



The full text of the attached bulletin appears in this issue of the "NAB" Reports." Please route this copy to your sales executive.

National Association of Broadcasters

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

Jan. 15, 1943

BROADCAST ADVERTISING BULLETIN

No. 1

WHAT HAPPENS WHEN NEWSPAPER ADVERTISING STOPS and radio advertising picks up a small part of the job

For three days, from Sunday evening, December 13, 1942, to 1:00 AM on Thursday morning, December 17, 1942, twelve New York City newspapers ceased publication while the members of the newspaper delivery unions were on strike.

Heavy schedules of planned newspaper advertising couldn't be published. Some retailers turned to radio advertising; others sat tight, expecting the strike to end momentarily.

To the credit of broadcasting, no New York City station tried to capitalize unduly on the misfortune of another medium. Where good time and good features were available, stations offered them for sale. Where time was at a premium, with only early morning or late evening open, stations declined to have broadcast advertising judged on the basis of such availabilities.

WHAT HAPPENED?

Department stores' sales boomed along as though nothing had happened. Here are the actual figures from the Weekly Federal Reserve Index of Department Stores' Value of sales:

	Week Ending December 19
Increase for New York City	4%
Increase for Entire District	4%

And the entire Federal Reserve district includes such war-busy markets as: Buffalo, Rochester, Syracuse, Utica, Albany, Troy, N. Y. and Newark, N. J. Despite the vastly expanded buying power in the rest of the district, New York City stores held their own against the field.

But radio can not nor does it seek to claim credit for holding sales at such a high level in the face of very adverse shopping weather. The total volume of retail radio advertising actually increased but little.

WHAT HELD SALES UP?

The answer to that question can be debated by academic students of advertising and merchandising for years to come. Probably the effect does deserve psychological probing.

But three facts do stand out: Christmas shopping was not a new idea this year; it might be termed an established American custom. Furthermore, newspapers and radio had featured Christmas merchandise, built up the urge to buy for weeks before the newspapers ceased publication temporarily. Many New York City radio stations were carrying a substantial volume of retail advertising and that continued unabated during the period.

Actually, broadcasters cooperated with newspapers during the trying days. Almost all radio stations increased the number of their newscasts. Newspapers cooperated to increase the local news coverage of radio stations.

Radio did not try to profit unnaturally from the predicament of the newspapers. One of the leading newspapers had already contracted for time over one of the leading radio stations to tell its readers what the newspaper would contain when it resumed publication. Then the strike was called off. But one newspaper, nearly a thousand miles away, decided the history of advertising during the strike should be reviewed.

THE RETORT DISCOURTEOUS

Totally unaffected by the strike in any way, shape or manner, the *Chicago Daily News* carried a story by its financial editor, Royal F. Munger, that seemed totally unnecessary and definitely unfounded. Said Mr. Munger in the course of his article, after pointing out that buying held up on Monday, began to thin out on Tuesday:

"By Wednesday, a buying slump was in full blast, and people who had forgotten to go shopping were beginning to say, 'Oh, well, it's a war Christmas anyway.'

"The Crowds had fallen off, and the attempts to use radio in place of the missing advertising were getting nowhere rapidly. In fact, even through their anguish, the newspaper advertising men grinned at the job radio didn't do."

Unfortunately, Mr. Munger's article has been reprinted as a news story in many newspapers; as a house advertisement in others.

Apparently neither he nor those who reprinted his article have seen the Federal Reserve figures for department store sales during the week ending December 19, 1942.

Of course radio could answer this unprovoked and unjustified claim, but radio has more important things to do. Broadcasting as an industry has embarked, under the NAB Retail Promotion Committee, on a study of retailing and radio that should furnish concrete, factual evidence of the power of radio to help retailers solve some of the problems they face today. More reason why every radio station should subscribe to the Retail Promotion Committee Plan.

Bickering between media is the worst thing that could happen to advertising today. All media have a job to do today—the magnitude of which they have never previously faced. First and foremost, they must help to win the war and win it quickly. Then they must help manufacturers, distributors and retailers to meet utterly new problems; chart sales and institutional courses over unknown seas.

Perhaps this opportunity for inter-media cooperation is nowhere better expressed than it was on the "Inside Washington" page of *Printers' Ink* for January 1, 1943:

"Food Administrator Wickard and OWI's Elmer Davis did an admirable job of building up for their last Sunday nights' broadcast (December 27, 1942) announcing that around 200 food products would be strictly rationed beginning sometime next February. First the Sunday

morning newspapers carried top-head to the general effect that something big was cooking in Mr. Wickard's department—probably having to do with rationing—and that the double-barreled broadcast would reveal the whole plot. Then throughout the day, the forthcoming event was ballyhooed at intervals by the various broadcasting systems. Thus the interest of *hoi polloi* was really stirred up and they did not mind too much being deprived of their usual Charlie McCarthy half hour and other Sunday evening features. The execution was good, too. The dignified preliminary roundup by Mr. Davis and the forthright speech by Mr. Wickard covered the subject adequately and effectively. . . . There was not a thing wrong with the technique employed. Mr. Wickard's reminder that "your Monday morning newspaper will contain an interesting detailed announcement in this connection" was an effective stroke. The two mediums, newspaper and radio, were thus effectively hooked.

Consider that important announcement and the manner of its release. Broadcasting was used to condition the minds of the people—to prepare them for more drastic sacrifices necessary to win the war. To newspapers were left the details of how that program would be implemented.

Some of the ablest men from broadcasting and newspapers are on the staff of OWI. When they agree on such a technique, doesn't that suggest the tremendous importance of broadcasting as the prime means of communication?

Don't let your retail accounts be misled by the misinformation that has unfortunately been published in connection with the strike of the New York City newspaper delivery unions. The statements set forth in this report are verifiable facts. Use them wherever and whenever necessary to spike fraudulent claims.

But don't forget: broadcasting will progress and grow, as it has in the past, through constructive selling on your part and the part of everyone else connected with the industry.

SELL A BOOK TO SELL STAMPS

One of the most offensive attempts to tie a commercial campaign into the war effort is the recent letter of Farrar

& Rinehart, Inc., book publishers of New York City, urging stations to follow "The Treasury Star Parade" programs with an announcement plugging a book of the same name containing the scripts of these programs. And the reason why you should do this? If people buy the book containing the scripts, they will be stimulated to buy more War Bonds and Stamps. It would be much more effective to broadcast "The Treasury Star Parade" twice and so make a direct appeal. We hope no NAB member station will succumb to this appeal. Let the publishing house pay card rates for the announcements following these programs.

MORE P-I INSURANCE

Many member stations have forwarded letters from the Charles Edson Rose Company of Chicago, Ill., offering advertising of several types of insurance policies on a graduated P-I basis. The continuity is described as "snappy." We hope all NAB member stations will therefore bounce the continuity back to the agency with an urge to buy on a standard rate-card basis.

WINNER LEFT AT THE POST

Described as a "winner," the "Record of Service" wall certificate offered to radio stations by the Midwest Advertising Company of Springfield, Ill. should be left at the post by all NAB member stations. Try to get the business on a straight rate-card basis. If the deal is as good as the agency says it is, they certainly ought to buy and quickly.

COVERAGE CLAIMS

A recent FTC case, wherein a radio station stipulated to desist from making certain claims as to its coverage, serves as a warning to stations. Extreme care should be taken to insure that no coverage claims are made that cannot be substantiated by reliable evidence. Statements made in brochures and direct mail constitute advertising just as much as advertisements in the trade papers.



Broadcast Advertising Bulletin

APRIL 23, 1943

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No. 2

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH., D.C.

Advertising Can Aid Government Programs of War Information and Increase Your Local Time Sales

Probably you are familiar with the many, carefully planned government programs of war information. Undoubtedly you have explored the possibilities of selling time and talent in support of these programs to local manufacturers, distributors and retailers. Such efforts have the unqualified endorsement of the Office of War Information because of the evident need for more advertising and more publicity in support of these informational campaigns.

How great is the need for advertising was ably summed up by Gardner Cowles, Jr., well-known newspaper publisher and radio station operator now serving as Director of Domestic Operations for the Office of War Information, in a talk before the Annual Advertising Awards Presentation Banquet on February 5, 1943, in New York. Here are three significant paragraphs from that speech:

"Today Americans are ready to make sacrifices. If anything, they want to make more sacrifices in order to get on with winning the war. But specifically as to the details of each government program, too often they are confused and unconvinced. They are unconvinced in large part because they don't have full enough information on why a program is necessary and how it works.

"And that is where advertising should come in. In my opinion, even with the help of all the editorial and news channels open to us in OWI today, we need advertising. Advertising is the only force powerful enough to do the job. It is the only one which can put these government programs before the public in simple, exact terms *often enough* and with *enough power* and with *enough control* to get results.

"The war on the home front can be won, in my opinion, and should be won without giving up the traditional free character of our media and our advertising, provided the media owners, the agencies and the advertisers realize advertising can and should and must be geared to help with war problems on the home front."

In other words, the government depends on private enterprise for the advertising support needed to implement fully the programs of war information. What's more, you can co-operate in this activity to the profit of your station.

Look over the following partial list of programs of war information. Each of these is a pertinent subject in the

very near future. Have you solicited advertising from every local account—whether it be a manufacturer, distributor or retailer—that can logically tie in with one or another of these programs? If you have overlooked any sources of support for the government campaigns or profit for yourself, now is a good time to call on such prospects.

Victory Gardens

No other program is more important and more vital to the success of the war on the home front than Victory Gardens and home canning as an aid to meeting food needs by producing for home use. Many stations have capitalized on this program to sell time and talent for effective advertising campaigns.

Who are the prospects for a program dealing with Victory Gardens? Here are a few:

- | | |
|----------------------------|----------------------------|
| China and glassware stores | Gas and electric utilities |
| Department stores | Hardware stores |
| Feed and seed dealers | Merchandise brokers |

This promotion is now in full bloom with special emphasis planned for May. It will be continued until the first "killing" frost in your section of the country and Victory Gardeners who planted early crops will be urged to replant for a second crop.

Recruitment of Farm Labor and Food Processing Labor

While it may sound unusual for a broadcasting station to run a "Help Wanted" program, such a feature, well-planned and intelligently presented, can serve both manufacturer and farmer as well as prospective employees. First tried on the West Coast, where aircraft manufacturers turned to radio in a desperate attempt to relieve the manpower shortage, such programs have proved amazingly successful.

This campaign will be launched in May to persuade the public to volunteer for peak-season work of farms and in food processing plants. Write to NAB for the campaign guide entitled, "U. S. Crop Corps."

Nutrition Program

This educational campaign will be directed to the public on the use of available food supplies for best nutrition, and to stimulate proper nutrition on the part of war workers. While this campaign is scheduled to start in June, now is the time to line up accounts to supplement the promotion you will put behind this effort as a part of the OWI Allocation Plan.

It gives you a brand-new approach to brokers, commission merchants, distributors, chain food stores and voluntary groups of stores. Take full advantage of this opportunity to convert these logical prospects to users of broadcast advertising.

Recapping in Time Saves Tires

With rubber available for recapping almost all motorists' tires, this campaign gives you a logical reason to approach the tire dealers in your community. Here are some of the prospects you should solicit:

Tires—Manufacturers
Distributors
Dealers
Accessory dealers
Service stations

Preliminary information indicates that some of the tire manufacturers may match advertising expenditures with distributors and dealers in this campaign. While it is not known whether this money will be ear-marked for a particular medium, the fact that it may be available should stimulate your sales approach.

Fuel Conservation and Home Heating

In May, OWI will inaugurate a concentrated campaign to the public to sell the the following objectives:

1. Order coal early.
2. Conserve fuel oil and where possible convert to coal.
3. Conserve household gas.
4. Heat-condition the home (by insulation, weather-stripping, storm sashes, etc.)

This campaign opens up a field in which radio stations can write a substantial volume of new business by careful planning. Check the following list of prospect types with the actual prospects in your community and get to work early:

Asbestos products
Boiler cleaning and repair
Chimney cleaning and repair
Cleaning compounds
Coal dealers
Concrete contractors
Floor contractors
Furnace cleaning and repair
General contractors
Hardware stores
Heating contractors
Heating engineers
Insulation manufacturers & contractors
Lumber dealers
Millwork manufacturers
Paperhangers
Plumbers
Pipe covering contractors
Roofing contractors

Fats and Grease Salvage

A new campaign to urge the collection of waste fats and greases for explosives will be conducted during July and August. While this will primarily concern the placement of national spot advertising, you should cover every possible local angle in connection with this activity.

In this connection, the Department of Broadcast Advertising will work with the advertising agency and trade association involved in an effort to obtain a larger share for broadcast advertising of the rumored \$500,000 budget.

Homes for War Workers

The National Housing Agency and OWI will shortly announce a three-fold campaign to alleviate the housing shortage that exists in many war production centers. This campaign has three objectives:

1. To induce property owners to make available to war workers all the vacant space—houses, apartments and rooms—which can be utilized without any expenditure of critical materials.
2. To induce other owners, whose properties are not now suitable for use, to convert them into additional accommodations by remodeling with their own funds or with the assistance of private financial institutions.
3. To induce property owners, who are unwilling or unable to convert on their own responsibility, to lease their buildings to the government, and let the government do the job.

Here, too, is a field in which alert radio station sales executives can render a real service in the government campaign as well as build a substantial volume of new business.

Conservation

Soon a nation-wide campaign will be instituted to induce people to use less, waste less, save more. This program will be concentrated in two fields:

1. Household equipment (maintenance of electrical appliances, etc.)
2. Clothing (making clothing go further.)

Look at the list of prospect types in this field of conservation. What's more, many radio stations have already developed important customers from among these groups:

Air conditioning service
Cleaners and dyers
Clothing repair and reweaving establishments
Electrical appliance service
Laundries
Oil burner service
Refrigeration service

These government informational campaigns represent real sales opportunities if you will but translate the objectives of each activity into terms of local accounts that can and should contribute to the program.

THE SAWDUST TRAIL

Each time the Department of Broadcast Advertising receives a letter from an NAB member station, calling attention to a per-inquiry offer, a sales letter is immediately written to the advertiser or advertising agency, urging the use of broadcast advertising on an ethical

basis. Now and then such letters result in conversions. Here are two recent examples:

From Arthur M. Holland of the Malcolm Howard Advertising Agency, 20 E. Jackson Blvd., Chicago, Ill.:

"May we state that at no time has this agency ever placed any advertising with ANY radio station anywhere in the United States on a 'per-inquiry' basis, and this one instance where such an attempt was made, was done without the authorization of anyone in authority.

"We hope this will clear up our position with regard to the subject in question."

From Michael F. Ellis of the Ellis Advertising Company, Buffalo, N. Y.:

"I promise never again to deviate from the straight and narrow path under pain of being deprived on my nationally known non de plume of Ethical Ellis . . .

"Seriously, thank you for bringing this to our attention. It's all over now and won't occur again."

HELLO, SUCKER!

For complete frankness on the purpose of per-inquiry offers, the following excerpt from a letter received within the last few days deserves first prize and a place in your memory:

"We did not originate the idea of making radio commitments on a per inquiry basis. As a matter of fact, we were approached by two out-of-town stations, through their representatives, who solicited contracts on that basis.

Since we felt that some of the smaller stations, whose facilities we would not use on any other basis, might be willing to enter into a similar arrangement, we proceeded to suggest same in a letter to them. Frankly, we did not expect any large station to enter into the arrangement, and surely there could be nothing wrong in offering the deal to anyone who wished to take it on.

"For your information, we are also buying time for . . . in the regular way on larger stations in major cities, and shall continue to do so so long as radio pays out."

THE STATION VIEWPOINT

Having preached against per-inquiry business times without number, this column is herewith turned over to Robert T. Mason, President of WMRN, Marion, Ohio:

"We have steadfastly refused to accept any PI business. I maintain that when we go into direct mail merchandising I'll buy my own merchandise and sell it, but while I am selling radio advertising I am going to stick to that business. When radio advertising reaches the point where it can't stand on its own feet as a merchandising medium I'll give serious thought to opening up a mail order house myself.

"I don't believe that radio will ever get its share of department store advertising and retail store advertising until we have out-grown, as did the newspapers, the era of cut rates and shady deals. It can be done because we've done it and I would like to see some of the other stations likewise clean up their operation."

