnati, the Queen City, who is serving his third term as mayor of the city.

I have a very slight acquaintance with the gentleman but he has communicated to us the fact that he is a former newspaper man. His first trend toward reformation was to become the mayor of Cincinnati and now to make it complete, he is right here in the bosom of the broadcasters, the Hon. Russell E. Wilson.

(The convention arose and applauded.)

## ADDRESS OF WELCOME

HON. RUSSELL WILSON

(Mayor of Cincinnati)

Mr. President and very distinguished guests of Cincinnati: I don't want to be critical but the enunciation was not quite correct.

There is no "E" in my name. There was a "D" but as it stood for a good many things, I took it out.

Now, I am very proud to greet you and I am also very proud to follow on the program William Hard. I was a newspaper man for many years and learned in those years more and more to admire Mr. Hard. His brilliant pen—or shall I say, his facile typewriter—gave added significance to the term "fourth estate."

Then, I am also very proud to appear on the same platform with Senator Dill who may have been elected with the approbation of the people of his state; when he passes from the national scene, with the regret of the entire nation. (Applause.)

And, I must, as a duty and certainly as a pleasure, speak of Ohio's contribution to the Radio Commission of the government, the Hon. Thad. H. Brown. (Applause.)

But, for any Cincinnati to speak of radio is to speak of Powell Crosley who is the real radio mayor of the city of Cincinnati. (Applause.)

You are more cognizant than I with the wonders of WLW, and so good a citizen is Mr. Crosley of Cincinnati, having taken part in the good government of which I am an inadequate fruit, that Mr. Crosley bought a baseball team. (Laughter.) Now, we are all going to pull with him and the day is going to come not so many seasons hence when the National League standing will be in inverted order. (Laughter.)

It is very impressive to me to meet you face to face. I do not wish to give you the attributes of divinity but so far as this nation is concerned, you are the great unseen presence and your power is to me overwhelming as I contemplate it because you have a speaking acquaintance with over a hundred million people—a speaking acquaintance with those who can not talk back. (Laughter.)

Now, one of my favorite plays is Shakespeare's "Tempest" and to me that play has assumed a prophetic significance. All that Ariel accomplished at the instance of Prospero has now been accomplished by science. You are the Prosperos and as Mr. Hard may have indicated, you may have some Calibans.

Now, I am going to give the city over to you so that you may be seen by us as well as heard. I want you to do with the city as you will and when you are through with it, give back to me what is left of it so I may prepare it for your next coming. (Laughter and applause.)

**PRESIDENT McCOSKER:** I think we all agree nothing could be fairer than that.

We would like to have you remain just a few moments for some announcements. To begin with, I would like to ask Powell Crosley to step forward, if he will. He wants to make an announcement, I understand. (Applause.)

**POWELL CROSLY (WLW, Cincinnati):** It gives me a great deal of pleasure to be here with you today. I am afraid I have been neglecting my association with this organization. I was one of the founders of it. Perhaps there are some of you here today who remember our meeting in the Drake Hotel to form this organization years ago when the question of copyright first came up.

However, I am not here to make a speech but to say to you that I am glad that you are here in Cincinnati. I want to invite you all to visit the outfit we have out in Mason, which they say makes a lot of noise, known as WLW, and arrangements have been made so that you can go out there. Our Joe Chambers can give you further details and make the necessary individual arrangements for you.

The announcement that I was asked to make was that the Cincinnati member stations are giving a smoker this evening at the Elks Club at 7:30 o'clock. You are all invited to be there and I hope you can attend.

Thank you. (Applause.)

**PRESIDENT McCOSKER:** Thank you very much for the hospitality. And, as one who has enjoyed it on previous occasions, personally, I recommend that you avail yourselves of it.

#### ANNOUNCEMENTS

**PRESIDENT McCOSKER:** I would like to announce the committees that have been formed. In each instance, the first name called is that of the appointed chairman.

#### RESOLUTIONS COMMITTEE

**HENRY A. BELLOWES, Chairman**

Don Davis

W. P. Williamson, Jr.

And also, in each instance, the chairman is asked to make the arrangements for the meetings of his committee.

#### NOMINATING COMMITTEE

**H. J. BRENNAN, Chairman**

Charles Burke  
L. A. Benson

Leon Levy  
H. W. Slavick

Harold Quilliam  
Glenn Snyder

#### CREDENTIALS COMMITTEE

**IKE R. LOUNSBERRY, Chairman**

Hugh A. L. Half

John E. Fetzer

#### ELECTIONS COMMITTEE

**WILLIAM WEST, Chairman**

Rev. James A. Wagner

P. J. Meyer

Mr. Loucks has an announcement he wishes to make.

**PHILIP G. LOUCKS (Managing Director, NAB; Washington, D. C.):** This announcement relates to voting by delegates and alternates.

The Board of Directors, at a meeting held last night, passed the following resolution:

*"Resolved:* That it is the sense of the Board of Directors and it so directs the Committee on Credentials that delegates and/or alternates shall be full-time employees of member stations or companies owning and/or operating such member stations or shall have a provable capital interest in the member station of not less than one per cent. of the capital stock of the owning corporation or a proportionate partnership holding in such member station; provided, however, that other persons duly named as delegates or alternates shall be admitted to all sessions of the convention but shall not be given the privilege of voting."

**PRESIDENT McCOSKER:** Now, gentlemen, I declare the meeting closed until 2:00 p.m. and I do ask and urge you to be prompt in returning at 2:00 o'clock to this room.

(The meeting adjourned at 12:30 o'clock.)

**SEPTEMBER 17, 1934**

**Monday Afternoon**

The meeting convened at 2:00 o'clock, President McCosker presiding.

**PRESIDENT McCOSKER:** Ladies and gentlemen, the second session of the twelfth annual convention will come to order.

At this time I am going to present John Shepard, Chairman of the Code Authority, who tells me that the listing of his remarks is incorrect in that it refers to "A Resume of Code Administration"; Mr. Shepard at this time is not going to give a resume of code administration but will say a few words about the code meeting that will follow the regular convention.

**John Shepard, III**

**JOHN SHEPARD, III (Chairman, Code Authority for the Radio Broadcasting Industry; WNAC, Boston):** Because the NAB program was so full, it doesn't provide for any discussion of the broadcasters code. This subject was omitted intentionally because there is an open meeting scheduled for 10:00 o'clock Thursday morning for full discussion of the code. Formal notice of this code meeting was mailed to all members of the industry under date of July 26.

Many of you are well acquainted with the kind of problems presented to the Code Authority during the last ten months. These problems have produced many valuable suggestions for code administration. It is my hope, therefore, that every member qualified to participate in the code meeting will be present at 10:00 o'clock on Thursday morning. The Deputy Administrator of the N.R.A. in charge of the Radio Code, Bill Farnsworth, is making a special trip from Washington to be present at that meeting. We hope at that time to have a free discussion from the floor of the various problems and various questions under the code.

That is all, Mr. McCosker.

**PRESIDENT McCOSKER:** The next item on the program is the report of the Managing Director, Mr. Loucks, and it is his report, in a measure, that will cover, in a general way, outside of the specific reports of committees, the activities of the organization the past year. (Applause.)

#### REPORT OF MANAGING DIRECTOR

**PHILIP G. LOUCKS**

Nineteen thirty-four has been an eventful year. It has been the busiest in the history of your Association. The year will always

stand as a milestone on the road of broadcasting's steady march toward economic stability. During the year licensing was transferred from the Federal Radio Commission to the Federal Communications Commission; advertising copy was subjected to review of the Federal Trade Commission; commercial practices were standardized under the Code of Fair Competition. But, equally important, definite progress was made during the year toward solving our perplexing copyright problem.

In this, my fourth annual report to you, I shall touch briefly on some of the accomplishments of your Association during the year, leaving more detailed discussion of such activities to reports which will follow.

The membership of your Association today stands at 370. This is an increase of 100 members over 1933, an increase of 175 over 1932, an increase of 235 over 1931 and an increase of 318 over 1930, the year of my appointment.

Despite the increase in membership, income from dues failed to meet operating expenses during the first nine months of this year. As of September 1, the total income derived from dues amounted to \$35,139.81 or an average of \$3,904.43 per month; operating expenses totaled \$39,598.13 or an average of \$4,399.79 per month. Operating expenses, therefore, exceeded income from dues during this period by \$4,458.32. The difference was made up from the reserve funds of the Association. On September 1, the Association's bank balance amounted to \$4,070.50.

It should be pointed out that these figures relate only to the general funds and do not include receipts or expenditures in connection with the special copyright fund. This latter fund is in direct charge of a treasurer.

When the system of paying dues on a percentage basis became effective last January, I expressed to the Board the opinion that this method of paying dues would not work satisfactorily in practice. The board thereupon directed me to make a study of the whole question and subsequently authorized me to submit to the convention an amendment to the by-laws which would place payment of dues on a workable basis. This proposed amendment, copies of which were sent to all members, would, if adopted, base dues payments upon published card rates. I believe that this is a sound basis and I recommend its adoption in its proposed or slightly modified form. In the form in which it is proposed, this system would produce an income of approximately \$60,000 annually, sufficient to maintain the activities of the Association and make special contributions when necessary.

Routine work of the Association has grown in proportion to the growth in membership. Since January 1, letter mail has averaged 250 pieces a day, outside telephone calls have averaged 32 a day. An average of five persons visited headquarters each day since the first of the year.

The number of conferences with government departments and representatives of other organizations having business with the Association has increased materially during the year. Close cooperation and a fine spirit of loyalty to the Association enabled the headquarters staff to meet these greatly increased demands upon its services.

The headquarters staff, as was the case a year ago, consists of the Managing Director, a Technical Director, two secretary-stenographers and two part-time employees. Under the arrangement existing between the Code Authority and the Association, the Association is entitled to have a part of the services of Mr. Baldwin, but code work has demanded virtually all of his time during the past year. Mr. Schuette has been retained as copyright adviser and his fees have been paid from contributions to the copyright fund. The copyright fund also must bear the fee for Baker, Hostetler, Sidlo and Patterson, who have been retained to represent the Association in copyright matters.

Recently Mr. Bellows volunteered his services in connection with the October 1 hearing before the Federal Communications Commission, and office space and stenographic help have been provided for him in this work.

The Board of Directors held four meetings during the year. The first meeting was held at White Sulphur Springs, October 11; the second meeting at Washington, D. C., November 9; the third meeting at Washington, D. C., May 14, and the fourth meeting at Cincinnati on September 16. Reports of these meetings were published in summary form and made available to all NAB members in our weekly reports.

The Engineering Section held its third annual meeting in Philadelphia on May 28 and the Commercial Section held its third annual meeting in Philadelphia on May 28 and the Commercial Section held its third annual meeting in New York June 19 and 20. In addition to these more general meetings, there have been

various meetings of committees of the Association during the year.

The second state NAB committee was organized in Alabama several weeks ago. The Alabama committee is modeled after the New York state committee, which has been functioning efficiently for nearly two years. It is my hope that before this convention adjourns, preliminary plans for organizing such committees in every state in the union will be made and that their actual organization will go forward with all possible speed. These committees are a part of the Association and amenable to the rules and regulations of the central body in national matters although they are given fairly broad authority in matters of a strictly local nature.

After these committees are formed, they should be contacted regularly by your Managing Director in order that the activities of the national body will at all times be expressive of the will of the membership as a whole. I consider it to be of the highest importance that there be built a closer contact between the office of the Managing Director and the members.

The privilege of private use of radio facilities in the broadcast band of frequencies in the United States is granted pursuant to existing United States law and to international treaties to which the United States is signatory. Prior to last year, the Washington Convention of 1927 governed international radio matters and now we operate under the terms of the Madrid Convention of 1932. International administrative conventions are held every five years. The next convention will be held in Cairo, Egypt, in 1937.

International radio problems are usually solved by recourse to technical expedients and under the Madrid treaty the International Consulting Committee on Radio Communication, known as the CCIR, is given a recognized standing. The CCIR is a conference of technical experts and at its meeting, which opens in Lisbon, Portugal, this week, the groundwork will be laid for the 1937 Cairo conference. Mr. McNary, Technical Director of the Association, is in Lisbon and will attend the conference as representative of your Association. He will attend as the only representative of the United States broadcasting industry. I should point out also that Mr. McNary has taken active part in the preparatory work for this conference which began early last spring.

President Roosevelt signed the Code of Fair Competition for the Radio Broadcasting Industry on November 27, 1933 and the Code Authority was organized and embarked upon its official duties on December 11. The code has been in operation nine months. One of its first tasks was to undertake a study of the hours, wages and working conditions for broadcast technicians. This survey was concluded and report was made to the N.R.A. March 11. Based upon this report, a hearing was held before the N.R.A. on June 20 and 21 in Washington, which I attended as your representative and supported the recommendations made by the Code Authority urging retention of a forty-eight hour week for operators. No decision has as yet been reached and you will undoubtedly hear a great deal more about this at the code meeting on Thursday. I will not take time to speak further about the code except to commend Mr. Baldwin, Executive Officer of the Code Authority, for the manner in which he has handled his difficulties.

The decision of the Nebraska Supreme Court in the KFAB case, holding that a broadcasting station was jointly liable with a speaker for defamatory remarks uttered over the station, was carried to the Supreme Court of the United States by your Association. Petition for a writ of certiorari was filed on November 4 and was subsequently denied.

During the year there were several meetings of your Tax Committee for the purpose of considering numerous questions relating to depreciation rates for broadcasting station equipment submitted by the Bureau of Internal Revenue. Following these meetings, Mr. Elkin, Chairman of the Tax Committee, and your Managing Director, held a number of conferences with Bureau officials. Subsequently, the Bureau reached the conclusion that it was not practicable to promulgate an official bulletin on depreciation rates for our industry since there were so many different elements affecting different concerns engaged in the business. The Bureau considered that each case should be decided on its individual merits and that a six year life should be used as a starting point for all cases, and that if the facts in individual cases justified lower rates of depreciation, lower rates would be allowed on the basis of such facts.

The national high school debate question last year was: "Resolved, That the United States adopt the essential features of the British system of radio operation and control." Following the announcement of the debate question, requests for material on the negative side began pouring in to your headquarters office. To meet these requests, it became necessary to collect all available material which was afterward published in the form of a manual

entitled, "Broadcasting in the United States." Nearly 9,000 copies of this book were supplied to debaters and debate coaches. The books were supplied only upon written requests sent to the Association.

Last winter conferences were held between heads of the three large press associations and the two national networks for the purpose of considering some form of working arrangement between broadcasting stations and newspapers governing news broadcasts. President McCosker, Vice President Shepard and your Managing Director attended three of these meetings as observers. It was made clear that your Association could not participate in the program being developed since its representatives were not empowered to bind the membership to the proposal. As a courtesy to the Association, a place on the administrative committee of the Press Radio Bureau was offered but your Board was of the opinion that for the present the Association should not accept the tendered appointment. It was decided instead that a committee should be appointed to study the whole question of relationship between radio and the press.

Acting upon authority from the Board of Directors, your Managing Director filed with the N.R.A. a protest against certain proposed amendments to the telegraph code, which, if adopted, would have had the effect of increasing telegraph charges to users of telegraphic services.

Your Commercial Committee has given careful study to many of your commercial problems. The two main problems which should be considered by the Association at this time are agency recognition and the creation of a cooperative bureau for coordinating station surveys and listener data. In my opinion, the question of agency recognition should be given further study. The second problem is more important. Stations are spending thousands of dollars annually for the purpose of supplying advertising agencies and advertisers with station surveys, market data and listener habit analyses. In my opinion, representatives of your Association should be authorized to confer with proper officials of the American Association of Advertising Agencies and the Association of National Advertisers with a view to developing a cooperative plan under which standard methods for developing and presenting station and listener data can be developed. The Commercial Committee has given much study to this phase of our commercial activities and undoubtedly will report more specific recommendations to you during tomorrow's sessions.

The committee also has studied such questions as merchandising, standardization of business forms, relationships between networks and affiliate stations, and at the same time will report to you the results of their work on these topics.

Mr. Bellows, Chairman of your Legislative Committee, will follow me with a complete report on the Association's legislative activities. So, in discussing this subject, I shall try not to trespass upon his report. But, I must remind you that Congress was constantly in session from January 3 until June 18, or nearly six of the eleven months which have transpired since our last convention.

The most important legislation passed by the Congress was the law creating a Federal Communications Commission for the purpose of coordinating and regulating all forms of inter-state wire and radio communications. Mr. Bellows will tell you of the numerous occasions the Association was called upon to appear at Congressional hearings, and will give you an idea of the vast amount of time and effort devoted to this phase of your Association's activities.

It was during the consideration of the Communications Bill that the fight for allocation of channels to particular groups was reopened with new vigor. After the proposal had been rejected by both the Senate and House Committees handling radio legislation, Senators Wagner of New York, and Hatfield of West Virginia, introduced an amendment to the Dill Bill in the Senate under which all licenses would be canceled within ninety days from the passage of the law, making a reallocation of channels mandatory and granting 25 per cent. of the reallocated channels to religious, educational and other so-called non-profit organizations. All of these non-profit organizations, however, were to be permitted to sell time. Senator Dill, Chairman of the Senate Interstate Commerce Committee, led the fight against adoption of the Wagner-Hatfield Bill in the Senate. It was through his able leadership that the Senate rejected the amendment by a two-to-one vote.

All of you were asked to inform your Senators of your opposition to the measure and never before in the history of the Association was greater cooperation displayed.

The specific proposal having been decisively defeated in the Senate, the question of allocating facilities to special groups is just as alive as ever. The new law requires the Commission to make a study of this issue and to report its findings and recommendations

to Congress on or before February 1. The Commission has begun its consideration of the issue and will commence open hearings on October 1. Your Association has assumed the responsibility of representing the industry at these hearings and we are now in the midst of extensive preparations. We have asked you for help. I plead with you for your best cooperation. The limited time remaining to prepare for this important hearing makes your best cooperation imperative. The Association will do its part but the result will depend upon how well each of you does his part.

Hearings were held on the Tugwell Bill, the McFadden Bill and several other measures of minor importance. In each instance, as Mr. Bellows will explain, the Association stepped to the front and represented, as best it could, the interests of all broadcasting stations.

Before I leave the subject of legislation, I want to express my grateful thanks to Mr. Bellows for the able and intelligent manner in which he has represented the Association in all legislative matters since I became your Managing Director. I want to express my thanks, too, for the assistance which Mr. Frank M. Russell, a member of the Legislative Committee, has given the Association in all of its legislative controversies.

On May 17 last the Federal Trade Commission announced that radio advertising would be subjected to its scrutiny under authority conferred upon the Commission by Section 5 of the Federal Trade Commission Act. The Commission announced at that time that beginning July 1 all networks, broadcasting stations and transcription companies would be requested to file copies of their advertising programs with the Commission. I called at the Commission and pledged the cooperation of your Association in this undertaking. That cooperation was forthcoming is indicated by the fact that out of 598 stations, only five failed to file copies of their programs with the Commission. Of the thousands of continuities submitted, the Commission has examined 117,357 and has on hand more than 50,000 which are now under examination. From the survey as far as it has been completed, it appears that it will be necessary to issue very few complaints either against radio advertisers or broadcasting stations.

The Committee on Uniform Cost Accounting has completed its survey of accounting practices in the industry and will be prepared to offer a completed system for your adoption on or before November 1.

We are devoting almost an entire session of this convention to the subject of music copyright and I will leave that subject for discussion at that time. But, I want to tell you now that it is highly important that you attend that session and hear of developments in the copyright situation which have taken place since our last meeting. There will be a meeting of the Copyright Committee on Tuesday afternoon and the observations I have on the subject can wait until after that meeting.

Two years ago I suggested that the NAB adopt the policy of holding its annual membership meetings alternately in the West, Middle West and the East, and that the time of the meetings be changed from the fall, when we are in our busiest season, to the summer months. I want to renew that suggestion at this convention.

Now, this report brings to a close my fourth term as your Managing Director. Before concluding, I want to express my sincere thanks for the splendid cooperation and support I have received from President McCosker during the last two years of my service. The membership owes a debt of gratitude to the officers and directors of the Association who have given much of their time and effort in the interest of your affairs. I want to thank the members of my staff in Washington who have worked loyally and in close association with me at all times. But, principally, I want to thank each of you individually for your cooperation in the many activities of the Association during the year and your patience with my administration of your affairs. I have done my best. It has been a genuine pleasure to serve you. (Prolonged applause.)

PRESIDENT MCCOSKER: Ladies and gentlemen, you have just heard the report given by Mr. Loucks on the activities of the past year. It has been an expanding, it has been—I was going to say—an extensive operation managing the affairs of this organization and a constantly expanding one. The amazing thing about it is the brief time in which the recital of this work is encompassed. Having observed it at close range, having participated in it, there seems to be an incongruity existent between the numerous time-consuming and perplexing considerations and problems, and the brief time it takes to tell about them. However, the old bromide is that actions speak louder than words. And, I would be less than grateful, less than appreciative if I didn't take just a moment to express my personal thanks to Mr. Loucks, to Mr. Baldwin, to Mr. McNary, to John Shepard for his code work, and the other members of the staff at your national headquarters, with whose

names I am not familiar. Mr. Bellows has done yeoman service. It seems just a handful carry the burden.

And, I want to echo the plea that Mr. Loucks has pronounced that you cooperate with him and with the organization in supplying information and data when you get the call from the Washington office. The information is so scattered throughout the country, so diversified and so changing from month to month that it is impossible for us to make the kind of presentation usually of an emergency nature unless we have the spontaneous cooperation of the men.

And so, I thank these gentlemen who have facilitated my administration.

The next item on the afternoon program is the report of the Legislative Committee by Mr. Henry Bellows, the Chairman. (Applause.)

Vice President John Shepard, III, took the chair.

## REPORT OF LEGISLATIVE COMMITTEE

HENRY A. BELLOW, Chairman

Mr. Chairman and gentlemen, I was looking over the records and I find this is the seventh consecutive year I have reported for the Legislative Committee, which I think is an all-time endurance record. The endurance is for you and the record is for me. (Laughter.)

I missed one in those seven years because of illness in my family. For six years I have presented the report. I have looked over each one and find they are a good deal alike. There are a lot of things that repeat year after year, and each year I find myself saying that next year is going to be the Waterloo. In order to be true to form, I am going to say the same thing now, only this time I am going to mean it.

The past year has been the most dramatic in the entire history of legislation affecting radio broadcasting. That federal legislation during the last session of Congress has been so wise and reasonable in so far as it affects our industry has been chiefly due to the genuine statesmanship of the chairmen of the three Congressional committees with whom we have come most actively in contact. I want to speak of these three men especially because the industry owes a tremendous debt of gratitude to their patience, integrity and sound judgment. These three men are Senator Clarence C. Dill of Washington, Chairman of the Senate Committee on Interstate Commerce; Congressman Sam Rayburn of Texas, Chairman of the House Committee on Interstate and Foreign Commerce; and Congressman Schuyler Otis Bland of Virginia, Chairman of the House Committee on Merchant Marine, Radio and Fisheries.

In giving the principal credit to these three men, I do not want to overlook the fine cooperation we have received from other members of their committees, and from Senators and Congressmen who, though not assigned to the committees having radio legislation in their charge, nevertheless took a keen and intelligent interest in our problems. I have been actively connected with radio legislation for eight years, and I want to say that never in my experience has any session of Congress been so eager to do the right thing, so receptive of information, and so ready to meet the broadcasters more than half way, as the session just ended.

I do not mean to imply by all this that the task of your Legislative Committee was an easy one. As a matter of fact, we have never worked so hard on legislative problems since broadcasting began. The issues which confronted us were so big and, in many cases, a wrong solution of them would have been so completely disastrous to the industry, that the six months from January through June formed a period of practically continuous work, often seven days a week and running far into the night as well as all day.

In this connection, I want to pay a special tribute to two men, without whose constant and fine cooperation the work of the Legislative Committee could not possibly have succeeded. These two are Frank Russell, Washington Vice President of the National Broadcasting Company, and your own Managing Director, Phil Loucks. Russell, Loucks and I met almost daily and often several times a day throughout the session of Congress, and I want to say that the three of us worked together as just about the most harmonious team I have even seen.

Of course, the major legislative event of the year was the passage of the Communications Act of 1934. While there were early intimations that such a bill might be brought forward, there was a good deal of doubt about it until several weeks after the session started. On February 26, President Roosevelt sent to Congress a special message asking for the passage of a Federal Communications Bill during the current session. This message was of enormous value to the broadcasters because it made clear that the President

was opposed to any extensive new legislation at that time. He urged the enactment of a simple bill transferring to the new Commission all the powers over radio, telegraph and telephone previously vested in various government agencies, and expressly urged that additional legislation should come at the next session of Congress, following study and investigation by the new Commission.

I want to call your attention to this point because the message means exactly what it says. The President has advised, and beyond question the Communications Commission and Congress will heed his advice, that there is to be further legislation, prepared on the advice of the Commission, enacted by the session of Congress which begins next January. This means that many of the problems which came up last spring, and probably a number of new ones as well, will have to be faced squarely next winter, and whereas the President specifically advised Congress to avoid these problems for the time being, he has just as specifically directed the Commission and Congress to solve them during the next session.

Immediately following the President's message, bills were introduced in the Senate by Senator Dill and in the House by Congressman Rayburn. These bills were largely identical but they differed radically in one respect. The Rayburn bill had nothing specific in it about radio, merely abolishing the Federal Radio Commission and transferring all its powers and duties to the new Communications Commission. It did not repeal or modify in any substantial way the Radio Act of 1927. The Dill bill, on the other hand, repealed the Radio Act of 1927 and wrote it into the new measure, with a great many changes, some of them far-reaching in character.

Hearings on the Dill bill began on March 9. We appeared on that day before the Senate Committee on Interstate Commerce and presented a detailed analysis of the Dill bill as it affected radio broadcasters. Necessarily, the greater part of our statement was devoted to attacking provisions of the bill which, as we felt, would have had a disastrous effect on our industry. We received the utmost courtesy and consideration from Senator Dill and the entire committee, and it was apparent from the outset that the committee was genuinely seeking for every possible bit of information which would help in making the bill a good one. Although Senator Dill was himself the author of several of the changes most vigorously attacked by us, his friendly interest never wavered, and the arguments between us, although at times reasonably heated, never passed beyond the limits of a mutual desire to get at the real facts.

After the close of the hearing, the Senate Committee went into executive session, and on April 13 reported out a revised bill, in which some of our suggestions had been adopted but which still seemed to us to contain many undesirable features. By this time the whole situation had been greatly complicated by the appearance of the Wagner-Hatfield amendment, which I shall discuss separately.

Meanwhile, we had had various conferences with Congressman Rayburn, Chairman of the House Committee on Interstate and Foreign Commerce. Mr. Rayburn was insistent that his bill would not include any specific amendments to the Radio Act, making the point that his committee had no jurisdiction over radio legislation, which in the House was all referred to the Committee headed by Congressman Bland.

Hearings on the House bill began April 18, but were interrupted and postponed so that we were not called to testify until May 8. Our statement at that time was confined to a general endorsement of the Rayburn bill, on the ground that it did not repeal or change the Radio Act of 1927.

The Dill bill passed the Senate, without a record vote, on May 15. Practically all the debate was concentrated on the Wagner-Hatfield amendment, which was defeated by a vote of 42 to 23. I shall come back to this subject later. The bill, as passed, still contained a number of the features to which we had objected, and one or two new and apparently undesirable amendments were added from the floor.

With Congress trying hard to adjourn, it looked for a while as if the communications bill might be sidetracked but on Saturday afternoon, June 2, the House suddenly passed the Rayburn bill under a rule which prevented amendments and practically eliminated debate.

I want to stop there just for a minute to show you the kind of watchfulness that is necessary. That was on Saturday afternoon. I had talked with Congressman Rayburn Friday afternoon and he said there was no chance, he thought, of the bill coming up before the following week. Saturday morning there was a buddle in the Speaker's office of the House. Legislation which was planned for Saturday afternoon was put over waiting for a

committee report. Congressman Rayburn saw a chance to get in the communications bill and with practically one hour's warning, the thing came up. That is the way things go in Washington and that is why this job requires constant watchfulness. You can never tell what is going to happen or when it will happen.

The bill then went to conference and on June 8 the Conference Committee reported back to both Houses the Communications Bill in its present form. Practically every important point on which we had insisted was agreed to, and the bill in its final form was a remarkable demonstration of the consideration which had been given to our arguments by the Senate and House leaders. The measure was immediately passed by both Houses without debate, and was signed by the President.

One little episode in connection with that. The Conference Committee met and after the meeting was over, we were trying to find out what happened. Phil Loucks, Frank Russell and I were calling up and all we could get was a statement by Senator Dill over the telephone to this effect: "We have been very generous to you fellows." Not one of the three of us dared look that bill in the face when it finally came out. We didn't know what had happened. When we read it, we saw that every major point we had asked for was there. We didn't believe it was possible but Senator Dill was right when he said the Conference Committee was more than generous.

Substantially, the Communications Bill makes no change in the system under which broadcasting has been carried on since 1927, except in the matter of appeals to the courts from actions of the Commission. This section has been the subject of much discussion. The fact that appeals in certain cases may be taken in the Federal Courts of the districts in which the appellants are located, will certainly complicate the work of the Commission and may result in some confusion, but, in any event, this provision should not work to the immediate detriment of the broadcasters themselves.

Of course, the machinery of the Commission under the new administration is bound to differ somewhat from that which was in effect previously but there is no indication that any drastic innovation is likely, and up to now there has been so little difference in actual operation that probably not a single broadcaster has been conscious of any change.

The most significant new feature of the bill is Section 307-(c). This was introduced as the result of the agitation over the Wagner-Hatfield amendment and it is, of course, directly in line with President Roosevelt's recommendation that additional legislation should be passed by the next session of Congress after study and investigation by the new Commission. Even if this section had not been included in the law, the general tone of the President's message and of the discussion in Congress would have practically required the Commission to make a study of the broadcasting situation and to follow that study by specific recommendations to Congress. Such a study was further made necessary by the fact that the President had instructed a committee headed by Secretary Roper to investigate and report on the broadcasting situation, and this investigation was dropped only because the Commission was obviously the proper body to undertake it.

Before passing to the Wagner-Hatfield amendment, I want once more to say that never in my long experience with legislation have I found the leaders in both the Senate and the House so open-minded and so ready to welcome information as they were in connection with this important piece of legislation. Your committee has never worked so hard over any bill as it did over this one but it has never worked with such a feeling of close and friendly cooperation on the part of those Senators and Congressmen in whose hands rested the shaping of the law.

The history of the Wagner-Hatfield amendment to the Communications Act, which was paralleled by the Rudd and Brunner bills in the House, goes back to the application of WLWL in New York for full time on the channel occupied jointly by WLWL and WPG. The Federal Radio Commission, after full hearings, denied this application, whereupon Father John B. Harney, Superior of the Paulist Fathers, owning and operating Station WLWL, undertook a campaign to secure through act of Congress what the Commission had denied. Father Harney appeared before the Senate Committee on Interstate Commerce on March 15 and presented an amendment declaring all broadcasting licenses null and void ninety days after the effective date of the Act, requiring a complete reallocation of all broadcasting facilities and setting aside a quarter of all such facilities for educational, religious, agricultural, labor, cooperative and similar non-profit making associations, with the proviso that all stations thus favored should be permitted to sell time to such an extent as to operate on a self-sustaining basis.

An identical bill was introduced in the House by Congressman Rudd of New York on April 5 and on April 13 Congressman Brunner of New York introduced a companion bill which required that each broadcasting licensee should set aside one-quarter of its time for the use of such organizations as were designated in the Harney amendment.

I want to stop just a second and call your attention to that Brunner bill. We have all got into the way of thinking that the Wagner-Hatfield amendment is the issue that is coming up at the October hearings. It is not the only issue by a long shot. The proposal in the Brunner bill that Congress enact a law requiring each station to set aside 25 per cent. of its time is also going to be covered. It is covered very definitely in the wording of section 307-(c).

The Senate Committee rejected Father Harney's amendment and in its place reported out the paragraph which appears as section 307-(c) in the present law. Thereupon Senator Wagner of New York and Senator Hatfield of West Virginia announced on April 27 that they would introduce the Harney amendment on the floor of the Senate when the Communications Bill came up.

From April 27 to May 15 the campaign on both sides was carried on with great energy. Certain labor interests had allied themselves with Father Harney, and at one time it appeared probable that the amendment would be adopted in the Senate. Phil Loucks won a beefsteak dinner on the fact that it wasn't. They were betting beefsteak dinners. On the House side, a long list of Congressmen who had expressed themselves as favoring the amendment was made public, and on May 9 Father Harney appeared before the House Committee on Interstate and Foreign Commerce to advocate the passage of his amendment. At that time several Congressmen likewise appeared before the committee in support of the amendment, saying that they represented many other Congressmen who were unable to be present.

The leadership in the fight against this amendment, which obviously would have destroyed the whole structure of broadcasting in America, was splendidly assumed by Senator Dill. Nothing could better demonstrate his disinterested efforts to secure the passage of the best possible legislation than the fact that although the National Association of Broadcasters was definitely and vigorously opposing many of the features of his bill, he nevertheless came to the Association's support at a time when, without his active cooperation, the Wagner-Hatfield amendment would probably have passed. As it was, the amendment was defeated on the floor of the Senate after extended debate, by a vote of 42 to 23. In the House the amendment was considered in executive session by the Committee on Interstate and Foreign Commerce, and was rejected. Under the rule secured by Mr. Rayburn, amendments and debate in the House were practically shut off, and consequently no attempt was made from the floor to force this amendment into the bill.

Meanwhile, the Rudd and Brunner bills had been referred to the House Committee on Merchant Marine, Radio and Fisheries, of which Congressman Bland was Chairman. In view of the nature of these bills, even though Congressman Rayburn's committee had rejected the Harney amendment, it would have been an easy matter for Congressman Bland to have yielded to the pressure which was constantly brought to bear on him and have asked his committee to report out one or both of these bills. This would have presented a situation just as serious as the inclusion of the Harney amendment in either the House or the Senate Communications Bills.

To Senator Dill, ably assisted on the floor by Senator White of Maine, to Congressman Rayburn and Congressman Bland, the entire broadcasting industry is deeply indebted. They saw exactly what this amendment meant and stood firm against tremendous efforts, backed by the strongest kind of political pressure, not simply in defense of broadcasting but rather in defense of what they knew to be right.

The broadcasters responded splendidly to our requests and practically every Senator and Congressman learned much during May about the operation of the broadcasting stations in his state. The objections to the Harney proposal were set forth in special statements prepared by us, and a very large number of Senators and Congressmen were seen personally. The defeat of the amendment does not, however, mean that the movement which underlay it is at an end. This same issue is coming up in a very few weeks before the Federal Communications Commission, and will likewise come up, probably with increased force, in the next session of Congress. I shall discuss this situation a little later.

Before leaving the subject of the Communications Bill, I want to say a word about the personnel of the Federal Communications

Commission. At a meeting of your Board of Directors held in Washington on May 14, a resolution was adopted urging the President of the United States, in making appointments to the Federal Communications Commission, to give careful consideration to the importance of carrying on the work of the past seven years by including in the membership of the new Commission some of those who, as members of the Federal Radio Commission, had had long experience with the special problems of broadcasting.

In pursuance of this resolution, immediately after the passage of the Communications Act, I called at the White House and discussed there in general terms, though without any reference to individual members of the Federal Radio Commission, the suggestion of the broadcasters. I also, by invitation, discussed the same matter very fully with the Secretary of Commerce.

Of course, everybody in Washington takes full credit for the appointment of every one of the members of the new Commission, and I do not for a moment want to imply that our recommendation was responsible for the outcome, but in any event, the broadcasting industry may well feel gratified that the two appointments for the longest terms, including the appointment to the chairmanship of the new Commission, went to members of the Federal Radio Commission.

As regards the appointment by the new Commission of its own administrative personnel, the Association has felt that this was a matter in which it could not properly make any suggestions, but here again, it is very gratifying to know that so many of the employees of the Federal Radio Commission have been assigned to posts with the new organization.

In opposing the Wagner-Hatfield amendment and also in dealing with the question of freedom of speech over the radio, the broadcasters had an unexpected ally who certainly had no intention of being one. This was Congressman McFadden of Pennsylvania.

On February 14 Congressman McFadden introduced a bill which, in substance, would have required any broadcaster who permitted the use of his station by any religious, political, educational or charitable organization to give equal facilities to any similar organization expressing different views.

This bill was obviously introduced on behalf of Judge Rutherford and his organization, and members of Congress were deluged with petitions asking for its passage. The petitions were said to have aggregated over two and a half million signatures.

At first there was a tendency in Congress to disregard the McFadden bill, but so much pressure was brought to bear on the members of the House Committee on Merchant Marine, Radio and Fisheries that finally Judge Bland announced public hearings on this bill.

The hearings began March 15 and ended March 20. In spite of the wide scope of the bill, including as it did religion, education, charity and politics, it was significant that the only proponents of the bill were Congressman McFadden himself and a long array of witnesses from Judge Rutherford's group. The broadcasters were represented by Mr. Loucks; Mr. M. H. Aylesworth, President of the National Broadcasting Company; and myself. Others who testified in opposition to the bill were Mr. Henry L. Caravati, Executive Secretary of the National Council of Catholic Men; Dr. Frank C. Goodman, Executive Secretary of the Churches of Christ in America; and Judge Sykes, Chairman of the Federal Radio Commission.

The members of the House Committee took a keen interest in these hearings and for many of them the testimony was a liberal education. The result went far beyond merely proving that the McFadden bill was wholly unnecessary and impossible. The fact that, despite all the publicity, not a single witness appeared to complain of discrimination in the fields of politics, education and charity, and that in the field of religion the only complaint came from one organization, conclusively demonstrated that broadcasting in America is actually operated on a basis of real freedom of utterance and fair play, the only limitation being that of public interest.

Such a conclusive demonstration would never have been given during the last session of Congress if it had not been for Congressman McFadden, and it is for this reason that I have said that though both his bill and his intention were destructive, he turned out to be a real and most useful friend. The evidence presented at these hearings, not only was very valuable during the remainder of the Congressional session, but will be even more so in connection with future developments.

Nothing could give a better demonstration of the need of constant watchfulness in Washington than the effort which was made last spring to rewrite completely the copyright laws of the United States without anybody's knowing about it. As far back as

June 6, 1933, Senator Cutting of New Mexico, had introduced a wholly inconspicuous bill to provide for the entrance of the United States into the International Copyright Union. Nobody gave this bill a second thought and it was not even referred to the Committee on Patents, which has charge of all copyright legislation. Instead, it was sent to the Committee on Foreign Relations, where everybody supposed it would simply be pigeon-holed.

Instead, on March 28, the committee held a sort of hearing on the bill, although the hearing was really an executive session in which certain witnesses were called. Chief among these was Robert Underwood Johnson, editor, author and former Ambassador to Italy, and a personal friend of the President. No general notice of the hearing was given, and it was not until the next day that we learned that Mr. Johnson and a few others had strongly urged the passage of the bill.

Short as the Cutting bill was, there was enough in it completely to break down the last defense of every user of copyright material against racketeering. It provided for automatic copyright without registration or notice, and had a number of other clauses highly objectionable to us. Basically, it simply threw overboard all our present copyright laws and set up in their place the regulations of the International Copyright Union.

We immediately got in touch with the Chairman of the Senate Committee on Foreign Relations, Senator Pittman, and also with the two next ranking Democratic members of the committee. The attention of other important groups of users of copyright material, such as the press, was called to this bill, as it had completely escaped their notice. As a result, the bill was referred to a subcommittee of which Senator Duffy, of Wisconsin, was Chairman. This subcommittee held hearings May 28 and 29.

Once again the broadcasters were deeply indebted to Senator Dill, who was the principal witness at these hearings against the Cutting bill and made a very strong and admirable presentation. Our Association was represented on this occasion by Mr. Schuette. The testimony in support of the bill was conspicuously weak, the most important feature of it being a letter from President Roosevelt to Mr. Johnson, dated April 25, 1934, recommending the passage of the bill.

Since all unfinished legislation died at the close of the session, the Cutting bill made no further progress, but unquestionably the issue will be revived in the next session of Congress.

Various other bills occupied a certain amount of your committee's time during the session. One of these was a bill introduced in both Houses, at the request of the Federal Radio Commission, designed to give the Commission some degree of control over stations with transmitters in Mexico and studios in the United States. This bill was introduced in the Senate on February 6 by Senator Dill and in the House on February 8 by Congressman Bland. Hearings were held simultaneously in both Houses on February 15. I testified before the House Committee but so many questions were asked that I was unable to get to the Senate Committee before it adjourned. However, Senator Dill permitted us to file a written statement.

We had no particular fault to find with this bill, except that we were very doubtful as to its effectiveness and also felt that a clause should be inserted to protect network broadcasting against technical violations of the law. This clause was accepted by the Senate, and the measure was passed by the Senate in that form. The Radio Commission objected to our amending clause as unnecessary and the House Committee reported the bill out in its original form. No action was taken in the House but the bill finally found its way into the Communications Act as Section 325 (b) and (c).

Another bill introduced in both Houses but never acted on separately was the bill prohibiting the broadcast of lotteries, the wording being identical with that introduced by us voluntarily in the Code of Fair Competition for the Radio Broadcasting Industry. This now appears as Section 316 of the Communications Act.

On March 10 Senator Capper of Kansas introduced a bill prohibiting the advertising of liquor by radio. This bill never reached even the hearing stage and after discussing the matter with the sponsor of the bill, we felt that no effort would be made to push it.

In this connection, attention should be called to the press release issued on February 2 by the Federal Radio Commission, which said, in effect, that although liquor advertising was probably legal and the Commission could, therefore, issue no order on the subject, it would still be inclined to regard liquor advertising as undesirable and would take this fact into account in considering applications for renewal of licenses. We discussed with members

of the Radio Commission the obvious injustice of attempting a government by press releases, and our views on the subject, strongly opposing such methods, appeared shortly afterward in the Congressional Record. The Radio Commission took no further steps in the matter.