Thanks, Bob, that tells the story perfectly.

Broadcast Advertising Bulletin

JUNE 28, 1943

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No. 3

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

Urge Your Local Fuel Dealer To Sponsor OWI Announcements In "Order Fuel Now" Campaign

Through the vigorous representations of the Small Market Stations Committee and the NAB, the Office of War Information has offered to make the transcribed announcements for the "Order Fuel Oil NOW" campaign available for local sponsorship. This provides radio stations in the rationed areas an opportunity to aid the government program of war information and to increase local sales *at the same time*.

The announcements are being recorded in Washington today and the scrips are tentatively set at 50 seconds to provide time for the local commercial identification within the one-minute limit. There are four announcements in the series: three are dramatized, while the fourth is straight selling copy.

These announcements will be forwarded to the OWI field men for discussion with the stations in the rationed areas. It will probably be the end of this week before the OWI field staff has pressings of these recordings.

Campaign Starts July 12

If you have been unable to sell these announcements to your local fuel oil dealers by July 12, these announcements will automatically become part of the OWI Allocation Plan. So it behooves every radio station to make a concerted and prompt effort to line up local sponsors for these announcements.

The "Order Fuel Oil NOW" campaign is part of the "Fuel Conservation and Home Heating" program outlined briefly in "Broadcast Advertising Bulletin No. 2," issued on April 23, 1943. Here are additional details about this phase of

the activity, taken from the publication: "Information Program for Fuel Oil Rationing—1943-44 Season," issued by the Department of Information, Office of Price Administration.

June 1 to July 1—Formal Announcement to the Public

The first part of the month of June was devoted to formal announcement of the new and simplified fuel oil rationing program to the public. This explained just how it works.

June 15 to July 31—Get Your Coupons NOW

During this period, the public has been and will be urged to mail in their applications for fuel oil rationing coupons as soon as possible.

July 15 to August 30—Order Fuel Oil NOW

For seven weeks, the public will be urged to stock up with fuel oil *now* and to order the entire winter's supply immediately. This is the phase of the campaign for which OWI has prepared the transcribed announcements for sale to local fuel oil dealers.

Get Behind This Campaign

Many station managers wrote members of the Small Market Stations Committee—and many others have written NAB—protesting the discrimination against broadcasting through the refusal of OWI to permit announcements (and soon programs) to be sponsored by local distributors and dealers. Here is a break in the long line of adverse rulings. *However, this applies only to the "Order Fuel Oil NOW" announcements.*

Get behind this campaign and interest every

fuel oil dealer in your community to carry his part of the job of promptly and properly informing the public on all phases of the fuel oil rationing program. In your solicitation, don't forget to tell him what you have already done to build public acceptance for the order-now idea. Tell him about the announcements you have already broadcast, urging the public to mail in their applications for fuel oil as soon as possible. Be sure he knows what you are already doing to help with this important campaign.

Redouble Your Efforts In "Order Coal Now" Campaign

Don't forget the announcements and programs prepared by the Department of the Interior to further the "Order Coal NOW" campaign. These

are important, too, in the "Get Ready for Winter" program which is such a vital home-front phase of the war effort. They are open to sponsorship.

In many communities, fuel dealers handle both coal and oil. This gives you a double-barreled approach to such prospects. Let's not miss this opportunity to write some desirable summer business in support of the programs of war information.

Want More Information?

If you want additional information about the Program for Fuel Oil Rationing—1943-44 Season, consult the branch or regional office of OWI nearest you or write the Department of Information, Office of Price Administration, for Bulletin 1-8231. If NAB can be of any assistance, don't hesitate to write.

Department Stores Can Make Radio Pay

Concentrated Promotion of Items Key to Profitable Selling

By JOHN A. GARBER
Advertising Manager
Strawbridge & Clothier, Philadelphia

SEVERAL YEARS ago the writer spent a good part of a year analyzing the broadcast advertising activities of some 92 department stores across the country. It was apparent from the results reported that they were not using radio successfully or intelligently in most cases, and that radio was evidently not doing the right kind of a selling job for the department stores. This paper will attempt to show that radio can do a resultful job for the stores if handled properly.

The entire radio-department store relationship cannot be analyzed in so short an article, but certain obstacles can be analyzed, obstacles that make it difficult for the average department store and radio to walk the flowery path together.

Radio Can Pay

Let me make my stand clear at the outset by stating unequivocally that I believe radio can be used successfully by department stores, and that radio will and should have a considerably more important place in the department store advertising budget.

But let me say unequivocally, too, that for all the research and study I have seen, I have never found a department store doing a truly important, *resultful job on radio as evidenced by sales returns relative to total sales, or by expenditures relative to total publicity outlay.*

There are isolated cases, but I think if the broadcast advertising activities of these stores are analyzed, it will be found that they are relatively unimportant compared to the total publicity job. The figures still show that newspapers take some 3½% of the typical store's sales, and radio about .07%. The fact stands that few stores really check *carefully* the results of radio publicity and that few stores use radio for other than supplemental advertising.

Now, faced as radio is in this field by a rather bleak picture, it must decide once and for all if it wants its share of the department store's advertising dollar—some 75

to 100 million of them nationally—and decide whether the long missionary and selling job which still must be done to get radio's share of that dollar is worth while.

I have heard many radio men state flatly that they were not interested in department store business, that it was more trouble than it was worth. Yet in the same city the major stores were spending 3 to 4 million dollars on publicity, the bulk of it in local newspapers. I would think that radio, for all of its national windfalls, would welcome a good share of this heavy local department store expenditure.

Reasons for Failure

Most radio people, however, have indicated a very real concern regarding this lost sales potential, so it is imperative that the department store broadcast advertising situation be studied carefully, and that an attempt be made to find out why radio (a notably successful industry) has been so notably unsuccessful in selling the department store (also a rather successful industry), and in *all frankness* to find out why radio has been also notably unsuccessful in producing substantial results for a great many of the stores that have used it.

We can put our fingers on a number of reasons: (1) Lack of intelligent approach to programming and timing by both stores and stations. (2) The charge-back system by which the buyer or divisional man is in the last analysis responsible for his publicity expenditures as well as sales, and his consequent refusal to take a chance on radio. (3) Failure of stores to give programs adequate time to take. (4) Failure of stores to expend enough of their publicity budget on good



MR. GARBER

national programs practically throughout the day. (5) Lack of understanding of radio by store advertising men trained in visual media. And there are many others, any one of which is enough to frighten a research man away from the subject.

But I believe the problem goes far deeper than any of these superficial reasons would indicate, deep into merchandising practices of the stores—in fact, into the very make-up of the department store as a merchandising entity.

Typical Store

Most organizations with which radio deals sell one thing or a relatively limited group of related things. Perhaps it is a great national manufacturer's branded item, perhaps it is a local credit jeweler's credit. If their sales volume for a given product or service is large enough to warrant extensive publicity, the entire advertising expenditure can be devoted to driving home the story of that one product. This means broad coverage with sufficient repetition to influence a sizable portion of the market.

A large department store, on the contrary, has literally hundreds of thousands of items to sell, divided into scores of merchandise classifications. It is a multi-item operation and derives a relatively minute percentage of its total sales from any given department, and so much less from any of that department's score or hundreds of items. There are exceptions in the departmental breakdown, but let us take a look at a typical picture.

A typical store doing about 7 mil-

lion dollars, normally operates between sixty and eighty departments. Of these departments it is notable that the largest does no more than 5% or less of the store's total business, and the smallest 2 or 3/10% of the total business. Thus, although the store itself does some seven million dollars in volume and expends some three hundred to four hundred thousand dollars a year on publicity, the largest single department or selling entity does something less than \$350,000 worth of business, with a total publicity expenditure of about \$17,000 (only about two-thirds of which is available for media purchases). The smallest department does only \$14,000 in sales over the year and devotes only some \$700 for its publicity.

To complicate this situation further, the average item which the typical department has to sell is backed by from little more than a few dollars' worth of stock to several thousand dollars' worth of stock, which means that the total expectancy during a turn is necessarily limited, and expenditure must be governed accordingly, even though it is absorbed by the entire department's business for a given period.

Compare this to the national product or item which of itself is backed sometimes by millions of dollars' worth of processed or unprocessed stock and where expenditure on the selling story for a given product is accordingly tremendous.

Although this policy may be criticized or condemned, the department store merchandising job is based on item promotion, and a number of decades' experience, trial and travail have brought about this practice. People come to one store in preference to another primarily because the favored store has merchandise (items) which the customer wants. The store's job is to prove that it has the desired merchandise and to tell that fact unceasingly by advertising specific items of desired merchandise. A store may have a beautiful building or central location, or a fine dining room, or pleasant personnel, but unless that store has on its shelf desired items, and unless that store tells this fact to the public, its competitors will get the trade. I think you will find few exceptions to this rule.

Appeal Concentrated

Just as in the national field the American Tobacco Co. attempts to sell and advertise Luckies, not the American Tobacco Co.; and General Foods sells and advertises Jello, not General Foods, so in the local field Blank's Department Store must sell and advertise its \$1.98 slip or a \$2 shirt or some other item and not (other than

(Continued on page 34)

ONLY a small group heard an outstanding evening talk at the recent NAB War Conference—a talk that throws new light, and plenty of it, on the department store problem. Speaker was Mr. Garber, and those who heard him left with the feeling they had been given an important message. 'Broadcasting' felt that way too. Mr. Garber sets down herewith his views on how a big store should use radio. He is author of "Survey of Broadcast Advertising, 92 Department Stores", a project which grew out of his research at the U. of Pittsburgh Research Bureau for Retail Training. His education includes Harvard and U. of Wisconsin. He went to Boggs & Buhl, Pittsburgh, from college, then moved to Gimbel Bros. where he stayed until Pitt called him to teach. He is a Navy reserve officer slated for early duty.

indirectly) Blank's Department Store.

In a sense, the advertising department of the typical store acts only as an advertising agency placing copy for each department and taking a certain percentage of sales for its own maintenance. Each department or selling entity must be given its adequate share of the store's total publicity outlay based primarily on the department's percentage of the store's total sales.

Departments carefully plan series of advertisements, sometimes stressing price promotion, sometimes quality or prestige, sometimes intangibles such as fashion significance, sometimes inherent value, *but invariably offering an item or items that have selling appeal.* And there are a great many departments all of which in at least some season must have their items covered daily or weekly.

Now when a store employs newspaper space, this is a relatively simple job; a daily section or sections can be planned with lineage allotted according to the value of each promotion. Important or seasonably important departments can be readily covered and, *most important*, a customer can read at leisure and re-read even the smallest section at will. Customers have been educated for half-a-century to look for and read department store copy, and tests show that department store sections have exceptional, constant readership. The newspaper "audience" does not have to be built up—it's a daily show with a relatively constant public.

Choosing a Show

Radio offers a more difficult merchandising picture. A show must be chosen as a vehicle, and several commercial insertions will be permitted depending upon the length of the program. Here is where

trouble starts, for although most retail people attempt to merchandise a radio show, just as they merchandise a newspaper section with a diversity of items *seldom repeated*, it cannot be done. If you toss three or more unconnected items into any given news period, sports period or any other type of program at 40 seconds per impression, you can't expect results that will compete with the newspapers even if you have a built-up audience.

Forty seconds' worth of commercial a month would not sell Jello either.

Educational Job

Granted that few if any stores have done the tremendous educational job in radio that they have done in newspapers, and granted that expenditures on radio in the beginning naturally will be rather limited, how can this merchandising obstacle be surmounted, permitting the store to advertise items (as it must if across-the-counter results are to be obtained) and still employ radio's normal programming and production techniques?

Radio, to compete with the newspaper in this field, must bring desired results at from 3 to 4% expenditure, and immediate results are normally limited to 24 or 48 hours. (Obviously, only a small percentage of total daily sales can be traced to advertised items, but a medium must induce strong sales results for the advertised merchandise if it is to prove its salt). The seven-million-dollar store's individual departments will do from only a few dollars in volume for the smallest to a thousand or so for the largest in a given day. Four per cent of these volume figures permits very little expenditure, even when absorbed by a week's or a month's business.

It is my belief that stores can best get around this situation by doing careful merchandise dissection jobs when employing radio. That is, choose merchandise divisions such as the men's, home furnishings, fashion, or large departments such as furniture, or important seasonal departments such as furs. Programs can be built around these divisions which can be directed readily to a specific customer audience.

Thus, a store might use a baseball scores' program or sportscast, or a news program for the men's division. It might use a fashion information program, a Hollywood gossip program, or some other suitable vehicle for the fashion division. It might use a consumer program cooperating with various women's clubs or the PTA, or a homemaker's program of some kind for the home division or furniture department.

The problem will be simpler from the standpoint of results in the beginning if we choose good staple items, either private or nationally branded items, backed by enough stock and with sufficient sales expectancy to permit considerable repetition. If possible, it will help results if items of sufficient unit value are employed so that total sales of even a few of these items will pay the way. As examples: men's suits, fur coats, heavy appliances (when we are fortunate enough to have them again).

Simplifying Practice

By this method of selection a store will be able to reduce the advertising job to the simple practice of allowing for plenty of repetition of a basic selling story that will sell both the merchandise and the division. If we were to choose men's clothing, as an example where our 7-million-dollar store would prob-

ably do from 200 to 300 thousand dollars a year, we could constantly hammer home a few branded lines, and merchandise our broadcast with \$20 to \$60 unit sale items. (Perhaps under present conditions the men's clothing example is unfortunate, but it demonstrates the point).

The writer believes emphatically that if radio is to have an important place in the department store advertising picture it must sell goods across the board. It may be a good institutional medium, but dollars for institutional advertising are strictly rationed and easily cut. Radio must prove that it can sell merchandise immediately, giving the added sales which can be expected from newspaper advertising. Hence, the divisional or departmental dissection theory has considerable appeal, for it permits promotion of specific items in given classifications without running over the entire store map.

Individual Needs

Radio men will do well to study the individual stores in their area to find out what departments and divisions are particularly strong in each store, and what departments and divisions can stand the missionary expense necessary. Then the station will be able to formulate intelligently program vehicles which will be something more than "just shows", vehicles which will be in fact razor-sharp promotional shows attuned closely to the merchandise and the audience which buys that merchandise. Then, I believe, radio will produce results, given a year's time, which will astound most department store promotion men.



RETAIL PROMOTION COMMITTEE

May 27, 1943.

DEAR FELLOW BROADCASTER:

You undoubtedly know from the reports of the NAB War Conference in Chicago that the Retail Promotion Plan is now under way and we are working toward a presentation in the fall. Mr. Sheldon Coons, our consultant, has been instructed to proceed with the preparation embraced in the outline which we sent you some time ago.

We wish you could all have been present at the session of the NAB War Conference on Wednesday, April 28th. We gave a full report of our eight months' preparation; showed the proposed route of the cities to be visited; described the material that each station is to receive for its meeting; made known the formation of subcommittees consisting of outstanding leaders in the field, who have already organized their work and are preparing pamphlets on the fundamentals of radio and its use for distribution at each meeting.

Although you have not as yet decided to give your financial support to this movement, we feel sure that you will wish to cooperate with the rest of the industry in helping us gather essential data. In order that this promotion shall be of maximum help to stations and markets of every size, and because we want the presentation to reflect the very latest developments in retail radio advertising, we are asking you to share some of your own experience with us, with our promise, of course, to keep your identity completely out of the picture.

You will be happy to know that we are cooperating with the Harvard University Business School in its announced study of retail radio advertising and, unless you object, the material we are asking you for herein will be submitted to Harvard for further study. Harvard, too, has guaranteed to keep all material strictly confidential.

Two kinds of information essential to us can be supplied only by you. Here is what we are asking you to do:

1. Statistical data.

On the back of this page is a questionnaire which asks for data concerning the extent and character of your retail and other advertising. Our Committee does not believe it will be difficult to fill it out. The person in your organization who keeps your records should find this form easy. Please *note* that you do not have to make an extensive check-back, as the questions asked are only for the month of March, 1943, and for any typical 1942 month or week.

2. A letter to be dictated by you.

We want you to tell us in your own way, and in your own words, some of your recent experiences with retail advertising. In order to help you review for yourself what you have done in this field, we have prepared an outline on page 3 of this folder. After you look it over, we believe you will find it as stimulating to you as it was to us. If, after you have read the outline, you will call in your secretary and just dictate the things that come to your mind, suggested by our list of topics, you will be making a real contribution to all our thinking on the subject.

Do not worry too much about the form—ramble as much as you want to—but if you can follow the topics in somewhat the order we give them, it will help to compare your experiences with similar experiences of other stations when your letters are analyzed by Mr. Coons and his staff. After you have dictated the letter, be sure to enclose sample commercials and scripts.

These two requests, (1) return of the statistical questionnaire and (2) the letter we want you personally to write, are all we will ask of you. But in order that we may proceed according to schedule, won't you please do this at once. We are enclosing a self-addressed envelope for your use in returning the questionnaire and your letter.

Just one more thing—several stations have written or told us that they preferred to decide on their support of the Plan when they were certain that the Plan would definitely go through. Since the NAB War Conference, twelve more stations have joined the list. If you have delayed decision for this reason, we hope that you will now join by sending us your pledge on the enclosed blank.

Sincerely yours,

RETAIL PROMOTION COMMITTEE

CHAIRMAN.

Turn the Page for the Details

STATISTICAL DATA

Explanation of Terms: Our study is concerned primarily with the use which retailers, service establishments, and manufacturers with local distribution have made of radio station facilities. We have used the term *local* because that is the term used by the Federal Communications Commission, and hence your records are probably organized to provide data on such business without difficulty. In filling out the questionnaire, follow the same classification you have used in reporting *local* business to the FCC. You have probably already calculated the answer to question G for your report to the FCC.

The replies to the following questions will be held as strictly confidential and used only in combination with other stations. No individual figures will be released for any station.

A. Number of advertisers who used your station in *March, 1943*:

1. Total number of *local* advertisers ("local" as defined by the FCC)
 - a. How many of these bought spot announcements only?
 - b. How many *local* advertisers were serviced by advertising agencies?
2. Number of all advertisers (local, plus all others, including network)

B. Relative importance of local time and talent sales

1. About what percentage of your total revenue from sale of time in 1942 came from local advertisers?%
2. Your 1942 dollar income from sale of talent to *local* advertisers was about what percentage of your dollar income from sale of time to local advertisers?%

C. Approximately what percentage of your local revenue was received from the following types of time sales? You may use a typical 1942 month or week.

1. Spot announcements (including participations)%
2. Programs sponsored by individual advertisers%

D. About what percentage of total revenue from programs sponsored by *local* advertisers (see C-2 above) came from the following classifications of programs?

- | | |
|------------------------------------|----------------------------------|
| 1. Five-minute programs% | 4. Thirty-minute programs% |
| 2. Ten-minute programs% | 5. Sixty-minute programs% |
| 3. Fifteen-minute programs% | 6. Other units of time% |

E. About what percentage of total revenue from *local* programs (see C-2 above) came from religious programs?%

F. Please give the following information on rates:

1. What are your rates for a Class A Quarter Hour:
 - a. For national advertisers \$
 - b. For local advertisers \$
2. Does your local rate provide a commission to recognized advertising agencies?

Yes..... No.....

 - a. If yes, how much?%
3. About what percentage of your total revenue from local time sales in March, 1943, was placed through advertising agencies?%
4. Was all of this commissionable? Yes..... No.....
 - a. If not, what percentage of it was commissionable?%

G. It would help greatly in evaluating our sample if you would state your 1942 dollar income from *local* time sales \$

Detach and Mail with Your Letter in Enclosed Return Envelope

Send to: SHELDON R. COONS
Retail Promotion Committee
535 Fifth Avenue
New York 17, N. Y.

STATION CALL LETTERS.....
CITY AND STATE.....

THESE ARE THE TOPICS WE WOULD LIKE YOU TO WRITE US ABOUT

Please "take your hair down" and tell anything that you think will assist us. The topics are merely suggestive. Leave out anything you consider not pertinent. When you have read them over, please call in your secretary and dictate whatever in your own experience they bring to mind.

1. Your Most Important Retail Account

Every station has at least one retail account that is outstanding either from the standpoint of the amount of time they use, or its growth, or the results obtained. We would like to have you tell us the story of one such account—the name of the account is not important. It's the story we want.

How much time do they use? How long have they been on the air? Have they increased the amount of time they are using—and particularly have they done this by adding a special program for any of their departments? What brought about this increase? Are they doing more business or have they found that radio cuts their selling costs?

2. What About the Program?

If they have increased their time, no doubt their program was successful. To what do you attribute this success—merely volume of time, or time of day they broadcast, or type of the program, or technique used in commercials, or tie-in with store selling? Please tell us about these things and *let us have some samples—program scripts and commercials.*

How does the local rating of this program compare with the national shows with which it has to compete?

3. Let's Get the Negative Side Also!

In some cases a station's leading retail account has cut the time used. If this has happened to you, we would like to know about it and what you think the reasons are so that we can analyze this along with the experiences we get from other stations. (Just cover the same ground as you would if it had been an increase instead of a decrease.)

4. Opening New Markets

We find that in many cases broadcasting enlarges a trading area or opens up an entirely new market or class of trade for the retailer. Have you had any examples like that? What happened?

5. What About These Controversial Questions?

What do you find is the best time of day for retail broadcasting? Please give us *your* experience. What types of merchandise have you been able to sell most successfully and how? Do you find it best to plug one item at a time or do you aim at multiple sales, or do you talk about the store in general, or their credit arrangements, or some special service? These are very important angles about which there is still no unanimity of opinion. Are there items or angles of retailing on which you feel radio hasn't done so well and why? If so, what progress have you made in overcoming these difficulties?

6. This Has to Do With Personalities

Do your salesmen possess any special training or background in retailing or selling retailers? What proportion of your retail accounts really know anything about radio? Have you ever obtained an account because some radio-minded person came into power in a store which had never used radio? What are some of the most notable examples of stores you have never been able to sell? Never mind names—just tell us the story. What reasons do they give? Does the size of your community and its proximity to a larger trading center have anything to do with it?

7. Selling Points and Contacts

What do you find are some of your best talking points? How much service do you give your retail accounts? Do you help them either with their programs or commercials? Do any of them use an advertising agency? Who decides what they will try to sell? Do you leave this entirely to them or do you insist that they meet competitive standards? Do you ever do comparison shopping? Whom do you work with at the store? Does he have real authority and capacity for sound judgment?

8. Contracts

What is the minimum contract you will take from a retailer? What has been your experience with short contracts? Do you consider them advisable?

9. Packaged Transcriptions

Do you feel that you have the means at hand locally to build a successful retail program, or do you think you might do better if you had a really good packaged transcription show to sell? Have you ever considered using a syndicated service for retail commercials?

10. Wartime Experience

What about your recent war experiences? How many new retail accounts have you obtained since the war began? How many have you lost? Have you emphasized the retailers' need of keeping more closely in touch with his customers? Have you urged him to exploit the consumer service possibilities of radio for his retail customers?

There may be a lot of other things you would like to tell us about, or about which you may have some opinion. Please don't hesitate to write us about them, just because they are not mentioned above.

Please be sure to send along sample scripts and commercials.

**COMMITTEE FOR U. S. RADIO STATIONS
DIRECTING THE RETAIL PROMOTION PLAN**

PAUL W. MORENCY, WTIC, *Chairman*
ROBERT E. BAUSMAN, WISH
GENE L. CAGLE, KFJZ
WILLIAM CRAWFORD, WOR
DIETRICH DIRKS, KTRI
JOHN ESAU, KTUL

SHERMAN D. GREGORY, WEA
KENNETH K. HACKATHORN, WHK-WCLE
ARTHUR HULL HAYES, WABC
WALTER JOHNSON, WTIC
C. L. MCCARTHY, KQW
JOHN M. OUTLER, JR., WSB

OLIVER RUNCHEY, KOL

**ADVISORY COMMITTEE OF TIME BUYERS
ON STUDY OF PURCHASE OF RADIO TIME**

CHARLES T. AYRES, Ruthrauff & Ryan, Inc.
CARLOS FRANCO, Young & Rubicam, Inc.
JOHN D. HYMES, Foote, Cone & Belding
THOMAS H. LYNCH, Wm. Esty Co.

WILLIAM B. MAILLEFERT, Compton Advertising, Inc.
J. JAMES NEALE, Blackett-Sample-Hummert
MISS LINNEA NELSON, J. Walter Thompson Co.
LOU J. NELSON, Wade Advertising Agency

**ADVISORY COMMITTEE OF PROMOTION EXECUTIVES
ON STUDY OF MERCHANDISING OF RETAIL RADIO PROGRAMS
AND ON SALES PROMOTION**

M. F. ALLISON, WLW-WSAI
CHARLES B. BROWN, NBC

THOMAS D. CONNOLLY, CBS
JOSEPH CREAMER, WOR

B. J. HAUSER, Blue

**ADVISORY COMMITTEE OF PROGRAM MANAGERS
ON STUDY OF THE ELEMENTS OF A SUCCESSFUL RADIO PROGRAM**

HAROLD L. FAIR, WHO, *Chairman*
WILLIAM J. ADAMS, WCHS
DOUGLAS COULTER, CBS
ROBERT L. KENNETT, WHAS

CLARENCE L. MENSER, NBC
HERBERT C. RICE, WGR-WKWB
RAY SHANNON, KQV
M. T. WILLIAMS, WSPD

**ADVISORY COMMITTEE OF SALES MANAGERS
ON STUDY OF STATION SERVICES TO RETAIL ADVERTISERS**

JOHN M. OUTLER, JR., WSB, *Chairman*
FRANK R. BOWES, WBZ
DONALD D. DAVIS, WHB

DIETRICH DIRKS, KTRI
GEORGE H. FREY, NBC
ARTHUR HULL HAYES, CBS

WILLIAM F. MALO, WDRC

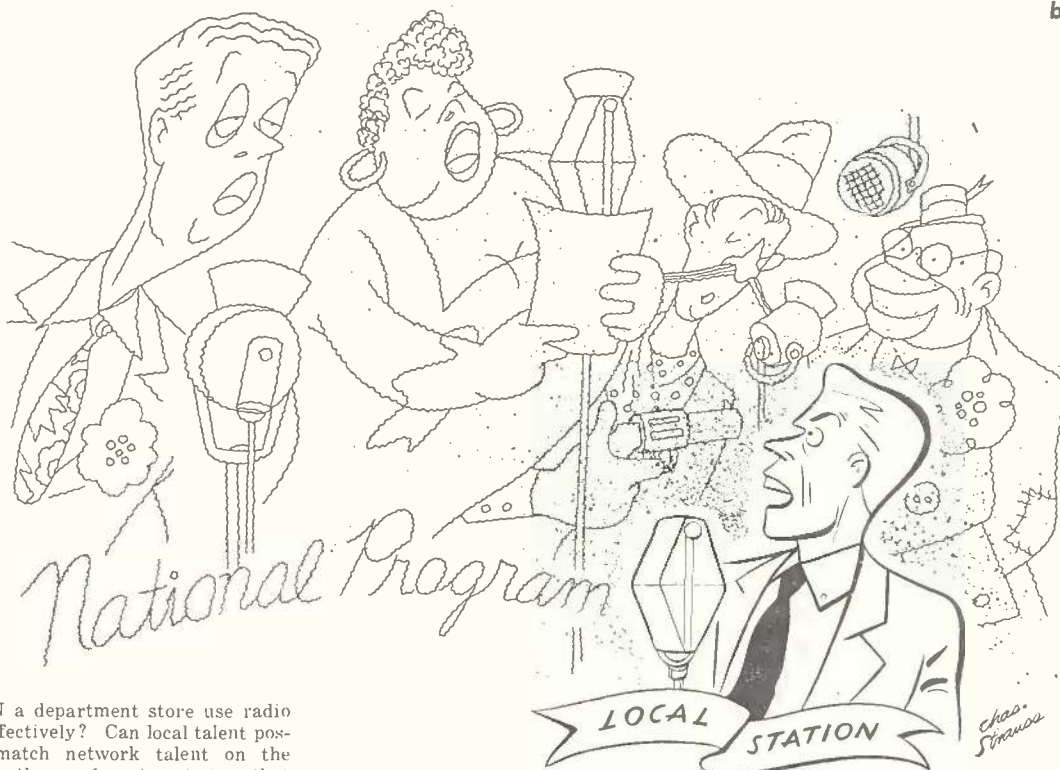
**CONSULTANT TO THE
RETAIL PROMOTION COMMITTEE**

SHELDON R. COONS
General Business Counsel
Steinway Building
New York 19, N. Y.

ADDRESS ALL COMMUNICATIONS TO THE RETAIL PROMOTION COMMITTEE
535 FIFTH AVENUE, NEW YORK 17, N. Y.

STORES can make

by VIRGINIA CORNWALL



Walter E. Anderson, Publicity Director of J. N. Adam's, Buffalo, is a courageous and successful pioneer in radio advertising for department stores.

CAN a department store use radio effectively? Can local talent possibly match network talent on the air? Is there a department store that can honestly say it has made radio pay? And if so, *how* was it done? Questions like these come to the mind of every department store advertising man who considers radio as a serious advertising medium.

"It can and does!" answers Walter E. Anderson, publicity director of J. N. Adam & Co., Buffalo, and he proves it with a regular morning program that rates with direct news from Europe, Boake Carter, The Breakfast Club, and Young Dr. Malone.

Mr. Anderson was one of those who attended the radio session at the NRDGA Conference of 1942, and voiced these very questions openly. The panel of radio experts, confronted by the problems of department stores, seemed at as great a loss as the stores on what to do. Answer to a few of the questions came from the stores themselves during the discussion: Filene's, of Worcester; Taylor's of Kansas City; Pizitz, of Birmingham, reported good results. The others were silent. The radio experts, too, were silent. An NRDGA report several months later indicated that 40% of the stores which had tried radio had given it up, and that 60% of the remainder term it only moderately successful or doubtful.

FINDS BELIEF IN RADIO PAYS

One of the most courageous and successful pioneers in this new field—Walter Anderson—believes enough in radio to give it "the works", instead of the usual, timid experimentation. At the end of a single year results have dramatically proven him correct. Under a Hooper rating one of J. N. Adam's special 15-minute programs scored 22% (Jack Benny has a rating of 23%, Fred Allen 18%, Fibber McGee 24%, and Buffalo's highest ranking local program, 8%).

Which shows that it can be done! But how it has been done—what is left to do—what mistakes were made before the right answers were found—is one of the most fascinating stories of current promotional history.

Probably the Most Outstanding Difference in J. N. Adam's Approach to the Radio Was the Realization That Local Radio Programs Had to Be Better Than Local Newspaper Advertisements; and That Though in the Papers the Competition Was Local, Over the Air the Store Had to Compete with Topflight National Programs Produced in New York Studios with Excellent Working Facilities.

"We had been liberal users of radio time since 1940," says Anderson, "but like most other stores we were working in the dark. In spite of the amount of time we were using and the attention we were giving them, we did not feel any of our programs were doing the job they should.

"In the spring of 1942 we revised our radio schedule completely and in its place bought the following radio package:

1. Morning program, six days a week for 15 minutes.
2. Afternoon program five days a week for 5 minutes.
3. Spots, 1,400 of them to be used as required.
4. 26 evening programs to be used throughout the year, produced with full dramatic staging, including full cast, full orchestra and studio direction.

STORE GOES ALL OUT FOR RADIO

"Realizing that the task ahead of us would be one of the most difficult that we had ever attempted, we decided to 'go all out for radio', putting behind it every ounce of effort and every promotional device we knew to make it succeed. What we have managed to accomplish has been due to these two resolutions."

Probably the most outstanding difference in J. N. Adam's approach to

radio was the realization that over the air the store would compete with top-flight national programs, produced in New York where facilities are of the best, while the facilities offered in Buffalo—though good—have decided limitations. Licking this problem was no task for a novice or an amateur.

STORES LACKING EXPERIENCE

"Department stores," says Anderson, "don't do a good job in radio because they completely lack experience. Radio grew up over night without a great common background among stores. The network studios have had tremendous experience, but local radio stations, except in very large cities, have not had to build up similar production ability and, of course, department stores with few exceptions have had no experience at all. Even the stations which did have the technical ability and staff experts corresponding to our own artists, copywriters and the like, knew nothing about department stores and department store problems. They just didn't talk our language.