On January 3, Congressman Huddleston of Alabama introduced a bill declaring that all radio broadcasting stations were public utilities. No further action was taken on this bill but the issue came up again in the discussion of the Communications Act. Unquestionably, there are a number of men in Congress who hold this view and we may expect to have it presented in legislative form at the next session.

On the same day, January 3, a bill was introduced by Congressman Swank of Oklahoma providing for federal taxes on all property employed in interstate commerce. This bill, of course, would have imposed a heavy burden on every broadcasting station. The measure made no material progress but it required careful watching and the proposal is pretty certain to come up again.

On January 19, Senator Robinson of Indiana introduced a resolution calling for an investigation of interference with freedom of speech over the radio. While this resolution was never acted on by the Senate, the feeling which prompted it was frequently expressed in speeches, and I shall have something further to say about it in my recommendations as to future policies. The resolutions introduced at the end of the session by Senators Dickinson and Long, calling for an investigation of the Federal Radio Commission, were based on the same idea.

We now come to another piece of major legislation in which every broadcaster is vitally interested, the Tugwell-Copeland bill to regulate the manufacture, sale and advertising of foods, drugs and cosmetics.

In my report to you a year ago, I spoke of the conference held April 29, 1933, in Mr. Tugwell's office, at which our Association was represented by the usual trio, Mr. Loucks, Mr. Russell and myself. The bill prepared under Mr. Tugwell's direction was introduced early in June, 1933, in both Houses of Congress by Senator Copeland and Congressman Sirovich, both of New York. This bill set up the Secretary of Agriculture as a virtual dictator over advertising, and was so broad in its terms that practically every advertisement of foods, drugs or cosmetics became potentially illegal. The enactment of such a bill would manifestly have been disastrous to every legitimate and scrupulously managed advertising medium in America.

Hearings on this bill were held December 7 and 8, 1933, before a sub-committee of the Senate Commerce Committee, with Senator Copeland presiding. So many witnesses on both sides presented themselves that Senator Copeland urged every one who was willing to do so to file a written brief. Accordingly, a brief prepared by us was filed on behalf of our Association by Mr. Baldwin.

The Tugwell bill was revised and to some extent improved following the December hearings, and in February the Copeland sub-committee reported the revised draft back to the full Committee on Commerce. Much to Senator Copeland's surprise, the committee, many of the members of which had been interviewed in the meantime, refused to accept the bill and ordered further hearings. These were held beginning February 27, and again we filed a brief on behalf of our Association.

After some further revision, the bill was reported out by the committee about the middle of March and took its place on the Senate calendar. It was called up several times but invariably a number of Senators objected to its consideration. Senator Copeland tried to get it through even in the closing hours of the session, but in vain.

If you have read the Congressional Record, you know that when a bill is called up, it reads: "Senator So-and-so: I object." Well, when the Tugwell bill came up, it reads: "Several Senators: I object."

While every effort was made by the proponents of the bill to create the impression that in its latest form it was wholly unobjectionable, it still contained many features which seemed to us undesirable, and basically we believe the advertising sections of the measure to be unnecessary, since existing law confers similar and wholly adequate powers on the one federal body adequately organized to exercise them, the Federal Trade Commission. I shall revert to this in a moment.

Meanwhile, five separate and wholly distinct bills on the same subject had been introduced in the House, two of them by Congressman Sirovich, one by Congressman Boland of Pennsylvania, one by Congressman Black of New York, and one by Congresswoman Jenckes of Indiana. The House was obviously waiting to see what

the Senate would do and none of these five bills reached even the hearing stage.

There were constant reports of White House endorsement of the Tugwell plan, and although no official statement was issued, it was evident that the measure had active support in certain very influential quarters. Efforts were made, without success, to force some of the salient features of the Tugwell bill into various industry codes of fair competition, including our own. Mr. Tugwell has recently made public a statement that the whole matter will be brought up again at the next session of Congress, and it has been implied that the new proposal will be more drastic even than the original one.

By far the strongest argument against making the Secretary of Agriculture, or any other government official, a dictator over advertising is the fact that existing law gives the Federal Trade Commission full power to protect the public against advertising which is in any way fraudulent or misleading. The Federal Trade Commission has for years quietly and efficiently gone about its work of curbing fraudulent printed advertising, but not until this last spring did it extend its work into the broadcasting field.

On April 14 the Federal Trade Commission sent letters to a few broadcasters, asking for copies of all their advertising continuities and announcements for the month of March. Mr. Loucks promptly called on Commissioner Ewin Davis and also on Mr. E. J. Adams, Chairman of the Commission's special board of investigation. It was immediately found that the Commission was eager to cooperate in every possible way with the broadcasters, and at a further conference with Mr. Adams, attended by Mr. Loucks, Mr. Russell and myself, all the details were worked out in a most satisfactory manner. Above all, it was made clear that the Federal Trade Commission was in no way singling out broadcasting for special investigation but was simply extending into our field the methods it had long been using so successfully in dealing with visual advertising.

All stations and networks were directed to send to the Federal Trade Commission copies of all their advertising continuities and announcements beginning June 1, a date subsequently postponed to July 1. Within a little over three weeks, the Commissioner received nearly one hundred thousand continuities, and on July 25 it authorized the discontinuance, at any rate for the time being, of the submission of this material. Out of 598 stations to which the Commission's letter had been sent, 593 responded, which was pretty close to 100 per cent.

In our opinion, full and hearty cooperation with the Federal Trade Commission is the best, and indeed the only effective, protection against the enactment of legislation of the Tugwell variety, and, accordingly, your committee urges strongly that every broadcaster should in good faith do everything in his power to facilitate the work of the Federal Trade Commission in putting a stop to the use of radio for fraudulent advertising.

More and more the states are taking an active interest in broadcasting as a potential source of revenue. It is impossible to give anything like a complete list of the bills introduced in the legislatures of the various states relating directly or indirectly to broadcasting, as a really adequate service covering this subject would be exceedingly expensive. However, as illustrations, let me call attention to the bills in the New York State Legislature providing for a 2 per cent. tax on the gross receipts of all sales and services within the state, providing a 5 per cent. tax on the gross receipts of broadcasting stations and providing a 10 per cent. tax on all amusement enterprises, including broadcasting. West Virginia had a bill providing a tax of 1½ per cent. on the gross income of all broadcasting stations, Delaware a bill providing a \$500 license fee for broadcasters, Missouri a general sales tax bill which would have levied a heavy tax on all broadcasting receipts, and so on. Massachusetts had a bill covering slander by radio, and Rhode Island had one providing for the regulation of all speakers over the radio within the state. These are just illustrations of what is going on. Unquestionably, this situation is going to become more acute each year and your committee will make a definite recommendation regarding it.

So much for what has happened in the past. Now, what about the future?

First of all, I want to make it just as clear and emphatic as I possibly can that we are facing legislative problems, both federal and state, more serious and more acute than any we have faced in the past. Don't for one moment forget that the only reason why we escaped special legislation in the last session of Congress was because such legislation was expressly reserved for the session which begins next January. The President has told the Federal Communications Commission to make recommendations to Congress and unquestionably the Commission will do so. Even if, as we

hope, its recommendations call for no radical changes, we are still facing the certainty of legislative attacks in the next session of Congress.

This, after all, is the New Deal, which means in the minds of a great many people a vast extension of government control over business. It means an era of unprecedented legislative experiment. It means that many of the rights which used to be regarded as firmly established can no longer be considered as stable. The broadcasting industry has got to justify its existence but it has got to do a good deal more than that. It has got to prove that its operation is in the public interest and that any material change in the method of that operation would hurt the public.

The immediate issue before us is the showing we must make on behalf of American broadcasting in the hearings before the Broadcasting Division of the Federal Communications Commission, scheduled to begin October 1. I have no hesitation in saying that this hearing is one of the most important events in the entire history of American broadcasting. It is up to us not merely to present a case which will justify the Commission in recommending no material changes in the law as it affects broadcasting but still more to establish so strong a record that we shall have a conclusive answer to every attack which can be made on our industry and our work. The program for the presentation of our case is already fully developed, and I want to call earnestly upon every broadcaster in the country to assist in making this presentation complete and convincing by providing us with every bit of information which may be available.

As you know, we sent out a questionnaire or memorandum with questions to every broadcaster. At the time I left Saturday, we received complete about 60 answers to that questionnaire. We ought to have not less than 350. A lot of people simply haven't got around to it. We put a dead line of September 15 in the hope that the work of going over these things and getting the necessary summary of them could be done with a reasonable amount of leisure. So many of them are late that it is going to mean a great deal of last minute work. But, I want to call on every broadcaster to come across. That information is going to be a lifesaver to you. Every broadcaster who fails to get in his answer is doing his best to wreck his own industry and his own business.

After the hearing will come the session of Congress, and, as I have said, no matter what the Commission may report, attacks on the broadcasting industry are bound to be made. We shall have the Tugwell bill, possibly in a more drastic form than ever. We shall have proposals for automatic copyright. We shall have bills seeking to take away part of our facilities, and bills seeking further government regulation of our activities.

At this point I want to say something quite personally. I have been Chairman of your Legislative Committee continuously since 1928. For six years I have carried the principal weight of this job as best I could. I want to tell you that, as the result of my experience, I do not believe you can afford to entrust this duty longer to any one man whose first responsibility is elsewhere. This is partly because the work itself requires too much time and partly because it cannot be properly done with divided responsibility. A man employed by one unit in the broadcasting industry can not adequately represent in legislative matters the industry as a whole. In looking forward to what I am certain will be the most difficult year from the legislative standpoint we have ever had, I want you to consider very carefully how the responsibility can be best handled in your interests.

As regards specific legislation, of course, we can not tell what will come up in the way of amendments to the Communications Act until after the Federal Communications Commission has reported. Our immediate task is to present the best case we possibly can before the Commission, and once again I call on every one of you to support the National Association of Broadcasters and its representatives in connection with that hearing. Whatever future legislative action may be necessary will be determined partly by what the Commission reports, but no matter what the Commission's findings may be, don't think for one moment that the battle will be over. All the enemies of American broadcasting will be in the corridors of the Capitol, busier than ever.

The Tugwell bill in some form we can safely count on as one of our major problems. The supporters of this bill have learned a lot in the past six months and in bringing forward their new legislation, they are going to profit by their lesson. If we do not want to have advertising controlled by a federal dictator, you will have to be prepared to do your part in opposing legislation which would create such a dictatorship.

And, let me add this: to some extent that dictatorship is committed to a policy of reducing the total amount of advertising in

this country. That dictatorship regards advertising as an economic waste and back of the proposed bill is a definite plan to cut down the amount of advertising, and that you should reckon with.

One other matter is of vital importance. You all know of the suit by the federal government to dissolve the American Society of Composers, Authors and Publishers. This is a tremendous step in the right direction, but it will not solve our copyright problems. Nothing will solve those problems as long as the copyright law retains its provision of minimum \$250 damages for each and every infringement of performing rights. We can not bargain freely for the use of music when the law sets such a minimum valuation on it. Your committee believes that the splendid achievement represented by the government suit against ASCAP will actually do us very little good unless we are prepared to secure a change in the copyright law.

Back of much of the agitation in Congress is the feeling that freedom of speech over the radio may not be adequately safeguarded. We made a good showing in the hearings on the McFadden bill, and we expect to make a good showing before the Commission in October, but the only way in which you can protect yourselves from regulatory legislation on this subject is by doing your jobs so well that such regulation is manifestly needless. This does not mean, of course, that you are under any obligation to let everybody talk on every subject. It does mean, however, that in every controversial issue you have got to be absolutely and scrupulously fair. You have got to see to it that no one has just cause for complaint that you provided facilities for one side of a controversial subject and denied facilities to the other side. Radio broadcasting should be just as jealous of its freedom as the press is. We can be justly proud of the record we have made in the past, but we must see to it that the future does not bring any blots on this record.

And, that brings me to one other thing. After all, legislation, whether federal, state or local, is simply the embodiment of what the legislators think the majority of the people want. We have never told the story of American radio as it should be told. We have seen attacks in the magazine and newspaper press, we have listened to criticisms from platforms and in conversation, and we have done very little about it. I believe that one of the important functions of your Association is to tell the story of American broadcasting as it should and can be told, and to help every broadcaster to tell it in his own community. We have found that members of the federal and state legislatures are almost always friendly and sympathetic as soon as they really understand the situation. Back of them is the public, and I believe the public as a whole is tremendously appreciative of the service it receives from the broadcasters. The trouble is that most of the people who are satisfied say nothing about it, and a few hostile critics, whose statements are allowed to go unanswered, are able to create the impression that they truthfully represent millions of listeners. If the American public will make known what it really thinks, I believe most of our legislative problems will find relatively easy solution.

As regards state legislation, there is one way, and one only, in which it can be adequately handled. The broadcasters in every state must organize a state group, under the guidance and with the help of the National Association of Broadcasters. This has already been done in a number of states with wholly satisfactory results. Such a group, through its officers, can be constantly in touch with legislative problems, can, if necessary, secure legal assistance, and, above all, can keep in touch with the National Association in Washington, advising it of every legislative proposal which would be injurious to broadcasting and getting from it the benefit of experience with similar types of legislation in other states. I do not think any formal resolution on this subject is necessary, but I want to urge on the entire membership of the Association, and upon the new officers and Board of Directors, the vital importance of proceeding immediately with the organization in each state of a group of broadcasters, so constituted that it can deal with legislative problems promptly and effectively. I know from experience that the National Association can cooperate admirably with such state groups.

In closing, I want once more to express thanks to the broadcasters throughout the country who have cooperated so finely during the past year, to the Senators and Congressmen, and particularly Senator Dill, Congressman Rayburn and Congressman Bland, whose patience and sound judgment have made it possible for us to present our views with the certainty of careful and just consideration, and above all, once again, to Phil Loucks and Frank Russell, without whose help the satisfactory results of the past year would have been wholly impossible.

And, just because these results have been so satisfactory, I want to end with a warning for the future. By far our biggest job lies ahead of us, not only in dealing with specific legislation but in that kind of public education and active, intelligent cooperation with educational, religious and other cultural groups, which alone can in the long run really determine the course of legislation. It is up to you to decide how you want this job to be done, and, when you have so decided, to give your wholehearted support to those to whom you entrust this task. (Applause.)

CHAIRMAN SHEPARD: Mr. Bellows, I am sure I speak for all of us here when I thank you for your very comprehensive report. Those of you who have been in attendance at the convention in previous years probably had some idea of the tremendous amount of work the Legislative Committee has to do each year. Those of you who are attending your first convention, I believe now have a fair sample of the work of your Legislative Committee. I am going to ask those here to give a rising vote of thanks to Mr. Bellows and his committee for the work done this year.

(Rising vote of thanks.)

CHAIRMAN SHEPARD: Although Mr. Bellows stressed the urgency of getting in your report on the questionnaire sent out by the NAB to prepare their case for the educational hearing on October 1, I want to add a word to that also that the time is short and the hearing starts about one week after you arrive home, and the most important thing we have to do at the moment is to see that that information gets to Mr. Bellows and the NAB as quickly as possible.

It is now my pleasure to introduce the next speaker who will give the report of the Engineering Committee, Mr. Joseph A. Chambers. I regret that I do not know Mr. Chambers personally well enough to introduce him. He is, however, the Chairman of the Engineering Committee of the National Association of Broadcasters and Chief Engineer of the Crosley Radio Corporation. I understand that the world's most powerful radio station was installed and put into operation under the leadership of Mr. Chambers. (Applause.)

## REPORT OF ENGINEERING COMMITTEE

J. A. CHAMBERS, Chairman

(WLW, Cincinnati)

During the past year your Engineering Committee has met on various occasions to study several problems placed before it which are most important to the broadcasting industry. On April 14, 1934 the committee met in Cincinnati to discuss existing operating standards and methods of improving them. On May 28, 1934, during the I. R. E. convention in Philadelphia, the committee held an open meeting to discuss characteristics, standards and desirability of the so-called high fidelity system. On September 15, 1934 the committee met in Cincinnati to make a further study of operating standards. In addition, your Engineering Committee has on various occasions met jointly with the Broadcast Committee of the I. R. E. and the Standards Committee of R. M. A. to discuss "System Aspects in American Broadcasting," "Improvements of Operating Standards," "High Fidelity" and other technical problems. The purpose of the joint meetings was that the engineering groups representing different divisions horizontally improve the entire broadcast system rather than separate development along independent and conflicting lines.

During the course of these joint meetings, the NAB Engineering Committee was requested by the other two committees to supply data regarding operating standards and proposed operating standards for broadcast stations. At the request of the NAB Engineering Committee the R.M.A. Standards Committee supplied considerable data on the various characteristics of receivers of different classifications and the average receiver.

Your Committee's activities during the past year were primarily concerned with the natural evolutionary development of the improved, or so-called high fidelity receiver, and the responsibilities which the advent of such a receiver would impose upon the broadcaster.

The term "high fidelity" is relative and must not be confused with *perfect* fidelity. The improved receivers falling within this category are capable of reproducing a wider range of frequencies than receivers heretofore commercially obtainable. Because of this, they will much more readily show up any defects and deficiencies in the broadcast transmission system. This imposes upon the broadcaster the responsibility for, and the necessity of, maintaining engineering standards much more rigid than those which, unfortunately, the committee's recent survey of several member stations indicated are now being adhered to. Our survey disclosed the fact that while a majority of the station installations were

capable of picking up and transmitting a signal at least equal to the reproducing ability of the most modern receiver as operated, they fall short of their capabilities.

A separate report on high fidelity study will be submitted but not read at this time. (The report is as follows:)

"Recognizing the advantages of high fidelity in those areas where it is possible, the Engineering Committee has collected and studied all proposals and available data. The design of the electrical equipment used by many broadcast stations is adequate for high fidelity transmission. The operation of these stations to meet the strict requirements of high fidelity requires the establishment of standards for the broadcast system, including the receiver and a determination of methods for obtaining and measuring these characteristics.

The NAB Engineering Committee summarizes the most practical requirements for high fidelity transmission as follows:

It may be assumed that all broadcasting station equipment meets the federal requirements regarding frequency stability and modulation capability.

Frequency characteristic (from microphone to antenna) of 40 to 9,000 cycles within 10 DB (plus or minus 5 DB) with reference to average values between 100 and 5,000 cycles.

Distortion not to exceed 5 per cent rms total. (It is pointed out in setting this value that a more accurate determination would require separate values for even and odd harmonics and weighting for different harmonic frequencies.)

The extraneous noises (electrical from microphone to antenna) are an important limitation to the use of high fidelity broadcasting. A limitation of these extraneous noises must include corrections for the characteristics of the human ear and other variable factors beyond the immediate province of broadcast engineering and includes such fields as telephone engineering. This information must be obtained to definitely establish the coordinated standards of noise.

The transmitter must be stable with no tendency toward oscillation or parasitics under all conditions of modulation.

The acoustics of the studio are as important as the characteristic of the transmitter itself. The optimum reverberation period and distribution of absorption vary with different types of programs and studio sizes and it is impractical to definitely define these characteristics. It is necessary that these acoustic properties be carefully and properly designed in the studio construction.

The frequency absorption characteristic of the studio may be definitely specified within the same limits as the frequency characteristic and the transmitter itself.

It must be pointed out that extraneous noises at the point of pick-up may be as detrimental as extraneous electrical noises and the same limitations must be applied to studio programs as are applied to transmitting equipment, and studios sound insulated and noises reduced to this level. In the case of outside pick-ups it may be impossible to define extraneous audio noises.

In addition to the design characteristics of the technical equipment as stated above, different studio technique must be employed to realize the benefits of high fidelity transmission. A greater volume range must be permitted to give a more enjoyable reception. In this connection, it must be pointed out that it is not desirable to reproduce exactly at the point of reception the program as produced at the point of origin (for example—few listeners, particularly those in apartment buildings or congested areas, would ever desire a brass band or large orchestra, at the original level, in the house). In the establishment of volume ranges, due consideration must be given to listeners' characteristics and desires and to program showmanship or musical interpretation.

In order to comply with the high fidelity requirements, it is necessary that present operating procedure be modified particularly as to average percentage of modulation. In order to stay within the limits of audio harmonics heretofore specified, it is necessary that modulation be at all times kept below 100 per cent. To do this and at the same time realize the volume range specified, it will be necessary that the average percentage of modulation be very much lower than is now common practice. A more complete study will be required in each individual case before the definite amount of reduction of audio signal to the transmitter can be determined. In view of information at hand, your committee believes that it will probably mean a reduction of the average input to the transmitter, which to most receiving sets will have the effect of considerably reducing the power of the station.

It must be pointed out that the signal received from the transmitting station by the receiver must be sufficiently high above static, electrical interference and other extraneous noises beyond the control of the transmitter, that these noises as reproduced by

the loud speaker during the reception of the program must be at the same levels below 100 per cent modulation as are established for the transmitters. It is also required that there be no distortion fading or fading beyond the ranges of suitable automatic volume controls. These conditions definitely limit the high fidelity area to a relatively small distance from the transmitter. The power used and the high fidelity areas covered depend on local conditions and should not be specifically defined. It may be stated, however, that under most conditions these high fidelity areas can be only a small percentage of the areas now accepted as service areas.

The Engineering Committee does not believe that a channel separation of greater than 10 KC is a necessary requirement to high fidelity transmission and reception. If the other requirements of high fidelity transmission and reception are met, the existing allocation, or a logical adjustment of it, would produce the most practical results inasmuch as the high fidelity areas of any station will in general be limited by other than the high frequency side band of stations on adjacent channels.

The decision on the adoption of any high fidelity standards must balance the improved quality of reception in a restricted area against less perfect reception over a greater area."

Of those stations surveyed, 52 per cent are deficient in the transmission of low audio frequencies and 66 per cent of them are deficient in the highs. Some of the deficiencies discovered in our survey included excessive and extraneous noises, limited and irregular frequency range, poor studio acoustics and pick-up technique. Neglecting to correct these conditions will result in a gradual but steadily increasing unfavorable reaction on the part of those listeners who invest in the newer receivers.

I am also including a separate report of the existing operating conditions, which is quite technical and which I will not read in its entirety at this time. (The report is as follows:)

"As a result of the request and necessity for data showing the existing operating practices and standards in the broadcast industry, questionnaires were sent out and available data collected and assembled in a manner that would show the conditions in the industry without identifying any individual station. Although not complete, the evidence collected definitely indicates that there is considerable variation in these operating practices and standards, and reveals that great improvement could be realized. It is not the purpose of this report to point out the methods of correction nor is it to be a condemnation of any individual stations.

It was found that relatively few broadcast stations possessed the necessary equipment to make an accurate measurement of their operating conditions, and in general those stations that could supply these measurements were not typical of the entire industry. The handbook referred to in a separate report of this committee will attempt to set up methods whereby this information can be determined by the individual stations. In the meantime, the report of A. S. Clark of the Radio Research Company of Washington, D. C., on measurements taken on thirty-five stations in the country, ranging from 100 to 5,000 watts, along with other data collected by the NAB Engineering Committee, has been accepted as typical of the industry.

The data collected shows that 52 per cent. of the transmitters are deficient in the transmission of low and 66 per cent. of them are deficient in the high audio frequencies. It also showed that the average distortion factor was considerably higher than is considered good practice, the average on transmitters measured showing 10 per cent. rms audio harmonics at 75 per cent. modulation.

Audio fidelity was measured at 50 per cent. modulation. A variable input was applied to the mixer system to maintain that degree of modulation at the various test frequencies.

Audio harmonic content was measured at 400 cycles in each case. The value indicated in the data represents the rms value of combined harmonics, rather than the arithmetic sum as specified in the FCC rules. The effective value is, of course, smaller than the arithmetic sum.

From the data collected, it appears that regardless of the general engineering acceptance of a wide frequency range as being standard, the composite frequency characteristic of the stations measured show a frequency range of only 200 cycles to 4,000 cycles within a plus or minus 2 DB range.

The percentage of audio harmonics average for the stations measured shows about 6 per cent. distortion at 40 per cent. modulation and about 10 per cent. distortion at 75 per cent. modulation.

The noise level which exists in the average station is approximately 35 DB below 100 per cent. modulation.

It is believed that the volume range resulting from present operating practices is between 30 and 40 DB.

No attempt has been made to collect data on frequency stability or modulation capability inasmuch as it must be assumed that the requirements of the FCC are complied with. From the distortion figures it is suspected that modulation capability might be improved in many cases.

It is pointed out that while the existing conditions in the broadcast industry are subject to considerable improvement, there has probably not been to date any ill effect as a result of the discrepancies, because of the characteristics possessed by receivers, and because of other limitations such as telephone lines and recordings, which may be beyond the control of the station.

It is felt, however, that a definite improvement may be achieved with the existing equipment."

In view of the conditions as they exist, it was believed desirable to issue a "Handbook of Broadcast Stations Operating Practices." The handbook will be designed to assist engineering personnel of member stations in attaining the maximum capabilities of their station installations. It will recommend operating standards and will standardize and give information regarding the methods of determining and improving operating conditions and characteristics.

It is too frequently assumed that because a transmitter is purchased, possessing the latest engineering design and development, it will continuously function as originally designed. Unfortunately, such is not the case, and the complicated and highly developed station installation of today requires constant and regular checking and measuring through the use of precision measuring equipment.

We, your Engineering Committee, therefore recommend:

(a) That all stations place in the hands of their operating personnel the necessary testing and measuring equipment of the latest type, to assure the maximum operating capabilities of the station equipment.

(b) That the Engineering Committee be instructed to complete the work on the proposed handbook and that this handbook be published for distribution to member stations.

(c) That there be further study and analyses of technical practices and standards with a view toward improving the use of the facilities of member stations to attain a higher standard.

(d) A furtherance of the cooperative action by the R. M. A., the I. R. E. and the NAB to improve the results of the entire radio broadcast system from microphone to loudspeaker.

And, I am also including an index of the information that is proposed for the handbook:

"This 'Handbook of Broadcast Stations Operating Practices' being assembled and edited by J. C. McNary, Technical Director of the NAB, is to act as a guide for the standardization and measurement of broadcast station operating practices and equipment characteristics. We believe that the use of this handbook will be of assistance to station operators in improving the results of existing facilities. It will also pave the way for further study and improvement. The index includes the following:

1. *Ground Wave Propagation*: A series of curves showing field intensities (expressed as a fraction of the intensity at one mile) for various distances and at broadcast frequencies. Rolf's simplification of the Sommerfeld formula is used.

2. *Sky Wave Propagation*: Summary of available data on sky wave propagation.

3. *Non-directional Antennas*: A series of curves and discussions of measured characteristics of typical vertical wire, guyed tower, and self-supporting tower radiators.

4. *Directional Antennas*: Methods of computing and designing the more conventional types of directional antennas adaptable to broadcasting uses.

5. *Pads and Attenuators*: Curves giving design data.

6. *Transmission Line Design*: Reference data on impedances losses, etc., of open-wire and concentric lines.

7. *Audio Distortion Measurement*: Outline of methods.

8. *Measurement of Frequency Characteristics*.

9. *Modulation Measurement*.

10. *Hum and Other Extraneous Noise Measurement*.

11. *FCC Allocation Principles*: A reprint, with added discussion and explanation, of the mileage separation tables, allocation factor, adjacent channel interference, etc."

Thank you. (Applause.)

CHAIRMAN SHEPARD: Thank you, Mr. Chambers.

## ANNOUNCEMENTS

CHAIRMAN SHEPARD: We have the report of the Tax Committee which Mr. Loucks will read at this time.

### REPORT OF TAX COMMITTEE

E. M. ELKIN, Chairman  
(KDKA, Pittsburgh)

MANAGING DIRECTOR LOUCKS: This is the report of Mr. Elkin, Chairman of the Tax Committee. It is very brief and as Mr. Elkin will not be at the meeting, he has asked me to read his report to you.

"Annual Report of the Tax Committee.

"It was pointed out in the committee's report to the convention last year that officials of the Bureau of Internal Revenue had at various times expressed the desire to further consider rates of depreciation on depreciable assets of the broadcasting industry for the purpose of the federal income tax. During the past year, an intensive study of this subject has been made by the Appraisal Section of the Bureau. The cooperation of the Association was sought in an effort to determine whether it would be possible to standardize rates of depreciation on broadcasting equipment for the entire industry, and the Association was requested to compile certain data for this purpose.

"The request was referred to your Tax Committee, and in view of the nature of the subject, the committee concluded it would require the advice and counsel of experienced engineers in the broadcasting industry. Accordingly, a sub-committee of such engineers was appointed, and immediately began preparing and assembling a considerable volume of statistical data which would disclose the life of broadcasting equipment for the average station.

"After a detailed study of the data assembled, the engineers reached the conclusion that the life of broadcasting equipment for the average station did not exceed four years, whereas the Bureau of Internal Revenue had tentatively determined that such equipment had an average life of ten years.

"Several conferences were held with officials of the Bureau, at which time the various phases of the subject were fully discussed. In addition, briefs were filed and data submitted by your committee in support of the experience tables compiled by the engineers.

"After studying the briefs submitted by the committee, the Bureau reached the conclusion that it was not practicable to promulgate an official bulletin on depreciation rates for the entire broadcasting industry. It was believed there were so many different elements affecting different stations that each case must necessarily be decided on its individual merits, and for this purpose, a six-year life should be used as a starting point for all cases, but if the facts in individual cases justified lower rates of depreciation, then such lower rates would be allowed on the basis of such facts.

"Although engineers representing the Association demonstrated by past experience that the life of the average station should not exceed four years, it appeared to your committee that the conclusion reached by the Bureau was reasonable under the circumstances. It could not be expected, of course, that the Bureau of Internal Revenue would allow such high depreciation rates in those cases where it was clearly demonstrated that the life of a station exceeded four years, but recognizing the circumstances in unusual cases, the Bureau left the way open for each station, to secure higher rates of depreciation of the facts justified.

"Your committee is especially grateful to the several engineers representing members of the Association who devoted their untiring efforts to conscientiously determine a solution to this difficult problem.

"Throughout the year, there have been sporadic attempts on the part of legislatures in those states where sessions have been held, to propose tax legislation that clearly discriminated against the broadcasting industry. These attempts have proved to be unpopular, resulting in the defeat of the legislation. Such instances of discriminatory legislation will undoubtedly appear from time to time, and it is the hope of your committee that each member of the Association will be on guard to protect the lawful and just interests of the industry.

"Changes have been made in taxing statutes throughout the country during the last year. Generally speaking, these changes have resulted in higher taxation including federal, state and local, but in so far as your committee has been able to determine, they affect not only the broadcasting industry but all industry alike.

"In conclusion, the Tax Committee recommends that the Association proceed with the organization of state committees for the purpose of opposing discriminatory tax legislation in the several states and that these committees cooperate closely with the headquarters office of the Association in all such tax matters."

In that connection, I just want to add that forty-four of the forty-eight state legislatures will be in regular session next year. (Applause.)

CHAIRMAN SHEPARD: I want to call your attention to the fact that the third session is scheduled for ten tomorrow morning and request that you all be in attendance promptly.

The second session is now adjourned.

## ANNOUNCEMENTS

The meeting adjourned at 3:40 o'clock.

SEPTEMBER 18, 1934

Tuesday Morning

The meeting convened at 10:40 o'clock, President McCosker presiding.

PRESIDENT MCCOSKER: Ladies and gentlemen, I wish to declare open the third session of the twelfth annual convention of the NAB.

The first, second and third items of the program we will pass for the moment due to the fact that the gentlemen entailed in these presentations are not here. We will ask Mr. H. K. Carpenter of the Radio Air Service Corporation of Cleveland to give his report as Chairman of the Committee on Cost Accounting. Mr. Carpenter. (Applause.)

### REPORT OF COST ACCOUNTING COMMITTEE

H. K. CARPENTER, Chairman  
(WHK, Cleveland)

Mr. President, ladies and gentlemen: this is certainly a break for me because this matter of cost accounting is so interesting to most of us that if I were last on the program, as planned, I don't believe there would be five people left in the room.

They say it isn't wise to start with apologies and yet possibly I better in case I sneeze in the middle of this. Referring to hay fever victims, I was told a story of their convention in Canada. The presiding officer started his opening speech, sneezed violently and his glasses flew half way across the room, and they immediately elected him president. The stenotype operator and the press need not worry about this light flying down there because I think I have things under control.

This matter of cost accounting, as I say, is somewhat uninteresting but my report is rather brief and if you sleep, all I ask is that you do not snore audibly. (Laughter.)

The committee appointed by President McCosker last year to study the problem of a uniform system of accounting for broadcasting stations was composed of the following people:

Walter J. Damm, WTMJ, Milwaukee,  
M. R. Runyon, WABC, New York,  
H. F. McKeon, WJZ, New York,  
R. W. Hoffman, WHFC, Chicago,  
Lewis Weiss, WJR, Detroit,  
J. H. Ryan, WSPD, Toledo,  
J. L. Kaufman, WCAE, Pittsburgh,  
I. Z. Buckwalter, WGAL, Lancaster,

with myself as chairman.

On account of the nature of the work—the fact that it had never been done before, the divergence of opinion between broadcasters themselves, and the difficulty in obtaining data from various stations as it exists at the present time—there has been considerable delay; and only in the past few weeks is it beginning to take some definite form.

As you know, some months ago the committee finally decided on a form of questionnaire which was sent out to all member stations. This questionnaire was the result of a number of conferences with different broadcasters and accountants and was finally evolved by Mr. Hyman Tash, an accountant of Washington, D. C., whose assistance in this work has proved of very great value. It is only recently that a sufficient number of these questionnaires have been returned to make even a preliminary study possible. The definite recommendations of this committee are contained in this report a little later on. I should like to say at this point that

this report is *not* a report of the committee as a whole, but contains only my personal comments and opinions based on a close study of the problem during the past year—unless otherwise specifically stated.

The need of an adequate accounting system in any business is self-evident and surely does not need to be discussed at this time. The need of a standard accounting system in any industry is also surely self-evident and we need not discuss that question either. The need of a standard accounting system for the broadcasting industry has been felt for several years, but it has only been within the past year that this opinion has become sufficiently universal that the Association has believed it possible to accomplish something; and from the 132 questionnaires which have been returned to us, it seems quite probably that a standard system of accounting is possible for our industry.

At the meeting of the Commercial Section of our Association held in connection with the convention of the Advertising Federation of America in New York City, I gave a brief talk on the subject "Are You Making a Profit, and How Do You Know?" I am going to take the liberty in this report of covering several points I mentioned in that previous talk. I do not believe that this will be unnecessarily burdensome on you, since probably we have a greater number of station officials who should be interested in this problem present at *this* convention than at the meeting in New York; and since also, the response to this talk in New York was decidedly neutral. Of course, at this New York meeting earlier in the year, the interest was primarily in commercial subjects—in the sale of broadcast time and facilities, and the problems connected therewith. Even though some of the men attending that convention might have been interested otherwise in the accounting phase of station operation, their thoughts at that time were occupied mainly with the commercial details. But, I believe there was another reason also why there was no greater interest shown in the New York meeting in this question of accounting: this reason is that most of us concerned with the management of broadcasting stations are not accountants; we have been forced to spend our time and our efforts in the direction of better equipment, better programs, increased income and so on. The matter of accounting is something that has been left too frequently to possibly a minor employee who quite naturally has not had the broad view of financial statements which would prove of greatest value in management. This is not offered as a criticism in any way whatsoever—I am referring to myself as well as to others in saying that we have not realized the importance of a proper accounting system. It is my hope that the events of the past year or so will arouse in station executives an interest in this phase of our business sufficient to cause us to devote some serious time to the problems involved.

The questionnaires which have been returned show a remarkable uniformity in accounting systems as they exist at the present time. This rather startled us at first, and yet, on second thought, the reason was quite evident: undoubtedly those who have answered this questionnaire promptly and completely are those stations which feel that they have a rather complete accounting system—in other words, they had no hesitation in answering the questionnaire and had sufficient data at their finger tips to answer it intelligently. Without a doubt, those stations which did not answer the questionnaire (in the main, possibly) are those which for one reason or another have not developed an adequate system of accounts. And, certainly those stations are the very ones which need some guidance in setting up an accounting system—and I wouldn't be surprised but what some of those stations are also those which will oppose any standard accounting system. We do not anticipate any opposition from most of those stations which have reported because their systems as outlined on the questionnaire are so nearly uniform that it seems they will have no difficulty whatsoever in accommodating themselves to any reasonable standard system of accounting which is evolved.

I should like to address myself for a moment to those stations (be they large or small) which do not have an adequate accounting system. If I tread on your toes, I apologize in advance. But, if your station falls within this class, please remember that it is your own decision and opinion which puts your station in that class. I have not said that all stations which answered the questionnaire have adequate accounting systems and neither have I said that all stations which have not answered the questionnaire do not have adequate accounting systems. I believe this is true in a number of instances but it is, of course, not universally true.

Our Managing Director Phil Loucks told me of an experience of his recently. He was calling on a station manager and this man-

ager invited him out to lunch. I think that is worth something to Phil. I'll collect later. (Laughter.) Just before leaving the office, one of the station clients came into pay a bill. The station manager jokingly (and probably seriously, too) said that he was certainly glad to get his hands on a little cash. A conversation somewhat like the following ensued.

"I am certainly glad to see you, Mr. Jones. Cash is a welcome sight at any time. What bill did you want to pay?"

"Why, I wanted to pay the bill for those spot announcements you ran for me last week."

"Oh, yes, we did have some on for you, didn't we? That's right. Let's see, how many did you have?"

"Oh, I don't remember. I think we had something like three announcements a day for several days but you remember you gave me a special rate on those announcements."

"Yes, I do remember something about that. Now, what was the rate I gave you?"

"Well, I really can't tell you. All I remember is that you told me this rate was about one-half of what you charged other people."

"That's so. I do remember now. Well, what about five dollars? Is that all right?"

"Sure."

"O. K. and thank you very much. You'd better run some more of those announcements next week."

"I think I will. I'll be in to see you later."

The station manager pocketed the five dollar bill with a sigh of relief—didn't bother to give the client a receipt—and Phil says he's quite positive the manager paid for the lunches out of the same five dollar bill.

Is it any wonder that cash is even a more welcome sight to this man that it is to most of us?

Here is another instance I quoted in New York: I know of one specific instance where the management of a parent company operating a broadcasting station paid very little attention to the monthly and annual reports on costs and operating expenses. As one official expressed it, they were interested only in a weekly report showing the difference between the cash on hand and the accounts payable. Putting the idea in the exact words of this official, he said something like this, "I want to know how much the station owes each week and how much money it has in the bank to meet these bills. As long as the money in the bank exceeds the amount of the bills each week, I'm satisfied." I suppose the attitude of this official was sound, as far as his own personal desire in the matter went. Unfortunately, such figures as he required do not take into consideration the many details in accounting which may be handled one way by a certain station and in an entirely different way by another station; and the result of the use of such an elementary accounting system is the serious handicapping of management, together with a complete inability to regulate expenses, establish budgets and make decisions in the light of conditions as they will exist in the future.

Now, I know, of course, what you're saying to yourself, possibly some of you; you're saying, "Well, what of it? Why should I tell any one what I'm making? Whose business is it if I want to give my time away or leave depreciation out of my figures? Let others tend to their own business and I'll attend to mine!"

Well, possibly we *are* exaggerating a little just to show the opposite attitude from that of the one who thinks all costs and all revenues and all financial statements should be made public. Like all extremes, these views *are* extremes, and probably our true path lies somewhere between.

However, I know of one man who went so far as to say that the refusal of any business to pool its operating costs with another in the same business—for the benefit of the whole industry—was a definite indication that that business had something which they were ashamed to have their competitors know. Another extreme view, possibly!

In many businesses having a much older origin than broadcasting, if the question were asked of a given unit manager, "Are you making a profit?" the answer would be very definitely "yes" or "no." Of course, the man may be lying in giving his answer—but *he* knows. He knows because he is using a system of costs and accounting which has proved to be accurate over a period of years. He knows that when his figures showed a profit, he paid a dividend, and when they indicated a loss, his surplus was reduced. He, furthermore, knows whether, over a period of years, he was able to replace his worn-out equipment as he had planned.

And, this man in another business or industry, in many instances, knows whether or not his cost of production is out of line with that of the average for his line of endeavor. He knows just how

his sales costs compare, how his overhead looks, as compared to the average in his business.

In broadcasting, we have conventions and some serious-minded souls come to talk over their problems and try to get some suggestions for bettering their own stations, based on what others are doing. "How's business?" one asks. And, another answers, "Fine! We've been out of the red for three months!" The questioner possibly isn't out of the red and feels that he has been falling down on the job but he salves his conscience by thinking, "Oh, yeah? I'll bet you have a sweet set of books! I'll bet you never heard of depreciation!"

Well, possibly he's right. Then again, maybe this man is in need of help but can't get it. The trouble is that these two men have no common meeting ground when it comes to finances. Of course, they're both in broadcasting. They can exchange information on rates, on program ideas, on personnel, on organization, on clients and prospects. But, when it comes to costs, each suspects that the other may be telling the truth but not the whole truth.

Surely there must be some means of comparing costs without divulging operation and trade secrets which would be detrimental to individual stations. The answer to the first part of the question "Are you making a profit?" doesn't mean a thing unless the second part is answered "How do you know?" And, what's the use of answering that last part of the question if it is expressed in Greek while the man who asks it understands only Scandinavian?

The Code of Fair Competition for the Radio Broadcasting Industry in Article VI, paragraph 10-b states the following and here I quote: "The Code Authority shall have the power to obtain from members of the industry for the use of the Code Authority, for the administrator in the administration and enforcement of the code, and for the information of the President, reports based on such periods as may be determined by the Code Authority as soon as the necessary readjustment within the industry can be made and to give assistance to members of the industry in improving methods, or in prescribing a uniform system of accounting and reporting. All individual reports shall be kept confidential as to the members of the industry, and only general summaries thereof may be published." That's the end of the quotation.