STUDIO EXPERTS BROUGHT IN

"A store that cared enough about radio could overcome this difficulty by building its own staff of radio experts, as it has built its own staff of news-

paper, advertising and display experts. But that is not likely to happen. The most expedient thing to do is to arrange it so that the studio experts work for the store. In other words, impose the responsibility for the program on the radio station . . . put the Program Director in charge of the store program!

USUAL PROCEDURE OUTLINED

"It is easier to illustrate what I mean by outlining the usual procedure. A salesman gets a store interested in radio. The store executives, the salesman, and the head of the radio station have a conference, wrap up a radio package and sign a contract. Too frequently all the store has bought is time, or White Space on the Air. They may have some idea how to develop it, but not much. They have no experts in filling up Air White Space. And the studio's Program Director who does know how to manage air space is not called in to help. The whole transaction is kept in the radio sales department.

"We worked that way for the first year, completely in the dark. This is no reflection on the Buffalo Broadcasting Company, as it seems to be the accepted way of doing business. So it was not until the second year, when we put Herbert Rice, Program Director of the studio, in charge of our program, that we began to know where we were going.

Herbert Rice, with his brilliance and talent, backed by his years of experience as studio director, brought to our program a high sense of drama and all the technical skill needed to interpret it. It became apparent almost immediately that under his direction our efforts could at last hope to compete favorably with those of the national networks.

THE WOMAN'S RADIO COMPANION

With Mr. Rice worked several more people, who devoted most of their time to our program. Most important was Ralph Snyder, an employee of BBC, who became "the Woman's Radio Companion". He spent many hours in conference with us, going through the store absorbing store background so that he could interpret the store to the public. On the

Stores Can Make Radio Advertising Pay

(Continued from page 15)

PM, just after the Columbia network shows and just before the news broadcast. The Columbia shows which precede it each night are different, so that the audience is a constantly changing one, and most of these sets remain tuned in for the newscast that immediately follows. Only fifteen words are allowed on this spot and every word counts. As proof of its effectiveness this one spot for one week brought in 100 service men to have free pictures taken.

Spots are used to announce store wide sales, promote specific merchandise, sell new store services, and to advertise other radio programs. 1400 of them are used during the year, varying anywhere from 3 to 60 a week, and, as Mr. Anderson indicated, they are usually bunched before good selling days, rather than scattered sparsely throughout the entire week. The spots are closely co-ordinated with newspaper advertising and usually promote the same items and ideas. This teamwork of media is vital.

NIGHT PROGRAM ENTERS NEW FIELD FOR STORES

It is on the fifteen-minute night programs that J. N. Adam's has made the most phenomenal strides. Here, in the vast emotional field that few department stores have endeavored to tap, this store has had the courage and skill to do an outstanding job. It was with this evening program, rather than the daytime program, that the store faced the stiffest competition from national networks. And its very nature, emotional rather than rational, made it completely new to the department store field.

EXPERT PUBLICITY A DECISIVE FACTOR

That they have succeeded—and succeeded admirably—as proven by national network ratings, can be attributed to two things: the tremendous publicity barrage laid down before each program; and adherence to the original resolution to keep hands off while the studio produced it. Twenty-six programs were scheduled. The choice was between having them weekly at definite times, or holding them at irregular intervals throughout the year. The latter course was chosen because it gave more time to assimilate the knowledge gained from the previous broadcast, and because programs could be better spotted for timely and worthwhile events.

Though the first conception of these programs was essentially one of merchandising, almost immediately the store saw in this new emotional medium a tremendous builder of good will. With but a few exceptions the programs have been on public service features . . . Bundles for Bluejackets . . . America Ahead (stamps and bonds) . . . Navy Day (recruiting) . . . are just a few of those that have gone over the air.

ARRIVAL OF SANTA CLAUS SETS NEW HIGH

The very irregularity of the programs proved to be a blessing in disguise. *Because of the irregular schedule*, Mr. Anderson believed the programs could not possibly succeed unless backed with strong publicity. It was the publicity, he found, which made half the difference between success and failure. Proof of it came when, on Thanksgiving Day, the J. N. Adam show with one star—Santa Claus—won out over a national (unpublicized) show featuring Bing Crosby, Red

Skelton, Don Ameche, Charlie McCarthy, Jose Iturbi, Ginny Simms.

Choosing an example from the many successful programs offered is naturally difficult. The merchandising program which presented the most natural tie-in was that on "Old Album Prints," where an emotional and romantic story was worked up about a floral bouquet found in an album hidden away in an attic.

Of the Public Service features, "America Ahead" was so successful that the Treasury Department requested the store to make transcriptions available to other department stores throughout the country.

No tests were made on the listening audience of the "America Ahead" broadcast, but for the Santa Claus show Buffalo Broadcasting Corporation offered to conduct a survey. Coming as it did near the close of a year of experimentation this survey, Mr. Anderson felt, would be a test of the success of the entire year's venture. If the program could not equal or surpass that of national advertisers he felt it should be judged a failure!

Competition was severe. NBC Red network had two of the highest-rated features, "Lorenzo Jones" and "Young Widow Brown," and the Columbia Network carried a special two-hour program from 4:00 to 5:00 reputed to be one of the most expensive ever broadcast. This was the show that featured Charley McCarthy, Don Ameche, Bing Crosby and Red Skelton—but the show was not well advertised.

Results of the survey showed 53.2 of the radios were in use; 41.3 were tuned to the J. N. Adam's broadcast. The rating of this program compared favorably with such favorites as Fred Allen, Eddie Cantor, Lucky Strike "Hit Parade,"

Kate Smith and Jack Benny.

Mr. Anderson attributes the success of the program to the powerful publicity that backed it up. Starting in August he began to map out a publicity campaign for Santa Claus.

Teaser ads were started first, a few weeks before the broadcast, in the form of news photographs with captions and stories beneath them. Action shots of "Oomlak," Santa's secretary, were taken in J. N. Adam's Fairy Toyland. Suitable, newsy stories were written and run in the papers, calling attention to the fact that Santa was going to land at a "secret" airport. The ads looked like regular news stories and received a tremendous amount of reader attention. On Sunday preceding the broadcast, another radio program described the Three Little Pigs leaving the "secret" airport to get Santa at the North Pole. On the day preceding the arrival of Santa, page ads were run in all papers urging every child to tune in. A poster-like style was used in these climaxing ads, and pounded home a tremendous publicity job. Newspapers, also, realizing the scope of the promotion, gave generous publicity. The Buffalo Broadcasting Corporation gave sustained publicity, which Anderson augmented by spot announcements immediately previous to Santa's arrival, describing the "course of the plane" as it brought Santa nearer to Buffalo, thus building up suspense until by the time Santa was due to arrive the children were in a fever of excitement.

In writing and producing the arrival of Santa, realism was considered of first importance. The arrival took place at the secret airport where the only ones present were fairyland characters (Mickey Mouse, Snow White, Donald Duck, Minnie Mouse, Three Little

Figs, etc.) and the Mayor. A WGR special events announcer was present with his mobile broadcasting unit and he covered the event the same way he might cover any other on-the-spot broadcast.

When Santa arrived in Buffalo at a secret airport, radio history was made. This broadcast proved conclusively the potentialities of coordinating newspaper with radio in putting across a promotion. No local radio program has ever achieved such a tremendous listening audience. One reason was that the program was good; the other that no local program, or national program for that matter, ever received so much carefully planned, well coordinated publicity.

"I am pleased, but not surprised," said Mr. Anderson, "at the results."

Broadcast Advertising Bulletin

AUGUST 20, 1943 * * * * * No. 4

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

Back the Third War Loan With Plenty of Broadcast Advertising

Make September the Greatest Month in History of Your Station and Your Community

Remember what radio stations did to back up the Second War Loan? More than \$7,000,000 worth of time alone was devoted to this all-important task! Considering the restricted available time of the average radio station, this was a greater contribution proportionately than that made by any other medium of mass communication.

But that wasn't enough—not nearly enough—in terms of the needs in connection with the Third War Loan that will be launched on Thursday, September 9, 1943. "How," you may ask, "can we give more time—no matter how worthy the cause—than we gave last April?"

Just think of this—the boys in Sicily, New Georgia and New Guinea didn't ask: "How can I give more?"—*they just gave more*. Somehow, some way, you'll have to figure out how you can give more and do more to put the Third War Loan over the top.

While you are thinking about it—have you done everything you could to sell the manufacturers, distributors and retailers of your community to back your efforts to tell every man, woman and child in your listening audience about the various War Loans? Here is a field in which broadcast advertising has not, regrettably, been used to the same extent that advertising in other media has been employed.

Whom Can You Sell?

You can and should sell every advertiser in your community—not only the present advertisers on your station but also the past advertisers not now on the air and new advertisers who have not yet tried radio. Don't leave a single prospect un-

solicited in your drive for support of the Third War Loan.

Many State, County and Local War Finance Committees for the Third War Loan have solicited contributions from banks, clearing houses, manufacturers, distributors and retailers. These funds will be used to purchase advertising on a group basis to supplement the time and space contributions of all media. Be sure to cover these groups thoroughly and effectively. Be sure they are told what radio has done and is doing in support of the War Loans. Be sure they know how effective broadcasting has proved in the various government campaigns of war information.

As you probably know, the Third War Loan is organized on an entirely different basis than the Second campaign. This campaign is aimed at the individual citizen. For that purpose, many changes have been made in the organization and conduct of the effort. Therefore, if you received advertising in the Second War Loan, don't automatically assume you will receive it again. Correspondingly, if you didn't obtain advertising in the last campaign, don't assume it can't be obtained this time.

How Can You Sell?

First of all by making sure that every member of your sales staff is thoroughly familiar with the Third War Loan; with the themes and with the opportunity and obligation of advertising in this nation-wide, day-and-night effort. Make certain, too, that each member knows exactly what announcement availabilities, program and service features can be utilized during this campaign. Arm your staff with every sales tool you can think of—and then look for more.

There are three principal methods of selling broadcast advertising in support of the Third War Loan:

1. **Participate with other stations in your community, county or state in an equitable distribution of any funds collected by State, County or Local War Finance Committees.**
2. **Sell individual advertisers on the sponsorship of announcements, programs or service features.**
3. **Organize special Third War Loan programs and sell participations in such programs to small or infrequent advertisers. For example, sell all, or as many as possible, of the merchants on a given street to sponsor a program, or organize the shoe dealers of your community to back the Third War Loan with a program of their own.**

What Can You Sell?

First and foremost on the list of special programs available for local sponsorship are the feature shows of the United States Treasury Department. These include:

Noted news commentator Rush Hughes is preparing twenty special five-minute programs which will be transcribed and sent out to every radio station in the country for local sponsorship during the Third War Loan.

Also for local sponsorship, by retail merchants, the Treasury Department in cooperation with the Retail Merchants of America, has produced two 15-minute programs. These programs—SACRIFICE DAY, starring Singer John Charles Thomas, Commentator John Nesbitt and Victor Young's orchestra; and AXIS PAYDAY, starring Joe E. Brown, Singer Dennis Day and Wilbur Hatch's orchestra—will be mailed to the state offices of the War Finance Division (See List in Third War Loan Bulletin enclosed with this bulletin), which, in turn, will distribute them to county and city offices of the War Finance Division.

(We must emphasize again that station commercial managers must stay on top of this War Finance Division program and maintain closest touch with state and local War Finance personnel and retail stores.)

As has been the case since its inception, the Treasury Star Parade *will not be available for local sponsorship*. This is also true of a series of transcribed interviews with United States Senators which the Treasury Department is preparing. *These will not be available for sponsorship.*

But that is only the beginning! What have you on your station that should be sponsored by a local advertiser? Now is the time to sell that program or service. Don't sell it for just three weeks—the term of the Third War Loan campaign. Sell it for 13 weeks, 26 weeks or 52 weeks. Many radio stations have found that they can interest otherwise cold prospects in support of a campaign of this kind, and then get them to use radio on a continuing basis.

What Has NAB Done?

At an all-day conference with Treasury Department officials, representatives of the NAB finally succeeded in having a series of five-minute transcriptions, specially recorded for the Third War Loan, made available for local sponsorship.

Since no government appropriation exists for the purchase of time or space in connection with the Third War Loan, NAB has done as much as it can to make all of the specially designed broadcasting material available for local sponsorship.

When NAB learned that some State War Finance Committees for the Third War Loan had organized a fund for advertising to supplement the contributed time and space, it sent the following night letter to the executives of every NAB member station in those communities in which State Chairmen are located:

"Some State Committees for Third War Loan have collected substantial advertising budgets from banks, clearing houses, manufacturers, distributors and retailers to supplement free time and space. Details of budgets are unknown in Washington. Earnestly urge you to contact (name and address of State Chairman) your state chairman in cooperation with other NAB stations in (name of city) to whom identical telegrams have been sent. Suggest you try to sell broadcast advertising as medium to use in your state. Letter follows."

Now It's Up to You

Here is your opportunity to make September the greatest month in the history of your station—and the greatest month in the history of the service of your station to your community.

(Aside to bonus and commission salesmen: Here's a chance to make some extra money—money that you can then put into War Bonds and be doubly proud of your achievement.)

Back The Attack With War Bonds

Store Launches Big Radio Program

Plan Based on Hour of Music Nightly For a Year

By BURTON C. GRANICHER
Account Executive
McCann-Erickson, San Francisco

RADIO and department stores—there's a subject that's widely discussed everywhere but, like the weather, "nobody ever does anything about it."

Of course, that's a rather extreme statement, for there are many successful department store radio programs now on the air. After all, there's no reason why department stores can't use radio just as successfully as other advertisers.

On this premise, our agency created a radio program idea which was presented to Hale Bros., operators of a chain of five department stores in Northern California. And despite the fact that department stores, like many other advertisers, are not particularly interested in increasing their advertising these days, Hale Bros. realized that this radio program would serve as a change of pace and would do a special job for them.

Program Requirements

Department stores serve all types of people, young and old, white-collar workers and day laborers. For that reason, we wanted a radio show that would have a general appeal. And since department stores operate six days a week, we wanted a program that would give them daily coverage, if possible.

Accordingly, we set up a musical program of world-famous melodies, described as "the songs your mother used to sing to you . . . the tunes you whistled and danced to

when you were young . . . melodies which bear happy associations." The program was titled *Hour of Melody*. To obtain the required regularity, the show is broadcast one hour every night, 365 nights a year, from 9 to 10 over KSFO, San Francisco.

Although all of the music is recorded, special care is taken in the planning of the programs and the selection of the records. The continuity is prepared with the thought of trying to reveal some new and unusual information about the artists or the music.

Unlike department store newspaper copy, the announcements are not required to bring about immediate sales. Regular items are fea-



STATING HIS CONVICTION that department stores will depend more and more on radio as an advertising medium, Benjamin Sisholz, president of Francis Rogers & Sons, New York department store, signs a 52-week renewal for *News Through a Woman's Eyes*, conducted by Kathryn Cravens on WNEW, New York. Left to right are Alfred Rogers, treasurer of the store; Kermit Moss, WNEW account executive; Miss Cravens, Joseph F. Callo, president of Callo, McNamara, Shoeneich, agency for Rogers Store, and Mr. Sisholz.

GRANTING the mutual advantages, to radio and to retailing, of a greater use of the medium by the nation's department stores, it remains true that experience is lacking as to just what kinds of programs and promotions these important advertisers should use—when they use radio. Every department store radio program therefore becomes of interest as a precedent for future developments. And when a chain of important stores in a major market undertakes an extensive effort in this direction, station and store management are both interested. Here's the story, by Burton Granicher, who handled the account for McCann-Erickson and KSFO.

Newspaper Promotion

Hale Bros. are publicizing the program in the four Northern California cities where they have stores—San Francisco, Oakland, San Jose and Sacramento. Full-page newspaper ads announced the show and small ads featuring the night's program appear daily on the radio pages of a number of newspapers. An outdoor poster showing, calling attention to the program, is also being released in a number of cities. Store cards, window cards, direct mail and many other forms of advertising are also being used to remind customers of this nightly *Hour of Melody*.

Although the *Hour of Melody* is Hale Bros.' first major radio campaign, it is interesting to recall that this department store was a pioneer in the radio broadcasting field. They started KPO in 1922 and the studios were located in the main San Francisco store. Later they sold the station to the National Broadcasting Company. Hale Bros. is also a pioneer in the California department store field. They opened their first store in San Jose 67 years ago.

Returning to our original premise, we think that a sound radio program, carefully planned and executed, can do a successful job for a department store. We appreciate the fact that Hale Bros. share our belief and we hope that their success in radio will influence other department stores.

tured and although the program has only been on the air a month, it has proven itself from a quick-sales standpoint. However, Hale Bros. also look upon the *Hour of Melody* as a vehicle for building good will, for winning new customers and making real friends out of its many regular customers.

In the opening programs, specific mention was made that the announcements on the *Hour of Melody* would be brief and would tend toward new merchandise developments designed to help ease the strain of wartime living. Prices of articles are never mentioned.

A maximum of four announcements is used on each program, all of which are kept below forty-five seconds. In addition to product announcements, Hale Bros. *Hour of Melody* devotes many spots to helping the war effort—salvage drives, blood bank, war savings and bonds, etc.



REAL PROMOTION has been put behind the *Hour of Melody* which Hale Bros., West Coast department store chain, is sponsoring on KSFO, San Francisco. These enthusiastic gentlemen are previewing an outdoor poster announcing the program. (L to r) Marshal Hale Jr., president, and Junius C. Smith, general sales promotion manager, Hale Bros.; Richard Oddie and Burton C. Granicher, McCann-Erickson Inc.; Mort Sidley, sales manager, and Edward J. Jansen, manager, of KSFO.

"A good way to lose this war is to be too sure of winning it. A good way to lose out in immediate and post-war business is to be too sure of getting it."

Why merchandise-short retailers must continue advertising

By HOWARD P. ABRAHAM

RECENTLY a Washington, D. C. jewelry merchant asked me, "Don't you think I should stop advertising? Merchandise becomes tougher to obtain. Customers are easy to get; too easy, in fact, in this boom town. I really don't need to advertise. Look at the money I could save . . . the salaries of my advertising manager, his assistant, art costs, printing and all the newspaper lineage I buy?"

Hundreds of merchants are undoubtedly asking the same question. With the stringent rationing of shoes, gasoline, autos, electrical appliances, electric refrigerators and other "big ticket" items it is no trick to sell watches and jewelry. In spite of War Bond purchases excess millions of dollars are burning holes in war workers' pockets.

These factors have placed the retail jeweler in a fortunate sales position . . . a position which has seen his sales skyrocket to an all-time high. His customers are intent on buying luxuries and they will do it without the stimulus of vigorous sales promotion.

But does this mean that the retail jeweler should discontinue his publicity efforts? For his own protection and for the protection of his future welfare the answer is emphatically *no*. Stores and products which cease to keep their names before a forgetful and fickle purchasing public will unfortunately discover when the war is over, that they have faded from the retail scene.

It is almost always impossible to regain the prominence and business

prestige which is carelessly and needlessly lost by the absence of a continuity of publicity. Reminiscing into the past can recall the names of stores and products which were accepted household standbys names, which through the failure of constant publicity, have gone down memory's lane or become, in value, a fraction of their former fame.

What is the retail jeweler in for when the war is over? Forget, if such a thing is possible, all the merchandise changes, the radical improvements and new designs. Be concerned with the newcomers who will penetrate the retail jewelry business as well as the current crop of beginners whose competition will make itself increasingly felt on this retail front.

We appear to be in a cannibal era in retailing; furniture and fashion shops are eating into the jewelry business, men's clothing stores are eating into the women's clothing business, and so on. After the war, men and women who were attracted by high wages in war factories and people who drifted into other communities for war-time jobs will be coming home . . . home to your city where they will return to live and earn their living. With a huge backlog of earnings, partly secured by payroll deductions and War Bonds, many of them will decide to open establishments in stores right in your own trading area. Salespeople, your present and your ex-salespeople, as well as all types of your store personnel, will tend to shift to these new stores for employment.



AS ADVERTISED IN TIME AND FORTUNE MAGAZINES

"It was necessary to put him under protective custody"

To the Nazis he is dead. But to all the free world he lives on as a symbol and an omen. For by shooting this helpless hostage they have made each of his bleeding wounds a tongue eloquent for vengeance. Multiply this by the millions of civilians killed by the Axis and you have some picture of the staggering crime of which these fiends are guilty!

The world is too small for both them and us. We must pur down and punish these powers of darkness—and eradicate the guilty ones utterly from the earth. Millions of our boys are fighting—sacrificing everything to save us from this evil. Is it asking too much for us who are safe at home to invest as little as 10% of every pay check in War Bonds?

BUY WAR BONDS AND HELP SPEED VICTORY

STORE NAME 

BUY GIFTS OF JEWELRY... BUT BUY WAR BONDS FIRST!

Gift of a U.S. War Bond of necessary admission to be registered and to be registered in the name of the donor. It is a gift of money, not of property. It may be sold, but it cannot be redeemed for cash. It is a gift of money, not of property. It may be sold, but it cannot be redeemed for cash.

Retail ad tying in with national campaign

Post-war success will require more than post-war buying and selling. It will require acceptance . . . by the consumer, the store's personnel and the community at large. When the war is over, that store which has kept itself out in front in its city will find the front door open to its selling effort . . . in spite of a new crop of stores or new departments in old stores. Just as merchants themselves adhere to tried and tested products, so do customers adhere to the store which has built up acceptance. The easy way to maintain this acceptance is through constant publicity.

It isn't just those who have remained on the home front who will be affected by the stimulation of advertising continuity.

Comes "V" day and it will be found that the men in khaki and the men in blue will be decidedly influenced by the aura of good-will a store has built around itself during the war-torn years; because good-will is an ingredient which sinks in and spreads through a community.

In creating good-will, the retail watch and jewelry merchant has a head start over most others. Here is a field where big-league names play an impressive part in its business. Ask any consumer about the watch he wears and he will proudly refer to it by its brand name. These watch manufacturers, with their precision machines and their highly skilled workers, were among the first to convert a vast portion of their output to war production. This did not mean that their advertising pressure ceased. They wanted their immediate customer, the retail jeweler, as well as the consumer to be constantly aware of their product . . . aware to the extent that when normal production of civilian watches is resumed, their product will have had no letdown in the minds of their public.

This continuous flow of national advertising is a kite to which the retailer can hitch his advertising dollar. Picture for instance, the effect Gruen's national advertising campaign has upon customers and potential customers the country over. By publicizing its name in resourceful newspaper advertising, window displays and interior displays, the retail store can find a most inexpensive way to capitalize on an already accepted consumer buying trend. In this instance, a manufacturer lays the foundation of a dependable, style-right commodity. A retailer's job is half done. He builds the story of his reputation in his community on the maker's nation-wide acceptance. It is the old story of a man being known by the company he keeps.

Today's alert merchant and manufacturer is not confining his advertising message to merchandise alone. He is building one institutional layer on top of another to tell his customers about himself. The smart retailer is explaining his many customer services, showing why his store is a grand one in which to shop. He is showing the part his store is playing to win the war. Advertising

This article was written for "Gruen Time," house magazine of the Gruen Watch Company, and it will appear in the September issue.

Because it is a vital message for all retail advertisers and for media which carry retail advertisements, Gruen Watch Company has made it available for pre-publication in **PRINTERS' INK.**

which features War Bonds, Red Cross drives, USO and numerous local activities identify that the retail jeweler as an important store in that community . . . a store which deserves present and future buying support.

United States production will come out of this war riding high. It appears to this writer that watch manufacturers like Gruen will be able to produce at a pace which will make pre-Pearl Harbor records look very small. What part will a retail store play in the distribution of watches

if its customers are not ready to accept watches from *that* store?

A recent study* by the Department of Commerce shows that if Victory comes in the next two years and if manufacturers' outputs continue at high levels, 1946 sales will reach an all-time high in jewelry stores. This study assumes that 96.5% of those seeking post-war reconversion employment will be in peacetime productive jobs. Estimated sales of clocks and watches run to \$393,000,000—an increase of 92% over 1940.

A good way to lose this war is to be too sure of winning it. A good way to lose out in immediate and post-war business is to be too sure of getting it. Continuity of store advertising by promoting tried and tested nationally-famous products . . . store advertising that is tied on to the maker's own intensive campaigns . . . is the sure-fire insurance policy that will pay off with sales for the future.

* "Markets After the War" by S. Morris Livingston, Dept. of Commerce, March, 1943.

THE MORNING MAIL
 NEWS FROM THE BLANK STORE
 SEWING SCHOOL OF THE AIR
 DESIGN FOR WARTIME LIVING
 STREAMLINED FAIRYTALES
 SHOPPER AT THE MIKE



WARTIME USE OF RADIO ADVERTISING



WHEN the gasoline and rubber rationing program loomed upon the horizon and threatened to keep many of *The Palace Store's* customers from "tripping" into *Spokane, Washington*, The Palace took steps to send its services into the homes in the outlying communities and neighboring states. Up to this period the store had no recognized mail order service . . . that is, no special bid was made for mail order patronage.

The first step was the compilation of a mailing list, with the store's charge customers as a nucleus. Spot announcements over the air were employed to build up this list and to reach new prospects affected by the rationing. Then began the merchandising of a sixteen-page "Bulletin" (not a catalog), for it did not pretend to itemize all of the articles in stock, nor did The Palace have any desire to become known as a mail order house or to compete with mail order establishments. The "Bulletin" is nine by twelve inches in size and is mailed under third-class postage. No envelope is used. Allowance is made on the cover for addressing.

Results Very Gratifying

Three issues of the "Bulletin" were released in the fall of 1942 and the results were highly gratifying. The store's strategic location in Spokane, the hub of the great Inland Empire of the Pacific northwest, makes it a logical mecca for shoppers in numerous small towns and farming communities in northwest Washington state, Idaho, and portions of Oregon and Montana. Except in rare instances, it is the custom of the store to pay the delivery charges on shipments into these four states as an added incentive to mail order shopping.

Hardly had the returns from the first

issue of the "Bulletin" been tabulated before an idea was evolved in the studios of a local broadcasting station, centering around a lively musical quarter-hour program to further the progress of The Palace Store's Personalized Shopping Service. The idea was to feature a "musical postman," with lithe and gay lyrics, popular vocal and instrumental selections and The Palace's own shopper in person . . . a fifteen-minute live talent program—no recordings. An audition was arranged and it was decided forthwith to launch, "The Morning Mail"—on the air every day of the week, Monday through Friday, at 9:30 a. m. This hour was chosen as the most likely time to get the attention of the woman in the home.

Enter Mrs. Edna Perry

Now arose the problem of a suitable name for the store's shopper or director of personal shopping, for the shopping staff comprised a group of young women. It must be a simple name, easily understood and preferably with euphonious qualities. The designation of "Mrs." was unanimously agreed upon as preferable because it carried the added weight of wisdom in making merchandise selections, greater experience in shopping and a broader understanding of consumer requirements. Ultimately the name, "Mrs. Edna Perry" of The Palace, your Personal Shopper, was selected.

On the air and in the store it was imperative that the person chosen for the important role of Mrs. Perry must have a confidence-inspiring personality, a pleasing voice, an affable disposition and a general understanding of the average woman's shopping problems. Furthermore, if possible, she should possess sufficient executive ability to direct the activities of a corps of shoppers. Occasionally, mail order patrons do come into the store and desire to meet Mrs. Perry; perhaps to seek her advice or to engage her services in a shopping expedition.

Many are the times she is called upon to be a veritable Dorothy Dix or Beatrice Fairfax in the solution of perplexing personal problems. Recently, she received a letter of inquiry about a suitable wedding gift for a young couple who would not set up housekeeping until the end of the war. "The son of my husband's business partner was recently married to a girl back east whom I have never met. I know nothing of her likes or preferences. The

gift should not be perishable or too weighty or bulky, etc." Another correspondent inquires, "Will you look after my daughter when she comes into your store later in the spring to select her graduation clothes? It will be impossible for me to come with her."

Letters of Thanks

"Thank you so much for offering to help fit hard-to-fit people," one woman writes: "I am 49 years of age, slightly grey, hair (brown), hazel eyes—five feet one inch and very hard to fit. I am thirty-one inches bust and forty hip size and short-waisted. Can you beat that combination? I would like very much to have an afternoon frock or something suitable for general wear in a small town."

"I enjoy your program very much and I am in a pickle. I can't seem to get any foot covering for my big feet and I'm having the same trouble with my daughter," states a mail order patron.

Appreciation of The Palace Store's efforts to serve the rural communities runs high. "Thank you so much for all you do for us people who are stranded out of reach of the big stores," says one woman. From a small town in Washington came the following: "I'm tall and have a terrible time finding garments and it struck me that maybe you could help." Late in January a heart-rending appeal from a mother in Oregon came in the mail inquiring about dolls. "This is a belated Christmas gift. We've tried numerous

places without avail. Can you help us?" The Palace shoppers combed the city of Spokane; found two dolls only that could measure up to the requirements, purchased one and sent it. Then came a thank you note. "Wish you could have been here when our little girl opened the package. 'Oh, mommie,' she said, 'I'm so glad I didn't get a dolly for Christmas.' Tears came into her eyes. Isn't it grand to live in the good old U. S. A.?"

Personalized Service

One morning's mail brought a letter from a ten-year-old boy in a small town in Oregon. Enclosed was a dollar bill which he instructed the personal shopper to use in buying a birthday gift for his sister whom he said worked in the main office of The Palace. Investigation disclosed the sister was employed in the main office but was leaving on her birthday to join the WAACs in Seattle. The boy had requested that a card be included with the gift, reading, "From Mother, Dad, brother and Trigger." Trigger, he explained, was her horse. "And please announce it on the radio," he added. The store granted the request and set up a radio receiver in the main office where the young lady heard the surprise broadcast, the hour being before the store opened.

As an aftermath to this event, Mrs. Perry received a lovely valentine, accompanied by the following message from the ten-year-old: "Dear Mrs. Perry: I want to thank you for getting the nice present for my sister, and I especially want to thank you for the nice announcement that

you gave over the radio. All of my friends heard it. I sure did like it."

The foregoing is related as an example of the human relationship existing between the customer and the store via the "morning mail." Customer appreciation of this personal shopping service is high. Words of gratitude are profuse. "I am greatly pleased with the Cay Artley I got yesterday. It fits perfectly. The blouse is very smart. I appreciate the charge account you arranged for me and I shall enjoy using it from time to time." Another, from Montana, says: "I enjoy your program. It is so clear, one would think you were right here in our living room."

MR. SOL KAPLAN, department store executive who maintains six stores in *Potsdam, Massena, Gouverneur, Canton and Ogdensburg, New York*, is sold on radio for the duration. His reasons are numerous and valid and double-checked from a long experience.

To begin with, Mr. Kaplan points out that due to tire and gasoline shortages, Americans are depending more and more upon their radio for relaxation and entertainment. News every hour on the hour also adds fuel to their radio-consciousness. Radio reaches out into the suburbs where dwell defense workers, many of whom are newcomers to the community. These people need furniture for their newly found apartments or notions to dress up already furnished flats. Housewives need dress and fancy goods for themselves and kiddies. Knowing little about any merchants they are strongly inclined to drop in at the store whose name they hear emerging from the loud-speaker.

Mr. Kaplan does a tremendous mail order business and he points out that farmers and rural dwellers who can't get into town often, can order from Kaplan's knowing that if items desired are not available, Kaplan's will refund money fully. He estimates that average radio station covers a range from fifty to one hundred miles in radius. Operatives of one central department store will still benefit from sales made in distant communities.

Mr. Kaplan sponsors a daily newscast, five minutes in length. He prefers straight newscast to any other form of radio participation, because the audience is already available and no extensive hallyhoo is necessary to make up such audience at-

tention. Newscast hits the air at 9:00 a. m., catching the housewife before she commences household tasks or her daily shopping expedition which detracts from attention to radio.

If strong enough impression is left by Kaplan commercial, she may stop in at the store en route down town and make a purchase, or at least browse about a bit.

Mr. Kaplan uses his commercial to stress variety of goods available mentioning the fact that even with wartime restrictions, merchandise in stock is yet ample to fulfill all needs. No emphasis on economy is placed but rather quality and service angle is played up as Mr. Kaplan feels that the average house frau is not as price conscious as in era before defense wages were hiked.

Radio and Newspaper Allied

Mr. Kaplan uses radio to call attention to forthcoming newspaper displays so as to garner maximum number of readers when actual newspaper insertion actually takes place. He also uses a portion of newspaper display space to plug radio newscast periods.