As you see, the Code Authority has very broad powers in requiring specific reports from broadcasting stations in almost any form that it sees fit to request them. Fortunately for us broadcasters, the Code Authority has requested the National Association of Broadcasters to develop the form in which these cost reports may be submitted. It is this job which the Cost Accounting Committee has undertaken. I would like to call your attention, however, to this belief on my part, which is shared by a number of other men in the broadcasting business—broadcasting stations are going to be required to submit periodic reports including statistical information—and it remains to be seen whether the broadcasters would rather develop the form of these reports themselves or have another agency step in and dictate to them the form in which these reports are to be rendered.

As I stated before, we now have 132 returned questionnaires and undoubtedly this number will be increased within the next few weeks. We have accounting systems used in a number of prominent stations and have at our disposal the services of several highly qualified certified public accountants. From this material and with this help, it is the aim of the Accounting Committee to establish a recommended uniform system of accounting in the very near future, in the hope that any adjustments necessary in individual stations may be accomplished as of the next January 1.

In this connection, I should like to tell you that I have with me here a complete system of accounts for broadcasting stations developed by Mr. R. V. Wilson, a certified public accountant of Cleveland, who, incidentally, handles the accounting for our station. That is how I happen to know him. This system of accounting includes a detailed outline of the exact steps necessary to install this accounting system and also contains copies of every form necessary to the system. Mr. Wilson has worked on this for a period of seven years and recently has made several changes in order to bring it up to date and make it conform with standard procedures and recommendations which have already been developed by the National Association of Broadcasters. He has compiled this data at my personal request and has permitted me to bring it to the convention in case some of you would like to look it over. I regret that there is but one copy of this system available but I shall be glad to have you examine it if you will see me personally after this meeting.

It is the hope of the committee to produce a system which will meet the conditions of the Code Authority and at the same time prove practicable to the broadcasters themselves. The objectives

of the Accounting Committee are identical with those of accounting departments in individual stations. They are as follows:

1. To evolve a system which will be sufficiently flexible and adaptable for all stations, regardless of size and regardless of the community in which they operate.
2. To evolve a system which will answer any questions which may be asked by station executives.
3. To evolve a system which will include all costs, regardless of whether or not a particular item is usually placed on the books of the station.
4. To evolve a system which will be based on the same breakdown of accounts so that the Code Authority may obtain figures from all stations which are essentially comparable.

In the past, there are those in this Association who have been prone to criticize our Association and these conventions for appointment of committees of this, that or the other, which committees proceed to have one or two meetings during the year and report back to the next convention with nothing whatever accomplished. In the matter of accounting, we do believe that the committee has made definite progress during the past year, and there are certain very definite reasons why the work has not been completed at the present time. However, in order that this matter may not have to be held over until the next convention, making it necessary then for most stations to wait until January 1, 1936 to make the proper adjustments, the committee feels justified in requesting definite action by this convention at this meeting on the following resolution which I now present:

*"Resolved, That the National Association of Broadcasters in convention assembled at Cincinnati, Ohio, on September 18, 1934, does hereby instruct the Cost Accounting Committee appointed by President McCosker to continue its work until completed; that this committee be instructed to complete its work by November 1, 1934, if at all possible; that the Managing Director is hereby instructed to have complete copies of this standard, recommended accounting system prepared and sent to each member station on or before December 1, 1934; and that member stations are hereby requested to make the necessary adjustments in their present accounting system to bring it into conformity with the standard, recommended system as far as they find it practicable."*

We earnestly request you to pass this resolution and assure you that the committee will do all in its power to submit a recommended accounting system to the Managing Director not later than November 1. This, then, will make it possible for us to have much greater uniformity in broadcast station accounting effective January 1 than otherwise we would have. It may not, and probably never will be, entirely uniform for all stations, but we believe if this plan is followed, we will at least have made a favorable beginning on this problem, which is at the very foundation of our business.

Before moving the adoption of this resolution, I should like to take this opportunity to thank the committee members for their assistance; to acknowledge the very great help rendered by Mr. Hymen Tash of Washington, D. C. and Mr. R. V. Wilson, certified public accountant of Cleveland; and also to thank the Managing Director and his staff for their usual fine cooperation. (Applause.)

PRESIDENT McCOSKER: Thank you, Mr. Carpenter. I think you have observed that the applause that followed the presentation of your report is a barometer of its acceptance. I'd like to say in passing that I happen to know rather intimately the tremendous amount of energy and time and care and thought and travel and inconvenience that Mr. Carpenter has showered on this job of his. I know of it particularly during the past year so I want to say a personal word of thanks to him.

In connection with the resolution, I am going to suggest that you submit the resolution to the Resolutions Committee to pass on it and submit it in the regular way, due to the fact that it requires a vote. The Credentials Committee, as I understand it, have not checked the membership to know who is and who is not entitled to vote in this particular meeting.

Now, the next feature on the program is in the form, I am given to understand, of what Mr. Quilliam conceives to be the preparation of the sale of a program by a broadcaster and a client.

I hope that Mr. Rosenblatt, who has the habit of facilitating broadcasting and is doing it at this point by deferring to Mr. Quilliam and his associates in order that they may get back to their job at WLW, will not think this is a typical example but burlesque.

("The Advertiser Builds a Program"—arranged by H. J. Quilliam, Fisher's Blend Station, Inc., Seattle, Washington.)

PRESIDENT McCOSKER: I would like to make a correction in my announcement. I announced it as a burlesque—and it is all

too true. (Laughter.) I was expecting every minute to have Father Coughlin go into a eulogy of Morgan. (Laughter.)

I want to express the thanks of the assembled members to Mr. Quilliam for the production, and also say a word of thanks to the staff of WLW, and to Freeman Lang of Los Angeles for the recording.

Mr. Sol A. Rosenblatt is a New York lawyer of outstanding ability in the amusement field who went to Washington a year ago, at great personal and financial sacrifice, as Assistant Deputy Administrator of N.R.A. In quick succession, he was promoted to Deputy Administrator in charge of several amusement industry codes and finally Division Administrator with full supervision over the amusement industries.

Mr. Rosenblatt has graciously accepted an invitation to address this convention and will tell us some of the vagaries of code operation. I had the privilege of knowing and being associated with Mr. Rosenblatt on Broadway and also in Washington, and you will know what I mean when I say that Mr. Rosenblatt didn't change any when he joined official Washington. Mr. Sol A. Rosenblatt. (Applause.)

## COORDINATING AMERICA'S AMUSEMENT INDUSTRIES

Address by SOL A. ROSENBLATT

(Division Administrator, N. R. A.)

Mr. President, members of the National Association of Broadcasters, ladies and gentlemen: As Division Administrator of the National Recovery Administration in charge of the amusement industries, I have had a particularly gratifying experience in the code making attendant upon those industries and in being made acquainted with the problems of the entire amusement world.

Perhaps, speaking technically and literally, radio broadcasting might not seem properly categorized within the amusement field but by reason of its inter-related problems, for practical administrative purposes, it was embraced therein.

The amusement world of this or any other country is most important. As I stated some time ago before a conclave kindred to this, in good times or bad, in times of peace or war, in the cities or in the countryside, all of us at some time or another have some degree of leisure and we customarily spend a large part of that time enjoying in one form or another the activities of the amusement world. All activities of this world are alive and related. Truly, the problems of the motion picture theatre, the problems of the legitimate theatre, the problems even of the circus or of the radio broadcasting field are kindred problems. Success is one or another of these fields in this world is beyond mere monetary return in that it results in fame and fortune for the successful participant, be he employer or employee.

The difference between the radio broadcasting industry and others in the amusement world at the time of the passage of the National Recovery Act was that in the radio broadcasting field, its activities have been integrated through the medium of the National Association of Broadcasters and it was already used to a degree of governmental regulation whereas in the other fields of the amusement world, the industries concerned were completely disunited and completely disorganized, with the few trade associations existing therein neither all-embracing in their activities nor encompassing within their scope the entire field concerned.

Following the inauguration of President Roosevelt and the inception of his great recovery program, without exception, all industries in the amusement world—and I can not praise too highly in this connection the splendid efforts of the broadcasters—proceeded by every means at their command to loyally support the President and aid every effort of the President. The amusement industries came forward to give by increasing employment and to receive by industrial self-government standards of fair competition no sooner than the N.R.A. had become a law. If any of you were in Washington and witnessed the tremendous surge of American business men to the capital and listened to the serious discussions, you will realize precisely what I mean.

Now, an N.R.A. administrator is neither a dictator nor a tyrant, nor, on the other hand, is he either an advocate or a demagogue. In any event, he is surely not infallible even when his work on codes is continuous. And so, from all the toil and travail, the logical and illogical argument, the separation of grave and important problems from the unimportant, codes were finally born in the amusement world.

You should all know by this time that the consuming public of this country knows exactly what it wants, particularly so far as

the amusement world is concerned. It will no more listen to an undignified or unacceptable radio broadcast than it will attend and thereby make a financial success of an unworthy play or motion picture production. "The public be pleased" is still the single standard goal in the amusement world. A leader in the motion picture industry once said to me, "There is nothing wrong in the motion picture business which good pictures cannot cure." A leader in the legitimate theatre said that the best answer to a closed playhouse is a worthwhile play. I take it for granted you can neither secure payment for advertising nor retain the interest of the public in your broadcasting unless you can deliver an interesting and acceptable broadcast.

The first kindred problem, therefore, in the amusement world is that of attracting the patron and the listener. In that respect, the members of the industry themselves must direct the signposts and observe the rules of their own game.

The threatened alternative to effective self-regulation in all of these amusement industries is censorship and on that subject, I would prefer to say extremely little except to comment that censorship as such, within my experience in the amusement world, is not an efficacious remedy. So far as radio broadcasting is concerned, I believe this industry is deserving of tribute and I feel that its efforts to strengthen the already high standards of its broadcasting must be commended by any fair and impartial person.

The other general problems confronting all basic industries are equally present in the radio broadcasting field as well as the motion picture field and other similar fields. One encounters in the amusement world the same organizations of labor throughout, the actors and the writers, the stagehands and the electricians are with us, with the manifold and vexing problems they present. But, I must say so far as my personal experience, that I have secured great cooperation from labor in peaceful and orderly attempts to settle any difficulties that might arise between them and their employers. It is my experience that the value of cooperation from outstanding laborites can not be overestimated.

At the same time, the invaluable cooperation given by employers, on their part, to help and safeguard labor from unrest is highly commendable.

You will find that in the radio broadcasting code, as well as in the other codes, the most sincere and honest efforts have been made not only by the government but also by the industry itself to preserve and safeguard the rights of small or independent enterprises. Now, when I use the term "small or independent enterprises," I do not mean inefficiency. Man cannot solve the problems of the inefficient operator, whether in radio or any other field; time alone solves his problems. But, bona fide small or independent efficient enterprises will find that trade practice provisions in their code, making for fair competition, aid in stabilizing efficient methods of operation and are designed to prevent retrogression into even semi-efficiency. And, while I am on the subject of small enterprises, may I direct your attention to the eminently fair and honorable group of men who constitute your Code Authority. Your Code Authority Chairman, John Shepard, is one who ranks second to none in reputation for integrity and fair dealing. (Applause.)

Your Code Director, Mr. James Baldwin, has proved his sterling qualities in his difficult job and to my personal knowledge, has done it without fear or favor. (Applause.)

And, at this time and on this occasion, I would indeed be remiss in honoring unselfish and efficient service to an industry if I did not here pause to tell you how invaluable to this industry and outside of the National Association of Broadcasters have been the untiring efforts and effective direction of your own Phil Loucks. (Applause.)

It is the presence of men such as I have mentioned with those others of your leaders upon the Code Authority and in the councils of your Association, who guarantee a square deal in this industry. (Applause.)

Similarly, with the other codes in the amusement world, the men who sit as members of those code authorities are in themselves the greatest guarantee that the codes are not designed to oppress the small or independent member in their operation. (Applause.)

In the laboratory of N.R.A., several hundreds of codes have been produced. In their production not only the members of the particular industry affected participated but also labor, industry generally and the consuming public. Now, most people in the United States have some sort of a notion that when an industry has a code, all of the steps for the recovery program to work in that industry have been accomplished. People have the same feeling about any particular matter as soon as any legislature

enacts a law. But, nothing could be farther from the truth in this respect.

As you know, when you undertake an experiment, only the first step has been taken. The laboratory experiment, even though successful, may not be commercially practical; the miniature drawing may not be possible of enlargement into the great planned structure. Alloyed metals may, under stress and test, yield faulty defects. And so it is with any code. An industry which has voluntarily acceded to a code, which has gladly yielded as the radio broadcasting industry has done, millions of dollars of the payrolls of the country, may nevertheless discover that still more remains to be done in order to effectuate the purposes originally undertaken.

The heauty of the N.R.A. to me has been its complete flexibility. The codes which have been written under this act likewise possess the same flexibility. The administration of the N.R.A., which the President has entrusted to General Johnson, has similarly proved that it is capable of great flexibility. The acts of the code administration present a scientific approach to industrial problems because of the very fact that they are not confined or limited, hound or circumscribed but rather are capable of expansion or retraction, enlargement or diminution. And so, with the radio industry code, or any of the hundreds of other codes you may name, they are like the ingredients in a test tube whose reaction is constantly predicted by the chemist who knows what those ingredients should produce when mixed but who is watching the progress of the experiment so as to determine what adjustments have to be made in those ingredients in order to achieve that result. If these code provisions do not at once accomplish the end for which they are intended, appropriate changes can be and will be effectively made.

I believe that this code marks an advance made by this industry in coordinating the activities of chain and individual divisions by an honest and sincere effort to replace with harmony and co-operation. No sane person in these United States possessed of any knowledge whatsoever concerning this industry will challenge the ideals and purposes which the government confidently expects to be realized in the efficient and scientific working of this code. All that I have said concerning the radio broadcasting code applies to the related amusement world codes. From coordinating the industries under the amusements codes, the next and logical procedure is to work out coordination between those industries. I am sure this will come to pass.

Radio broadcasting activities have rendered yeoman service to our nation through these trouhlesome times. The voice of radio has invigorated our people in their determination that we can and must go forward. The N.R.A. is determined to go forward in its great work under the guidance and leadership of President Roosevelt. It cannot be swayed nor deterred from its purpose by innuendoes and aspersions cast upon the honesty and sincerity of its motives. (Applause.)

The codes are not infallible, and just as scientists watch experiments for successful completion, so the President regards the codes in order that industrial peace in greater measure may be brought forth and that all members of this as well as any other industry may receive the benefits intended to be derived from the codes of fair competition.

The recovery administration cannot be threatened or coerced by those self-styled leaders of industry whose fundamental purpose is to harrass and destroy rather than put their shoulders to the wheel and help and cooperate. No successful industrial experiment can be accomplished by actions tending to destroy the welfare of the overwhelming majority of the industry.

When this nation realizes that the hundreds of codes of fair competition, including the radio broadcasting code, now enjoyed by the industries of the country, bear the voluntary acquiescence of the overwhelming majority of every one of these industries affected, then this nation must recognize these codes and the economic bases on which they rest are meant for good and must achieve constructive ends.

I do not helieve that our people yet understand that these industry codes, in the preparation of which industry, labor and the consuming public are represented, are entirely voluntary and that they are not enacted into law without the free consent of the members of the industry. This much desired understanding is spreading, however, and with its complete realization, our nation will march on to an era of good feeling and peace, industrially speaking, heretofore undreamed of in history.

In conclusion, let me earnestly emphasize that the philosophy of the N.R.A. was horn of the deep thought and profound study, the sane observation and clear experience, which its drafters brought to it in its preparation, which Congress gave to it in its

enactment and which the President stamped upon it with his approving signature. Therefore, I say to you that the radio broadcasting code, the motion picture industry code and all the other codes enacted into law under the Act, are entitled to the sympathetic and scientific reaction and cooperation of our people in order that the aims and aspirations of the President's recovery program may be accomplished and, finally, in order that our people may hereafter be saved and safeguarded from the dire calamities which have overtaken us in the past and from the mire of which we are now struggling to escape.

I thank you. (Applause.)

PRESIDENT McCOSKER: Mr. Rosenhlatf, I feel I echo the sentiment of the assembled members in expressing appreciation for the forceful address on the codes and with particular reference to the broadcasting code. I want to say a special word of thanks for the complimentary comments you made and particularly for interfering with your busy life at Washington to come here. I happen to know it was a considerable inconvenience.

The next item on the program is the report of the Commercial Committee by Mr. Arthur B. Church of the Midland Broadcasting Company, Kansas City, Missouri.

Vice President Shepard took the chair.

## REPORT OF COMMERCIAL COMMITTEE

ARTHUR B. CHURCH, Chairman

(KMBC, Kansas City)

Your Commercial Committee—generally known, perhaps because of the large number of members, as the commercial section—believes that the convention is far more interested in what it has actually accomplished in the way of definite recommendations to the industry than in a long report of its meetings and activities during the past year. The report preceding these recommendations will, therefore, be brief.

The annual meeting of the NAB Commercial Section was held at New York, June 19 and 20, in collaboration with the annual convention of the American Federation of Advertisers, following a custom established several years ago. It was attended by the largest number of committee members, agency men and others allied with broadcasting and with advertising ever thus far assembled to consider the problems of commercial broadcasting. The educational aspects of this type meeting can hardly be overemphasized. The discussions in connection with the various papers and addresses were unusually active and interesting, and indicated an intense desire on the part of all to learn how to most effectively use this great advertising medium.

The complete program follows, but will not be read at this time.

## NATIONAL ASSOCIATION OF BROADCASTERS

HOTEL PENNSYLVANIA

NEW YORK, N. Y.

Tuesday, June 19, 1934

10:00 A. M.

Open Meeting:

1. "What We Have Learned About Station Coverage."  
By C. M. Jansky, Consulting Radio Engineer,  
Washington, D. C.
2. "Studying Listener Habits."  
By Walter J. Damm, Manager, Station, WTMJ,  
Milwaukee, Wisconsin.  
Paper read and discussion of papers by Mr. Damm and Mr. Jansky led by Martin B. Campbell, General Manager,  
Station WFAA, Dallas, Texas.
3. "The Present Trend of Station Relations with Advertising Agencies."  
By Roy L. Harlow, Assistant to the President of the Yankee Network, Boston, Massachusetts.
4. "Merchandising Practice."  
By Irwin Gross, Wharton School of Finance and Commerce,  
substituting for Harry Howlett (deceased), Station WHK,  
Cleveland, Ohio.

1:00 P. M.

Luncheon meeting of members of Radio Committee of American Association of Advertising Agencies and Commercial Committee of the National Association of Broadcasters.

3:00 P. M.

Commercial Committee of National Association of Broadcasters meets in Executive Session.

Wednesday, June 20

10:00 A. M.

Open Meeting:

1. "Making a Program Work."  
By Francis D. Bowman, Advertising Manager of the Carborundum Co.
2. "The Market for Radio Advertising."  
By Dr. Herman S. Hettinger, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pennsylvania.
3. "Pertinent Problems in Radio Sales."  
By Leslie Fox, Station WMCA, New York, N. Y.
4. "Standardizing Units of Sale and Rates Practices."  
By I. R. Lounsberry, Manager, Buffalo Broadcasting Corporation, Buffalo, N. Y.
5. "Are You Making a Profit and How Do You Know?"  
By H. K. Carpenter, Manager, Station WPTF, Raleigh, North Carolina, and Chairman of Cost Accounting Committee of the National Association of Broadcasters.
6. "Solving Relations of the Station and the Network."  
By John Patt, President, Station WGAR, Cleveland, Ohio.

Executive Session of Commercial Section immediately following open meeting, to complete business.

Inasmuch as the majority of committee members (a complete list of members is appended to this report) appointed by the Association President for this year were also on last year's committee, most of the sub-committees and their chairmen were also continued. One of such men, John Patt, completed a very thorough study and presented to the June meeting a most interesting report on problems arising from station relations with networks. The Commercial Committee resolved to furnish the officials of the several networks copies of the report (which was done) with the request (I now quote from the report) "that they take steps to harmonize network and affiliated station trade practices." The time between that meeting and the convention has been so short that little further progress has been made. However, it is hoped that these problems will receive the attention of next year's committee.

Since the opening of this convention, your committee has had two well attended meetings and has prepared several resolutions containing vitally important recommendations for your consideration. Mr. Benson, President of the Four A's, and Charles Gannon of the Four A's Radio Committee were kind enough to meet with us Sunday at our invitation and were especially helpful in the discussions involving two of our most important resolutions. I wish to take this opportunity to thank these men for their assistance and interest, also your Managing Director, Phil Loucks, without whose advice and help this committee would have been at serious loss. I have never seen a more willing, enthusiastic group of men serving on any committee, and I can assure you that on your Commercial Committee during the past year I have had every bit of cooperation any chairman could ask for, so that any failure to take full advantage of the opportunities and responsibilities the committee affords has been due to my own lack of ability to capitalize on these men's capacity and willingness.

If I felt that time permitted, I would have liked to discuss various problems which challenge next year's Commercial Committee. Among these problems are those incident to medical and certain other types of advertising, the commercial copy angles of which should certainly receive much attention by this committee.

In closing this report, I offer you the following resolutions adopted by the Commercial Committee for your consideration and such action as the convention feels should be taken. I feel sure that movers of these resolutions and other members of the committee will gladly try to answer your questions.

I shall read all of the resolutions and The Chair will then perhaps wish to have their consideration separately.

Incidentally, all of the resolutions I have here will contain the names of the mover and seconder. The resolutions were adopted by the Commercial Committee.

"Resolved: That the President of the National Association of Broadcasters shall direct the Chairman of the Commercial Section

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

"Moved by Leslie Fox.

"Seconded by Martin Campbell.

"Adopted by the Commercial Committee September 17, 1934."

"WHEREAS, There is a need in the broadcasting industry for further standardization of units of sale and rate card practices, therefore  
"Be It Resolved: That the NAB approve the following recommendations to the members and to the industry:

1. It is recommended to standardize units of sale as follows: one hour, one half hour, quarter hour, five minutes, one minute transcriptions, 100 words, half minute transcriptions, 50 words or less.
2. It is recommended that all quantity discounts shall be given within a period of one year with discounts retroactive to the first broadcast within that year, and discounts shall apply within the same time classifications.
3. It is recommended that operating companies or holding companies operating more than one subsidiary (such as General Motors) shall be permitted to buy under a group plan allowing discounts for each of the separate companies under a blanket order to apply even if more than one agency is involved in placing time.
4. It is recommended that all stations put on their rate cards, in addition to the regular standard units of time, under a separate heading called "special service features," such features as time signals, weather reports, sports events, participation programs and any other service features, with an adequate description of what the individuals station allows.
5. It is recommended that no station quote quantity discounts on consecutive times other than 13, 26, 52, 100, 150 and 300.

"Moved by I. R. Lounsberry.

"Seconded by H. K. Carpenter.

"Adopted by the Commercial Committee June 20, 1934."

"Resolved: That the National Association of Broadcasters recommend to all broadcasting stations the use of standard time exclusively for all radio programs.

"Moved by J. O. Maland.

"Seconded by Leslie Fox.

"Adopted by the Commercial Committee September 17, 1934."

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

"Moved by John Patt.

"Seconded by Charles Myers.

"Adopted by the Commercial Committee, September 17, 1934."

"WHEREAS, The Code Authority regulations permit the granting of special rates with the only proviso that these rates be filed with the Code Authority, and

"WHEREAS, It is the belief of the Commercial Committee that such special rates may be used as a means of making concessions contrary to the intent of stabilized rates provision of the code,

"Be It Therefore Resolved: That the NAB petition the Code Authority to take steps to amend and clarify or to repeal its regulations permitting this practice.

"Moved by Leslie Fox.

"Seconded by Nathan Lord.

"Adopted by the Commercial Committee, September 17, 1934."

"*Resolved*: That the Commercial Committee ask the NAB convention to reaffirm the resolution passed at last year's convention referring to elimination of announcements for electrical transcriptions produced especially for broadcasting and that the convention Resolutions Committee draft an appropriate resolution for this purpose to be transmitted to the Federal Communications Commission.

"Moved by Leslie Fox.

"Seconded by I. R. Lounsberry.

"Adopted by the Commercial Committee, September 17, 1934."

"WHEREAS, The Commercial Committee of the NAB recognizes that merchandising of radio programs and assistance in merchandising of the products of advertisers stimulates the use of broadcasting as an advertising medium and enhances the value of the medium, it, therefore, urges the fullest possible cooperation in merchandising with its advertisers as is consistent with good business practices; however, since the merchandising requirements of advertisers are wholly lacking in uniformity, the committee recommends in fairness to all advertisers that the cooperation of the stations be limited to such activities as do not entail direct expense is involved such costs be borne by the advertisers.

"Moved by William Hedges.

"Seconded by John Patt.

"Adopted by the Commercial Committee, September 17, 1934."

(Applause.)

CHAIRMAN SHEPARD: I am sure everybody here greatly appreciates your report, Mr. Church, and I think that the whole membership is deeply indebted to you and your committee.

In regard to the resolutions, will you turn those over to the Resolutions Committee to be presented with all the other resolutions at tomorrow's meeting?

I understand from Mr. Church that there is one resolution Mr. Benson wishes to speak on.

MR. CHURCH: There is one resolution we invited Mr. Benson to speak on if he wished to and he stayed over this morning at our request. While Mr. Benson is coming up, perhaps I should read the resolution to which we refer.

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

CHAIRMAN SHEPARD: I think you all know Mr. Benson of the Four A's, so, without further ado, Mr. Benson.

#### REMARKS BY JOHN BENSON

(President, American Association of Advertising Agencies)

Mr. Chairman and gentlemen of the convention: the advertising agencies are deeply interested in seeing the radio medium equipped to give advertisers reliable and authenticated information of the service they can render and thus put this medium on a par with the other two major media, namely, publications and outdoor.

Now, you are all familiar with the ABC which was established fifteen or twenty years ago to measure quantity of circulation of newspapers, magazines and trade papers. That movement came into being to take the place of a flood of individual statements of circulation by publishers and surveys made by them which didn't command confidence because they became naturally competitive and highly partisan and while the facts presented might literally be true, they were often arranged in some pleasing perspective to give a favorable picture and to soft pedal the soft spots so that advertisers and agencies lost faith in these surveys, however carefully and honestly made.

Now, I might say with truthfulness that I think this movement of the ABC gave tremendous impetus to the use of publications in advertising because the advertiser knew what he was getting and had faith in the report.

Very recently a similar audit has been established in the outdoor field under the joint sponsorship of advertisers, advertising

agencies and panel owners. This audit measures the service to the advertiser according to a yardstick scientifically determined in advance, and advertising agencies and publishers have been cooperating for two or three years in arriving at this yardstick under the leadership of Dr. McClintock of the Erskine Foundation at Harvard who made a wide study of the relation of outdoor traffic passing location.

Now, that audit in the outdoor field not only validates each individual panel audit but also the methods used in arriving at it, and it gives not only the gross circulation per panel but also the net effective circulation based upon location of each panel, and length of approach by pedestrians and motorists. Of course, audits of this sort command confidence. They are accepted at face value. And, a very interesting benefit has resulted in revealing to the panel owner his weakness in comparison with others and, of course, improvement resulted, more value to the advertiser was given and more pay to the panel owner.

Now, gentlemen, with these two major competing media equipped to give the advertiser reliable and authenticated audits of their service, I wonder if the radio medium can afford to be without it.

As you know, there are two kinds of studies to be made in your field, the signal strength measurement and checking of listener habits. The first is indispensable, in my opinion, to any scientific delineation of coverage, not merely to the advertisers who want to know how programs are clicking but to the stations who are deeply interested in how the audience reacts to broadcasts they make.

Some stations have had signal strength measurements made and have published maps of primary and secondary coverage. They are useful to us and to the station but they are few in number. More of them must be made to do the industry any substantial good.

In the listener habit field, studies have been made for the last three or four years by the so-called CAB sponsored by the Four A's and the Association of National Advertisers. That is experimental. It is a pioneer movement and, naturally, it developed some weaknesses which I think can be corrected. The so-called recall method of checking listeners in the field by telephone has its drawbacks as it is at present being conducted. The results are only approximate, not accurate enough, in my opinion, to give more than a trend of program popularity. It is very important, I believe, that that method be thoroughly tested in comparison with other methods, for instance, the so-called coincidental method of checking over a wide enough period and area to determine which method should be used, or any other.

Another handicap to the CAB is that it is limited to agencies and advertisers. That should be expanded to the broadcasting industry. The CAB, I might say in advance, lacks the funds, although fairly well supported by these subscribers, to make the tests properly in the field and properly expand field work to get a proper sample, especially in the larger centers.

You broadcasters, I know, spend considerable money in making surveys of your own but they lack the stamp of joint approval of the industry and so are discounted by agencies and their clients. Why not divert some of that money to supporting a joint undertaking like the ABC?

There are some stations who feel like participating in a joint undertaking of this sort and have approached us on the subject involving both signal strength measurements and listener habits. I am wondering whether the time has come for the National Association of Broadcasters to organize this movement on a national scale.

Now, it might be desirable to have the listener habits undertaken separate from the determination of the signal strength or it might be well to combine them, either now or hereafter, and that is for the industry itself to decide. As matters stand today, the ABC measures quantity of circulation only. Its auto traffic bureau in the outdoor field goes a step farther and measures net effective value of circulation. The radio industry, by combining the signal strength measurements and listener habit studies, would go even a step farther and register the actual listening audience. Now, that would be a far more significant registration than anything obtained as yet in the other two fields.

The question arises, and I hear it asked now and then, "Why should radio give to the advertisers a reliable audit of the listener audience when the publications do not give a similar audit of the reading audience?" I think the answer is that radio is different—that there is no other subscription other than the ownership of a set within listening radius of a station. The owner of the set may be within the primary coverage of the station and still not be

tuned to that station and hence the owner entirely precluded from hearing any broadcasts over it. For this reason the advertiser feels he ought to know not only the potential coverage but have some registration of the actual listening audience in order to get actual circulation.

Then I think we should bear in mind that if the radio medium would give that kind of information to the advertiser, it would be a distinct advantage over the other two fields in bidding for the advertiser's dollar.

So, I feel very strongly this resolution presented to this body is very well put and very timely in recommending the formation of a committee of broadcasters to meet with the Four A's and the A.N.A., or perhaps with the governing board of the CAB which is composed of both, to consider what kind of information the advertiser needs to make effective use of this medium, and also take steps, if it seems feasible, to establish a joint undertaking to give to the advertiser such data.

I think that is of extreme importance to your medium. I think it would put it on a new plane of scientific determination of value, and I believe it would have a decided influence of economy of sales effort in the future because when advertisers in a limited medium like outdoor and radio have reliable data as to the various stations employed and plants, there isn't nearly the need for sales effort to sell that. That doesn't mean you don't need to have representatives but about eight per cent of the effort might be saved. And so I am very anxious, as spokesman representing the advertising agencies and I believe the advertisers, in seeing this undertaking put through. (Applause.)

**CHAIRMAN SHEPARD:** Thank you very much, Mr. Benson, particularly for staying over that we might have the benefit of your suggestions in regard to that resolution.

You will remember on the call for the meeting, that all suggestions for resolutions were to be presented in writing. Therefore, I am asked to announce that all suggestions for resolutions on which action is desired by the convention should be given in writing to the Chairman of the Resolutions Committee, Henry Bellows, not later than 12:00 o'clock tomorrow, Wednesday, noon.

**SEPTEMBER 18, 1934**

**Tuesday Afternoon**

The meeting convened at 2:20 o'clock, President McCosker presiding.

**PRESIDENT McCOSKER:** Ladies and gentlemen, I wish at this time to declare open the fourth session of the twelfth annual convention of the NAB.

The first feature on the program is presented with the intriguing title "It's Up To You," by Col. Thad H. Brown, Vice Chairman of the Broadcast Division, Federal Communications Commission.

Not long ago I met a friend of mine who had been a bit recalcitrant in connection with the present administration. I asked him, "What do you think of the New Deal now?" He said, "I begin to think it is pretty good. You notice they have sponsored Colonel Brown on the Federal Communications Commission!"

I think it is only justice to say that Colonel Brown has functioned with experience, sympathy and great intelligence, and I think from his administration of the past, we who know him, know the plan, know the kind of man he is, can be sanguine and feel that will characterize his administration of the future, so that it is with very great pleasure and distinction that I present your friend and my friend, Col. Thad H. Brown.

(The convention arose and applauded.)

### **IT'S UP TO YOU**

Address by **HON. THAD H. BROWN**

(Vice-Chairman, Broadcast Division, Federal Communications Commission)

Mr. President, I note on the official program that my speech was given at 2:00 a.m.—this morning—but for the benefit of the very few who retired before that speech was given, I shall repeat it at this time. (Laughter.)

I deem it a privilege and pleasure to greet the officers, directors and members of the National Association of Broadcasters at their annual convention in my own state of Ohio. In 1930 it was my privilege to speak to you at your annual convention in Cleveland. In the short period of four years, great strides have been made by your organization and in the broadcast field generally. When you met at Cleveland, there were forty-two members in your organization; now there are three hundred sixty-five.

If we were to measure the advances made by radio and the

broadcasting industry in the past four years, we would undoubtedly discover as much and perhaps more sound progress than in any other line of commercial endeavor. The growth of the radio industry and its allied arts has been meteoric—almost fantastic. To assure the continuance of this growth and the rational direction of its energies is the immediate problem of the broadcasters here assembled in national convention.

Until the development of the radio and the telegraph and other kindred forms of electrical communication, all forms were inseparably linked with transportation. Thus it was that a message could go no faster than a man because he was the agency to carry the message. Students of communication systems tell us that smoke signals, beacons, semaphores, carrier pigeons, steam and sail boats, locomotive, horse and man have been used. All these were associated with slow-moving physical media. It is a far cry from this early type of communication to the present day use of radio wherein waves travel at the speed of light, moving 186,000 miles per second.

Now, control of the various types of communication presents itself as the greatest single problem facing those engaged in that field. The Managing Director of your Association in a recent issue of "Broadcasting" said that "the line of demarcation between necessary federal regulation and essential freedom will be definitely drawn as the program for the three-day convention unfolds." Those engaged in the communications field admit that some form of control, either from within or without the industry, is of paramount importance to perpetuate existing benefits.

The need for control is to be found in the nature of the art itself, narrowing down the discussion of control to broadcasting, we find that the need becomes even more acute because of the restricted limits of our scientific discoveries to date. We have not yet been able to obtain unlimited facilities for broadcasting. Instead, we find that the spectrum is very limited. Such a situation, really an emergency as it proved to be in 1927, gave rise to early control of radio by Congress. Today the question facing us is whether future and further control shall be the problem of Congress or of the broadcasting industry itself.

The highly developed communication systems of the Romans, the Incas and Kublai Khan all provide good illustrations of the need for control in this field. In one sense these early systems are the ancestors of our present day communications and in another sense they are not. They are the ancestors in that they were the early beginnings of communications systems. They are definitely not the ancestors in that these early systems, as history undeniably proves, were an essential part of the machinery by which a small ruling class kept large populations in subjection. These systems were largely maintained to provide dissemination of military and political news so that the conquerors of these nations could maintain their power over large numbers of the people. But our American systems of communication must be kept unalterably free, not allowed to fall into the control of any class or creed or party. They must and will be administered, as in the past, so that large populations may know themselves by constant and easy inter-communication, thereby improving their ability to govern themselves. This policy tends unquestionably towards equalization of opportunity. It lifts communications to the heights so that they become one of democracy's greatest agencies.

Selfish rulers have always tried to control communications. The early conquerors controlled their special messengers and, through them, the messages which they bore. Queen Elizabeth prohibited the carriage of letters abroad except by the master of the poste because she wanted to be able to censor all foreign communication. Cromwell later applied the same idea to all England. Is it any wonder that such control prompts the statement that "the law of nature is not that tyrants make tyranny, but that tyranny makes tyrants"? In autocracies and dictatorships, control of the posts, the press and all systems of communication has always been the first step taken.

But such control is abhorrent to the finest of American instincts. Our press is free of censorship. Its strongest censorship, it is freely admitted, is native in the press itself, promoted by a rigid and exemplary enforcement of its fairly drawn and rigidly enforced code of ethics. Telephone and telegraph have not been throttled by censorship. The question of censorship of radio has never seriously been a question at all. The President has publicly declared that no such thought of censorship of radio, press or any other form of communication has ever been contemplated in any state of the recovery program. Radio need have no fears of drastic control. It has been repeatedly stated by the Federal Communications Commission that its progress has in mind only measures to accomplish the greatest good for the largest number.

A few rugged, hard working scientists—Benjamin Franklin among them—began the discovery of electricity and its present day uses in the communications field. These early discoveries have been the basis for all our modern progress. The essential features of electrical communications were from a surprisingly few sources. Michael Faraday, one of the most distinguished members of the Royal Society of London, and Joseph Henry, a school teacher in a small academy in Albany, New York, each without the knowledge of the other, contributed the scientific knowledge necessary for the invention of the telegraph and other means of electrical communication. Electric waves, predicted mathematically by Maxwell in 1865, produced experimentally by Hertz in 1888 and adapted to commercial uses by Marconi in 1895, provide the most direct use of electricity in communications. Radio waves, properly the predecessors of wire communication, but actually discovered later, bring this nation—indeed, the whole world—together with a constantly changing but ever present web of words. With such a broad concept, actual, not visionary, of the broadcasting field today, how can you be otherwise but awed at the gravity of the responsibility for public service which is yours as individual broadcasters and as a group such as this?

Imagine, for a moment, the change in history that would probably have occurred if radio had been discovered sooner than it was. Consider the blunders occasioned by poor communications in our own nation. With radio there would have been no War of 1812, for did not the exchange of letters from Great Britain and the United States, which would have prevented the war, pass on the high seas? Was not the greatest battle of that war fought at New Orleans on January 8, 1815, when actually the peace which concluded the war had been signed on December 24, 1814? Would not radio have made impossible the bitter losses to government credit when, during the administration of Jefferson, Hamilton touched the dead corpse of credit by having the United States agree to pay, at par, the obligations of the Continental Congress and the obligations of the several states, by broadcasting this news to all the people before clever tricksters had bought up the paper money at two and five shillings from uninformed citizens who knew nothing of the government's action?

Can any one estimate the effect which an earlier discovery of radio might have had in revolutionizing commerce? Or, in future wars? In this connection, Sir Norman Angell, writing on "Radio and Peace" in "World Radio," reminds us that radio could be used to allow nations to speak to one another before any "pouncing" with airplanes is done in the next war!

Arthur W. Page, in an article on "Social Aspects of Communication Development," holds that communication facilities are the natural tools of democracy. "It is idle to speculate to what extent they have increased democracy, but they have come with it and are a natural part of it. Knowledge is power," he continues, "and the control of knowledge is likewise power. The control of communications, and, therefore, of the knowledge of certain specific events, is a very important element of power. If that is in the hands of a few, autocracy is inevitable. If it is in the hands of many, democracy is possible. The wide use of public communication is a symptom of democracy, and those countries which are democratic in their social, political and economic structure use the tools of communication to the greatest extent," he concludes.

Control over broadcasting takes various forms in other countries. Belgium has vested control over all programs in the Belgian National Broadcasting Institute, which consists of a representative of the Postmaster General, a chairman and nine members of the Senate and Chamber of Deputies, chosen by the King. Great Britain has a public corporation—British Broadcasting Corporation—created by royal charter, which builds and operates British stations. In Italy the right to broadcast is a government monopoly. Japan has a broadcasting company which controls and operates the whole service of the country. Switzerland granted exclusive license to a central organization. Similar governmental control, if not ownership, is exercised in other European and South American countries.

Financing of broadcasting takes various forms in other countries also. Thirty-four leading nations all have sources of radio revenue derived from radio listeners either partially or wholly. Only Chile, Cuba, Luxemburg, Mexico, Uruguay and the United States, can afford the luxury of "free broadcasts." Thirteen nations have eliminated all advertising and many others divide the burden between the listener and the advertiser as newspapers and magazines now do. Thus have the 1500 broadcasting stations in the world diversified their methods of operation. Thus have their governments diversified their methods of control.

Broadcasting in the United States has been singularly free from

bothersome control or censorship. It has been allowed an unusual degree of liberty, judged by any standard or compared with any other nation. What kind of liberty have broadcasters enjoyed? The kind of liberty which Leo XIII described in his "Imortale Dei" as follows: "That liberty is truly genuine which, in regard to the individual, does not allow him to become the slave of error or passion, the worst of all masters." Goethe, the great German poet, has aptly expressed the present status of liberty enjoyed by the American broadcaster when he said that "Liberty is freedom to do the right!"

Control of broadcasting can be either from within or without. These are the only two possibilities. I submit to you sincerely and frankly that it is not the desire of the Commission to take from the broadcaster the right to control his activities. Instead, it is our steadfast desire to vest in the broadcaster all powers of control properly belonging to him. It is rightly your job and you are the ones properly qualified to do the job of directing broadcasting for the benefit of and to protect the rights of the millions of American listeners. You have this excellent association of broadcasters to exercise and supervise measures of control. You have your code of ethics and your code of fair competition and every possible facility for bringing to the broadcasting industry reforms, whatever they may be, from within rather than from without. You are able to keep in close touch with the pulse of the radio-listening public. You, better than any one else, should be equipped to stimulate and satisfy listener interest—and not alone for the benefit of the public, I remind you, but for your own financial and economic well-being. No industry and no group could have greater incentive to accomplish real progress in radio control. Truly you have abundant inspiration for such an undertaking. You have the opportunity to make your own control of broadcast activities so successful that there could be no thought or hint of governmental control.

In the opinion of James Sorty, writing in "The Nation," the choice today is roughly between some form of government ownership and operation, with a partial or total elimination of advertising and a "rationalization" of the present American system of privately owned and operated stations, with heavy participation of government in both ownership and control. Manifestly, the desired result can be obtained through a rationalization of our so-called American system. Such a policy would react to the benefit of all concerned. Broadcasters should and will, in my opinion, take the initiative in accomplishing this "rationalization." They are the ones to institute reforms in selection and amount of advertising material used on commercial programs. They are the ones to work constantly and tirelessly for higher type programs, to eliminate objectionable remarks, suggestive lyrics and crude comedy from the radio. If they fail in this, then government, to protect the interests of the public, will be forced to find some way to accomplish the desired result.