This merchant suggests that if newscast time is simply not available, perhaps a five minute musical spot on a radio station's early wakeup program between seven and nine a. m. is worthwhile for the entire family as a rule listens to the melange of music, news, sports and time reports heard on early morning affairs.

Another suggestion is that the efficiency of radio programs depends upon their frequency—a daily or thrice weekly affair is necessary for a once weekly shot, however effective, will not be impressed sufficiently upon the average listener's subconscious mind to be of any great advantage to a merchant. In short, Mr. Kaplan says, "Hop on the radio bandwagon!"

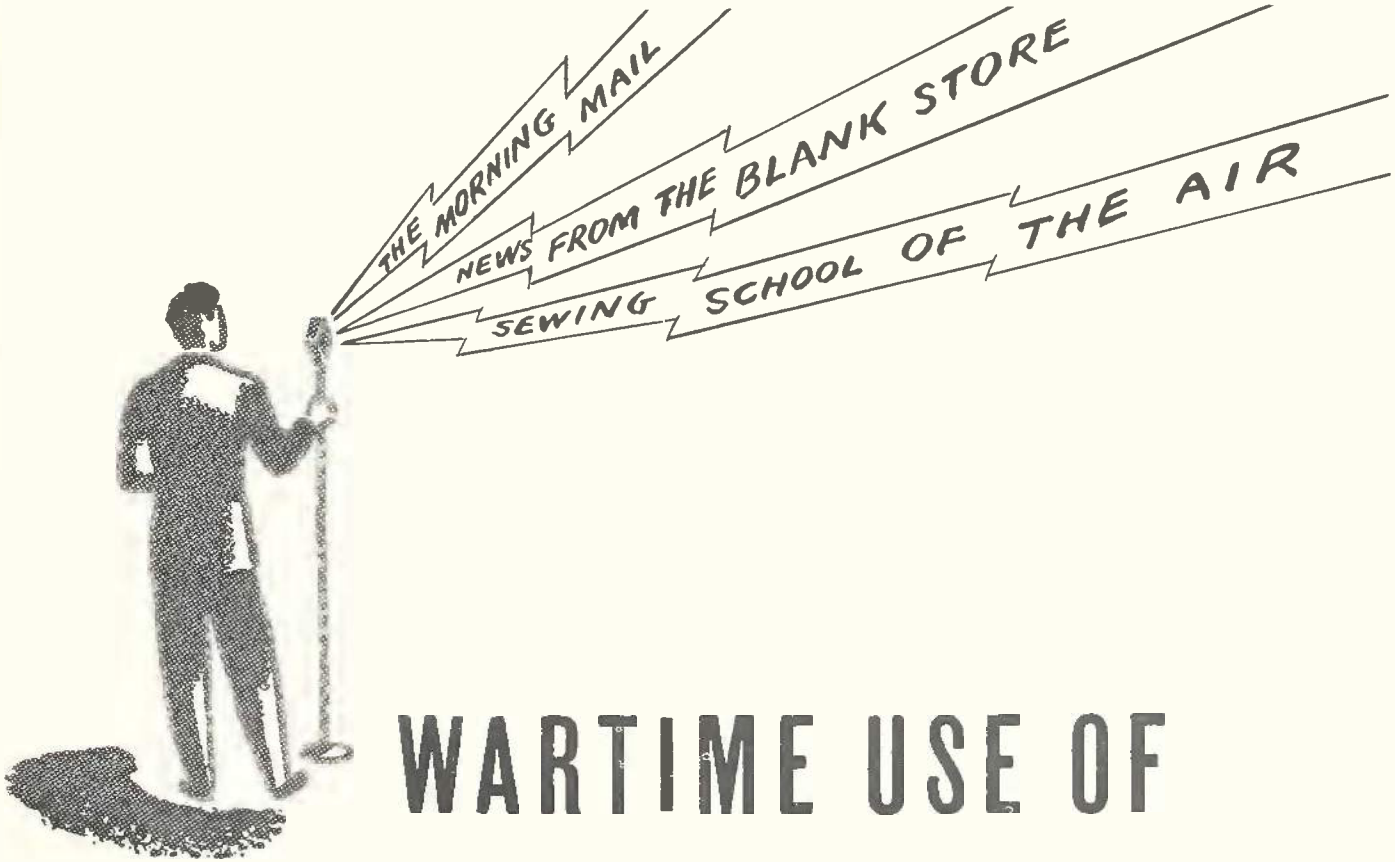
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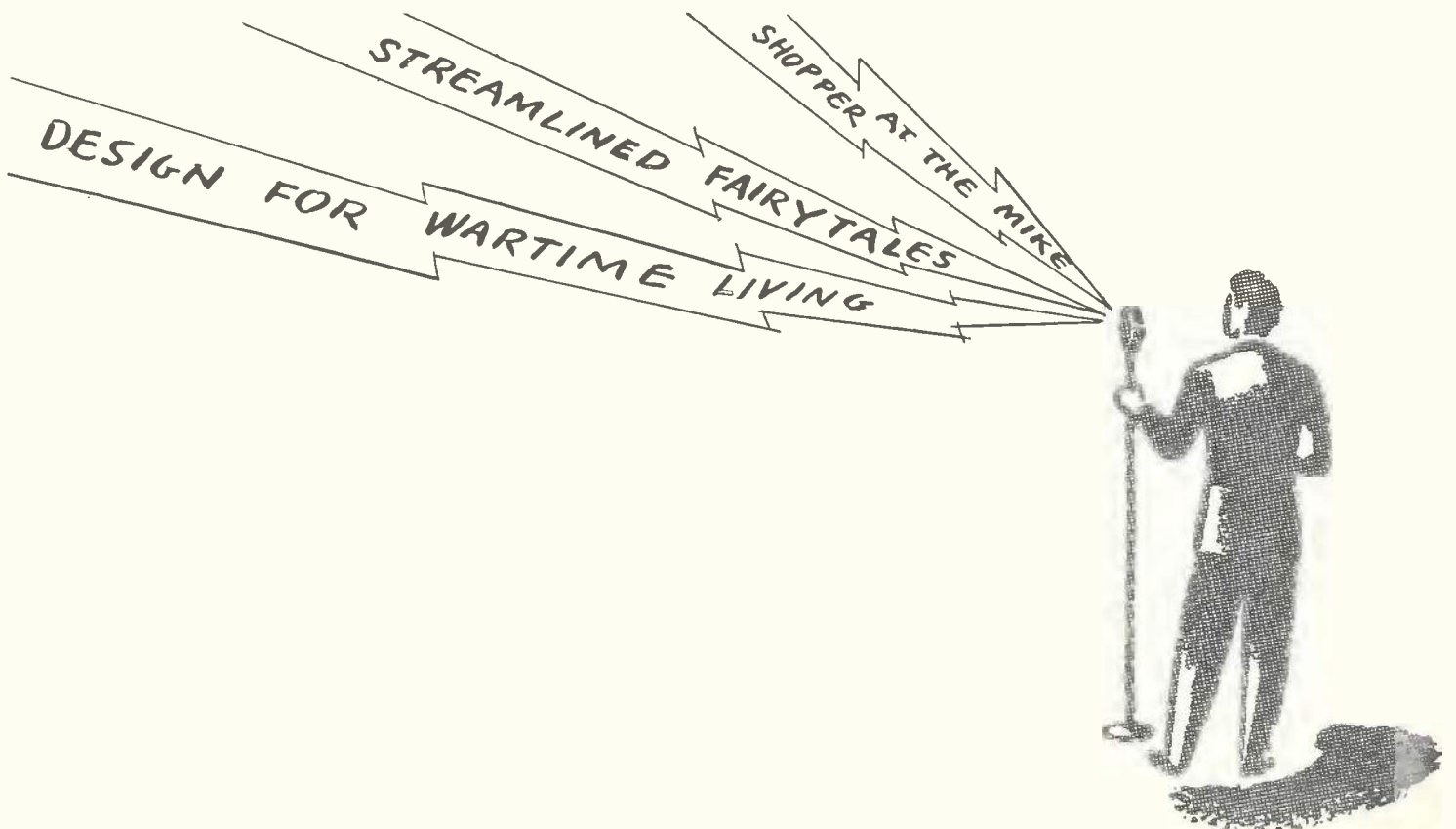
Mrs. Edna Perry handling "The Morning Mail," the program used by The Palace for promoting its mail order service.



Sol Kaplan's newscast goes on the air. This radio program has taken on added importance in these times of tire and gasoline rationing.



WARTIME USE OF RADIO ADVERTISING



Wartime Use of Radio Advertising

(Continued from page 33)

THIS article is written as a challenge to those complacent souls who sit in the advertising offices of department stores and say "Radio advertising is unprofitable . . . that returns are intangible . . . and that it is best used for 'institutional' advertising." These fellows won't like this article because it is the writer's contention that if they are not including radio in their space-spending budget, they are short-changing the "boss" out of a nice fat section of a potential market, and the only reason they are short-changing the "boss" is that they have not yet stumbled across a simple truth. They don't understand that a lot of people, people with money to spend, mind you, experience considerable difficulty in reading the printed word, but can capture and retain the meaning of the spoken word with ease. Perhaps these fellows should not be blamed, they are accustomed to working with art, engravings, layout, copy—the tangible things they can see and can feel—these men don't understand how much *sell* can be packed into the spoken word. They don't know that there are thousands of people in every retailer's market who would rather LISTEN than READ.

"Says who?" says you—and, to lend what authority I may to what follows, let me explain that this statement comes from a store in the "two million" class, located in a market of approximately 110,000 people, with two daily newspapers and radio available for advertising. We have been using radio for ten years, starting, as most stores do, with a few "spots." In the time intervening the management has found it profitable to increase radio spending to the point where we now carry six half-hour broadcasts, five fifteen-minute broadcasts, three five-minute broadcasts and a minimum of six spot announcements *every week*. This, you'll agree, can't be hay.

Success in radio advertising did not come to us at the start. Success began when we looked at radio as a medium that did not supplement, but rather paralleled other forms of advertising. When, proceeding upon the simple assumption that a lot of people find it easier to *listen* than to *read*, we looked upon radio listeners as a market that was not being well "sold" by newspapers. Of course, when we began to look at radio from that angle, it didn't take us long to decide that if radio advertising could be nothing more than "institutional," we didn't want any part of it. Our next step in the right direction was to toss overboard any idea of "programs." We reasoned that if a newspaper space seller came to us with the suggestion that we buy half pages and quarter pages and that we fill most of that space with portraits and poetry, leaving a little space at top and bottom to advertise what we had to sell, we'd throw the guy out of the office, so why listen to a paralleling proposition from a space salesman in radio. It's true that now we use a lot of radio time in a purely institutional manner, but we use a lot of newspaper space the same way, too, but before any of our radio time

went ritzy with institutionals, it earned its place alongside newspaper advertising by SELLING MERCHANDISE—GOOD, DESIRABLE DEPARTMENT STORE MERCHANDISE.

Radio sold goods for us when goods were easy to get and hard to sell. We proved that when we took a street floor square and assigned it to merchandise advertised only on radio. There were no window displays, no departmental displays, no other form of advertising, just radio. In the twelve months preceding this assignment, the square grossed \$5,000.* The first year of selling radio-advertised merchandise, the square grossed better than four times that amount, the year after that, five times the initial amount, and in the third year it reached almost six times the original figure of five thousand. (*The initial figure is fictitious, but the ratio of gains is real.)

Some years ago a survey of 25,000 Macy advertisements of merchandise designed to bring right-now response there was a newspaper space cost of 13 per cent on advertised merchandise sold. At the time this information was released we sold enough of a single item to bring air-space cost of that program down to 6.7 per cent.

In an early test for a comparison of costs of radio and other media, we made some interesting discoveries. In this test twenty-two items were used. Conditions for selling were identical. At the end of the test one medium had sold 180 units; radio had sold 381 units, 200 more. Dollar volume on radio-sold items was one-third greater; advertising cost in percentage to sales was just about one-half of that of the other medium.

For two successive years we used a live talent Santa Claus program. The first Christmas season the series was used whole store sales increased 5 per cent over the previous year, but toy sales jumped 17 per cent. We repeated the series the following year and toy sales were 14 per cent higher than the preceding year, or 31 per cent higher than before radio. After that, every big store wanted Santa on the air and so the station ruled the old gentleman off the air in an effort to preserve the illusion for children.

Back in the spring of 1940 when we still had to get in and pitch if we wanted to sell goods, a four months' (March through June) study was made of traceable returns in advertising. This study included all types of merchandise advertised in two dailies, morning and evening, and on radio. This study, and it was a thorough study, revealed that:

The evening paper got 70 per cent of the advertising money spent but produced only 68 per cent of the units sold. The morning paper got 28 per cent of the money spent and accounted for 24 per cent of the units sold. Radio received only 2 per cent of the money spent, but produced 8 per cent of the units sold. What radio might have sold with a better break in spending is conjectural.

In dollar volume the ratio was about the same, and the average sale for the evening paper was \$2.76, for the morning paper

\$2.57 and for radio \$2.48.

But radio was the fair-haired boy in the cost-to-sales column. During this four months period the morning paper took 9.6 per cent of each traceable dollar it brought in, the evening paper took 8.1 per cent, but radio took only 3.4 per cent. But please remember these figures are on traceable returns on items advertised and have no bearing on the relationship of total advertising costs to whole store sales.

Yes, back in 1940, when goods had to be *sold*, radio proved to us that it could earn a place in the space schedule of a progressive department store.

Some weeks ago we secured a few hundred pairs of nylons. Mention was made of them on one of our newscasts (news of the store). We placed a limit of one pair to a customer and accepted no phone orders. Within forty-five minutes enough women had come down town in response to radio, to clean out the lot. It's no trick to sell nylons, we know that. This simply shows that women want to *hear* store news, and when you have something they want to buy, you'll get "tangible" returns, and get them in a hurry.

People who intend to use radio for department store advertising should know a lot of things, among them:

Don't look upon newspapers and radio as competitive mediums, they are parallel. Radio reaches a market often missed by the printed word.

Don't use radio as a market place for odds and ends. People who *listen* are just as much interested in new, fresh merchandise as are people who read.

When we get back to normal tides of supply and demand, don't neglect to test and check, test and check constantly.

Don't fill your air time with copy on mink coats, because you want to impress people. There are far more women who will be impressed with the opportunity of buying nice ruffle curtains at \$1.98. Don't, in fact, ever try to impress them with your importance. Try instead to sell merchandise.

Buy Air Space

Don't buy a "program." Buy air space, just as you would buy newspaper space. Then use that space intelligently. Use it to sell something—sell your store, your services—and, most important, sell your merchandise. Embellish it with music and song, if you must, but don't let entertainment dominate your program. The networks can provide better talent and entertainment than you can afford, but nobody but you can tell the news of what is happening in your store. And don't tell me people are not interested in your store and what is happening there, because if they were not interested, I doubt if your boss would be in business.

And finally, whenever you are inclined to discount the selling power of the spoken word, please remember President Roosevelt, and remember the people who listened to him. So, with the experience of ten years of radio advertising back of us, I repeat: the advertising man who doesn't include radio in his space-spending is short-changing his boss out of the returns that will come from a market that is responsive to the spoken word.



The full text of the attached bulletin appears in this issue of the "NAB Reports." Please route this copy to your sales executive.

National Association of Broadcasters

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

Sept. 24, 1943 BROADCAST ADVERTISING BULLETIN

No. 5

Local War Advertising Pool

Community support is needed to insure the success of the various war campaigns to buy bonds, to combat the black markets, to fight inflation, to lessen absenteeism, etc. In a number of cities the media have joined together to raise a local war advertising pool by donations of space, radio time and money from local advertisers, which has been administered by a local committee which allocates the pool among the advertising media and among the various war campaigns in accordance with the campaign's importance under local community conditions. Such a plan has been very successfully operated by all media jointly in Cleveland and in some other cities.

Immediate Action Needed

Representatives of the War Advertising Council last summer worked on a proposal for a national plan which it was hoped could be put into operation in most of the cities of the country. However, announcement of a national plan has been abandoned, although the War Advertising Council still believes the plan is sound and would be helpful in all cities which could promote it. If such a plan is not in operation in your city, it is suggested that you give it serious consideration now, jointly with other media if possible, or separately if joint action is impossible.

Outline of Plan

Due to the fact that the NAB does not know the circumstances existing in each city, we are outlining a general plan which can be modified to fit local conditions.

Raising the Pool—Donations should be requested from local advertisers of advertising space, radio time and money. Assurances should be given that each donor will not be again solicited for support of war programs for a stated period.

Committee—A committee should be formed composed of community leaders. Radio and newspaper executives perhaps will have to take the lead, but local business executives from all branches of business should be included.

Allocation of fund—The local committee should allocate the pool among the local media participating.

Preparation and execution of the plan—The local committee should have charge of the preparation and execution of the plan. In many cities where the plan has been in operation, a local advertising agency has been retained to assume responsibility for the execution of the plan, working under direction of the local committee.

Campaigns—Food will be the subject of a national campaign in November, followed by anti-inflation in December. There will be local campaigns on absenteeism, woman-power, etc. Complete information on all these campaigns will be supplied by OWI.

Contact Your Local Newspaper

Rowan D. Spraker, representative of the National Editorial Association, on the War Advertising Council has just announced a plan similar to the one outlined above entitled "Small Community War Advertising Plan," which has been sent to the publishers of small community newspapers. This plan recommends joint action, stating:

"It should be emphasized in connection with each request that the plan is not the plan of any one group or of any one advertising medium, but that it is a *community* plan for community war advertising which should include the combined support of all business, agricultural and civic interests in the community."

Therefore, it is suggested you contact your local newspaper publisher, as it is believed that the plan will be more successful in most cities if all media join in the promotion of a joint plan.

Local Responsibility

This type of plan has operated successfully in many cities. However, its success depends upon action of the local executives of radio stations, newspapers and billboard companies. The OWI will continue to furnish complete information on all campaigns, but the raising of the pool, its allocation, the keying of the campaigns to local conditions and the execution of the plan depends upon action by the local committee.

The NAB will be glad to supply additional information and advice on request.

Broadcast Advertising Bulletin

NOVEMBER 12, 1943 * * * * * No. 6

1760 N St., N. W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

Special Committee Considers Plans for Fourth War Loan

Meets With Treasury Department Officials; Maps Radio's Greatest Effort

Radio is justly proud of its record in the War Loan campaigns. An analysis of the support accorded these all-important drives by the broadcasting stations has revealed that more than \$7,000,000 worth of time alone was devoted to the Second War Loan with that figure stepped up to more than \$12,000,000 during the Third War Loan.

Considering the limitations of time alone, this was a greater contribution proportionately than that made by any other medium of mass communication!

But industry leaders have long recognized that this support could be substantially augmented if a greater variety of prepared programs and announcements could be made available for sponsorship over local radio stations by national, regional and local advertisers.

To examine that possibility and to make specific recommendations to the Treasury Department, a special committee, composed of Irving G. Abeloff, WRVA; Stanton P. Kettler, WMMN, and Edward C. Obrist, WFIL (representing John E. Surrick, also of WFIL), together with Willard D. Egolf, Arthur Stringer and Lewis H. Avery of the NAB staff, held an all-day meeting with Vincent F. Callahan and Emerson Waldman of the Treasury Department at NAB headquarters today.

The details of the discussion are incidental to the concrete recommendations submitted to the Treasury Department officials. These include:

1. Complete array of quarter-hour and five-minute programs and announcements of various lengths for local sponsorship.

2. Portfolio describing the programs and containing samples of the announcements.
3. Certificate signed by the Secretary of the Treasury for radio advertisers who support the Fourth War Loan.
4. Samples of the transcribed programs to be sent to each radio station well in advance of the campaign for auditioning to local prospects.
5. Repetition of network bond day to take place near the beginning of the campaign, with ample notice on the activity to the affiliated stations.
6. Local bond day, similar in intent to the network feature, but to take place near the end of the campaign.
7. Network programs devoted to the Fourth War Loan will provide time for station "cut-in" announcements to localize the effect of the program and the appeal.
8. Appointment of a special committee of radio station farm editors to counsel with the Treasury Department on the most effective approach to the farm audience.

The Committee recommended that the quarter-hour programs be patterned after the popular Treasury Star Parade, with the actual transcription 14½ minutes in length. Provision would be made for a one-half minute musical "open-end" at the beginning and a one-minute musical "open-end" at the close. By this arrangement, the actual program content would be contained within 13 minutes.

Similarly, the five-minute musical programs would provide for a 25-second musical "open-end" at the beginning and a 45-second musical "open-

end" at the close. In a lengthy discussion of program ideas for the five-minute series, opinion was somewhat divided, with a substantial majority favoring musical programs while a minority expressed a preference for narrative-type shows. It is possible that programs of both types would be included in the proposed series.

In that connection, the Committee hopes that radio station executives will submit any unusual five-minute program ideas that they believe would be suitable for such Treasury Department programs. All suggestions should be submitted to NAB headquarters and will be reviewed by the Committee at an early meeting.

Several series of announcements will be prepared for local sponsorship. Some will be 100 words in length, while others will be condensed to 35 words, in an effort to cover all types of availabilities on all types of stations.

The portfolio for salesmen will contain an open letter from the Secretary of the Treasury, recommending the use of broadcast advertising in support of the Fourth War Loan. As previously stated, it will also contain a complete description of the quarter-hour and five-minute programs, as well as samples of the announcements.

In discussing the sale of the proposed programs to national, regional or local advertisers, the Committee emphasized the need for sample transcriptions to be submitted to radio stations as far in advance of the opening date of the campaign as possible.

At the conclusion of the meeting, Messrs. Callahan and Waldman agreed to review the recommendations of the Committee in relation to the over-all plans for the Fourth War Loan, and to meet with the group again at an early date.

Broadcast Advertising Bulletin

DECEMBER 3, 1943

* * * * *

No. 7

1760 N St., N. W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

Treasury Department Offers 52 Programs For Local Sale During Fourth War Loan

Several Series of 35 and 100 Word Announcements Also Available for Sponsorship; Audition Transcriptions and Sales Portfolios to be Mailed December 12

The Treasury Department announces that several series of announcements and a variety of five-minute and quarter-hour programs will be available for local sale in support of the Fourth War Loan.

Moreover, a sales portfolio, containing a complete description of the programs and samples of the announcements, together with audition transcriptions of both the five-minute and quarter-hour programs, will be mailed to all radio stations not later than December 12, 1943. This will provide from four to five weeks for local station sales effort before the Fourth War Loan is inaugurated on January 18, 1944.

Thus, the recommendations of the NAB special committee, consisting of Irving G. Abeloff, WRVA; Stanton P. Kettler, WMMN, and Edward C. Obrist, WFIL (representing John E. Surrick, also of WFIL), together with Willard D. Egolf, Arthur Stringer and Lewis H. Avery, of the NAB staff, were adopted by the Treasury Department to facilitate the sale of more broadcast advertising to insure the success of the Fourth War Loan.

Here is the complete package:

1. Sales portfolio containing an open letter recommending the use of broadcast advertising in support of the Fourth War Loan; facsimile of a certificate, signed by the Secretary of the Treasury, for such radio advertisers; a description of the programs and samples of the announcements.

2. Twenty-six quarter-hour programs of the same high entertainment quality as the Treasury Star Parade, less the name stars.
3. Twenty-six five-minute programs of top-notch entertainment value.
4. Several series of live announcements, both 35 words and 100 words in length, to fit all types of availabilities.

Now . . . It's up to You!

Large stations, medium-sized stations and small stations have been clamoring for government agencies and departments to cease their discrimination against radio, by providing mats for newspaper advertising without making comparable service available to radio stations. Last June, the Small Market Stations Committee unanimously passed a resolution calling on these branches of the government to provide parallel opportunities for the sale of broadcast advertising in support of the various home-front campaigns.

Such discrimination—at least as far as the Treasury Department is concerned—has ceased. Now it is up to the protesting stations to make full use of this material—to sell every announcement and every program to some local, regional or national advertiser—that the Fourth War Loan may have the widest support that any such activity has ever enjoyed.

You asked for it! Here it is! Now let's make the most effective use of this material.



TREASURY DEPARTMENT

WASHINGTON (25)

November 30, 1943

War Finance Division

Gentlemen:

In response to your request, the Treasury Department has decided to make available for local sponsorship a series of one-minute live announcements; 26 five-minute and 26 fifteen-minute transcriptions.

These will be designed primarily for use during the Fourth War Loan Drive which begins on January 18 and ends February 15.

We would appreciate your cooperation in advising your membership, and also non-member radio stations, of the plans of the Treasury Department in making available these live announcements and transcriptions for sale to local advertisers.

The purpose of the Treasury Department in this project is to provide radio stations with the finest possible sponsorable material so that the messages of the Fourth War Loan may be broadcast during the best possible periods and thus result in stimulated War Bond sales.

Emerson Waldman, Chief of Radio for the War Finance Division, will give you full details on the sponsorable material which will be provided the radio stations for use during the Fourth War Loan.

Sincerely,

Vincent F. Callahan
Director of Radio, Press
and Advertising

National Association of Broadcasters
1760 N Street, N.W.
Washington 6, D.C.



These Are for Sale

Here is a brief description of the sales portfolio you will receive soon after December 12, 1943. It will be impressive in both size and appearance. It will contain an open letter strongly recommending the use of broadcast advertising during the Fourth War Loan. It will include a facsimile of a certificate, signed by the Secretary of the Treasury, for radio advertisers who support the Fourth War Loan.

The portfolio will also contain a detailed description of the quarter-hour and five-minute programs, as well as both the 35- and 100-word announcements.

In other words, here is a sales tool comparable to anything and everything furnished other media by any agency or department of government. See that every sales person on your staff is equipped with one of these portfolios. See that he or she uses it to the best possible advantage.

The quarter-hour programs will be designed to salute men and women working in industries contributing to the war effort. The entertainment will feature the most popular American songs of the twentieth century. The Treasury Department states that the entertainment quality of these quarter-hour programs will be identical in every respect to the Treasury Star Parade, but without name stars.

The five-minute programs will feature the war songs of the United States. These will include some of the most tuneful melodies and easy-to-remember lyrics ever written in America.

While there may be minor changes or modifications in the content of these programs as they are put in production, there will be no change in the quantity or type of service available for local sale in support of the Fourth War Loan. The series outlined has been approved and is now in production.

Each of the quarter-hour programs will be 13½ minutes in length with a one-half minute musical "open-end" at the beginning and a one-minute musical "open-end" at the close.

Each of the five-minute programs will provide for a 30-second musical "open-end" at the beginning and a 30-second musical "open-end" at the close. Thus, there will be ample time on both quarter-hour and five-minute programs for local identification and appropriate commercial continuity.

But Don't Stop There

Don't feel that you have done your job when you have sold these Treasury Department quarter-hour and five-minute programs to local, regional or national advertisers. Take a look at your program schedule: what else have you for sale that could be adapted to a Fourth War Loan program?

What programs or features, which could well carry a message about the Fourth War Loan, are unsponsored on your station? Could you incorporate three or four of the announcements for different advertisers in each program and make a co-operative Fourth War Loan show?

Has each member of your sales staff all of the information about the Treasury Department programs, about announcement availabilities, about unsponsored programs or features on your station?

Whom Can You Sell?

You can and should sell every advertiser in your community—not only the present advertisers, but the past advertisers as well—those who have reduced or eliminated their advertising because of merchandise shortages or service restrictions. And don't forget that the opportunity to participate in the Fourth War Loan offers you an entirely new approach to advertisers who have never previously used radio. Don't leave a single prospect unsolicited in your drive for support of the Fourth War Loan.

To paraphrase Broadcast Advertising Bulletin No. 4, dated August 20, 1943:

Many State, County and Local War Finance Committees for the Fourth War Loan have solicited contributions from banks, clearing houses, manufacturers, distributors and retailers. These funds will be used to purchase advertising on a group basis to supplement the time and space contributions of all media. Be sure to cover these groups thoroughly and effectively. Be sure they are told what radio has done and is doing in support of the War Loans. Be sure they know how effective broadcasting has proved in the various government campaigns of war information.

As you probably know, the Third War Loan was organized on an entirely different basis from the Second campaign. This campaign, too, is aimed at the individual citizen. For that purpose, many changes have been made in the organiza-

tion and conduct of the effort. Therefore, if you received advertising in the Second or Third War Loans, don't automatically assume you will receive it again. Correspondingly, if you didn't obtain advertising in the last campaign, don't assume it can't be obtained this time.

The Fourth War Loan is even more completely an appeal to the individual. More than ever, the Treasury Department is looking to the subscription of the average citizen to put this campaign over the top. That's why the job to be done is greater than ever before. That's why you are being given more tools with which to do the job.

An Appreciation

The entire broadcasting industry is indebted to Vincent F. Callahan and Emerson Waldman

of the War Savings Staff of the Treasury Department for their able and ceaseless efforts to have radio provided with every tool available to other media. As you examine the material for local sale, don't you agree that radio shares at least like opportunity with other forms of advertising?

And, again, it's up to you! The Treasury urgently needs the money sought during the Fourth War Loan to enable the Army, Navy, Marine Corps and Coast Guard to prosecute the war with every means at their command. When you stop to remember that broadcasting is the greatest means of mass communication the world has ever known, then you'll appreciate the part radio—both commercial and sustaining—must play in the Fourth War Loan.

Broadcast Advertising Bulletin

DECEMBER 30, 1943 * * * * * No. 8

1760 N St., N. W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

4th WAR LOAN IS BIG CHANCE FOR RADIO STATIONS TO HELP

FIRST TIME RADIO SHARES EQUAL SALES OPPORTUNITY

Let's All BACK THE ATTACK

Radio's share of retail advertising depends on your individual efforts. Here is retailers' plan:

4 ADVERTISING PEAK DAYS

- Thursday, January 20—"Army Day"
- Thursday, January 27—"Navy Day"
- Thursday, February 3—"Marine Day"
- Thursday, February 10—"Schools-at-War Treasure Hunt"

Surveys disclose that in the past retailers sponsored an average of 80 per cent of all newspaper War Bond advertising in America, which is indicative of the important role the industry plays

in the success of the War Financing program by spreading the War Bond gospel to every village and hamlet.

Retailers are not asked by their War Campaigns Committee to earmark any fixed percentage of their budget for advertising—but each store is expected by the committee to meet or exceed the advertising job they did so well in the 3rd War Loan.

Past experience will serve as an excellent guide in determining the type and amount of advertising that will insure retailers reaching their quota for the 4th War Loan.

YOU know what the retailers of America plan to do in advertising for the 4th War Loan Campaign.

Here is the list of ETs for them. If your sample audition platter has not been received,

Request by number or simply say *all 15-minute* and *all 5-minute* ETs, if you can use them.

don't wait. Order ETs today without audition. They really are salable. And time is short. Address:

Emerson Waldman, Chief of Radio, War Finance Division, Treasury Department, Washington Building, Washington 25, D. C.

15-MINUTE ET TITLES

(These programs run 13:30, leaving 1:30 open at the ends. All programs available for sponsorship.)