The call for further control of radio is not from within the government itself but from a host of outside representative groups and organizations. The American Bar Association, at its recent meeting in Milwaukee, devoted a major portion of its considerations to the communications field. Perhaps that is because of the inestimable importance of the field. Radio, like the newspaper, is preacher, teacher, father counselor, entertainer, informer and helper. Every day it starts the cycle, banks the fire, winds the clock and puts out the cat. The waking hours of millions of Americans are clocked to the tempo of the radio. Some one has said that radio is a strange mixture—part show business, part newspaper, with a dash of the schoolmaster and an overdose of house-to-house peddler!

The radio, however, is primarily an educational tool. Its use for educational endeavors in mass groups can not be neglected. Radio must take its place along with other educational facilities in advancing our standards of education. Evidently radio is playing some part in this fine work, for substantial progress is being made, and within recent years the progress has been more marked. Anne O'Hare McCormack, in a recent article in the New York Times, said that in a public library of an Ohio town, the librarian told her that the change in the reading habits of a typical community in the past two years indicated a rise of about eight grades in age and intelligence. What part did radio play in that progress? How much greater a part could it have played? Or, how much greater progress could it have achieved?

Radio and its relations with the press should be given consideration also with mutual cooperation as the ultimate goal. There is not a business of strict competition, properly viewed. Changes and adjustments between press and radio must be forthcoming. In the matter of supplying news, a definite understanding is also possible.

If the press is faithful to its creed to seek to reach the greatest number of people with news in the least space of time, it can not afford to overlook the radio. Nor can radio continue to prosper without the continued cooperation of the press.

The broadcasting industry is a vast one, wide in scope and influence. Within the industry itself and to the vast listening public, its future is important. I am told that there are some 12,000 employees engaged in broadcasting today, with yearly salaries for them exceeding \$20,000,000. I am also told that there are 18,000,000 homes—60 per cent.—in the United States equipped with radios as of July, 1934. There were 3,806,000 new radio sets sold in 1933. In 1933 the American public spent \$65,000,000 for new sets and \$50,000,000 for new tubes and replacement parts. Hundreds of schools in the United States are equipped for mass radio reception. In 1933 there were over 700,000 auto radio sets sold. These figures are staggering and call for heroic measures on the part of broadcasters to do their level best to improve broadcasting programs constantly and to be true to the precious public trust which is theirs. You can not afford to fail!

An abiding faith in American industriousness and initiative makes me confident that you radio broadcasters will continue to strive toward better things, that you will not betray the public trust which is yours. Radio is a great new scientific wonder, a revelation of the world of wonders, designed by an understanding Master, whose handiworks surround us at every turn. Our only crime could be not to fully appreciate and make use of the all-encompassing powers and advantages which the radio has made possible. We have developed radio. What man will accomplish with it—whether he shall make it a tool to reach greater glories or a hideous instrument of ruthless destruction, whether he shall use it to build a nobler and a greater civilization or to corrupt and destroy that which has already been attained—that is the problem which faces us today. I call upon you to accept the challenge for leadership, for private control, for improved service, for better programs which America presents to you here today. Accept this challenge and carry it to a happy fruition of all our sincere good wishes. (Applause.)

**PRESIDENT McCOSKER:** Colonel Brown, it is a very wholesome thing to have our attention called to the fact that no obnoxious censorship is contemplated in government and it is well for us to dwell on the fact that if, according to your thought, it is brought about, it will be because of our negligence rather than government desire. It is a very interesting and stimulating talk and I thank you for it on the part of the NAB.

My next pleasant duty is to present to the membership Hon. Ewin L. Davis, member of the Federal Trade Commission, former Congressman from Tennessee, one of the earliest men of the Congress to interest himself in radio legislation when formerly Chairman of the Committee on Merchant Marine, Radio and Fisheries.

I think I am only reiterating what you know when I point out that our good friend Judge Davis has ever been a good friend of broadcasting, always interested in the orderly development of radio. I had pointed out to me today what I did not know and what you possibly do not know, that Judge Davis might be said to be the real father of the Federal Communications Commission in that in 1924 he made the proposal for such a communications commission at a public hearing before his committee and in 1926 wrote a minority report recommending its establishment.

It is with great pleasure that I present to you Judge Davis.  
(The convention arose and applauded.)

## RADIO ADVERTISING AND THE FEDERAL TRADE COMMISSION

Address by HON. EWIN L. DAVIS

(Vice-Chairman, Federal Trade Commission)

Mr. President, ladies and gentlemen: As your President has indicated, I am very much interested in radio and in your problems and in your successes. While I have not been identified with the industry in the way that most of you have, yet I have in my feeble way been taking an interest in the subject of radio ever since before there was a broadcasting station, and I have observed the miraculous development during the brief span of years within which your particular branch of the industry has developed because it is difficult for us to realize that the first broadcasting station was established, I believe, thirteen years ago and then only in its experimental stage.

In greeting you, I wish to congratulate the National Association of Broadcasters upon your splendid growth and the splendid service which you have rendered and to express particularly my gratification that this is the most largely attended annual convention

you have ever had. I trust that your growth will continue until you embrace in your membership every member of your industry in order that you may attain a full measure of cooperative success.

This is the third annual convention of the National Association of Broadcasters I have been honored with an invitation to address. It was not possible for me to accept the previous invitations but I am very glad to be able to be with you today. Aside from my very great interest in radio, in both the art and industry of which there has been such a rapid and marvelous development, I am pleased to discuss with you the subject of radio advertising and the Federal Trade Commission's relation thereto, as I was requested to do by some of your members.

Radio broadcasting has become a very important factor in our social, political and economic life. It takes into the remotest homes throughout the land the voices of the great leaders of thought, and a wide variety of music and other forms of entertainment. On occasions, a major portion of our population are brought into a single radio audience.

In England and other countries the cost of radio programs is met by charges to the owners of receiving sets. In the United States most programs are paid for by advertising sponsors. I am advised that for the twelve months ending last June the national radio advertising bill exceeded \$65,000,000. Yet, the art of radio and the radio industry are still in their infancy, and their potentialities have scarcely been exposed. I mention this to emphasize the importance of the subject.

Before specifically discussing the subject of radio advertising, I wish to call your attention to the authority and duty of the Federal Trade Commission under the law, as well as to outline what the Commission has done heretofore to regulate and improve the character of radio and other forms of advertising.

The Federal Trade Commission Act of September 26, 1914, declares "unfair methods of competition in commerce" to be unlawful, and empowers and directs the Federal Trade Commission to prevent such methods.

The courts have uniformly held that false or misleading advertising constitutes such unfair methods within the meaning of this Act.

From the time the Commission was organized, it has waged war against advertisers who resort to false or misleading representation to sell their products.

One of the first cases was against a large mail order house that made false representations concerning its buying power and the care with which it selected sugar, tea and coffee, and imported the same. The Commission issued a cease and desist order against this concern, and it was sustained by the Circuit Court of Appeals. The company did not appeal from that decision to the Supreme Court.

Following this, a number of complaints were prosecuted against manufacturers of fabrics and clothing that were making so-called wool fabric, underwear and hosiery with some 20 to 80 per cent. cotton, and labeling and representing it as "pure wool," "Australian wool," "natural gray wool," "natural wool mixed" and various other names intended to and which did deceive the buying public into believing such fabrics and garments were made only of pure wool.

This same condition obtained with reference to silk and nearly every other article of commerce, including furniture, lumber, and so forth.

The Commission has published sixteen volumes of its orders, and the seventeenth is now in the hands of the binders. These cover a period from its organization, early in 1915, to July, 1932. In these sixteen volumes, 2,781 cases are reported in full, giving the facts found and the orders issued. Of these 2,781 cases, 1,993 related to false and misleading advertising. The remainder—788—related to commercial bribery, restraint of competition, price fixing, and various other offenses under the Federal Trade Commission Act or the Clayton Act. Of the 1,993 cases relating to false advertising, 456 involved food, drugs or cosmetics, and 1,537 related to other articles of commerce such as household goods, furniture, lumber, forest products, seeds, clothing, fabrics of all kinds, and so forth.

These reported decisions represent a comparatively small percentage of the cases handled by the Commission.

An overwhelming percentage of all advertising cases have been settled amicably, usually by stipulation, without the issuance of formal complaint.

The facts in a large number of our cases may be found in our annual reports, which may be obtained upon application to the Commission and without cost.

A cease and desist order against an advertiser is entered by the

Commission only after the respondent has had full opportunity to justify his claims, and if not able to do so, then to agree in writing to modify his copy to conform with the truth. Otherwise, if the Commission has reason to believe that the advertiser has violated the law, it issues a formal complaint against such advertiser, who has twenty days within which to file an answer, after which proof is taken before a trial examiner. Briefs are filed by both sides and the case heard by the Commission and oral argument granted, if requested. The decision of the Commission is subject to review by the United States Court of Appeals and finally the Supreme Court of the United States. However, a large majority of cases are settled by stipulation and only a few are ever appealed from the Commission to the courts.

Publishers, radio broadcasting companies and advertising agencies involved may, and almost invariably do, avoid being made joint respondents with the advertiser by agreeing in writing that they will observe the terms of any cease and desist order entered by the Commission or any stipulation made by the advertiser in such case. This has become an established procedure with the publishers of newspapers and periodicals, and such broadcasting companies as have been cited have followed it as a matter of course.

As the United States Supreme Court has declared:

"It is a fundamental principle, long established, that the freedom of speech and of the press which is secured by the Constitution does not confer an absolute right to speak or publish, without responsibility, whatever one may choose, or any unrestricted and unbridled license, that gives immunity for every possible use of language, and prevents the punishment of those who abuse this freedom." *Gitlow v. New York*, 268 U. S. 652 (1925).

"The free speech secured federally by the First Amendment means—whatever is not harmful in character, when tested by such standards as the law affords." *Fraina v. United States*, 255 Fed. 28 (C. C. A. 2d, 1918).

It should be clearly understood that the Federal Trade Commission neither claims the authority, nor has any desire to censor advertising. Its sole purpose is to curb unlawful abuses of the freedom of expression guaranteed by the Constitution. To put it tersely, the Commission does not dictate what an advertiser shall say but may indicate what he shall not say.

The processes of the Commission are not punitive but injunctive and preventive. How successful this procedure has been is indicated by the fact that during the nearly twenty years since the Commission was established, it has seldom had to appeal to the courts to discipline respondents for disregarding its cease and desist orders.

A few years ago the Commission began a more intensive drive against false advertising and established within its organization a Special Board of Investigation to give special attention to this work. When this campaign was begun, estimates were made that false and misleading advertising was costing the American public \$500,000,000 annually.

It is a source of great satisfaction to the Federal Trade Commission that national associations of advertisers, publishers and advertising agents in recent years have not only pledged fine cooperation to the Federal Trade Commission to eliminate false advertising, but have, in fact, cooperated loyally by supplementing the work of the Commission. They have adopted rules, regulations and resolutions controlling the attitude of their own members in line with the position taken by the Commission.

It is immaterial who gets the credit for initiating the campaign against false and misleading advertising. The principal thing is protection of the public and the preservation of the value of advertising by restoring and maintaining the confidence of the reading and listening public.

Upon request of the publishers, a trade practice conference was held under the auspices of the Federal Trade Commission in New York November 12, 1928 with approximately 6,000 publishers present. These assembled publishers pledged their support to the Commission in its efforts to eliminate false and misleading advertising.

That rapid progress is being made for truth and honesty in advertising, even in the industries themselves, is evidenced by the following declaration adopted by the Advertising Federation of America at its twenty-eighth annual convention in June 1932:

"We agree to conduct our business with due recognition that truth, honesty and integrity must be the basis of every sound transaction; consider the mutual interests of supplier and consumer and, therefore, avoid anything tending toward misrepresentation, indecent or misleading advertising, deceptive methods or the promise of performance that can not be reasonably fulfilled."

A new advertising code was recently adopted by the Association of National Advertisers and the American Association of Advertising

Agencies. The practices particularly objected to in their code are:

(1) False statements or misleading exaggerations; (2) indirect misrepresentation of a product or service, through distortion of details, either editorially or pictorially; (3) statements or suggestions offensive to public decency; (4) statements which tend to undermine an industry by attributing to its products, generally, faults and weaknesses true only of a few; (5) price claims that are misleading; (6) pseudo-scientific advertising, including claims insufficiently supported by accepted authority or that distort the true meaning or application of a statement made by professional or scientific authority, and (7) testimonials which do not reflect the real choice of a competent witness.

These associations have formed a committee to enforce their code. Such enforcement, according to announcements from the participating associations, among other benefits, will "stem the tide of destructive advertising and restore belief in the eternal truthfulness of the printed word."

Only a few weeks ago, the Proprietary Association appointed an Advisory Committee on Advertising of the Association. This committee prepared an outline of ethical practices embracing the following:

"Truth in advertising should apply both to the printed word, and to illustrative treatment. Individual words should be carefully chosen not only with respect to one or more of their definitions in the standard dictionaries, but also with respect to their meaning as commonly and generally understood by the public.

"In addition to the truthfulness of individual sentences and paragraphs, the sequence in which they are employed, or the emphasis, comparison or contrast involved, should not build up any untruthful implication contrary to that of the individually truthful sentences and paragraphs.

"Drawings, photographs, maps, plans, cartoons or other illustrations or designs should be in good taste and should not distort nor unduly exaggerate facts of size, appearance, effect or usage.

"Testimonials, if used, should be honestly secured, should be authorized only by actual bona fide users of the product, should represent a truthful statement of actual use and experience with the product, and should include no statement either as fact or opinion which is contrary to reasonable expectation in the use of the product under favorable conditions."

Said committee undertakes through an executive secretary to make regulations effective.

"The committee, it is said, expects to act in cooperation with governmental agencies, as well as with the publishers of magazines and newspapers, and those in charge of other media. It is pointed out that if a case gets as far as the Federal Trade Commission, for instance, a proprietary manufacturer would be in a poor situation to defend himself if it were shown that he had refused to make advertising reforms urged by the committee." (Editor and Publisher, August 18, 1934.)

All of the reputable newspapers and magazines have given their hearty cooperation to the Commission in its efforts to prevent false advertising in their publications, and associations of advertisers, advertising agents and publishers have adopted resolutions in recent years including the present year, condemning false advertising. However, there is always a percentage of the people who will not observe fair methods of competition unless forced to do so by the strong arm of the law. Because of this, the Commission must continually exercise its authority against advertisers who resort to false advertising, advertising agents who write, encourage and place for publication such advertising and publishers who continue to publish advertising copy containing false or misleading representations, and such broadcasting stations as may permit such violations.

Ethical advertisers—and they include the great majority—require little or no regulation. Their own self-respect and regard for the proprieties prompt them to tell the truth. However, among our vast population, there will probably always be some unscrupulous advertisers, and unless curbed by some authority, they are apt to trespass upon truth and decency.

Not a small part of the mischief lies in the fact that unrestrained, dishonest advertisers have in times past set a pace of gross exaggeration, if not outright falsification, which the advertising agents of more ethical houses felt necessary to follow to some degree, at least, in order to get, or hold, business.

The result of regulation of printed advertising has been that accurate claims are now the rule, not the exception. Readers of reputable publications have come to understand that generally they can safely rely upon what they read.

The National Industrial Recovery Act, Section 3 (b) provides: "(b) After the President shall have approved any such code, the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate or foreign commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act, as amended; but nothing in this title shall be construed to impair the powers of the Federal Trade Commission under such Act, as amended."

Numerous N.R.A. codes contain provisions against false and misleading advertising.

As you are aware and as Mr. Rosenblatt discussed this morning, a code of fair competition for the radio broadcasting industry was approved by the President November 27, 1933. Among other things this code provides as follows:

"Article VII, 4:

"(b) No broadcaster or network shall defame or disparage a competitor, directly or indirectly, by words or acts which untruthfully call in question such competitor's business integrity, ability to perform contracts, credit standing, or quality of service.

"(c) No broadcaster or network shall claim for its service a character, scope or quality which can not be substantiated, nor shall it claim as regular characteristics of its service features which it knows to be purely temporary or accidental.

"(e) No broadcaster or network shall knowingly permit the broadcasting of any advertisement of, or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes.

"(i) No broadcaster or network shall use any subterfuge to frustrate the spirit and intent of this code, and the violation of any of the provisions of this Article VII of this code shall be deemed an unfair trade practice."

And, the Federal Trade Commission has jurisdiction over any of the violations of that code as well as the others.

While the statute directing the Federal Trade Commission to prevent unfair methods of competition in commerce, including false and misleading advertising, applies equally to all forms of misrepresentation, yet heretofore the Commission has generally dealt with printed advertising and has only had an occasional radio case. This has been due to the fact that radio advertising is a comparatively new development, and also because it is much easier for a complaining competitor or consumer to send in a printed advertisement than to undertake to definitely recite an advertisement he has heard over the radio. Also it has been easier and more economical for the staff of the Commission to scan periodical advertising than to listen in on radio programs in order to catch and take down any apparent false or misleading advertising. In an effort to perform its statutory duties, the Commission has generally had to labor under restricted appropriations and consequent limited personnel.

Naturally, there were complaints that the Commission was not giving proper attention to radio advertising and even charges of discrimination were made. Furthermore, there has not only been an increasing demand on the part of the general public for clean advertising, but publishers, associations, advertising associations and many trade associations themselves have recently demanded a clean-up along advertising lines, as heretofore indicated. Generally speaking, the resolutions adopted by these organizations go as far as the Federal Trade Commission does against false and misleading advertising.

As a matter of fact, the federal government is under a higher duty to keep radio broadcasts free from unlawful advertising than perhaps any other form of advertising. No broadcasting station can operate without a license from the federal government to do so. Aside from the fact that such licensees are given without cost very valuable and much sought privileges, the government certainly can not afford to be placed in the attitude of licensing stations to violate the law or permit others to do so.

The statutory basis for granting a broadcasting license is "public convenience, necessity or interest." In other words, the station is authorized to render a public service. The primary function of radio is not to sell goods. There is no justification for the federal government maintaining an instrumentality merely for the benefit of advertisers. The only justification for radio advertising is that the station or system may be maintained financially for the purpose of rendering a greater public service.

As some of you are aware, when I was a member of Congress, I took occasion to express my views with respect to the quality and volume of radio advertising, as well as the character of radio programs generally. I want to say, however, I think there has been a very substantial improvement along those lines. However, in my present official capacity, I am concerned only with the question as to whether the advertising continuities violate the laws under the jurisdiction of the Federal Trade Commission. Consequently, my remarks here relate only to that phase of the problem.

Last spring, the Federal Trade Commission definitely determined to take steps looking to a closer scrutiny and regulation of the large volume of radio advertising. We held conferences with your very efficient Managing Director, Mr. Philip G. Loucks, Mr. Oswald Schuette and other leading executives in the industry who displayed a fine spirit of helpful cooperation. As a result of various conferences and a careful study of the problem, it was decided by the Commission to request the networks, transcription companies and individual broadcasting stations to file with the Commission copies of their advertising continuities, the individual stations being relieved of filing the advertising continuities in network programs, as they were to be furnished by the networks; the same being true with respect to transcriptions in so far as the transcriptions themselves contained advertising continuities. The first call for these advertising continuities was made on May 16, 1934, the request being made for such continuities to be filed commencing July 1 and until further notice. The time for filing was fixed that far in the future in order that duplicate copies of the continuities might be prepared, thus avoiding the trouble and expense to the members of the industry of having copies thereof made especially for the Commission.

In response to the Commission's request, all of the networks, two national and eight regional, complied. Of the 36 transcription companies listed, I regret to state that nine small companies have not responded. A number of the transcription companies reported that they do not make commercial continuities. Those who responded, however, produce 95 per cent. of the transcriptions.

Of the 596 broadcasting stations now operating, 594 have responded—a remarkable record, in my opinion. Of those two who have not responded, both of which are very small local stations, just before I left we received an excuse and explanation from one of them. One of them we have not heard from at all. However, you may be assured that the few delinquents will not be ignored.

The Commission has received nearly 180,000 continuities. They have made a preliminary detailed examination of 146,117 of such continuities. Of these 125,126 were found unobjectionable and filed without further action. And, 20,941 were distributed among members of the Special Board for further checking and possible investigation. There remain on hand not yet examined approximately 33,000 continuities.

I am sure that you will agree that the examination of this number of continuities entails considerable labor. You will be pleased to learn that the members of our staff conducting these examinations were impressed with the fact that there was a much larger percentage of these advertising continuities entirely free from any objectionable features than they had anticipated. The fact that such a large number of radio advertisers are observing the law is all the stronger reason why those who may show a disposition to violate the law and engage in false claims for their product must be restrained. It is not only in the interests of the public but in the interests of honest advertising.

On July 30 the Commission advised those stations which had complied that they might discontinue forwarding continuities until further notice, although the network and transcription companies will continue sending their continuities. Further calls will be made upon the individual stations from time to time as occasion may require.

This scrutiny of radio advertising is being conducted with a minimum of expense to the government as well as to the industry, by reason of the cooperation of members of the industry and the method of procedure worked out. The broadcasters simply require their advertising patrons to file with them two copies of their continuities instead of one, the additional copy being for use of the Commission.

Limitations of the Federal Trade Commission over radio advertising are that the interstate commerce shall be involved, that there must be a public interest as distinguished from a mere private controversy, and that the practices involved are unfair to competitors. As you are aware, radio broadcasting has been held by the courts to be interstate commerce. Furthermore, nationally

advertised products are sold and transported in interstate commerce.

Reverting to the examination of these continuities, if they appear unobjectionable from a legal standpoint, they are filed without action. If it appears that the advertising is objectionable or of a doubtful character, questionnaires may be forwarded to such advertisers requesting additional information to aid the Commission in reaching a conclusion. Generally, such questionnaire calls for formula, sample and follow-up literature. The formulae and samples may be submitted by the Commission to other proper agencies of the government for tests and reports, such as the Bureau of Standards, the Food and Drug Administration and the Public Health Bureau. These follow-up letters and literature frequently contain false or misleading claims not contained in the contact advertisement or announcement.

These radio continuities are being handled primarily by our Special Board of Investigation.

If it appears that a radio advertiser has violated the law, the further procedure is as heretofore explained.

The Commission has been very much gratified by the splendid spirit of cooperation shown by nearly all of those engaged in the radio broadcasting industry. We have been much pleased that this new procedure on our part has been received by the industry in the same spirit in which it is undertaken. It is refreshing that such an overwhelming percentage of your industry are so deeply interested and so fully appreciative of the importance of permitting only truthful and honest advertising over the radio—thus not only preventing advertisers from defrauding the public and thereby causing a loss of listener confidence in radio advertising.

We also deeply appreciate the loyal cooperation accorded by the Federal Communications Commission, Colonel Brown.

The Federal Trade Commission's success in its effort to stamp out false and misleading advertising, having as it does the support and cooperation of advertisers, the press and broadcasters generally, affords an example of what may be done by the government to protect legitimate business and the public without recourse to drastic punishment, penalties or forfeitures. It is largely a case of self-government made effective by the aid of the federal government in restraining the comparative few who are unwilling to play the game fairly.

(The convention arose and applauded.)

**PRESIDENT McCOSKER:** In the name of the organization, Judge, I wish to thank you for your authoritative, interesting and vital talk on the subject of the Federal Trade Commission supervision of radio continuities. To my mind, it confirms the opinion we have had that there was really no cause on the part of the broadcaster for apprehension in regard to the Federal Trade Commission but to consider them as an ally because it stands to reason the broadcasters are delighted to be relieved of the onus of the type of advertising that is sometimes sent us to put out on the ether. And, I might also add that I think Judge Davis' speech is the best contradiction from an authoritative source that I have heard on the many slurs given radio advertising. It really, I think, is gratifying to have it come from such a source as Judge Davis.

The next feature on the program this afternoon will be borrowed from tomorrow morning's schedule. The title is "Widening Horizons" by Mr. Fred Willis, Executive Office of the Columbia Broadcasting System, New York. (Applause.)

## WIDENING HORIZONS

Address by FRED WILLIS

(Executive Office, Columbia Broadcasting System)

Education by radio is one of broadcasting's most useful and beneficial missions, one of its finest opportunities and one of its greatest responsibilities. But, it can, if one is not careful, become an unprogressive and one of its least productive activities.

To make the most effective use of radio in the educational field requires the friendly understanding and intelligent cooperation of the two groups—the educators and the broadcasters. This means at the outset not a series of charts, measurements and resolutions, but a sincere attempt to arrive at some unified conception of the whole subject—education by radio. Owing to the very nature of the medium itself, this demands some departures from old methods and the breaking down of certain existing fixations. It will require a wide-spread change of attitude; and in this change the broadcasters and the educators both have a role to play and responsibilities to assume.

At the outset it is my firm conviction that the radio should supplement and not attempt to compete with the classroom, the university or any of our established systems of education. At the same time, there should definitely be an active collaboration *with* and dependence *by* the broadcasters upon these existing groups.

It would be absurd for the broadcasters at any time to assume the responsibility for the academic content of educational programs, or for the theological content and concepts of religious programs, or the technical accuracy of scientific or medical broadcasts, and I urgently recommend that in all specialized fields of operation, the broadcasters take the utmost care in counseling and consulting with established national and local organizations and institutions. We should draw upon their academic resources and technical experience, seek the cooperation of their most colorful figures, and conduct our more formal educational operations with their counsel and guidance, particularly when supplementing some existing course of instruction. This I believe has been a pretty general practice and procedure. It should become a universal policy of our industry.

It is equally important that the educators seek from the broadcasters that essential element of showmanship and the experience in production, born of constant daily contact with the tastes and reactions of the public. This is fundamental if we are to insure programs adaptable to the medium of radio and palatable to the radio audience.

No matter how fine or authoritative the content of a radio program, it is wasted on the ether and consequently detrimental to the station and the educators alike unless in its conception, its interest and its method of presentation it meets with the approval of the listener-in. Giving the people what they want is by no means the sole road we should travel. But, giving the people what they *don't* want is to toss brains, energy and money out of the window! Such a policy, in my opinion, would take the American system of broadcasting, the most vital, liberal and entertaining in the world, and soon turn it into a soap box for party propaganda, individual aggrandizement or the promotion of selfish interest.

Some years ago during the famous trial of Horatio Bottomly, the prosecuting attorney walked up to the defendant and shaking his finger in his face, said, "And now, Mr. Bottomly, I'm going to ask you a very important question!" To which Mr. Bottomly merely arched an eyebrow and replied: "That, I presume, to distinguish it from your other questions!"

It is not an *important* question whether one group of recognized educators or another group builds and presents an educational program. But, it is a vitally important question *what* individual presents it and *how* it is presented.

I like to think of education by radio as a timely, vital, dramatic thing—a system of learning or acquiring more information, a means of widening one's horizons or enriching one's life and breaking down prejudices, through inspiration and not perspiration, an education by desire and not by discipline, a pattern of swiftly changing pictures and events with keen interpretations, not statistics and formulas, a moving panorama of the world in which we live—right now while we are living it—not a dreary drill of textbooks and tests. In short, I feel that one of broadcasting's most helpful contributions to education and one of its real responsibilities to itself and its listeners is the *popularizing* of education *itself!*

I believe that with the intelligent cooperation of the educators, a very real opportunity is offered not only to change the label *on* the can, but to make more palatable the product *in* the can. Working together with an open-minded approach, we might even be able to take the "*can*" off the label. For, there is no doubt whatever that large numbers of average people are eager to improve themselves, to acquire greater culture and broaden their intellectual capacities, who will shun any program that is labeled "education," for that, to them, means a laborious process of mental effort. Yet, these same people will avidly grasp and digest heavy doses of knowledge if it is made mentally palatable and disguised with a coating of news and drama, or enriched by entertainment and humor. In short, the broadcasting industry should endeavor to stimulate the people's imagination, to create an urge for better things and to work toward the elimination of stagnation in the educational approach. The question is simply this: Is education by radio to have red corpuscles—or white?

The Byrd Exposition to Little America, Stratosphere Flights, International Conferences at Geneva, the Philharmonic Symphony Orchestras, the Metropolitan Opera, News Interpretations and Government Affairs—to mention but a few within this category, all have their place in education by radio, along with the addresses of leading educators, the American School of the Air, the Ohio

School of the Air, the Damrosch Music Appreciation Hour and programs of this nature.

Owing to the vast distances covered and the difference of three hours in time from coast to coast, I am certain that ultimately the most effective system of education by radio as a nation-wide undertaking will be achieved best by the local stations cooperating with their local universities and boards of education in handling the more formal programs of education which require a closer coordination with local schools, civic clubs and institute meetings; while the networks supply to all sections of the nations those programs of a broader educational content which it would be impossible for the millions of people ever to receive at all were it not for the radio.

For the past five years, I have heard the subject of education by radio discussed at innumerable meetings. I have heard scores of addresses and a great many opinions expressed. I have seen education by radio charted on blackboards, graphed on blue prints and bound in volumes. I have witnessed its results measured by almost every method and medium from a telescope to a microscope, with a dizzy array of facts and figures—some very impressive, all very baffling! But, none of it strictly "education by radio." True, these meetings have been and are the by-products of education by radio, but I wonder if they are not a little premature. I wonder if we would not have progressed faster by developing a great and effective system of merchandising educational programs, making them thoroughly known to all the specific groups for which they are intended, and for the public at large. Great numbers of people have no conception of the quality of worth-while educational programs on the air, and few of these broadcasts receive proper merchandising efforts on the part of the educators and the broadcasters, both of which have ample channels for such activities.

There has been another neglect which demands the attention, *primarily of the educators*, if real progress is to be made. A far greater study of the methods of utilizing educational broadcasts must be undertaken. Scores of programs of real merit are not being effectively used either by teachers in classrooms, by undergraduate groups or professors in the universities or by parents at home. Preparatory work before radio programs and project work following up such programs is still negligible, though certain efforts have been taking place along these lines. But, I believe that these factors are more important in the development of education by radio, in its present stage, than are the efforts to evaluate, measure and chart results of programs before any real effort to use them has been made. This is particularly true concerning the programs which have been prepared in cooperation with educational authorities and have received their endorsement.

I think there has been much wasted effort and a good deal of putting the conductor in front of the motorman—forgetting somewhat that the very phrasing "education by radio" implies the *broadcasting of educational programs*. This should mean chiefly the use of radio methods and not chiefly the use of *blackboard methods*, *textbook methods* or *lecture platform methods*.

Illustrating my point, at a recent meeting of an institute on radio in education, there were assembled and played a series of educational broadcasts recorded from the air at the time of presentation. As each of these was played, the educator responsible for the program got up and endeavored to explain that owing to this reason or that, it was not a very representative program of the work they were doing, or very good production. So many of them felt it necessary to make apologetic explanation for their respective programs that finally one educator arose and said, "Well, ladies and gentlemen, it all boils down to this—we can't eat in our own cafeterias."

It is right here that to some extent the educators and the broadcasters have, in the past, through the circumstances surrounding their operations, and the developments and requirements of their activities, taken different roads. The very existence and life of a broadcasting station depends on attracting, interesting and sustaining a large audience during every hour the station operates, for 365 days of the year. Even if the economic necessity for this requirement did not exist, it would be futile to abandon such a standard and policy of operation when the listener has the divine right of personal acceptance or rejection in the form of a most responsive dial at the end of his finger-tips. Educational broadcasting can not afford to buck this "listener's luxury," but it *can* afford to profit by the skill and showmanship of those whose success has been founded on their consummate artistry.

A play was once being written in which George Arliss was to take the leading part. One afternoon the author and producer called on Mr. Arliss to get his opinion of a certain climax up to which they had been building. Arliss, that superb showman, read

the part and immediately drew a pencil through four pages of it. The author and producer, jumping from their chairs, protested, "But, Mr. Arliss, it is vital to the scene; it is necessary to the play's construction!" "I realize that," replied Arliss, "and I agree with you—but it can be better said with a gesture."

The directors of broadcasting stations and network systems are responsible first and foremost to the American people, to each individual and family that goes to make up the vast nation-wide audience of more than 50,000,000 radio listeners, representing different backgrounds, traditions, tastes and prejudices. To render a complete and effective service necessarily requires that interested minorities receive adequate and fair consideration, but it does not mean that those who howl the loudest should be heard the most or receive preferential consideration—nor does it mean that all the best hours should be assigned to programs popular with the people whose lack of advantages and opportunities have made them the less intelligent, less appreciative and less discriminating majority. The most consistent judgment and fairness must at all times be exercised by station managers in the execution of these varied and great responsibilities.

It is part of radio's mission in education, and particularly is this true concerning the networks, to seek out the best from all sections of the country, from Canada and the nations of Europe—wherever, in fact, the foremost ideas can be unearthed or wherever the most interesting and important discoveries or developments are taking place. Nothing is more confining or stultifying to the progress of education by radio than the continuous presentation of one school of thought, one group of personalities, or one dictate of principle. The people of Maine will not relish having droned into their ears the methods and attitudes of the educators of Oklahoma, nor will Wisconsin endorse all the approaches and procedures of the educators of Oregon. But, intelligent people will welcome the timely and dramatically presented viewpoints of leaders and individuals of merit in *all states* and *all nations*. It is just as important that we find, develop and make known to the public new and young men and women of merit in the cultural fields as it is that we present, through inertia or fear of controversy, an endless parade of familiar figures with their equally endless parade of familiar formulas.

The broadcasting industry, if it is to serve fairly and effectively, the interests of the public, must remain distinctly neutral and unbiased in all controversial issues, whether these be of a religious, educational or political nature, but we should welcome wholesome and stimulating controversy to our microphones, provided it is not offensive to any creed or race. It is our job to be observers on the battlefields of all great issues as the forces are arrayed one against the other—but to be present in the camps of none. We must support to the fullest extent all undertaking and efforts devoted to our national welfare, to local civic betterment, and to peace and understanding among the nations, giving our station's time freely and within all *reasonable* bounds to the success of such enterprises.

There is another type of education by radio which is of primary importance to the public and to the industry alike, as well as to the many distinguished men and women who speak into our microphones. This type of education has been sorely neglected. It is the education of ourselves and the public as to what the broadcasting industry *has done* and *is doing*. We who are in broadcasting operate an industrial furnace that consumes material so quickly and in such vast quantities that at the end of a year, even those of us who have been most active and most familiar with its daily operations, have only a general impression, and more often a very vague one, as to the quantity, variety and quality of what has actually been presented to the listener. The public has no idea of it.

I have recently had a fairly good opportunity of judging this and I can assure you it is an astonishing record and one the industry can well be proud of.

Program service to the American listener covers practically every sphere of thought and endeavor, and it is significant that month by month, during the past five years, the radio audience has consistently increased, their response to programs has grown and the networks have enlarged in size with a consequent and continual improvement in service rendered.

There is no industry in the entertainment field so clear and free from obscenity and profanity as the broadcasting industry, and I doubt if there has ever been an industry which in the first ten years of its existence contributed so fully to the enrichment of people's lives.

What, now, are some of the attitudes which might profitably be adjusted and some of the common misunderstandings in approaching the whole subject of education by radio?

First of all, I would like to tackle the "Octopus of Commercialism" which we hear from time to time is a "destructive demon" strangling all efforts toward constructive education, civic welfare and noble standards. I take issue with this picture very emphatically. For, certainly, many of the finest educational endeavors, many of the most far-reaching philanthropies and some of the greatest undertakings in medical and scientific research have their roots in the soil of commerce. Surely every one recognizes and commends the outstanding work of the Carnegie Foundation, the Rockefeller Foundation, the Bok Foundation and Curtis Institute, the Penny Foundation and many others of similar reputation and character. Yet, the Carnegie Foundation was made possible through the commercial success of a steel company, Rockefeller through oil, Bok and Curtis through the publishing business, and Penny through chain stores.

Surely it is considered educational and cultural to attend the concerts of great symphony orchestras, the plays of Shakespeare, Barry, Eugene O'Neill and other renowned dramatists. Yet, I do not know many theatres or producers presenting these free of charge to the public or even at cost. Books and newspapers have, I believe, always been considered mediums of disseminating information and knowledge. Yet, most of the printing presses of the nation are run for profit, on a commercial basis.

Of all of these mediums, the broadcasting industry alone devotes approximately 70 per cent. of its entire operating time to non-commercial activities—giving to the public the great affairs of the world as they transpire, the best of music and opera both at home and from abroad, extensive programs of supplementary education and the opinions and views of recognized leaders in religion, science and the arts, undertakings in support of unemployment aid, public health and civic welfare, news, humor and entertainment—all without bias on our part or despotic censorship—preserving the free expression of opinion and the democratic ideals of our country.

It seems to me that there is a little of mythology in this "Octopus of Commercialism." The intelligent use of profits and their administration in proper degree for the benefit of others, would seem a more appropriate standard of judging rather than whether or not the making of profits honestly or the receiving of just rewards is a vice or a virtue.

Another attitude which the broadcasters frequently meet in their dealings with groups and individuals, is the belief that unless they get evening time over a station or a network, they are being relegated to what would correspond to the "Help Wanted" page of a newspaper. Actually, quite the opposite is true. Broadcasting has only a "front page." Whatever a station or network is presenting during any given fifteen minutes is *its* front page, devoted exclusively to that subject while it is on the air and directed to its entire listening audience of the moment. But, competing for this audience with the speakers, are the artists and programs of other stations across the country. The more popular the time, the more intense the competition will be.

The element of competition on the air has often been one which is overlooked by the educators in approaching broadcasting as a medium of expression. The shrewd business man when making use of periodicals, the motion picture, the stage or other mediums of contact with the public, would take every step to assure himself that the methods he was planning to use would compete at least favorably, if not advantageously, with the methods of his competitors who were using the same medium. He would consider style and size, color, expression, timeliness and vitality, in order to accomplish his purpose. I have noticed over a period of years that those individuals who have taken the most care and given the most forethought to the medium of radio have been those most often to get the greatest results from radio.

If these factors are taken lightly and surrendered to self-assurance, based on past successes with other mediums whose characteristics are quite different, one is apt to find oneself in the position of Mutt in the famous old funny-strip, which you may recall. Mutt was standing on the conductor's platform paying his fare and turned to the conductor and said, "Have you ever seen me before?" The conductor said, "No." And Mutt replied, "Then how do you know it's me!" (Laughter.) It's a pretty important thing in broadcasting that the listening public get to know "it's *you*" and keep on looking for *you*. And, to have *you* the one they want to hear instead of some other fellow.

Recently a 15-minute radio talk was set in newspaper type. It equaled 2½ columns. Hundreds of organizations every year

receive from the broadcasting industry not one but frequently many 15-minute and half-hour periods. This is equivalent to either 2½ or 5 columns on the front pages of from 30 to 90 metropolitan newspapers simultaneously. All we ask in return, in fairness to modern education and to the broadcasting industry, is that the educators and their institutions justify that circulation and don't impair it by the use of didactic material or the wrong methods.

Education by radio consists of subject matters and personalities, either of which can break a broadcast and neither of which can make it. Only the right combination of both will be successful.

There is an old Chinese proverb which says "one picture is worth ten thousand words." It's the *picture* we're after—not the ten thousand words! (Applause.)

(Vice President Shepard took the chair.)

CHAIRMAN SHEPARD: Mr. Willis, on behalf of the Association, I want to thank you for your carefully prepared and most interesting talk.

(President McCosker returned to the chair.)

PRESIDENT McCOSKER: The next business on the afternoon's program is the report of the Nominating Committee. I understood that while Mr. Brennen is the Chairman of the Nominating Committee, Dr. Leon Levy has been asked by him to give the report.

In connection with the report of the Nominating Committee, I am requested to emphasize the fact that only accredited members will be permitted to enter this room tomorrow and we do not want to be under the embarrassment of having to ask any one to leave. Dr. Levy.

DR. LEON LEVY (WCAU; Philadelphia): Mr. President and fellow members, I will first proceed to read a letter from our President, Mr. Alfred J. McCosker, which was presented to the Nominating Committee immediately upon convening.

"September 17, 1934

"To the NAB Nominating Committee.

"Gentlemen:

"Because of the demands on my time arising from the operation of the WOR fifty kilowatt transmitter shortly to be completed, I request that my name be not considered in nominations for the presidency of NAB.

"Having served two terms as President, I feel I have made the contribution to our Association which might reasonably be expected of me.

"Sincerely yours,

(Signed) ALFRED J. McCOSKER."

There are four offices to be filled and if the men suggested by your Nominating Committee are elected, there will be eight vacancies on the Board of Directors—five for three-year terms and three for a one-year term.

In making up this slate, due consideration was given to geographical location and classification of stations. We are nominating for officers and members of the Board what, in our opinion, represents a true cross section of the broadcasting industry.

We nominate for:

President—J. Truman Ward (WLAC)—Nashville, Tennessee.

First Vice President—Lambdin Kay (WSB)—Atlanta, Georgia.

Second Vice President—Charles Myers (KOIN)—Portland, Oregon.

Treasurer—Isaac D. Levy—WCAU—the birthplace of the Constitution and city of brotherly love.

Directors for three-year terms:

Alfred J. McCosker—WOR—Newark, New Jersey.

Leo Fitzpatrick—WJR—Detroit, Michigan.

Harry Butcher—WJSV—Washington, D. C.

John Gillin—WOW—Omaha, Nebraska.

Lester E. Cox—KGBX—Springfield, Missouri.

Directors for one-year term:

Stanley Huhhard—KSTP—St. Paul, Minnesota.

Harold Wheelahan—WSMB—New Orleans, Louisiana.

Powel Crosley, Jr.—WLW—Cincinnati, Ohio.

LEO FITZPATRICK (WJR; Detroit): Mr. Chairman and Dr. Levy, may I have a few words, please?

I think that only twice during the last five years have I ever made an address to this body. I think I would be remiss in my duty if I didn't at this time.

Two years ago I nominated Mr. McCosker for President of the NAB. For two solid years he has worked tirelessly, ceaselessly

and with more vigor, I think, than many of the Presidents we have had in the past. None realize more than I do the innumerable duties he has had to contend with outside of the activities of the NAB. I realize also the gesture he has made in refusing to establish a precedent sought by many who asked him to accept a third term. I ask on behalf of the feeling that I personally, and I am sure every loyal member of the NAB, have for the work done by Mr. McCosker, that we rise and let's have a standing vote of thanks.

(Rising vote of thanks.)

**PRESIDENT McCOSKER:** Thank you, gentlemen. The next business of the meeting is to have a report of the Credentials Committee by Mr. Lounsberry.

**IKE R. LOUNSBERRY:** (Chairman, Credentials Committee, NAB; WGR-WKBW, Buffalo): Mr. President and members of the convention, your Credentials Committee has checked a list of those registered here at the convention as to their qualifications for voting in this meeting. This report is tabulated and I now submit it to the Elections Committee of the convention. There are 191 stations qualified to vote at this convention.

**W. P. WILLIAMSON, JR. (WMBN; Youngstown):** This morning a group of broadcasters, of which I was a member, in accordance with Article VII, of our by-laws, presented the name of H. K. Carpenter as a nomination for consideration by the Association. That was presented to the committee. I understand that is in keeping with the rules and regulations and I, therefore, move that Mr. Carpenter's name be considered in the balloting for President of the Association.

**PRESIDENT McCOSKER:** It will be so noted.

#### ANNOUNCEMENTS

**PRESIDENT McCOSKER:** Will the members of the Elections Committee come forward, please?

**MR. CRANEY:** Mr. Chairman, are we to vote on these people now for officers, or are we to do it tomorrow?

**PRESIDENT McCOSKER:** The next order of business is the election of officers, I have been given to understand.

At the Board of Directors yesterday I understood it was decided we were to have the report of the Nominations Committee this morning, giving time to groups to get names up for office. It seems our by-laws state you have to have ten names of members in order to present any one's name for an office. In order to give time to these people, I make a motion that we hold the election tomorrow morning instead of today.

**PRESIDENT McCOSKER:** I wonder how it would be if we were to declare a recess while that is being done because we have a tremendous program tomorrow on the matter of copyright. The inability to present the nominations, I understand, was due to the lengthy discussion on that topic.

**MR. CRANEY:** It doesn't make any difference to me, one way or another. I heard from a lot of members that they had petitions and that they wished to present these petitions to the Nominating Committee. And, some of them might want to get up other petitions. I suggest you put it to a vote. If they don't wish to do so, we can go ahead with the election.

**PRESIDENT McCOSKER:** I think it would be very difficult to vote with the miscellaneous assemblage. My understanding is that when we vote, we have to have members vote—unless we have a roll call.

**MR. CRANEY:** Shall I amend that motion that we adjourn for thirty minutes?

**DR. LEON LEVY:** I second the motion.

(The motion was put to vote, and was carried.)

**PRESIDENT McCOSKER:** It is now fifteen minutes of four; we will re-convene at four-fifteen.

(Recess.)

**PRESIDENT McCOSKER:** Gentlemen, please take your seats. Will all others but members and delegates please leave the room? The press is to remain.

Additional nominations for the presidency?

We have received this petition: "We, the following, nominate for the presidency of NAB, Mr. Leo Fitzpatrick," and there follow about eleven names. (Applause.)

**MR. FITZPATRICK:** I am deeply appreciative of the vote of confidence that the members of NAB have given me in naming me as a candidate for the presidency of this organization. However, at this time I feel it is imperative that we have some one who can spend all of his time within the next thirty days, not hours and minutes but days, on the question of the problems that confront us in Washington. I feel it is impossible for me to do so. I am

right now in the throes of opening our new transmitter around October first and conferring with Mr. Patt on his large station in Cleveland, so that I haven't the opportunity to spend the time that I deem necessary in the period that is confronting us the next thirty days.

I want to say that I appreciate more than I can tell with mere words or phraseology the confidence you have shown in making me a candidate. I do want to say, however, that I feel the utmost confidence in the Nominations Committee. I feel it is an unbiased group and I feel as long as they have made their nominations—and I have great respect for their judgment—that I would like to withdraw my name as candidate and support the Nominations Committee in the decision they have made. (Applause.)

**PRESIDENT McCOSKER:** Any additional nominations by petition for presidency? Are there any more nominations for the presidency? Do I hear any further nominations? If not, I declare them closed.

The nominations for the office of President are J. Truman Ward and H. K. Carpenter.

Now, for First Vice President, the Nominations Committee have named Lambdin Kay of Atlanta, Georgia. Are there any further petitions? Are there further nominations? If not, I'll declare the nominations for First Vice President closed.

Nominations for Second Vice President. The Nominating Committee candidate is Mr. Myers. Any additional nominations for Second Vice President by petition? If not, I declare the nominations closed.

For Treasurer—the Nominating Committee nominee is I. D. Levy of Philadelphia. Any other nominations for Treasurer by petition? If not, I declare the nominations closed.

Slips have been distributed to be used as ballots.

**THE CONVENTION:** Where?

**PRESIDENT McCOSKER:** On the chairs. Just one moment, gentlemen. After you have found the slips, before you make up your tickets, I would like to give you the requested order of voting. Slips have been distributed to be used as ballots. The roll will be called and as each representative answers, he will take his place and deposit his vote at the east side of the room. There will be two ballots cast. The first vote will be for President and the others without contest. The second ballot will be for Directors, the first five for three years and the last three for one year. The votes for Directors will be counted in the order in which they appear on your ballot.

You will now proceed to make out your vote and we will call the roll.

**JAMES A. WAGNER (WHBY; Green Bay, Wisconsin):** Mr. Chairman, in view of the fact that there are only single nominations for First Vice President, Second Vice President and Treasurer, I would move that the unanimous ballot be cast for the last three officers and that the election proceed for the office of President.

**JOHN J. GILLIN, JR. (WOW; Omaha):** I second the motion. (The motion was put to vote, and was carried.)

**PRESIDENT McCOSKER:** Will you kindly proceed with the balloting for President?

(Roll call casting of ballots for President.)

**PRESIDENT McCOSKER:** I declare the balloting for President closed.

We have received properly signed petition for J. L. Kaufman for the three-year term. Likewise we have received a nomination for the three-year term for Joe Maland.

Any additional nominations by petition for Directors?

**MR. CHURCH:** Mr. Chairman, is Mr. Maland's nomination for the three-term or the one-year term.

**PRESIDENT McCOSKER:** Mr. Maland's nomination here as I have it is for the three-year term.

**T. W. SYMONS, JR. (KFPY; Spokane):** For the office of Director for three-year term, Guy C. Earl, Jr., of KNX in California. I wish to say in presenting this nomination that if Mr. Earl is elected, he will be the only representative of the far West on the new Board of Directors.

**PRESIDENT McCOSKER:** Properly executed petition for Guy C. Earl for the three-year term.

**STEPHEN A. CISLER (WSGN; Birmingham):** Mr. President, I present a petition for Gordon Persons for membership on the Board of Directors for the three-year term. Mr. Persons, we believe, represents the smaller city viewpoint for the NAB Board of Directors.

**PRESIDENT McCOSKER:** I have a properly executed petition in the name of S. Gordon Persons of Montgomery. Any additional nominations for Directors?

JAMES L. HUGHES (WHBF; Rock Island, Illinois): Mr. President, are nominations in order for the one-year term?

PRESIDENT McCOSKER: Yes.

MR. HUGHES: For the one-year term—James C. Hanrahan of KSO.

PRESIDENT McCOSKER: Any additional nominations for Directors for the one-year or three-year term? If there are no further petitions, I declare the nominations closed.

CAMPBELL ARNOUX (WTAR; Norfolk, Virginia): According to our by-laws, it would save quite a bit of writing if we could make the election for the one-year term by acclamation.

PRESIDENT McCOSKER: Except we have had a new name presented.

Voting for the five three-year Directors will now proceed, and also for the one-year Directors.

Gentlemen, can you read the names that are on the blackboard?

MR. CAULFIELD: Mr. President, in voting for the nominees presented by the Nominating Committee, may we just say, "As per Nominating Committee?"

PRESIDENT McCOSKER: I wouldn't say so. It is a slight effort to put down the names.

Gentlemen, can you all read the names on the board?

NAYLOR ROGERS (KNX; Hollywood, California): In the matter of voting, assuming you don't vote for more than two or three, is your ballot valid?

PRESIDENT McCOSKER: I will have to confer with Mr. Loucks on that.

(President McCosker conferred with Managing Director Loucks.)

PRESIDENT McCOSKER: On the suggestion of Mr. Loucks, the Chair rules the vote must be five for the three-year term and three for the one-year term.

MR. CRANEY: Where in the by-laws is there anything against voting for one or two?

PRESIDENT McCOSKER: Mr. Levy contends it throws the ratio off and is unfair.

I. D. LEVY (WCAU; Philadelphia): The idea is to have a majority vote. If you vote for one, you are by that one vote creating a favor for one man and he should not have the benefit of the votes you do not cast.

We have conducted it fairly so far and I think it is only right to keep on doing that.

MR. CRANEY: Mr. President, I would like to appeal from the decision of Ike Levy.

It seems that some of the men around here would only like to vote for one or two. They seem to have some people they would like to get in and it is just as fair if they do.

PRESIDENT McCOSKER: You mean to say they want to vote for one man who has been nominated, just one man, or do they want to substitute from one ticket to the other?

MR. CRANEY: Only one man.

PRESIDENT McCOSKER: What do they propose—one Director? We can't throw it into a situation like that.

MR. CRANEY: No, you misunderstand. Some men want to throw all their strength for one man, precluding the names of the other men they don't know.

PRESIDENT McCOSKER: How would we achieve the goal of filling our directorate?

MR. CRANEY: Mr. Chairman, I would like to put that to a vote of the convention, to find out whether they want to vote for the regulation number or vote for one or two or any number. I think it is up to them to say what they want to do rather than abide by the ruling of one man.

PRESIDENT McCOSKER: Before that vote is taken, I'd like to have Mr. Levy make an explanation.

I. D. LEVY: Gentlemen, this is an attempt, as I see it, of pulling an old political trick. Let me show you how it works out and when I get through, I know your sense of fairness will guide you.

Suppose there are five candidates. There ought to be 25 votes if five vote. Now, if five people vote for five candidates, you would have five lines after each one. But, suppose four were to vote for one man and the last man would vote for five. You would have one man electing the Directors as against the expression of four men. By that system, one man can accomplish the defeat of the will of the body. I don't think that is what you want.

MR. CRANEY: Mr. Chairman, I don't quite agree with Mr. Levy.

I make a motion that you put this thing to the vote of the house to find out whether we can vote for the men we know and only for them.

PRESIDENT McCOSKER: Even at the hazard of throwing the election?

Would you care to have Mr. Levy elucidate that further?

MR. CRANEY: I understand perfectly what Mr. Levy is talking about, but I make a motion that we put that to the vote of the convention.

MR. SYMONS: I second that motion.

PRESIDENT McCOSKER: This has proceeded to the point of a motion and a second, but let's consider this in family fashion and see if this isn't a matter for the Elections Committee.

I don't feel that a brief recital such as Mr. Levy was able to give has clarified the minds of the entire membership. I am sure his point is sincere and I am equally sure the other gentleman's point is sincere.

MANAGING DIRECTOR LOUCKS: There is one point I want to bring up that has been overlooked, apparently, by the Nominating Committee.

We have two candidates for the presidency, Mr. Ward and Mr. Carpenter. Mr. Carpenter has two years to serve out as a member of the Board and Mr. Ward has one year longer to serve on the Board. Should Mr. Carpenter win the election, Mr. Ward would remain on the Board and in that event you would elect but two for the one-year term and one for a two-year term. Should the result be the opposite, of course, this would stand.

FRANK M. RUSSELL (WRC; Washington, D. C.): Is the vacancy created after the election?

MANAGING DIRECTOR LOUCKS: There have been no formal resignations.

WILLIAM S. HEDGES (WEAF; New York): Possibly Mr. Craney's point would be served if we voted for the three-year term and then in view of this situation which Mr. Loucks brought up, by that time we will know the result of the election for President and know whether the Nominating Committee will have to submit any candidates for a two-year term, or abide by the original recommendation for the one-year term.

PRESIDENT McCOSKER: That is an excellent idea but it will necessitate voting separately for the one-year and three-year terms.

MANAGING DIRECTOR LOUCKS: You must have the result of your presidential election before you can proceed beyond the election for the three-year term.

DR. LEON LEVY: The Nominating Committee pointed out that if the members nominated by the Nominating Committee were elected, there would be eight vacancies; otherwise there would not be eight vacancies. That was pointed out.

PRESIDENT McCOSKER: We now have the result of the balloting for President, which will solve the question.

The result of the balloting on the presidential election is as follows:

Ward .....	96
Carpenter .....	55

(Prolonged applause.)

I want to call the attention of three men who voted for Directors on that presidential ballot that you will have to re-vote for Directors, of course.

STANLEY HUBBARD (KSTP, St. Paul): Mr. President, I move that the election for President be made unanimous.

(The motion was seconded by several, was put to vote, and was carried.)

MR. CRANEY: Mr. Chairman, there is a motion before the house.

PRESIDENT McCOSKER: I asked that we depart from the well-known procedure for a moment and consider this in the family spirit.

EDWIN M. SPENCE (WPG, Atlantic City): Mr. Chairman, I make a motion that the first order of business tomorrow morning be the election of Directors. A banquet is scheduled to be held in this room at 6:30 o'clock. There are 350 dinners being cooked which we don't want spoiled so I move we clear the room.

(The motion was seconded by several, was put to vote, and was carried.)

PRESIDENT McCOSKER: The meeting stands adjourned until 10:00 o'clock tomorrow morning.

The meeting adjourned at 5:45 o'clock.

SEPTEMBER 19, 1934  
Wednesday Morning

The meeting convened at 11:00 o'clock, Vice President Shepard presiding.

CHAIRMAN SHEPARD: This is a closed meeting for delegates only. The press is allowed to be present.

Last night there was a motion made by Mr. Craney, on which there was some discussion. If it is agreeable to the body, the Chair will rule that all ballots are legal for the Directors for the three-year term provided you do not vote for over five. You can vote for one, two, three, four or five. If you vote for more than five, the ballot is thrown out. That is on the three-year Directors only.

DR. LEON LEVY: You are wrong on that, John.

CHAIRMAN SHEPARD: It should be understood that you can only put in one ballot. If you only put one in, you have only voted for one man. You can not put in another ballot for another man.

DR. LEON LEVY: I think you are wrong there, John. The Chair ruled yesterday that you had to vote for no less than five.

CHAIRMAN SHEPARD: Mr. McCosker has withdrawn that because I talked with him on that.

DR. LEON LEVY: The idea was you were not to vote for less than five so as to not let the vote cumulate, and that was what the appeal was taken from.

CHAIRMAN SHEPARD: In any other election, if you are voting for two for Congress or anything else, you don't have to vote for two; you can vote for one. You can't force a man to vote for five. He doesn't have to vote for five.

DR. LEON LEVY: It was shown that one man could get an unfair advantage over the others and that that man could be elected by a minority group.

I think we should vote on the question before the house to make it legal.

CHAIRMAN SHEPARD: Mr. Hostetler, will you give us the benefit of your opinion?

J. C. HOSTETLER (Baker, Hostetler, Sidlo and Patterson, Cleveland): Mr. Shepard, I am here about a matter that I think so important that I don't want to stick my nose in a family row.

I did go over the rules and regulations this morning with Phil Loucks and I have an idea of how this body must elect their Directors if you follow those rules and regulations but I don't want to give that opinion unless this body wants it. I am here to talk copyright. I am perfectly willing to give it if they want to hear it but I don't want to get into a family fracas.

THE CONVENTION: Let's hear it!

MR. HOSTETLER: Phil told me the question was whether in voting for five Directors out of eight nominees, a member could vote for one Director or two or three or any number less than five. I asked whether the member wanted to cast one vote for the one person he voted for or wanted to—what you call—cumulate, vote five times for one person.

Now, I am clear he can not vote five times for one person! In corporate organizations, you know, there are states where cumulated voting is allowed. An owner of stock can vote five votes for one man but I don't believe you can do that here under Roberts Rules of Order.

Now, whether a man, when a ballot is given him with eight names on it and he has a right to vote for five, can vote for one only and have a legal ballot—in my judgment unless this meeting adopts another resolution, under your by-laws he cannot vote for one or two. However, it would be unfair to say that without going one step farther because your regulations have a provision in them that is relatively peculiar.

When you cast your ballot for Directors and have eight candidates and five places to be filled, ordinarily the five highest men are declared elected. Your regulations provide in order to be elected to any office, a man must have a majority of the votes cast and if on any vote he has not a majority, the two high men must run against each other.

Now, in my opinion, when the votes are cast, under your regulations, the Tellers Committee will have to cast out all illegal ballots—those not marked or where two ballots are wrapped up together or where the ballot is marked so you can not tell who he is voting for.

Then, if there are 100 good votes, in order to be elected, a man has to have 51. I think that committee would have to tally the vote first and see if any of the men have 51 votes or the majority of the votes cast. If any one, two or three have 51 votes, then they are elected and, in my judgment, you then have to ballot again if, say, three are elected on the first ballot, you would have to ballot again for two. If nobody has a majority of the votes, then I think the two high men would have to run against each other to fill one place and after voting between those two high, you

would have elected one Director. Then you would have to go back and elect four more out of the remaining seven.

Now, I know it is complicated and I can see a fight in its inception just about as clear as anybody and I don't like to mix copyright up with this because when we talk about copyright, I want you to be a unit—I don't want you to be divided! And, to hell with who your Directors are! (Applause.)

Unless this body passes a resolution providing that no ballot shall be legal unless voting for all five, I do not believe, under Roberts Rules of Order, a ballot is illegal voting for one, two or three. I think you have the power to pass a resolution saying every ballot has five choices. But, if you don't do that, I think the tellers will have to count single ballots and in doing that, nobody is elected unless he gets a majority—and you may have to ballot half a dozen times.

MR. CRANEY: Mr. Chairman, if we can go ahead under the interpretation of our by-laws that Mr. Hostetler has given, under that interpretation I'll withdraw my motion.

CHAIRMAN SHEPARD: Does anybody want to make a motion as Mr. Hostetler suggested could be done?

MR. CRANEY: I don't believe you need that motion. If we go ahead with Mr. Hostetler's interpretation, I'll withdraw my motion.

I move the previous question!

CHAIRMAN SHEPARD: What is your motion?

MR. CRANEY: I move the previous question! To vote on the other and that will get it over with.

DON S. ELIAS (WWNC, Asheville, North Carolina): I think what you want is a motion, then, that you don't have to vote for five.

CHAIRMAN SHEPARD: The only motion that is necessary is that you do have to vote for five.

MR. ELIAS: Then I'll make a motion that . . .

MR. CRANEY: Mr. Chairman, I have a motion before the house and unless you go ahead and vote under the ruling Mr. Hostetler has given, the way he has interpreted the by-laws.

CHAIRMAN SHEPARD: He has interpreted the by-laws that you do not have to vote for five. He said, however, a motion would have to be in order that you vote for five.

Mr. Symons (who had seconded Mr. Craney's motion at the previous session) consented to the withdrawal of Mr. Craney's motion.

The question was called for.

MANAGING DIRECTOR LOUCKS: How can you entertain that motion when the second consented to the withdrawal of the motion?

CHAIRMAN SHEPARD: We will now proceed with the voting.

LEWIS ALLEN WEISS (WJR, Detroit): As long as there is so much arithmetical confusion this morning, may I just add one more correction. I find nine candidates, if I am able to count this morning, instead of eight and they are running for three-year terms.

CHAIRMAN SHEPARD: That's right. There are two ballots but the second isn't out yet.

We will proceed with the voting.

EARL D. JENCKS (WTCN, Minneapolis): Mr. Chairman, I rise to a point of order. Our interpretation of our legal counsel is that it is permissible and proper to submit a resolution waiving the rules and regulations of our Association, said resolution to state that it is legal and the wish of this body to have this election made with a vote for not less than five Directors. I move that motion.

CHAIRMAN SHEPARD: Your motion, as I understand it, is to—

MR. CRANEY: It is too late to do that now.

CHAIRMAN SHEPARD: The voting hasn't started.

REVEREND WAGNER: I second the motion.

MR. CRANEY: Will you please state the motion?

CHAIRMAN SHEPARD: The motion, as The Chair understands it, is that the ballots to be legal must carry the votes for five of the Directors.

MR. JENCKS: That is right.

(The motion was put to vote. The vote was in doubt. A rising vote was taken. The vote was: 62, for; 44, opposed. The motion was carried.)

CHAIRMAN SHEPARD: The motion is carried. (Applause.) Therefore, The Chair instructs the Elections Committee that all ballots that have less than five people voted for, are thrown out.

MANAGING DIRECTOR LOUCKS: Are you ready for the roll call and the voting?

DR. LEON LEVY: Where is the one-year ballot?

CHAIRMAN SHEPARD: Those come next.

(Roll call casting of ballots for Directors for three-year term.)

**CHAIRMAN SHEPARD:** The ballots are closed for three-year Directors.

Gentlemen, we started late this morning and in order to save time, while the Elections Committee are counting the ballots for three-year Directors, I will ask Mr. Schuette to give you his talk on the copyright situation. After Mr. Schuette's talk, we will proceed with the election of the one-year Directors.

I believe no introduction is required. I think you have all heard Mr. Schuette before and so without any further ado, I am going to ask him to get up and make his speech. (Applause.)

## REPORT OF OSWALD F. SCHUETTE

(NAB Copyright Adviser)

This time it wasn't necessary to write a report on copyright for the NAB. The Attorney General of the United States wrote that report much better than I could have written it in a sworn bill of complaint to the United States Federal Court for the Southern District of New York against the American Society of Composers, Authors and Publishers, the Music Publishers Protective Association, the Music Dealers Service, Inc., and 131 individual defendants.

In that proceeding the Attorney General went much farther than we had gone in any of our statements and made a more vigorous attack upon the Society than anything we could have said. That government suit, therefore, sums up everything that needed to be said here today. It sums up everything that has happened since the convention at St. Louis and everything that happened at White Sulphur Springs.

I think this much should be said, first, that at the St. Louis convention I was instructed, if possible, to negotiate a contract that would be acceptable to the broadcasters and was given authority, so far as it was possible to be given by an Association, to accept such a contract.

I spent four months trying to get from Mr. Mills a contract that put the royalty for the music we use upon the programs in which that music should be used and to take it off programs in which no ASCAP music was used. Mr. Mills promised again and again that that was going to be done.

It wasn't until all those efforts were exhausted that I began to use all power to induce the government of the United States to act. It was then, with Mr. Loucks, I went to the Department of Justice formally setting up the same complaint that now has come up in the government's sworn charges in the United States District Court.

I think, however, that we ought to call specific attention to a few phrases in this suit so that there will be no question about what the real controversy is and has been between the broadcasters and ASCAP.

In this sworn charge which I hope all of you have read—and can't read too often—the Attorney General says this:

"But for the combination and conspiracy herein described, the members of defendant Society would be in competition with each other and in competition with non-members of defendant Society in effecting the sale to broadcasting stations of licenses to perform publicly their particular copyrighted musical compositions, and but for said combination and conspiracy the facilities of radio broadcasting stations would be available to non-members of the Society under equal competitive conditions with members of the Society, as a medium for transmitting to the ear of the purchasing public musical compositions copyrighted by them and non-members would be in competition with all members of the Society in the sale and transportation in interstate and foreign commerce of sheet music."

Then the Attorney General says that through this conspiracy—and he uses the word "conspiracy" in every chapter—"All competition among members of defendant Society in the sale of rights to perform publicly their respective musical compositions, which, but for the illegal combination and conspiracy herein described, would have existed, has been eliminated by said illegal combination and conspiracy; \* \* \*"

And, he says further: "By reason of the combination and conspiracy and the concerted action of members of defendant Society, as a result of which radio broadcasting stations are obliged to accept a blanket license as heretofore stated upon terms and conditions imposed by defendant Society, the members of defendant Society have secured the exclusive use of radio broadcasting as a means of conveying musical compositions to the ear of the public-at-large. By the means described the members of defendant Society have destroyed the incentive of broadcasting stations to use the musical compositions of composers, authors and publishers who are not members of defendant Society and have

prevented non-members of defendant Society from receiving the compensation for the rights of public performance of their musical compositions, which they would otherwise receive, and have limited and restricted the popular demand of the listening public to musical compositions controlled by defendant Society."

Now, what does that government suit mean? It means that the Attorney General is now going to take away from that Society, if he can, the power to impose arbitrary extortionate contracts—and remember that the word "extortionate" has nothing to do with the amount involved; it has to do with the method by which that money is extorted by arbitrary powers. The suit came as a bolt of lightning from the blue to ASCAP and I haven't the slightest doubt that ASCAP has learned something out of that suit because ASCAP and its lawyers have said from the start that the government would never act. I shall be surprised if ASCAP doesn't for the time being try to behave.

Mr. Hostetler will tell you the effect of the government's action upon the suit which his firm has started for NAB in the case of Station WIP. I hope Mr. Hostetler will also tell you something of the legal effect on your existing contracts. My unlegal opinion is that it has no legal effect whatever but I do know it has a moral effect. I am convinced that under that suit ASCAP will not continue the arbitrary methods that it has carried on during these two years.

Just as I came up here, one of your members gave me a telegram from Tulsa, Oklahoma, where two of ASCAP's suits against some other victim outside of the broadcasting industry were dismissed yesterday without prejudice by the Federal Court there. I don't blame ASCAP for being careful and I hope that so far as ASCAP is concerned, all its representatives will read the suit because, much to my surprise, I was told here that one of these representatives had begun a campaign of threats and intimidations against broadcasting stations that had refused to accede to ASCAP's demand.

You remember a year ago I brought up the same matter because ASCAP was sensitive to the fact that I used the word "racketeer" and at that time ASCAP's attempts to browbeat stations' advertisers certainly deserved the term of racketeering. I thought that had passed even without the government's suit. I hope now that the government's suit is in, there won't be any such intimidations by ASCAP and if there are, I hope anybody that hears them will see that that evidence is sent to NAB and the Department of Justice.

In any disputes with ASCAP from now on, I do not think you need to fear the arbitrary and high-handed methods that you had to worry about before. I doubt very much whether ASCAP will repeat its threats to cancel a station's license contract because of the dispute over a demand for a list of titles of compositions to be used in the station's program.

Now, there is another angle to this suit that is just as important and effective as the suit itself and that is the fact that these members of ASCAP are now out where they can see with the naked eye the danger of triple damages under the anti-trust laws.

Gentlemen, I have no doubt that as far as ASCAP itself is concerned, the worry that some one will sue that organization for triple damages is not very large. War chests are difficult to reach with triple damage suits. But, some of the members of ASCAP are still pretty well-to-do and some of these publishers have treasuries and it is they who now must count the danger that ASCAP's victims will sue for triple damages.

Some of these members of ASCAP—and I think the large majority of them—have not renewed their contracts with that body. If they now renew their contracts, which are branded illegal by this bill, they no longer can plead innocence if, as and when such triple damage suits are begun against them. The anti-monopoly laws provide that during the pendency of this government suit the statute of limitations, which otherwise might outlaw triple damage suits, stops running and not until that suit is finally disposed will that statute of limitations be operative again.

Not only that, the anti-trust laws provide if the government wins a decision in this case, that that decision shall be a prima facie evidence of its findings in any such triple damage suits which may be brought. This means that if any of you would bring such a suit after the government has won such a decision, all that your attorneys need to do is read to the jury the text of that decision and then prove to the jury how much damage has been done to you. The jury will have to give you a judgment for three times the amount the jury thinks you have been injured.

There is, however, in the law another proviso and this proviso is important because there has been some discussion of a consent decree. I think it was rather unfortunate that it should be inter-

preted as a desire on our part to end the government's case in a consent decree. The gentlemen who are most interested in a consent decree are the members of ASCAP who want to be saved from triple damages because while the law provides that the government's victory may be prima facie evidence, it also provides a consent decree shall not be such prima facie evidence.

I presume there can not be the slightest doubt that every broadcaster is in thorough sympathy with the government's undertaking and that this organization will support the government in every way. That is important also because there are a lot of anti-trust actions in the courts today that have been allowed to go to sleep and this one shouldn't be allowed to go to sleep. I hope that this organization will be able to cooperate with the government in obtaining for it all the testimony that its members have in their files and that it will go farther in mobilizing for the government the testimony of other victims of ASCAP—hotels, restaurants and motion picture owners. All of these have the same interest we have in the suit itself. If it should come to the point that a consent decree is proposed, it will be important that this organization be present when such a decree is written because that decree will set up the new machinery under which these copyrights will be handled, and it is important that this conform to the technical requirements of the situation. It is then more a matter of facts than of law.

I said the Attorney General had written my report but Mr. Mills has also helped to write it. Since arriving here, I found a copy of the Heintz radio letter with the text of Mr. Mills' statement about this suit. Of course, he "welcomes" the suit. I am glad to see that he says nothing could be done by gnashing of teeth and making faces at each other. I have no doubt his statement will be given wide circulation. Mr. Mills was unfortunate when he said that this suit was threatened only because ASCAP would not make a rate for license fees acceptable to the NAB. The question of the rate had nothing whatever to do with it. The question that forced the bringing of this government suit was the demand by ASCAP that royalties be paid regardless of the use of their music and that contracts were exacted which, in the terms of the Attorney General's statement, not only eliminated competition among members of ASCAP but between those members and non-members, and kept compositions of non-members off the air.

Mr. Mills makes again the argument he has made all through these proceedings, that ASCAP is ready at any time to cancel its contract with any member and he sets out the fact that he has received no cancellations as proof that his organization is not only legal but has, in fact, the endorsement of our own members. Now, that offer of cancellation is a fine piece of sophistry. The Federal Trade Commission, to take an analogy, is making an investigation of the milk trust. Supposing in a city where the milk trust has the power almost of life and death, to raise prices as it pleases, it then comes in by way of defense to the Commission with the assertion that its customers are perfectly willing to pay its prices, because it is willing to cancel its contracts and let its customers buy their own milk in the country! Which is what Mr. Mills says—they are willing to cancel contracts and allow us to go out into the country and find our own music! Mr. Mills also says that the copyright owners realize that the broadcasters are among their best customers. It is a belated recognition of a very important fact.

We had a code meeting about a month ago on the music publishers code and in the course of the meeting, Mr. John G. Paine, chairman of the board of that association and a defendant in this suit, made a very frank statement that if the song plugging abuses could be stopped, that the music on radio programs would be improved by bringing in new music. Now, ASCAP insisted on being made a member of the industry in this code. I think that will be overruled. But, this suggestion that the radio programs could be improved by putting in new music, in the light of ASCAP's control against non-members' music, shows how ridiculous their pleadings are. The most interesting thing in that code, however, is the fact that the code was presented by the Music Publishers Protective Association and they suggested that the code authority be elected by the board of directors of that association, every one of whom is a defendant in this suit. When I made a proposal that the code should be amended so that anything the code authority did could not secure immunity under the anti-trust laws, Mr. Paine said in his testimony that we were trying to take from them the only benefit the N.R.A. conferred on his industry. We have carried the matter on to General Johnson and the Department of Justice. You need have no fear that the board of directors of the Music Publishers Protective Association or of ASCAP will elect the code authority.

This brings me to the important point of legislation. We had a brief episode this summer which Mr. Bellows described in his report, a surprise hearing before the Senate Committee on Foreign Relations on a proposal to establish automatic copyright by international treaty. That failed. I doubt if there is much of a chance in the coming session for it because the coming session is going to be a busy one. I think there is no chance for general revision of copyright laws, not in times such as these when Congress has its hands full. But, the filing of the government suit makes it possible to ask for the one legislative remedy that can protect not only us but all victims of ASCAP. The government suit sets forth the fact that ASCAP compels the acceptance of its licenses by threatening infringement suits with a minimum penalty of \$250 and attorneys' fees in each case. No matter how innocent is the infringement, no matter how extenuating the circumstances may be, the courts have been compelled in every instance to inflict this penalty of \$250 plus attorneys' fees, and that threat has been enough to prevent any assertions of the rights of a music user. For that reason, a campaign should be started now to put just one line into the present copyright laws, a line over which there need be no long argument and no committee hearing, a line that would eliminate from the law the minimum infringement penalty of \$250 and leave to the court in each case the right to fix the damages that are proper.

Now, you can guarantee if that is done that a lot of petty racketeering which has been going on along the side lines will be stopped. In that campaign we have already been promised the help of the hotel men's association. I have no doubt that the broadcasters will be able to mobilize the help of all the other victims in obtaining from Congress the elimination of that clause and in such a campaign, you only need one piece of evidence and that is a re-print of the government suit which tells the whole story in language the layman can understand and a Congressman certainly can understand.

There is one other point in this field that has been brought out into the open by this suit and that is the question of music. You have heard from ASCAP throughout these two years that if it weren't for ASCAP there would be no music for the broadcasting stations. The Radio Program Foundation furnishes the machinery for just such an emergency. It has never been put into high gear. There has never been pressure enough. There should be now and it or some other music pool should be organized to make available for the broadcasting industry all the independent music available and if there is a dissolution of ASCAP, the foundation will form the nucleus for a clearing house through which radio can have access to air rights of the former ASCAP members so far as they prefer to deal with the broadcasters.

I do not know, I do not pretend to know who among ASCAP would like to be friends and who enemies, who would like to have their music played and who prefer we shouldn't kill their music by making it profitable but in the skeleton of the music foundation will be found the material for any such reorganization. So far the foundation has dealt chiefly in sub-licensing stations for the recording catalog and I am happy to say we have 199 members who are sub-licensees, which includes the networks, and at present there is something like \$2,000 balance in the treasury so the foundation has been able to run along without asking a dollar from NAB.

One thing I should have mentioned before that may have a dollar and cents interest to every member here is the fact that ASCAP has renounced its rights to collect royalties on political programs. I was surprised to be told by a member that he has been paying his percentage of royalties on political programs throughout these two years. All he has to do is rebate that amount on his next check and that will pay a large share of his NAB dues and copyright fund contributions. You will remember we suggested that the stations bill ASCAP royalties on the time sold Congressmen for their speeches. ASCAP quickly sent notice to all the stations that they didn't have to pay any royalties on money collected for political campaign speeches, that that was their contribution to public service. We are now in the midst of a political campaign and I hope you will save all you can.

I would like to offer for the Resolutions Committee three resolutions:

*"Be It Resolved!* That the officers and directors of the National Association of Broadcasters be instructed to support the suit of the United States Government against the American Society of Composers, Authors and Publishers, the Music Publishers Protective Association and their affiliated defendants to the end

that royalties for the public performance of music may be determined by free and open competition among copyright owners."

*"Be It Resolved:* That the National Association of Broadcasters do hereby petition Congress to amend the existing copyright law by omitting the language which fixes the minimum innocent infringement penalty for the public performance of musical compositions at \$250 and attorneys' fees, and leave the Court free, in each instance, to fix such penalty as in its discretion the Court shall deem proper."

*"Be It Resolved:* That the Board of Directors of the National Association of Broadcasters be and it is hereby directed to organize a music pool, either by a reorganization of the Radio Program Foundation or otherwise, for the purpose of obtaining for radio broadcasting stations the air rights of such music as may not otherwise be available or which may be made more readily available by such a pool, and to enlist the cooperation of all radio stations and their program departments in promoting the widest possible use of such music."

During the last year stations have asked me whether they should take out licenses for the music of the European Stage Authors and Composers. I have declined to give any advice on what catalogs should be taken but I have said this, "If you do take a license for non-ASCAP music, use it. There is no use paying for it if you do not use it." Whether it is lethargy on the part of the program department or for some other reason, I think program departments should be under greater pressure to use the independent music for which license fees are being paid because every time you put on an independent number, you are making one ASCAP number that much less popular and that is the language that ASCAP can understand!

And now for a personal word. I have had a grand two years in this fight. I know it has taken longer than you believed to bring this matter to a point where the government would step out into the open and protect not only the broadcasting industry but all other victims of this organization. To me the two years have not been so long because I have been in other fights like this. It took three years to get the government to sue the radio combination; it only took a year and a half to bring this ASCAP suit to that point, and I take pleasure in handing you the suit. I hope the broadcasters will obtain as a result of that suit a decent livable atmosphere in the control of this music because the suit itself contains a phrase I almost hate to read because it has a note of offensiveness in it. Maybe I should read it after all to let you know how the government feels. The last paragraph says:

"The members of defendant Society, through the combination and illegal pooling of their respective individual copyright monopolies hereinbefore described, have created in defendant Society an instrumentality which has the power to and does dictate to and dominate the radio broadcasting industry."

That certainly is a challenge to the industry. If I can serve in any way in the fight that is still to come, I shall be pleased to be at your command. (Applause.)

CHAIRMAN SHEPARD: Thank you, Mr. Schuette. Will you give those resolutions to Mr. Bellows? The resolutions will be brought up for action this afternoon.

Is the Elections Committee ready to report?

(The Elections Committee was not ready to report.)

CHAIRMAN SHEPARD: The next order of business is the report of Mr. J. C. Hostetler.

MR. HOSTETLER: Would you just as soon turn this thing off? I can be heard in the back of the hall without it. For a radio convention, it doesn't seem to me it is so hot anyway. (Prolonged applause.)

MANAGING DIRECTOR LOUCKS: What do you mean—the convention? (Laughter.)

## REPORT OF J. C. HOSTETLER

BAKER, HOSTETLER, SIDLE & PATTERSON, CLEVELAND, OHIO

(NAB Copyright Counsel)

Well, I am not going to take much of your time because I know it is late and your elections take a great deal of time. But, I want to say two or three things.

First, I want to thank you for the completeness with which you complied with the questionnaire we sent out after the last meeting in the South, that is, last year this time. We had replies from a very much greater number of the membership than I ever thought we would have. I want to acknowledge and thank you for the confidence you had in mailing to us papers on the

operation of your station which I know were highly confidential. And, I want to say in reporting to you that those papers, which we had and examined, have never been seen by the examiner of the Trade Commission or any of the agents of the Department of Justice. We have never shown to any broadcaster or any agency whatsoever any of the documents which we have had the opportunity to examine from your files. I want you to know that and I want you to know I appreciate your confidence in sending them.

Now, I think it would be a mistake and I know Oswald didn't mean to say, "I hand you the government suit." I think it would be a mistake to pass this over without acknowledging the help we have had from you men, and there have been at least twenty of you who have been very helpful in giving information to the government investigators when they were there, and we have had a great deal of work from Phil and others in producing this result which we now have.

Now, I think there is a time to swing a stick and a time to go easy. This morning your election of Directors was a time to go awfully easy and I think this is. I don't believe it is wise to discuss our suit or negotiations going on to determine measured service for use of copyright.

There is a Copyright Committee for the purpose of allowing me to report to them my conferences with Mr. Mills, and I have had half a dozen over the last two or three months. Personally, I think we are making headway but there is one thing I do want to ask you. Now, lawsuits of any kind are fights. There will, undoubtedly, be a necessity to circularize not only the membership of this Association but the broadcasting industry generally with questions and requests for information and help. It will be done from now on, I presume, in cooperation with the government. But, I do want to ask you when you get those questionnaires, please fill them in as quickly as you can and get them back.

Now, I realize that our interests, to a certain extent, don't run, maybe, as far and in some cases run farther than others. We have a problem of handling the music and paying for the music which we use. We are undertaking, as we have for the past year, to agree with a usable source of music for a method of paying for it based upon our use of it. We are still trying to do that. Of course, we want that source to be open to everybody who produces music so there isn't any monopolistic feature to it. I do ask you, please, to respond to the questionnaires if and when you get them from Phil. If you are asked to see other broadcasters in your district who are non-members and help them get the information together for us that we ought to have, it will cost you very little and it is just a matter of neglect if you don't do it. We are not going to ask anything and if there is any doubt in your minds of any competition in regard to questions asked, just wire in and we will get that straightened out. The object is to get the information in addition to what we have and what the government has put together and they have, I believe, a very great deal of it but I haven't yet had time to examine all those files.

Now, the second thing I want to urge is Phil has a plan for either dividing the country into districts composed of two or three states each or having a representative in each state whose duty it shall be to see to it that some broadcaster in each congressional district of the United States look after the presentation of our problems to the men who are running for the next Congress. Now, that ought to be done—and it ought to be done now. It isn't a matter of any very great difficulty in any particular district; it is very largely a question of organizing. If there is some one person who will be responsible for a state and then picks the broadcasters wisely in the various districts, let us see that our side of this case is put up early instead of late. I do ask you to cooperate in that.

Now, you have been fine about your fund. Ike will report about it. And, there has, I think, been a relatively small amount spent. We are not wasting your money. We are getting some advantages, I believe. But, what I do ask is that you fellows use a little bit of the power and of the influence you have for yourselves—once! And, don't wait to do it until everything is over and the election is over and Congress is in session and then try to do it at the last minute. Phil has that well under way, I believe, and if you will just cooperate with him in the organization of congressional district committees or single persons—you don't need more than one person—and it is a very simple thing that you have to explain to the candidates for Congress. You have your federal suit, as Schuette said, and you know what ASCAP has done.

Now, I want to say this: in the interview that Mills has in that paper, he says something about headway being made in negotiating some kind of a fair basis. I hope that is so. If we both mean what we say, we have made some advance and so far as I am concerned, I mean exactly what I say and I understand what you all want is to have a system by which you can fairly pay for what you use and you be the judges of what you are going to use and, therefore, what you are going to pay for. That is what we are trying to get. I believe our conferences have gotten farther in the last two or three months than they have in the whole of the year before. I am going to be in New York tomorrow with him. I have no desire to be anything offensive but we are moving and while we are moving, I want you fellows just to keep on getting ready because—well, just because! (Applause.)

CHAIRMAN SHEPARD: Thank you, Mr. Hostetler. We are now ready to receive the report of the Treasurer, Mr. I. D. Levy. (Applause.)

Do you want fireworks?

THE CONVENTION: Yes!

CHAIRMAN SHEPARD: O. K.

## REPORT OF I. D. LEVY

NAB TREASURER

(WCAU, Philadelphia)

Gentlemen, there are not many industries as young as ours whose national associations have become as effective as you have become within the past two years.

There was a time when a good many of us, including myself, felt that this was a useless association, a disorganized one, one that spent most of its money foolishly, one whose officials felt that the business of the organization consisted in having a few highballs and telling each other how good you are.

Six or seven years ago I met some of the officials of the Association in New York; convinced them a suit ought to be brought against ASCAP; was told to go ahead and file suit; returned home ready to do so only to find a telegram rescinding the vote to bring action. It was effected secretly after I left the meeting and you can imagine how sore and disgusted I was. That's all over now. Today you have presented a united front in copyright and you should have learned that when you stick together and fight, that you will then accomplish things.

Last year, from the floor at White Sulphur Springs you volunteered to pay ten per cent. of what you are paying to ASCAP for a period of one year. You have done so and I believe we have enough money to finance this fight to a conclusion and you need not send me any more. (Applause.)

I feel that as a result of our efforts, you broadcasters will not be smacked and slapped, and hit and kicked in the future. From now on it's the square deal.

I do not share the fear that if ASCAP is dissolved there would be hopeless confusion whereby we would be compelled to deal with all the individuals who own a piece of music.

The probability is that if ASCAP were dissolved (and I have always believed that it was an illegally operated company), the Court would take into consideration in its decree the fact that we would be hampered until we could be organized and would allow time in its decree so that the American public would be able to receive its music without a great deal of confusion.

One thing that ASCAP must get out of their head, if they really believe it (and I can not believe they are really sincere about it) is that we do not want to pay for the music. This was reported by an amusement magazine. It is one thing for them to assume the attitude we do not want to pay anything because we won't pay anything they ask. If carried to its logical conclusion that we do not want to pay anything because we do not want to pay what they ask, then they could ask for double of our gross receipts and if refused, say we do not want to pay them anything. All of us should be willing to pay a fair price for music used.

Furthermore, I do not share the belief that ASCAP feel they are going to win this case. It is not so long ago since you remember them flaunting in our face the fact that the Department of Justice had investigated them on many occasions and had given them a clean bill of health. Well, if they thought sufficient of the opinion of the Department of Justice so as to flaunt it in our face then, I know of no reason why they should have changed when the Department of Justice decides they are an illegal organization. That Department has not deteriorated in legal ability. From now on they will carry on most of the fight.

ASCAP members have been carrying on for so many years in their arbitrary manner that they have come to believe that they

are invincible and, like a king, can do no wrong. They are really deluding themselves into believing the holiness of their operations.

And yet, I do not want the broadcaster to get a bold on ASCAP and I, for one, would oppose any plan which would be beneficial to the broadcaster if it were unfair to ASCAP because it could not be a permanent one and it would not solve our problem.

I was amused when I read in the same Broadway amusement magazine that this suit was timed for our meeting so that we would have something to say to the broadcasters. I don't often read these magazines because I think nine-tenths of all that printed stuff is bunk, but it seems to me that the editors ran short of material. This magazine is the best sheet Mills has and I suppose when ASCAP is dissolved, Variety will carry the headlines "ASCAP dissolved because it wanted to be dissolved!"

I will oppose abuse by ASCAP as much as any one here but I will always try to be fair.

We have not been asleep during the past year. I attended a number of meetings with various representatives of ASCAP and there were a number of disagreements even among ourselves as to policy. I believe that as a result of our meetings with these men the bitterness existing between ourselves has disappeared and if this is the case, I do not believe we ought to carry a chip on our shoulders. After all, most of our bitterness was caused by unfortunate manners.

ASCAP must re-organize. This is no time to call each other names and heap abuse upon one another. What we want to do is work out an equitable arrangement for all concerned.

This is a business proposition and if ASCAP will deal fairly with us, we must be prepared to treat them fairly and not bear any resentment because of our past relationship.

We need their music; we really can not do without it. If there are any broadcasters who believe they could exist without the music now controlled by ASCAP, they are deluding themselves.

There have been a number of people who have tried to form organizations to compete with ASCAP. None of them have succeeded. If ASCAP is dissolved, we will be able to meet that situation in a number of ways.

Our main problems with ASCAP are, how much are we going to be charged for their music and what are they going to do to enlarge their catalog so that we will be able to deal with one organization!

And there must be a long term contract to prevent these flagrant increases occurring at the termination of each contract. In the past, before the ink dried on one contract, we were in dreadful fear that the next one would be a more severe one. They never disappointed us. We became punch drunk and were hanging on the ropes of destruction.

We are going to live with music as long as we are in this business and we can not live contentedly if one side gets the best of the other, and we must be prepared to pay fairly, otherwise there would be no incentive for authors to write.

Both parties should be contented and they can be if they act fairly. My idea would be that sane, reasonable minds, representing the industry, knowing our problems, not theorists, sit down with ASCAP and with the officials of the Department of Justice and see if we can not work out something satisfactory so that we can work together harmoniously in the future.

The test as to what is the right price to pay for their music is not the submission to any whim that may enter their minds but must rest and be measured by what a willing buyer will pay to a willing seller. That sum we should be willing to pay; but we should not be compelled to dance to their music just because we are using it.

One of the main contentions between ASCAP and ourselves was that we were charged fees upon all music used, regardless of whether it was theirs. If investigation of our individual organizations will show what an investigation of Station WCAU has shown, then this is not a serious problem.

We took a sample week and found that 1786 pieces were played, of which only six were not in the catalog of ASCAP. If your survey will show you approximately the same, then I believe that this trouble is not serious because it would be cheaper for us to pay on all than to keep books to determine which is their music. If, however, your records show to the contrary, that you are not using a great deal of their music, then you should pay for only what you do use, or ASCAP could give the broadcasters the option of paying for what we use and require us to submit statements to them of the use we make of their music.

This organization of ASCAP was born in purity but grew to be a monster. Most of the members of ASCAP desire to do the right thing. Their organization became unwieldy because purposes,

originally good, have developed into malformations. I can fully understand why men like Irving Berlin and Jerome Kern are receiving inadequate sums for their works. But that is not due to inadequate compensation from the broadcasters, but due to the fact that of their whole catalog we only use about one-seventh; and the funds which rightfully should go to them are going to others, some of whom have not written a piece of music for fifteen years and who are still drawing compensation.

Then again, while it is laudable that some music writers are taken care of in ill-health and very decently by the organization, they do that from the goodness of their hearts and to get the joy and thrill of their benevolence really, they should pay for it themselves.

One of the disturbing problems entering into their organization is that organizations like Warner Brothers, Fox, Metro-Goldwyn and Paramount have purchased music companies before the depression at tremendous sums of money; have found them to be failures and now feel that their revenue can come from the broadcasters; and are refusing to sign contracts with ASCAP unless the fees to the broadcasters are increased. It is a strange thing with these people that while they want to oppress the broadcasting industry; when an attempt was recently made to charge a dollar per seat each year in the theatres, instead of ten cents as in the past, it was resisted viciously by the moving picture industry. (The very ones who thought the broadcasters were not paying enough.)

I suppose it is human nature for them on the one hand to yell we are using their music without which we could not exist and yet to refuse to pay their own organizations for the music which they are using.

Now, I am going to digress from copyright for just a moment to say that apart from the fine thing you have done by uniting in copyright, you have also united in some other matters. One—the opposition to selfish individuals who have attempted for their own benefits to usurp some of the time of the broadcasting stations under the guise of educational work.

We must fight this matter as well as others as vigorously as we know how. There will, in the future, be a number of occasions when you will be compelled to make a united front and often wage an aggressive fight. One of the things to be guarded against is dissension within our ranks, whether it be born of petty jealousy or for any other reason.

I didn't know any of this feeling existed until I arrived on Monday. Then I found that strangers, not members, outsiders were attempting to influence this organization in the wrong direction. I found a man representing one of the leading magazines and another person representing a spot advertising agency were accosting different members saying, "Vote for Mr. So-and-so." One of these men had the audacity to say, "I am going to have my own Board of Directors," and "I am going to elect my own President." He had the nerve to approach a member of the Nominating Committee and say to him, "I am depending upon you to put over Mr. So-and-so." I want to say to you that this man did great harm to one of the finest men in our organization by associating his name with this scheme. He was unaware of their conduct. I am proud to call this man my friend and I was hurt to see him dragged into this mire. This impudent, crafty advertising agent had his own selfish purposes. He wanted to impress the broadcasters with his importance, hoping it might lead them to make contracts with him in the future, and he didn't hesitate to use the name of a man loved by all the members and well capable of being President of our organization.

He was assisted by Variety's representative who was spreading his propaganda by being cunning in assuming the election of the man they sponsored and indifferently asking many members who would be the Second Vice President.

Let that never occur again in our midst. Let us help each other but never let an outsider meddle in our affairs.

If these men have any semblance of good taste and decency (and some seem to believe they have), if they are gentlemen and have heard that false appellation placed upon them, then they will never again come to our meetings where their presence is not only offensive but a gross insult to our membership.

I think one of the faults of our membership is that we have never appreciated the efforts of men who have done such good work for our organization. I had hoped that I never would be compelled to remind you that I have worked like a slave on this copyright situation. In addition, we have contributed as much money as any one else and I have not charged any fees or even train fares, hotel bills or any other expenses I have incurred.

I have even taken the chance of sacrificing some of the advantages that WCAU, our station, now holds, for the benefit of this organ-

ization. And, it is only human to feel that if you are doing these things as unselfishly as I am that my efforts would be appreciated.

I am willing to continue to do in the future as I have in the past, and it doesn't matter to me whether you appreciate it or not because I am thick-skinned and can take it. But, if you want men in this industry to work for your benefit and mine, you will show your appreciation to them by a little praise now and then, and then you will find that they will do more for you and me.

As far as I am concerned, I want nothing from the organization. The only reason I hold the office of Treasurer is that it is necessary for me to hold that office during our copyright fight. I don't want to ever hold any office in any organization. All I want is to be of service.

I have been at these conventions for the past four years and I have yet to hear from the platform any credit given to the one man who has done more for our industry to make it what it is, to keep it clean, to keep it free from criticism such as the moving picture industry is now suffering; I haven't yet heard a word of public praise or credit for the man who emblazoned the path upon which we travel, for the man who inspired the confidence that the American people now have in us, for the man who, more than any one else, gave the American people the best broadcasting services in the world.

Now, I am not a mush but I know that every one of us here could never have gone forward in our chosen industry if it hadn't been for the diligence, foresight, faultless taste and fine sportsmanship of M. H. Aylesworth—and let us never forget it. (Applause.)

And now, let me throw another thought out to you. We have a number of problems which are affected by legislation of Congress. A great deal of our trouble is due to the fact that you men have not acquainted yourselves with your Senators and Representatives and informed them as to the operation of broadcasting as affecting the public. Therefore, when active lobbyists prowl around Washington, they are frequently able to get the ear of your Representatives who, not being familiar with the real situation, are likely to accept as true the statements of these lobbyists. Just as you all have done your part in copyright, you must do your part to preserve the status of American broadcasting. It is best for you to become acquainted with your Representatives.

Let them come up and see your studio, let them speak to your people on the problems confronting your people who are, after all, their masters. Let them know exactly what you are doing so that they can confront these prowling lobbyists in Washington with facts showing their selfishness and true disregard of the interests of the American broadcasting public.

It is much better for you to do this now, immediately, than to wait and be placed on the defensive to explain matters which have first been given the Senators' ears by others. If, when you return, you delay this, it will never be done, but if you mark this as one of your important matters to be attended to immediately and are persistent in arranging personal meetings with your Senators and Representatives in your cities and states, you will avoid a great deal of trouble in the future.

This is organization. Not only will you be able to prevent legislation harmful to the broadcaster but you will then be able to put through constructive legislation despite unfair opposition, and we have plenty of important problems wherein we must unite. I wish I could impress this on you most forcibly for you must protect yourselves.

We will not meet collectively again until next year. Rest assured that we will not relax on our copyright fight. We will settle this matter amicably if it is humanly possible to do so; but also remember that if this can not be achieved, we will fight for the knock-out. (Applause.)

CHAIRMAN SHEPARD: Thank you, Mr. Levy. Are you ready with the report, Mr. West?

MR. I. D. LEVY: Just one other thing, men. I will be pleased to tell any of you who wish to inquire as to the exact amount collected. But I hope you will not ask me to make the statement from this platform because it is information of a character that I do not wish the American Society to know. They haven't told their members how much they put up to defend this fight for the same reason.

CHAIRMAN SHEPARD: We have the results of the ballot on Directors for the three-year term. There were 147 ballots counted. There were only two that were thrown out. For a majority, they would need 74 votes. Five secured the majority. Therefore, the five elected are: Alfred J. McCosker, Leo Fitzpatrick, Harry Butcher, John Gillin and Gordon Persons. (Applause.)

We will now proceed with the ballot on the Directors for one

year. There are four names. Three are to be voted for. If you haven't hallots, you can get them at the hallot box.

The question has been asked whether you can vote for candidates whose names do not appear on the ballot. The answer is "no." You can only vote for three of the four on the hallot.

(Roll call casting of hallots for Directors for one-year term.)

CHAIRMAN SHEPARD: I declare the hallots closed. This afternoon we have the very important business of resolutions. It is now about 1:15 o'clock. The meeting this afternoon will be called to order at 2:15 o'clock. If you are interested in voting or talking on the resolutions, please be present because after one of them is voted, that resolution will be closed.

The meeting is now adjourned.

The meeting adjourned at 1:15 o'clock.

SEPTEMBER 19, 1934

Wednesday Afternoon

The meeting convened at 2:35 o'clock, Vice President Shepard presiding.

CHAIRMAN SHEPARD: The meeting is called to order. The business for this afternoon is the report of the Resolutions Committee. Mr. Henry Bellows is chairman.

MR. BELLOWS: I have been instructed by the chairman to present first the resolutions that nobody gives a damn about. Will you change that in the transcription?

Resolution No. 1:

"Resolved: That the National Association of Broadcasters hereby extends its hearty thanks to the management of the Netherland Plaza Hotel, to the members of its convention committee under the chairmanship of Edwin M. Spence, and to the members of the Cincinnati Convention Committee under the chairmanship of Powel Crosley, Jr., for their admirable service in making the Twelfth Annual Convention of the National Association of Broadcasters an outstanding success."

Your committee moves its adoption.

MR. CARPENTER: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 2:

"Resolved: That the National Association of Broadcasters hereby expresses its sincere thanks to the Hon. Clarence C. Dill, the Hon. Hampson Gary, the Hon. Thad H. Brown, the Hon. Edwin L. Davis, the Hon. Sol A. Rosenblatt, and the Hon. Russell Wilson for their notable contributions to the interest and value of the Twelfth Annual Convention of this Association."

Your committee moves its adoption.

JOHN F. PATT (WGAR, Cleveland): I second the motion.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 3:

"Resolved: That the National Association of Broadcasters hereby extends its sincere thanks to the Billboard for its fine cooperation in the work of the Twelfth Annual Convention."

Our information is that the Billboard organization has done an excellent service in mimeographing, stenographic work and typing. The committee presents that without any recommendation.

MR. CARPENTER: I move its adoption.

MR. HEDGES: I second that.

(The motion was put to vote, and was carried.)

MR. BELLOWS: I am passing over two that I want to take up a little later.

Resolution No. 6 is the usual whitewashing resolution:

"Resolved: That the National Association of Broadcasters, having heard at its Twelfth Annual Convention the reports of its officers and committee chairmen concerning their activities during the past year, hereby accepts and approves such reports."

The committee moves its adoption.

MR. PATT: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Everything else here is likely to produce a little discussion. No, this next one won't. But, I am sorry that this resolution can't be given when there are more people in the room because I think it ought to be given when everybody knows about it. Resolution No. 4:

"Resolved: That the National Association of Broadcasters hereby expresses its cordial appreciation of the efficient, conscientious and able service rendered during the past year by its Managing Director, Mr. Philip G. Loucks, and its full approval of the manner in which he has conducted the affairs of the Association's office."

There won't be any discussion. The committee recommends its adoption.

MR. HEDGES: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: The next resolution is introduced at the request of the Legislative Committee. Resolution No. 5:

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

Your committee moves its adoption.

MR. HEDGES: I second it.

CHAIRMAN SHEPARD: Any argument?

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 7, introduced by the Cost Accounting Committee:

"Resolved: That the National Association of Broadcasters hereby recommends that the Cost Accounting Committee appointed for the past year by President McCosker be continued with the same personnel until the completion of the standard accounting system which it now has in hand, and that this system be completed, if possible, not later than November 1, 1934; that on the completion of this standard accounting system, the Managing Director is hereby directed to have copies thereof prepared and sent to all member stations, if possible not later than December 1, 1934; that all member stations are advised to make the necessary adjustments in their accounting methods, so far as such adjustments may be found practicable, to bring their methods into conformity with the proposed standard systems."

Your committee recommends its adoption.

MR. LOUNSBERRY: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 9, from the Commercial Section:

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

Your committee recommends its adoption.

MR. PATT: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Now we come to the next one of Arthur Church's resolutions. This one is split. There are five sections in it. I will read the whole resolution but I think you may want to discuss it paragraph by paragraph.

Resolution No. 10:

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

"Resolved: That the National Association of Broadcasters hereby recommends to its members and to the industry:

1. That the units of sale be standardized as follows: one hour, one-half hour, quarter hour, five minutes, one minute transcriptions, one hundred words, half minute transcriptions, fifty words or less.
2. That all quantity discounts be given within a period of one year, with discounts retroactive to the first broadcast within that year, discounts to apply within the same time classifications.
3. That operating companies or holding companies operating more than one subsidiary be permitted to buy under a group plan allowing discounts for each of the separate companies under a blanket order to apply even if more than one agency is involved in placing time.
4. That all stations put on their rate cards, in addition to the regular standard units of time, under a separate heading called 'special service features,' such features as time signals, weather reports, sports events, participation programs and any other service features, with an adequate description of what the individual station allows.
5. That no station quote quantity discounts on consecutive times other than 13, 26, 52, 100, 150 and 300."

Your committee presents that resolution without recommendation.

MR. PATT: I move its adoption.

MR. CARPENTER: I second it.

CHAIRMAN SHEPARD: Do you want to adopt it as a whole?

W. W. SMITH (WTAM, Cleveland): Will you repeat the section about the time?

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

MR. CARPENTER: Mr. Chairman, is Arthur Church here? I'd like to say in connection with that that some of the members of the committee are here and I think probably it might answer some questions that might otherwise get into a lengthy discussion if I said that in these meetings attention was called to this: now, some stations may not quote on one minute and hundred word units. If you care to, it is perfectly all right but on no other classifications other than those mentioned. The reason it was made so complete was to bring it into conformity with the practices of the Committee on Cost Accounting.

CHAIRMAN SHEPARD: The Chair would like to step out of its position and recommend that a rate for two hours should be set up. That has been set up by both NBC and CBS at 1.6 times the hour rate. It isn't on the rate card but it is a period of time which might be readily figured as taking in a football or baseball game. I think if carried on the rate cards, it would avoid a lot of special quotations.

I put that out for what it is worth.

MR. BELLOWS: I may say that it was the feeling that while most of it was all right, there was a good bit of difference about some of the features and if voted on now, there might be some dissatisfaction afterwards. We haven't anything for or against it except we know there is a lot of difference of opinion on it. It is easy to get a vote on the thing now and then when you consider it afterwards, think otherwise. We thought it might be better to have it prepared and sent out to the members.

CHAIRMAN SHEPARD: That was done in the report of the Commercial Committee. That meeting was held about three months ago and everybody received a copy.

MR. BELLOWS: We have no criticism except we feel if you vote on it now, you may not know what you are voting.

MR. PATT: As a member of that Commercial Committee, I want to say we have had three meetings and spent a lot of time hashing over this resolution and a good many others. There is a good deal of difference of opinion even in the committee regarding this resolution but I think it represents some progress. Some do not want one minute transcriptions, one hundred words, half minute transcriptions and fifty words or less. But, there are so many stations that have those rates that we didn't want to go on record disapproving those but rather allowing them. A year or two from now we may be able to eliminate one or two of these things.

We discussed it back and forth in New York and at the two meetings here. The committee has become practically one mind on it and we would like to have you pass on it.

MR. CARPENTER: I would also like to say that this does not make it mandatory that all stations do this—it requests them—and will result in greater uniformity than in the past. I don't feel that it is an irrevocable step.

CHAIRMAN SHEPARD: What do you think of two hours?

MR. CARPENTER: My opinion is it would help in such special features as you refer to but I believe the idea is so new that the matter should be left open and those that care to quote on two hours, can do so.

CHAIRMAN SHEPARD: I understand NBC did it as far as a year ago on the operas. I think the idea is if you do that, you avoid a lot of specials.

DR. LEON LEVY: I could see a lot of objections to passing this in the form of a resolution, due to the fact that a lot of the members are absent and as suggested by Mr. Bellows, this may be done in a hurried manner. Inasmuch as there is a lot of doubt as to whether anybody follows these plans, I would rather see this in the form of a recommendation from the Commercial Committee and not in the form of a resolution.

CHAIRMAN SHEPARD: It has been turned in in the form of a resolution. Unless amended, we ought to vote on it that way. It can be broken up, if anybody wishes.

DR. LEON LEVY: It should be passed as a recommendation and not as a resolution. Mr. Bellows is reading it as a resolution.

CHAIRMAN SHEPARD: It says "recommends."

MR. BELLOWS: I think Dr. Levy's point is that as a resolution, it carries a lot of weight and indicates it is the will of the mem-

bers of the Association, if we pass it. Dr. Levy's point is what we considered. This is a recommendation of the Commercial Committee and not of the Association and if this thing can be referred back to the Commercial Committee with the suggestion that they get it out as their recommendation, the same end will be obtained and the individual members of the Association won't be put in the ridiculous position of having voted on a recommendation and then turning around and doing something else if they want to.

DR. LEON LEVY: That is exactly what I mean.

MR. BELLOWS: It has to be in the form of a resolution to be presented in the report of this committee, the Resolutions Committee.

CHAIRMAN SHEPARD: Any further discussion?

MR. CARPENTER: There are some who think the Commercial Committee have done a lot of talking and accomplished nothing. I tell you it was real work to get that uniform thing out of the committee and have it brought to the convention, and if the convention says "no," our work is in vain.

CHAIRMAN SHEPARD: We haven't said "no."

DR. LEON LEVY: The convention isn't saying "no." It is a question of formality—whether this should come out as a resolution or a recommendation.

MR. CHURCH: Mr. Chairman, I was afraid that this point would come up when the original resolution was drafted and I used the word "recommendation" a lot of times for that reason. And, just for the purpose of getting that before the body a little more clearly, perhaps I should re-read part of it in the way in which the Commercial Committee brought it to the Resolutions Committee. Mr. Bellows, in his usual splendid, meticulous manner, made a real resolution of this. But, I was rather afraid this would come up and purposely read my recommendations yesterday in this way:

"WHEREAS, there is a need in the broadcasting industry for further standardization of units of sale and rate card practices, therefore  
"Be It Resolved: That the NAB approve the following recommendations to the members and to the industry:

"1. It is recommended to standardize units of sale as follows: one hour, one half hour, quarter hour, five minutes, one minute transcriptions, one hundred words, half minute transcription, fifty words or less.

"2. It is recommended that all quantity discounts shall be given within a period of one year with discounts retroactive to the first broadcast within that year, and discounts shall apply within the same time classifications," and so forth and so on.

And, if you recall, I recommended yesterday the five recommendations. We must either pass the resolution or refuse it—its passage as the Resolutions Committee brought it before us. But, if we adopt it, we have adopted recommendations to the industry.

MR. BELLOWS: Mr. Church, that is exactly what this resolution says: "the NAB hereby recommends to its members and to the industry," and gives the list of recommendations. The point of issue is whether the NAB does it or the Commercial Committee. I think that is the whole point. This was presented as a resolution to be acted on by this body. That is the one question that is up now—who does it.

CHAIRMAN SHEPARD: Any further discussion? Are you ready for the question?

(The motion was put to vote. The vote was in doubt. A rising vote was taken. The vote was: 17, for; 18, opposed.)

CHAIRMAN SHEPARD: I vote "aye." (Laughter.)

MR. CARPENTER: I call for another vote.

MR. HEDGES: I call for a division.

CHAIRMAN SHEPARD: If we had a substitute motion that this be put out as a recommendation of the Commercial Committee, would that satisfy both sides?

DR. LEON LEVY: I make a motion that the resolution be referred to the Commercial Committee to be put out as a recommendation from the Commercial Committee.

CHAIRMAN SHEPARD: Do you hear that, Mr. Church?

MR. CHURCH: I heard the motion. I wouldn't second it.

DR. LEON LEVY: The idea in making this motion is so that we don't hack down and refuse to abide by it. In this way it has the backing of NAB but not as a resolution. At the same time, it gives approval to the action of the Commercial Committee.

MR. CISLER: I'll second the motion.

DR. LEON LEVY: It is merely that the membership advises the Commercial Committee that its recommendation be put out as such from this committee.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 11 is from the Commercial Committee:

*Resolved:* That the National Association of Broadcasters recommend to all broadcasting stations the use of standard time exclusively for all radio programs."

Your Resolutions Committee reports this with a unanimous feeling that it can't be done and should not be adopted.

DR. LEON LEVY: I would like an explanation of that.

MR. CHURCH: I prefer that the mover of the motion discuss it. This was moved by Mr. Maland and seconded by Mr. Fox.

J. LESLIE FOX (WGAR, Cleveland): I think the motion as stated was very clear.

DR. LEON LEVY: You think it very clear. I ask how many understand it. If they want it explained, all right. If I am the only one who doesn't understand it, I can talk with you privately.

CHAIRMAN SHEPARD: I would judge it refers to rate. . .

MR. FOX: The idea of the motion, which Mr. Maland made and which I seconded, was to do away with this twice-a-year upset we have in the business. That was the principal thought. I don't believe the question of rates was discussed. In view of that, I think the motion does need discussion.

DR. LEON LEVY: If you change to daylight time, it is current local time.

MR. FOX: The trouble is that there are so few cities that are changing time that it throws the rest of the country out of gear. That was the thought behind it.

DR. LEON LEVY: If you lived in a daylight saving town, you might see the implications.

HARRY BUTCHER (WJSV, Washington, D. C.): We made a survey through the Census Bureau about two years ago and found in the eastern time zone, three-fifths of the population of that zone live on daylight saving time and the other two-fifths, about 20,000,000 people, live on standard time. So, three-fifths live on daylight saving time and two-fifths on eastern standard in that zone. We didn't go beyond the eastern zone.

MR. CARPENTER: You were wise. (Laughter.)

MR. PATT: I'd like to speak in favor of the resolution. For all these years we have been confronted, those of us who are in cities that are on standard time the year round, with changing schedules, upsetting network schedules and local advertising schedules because of this change in time.

We find a great many advertisers drop off at the end of the so-called standard time period and don't come back until standard time starts in the fall. It has been a headache for people in cities running on standard time and we think the statistics probably are that in the eastern, central, mountain and Pacific time zones, there must be 95 per cent on standard time with only 5 per cent on daylight saving time. The only city in the central zone on daylight saving time is Chicago. St. Louis, Denver, Kansas City, all of Ohio and a big part of Pennsylvania are on standard time.

EARL H. GAMMONS (WCCO, Minneapolis): We have this difficulty every year, this general upset. Some years it has cost us several thousand dollars to make the change. New York sticks to its time and Chicago sticks to its time. We tried to get around it and get daylight saving time but we found there is a law in Minnesota that prohibits daylight saving time in Minnesota. As I see it, the only thing to do is take it to Congress. While it is an inconvenience, it is a waste of time to take it up here.

MR. FOX: Might I suggest that Mr. Gammons brought up a subject which was discussed by the committee. It would be a very fine thing to have Congress make a time allocation. Nobody would care whether it was standard or daylight saving time.

But, in view of the fact the Commercial Committee couldn't do that, this resolution was passed in the Commercial Committee and I think it was the consensus of opinion of the majority that if anything could be done that would do away with this twice a year upset we have, either through the Association or through Congress, it would benefit the industry.

CHAIRMAN SHEPARD: This doesn't do away with the upsets; it merely shifts it from the stations and makes the same upset to the ones on daylight time. So, you still have the upset, isn't that right?

MR. FOX: Yes.

MR. CHURCH: As a matter of fact, I rose to speak on that point. Regardless of the populace served by daylight saving time, we members of the industry are interested in how our business are affected by daylight saving time. A majority of us are in locations that do not have daylight saving time. Daylight saving time has extended our summer period from the period we regarded as summer in the years gone by to a period now from

May through September—and that is a long summer. I heartily favor the motion.

CHAIRMAN SHEPARD: Are you ready for the question?

MR. CARPENTER: I would like to remark on one other phase. I don't believe it would be completely shifting the difficulty from one group to another. In cities that are affected, the railroads change their time and the same would apply to broadcasting.

MR. HEDGES: I might add in cities that are affected, your principal trains—the Century, Broadway and others operating between those cities—do change their schedules an hour. They do it in the railroad business and the same can be done here.

MR. BELLOWS: I'd like to say just one more word for this resolution as the Resolutions Committee looked at it. It seems it didn't accomplish what it intended. It says "recommend . . . the use of standard time exclusively for all radio programs." The problem of adjusting local programs to network schedules doesn't seem to be hit by this. This recommends that all broadcasting stations run on the same time and you get back to what Dr. Levy said—we can't see that any station is going to sell its local time where it has daylight saving time on a standard schedule.

MR. FOX: If I am not mistaken, that was to read "broadcasting companies" instead of "broadcasting stations."

MR. BELLOWS: This is the form in which it was presented to the Resolutions Committee.

MR. CHURCH: I don't remember that it was "broadcasting companies."

CHAIRMAN SHEPARD: Are you ready for the question?

(The motion was put to vote. The vote was in doubt. The motion was put to a rising vote. The vote was: 16, for; 23, against. The motion was lost.)

MR. BELLOWS: Resolution No. 12.

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

Your committee reports this without recommendation.

MR. CARPENTER: I move its adoption.

(The motion was seconded by several, was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 13, from the Commercial Committee:

"WHEREAS, the Code Authority regulations permit the granting of special rates with the sole proviso that these rates be filed with the Code Authority, and

"WHEREAS, it is the belief of the Commercial Committee that such special rates may be used as a means of making concessions contrary to the intent of stabilized rates provisions of the code,

*Be It Therefore Resolved:* That the National Association of Broadcasters petition the Code Authority to take steps to amend and clarify or to repeal its regulations permitting this practice."

This resolution is reported from your committee without recommendation.

CHAIRMAN SHEPARD: I would like to say a word on that. The Code Authority would be glad to have your recommendation. There is no objection on the Code Authority's part to having it.

MR. PATT: I move its adoption.

PHIL J. MEYER (KFYR, Bismarck, North Dakota): I second that motion.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 14-a.

*Resolved:* That the National Association of Broadcasters hereby reaffirms the resolution adopted at its 1933 convention referring to the elimination of announcements for electrical transcriptions produced especially for broadcasting, and directs the convention Resolutions Committee to draft an appropriate resolution for this purpose to be transmitted to the Federal Communications Commission."

I may say that Resolution No. 14-h is a draft prepared so that we would be ready in case you pass this resolution which is 14-a. On the other hand, the action is on 14-a. This is presented without recommendation.

MR. CARPENTER: I move its adoption.

(The motion was seconded by several.)

MR. PATT: Last year at White Sulphur, after considerable discussion, the convention passed a resolution asking the Federal Radio Commission to remove its requirements that broadcasters announce these electrical transcriptions. No action was taken by the Commercial Committee; simply suggesting that we reaffirm our resolution to the new Federal Communications Commission.

The chief argument given last year was that these programs cost a lot of money to produce and by tacking on that phrase, it causes a lot of good business to be lost to the stations.

MR. GAMMONS: I spoke against that resolution last year at White Sulphur and haven't changed my opinion in the last year—I am still against it.

In the first place, I have every reason to believe it is going to get us into difficulties with the American Federation of Labor.

Secondly, it is going to keep you more and more from selling live local talent.

Third, it is not going to help you maintain the individuality of your station.

Electrical transcriptions are good and they should not be ashamed of the title. As far as I know, we have never lost any business because of them. But, I am still against it.

CHAIRMAN SHEPARD: Anybody else want to speak? Are you ready for the question?

MR. CHURCH: Mr. Chairman, would it be well to read Resolution No. 14-h before the vote is taken?

MR. BELLOWS: I think it would be better to get the first resolution out of the way. Then you can act on Resolution No. 14-b any way you want. This merely reaffirms that—and then tells the Resolutions Committee to do something.

The motion was put to vote. The vote was in doubt. A rising vote was taken. The vote was: 33, for; 19, against. The motion was carried.

MR. BELLOWS: Your Resolutions Committee, assuming your action would be favorable, prepared the resolution it was told to, which is as follows. This is Resolution No. 14-h.

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

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

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

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

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

“*Resolved:* That the National Association of Broadcasters hereby respectfully urges the Federal Radio Commission to alter the existing regulations requiring that electrically transcribed programs made especially for broadcasting be so announced, so that such transcriptions may be announced merely as a production of the concern making such transcription.”

“*Resolved, further:* That the National Association of Broadcasters hereby directs its officers to bring this resolution without delay to the attention of the Broadcast Division of the Federal Communications Commission, and to take whatever steps may be necessary and practicable to secure prompt revision of the regulations in accordance with this resolution.”

The committee reports that without recommendation.

MR. CHURCH: Mr. Chairman, a year ago this motion was passed and the following words were added to the original resolution—and I am wondering whether this group may not wish to amend the motion made to strike out these words: “so that such transcriptions may be announced merely as a production of the concern making such transcription.”

I am not making a motion to that effect because it makes little difference to me which way our motion is reaffirmed but I do think it should be reconsidered from the standpoint it is possible to give one transcription organization a very great amount of

publicity by making this requirement that was added by us this last year.

MR. BELLOWS: I may say the resolution presented by the Commercial Committee specifically reaffirmed the resolution passed by the convention last year so we merely lifted the motion passed last year and stuck it in here. If you change it, that would require a reaffirming of that.

MR. CHURCH: That is why I raised the question—asking for information.

CHAIRMAN SHEPARD: Nobody has moved the adoption.

MR. HUBBARD: I move the adoption of the resolution presented by Mr. Bellows without the particular phrase about different transcription concerns, striking out that clause and adopting the resolution.

MR. CARPENTER: He refers to the clause starting with “so that.”

MR. BUTCHER: I second the motion.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Another resolution, Resolution No. 15:

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

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

Your committee presents this with considerable doubt as to what it means because the committee in considering the rates came to the conclusion that any merchandising effort involved some expense but we raised that one question regarding it.

CHAIRMAN SHEPARD: Mr. Church, do you want to speak?

MR. CHURCH: Yes, only because I agree with Mr. Bellows that the wording of this resolution is not as clear as it might be and I am sorry that Mr. Bellows didn't make it more clear in redrafting the motion.

This motion does not mean to discourage merchandising but it does mean, as I understand the committee's action, that where direct expense is involved in merchandising, that the advertiser pay for such expense and not the station pay such expense.

Practically every station maintains a merchandising department or service department or a department of that kind and has salaried employees for the servicing, the promotion of the account. Indirect expense is involved by the station. This motion, as I understand it, encourages the merchandising and that all direct expense incurred in merchandising be paid by the advertiser and not be given as a bonus by the station.

MR. PATT: In further clarifying that, I believe in discussing that in the Commercial Committee, we pointed out two or three illustrations. A radio station under this resolution could have one of its employees in the commercial department or the station manager address a sales meeting, for example, of an advertiser. That would be perhaps on the company's time. That would be considered as indirect expense and there would be no charge for that. Or, somebody might prepare a suggested letter to go to the trade but the letter itself and the postage would be paid for by the advertiser. That would be indirect expense. The sales promotion or merchandising department of some of the networks might prepare suggested types of newspaper copy which would accompany the radio program. The newspaper advertising, of course, would be paid for by the advertiser and, as suggested, might entail indirect expense on the station's part, to be borne by the station.

MR. HUBBARD: To save time, can't Mr. Bellows change that?

CHAIRMAN SHEPARD: “It says “as do not entail direct expense.”

MR. RUSSELL: Does that have any relation to the code at all?

CHAIRMAN SHEPARD: It does to this extent, I think. I am going by memory but I believe in the code you can not give any service to advertisers which might be construed as a bonus that is not available to other advertisers.

MR. RUSSELL: I merely raised the point because there has been that inference.

CHAIRMAN SHEPARD: I don't think this has been a violation of the code. I think it may strengthen it.

MANAGING DIRECTOR LOUCKS: The resolution as it stands is more or less a declaration of policy on the part of the Association. If it were to go to the Code Authority, the Code Authority would be required to adopt a formal provision in the code or reject it entirely. I doubt if the Code Authority or the Association have enough information to promulgate a suitable rule. However, I think a statement on the Association's policy would be helpful in eliminating a practice which might become very dangerous as time goes on.

ARTHUR J. KEMP (KHJ, Los Angeles): I was formerly in the newspaper business where this idea of merchandising originated and there is not one of them but would be very, very happy to get out from under the terrible outcome it will lead to. In merchandising, you start with a small thing and then your competitor does more and the first thing you know, you are in for \$35,000 or \$40,000 a year, and the management gets the damndest burning you ever got.

CHAIRMAN SHEPARD: This doesn't prohibit salary expenditures, am I correct?

MR. CHURCH: Yes.

MR. BELLOWS: Just one further word in explanation of the Resolutions Committee not recommending the adoption of this resolution, although we didn't recommend against it. We felt it is one of those things very easy to say and after you have said it, might sometime come back to plague you. On the other hand, we couldn't see that it would have very much effect if you didn't say it. We agreed it probably wouldn't do much harm or good but might come back to plague you sometime when you didn't want it. That is our only reason for not recommending the adoption.

MR. CARPENTER: Mr. Chairman, I disagree with Mr. Bellows and believe it will at least accomplish something. When a client wants you to get out 200 letters for him, if we have to spend money, we can say, "We're sorry but that is the same as a cut on your rate." It will do that much good at least, which is more than we have now.

MR. SHERWOOD: I think it is the sense of this meeting to thrash out our mutual views to our mutual advantage. Every one of us wants every resolution to mean something. If we vote here for this resolution or sit quietly by and don't vote for it and it comes home to roost, then we have only ourselves to blame and we have defeated the very object of this Association.

I oppose this on the ground that merchandising is a definite part of advertising in every medium. I do not feel that our industry has reached the point where it has worked out reasonable standards and it is premature to have a declaration of policy on a matter which many of us as individual stations have not settled on.

WALTER J. DAMM (WTMJ, Milwaukee): Mr. Chairman, Bill Hedges and I have been in the newspaper business and I believe he will agree with me that merchandising service is the most abominable thing you can get into. We'd like to get out and still aren't out after ten years. As Mr. Kemp said, you can start in a small way and in good faith, but you don't know where to stop and you don't know where the other fellow is going to stop. (Applause.)

MR. HEDGES: Mr. Chairman, having been somewhat responsible for the language of that resolution, I want to speak in its behalf. It was left in general terms because the merchandising set-up differs at stations materially. Where the stations have merchandising departments as such, it has not been regarded as a direct expense. However, our desire is to make a declaration of policy against something for nothing. Your station may be set up with a merchandising department. If not, undoubtedly your merchandising is done by your station manager and something has to be done for the advertiser. But, the advertiser has to be served notice by this industry that anything involving direct expense should be borne by the advertiser. I think it is somewhat dangerous to try to amplify the language and try to be specific. I believe the Code Authority is the place for that. I think it is a declaration of policy and a sound one.

CHAIRMAN SHEPARD: We haven't had a motion, on this resolution.

MR. GILLIN: I'll move to adopt.

MR. HEDGES: I'll second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: We have two resolutions which were handed in just before the meeting. Although they are different as to dates, I will read them together because they have to be discussed together.

Resolution No. 16-a.

"WHEREAS, The custom of the National Association of Broadcasters

to hold its annual convention during the fall months works a hardship on its members who find it difficult to leave their duties during one of the busiest seasons of the year, and

"WHEREAS, The conveniences and interests of the great majority of members would be best served by holding the annual convention during the early summer months,

"Therefore, Be It Resolved: That this convention direct its Board of Directors to schedule the 1935 convention during June or July on such dates considered best by the Directors."

The other is Resolution No. 16-b:

"Resolved, That annual meetings of the National Association of Broadcasters be held in the months of July or August."

Your committee has not had a chance to consider either because they came in late. I think the committee would be inclined to move 16-a—that is, the June or July.

MR. CARPENTER: I move its adoption.

MR. BELLOWS: That was moved by the committee.

MR. GILLIN: I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: The other one is dead on the face of it.

We have three resolutions presented by Mr. Schuette.

"Resolved: That the officers and directors of the National Association of Broadcasters be instructed to support the suit of the United States Government against the American Society of Composers, Authors and Publishers, the Music Publishers Protective Association and their affiliated defendants, to the end that royalties for the public performance of music may be determined by free and open competition among copyright owners."

The committee moves its adoption.

MR. SPENCE: I second the motion.

(The motion was put to vote, and was carried.)

MR. BELLOWS: Resolution No. 18, presented by Mr. Schuette:

"Resolved, That the National Association of Broadcasters hereby petition Congress to amend the existing copyright law by omitting the language which fixes the minimum innocent infringement penalty for the public performance of musical compositions at \$250 and attorneys' fees, leaving the Court free, in each instance, to fix such penalty as in its discretion the Court shall deem proper."

The committee moves its adoption.

MR. GILLIN: I second that.

(The motion was put to vote, and was carried.)

MR. BELLOWS: The third resolution presented by Mr. Schuette is Resolution No. 19:

"Resolved: That the Board of Directors of the National Association of Broadcasters be and it is hereby directed to organize a music pool, either by a reorganization of the Radio Program Foundation or otherwise for the purpose of obtaining for radio broadcasting stations the air rights to such music as may not otherwise be available or which may be made more readily available by such a pool, and to enlist the cooperation of all radio stations and their program departments in promoting the widest possible use of such music."

The committee recommends its adoption.

MR. SPENCE: I second the motion.

CHAIRMAN SHEPARD: Any discussion? What does that run into in the way of money?

MR. BELLOWS: It doesn't run into anything as it stands.

(The motion was put to vote, and was carried.)

MR. ROGERS: Mr. Chairman, I have a resolution I'd like to submit at this time.

CHAIRMAN SHEPARD: There are one or two more resolutions here that have been presented to the committee. Will you withhold yours for the time being?

MR. ROGERS: Then I'd like to submit it a little later.

CHAIRMAN SHEPARD: Before we complete the resolutions, The Chair would like to take just a moment at this time to report the results of the vote for Directors for one year.

The total number of ballots cast was 121. Necessary for election, 61. The following three all received more than the majority and are hereby declared elected: Stanley Hubbard, Harold Wheelahan and Powel Crosley. (Applause.)

At the start of this meeting, there was a resolution read and adopted but as there were very few present, I think it is only due the person that it is about to read it to a larger audience. It has already been adopted.

"Resolved, That the National Association of Broadcasters hereby expresses its cordial appreciation of the efficient, conscientious and able service rendered during the past year by its Managing Director, Mr. Philip G. Loucks, and its full approval of the manner in

which he has conducted the affairs of the Association's office." (Prolonged applause.)

Now, Mr. Bellows.

MR. BELLOWS: Two more resolutions. This resolution was submitted by Deane S. Kintner:

"WHEREAS, There has been presented at the Twelfth Annual Convention of the National Association of Broadcasters an exhibit of the new 'Crippled Children Broadcasting Chain,' comprising nearly one hundred stations which are using on the air the weekly Radio Bulletin issued by the International Society for Crippled Children, Elyria, Ohio, and

"WHEREAS, This bulletin is available to all stations without charge and consists of latest authoritative information to the public on the care, cure, education and prevention of crippled children.

"Be It Resolved: That the National Association of Broadcasters hereby expresses its interest in this new source of sustaining program material as still another type of public service which is being rendered by the broadcasting industry."

Your Resolutions Committee considered this and very regretfully suggest that it be not adopted simply because it opens the way to every known kind of request of this sort to the Association. While everybody has sympathy with this work, your committee feels it can not go on record supporting one thing of this kind without opening the way to all kinds of requests of this sort, so your committee recommends it be not adopted.

CHAIRMAN SHEPARD: You have heard the suggestion of the committee. Does anybody want to make a motion?

MR. WILLIAMSON: I move it be not adopted.

DONALD WITHCOMB (KPO, New York): I second it.

(The motion was put to vote, and was carried.)

MR. BELLOWS: The next is Resolution No. 8. I held this for the last.

"Resolved: That the National Association of Broadcasters hereby approves and adopts an amendment to the by-laws of said Association which was duly submitted to its members in advance of the meeting at which this resolution was adopted, as provided by said by-laws, said amendment being as follows:

"To repeal By-law No. 1, and substitute therefor the following:

"Effective October 1, 1934, quarterly dues shall be payable each January 1, April 1, July 1 and October 1, on the following basis:

"(a) Each member operating stations authorized to operate 40 hours or less per week shall pay a sum equal to one-third of the highest rate published by such member for one quarter hour of broadcasting time.

"(b) Each member operating stations authorized to operate 41 to 60 hours per week shall pay a sum equal to one-half of the highest rate published by such member for one quarter hour of broadcast time.

"(c) Each member operating stations authorized to operate 61 to 80 hours per week shall pay a sum equal to two-thirds of the highest rate published by such member for one quarter hour of broadcast time.

"(d) Each member operating stations authorized to operate 81 hours or more per week shall pay a sum equal to the highest rate published by such member for one quarter hour of broadcast time."

Your committee moves its adoption.

MR. DAMM: I second the motion.

CHAIRMAN SHEPARD: Any discussion?

(The motion was put to vote, and was carried.)

CHAIRMAN SHEPARD: That is the end of the committee's report.

CLARENCE W. HAYES (WHBC, Canton): I have a resolution I should like to present to the convention.

CHAIRMAN SHEPARD: The rules under which this convention is run, which were written by the Executive Committee, clearly state that all resolutions must be presented in writing. The Chair can not recognize any resolution not in accordance with those rules.

MR. HAYES: This does not have anything to do with the activities of the Association.

CHAIRMAN SHEPARD: I am sorry but you are out of order. We will be glad to receive it if you pass it up in writing.

The Chair would once again like to call your attention to the fact that there will be a code meeting in this room tomorrow morning at ten o'clock. I hope you will plan to stay over and be present.

(President McCosker took the chair.)

ARTHUR C. PRITCHARD (WWL, New Orleans): Mr. Chairman, a point of order. The Chairman just ruled that a resolution could not be presented because it was not submitted in writing.

I don't believe he understood what the gentleman wanted to present. This resolution pertains to the death of a member.

PRESIDENT McCOSKER: Is this a message of condolence?

MR. HAYES: Yes.

PRESIDENT McCOSKER: I don't like to reverse the ruling of my predecessor but I believe we should consider a message of condolence.

MR. HAYES: Mrs. Melrose of Station WJAY was here at the convention. As you may know, Grant Melrose died about a week ago and I think it would be fitting for the convention to send some message of condolence.

MR. HUBBARD: Let's have it put in the form of a resolution and include Pat Convey and all others who have passed on.

MR. GILLIN: I second the motion.

(The motion was put to vote, and was carried.)

PRESIDENT McCOSKER: The installation of officers suggests to me both a pleasant and unpleasant duty.

Before asking these gentlemen newly elected to come to the stage, I want to take just a moment to say a very sincere and very personal word of thanks to you all first for the honor that was conferred upon me two years ago and continued last year and, secondly, I want to say a very sincere word of thanks not merely of polite speech but one which I feel very earnestly and very deeply to the associates I have had in office. Their help has been invaluable; it has been continuous and it was spontaneous. And, in view of the fact that the only fellow I ever knew who got any place alone said "We" in naming his plane, I feel that any progress that has been made has been made merely with my assistance and not on my own initiative by any means.

Now, I think sign-off speeches should be short. I want you to know that while I am not continuing in office, I am continuing as a member of the Board of Directors and I will make an effort to exert what influence and effort I may be able to be permitted to exert, due to my regular activity at WOR, but this is in no sense a sign-off of interest—it is merely passing out of the presidency.

Thank you.

(The convention arose and applauded.)

PRESIDENT McCOSKER: I would like to have the newly elected officers and newly elected members of the Board of Directors, please, come forward.

Mr. Loucks impressed upon me the informality which has characterized the installation of officers and I wouldn't depart from that informality. That is not my intent. I do want to say a word, however, about Mr. J. Truman Ward who is succeeding to the presidency. I have known Mr. Ward more by observation than by intimate contact. I would have preferred to have had a great deal more contact with Mr. Ward than I have had but such contact as I have had in the last several years as an associate on the Board of Directors leads me to say very sincerely that I think we are all to be congratulated on his election to the presidency and his acceptance thereof. He is an earnest, intelligent, high class gentleman, in my opinion. He is Vice President of the Life and Casualty Insurance Company of Nashville, Tennessee, and Executive in Charge of WLAC since its inception in 1926. He is a native of Nashville, a man who worked up through the ranks, commencing as agent for the insurance company in 1922. He was elected a member of NAB in 1929 and has signalized his residence in Nashville by a tremendous amount of civic endeavor, and I am very, very happy to present him to you as the new President.

(The convention arose and applauded.)

PRESIDENT-ELECT WARD: Mr. Chairman, ladies and gentlemen, and members of the National Association of Broadcasters: I assure you that I appreciate more deeply than I can tell you the confidence which you have bestowed in me by your action yesterday and by the honor which you have paid me. I want you to know, however, that I will not rest upon the honor or take too lightly the obligation which has been placed upon me. I fully realize the pressing problems of the Association. I fully realize that the Association is larger than any individual or any group within the Association. It will be my purpose to work for the Association. So far as I know, I was not nominated or elected by any individual, any group or any clique either within or without the Association. I pledge you that, that being true, I will work to the best interests of the Association to the very best of my ability.

I fully appreciate also the responsibility which I have in following in the footsteps of your former President, Mr. Alfred J. McCosker. His success in office, the way in which he has led the Association through the trying problems which he has faced during the past two years, is indeed commendable and I fully realize that

my job, if anything, is made all the more hard by attempting to follow in his footsteps.

I deeply appreciate that which he has said of me and I can certainly return it of him 100 per cent. He has my highest respect and in filling the office of President of this Association for the next year, I am not only going to need his assistance but that of my fellow officers and members of the Board of Directors and every one of the members of the Association.

Again I pledge to you to work at all times in your best interest. I am going to take this job seriously. I have no axe to grind. I have no selfish motive. My only purpose is to do the best I possibly can for you and for the Association.

Again let me express to you my appreciation of the position you have given to me and I pledge to you my very best efforts.

(The convention arose and applauded.)

PRESIDENT-ELECT WARD: Thank you, gentlemen. I am now going to present to you our First Vice President. He needs no introduction to this group. Mr. Lambdin Kay of WSB, Atlanta, Georgia—"Covers Dixie like the dickens."

LAMBDIN KAY (WSB, Atlanta): I am grateful for the kindness of the members in electing me to this office. I don't know whether there are any degrees of merit in the vice presidency but I will attempt to qualify as the most silent Vice President you have had in the history of NAB.

PRESIDENT-ELECT WARD: I am sorry Mr. Myers our Second Vice President, is not in the audience. Mr. Myers has worked diligently as a member of the Association. He was very active on the Board last year although he lives on the far West Coast in Portland. He has come to all of our meetings, has supported the Board and members of the Association most actively, and I am sure he is going to make a most worthy Vice President of your Association.

I do not see Mr. Ike Levy, but certainly he needs no introduc-

tion to the members of this Association. His work is well known to you all.

And now, the new members of the Board for the three-year term. Of course, you know Mr. McCosker. Mr. Leo Fitzpatrick is not present on the platform and I do not see him in the room. Mr. Harry C. Butcher is the Manager of Station WJSV, Washington. (Applause.) Mr. John Gillin of WOW, Omaha. And, Mr. Gordon Persons of WSFA, Montgomery, Alabama.

Now, those elected for the one-year term are Stanley Hubbard of KSTP, St. Paul; Mr. Wheelahan of WSMB, New Orleans; and Mr. Powel Crosley of WLW, Cincinnati, who, unfortunately, is not with us this afternoon.

I am sure the various members of this Board are going to give me their fullest cooperation and that we are all going to work for you in your best interests.

Is there any further business to come before the meeting before adjournment?

#### ANNOUNCEMENTS BY MR. SPENCE

DIETRICH DIRKS (KFAB, Lincoln, Nebraska): Ed Spence has contributed largely to the pleasure of this convention. I think we should give him a rising vote of thanks.

(Rising vote of thanks to Ed Spence.)

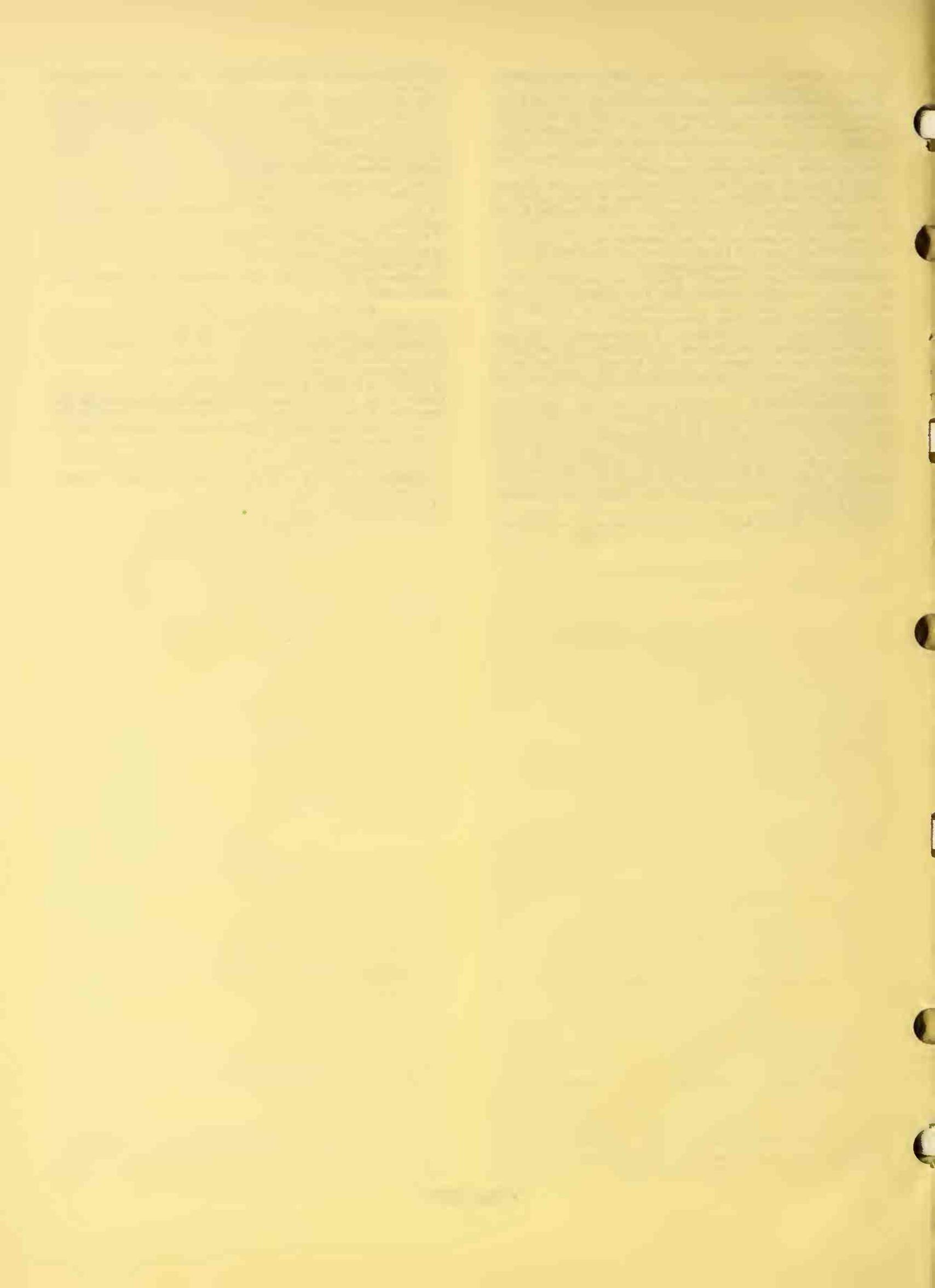
PRESIDENT-ELECT WARD: Certainly no one has contributed more to the success of this meeting than has Mr. Ed Spence and I want to tell you it is more or less a thankless job, and he has done everything to make this one of the most successful conventions we have ever had.

#### ANNOUNCEMENTS.

PRESIDENT-ELECT WARD: If there is no further business, a motion to adjourn is in order.

The meeting adjourned at 4:10 o'clock.

ADJOURNMENT SINE DIE



# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### BROADCAST ADVERTISING IN OCTOBER

#### Developments of the Month

**B**BROADCAST advertising volume in October was the most encouraging in recent months. Total time sales amounted to \$7,377,084, a gain of 39.3% above September. Regional networks continued their remarkable growth of business of recent months, while national network volume rose 77.0% as against September. National spot broadcast advertising increased 60.0% during the month, and local volume 27.8%.

#### Comparison with 1933

Broadcast advertising during October of the current year was 28.5% greater than during the same period of 1933. National network advertising was 39.5% greater than during the same period of last year. Regional network advertising was materially higher in volume, while national spot business showed an increase of 17.3% over last October. National network advertising during the current month totaled \$4,527,002, a figure 5.5% greater than March, 1932, the previous peak of network advertising.

Following an unfavorable showing in recent months, local broadcast advertising in October finally exceeded that of the same period of the preceding year, rising to 7.0% above October, 1933.

If present trends are maintained, which seems probable, total broadcast advertising for the year should be approximately 15% greater than 1933, though still somewhat below the 1931 high for the medium.

#### Comparison with Other Media

National magazine advertising in October was 14.7% greater than in the preceding month, and 12.5% higher than in October, 1933. National farm paper advertising

showed a 5.0% increase over September, but remained at approximately last year's level. Newspaper advertising was 13.0% above September volume, and 2.7% higher than last year.

#### Other Trends of the Month

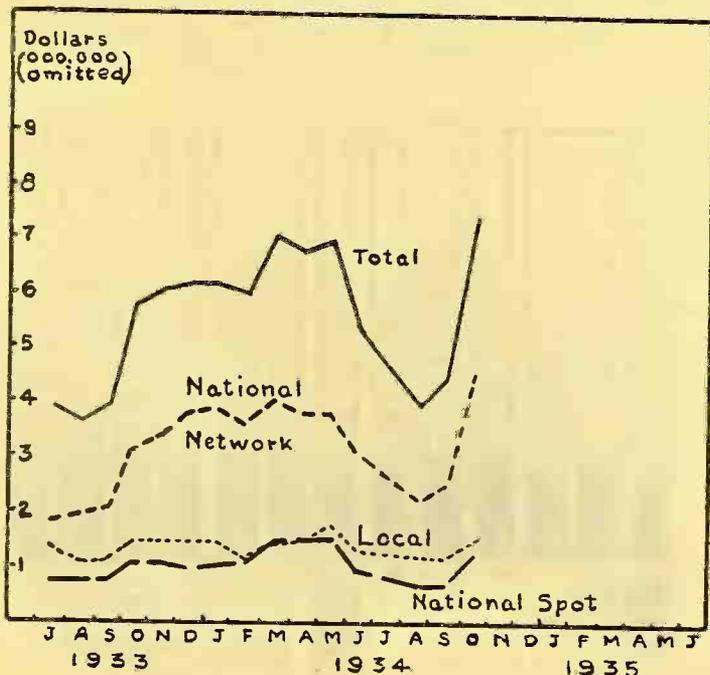
Regional stations showed the greatest increase in business during the month, experiencing a gain of approximately 50% over September. Clear channel and high powered regional non-network volume was 2.0% above October, 1933, regional volume 24.5% higher, and 100-watt station volume 7.6% greater. All sections of the country gained materially in non-network advertising. The New England-Middle Atlantic area volume was 52.6% above October, 1933. Southern advertising was 10.0% greater, Mountain and Pacific advertising 3.6% above the same month of last year, while a slight recession occurred in the Middle West.

All forms of rendition gained materially over the preceding month. National spot live talent broadcasts were 61.1% greater than last October, and local live talent volume was 33.9% higher than last year. National spot announcement volume showed a decline of 17.2% as against the same period of 1933, while record volume declined materially. Electrical transcription business and local announcements remained at approximately the October 1933 level.

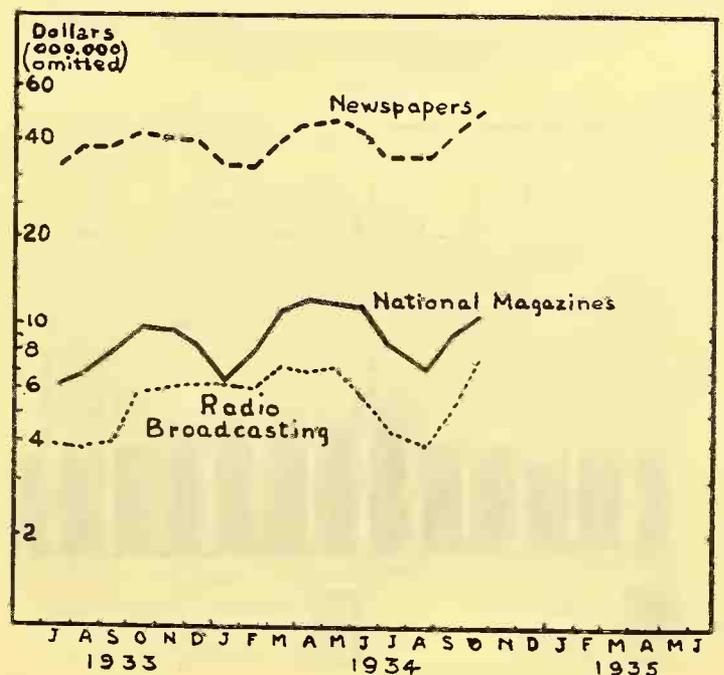
#### Broadcast Advertising Sponsors

Marked increases in broadcast advertising occurred in most industrial groups as compared with the preceding month. In the national network field heaviest increases occurred in the automotive, drug, cosmetic, food, confectionery, radio and tobacco lines. The most important national spot increases took place in drugs, clothing, food, radio and tobacco. Local advertising increased most

RADIO BROADCAST ADVERTISING VOLUME  
July, 1933, to June, 1935

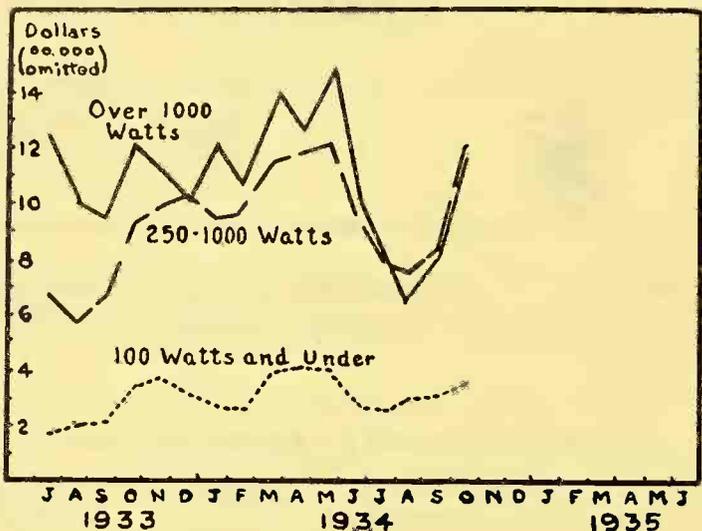


ADVERTISING VOLUME MAJOR MEDIA  
July, 1933, to June, 1935



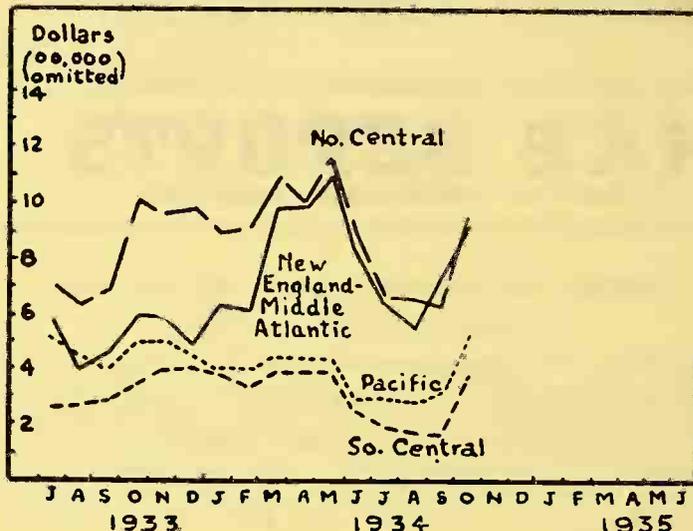
**NON-NETWORK ADVERTISING BY STATION POWER**

July, 1933, to June, 1935



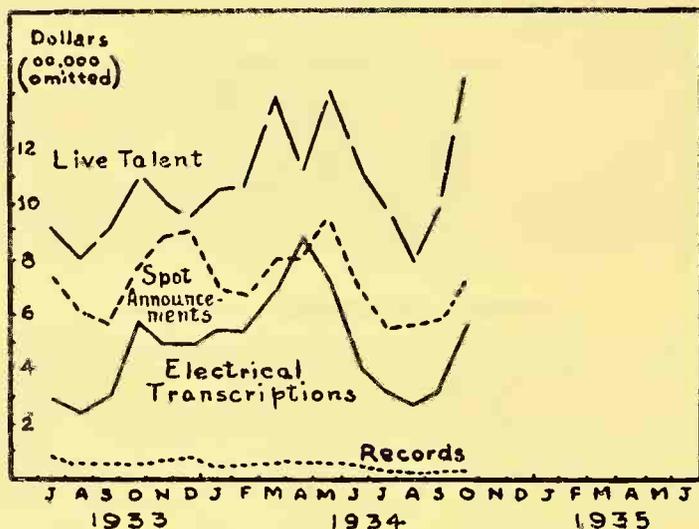
**NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS**

July, 1933, to June, 1935



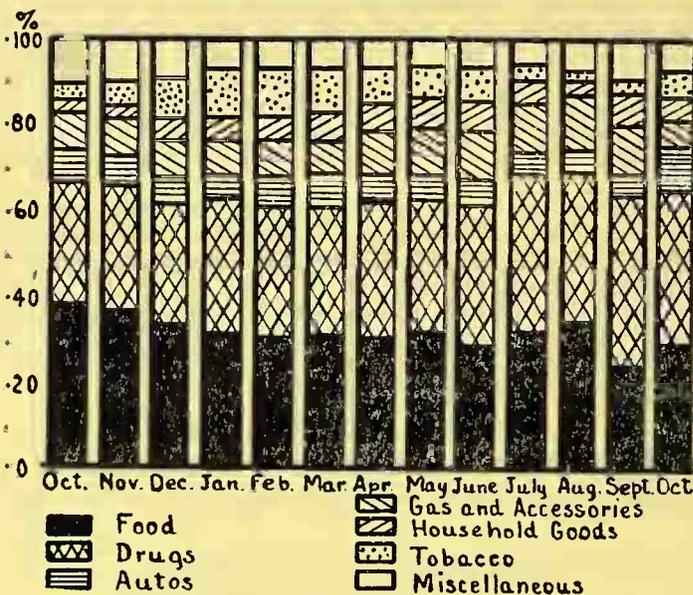
**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

July, 1933, to June, 1935



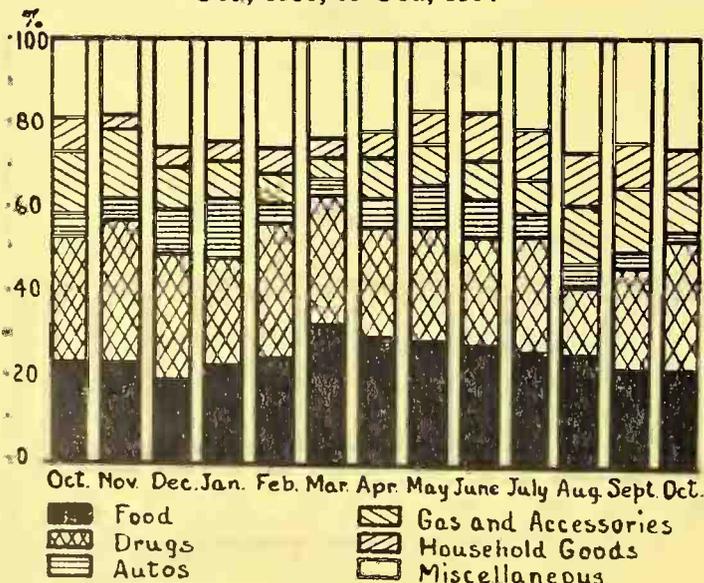
**NATIONAL NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Oct., 1933, to Oct., 1934



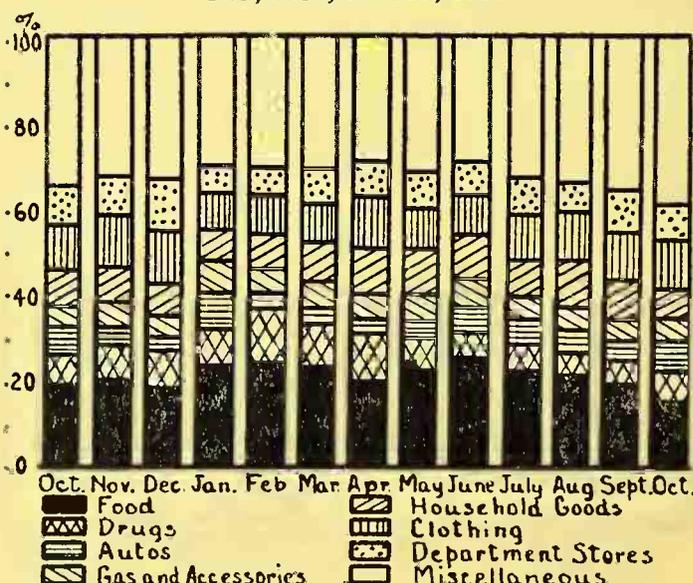
**NATIONAL SPOT ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Oct., 1933, to Oct., 1934



**LOCAL ADVERTISING BY TYPE OF SPONSORING BUSINESS**

Oct., 1933, to Oct., 1934



markedly in the automotive accessory and gasoline, cosmetics, and radio fields. Network household equipment advertising and national spot automotive and cosmetic volume were among the few fields to experience decreases.

As compared with October, 1933, the following increases are of especial importance in the national network field: Automotive advertising practically doubled, drugs up 60.0%, cosmetics 60.0%, food 23.5%, household equipment nearly double, soap and kitchen supplies 26.0%, and tobacco more than doubled. In the national spot field, the following increases occurred: Drugs 67.5%, food 23.0%, beverages 68.8%, soap and kitchen supplies 26.0%, and tobacco practically quadrupled. Local increases were as follows: Accessories 33.3%, clothing 31.5%, beverages practically doubled, radio the same.

More detailed information regarding various sponsor groups is as follows:

1a. *Amusements.* Decrease 19.0% as against September. Lower than same month last year by 56.0%. Local volume responsible.

1. *Automobiles.* National network volume double September, national spot 10.0% less, and local up 32.0%. National network volume also double 1933, with national spot 45.4% less and local 36.4% under last October.

2. *Accessories, gasoline and oil.* National network 24.4% above September, regional network volume 76.4% higher, national spot up 13.0%, and local volume up 40.0%. Compared with October, 1933, national networks 9.9% more, regional up five-fold, local up 33.3%, and national spot down 12.5%.

3. *Clothing.* Compared with September, national networks even, spot up 90.0%, and local 27.0%. Networks 10.0% under 1933, spot 7.5% lower, and local up 31.5%.

4. *Drugs and pharmaceuticals.* Networks 66.1% above previous month, national spot double, and local volume up 42.0%. Networks 60.0% above same month 1933, regional volume down, local 21.1% under, and national spot 67.5% over.

5. *Cosmetics.* National network 40.9% above September, local up 85.0% due mainly to what seems to be local manufacturer brands, and spot down 21.6%. Compared with October of last year, networks up 60.0%, local double and spot down 65.0%.

6. *Foodstuffs.* National networks double September, spot up 70.0%, and local up 7.1%. Regionals six times October 1933, national networks up 23.5%, national spot up 23.0%, and local down 28.6%.

7. *Beverages.* National networks 30% over preceding month, regional networks four times higher, national spot up 46.6%, and local no change. Networks 34.0% under October 1933, regionals six times better, local double, and national spot up 68.8%.

8. *Confectionery.* October national network increased to \$170,000 from \$9,000 September level. All other forms gained also. National networks 30.0% above same month last year, regionals ten times better, national spot half as much as last year, and local 40.0% as much.

9. *Household equipment and appliances.* As compared with September, national networks down 13.3%, local even, and

national spot up 10.0%. As compared with same period 1933, national networks up by nearly 100.0%, national spot volume 27.0% greater, and local advertising up 11.0%.

10. *Soap and kitchen supplies.* National spot volume 60.0% above previous month, national network down 7.6%, and local even. Compared with 1933, national network doubled, national spot up 26.0%, and local down 50.0%.

11. *Insurance and financial.* Marked increases in all fields over September. National spot triple same period last year, national network 39.0% under, and local 46.0% under.

12. *Radio.* All fields practically double the preceding month. Compared with October last year, national networks up 50.0%, and national spot and local practically tripled.

13. *Department and general stores.* This type of advertising 10.0% above preceding month, and 19.1% greater than same period of 1933.

14. *Tobacco.* Marked increase in network advertising over the month, with some gain in national spot volume. Network volume double same period of preceding year, and national spot volume four times last October level.

15. *Miscellaneous.* Marked increase along all lines, both over preceding month and October 1933. Seems to mark return of wider sponsorship to radio advertising.

*General Retail Advertising.* General retail advertising was 24.0% above September, and 10.0% greater than during October 1933. All forms of retail advertising increased in September with exception of beauty shops, restaurants, and hardware stores. Principal gains over same period last year include the following: gasoline stations and accessory shops 55.0%, clothing and apparel stores 20.0%, drug stores doubled, beauty parlors increased materially, electric appliance stores 44.0%, furniture stores 26.0%, hardware stores 20.0%, and radio dealers practically tripled.

Decreases occurred in retail automotive advertising to the extent of 23.0%, and in restaurant volume to a 75.0% degree.

#### Business Conditions

General business continues the gradual improvement noted in the past month. The *New York Times* index of business activity has remained at approximately 76.0% for the past month, while several other indices have shown slight increases. The *Times* index is 4.0% above the same period of last year.

Prices have remained comparatively steady during the period, while industrial production has shown some gains. November iron production, according to *Iron Age*, increased about 4.0%, and though 11.0% lower than in November 1933, was 51.0% greater than in 1932. Cotton cloth production amounted to approximately 125,000,000 yards per week for the past month, the highest level reached since last spring.

Automobile sales were approximately 10.0% higher than during October of the preceding year, while department store sales were 7.0% above the 1933 level for the period. Freight car loadings were about equal to last October, following a slight decline as compared with the preceding month, contrary to the usual seasonal trend. Rural grocery chain sales decreased slightly. Employment and pay-rolls were about the October 1933 level. On the whole, business seems somewhat steadier than it has been in some time.

### RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS (October, 1934)

Type of Sponsoring Business	National Networks	Regional Networks	National Spot	Gross Receipts	
				Local	Total
1a. Amusements	—	—	\$1,033	\$30,080	\$31,113
1-2. Automobiles and Accessories:					
(1) Automobiles	\$515,256	—	27,810	54,000	597,066
(2) Accessories, gas and oils	326,153	\$24,805	126,175	84,000	561,133
3. Clothing and apparel	41,707	1,064	37,865	164,603	245,239
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	571,341	1,145	331,080	72,100	975,666
(5) Toilet goods	913,924	1,146	46,745	37,230	999,045
6-8. Food products:					
(6) Foodstuffs	888,642	25,698	224,050	154,215	1,292,605
(7) Beverages	252,783	9,600	46,690	66,444	375,517
(8) Confections	170,043	2,880	21,880	2,750	197,553
9-10. Household goods:					
(9) Household equipment and furnishings	26,078	2,267	46,900	116,000	191,245
(10) Soap and kitchen supplies	196,489	436	64,750	6,913	268,588
11. Insurance and financial	57,202	2,675	29,400	38,850	128,127
12. Radios	95,426	—	6,783	22,056	124,265
13. Retail establishments	—	—	2,783	129,263	132,046
14. Tobacco products	315,920	1,712	16,290	750	334,672
15. Miscellaneous	156,038	22,536	220,780	523,850	923,204
<b>Total</b>	<b>\$4,527,002</b>	<b>\$95,964</b>	<b>\$1,251,014</b>	<b>\$1,503,104</b>	<b>\$7,377,084</b>

**TOTAL BROADCAST ADVERTISING VOLUME**

Class of Business	1934 Gross Receipts		
	September	October	Cumulative Jan.-Oct.
National networks.....	\$2,560,657	\$4,527,002	\$33,830,105
Regional networks.....	57,948	95,964	546,796
National spot business.....	781,903	1,251,014	11,009,653
Local broadcast advertising...	1,175,715	1,503,104	13,092,452
<b>Total</b> .....	<b>\$4,576,223</b>	<b>\$7,377,084</b>	<b>\$58,479,006</b>

**ADVERTISING VOLUME BY MAJOR MEDIA**

Advertising Medium	1934 Gross Receipts		
	September	October	Cumulative Jan.-Oct.
Radio broadcasting.....	\$4,576,223	\$7,377,084	\$58,479,006
National magazines <sup>1</sup> .....	9,548,298	10,953,263	97,200,092
National farm papers.....	431,957	453,947	4,385,591
Newspapers <sup>2</sup> .....	39,929,000	45,079,568	397,327,718
<b>Total</b> .....	<b>\$54,485,478</b>	<b>\$63,863,862</b>	<b>\$557,392,407</b>

<sup>1</sup> National magazine totals are for 108 periodicals, prepared by Publishers' Information Bureau, Inc., from which source national farm papers and networks are also taken.

<sup>2</sup> Estimated.

**RETAIL ADVERTISING OVER INDIVIDUAL STATIONS  
(October, 1934)**

Type of Sponsoring Business	Gross Receipts	
	September	October
<b>Automobiles and accessories:</b>		
Automobile agencies and used car dealers...	\$41,906	\$54,435
Gasoline stations, garages, etc.....	34,586	60,307
Clothing and apparel shops.....	134,130	171,900
<b>Drugs and toilet goods:</b>		
Drug stores.....	7,857	22,208
Beauty shops.....	7,208	5,840
<b>Food products:</b>		
Grocery stores, meat markets, etc.....	35,938	40,420
Restaurants and eating places <sup>1</sup> .....	16,035	15,605
Beverage retailers.....	280	915
Confectionery stores, etc.....	670	2,150
<b>Household goods:</b>		
Household equipment retailers <sup>2</sup> .....	26,060	32,180
Furniture stores.....	46,150	53,095
Hardware stores.....	13,065	10,820
Radio retailers.....	6,540	21,750
Department and general stores.....	120,334	132,046
Tobacco shops.....	—	365
Miscellaneous.....	59,050	58,190
<b>Total</b> .....	<b>\$549,809</b>	<b>\$682,226</b>

<sup>1</sup> Exclusive of hotels.

<sup>2</sup> Such as electric refrigerators, oil burners, sweepers, furnaces and the like.

**NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION**

Power of Station <sup>1</sup>	1934 Gross Receipts		
	September	October	Cumulative Jan.-Oct.
Over 1,000 watts.....	\$821,938	\$1,232,108	\$10,881,578
250-1,000 watts.....	851,180	1,167,540	9,974,681
100 watts.....	284,500	354,470	3,245,846
<b>Total</b> .....	<b>\$1,957,618</b>	<b>\$2,754,118</b>	<b>\$24,102,105</b>

<sup>1</sup> This includes high-powered regional and clear channel stations ranging from 5 kilowatts upwards in power.

**NON-NETWORK BROADCAST ADVERTISING BY GEOGRAPHICAL DISTRICTS**

Geographical District	1934 Gross Receipts		
	September	October	Cumulative Jan.-Oct.
New England-Middle Atlantic Area.....	\$758,314	\$916,418	\$8,149,295
South Atlantic-South Central Area.....	172,976	381,490	3,124,309
North Central Area.....	663,661	939,210	8,964,782
Pacific and Mountain Area...	362,667	517,000	3,863,719
<b>Total</b> .....	<b>\$1,957,618</b>	<b>\$2,754,118</b>	<b>\$24,102,105</b>

**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

Type of Rendition	1934 Gross Receipts						Cumulative Jan.-Oct.
	National Spot		Local		Total		
	September	October	September	October	September	October	
Electrical transcriptions.....	\$253,473	\$456,218	\$78,145	\$117,000	\$331,618	\$573,218	\$5,247,910
Live talent programs.....	376,265	564,776	620,435	861,050	996,700	1,425,826	11,405,263
Records.....	1,070	3,800	33,860	28,850	34,930	32,650	389,947
Spot announcements.....	151,095	226,220	443,275	496,204	594,370	722,424	7,058,985
<b>Total</b> .....	<b>\$781,903</b>	<b>\$1,251,014</b>	<b>\$1,175,715</b>	<b>\$1,503,104</b>	<b>\$1,957,618</b>	<b>\$2,754,118</b>	<b>\$24,102,105</b>

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

Copyright, 1934. The National Association of Broadcasters



Vol. 2 - - No. 60  
DEC. 15, 1934

### NAB BOARD MEETS IN NEW YORK

The first meeting of the Board of Directors since the Cincinnati convention was held at the St. Regis Hotel, New York, Tuesday, December 11. President Ward presided. Those present were: C. Y. Myers, Portland, Ore.; Isaac D. Levy, Philadelphia, Pa.; Alfred J. McCosker, New York, N. Y.; Harry C. Butcher, Washington, D. C.; John Gillin, Omaha, Nebr.; Gordon Persons, Montgomery, Ala.; William S. Hedges, New York, N. Y.; H. K. Carpenter, Cleveland, Ohio; I. R. Lounsberry, Buffalo, N. Y.; Frank M. Russell, Washington, D. C.; Arthur B. Church, Kansas City, Mo.; J. Thomas Lyons, Baltimore, Md.; I. Z. Buckwalter, Lancaster, Pa.; Stanley Hubbard, St. Paul, Minn.; Harold Wheelahan, New Orleans, La. Powel Crosley, Jr., Cincinnati, Ohio, was in New York and divided his attention between the NAB Board meeting and the joint meeting of the major baseball leagues.

### PRESIDENT APPOINTS COMMITTEES

President Ward, with the approval of the Board, this week appointed the following committees:

#### Commercial Committee

Arthur B. Church, KMBC, *Chairman*; Edwin M. Spence, WPG; John Karol, WABC; Ed Kobak, WEAJ; Roy L. Harlow, WAAB; John Elmer, WCBM; I. R. Lounsberry, WGR; C. D. Mastin, WNBK; J. H. Ryan, WSPD; John L. Clark, WLW; Robert A. Street, WCAU; Nathan Lord, WAVE; H. K. Carpenter, WHK; John F. Patt, WGAR; W. W. Gedge, WMBC; Gayle V. Grubb, WKY; Martin B. Campbell, WFAA; Hugh A. L. Half, WOAI; H. W. Slavick, WMC; S. E. Adcock, WROL; E. W. Carr, WDNC; George F. Isaac, WGN; D. E. Kendrick, WKBF; J. O. Maland, WOC-WHO; Charles G. Burke, WDAY; Walter J. Damm, WTMJ; Lester E. Cox, KGBX; G. C. Hamilton, KFBK; H. J. Quilliam, KOMO; Arthur J. Kemp, KHJ; Earl J. Glade, KSL; Arthur F. Kales, KECA; Ralph R. Brunton, KJBS.

#### EX OFFICIO MEMBERS

J. Truman Ward, President, National Association of Broadcasters; Philip G. Loucks, Managing Director, National Association of Broadcasters; James W. Baldwin, Executive Officer, Code Authority for the Radio Broadcasting Industry.

#### Committee of Five

Arthur B. Church, KMBC; John V. L. Hogan, W2XR; Walter J. Damm, WTMJ; John Karol, WABC; Ed Kobak, WEAJ.

#### Cost Accounting Committee

H. K. Carpenter, WHK, *Chairman*; Walter J. Damm, WTMJ; M. R. Runyon, WABC; H. F. McKeon, WJZ; R. W. Hoffman, WHFC; Lewis Weiss, WJR; J. H. Ryan, WJR; J. L. Kaufman, WINS; I. Z. Buckwalter, WGAL.

#### Copyright Committee

A. J. McCosker, WOR, *Chairman*; Isaac D. Levy, WCAU; Frank M. Russell, WRC; I. Z. Buckwalter, WGAL; Walter J. Damm, WTMJ.

#### Engineering Committee

J. A. Chambers, WLW, *Chairman*; C. W. Horn, WEAJ; E. K. Cohan, WABC; E. L. Gove, WHK; John E. Burrell, KJBS; J. H. DeWitt, Jr., WSM; Frank B. Falknor, WBBM; Carl Myers, WGN; John E. Fetzer, WKZO; Lynne C. Smeby, KSTP; John V. L. Hogan, W2XR.

### Tax Committee

E. M. Elkin, KDKA; P. J. Hennessey, WJZ; Sydney M. Kaye, WABC; A. Z. Moore, WKJC; Edgar T. Bell, WKY; Wiley P. Harris, WJDX; Gerald King, KFWB; Birt Fisher, KOMO.

### COMMITTEE OF FIVE MEETS

The Special Committee of Five, appointed by President Ward pursuant to a resolution adopted at the Cincinnati convention, held a preliminary meeting in New York last Thursday. This Committee is charged with the duty of cooperating with the American Association of Advertising Agencies and the Association of National Advertisers in the creation of a central bureau for the purpose of coordinating coverage and listener data. Arthur B. Church is chairman and presided over the meeting. Others who attended the meeting were John Karol, Paul F. Peter, Edgar Kobak, John V. L. Hogan, Dr. Herman S. Hettinger, President Ward, James W. Baldwin, executive officer of the Code Authority, and the Managing Director. The meeting decided to enter upon a study of all published surveys with a view to developing a program for submission to the other groups.

### BOARD HEARS LEGISLATIVE REPORT

A report of Henry A. Bellows, chairman of the Legislative Committee, was read to the board by the Managing Director. It reviewed legislation in the last Congress and outlined some of the problems which the industry will face in the new Congress.

### MR. AND MRS. SAM PICKARD INJURED

The Board adopted a resolution authorizing President Ward to send flowers to Mr. and Mrs. Sam Pickard, who were taken to a hospital following a collision between the Pickard automobile and a street car last Monday night. Mrs. Pickard suffered a fracture of the knee and Mr. Pickard suffered injuries to his face and body.

### HENRY A. BELLOW'S WORK PRAISED

The Board adopted a resolution expressing its appreciation of the "outstanding services rendered the industry by Henry A. Bellows in the preparation of the industry's case before the Federal Communications Commission in connection with the hearings under Section 307 (c) of the Communications Act of 1934."

### BOARD APPROVES ACCOUNTING SYSTEM

The Board authorized the Managing Director to make the necessary expenditures to publish and distribute the uniform system of cost accounting which was approved by the membership upon recommendation of the Cost Accounting Committee at the last convention.

### COLORADO IN 1935

The Board selected Colorado as the state in which the 1935 NAB Convention is to be held and early in July as the time. The actual selection of a city and hotel and the exact dates were left for the Executive Committee's decision.

### MANAGING DIRECTOR ORDERED ON TRIP

The Managing Director was ordered by the Board to visit all parts of the country at the earliest possible date and complete the organization of state NAB Committees. Two states—New York and Alabama—are already organized. An itinerary is now being worked out and will be announced as soon as completed.

## FIVE NEW MEMBERS APPROVED

The Board approved the membership applications of Stations KTSM, El Paso, Tex.; WMEX, Boston, Mass.; WOC, Davenport, Iowa; WIBX, Waterbury, Conn.; W9XBY, Kansas City, Mo. The membership, in good standing, now totals 375.

## 1935 BUDGET APPROVED

The Board approved the budget proposed by the Managing Director, calling for an expenditure during the year of \$60,000. This amount corresponds with the expenditures of the headquarters office for the past few years. The Board unanimously voted an increase in the salary of the Managing Director.

## COPYRIGHT DISCUSSION DEFERRED

Due to the illness of Jos. C. Hostetler, of Baker, Hostetler, Sidlo and Patterson, discussion of the subject of copyright was brief. The Board referred the matter to the Copyright Committee, consisting of Alfred J. McCosker, chairman; Isaac D. Levy, I. Z. Buckwalter, Walter J. Damm, and Frank M. Russell, with instructions to meet and hear Mr. Hostetler's report at the earliest possible date.

## INFORMATION WANTED

A request for information concerning the whereabouts of Mr. J. L. Lewis has been received at NAB headquarters.

## FEDERAL COMMUNICATIONS COMMISSION ACTION

### HEARING CALENDAR

Monday, December 17, 1934

NEW—A. R. Montgomery, Findlay, Ohio.—C. P., 1530 kc., 1 KW, 6 a. m. to midnight.

WTJS—The Sun Publishing Co., Jackson, Tenn.—C. P., 1430 kc., 500 watts, unlimited time (facilities WNBR).

WNBR—Memphis Broadcasting Co., Memphis, Tenn.—Renewal of license.

No hearings will be held before the Commission between December 17 and January 4.

## APPLICATIONS GRANTED

WKBO—Keystone Broadcasting Corp., Harrisburg, Pa.—Granted 1200 C. P. to make changes in equipment and increase daytime power from 100 watts to 250 watts.

WNBF—Howitt-Wood Radio Co., Inc., Binghamton, N. Y.—1500 Granted C. P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts LS.

WKBZ—Karl L. Ashbacher, Muskegon, Mich.—Granted C. P. to 1500 make changes in equipment and increase power from 100 watts to 100 watts, 250 watts LS.

WIBU—Wm. C. Forrest, Poynette, Wis.—Granted C. P. to make 1210 changes in equipment and increase day power from 100 watts to 250 watts.

KRE—First Congregational Church of Berkeley, Calif.—Granted 1370 C. P. to make changes in equipment and increase day power to 250 watts.

KLO—Interstate Broadcasting Corp., Ogden, Utah.—Granted C. P. 1400 to install new equipment.

WSPA—Virgil V. Evans, d/b as The Voice of South Carolina, 1420 Spartanburg, S. C.—Granted modification of C. P. approving transmitter site in Spartanburg.

KFRO—Voice of Longview, Longview, Tex.—Granted modification of C. P. to make changes in equipment and move station to about one-half mile city limits of Longview, on Green Street.

WIBA—Badger Broadcasting Co., Inc., Madison, Wis.—Granted 1280 60-day extension of special temporary experimental authority to use 1 KW night.

WMAQ—National Broadcasting Co., Inc., Chicago, Ill.—Granted 670 modification of C. P. extending commencement date to December 3, 1934, and completion date to April 4, 1935.

KLZ—The Reynolds Radio Co., Inc., Denver, Colo.—Granted 560 modification of C. P. extending commencement date to December 1, 1934, and completion date to April 1, 1935.

KGIX—J. M. Heaton, Las Vegas, Nev.—Granted modification of 1420 C. P. extending completion date to February 2, 1935.

WSUI—State University of Iowa, Iowa City, Iowa.—Granted 880 modification of license increasing daytime power from 500 watts to 1 KW, and change hours of operation from specified to unlimited.

WFEA—New Hampshire Broadcasting Co., Manchester, N. H.—1340 Granted license covering increase in day power from 500 watts to 1 KW, unlimited time.

WNBX—WNBX Broadcasting Corp., Springfield, Vt.—Granted 1260 license covering increase in power and hours of operation of daytime only to daytime until sunset at Erie, Pa., and changes in equipment; 1260 kc., 1 KW.

WHDL—Tupper Lake Broadcasting Co., Inc., Olean, N. Y.—1420 Granted license covering move of station from Tupper Lake to Olean, N. Y.; 1420 kc., 100 watts, daytime.

WBNS—WBNS, Inc., Columbus, Ohio.—Granted license covering 1430 local move; 1430 kc., 500 watts night, 1 KW day, unlimited.

WIBM—WIBM, Inc., Jackson, Mich.—Granted license to cover 1370 changes in equipment and increase in daytime power to 250 watts; 1370 kc., 100 watts, night, unlimited.

WJBK—Jas. F. Hopkins, Inc., Detroit, Mich.—Granted license 1500 covering changes in equipment and increase in daytime power; 1500 kc., 100 watts night, 250 watts day, unlimited.

WRAK—WRAK, Inc., Williamsport, Pa.—Granted license covering 1370 local move, making changes in equipment, and increasing daytime power to 250 watts; 1370 kc., 100 watts, night, unlimited.

KFOR—Cornbelt Broadcasting Corp., Lincoln, Nebr.—Granted 1210 authorization to install automatic frequency control.

WFEA—New Hampshire Broadcasting Co., Manchester, N. H.—1340 Granted authority to determine licensed power by direct measurement of antenna.

WFLA-WSUN—Clearwater Chamber of Commerce and St. Petersburg Chamber of Commerce, Clearwater and St. Petersburg, Fla.—Granted modification of special experimental authorization to increase power from 1 KW, 2½ KW LS, to 1 KW, 5 KW LS, and make changes in equipment.

KTSA—Southwest Broadcasting Co., San Antonio, Tex.—Granted 550 modification of special experimental authorization to increase daytime power from 2½ KW to 5 KW.

KPCB—Queen City Broadcasting Co., Seattle, Wash.—Granted 710 modification of special experimental authorization to operate with 250 watts on 710 kc., unlimited time.

WRDW—Musicove, Inc., Augusta, Ga.—Granted consent to voluntary assignment of license to Augusta Broadcasting Co.

WKBB—Sanders Bros. Radio Station, E. Dubuque, Ill.—Granted 1500 C. P. to make changes in equipment, increase day power from 100 to 250 watts, and change hours of operation from specified to unlimited. (Application dismissed from hearing docket.)

KGDM—E. F. Peffer, Stockton, Calif.—Granted C. P. to increase 1100 daytime power to 1 KW.

NEW—National Broadcasting Co., Inc., Bound Brook, N. J.—Granted license (temporary broadcast pickup); frequencies 2020, 2102, 2760 kc., 10 KW.

NEW—Perkins Bros. Co., Portable-Mobile, Sioux City, Iowa.—Granted C. P. (general experimental) to construct a new general experimental station to operate as a broadcast pickup; frequencies 31100, 34600, 37600, 40600 kc., 2.7 watts, unlimited time.

W9XA—National Broadcasting Co., Inc., Denver, Colo.—Granted renewal of special experimental station license in exact conformity with existing license.

W8XAR—Westinghouse Electric and Manufacturing Co., Saxonburg, Pa.—Granted renewal of special experimental station license in exact conformity with existing license.

KYW—Westinghouse Electric and Manufacturing Co., Philadelphia, 1020 Pa.—Granted license covering move of station from Chicago to Philadelphia, and installing new equipment; 1020 kc., 10 KW, unlimited time.

KGRS—E. B. Gish (Gish Radio Service), Amarillo, Tex.—Granted 1410 license covering changes in equipment and increase in daytime power from 1 KW to 2½ KW; 1410 kc., 1 KW night, specified hours.

WJBC—Kaskaskia Broadcasting Co., Bloomington, Ill.—Granted 1200 license covering move of station from La Salle, Ill., to Bloomington, Ill.; 1200 kc., 100 watts, shares with WJBL.

KFWB—Warner Bros. Broadcasting Corp., Hollywood, Calif.—950 Granted license covering changes in equipment and increase in day power from 1 KW to 2½ KW; 950 kc., 1 KW, night, unlimited.

KOIN—KOIN, Inc., Portland, Ore.—Granted license covering 940 changes in equipment and increase in daytime power from 1 KW to 2½ KW; 940 kc., 1 KW night, unlimited.

WFBL—Onondaga Radio Broadcasting Corp., Syracuse, N. Y.—  
1360 Granted modification of license increasing day power from  
2½ to 5 KW.  
WAWZ—Pillar of Fire, Zarephath, N. J.—Granted modification of  
1350 license increasing daytime power from 250 watts to 500 watts.  
WMPC—The First Methodist Protestant Church of Lapeer, Mich.  
1200 —Granted modification of license to change Sunday specified  
hours and from CST to EST.  
KGBU—Alaska Radio & Service Co., Inc., Ketchikan, Alaska.—  
900 Granted modification of license to change hours of operation  
from specified to unlimited.  
WMC—WMC, Inc., Memphis, Tenn.—Granted consent to volun-  
780 tary assignment of license to Memphis Commercial Appeal,  
Inc.  
KGHI—Lloyd Judd Co., Little Rock, Ark.—Granted consent to  
1370 voluntary assignment of license to Arkansas Broadcasting Co.  
WPFB—Otis P. Eure, Hattiesburg, Miss.—Granted consent to vol-  
1370 untary assignment of license to George T. Bishop.  
W2XR—John V. L. Hogan, Long Island City, N. Y.—Granted re-  
1550 newal of experimental broadcast station license from Decem-  
ber 29, 1934, to June 29, 1935, in exact conformity with  
existing license.

### SET FOR HEARING

WQDM—Regan & Bostwick, St. Albans, Vt.—C. P. to move trans-  
1390 mitter and studio locally in St. Albans, make changes in  
equipment; change frequency from 1370 kc. to 1390 kc.,  
increase power from 100 watts to 1 KW, and change in speci-  
fied hours of operation.  
NEW—Homer York, Lufkin, Tex.—C. P. for new station; 1340 kc.,  
1340 250 watts, unlimited time.  
WDNC—Durham Radio Corp., Durham, N. C.—C. P. to install  
590 new equipment, increase power from 100 watts to 1 KW day  
and night, change frequency from 1500 kc. to 590 kc., and  
move transmitter to new location locally.  
KPOF—Pillar of Fire (a corp.), near Denver, Colo.—Modification  
880 of license to increase daytime power from 500 watts to 1 KW.  
KGFI—Eagle Broadcasting Co., Inc., Corpus Christi, Tex.—Special  
1500 experimental authorization to increase nighttime power from  
100 watts to 250 watts. (To be heard before the Broadcast  
Division on January 23, 1935.)  
NEW—F. N. Pierce, Taylor, Tex.—C. P., 1310 kc., 100 watts, un-  
1310 limited time. (Application already in hearing docket was  
amended to request daytime only.)  
WDZ—James L. Bush, Tuscola, Ill.—C. P. to make changes in  
1020 equipment and increase power from 100 watts to 250 watts,  
daytime only. (Application already in hearing docket was  
amended to request frequency 1020 kc. when KYW moves  
to Philadelphia.)

### MISCELLANEOUS

NEW—Wm. A. Schall, Omaha, Nebr.—Denied petition for special  
1420 temporary authorization for a new station to operate on  
1420 kc., 100 watts, unlimited time, pending hearing. (C. P.  
for new station now in hearing docket.)  
WSYR—WSYU—Central New York Broadcasting Corp., Syracuse,  
N. Y.—Denied petition setting out an agreement between  
WMCA and WSYR to the effect that neither will oppose the  
application of the other. (WSYR's C. P. to move station  
locally in Syracuse and make changes in equipment and  
increase power is now in hearing docket.)  
WMCA—Knickerbocker Broadcasting Co., Inc., New York City.—  
Denied petition as set forth above. (WMCA's application  
for modification of license to increase power from 500 watts  
to 1 KW is now in hearing docket.)  
WNBO—John Brownlee Spriggs, Silver Haven, Pa.—Hearing at  
Washington, Pa., for renewal of license adjourned until  
further order of the Commission.  
NEW—Delbert E. Replogle, Ridgewood, N. J.—Hearing on appli-  
cation for C. P. for new radio station to be erected in the  
Boston area to use 1570 kc., 1 KW, scheduled for December  
17th, continued indefinitely.  
KGFK—Red River Broadcasting Co., Moorhead, Minn.—Oral  
argument on application to move station from Moorhead to  
Duluth, set for December 17th, continued for 30 days.

### SPECIAL AUTHORIZATIONS GRANTED

KLUF—George Roy Clouth, Galveston, Tex.—Granted special tem-  
porary authorization to operate from 10 a. m. to 2 p. m.,

CST, January 1, 1935, instead of unlimited time, in order  
to observe holiday.

WGAF—John T. Hubbard and Julian C. Smith, d/b as Dothan  
Broadcasting Co., Dothan, Ala.—Granted special temporary  
authorization to operate unlimited time on December 24,  
1934, in order to broadcast special programs by the local  
clubs.  
KWLC—Luther College, Decorah, Iowa.—Granted special tem-  
porary authorization to operate one hour per week only  
instead of time assigned by time-sharing agreement for the  
period beginning December 22, 1934, and ending in no event  
later than January 6, 1935, in order to observe holidays.  
WAZL—Hazleton Broadcasting Service, Inc., Hazleton, Pa.—  
Granted extension of special temporary authorization to  
operate daily a maximum of four hours simultaneously dur-  
ing daytime with Station WILM, Wilmington, Del., for the  
period beginning 3 a. m., EST, January 1, 1935, and ending  
in no event later than 3 a. m., EST, July 1, 1935.  
KLUF—Geo. Roy Clouth, Galveston, Tex.—Granted extension of  
special temporary experimental authorization to increase day  
power from 100 watts to 250 watts for a period beginning  
3 a. m., EST, January 1, 1935, and ending in no event later  
than 3 a. m., EST, July 1, 1935.

### APPLICATIONS RECEIVED

#### First Zone

WAAB—Bay State Broadcasting Corp., Boston, Mass.—Modifica-  
1410 tion of license to increase day power from 500 watts to 1 KW.  
WABY—Adirondack Broadcasting Co., Inc., Albany, N. Y.—  
1370 License to cover construction permit (1-P-B-3247) to move  
studio and transmitter to 110 N. Pearl St., Albany, N. Y.  
WCNW—Arthur Faske, Brooklyn, N. Y.—License to cover con-  
1500 struction permit (1-P-B-2790) as modified to move trans-  
mitter and studio locally, extend commencement and com-  
pletion dates.  
W8XAI—Stromberg Carlson Tel. Mfg. Co., Rochester, N. Y.—  
License to cover construction permit to erect a new general  
experimental station to be operated on 31100, 34600, 37600,  
40600 kc., 100 watts.  
NEW—Hartford Broadcasting Co., Inc., Hartford, Conn.—Con-  
1200 struction permit to erect a new broadcast station to be op-  
erated on 1200 kc., 100 watts, unlimited time.  
WOR—Bamberger Broadcasting Service, Inc., Newark, N. J.—  
710 Modification of construction permit (1-P-B-1492) as modified  
to extend completion date to 2-16-35.  
NEW—Clarence Wheeler, Rochester, N. Y.—Construction permit  
1210 to erect a new broadcast station to be operated on 1210 kc.,  
100 watts, daytime, transmitter site to be determined.  
WFBR—The Baltimore Radio Show, Inc., Baltimore, Md.—Modifi-  
1270 cation of license (1-L-B-822) to increase power from 500  
watts to 1 KW.  
NEW—Cumberland Broadcasting Co., Inc., Portland, Maine.—  
1210 Construction permit to erect a new broadcast station to be  
operated on 1210 kc., 100 watts, unlimited time.  
NEW—Worcester Broadcasting Co., Inc., Worcester, Mass.—Con-  
1200 struction permit to erect a new broadcast station to be op-  
erated on 1200 kc., 100 watts, unlimited time.  
NEW—Bamberger Broadcasting Service, Carteret, N. J.—Construc-  
tion permit for new experimental relay broadcasting station  
on 6020, 9510, 11850, 15170, 17800, 21480 kc., 5 KW, A3.  
W2XHG—National Broadcasting Co., Inc., New York, N. Y.—  
License to cover construction permit for new general experi-  
mental station to be operated on 25700, 26000, 27100, 31100,  
31600, 34600, 35600, 37600, 38600, 40600, 41000, 86000 to  
400000 kc., 150 watts, A1, A2, A3, Special.  
NEW—Bamberger Broadcasting Service, Inc., Construction permit  
for general experimental for 31100, 34600, 37600, 40600 kc.,  
25 watts, A3.  
WDRC—WDRC, Inc., Hartford, Conn.—Authority to determine  
1330 operating power by direct measurement.  
WBAL—The WBAL Broadcasting Co., Baltimore, Md.—Request  
1060 for consent to transfer of control of corporation.

#### Second Zone

NEW—Brothers & England (L. C. Brothers and H. P. England),  
1370 Mansfield, Ohio.—Construction permit for new station to be  
operated on 1370 kc., 100 watts power, unlimited time.  
Studio and transmitter, Main Street at Park Avenue, Mans-  
field, Ohio.

NEW—Broadcasters of Pennsylvania, Inc., Erie, Pa.—Construction permit for new station to be operated on 1420 kc., 100 watts, 250 watts local sunset, unlimited time. Studio, 925 Peach Street, Erie, Pa.; transmitter site to be determined, Erie, Pa. Amended: 12-5-34 re equipment and transmitter site.

WHBC—Edward P. Graham, Canton, Ohio.—Construction permit to install new equipment and increase day power from 100 watts to 250 watts.

WGBI—Scranton Broadcasters, Inc., Scranton, Pa.—Construction permit to install new equipment, increase power from 250 watts to 1 KW.

WBTM—Piedmont Broadcasting Corp., Danville, Va.—License to cover construction permit (B2-P-33) to increase power and change equipment.

WHJB—Pittsburgh Radio Supply House, Greensburg, Pa.—License to cover construction permit (2-P-B-3090) as modified, amended re equipment.

### Third Zone

NEW—Nashville Broadcasting Corp., Nashville, Tenn.—Construction permit to erect a new broadcast station to be operated on 1370 kc., 100 watts, unlimited.

WQAM—Miami Broadcasting Co., Miami, Fla.—License to cover construction permit (B3-P-60) to move transmitter to Northeast 14th Street and Biscayne Bay, Miami, Fla., and install new equipment.

WQAM—Miami Broadcasting Co., Miami, Fla.—Construction permit to move auxiliary transmitter to Northeast 14th Street and Biscayne Bay, Miami, Fla.

WHEF—The Attala Broadcasting Corp., Kosciusko, Miss.—Special experimental authorization to increase night power from 100 watts to 250 watts, period 1-1-35.

WPTF—WPTF Radio Company, Raleigh, N. C.—License to cover construction permit (3-P-B-2874) as modified to extend commencement and completion dates.

KTUL—Tulsa Broadcasting Co., Inc., Tulsa, Okla.—Modification of license to increase power from 250 watts night, 500 watts day, to 1 KW.

WRGA—Rome Broadcasting Corp., Rome, Ga.—Construction permit to make equipment changes and increase power from 100 watts to 250 watts local sunset, 100 watts nighttime.

NEW—John Brown University, one-half mile W. Siloam Springs, Ark.—Construction permit to erect a new broadcast station to be operated on 1500 kc., 250 watts local sunset, 100 watts night, unlimited time.

NEW—I. J. and J. Kohn, Nashville, Tenn.—Construction permit for a new station to be operated on 1370 kc., 100 watts power, unlimited time; studio and transmitter sites to be determined, Nashville, Tenn.

NEW—E. F. Houser and Clyde Miller, Big Springs Broadcasting Co., Big Springs, Tex.—Construction permit for a new station to be operated on 1210 kc., 100 watts power, daytime. Studio and transmitter located Crawford Hotel, Big Springs, Tex.

WMAZ—Southeastern Broadcasting Co., Macon, Ga.—Modification of construction permit (3-P-B-3269) as modified to make changes in antenna.

Universal Advertising Agency, Laredo, Tex.—Authority to transmit sustaining programs to all stations of Mexico.

WIOD—Isle of Dreams Broadcasting Co., Miami, Fla.—Requesting consent to transfer of control of corporation.

### Fourth Zone

KWTN—The Greater Kampeska Radio Corp., Watertown, S. Dak.—Modification of construction permit (4-P-B-3108) as modified to extend completion date to 1-1-35.

KFJM—University of North Dakota, Grand Forks, N. Dak.—Extension special experimental authorization to operate 250 watts local sunset for period ending 7-1-35.

NEW—KGBX, Inc., Sedalia, Mo.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts

night, 250 watts local sunset, unlimited, amended to change daytime power to 100 watts and change equipment.

NEW—Mississippi Valley Broadcasting Co., Inc., Hannibal, Mo.—Construction permit to erect a new broadcast station to be operated on 1310 kc., 100 watts night, 250 watts local sunset, unlimited, amended to change daytime power to 100 watts and change equipment.

NEW—Midland Broadcasting Co., Inc., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, 40600, 86000 to 400000 kc., 1½ watts.

WWAE—Hammond-Calumet Broadcasting Corp., Hammond, Ind.—License to cover construction permit (4-P-B-3218) to install new equipment.

WBBM—WBBM Broadcasting Corp., Chicago, Ill.—Extension of special experimental authorization to operate synchronously with station KFAB from KFAB local sunset to midnight, period 8-1-35.

NEW—Midland Broadcasting Co., Inc., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, 40600, 86000 to 400000 kc., 50 watts.

NEW—Midland Broadcasting Co., Inc., Kansas City, Mo.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, 40600, 86000 to 400000 kc., 50 watts.

WTCN—Minnesota Broadcasting Corp., Minneapolis, Minn.—Construction permit to make changes in equipment and increase power from 1 KW to 1 KW, 5 KW LS.

WIBA—Badger Broadcasting Co., Inc., Madison, Wis.—Modification of license to increase power from 500 watts, 1 KW local sunset, to 1 KW.

WIBA—Badger Broadcasting Co., Inc., Madison, Wis.—Extension of special experimental authorization to operate with 1 KW nighttime, for period 60 days (2-1-35).

NEW—D. A. Gibbs, Jr., and E. H. Shemorry, d/b as KWIL Broadcasting Co., Williston, N. Dak.—Construction permit for new station on 1500 kc., 100 watts, daytime; specified hours, 11 a. m. to 2 p. m., 5 p. m. to 8 p. m.; studio and transmitter, Williston, N. Dak. Amended re equipment, power to 100 watts day and night; studio in transmitter building.

### Fifth Zone

KFXJ—R. G. Howell and Chas. Howell, d/b as Western Slope Broadcasting Co., Grand Junction, Colo.—License to cover construction permit to make equipment changes and increase power.

NEW—Nichols and Warinner, Inc., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, 40600 kc., 2 watts.

NEW—Louis Wasmer, Inc., Portable.—Construction permit to erect a new broadcast pickup station to be operated on 1606, 2020, 2060, 2760 kc., 100 watts, amended to change frequency 1606, 2020, 2102, 2760 kc.

KIFO—Nichols and Warinner, Inc., Portable.—Construction permit to erect a new broadcast pickup station to be operated on 1566, 2478 kc., 200 watts.

NEW—Nichols and Warinner, Inc., Portable-Mobile.—Construction permit to erect a new general experimental station to be operated on 31100, 34600, 37600, 40600 kc., 30 watts.

KXA—American Radio Telephone Co., Seattle, Wash.—Extension special experimental authorization to operate simultaneously with WJZ from local sunset to 10 p. m., PST, using 250 watts, period ending 8-1-35.

KGFJ—Ben S. McGlashan, Los Angeles, Calif.—Construction permit to make equipment changes, increase daytime power from 100 watts to 250 watts (250 watts 12 midnight to 6 a. m.—station operates 24 hours).

NEW—Southwestern Broadcasting Co., San Diego, Calif.—Construction permit to erect a new broadcast station to be operated on 1210 kc., 100 watts, unlimited time.

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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DEC. 20, 1934

### SEASON'S GREETINGS

to all

NAB MEMBERS

from the

WASHINGTON OFFICE STAFF



#### FEDERAL COMMUNICATIONS COMMISSION ACTION

##### APPLICATIONS GRANTED

WFDF—Flint Broadcasting Co., Flint, Mich.—Granted C. P. to 1310 instal new equipment.  
WQAM—Miami Broadcasting Co., Miami, Fla.—Granted C. P. to 560 move auxiliary transmitter to location of main transmitter in Miami.  
WRGA—Rome Broadcasting Corp., Rome, Ga.—Granted C. P. to 1500 make changes in equipment and increase day power from 100 to 250 watts.  
WTCN—Minnesota Broadcasting Corp., Minneapolis, Minn.—1250 Granted C. P. to make changes in equipment and increase day power from 1 KW to 5 KW, subject to compliance with specifications of the Air Navigation Division, Department of Commerce, as to marking and lighting the towers.  
WNAX—The House of Gurney, Inc., Yankton, S. Dak.—Granted 570 C. P. to make changes in equipment and increase daytime power from 2½ to 5 KW, and to move station locally. (570 kc., 1 KW night, unlimited.)  
WMFF—Plattsburg Broadcasting Corp., Plattsburg, N. Y.—Granted modification of C. P. to make changes in equipment; extend commencement date to 10 days after this date, and completion date to 60 days hereafter.  
WOR—Bamberger Broadcasting Service, Inc., Newark, N. J.—710 Granted modification of C. P. extending completion date to February 16, 1934.  
KWTN—The Greater Kampeska Radio Corp., Watertown, S. Dak. 1210 —Granted modification of C. P. extending completion date to January 1, 1935.  
KHJ—Don Lee Broadcasting System, Los Angeles, Calif.—Granted 900 modification of C. P. to increase day power from 2½ to 5 KW.  
KFRC—Don Lee Broadcasting System, San Francisco.—Granted 610 modification of C. P. to increase day power from 2½ to 5 KW.  
WABY—Adirondack Broadcasting Co., Inc., Albany, N. Y.—1370 Granted license covering move of station from Hudson Falls to Albany; 1370 kc., 100 watts, unlimited time.  
WHJB—Pittsburgh Radio Supply House, Greensburg, Pa.—Granted 620 license covering new station; 620 kc., 250 watts, daytime.  
WQAM—Miami Broadcasting Co., Miami, Fla.—Granted license 560 covering local move of station; 560 kc., 1 KW, unlimited time.  
WBEO—The Lake Superior Broadcasting Co., Marquette, Mich.—1310 Granted modification of license to make change in specified hours.

NEW—Bamberger Broadcasting Service, Inc., Mobile (Newark, N. J.)—Granted C. P. to operate in broadcast pickup service on frequencies 31100, 34600, 37600, 40600 kc., 25 watts.  
W2XR—John V. L. Hogan, Long Island City, N. Y.—Granted 1550 modification of license to change name of business to John V. L. Hogan, d/b as Scientific Broadcasting Service.

##### SET FOR HEARING

WJBK—James F. Hopkins, Inc., Detroit, Mich.—C. P. to move 680 transmitter locally, make changes in equipment, change frequency from 1500 kc. to 680 kc., and increase power from 100 watts to 500 watts. (To be heard by the Division en banc January 23, 1935.)  
KDYL—Intermountain Broadcasting Corp., Salt Lake City.—C. P. 1290 to make changes in equipment and increase power from 1 to 5 KW. (To be heard by the Division en banc January 30, 1935.)  
WEEL—Edison Electric Illuminating Co. of Boston, Boston, Mass.—590 C. P. to make changes in equipment and increase power from 1 to 5 KW. (To be heard by the Division en banc on January 30, 1935.)  
NEW—David H. Cannon, Pasadena, Calif.—C. P. for new station, 1480 1480 kc., 100 watts, daytime. (To be heard by the Division en banc on February 6, 1935.)  
WHK—Radio Air Service Corp., Seven Hills, Ohio.—Modification 1390 of license to increase power from 1 KW night, 2½ KW day, to 5 KW. (To be heard by the Division en banc February 6, 1935.)  
WTCN—Minnesota Broadcasting Corp., Minneapolis, Minn.—680 Modification of license to change frequency from 1250 kc. to 680 kc.; change power from 1 KW day and night to 500 watts night, 1 KW day; and change hours of operation from specified to unlimited. (To be heard by Division en banc on January 23, 1935.)  
WOPI—Radiophone Broadcasting Station, WOPI, Inc., Bristol, 620 Tenn.—C. P. to make changes in equipment, change frequency from 1500 kc. to 620 kc., and increase power from 100 to 250 watts.  
NEW—Southern Minnesota Broadcasting Co. (location to be de- 1310 termined), Rochester, Minn.—C. P. for new station, 1310 kc., 100 watts, unlimited time.  
NEW—Dr. J. R. Burgess and Geo. B. Bairey, d/b as WHM Broad- 1420 casting Co., Helena, Mont.—C. P. for new station, 1420 kc., 100 watts, unlimited time.  
NEW—Alexandria Broadcasting Co., Inc., Alexandria, La.—C. P. 1370 for new station, 1370 kc., 100 watts, unlimited time.

NEW—Hauser Radio Co., C. R. Hauser and John McGinniss, Ventura, Calif.—C. P. for new station, 1210 kc., 100 watts, unlimited time.

NEW—Bellingham Publishing Co., Bellingham, Wash.—C. P. for 1420 new station, 1420 kc., 100 watts, unlimited time. (Exact transmitter site to be determined.)

KTUL—Tulsa Broadcasting Co., Inc., Tulsa, Okla.—Modification 1400 of license to increase power from 250 watts night, 500 watts day, to 1 KW.

WKBF—Indianapolis Broadcasting, Inc., Indianapolis, Ind.—Modification 1400 of license to increase night power from 500 watts to 1 KW.

KID—KID Broadcasting Co., Inc., Idaho Falls, Idaho.—Modification 1320 of license to increase power from 250 watts night, 500 watts day, to 500 watts night, 1 KW day.

WTAG—Worcester Telegram Publishing Co., Inc., Worcester, Mass. 580 —Special experimental authority to operate with 1 KW instead of 500 watts for period ending March 1, 1935.

WCHS—Charleston Broadcasting Corp., Charleston, W. Va.—Special 580 experimental authority to increase night power from 500 watts to 1 KW.

KSTP—National Battery Broadcasting Co., St. Paul, Minn.—1460 Modification of special experimental authority to operate with 25 KW night.

#### ACTION ON EXAMINER'S REPORT

NEW—Ex. Rep. No. 1-12: H. E. Studebaker, Lewiston, Idaho.—Granted application for C. P. to construct a broadcast station at Lewiston, Idaho, to operate on 1420 kc., 100 watts, sustaining Examiner Geo. H. Hill.

#### MISCELLANEOUS

Utah Radio Educational Society, Salt Lake City, Utah.—Granted authority to take depositions in re application for C. P. to be heard before an Examiner of the Commission at Washington, D. C., January 30, 1935.

WKEU—Radio Station WKEU, LaGrange, Ga.—Designated for hearing application to move station to Griffin, Ga., to operate during unlimited daytime hours, because of protest filed by Station WRGA, Rome, Ga. Grant heretofore made, subject to protest, was suspended.

WBNO—Coliseum Baptist Church, New Orleans, La.—Denied petition requesting Commission to reconsider its action of December 3, 1934, in which application for renewal of license was designated for hearing.

WSPD—Toledo Broadcasting Co., Toledo, Ohio.—Denied petition to intervene and become a party to the hearing of the application of WALR Broadcasting Corp. for C. P. to move its station from Zanesville to Toledo.

WTJS—The Sun Publishing Co., Inc., Jackson, Tenn.—Dismissed with prejudice its application for the facilities of WNBR since request for withdrawal was not made until four days before the time set for hearing and WNBR had expended considerable sum in preparation of its case.

W1XBS—American Republican, Inc., Waterbury, Conn.—Granted license covering new station, 1530 kc., 1 KW, unlimited time. (Action taken December 11, 1934.)

#### RENEWAL OF LICENSES

WRDO—WRDO, Inc., Augusta, Maine.—Granted renewal of license on a temporary basis subject to such action as the Commission may take on their pending application for renewal.

WJBY—Gadsden Broadcasting Co., Inc., Gadsden, Ala.—License extended on a temporary basis to February 1, 1935, pending receipt of information requested in connection with application for renewal.

The following stations were granted further extensions of their present licenses, for a period of 3 months, on a temporary basis only, subject to such action as may be taken upon the applications for renewals pending before the Commission:

WCAP, Asbury Park, N. J.; WDEL, Wilmington, Del.; WNEW, Newark, N. J.; WTNJ, Trenton, N. J.

KGGC—The Golden Gate Broadcasting Co., San Francisco, Calif.—License extended, on a temporary basis only, to February 1, 1935, pending the filing of Articles of Incorporation.

WPEN—Wm. Penn Broadcasting Co., Philadelphia, Pa.—Present license extended on a temporary basis only, subject to whatever decision may be made by the Commission with respect to the programs broadcast and the activities of the station which are now under investigation.

WDAS—WDAS Broadcasting Station, Inc., Philadelphia, Pa.—Present license extended for a period of 3 months, on a temporary basis only, subject to such action as may be taken on the application for renewal of license pending before the Commission.

WHFC—WHFC, Inc., Cicero, Ill.—Present license extended for a period of 3 months, on a temporary basis only, subject to such action as may be taken on the application for renewal of license pending before the Commission.

#### APPLICATIONS RECEIVED

WSPA—Virgil V. Evans, d/b as The Voice of South Carolina, 1420 Spartanburg, S. C.—Modification of construction permit (3-P-B-3039) as modified to extend commencement date from 9-21-34 to 12-21-34, completion date from 12-21-34 to 3-21-35.

NEW—Eugene DeBogory, tr. as Tem-Bel Broadcasting Co., Temple, 1310 Tex.—Construction permit for new station on 1310 kc., 100 watts power, daytime. Studio, Local Hotel, Temple, Tex.; transmitter, Belton Highway, Temple, Tex. Amended re equipment, and transmitter site to be determined, Temple, Texas.

NEW—James R. Doss, Jr., Decatur, Ala.—Construction permit for 1370 new station on 1370 kc., 100 watts, daytime.

NEW—Denton Broadcasting Co., Eugene DeBogory, owner, Denton, Tex.—Construction permit for new station on 1420 kc., 100 watts, daytime. Amended re equipment and transmitter site.

KGEK—Elmer G. Beehler, Sterling, Colo.—License to cover construction permit (B5-P-16) to make changes in equipment and move transmitter and studio.

KRKD—Radio Broadcasters, Inc., Los Angeles, Calif.—Modification 1120 of license to increase day power from 500 watts to 1 KW.

KXA—Ward Walker, Seattle, Wash.—Involuntary assignment of 760 license from American Radio Telephone Co. to Ward Walker.

NEW—Norman Storm, Centralia, Wash.—Construction permit for 1500 new station on 1500 kc., 100 watts, unlimited. Amended: Change hours of operation to daytime.

KNEI—Oregonian Broadcasting Co., Mobile.—Modification of construction permit to extend date of commencement to 1-1-35, completion to 7-1-35. Broadcast pickup.

#### APPLICATIONS RETURNED

NEW—Hartford Broadcasting Co., Inc., Hartford, Conn.—Construction permit for new station on 1200 kc., 100 watts, unlimited. (Incomplete re equipment.)

WBAL—The WBAL Broadcasting Co., Baltimore, Md.—Voluntary assignment of license to American Radio News Corp. (Superseded by B1-TC-2.)

NEW—Herbert A. Folsom, Augusta, Maine.—Construction permit for new station on 1370 kc., 100 watts, unlimited. (No answer to our correspondence.)

NEW—Brothers & England, Mansfield, Ohio.—Construction permit for new station on 1370 kc., 100 watts, unlimited; amended to 1300 kc., 250 watts. (Returned at applicant's request, superseding application.)

WGBI—Scranton Broadcasters, Inc., Scranton, Pa.—Construction permit to move transmitter amended: omit request for move, ask to install new equipment, increase power from 250 to 1 KW day and night. (Request.)

WPTF—WPTF Radio Co., Raleigh, N. C.—Extension of special experimental authorization to operate until 8 p. m., PST, period ending 8-1-35, on 1 KW. (Signature.)

WPTF—WPTF Radio Co., Raleigh, N. C.—Modification of special experimental authority to increase power from 1 KW to 5 KW, period ending 2-1-35. (Signature.)

NEW—G. L. Burns Brady, Tex.—Construction permit for new station on 1500 kc., 100 watts, unlimited. Amended: requests 1210 kc., 100 watts, 250 watts, daytime, limited hours of operation. (Hours of operation.)

WDZ—James L. Bush, Tuscola, Ill.—Modification of license to change frequency from 1070 kc. to 1020 kc. on removal of KYW to Philadelphia, Pa. (Repetition of applications.)

NEW—Northern California Amusement Co., Inc., Yreka, Calif.—Construction permit for new station on 1500 kc., 100 watts, unlimited. (Wrong form.)

NEW—Robert Vern Andrews, Seward, Alaska.—Construction permit for new station on 1000 kc., 100 watts, limited. Amended: Change frequency to 900 kc. (Equipment and frequency.)