TREASURY SALUTE SERIES

- Program 1—Wheat Farmers G6701**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 2—Meat Packing Industry G6702**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 3—Ship Building G6703**
starring
Audrey Marsh, Jimmy Carroll and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 4—Automobile Industry G6730**
starring
Audrey Marsh, Jimmy Carroll and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 5—Cotton Industry G6705**
starring
Brad Reynolds and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 6—Steel Industry G6706**
starring
Brad Reynolds and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 7—Textile Industry G6707**
starring
Betty Mulliner, Brad Reynolds and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 8—Cattle Men & Sheep
Ranchers G6708**
starring
Betty Mulliner, Jimmy Carroll and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 9—Railroads G6709**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 10—Telephone Industry G6710**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 11—Lumber Industry G6711**
starring
Karen Kemple, Ray Heatherton and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 12—Farming G6712**
starring
Karen Kemple, Brad Reynolds and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 13—Mining G6713**
starring
Karen Kemple, Brad Reynolds and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 14—Post Office Workers G6716**
starring
Brad Reynolds and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 15—Small Farmers G6717**
starring
Betty Mulliner, Ray Heatherton and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 16—Newspaper Men &
Women G6718**
starring
Betty Mulliner, Ray Heatherton and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 17—Independent Merchants G6719**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 18—Men and Women of the
Entertainment Field G6720**
starring
Audrey Marsh, Jimmy Carroll and
Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 19—The Housewives of
America G6721**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 20—Construction Industry G6722**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 21—Women Office Workers G6724**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 22—Transportation Industry G6725**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 23—Motion Picture Industry G6726**
starring
Ray Heatherton and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 24—Radio Industry G6727**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 25—Dairy Farms G6728**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra
- Program 26—The Railroad Freight
Workers G6729**
starring
Jimmy Carroll and Peter Donald
with
David Broekman and The Treasury
Orchestra

BASIC 4TH WAR LOAN FACTS

DATES—January 18 to February 15, 1944

GOAL—To raise \$14 Billion—\$5½ Billion from individuals

SLOGAN—“Let’s All Back the Attack”

THEME—Sacrifice—Every one to buy extra bonds

Bond buyers in the Fourth War Loan campaign, which runs from Jan. 18 to Feb. 15, 1944, will be given their choice of seven U. S. Government securities. The securities to be sold under the direction of the War Finance Committee are:

- Series E Savings Bonds
- Series F and G Savings Bonds
- Series C Savings Notes
- 2½% bonds of 1965-70
- 2¼% bonds of 1956-59
- ⅞% Certificates of Indebtedness

U. S. War Savings Bonds, Series E

This is the so-called “People’s Bond,” undoubt-

edly the most widely held security in the world, of which over 100 million pieces have been sold in the first three War Loan campaigns. From the standpoint of interest return, it is the most attractive of all the issues offered by the government, and is the ideal investment for the wage earner and the small business and professional man. Over \$14 billions of these E bonds are now outstanding in the hands of the American public.

The bonds come in denominations of \$25, \$50, \$100, \$500, and \$1000. The issue price is 75 per cent of the maturity value so that a \$25 bond costs \$18.75 and a \$100 bond costs \$75. They cannot be used as collateral for loans.

5-MINUTE ET CONTENTS

(These programs run 4 minutes, prox., leaving one minute open at the ends. All programs available for sponsorship.)

TREASURY SONG FOR TODAY—Master 6732

1. “My British Buddy” Ray Heatherton
2. “Bless Them All” Jimmy Carroll
3. “You’d Be So Nice To Come Home To” . . . Mary Small

TREASURY SONG FOR TODAY—Master 6733

4. “Here Comes The Navy” Mary Small
5. “Let’s Bring New Glory To Old Glory” . . . Mary Small
6. “Johnny Zero” Mary Small

TREASURY SONG FOR TODAY—Master 6734

7. You’re A Lucky Fellow, Mr. Smith” Mary Small
8. “In My Arms” Ray Heatherton
9. Comin’ In On A Wing and A Prayer” Ray Heatherton

TREASURY SONG FOR TODAY—Master 6735

10. “Buckle Down Buck Private” Ray Heatherton
11. “Jingle Jangle Jingle” Ray Heatherton
12. “Good-Bye Sue” Ray Heatherton

TREASURY SONG FOR TODAY—Master 6736

13. “I’ve Got Sixpence” Ray Heatherton
14. “This Time” Ray Heatherton
15. “There’s A Star Spangled Banner” . . . Ray Heatherton

TREASURY SONG FOR TODAY—Master 6737

16. “This Is The Army, Mr. Jones” Ray Heatherton
17. “He Wears A Pair of Silver Wings” . . . Kay Lorraine
18. “Old Glory” Kay Lorraine

TREASURY SONG FOR TODAY—Master 6738

19. “Pennsylvania Polka” Kay Lorraine
20. “Praise The Lord and Pass The Ammunition” . . . Kay Lorraine
21. “He’s A-1 In The Army” Kay Lorraine

TREASURY SONG FOR TODAY—Master 6739

22. “I’m Getting Tired So I Can Sleep” . . . Jimmy Carroll
23. “I’ll Meet You At Duffy’s Square” . . . Jimmy Carroll
24. “Sempre Paratus” Jimmy Carroll

TREASURY SONG FOR TODAY—Master 6740

25. “Lili Marlene” Jimmy Carroll
26. “Johnny Doughboy Found A Rose” . . . Jimmy Carroll
27. “White Christmas” Jimmy Carroll

TREASURY SONG FOR TODAY—Master 6741

28. “United Nations On The March” Jimmy Carroll
29. “We’re All Together Now” Jimmy Carroll
30. “With My Head In The Clouds” Jimmy Carroll

Statement by

NEVILLE MILLER, NAB PRESIDENT

“Ours is a nation of radio listeners. Radio has both a unique opportunity for service during the forthcoming Fourth War Loan Drive, and an obligation. That is why we join with Secretary Morgenthau in urging the continued support of all broadcasters to the end that this campaign, as all those which have gone before, will achieve overwhelming success. There is no other medium which can be used with equal effectiveness to bring home to all our people the reasons for backing our boys at the front by the purchase of War Bonds. We’ve done it before. We can do it again.”

ASSOCIATIONS COOPERATING IN 4TH WAR LOAN CAMPAIGN

Advertising Federation of America
American Hotel Association
American National Retail Jewelers Association
American Retail Federation
Beauty Industry Council
Chambers of Commerce of the United States
Cooperative Food Distributors of America
Limited Price Variety Stores Association
Liquor and Wine Industry War Bond Council
Mail Order Association
National Association of Chain Drug Stores
National Association of Food Chains
National Association of Retail Clothiers & Furnishers
National Association of Retail Druggists
National Association of Retail Grocers
National Association of Retail Secretaries
National Automobile Dealers Association
National Better Business Bureau
National Council of Shoe Chains
National Industrial Stores Association
National Restaurant Association
National Retail Dry Goods Association
National Retail Farm Equipment Association
National Retail Furniture Association
National Retail Hardware Association
National Shoe Retailers Association
National Voluntary Group Institute
Retail Credit Institute of America

For Your Information

STATE CHAIRMEN OF WAR FINANCE COMMITTEES

ALABAMA

Ed Leigh McMillan
1525 Comer Bl.
Birmingham 3

ARIZONA

Walter R. Bimson
Post Office Bl.
Phoenix

ARKANSAS

W. W. Campbell
Federal Bl.
Little Rock

CALIFORNIA

Charles R. Page
(Northern)
733 Monadnock Bl.
San Francisco 5
Robert H. Moulton
(Southern)
621 South Spring Street
Los Angeles 14

COLORADO

Clarence H. Adams
302 Colorado Bl.
Denver 2

CONNECTICUT

Eugene E. Wilson
36 Pearl Street
Hartford 3

DELAWARE

Henry T. Bush
1064 du Pont Hotel Bl.
Wilmington 99

DISTRICT OF COLUMBIA

John A. Reilly
852 Washington Bl.
Washington 5

FLORIDA

W. W. McEachern
404 Federal Bl.
Jacksonville 1

GEORGIA

Charles A. Stair
1202 C. & S. National
Bank Bl.
Atlanta 3

IDAHO

John Schoonover
423 First National Bank Bl.
Boise

ILLINOIS

Harold H. Swift
300 Bankers Bl.
105 West Adams Street
Chicago

INDIANA

Eugene C. Pulliam
816 Illinois Bl.
Indianapolis 4

IOWA

Herbert L. Horton
809 Walnut Bl.
Des Moines 8

KANSAS

W. Laird Dean
208 Federal Bl.
Topeka

KENTUCKY

Ben Williamson, Jr.
(Eastern)
808 Second National Bank
Bl.
Ashland
S. Albert Phillips
(Western)
510 Republic Bl.
Louisville 2

LOUISIANA

Leon G. Tujague
512 Pan American Bl.
New Orleans 6

MAINE

(Co-Chairmen)
Phillips M. Payson
Edward E. Chase
Federal Bl.
Augusta

MARYLAND

Howard W. Jackson
Calvert Bl.
Fayette and St. Paul Sts.
Baltimore

MASSACHUSETTS

F. Winchester Denio
79 Milk Street
Boston 9

MICHIGAN

Frank N. Isbey
600 Union Guardian Bl.
Detroit 26

MINNESOTA

O. J. Arnold
570 Northwestern Bank Bl.
Minneapolis

MISSISSIPPI

Rex I. Brown
1005 Lampton Bl.
P. O. Box 747
Jackson

MISSOURI

Walter W. Head
200 Federal Commerce
Trust Bl.
208 North Broadway
St. Louis 2

MONTANA

A. T. Hibbard
302 Federal Bl.
Great Falls

NEBRASKA

W. Dale Clark
636 World Herald Bl.
Omaha 2

NEVADA

Forest Lovelock
35 East 4th Street
Reno

NEW HAMPSHIRE

Winthrop L. Carter
Bell Bl.
922 Elm Street
Manchester

NEW JERSEY

Franklin D'Olier
Post Office Bl.
Newark 2

NEW MEXICO

Cale W. Carson
101 Federal Bl.
Albuquerque

NEW YORK

W. Randolph Burgess
1270 Sixth Avenue
New York City 20

NORTH CAROLINA

Clarence T. Leinbach
Federal Bl.
Greensboro

NORTH DAKOTA

F. L. Conklin
Neirling Block
Jamestown

OHIO

Phil J. Trounstone
693 Union Commerce Bl.
Cleveland 14

OKLAHOMA

A. E. Bradshaw
203 Drew Bl.
Tulsa

OREGON

Ed. C. Sammons
330 American Bank Bl.
Portland

PENNSYLVANIA

G. Ruhland Rebmann
12 South 12th Street
Philadelphia

RHODE ISLAND

C. Burton Hibbert
1812 Industrial Trust Bl.
Providence 3

SOUTH CAROLINA

Christie Benet
1401 Hampton Street
Columbia

SOUTH DAKOTA

Walter H. Burke
Post Office Bl.
Sioux Falls

TENNESSEE

Cecil Woods
Third National Bank Bl.
170 Fourth Avenue
Nashville 3

TEXAS

Nathan Adams
Dallas Power & Light Bl.
Dallas

UTAH

Charles L. Smith
Union Pacific Bl.
Salt Lake City

VERMONT

Levi P. Smith
Hotel Van Ness
Burlington

VIRGINIA

Francis P. Gaines
214 North Fifth Street
Richmond 19

WASHINGTON

Rene Odlin
209 Federal Bl.
Seattle 4

WEST VIRGINIA

A. C. Spurr
608 Security Bl.
Charleston 1

WISCONSIN

Walter Kasten
202 Federal Bl.
Milwaukee 1

WYOMING

Fred W. Marble
307 Federal Bl.
Cheyenne

Broadcast Engineering Bulletin

FEBRUARY 5, 1943 * * * * * No. 1

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS Wash., D. C.

RADIO GETS AA PRIORITY

As first predicted in NAB Reports November 13, 1942, page 648, the preference rating applying to materials for maintenance, repair or operating supplies of the broadcast industry has been raised from A-1-J to AA-2X under Preference Rating Order P-133 as amended February 4, 1943, by the Director General for Operations, War Production Board. The amendment also raises the ratings allowed to those engaged in commercial sound recording and radio communications. Broadcasters and those engaged in commercial sound recording may now apply the preference rating AA-2X to purchases of recording blanks and other necessary replacement items used in recording.

The new order does not provide replacement materials for automotive replacement as defined by General Limitation Order L-158 (this has been interpreted as eliminating mobile police stations). NAB has been informed that the new preference rating is the highest generally obtainable for non-military requirements. The suffix letter X of the preference rating identifies purchases of a non-military nature.

The amended order requires that broadcasters "keep and preserve for two years copies of all purchase orders or contracts applying such rating," and that those "affected by this order shall execute and file with the War Production Board such reports and questionnaires as the War Production Board shall from time to time prescribe." General instructions for the purchase of material in accordance with P-133 as amended February 4, 1943, are as follows:

1. Read Preference Rating Order P-133 as amended and become familiar with the provisions of the order.
2. Operate all tubes and parts to absolute failure, before installing replacements, in order to bring inventory within the limits of the order.
3. Hold best spare tubes for last use in the equipment thus minimizing the chance of failure while procuring replacements. In order to check the condition of spare tubes and to insure their immediate availability without conditioning, use all spares not less than one day every three months and not more than one day of each month. This practice is preferable to the rotation of spare tubes on an equal use basis.
4. Immediately upon the failure of spares which will reduce the inventory to less than one hundred per cent, as permitted by the order, place a purchase order with your supplier. This purchase order should bear the required certification assigning an AA-2X preference rating. When placing the purchase order request delivery prior to a definite date and ask your supplier to advise you immediately if for any reason the order cannot be filled on or before the required date. If notice is received from supplier that delivery cannot be made by the date specified, immediate *inquiry* should be made to all other known sources of supply concerning their ability to fill the order in accordance with your requirements. If these inquiries result in a satisfactory delivery promise from another supplier, the original order *should be cancelled* and another order placed with the new supplier (WPB Regulation 3, amended June 26, 1942, Section (b), paragraph 3. This regulation forbids duplicate orders.)

5. If after following the procedure outlined in paragraph 4 a satisfactory delivery promise is not obtained, an order should be placed with the supplier offering the best delivery promise. At the same time a PD-1A form should be filed with the War Production Board, Director of Industry Operations, Washington, D. C. Be sure to furnish all required information on the PD-1A form and outline in the covering letter the substance of your correspondence under paragraph 4 above.

6. If your station is actually off the air due to the failure to obtain spare tubes or parts or if the tubes or parts in use (for which no replacements are available) appear to be approaching failure communicate immediately by telephone or telegraph with the WPB Emergency Branch, Washington, D. C. The telephone number is REpublic 7500, extension 2333 or extension 2330. This communication should refer to your PD-1A application.

To avoid confusion it is suggested that the original P-133 dated October 5, 1942 be removed from your files and the amended order substituted. The revised sections of the order are printed in bold face type. The new order reads as follows:

Part 3037—Electronic Equipment

[Preference Rating Order P-133 as Amended Feb. 4, 1943]

§ 3037.5 *Preference Rating Order P-133*—(a) *Definitions*. For the purpose of this order:

(1) "Operator" means any individual, partnership, association, business trust, corporation, receiver or any form of enterprise whatsoever, whether incorporated or not, the United States, and the several states thereof, and any political, corporate, administrative or other division or agency thereof, to the extent engaged in any activity listed in Schedule A, hereof.

(2) "Material" means any commodity, equipment, accessory, assembly or product of any kind; exclusive, however, of automotive replacement parts as defined by General Limitation Order L-158.

(3) "Maintenance" means the upkeep of an operator's buildings, structures and equipment in sound working condition; and this, without regard to whether the expenditures therefor are for any reason required to be recorded in the operator's accounting records in accounts other than maintenance and repair.

(4) "Repair" means the reconstruction or restoration without expansion, improvement or change of design of any portion of an operator's buildings, structures and equipment when such portion has been rendered unsafe or unfit for service by wear and tear or other similar causes, but not including reconstruction or restoration of any portion damaged or destroyed by fire, flood, tornado, earthquake, act of God or the public enemy; and this, without regard to whether the expenditures therefor are for any reason required to be recorded in the operator's accounting records in accounts other than maintenance and repair.

(5) "Operating supplies" means any material which is essential to and consumed directly in the operation of any of the services specified in paragraph (a) (1) above, but does not include photographic film, fuel, office or building

supplies, or any material which is physically incorporated in whole or in part in the property or equipment of the operator.

(b) Assignment of preference rating. Subject to the terms of this order, preference rating of AA-2X is hereby assigned:

(1) To deliveries of material to an operator for operating supplies and for maintenance and repair.

(2) To deliveries to any supplier of material to be physically incorporated in other material required by an operator for operating supplies, maintenance or repair.

(c) *Persons entitled to apply preference rating.* The preference rating hereby assigned shall be applied where a preference rating is required to obtain material for maintenance, repair and operating supplies by:

(1) Any operator engaged in an activity in Schedule A hereof and may be applied by

(2) Any supplier, provided deliveries to an operator or another supplier are to be made by him, which are of the kind specified in paragraph (b) and have been rated pursuant to this order.

(d) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(e) *Restrictions on inventory and use.* The preference rating hereby assigned may be applied by any operator, provided:

(1) Such rating is not used to replace in inventory more than one spare tube for each active tube socket.

(2) Such rating is not used to replace in inventory any spare parts except:

(i) Those subject to frequent failure, deterioration or other exhaustion.

(ii) Those which are so unique that failure would inevitably result in long delay in resumption of essential operations.

(3) Such rating is not used in any case to increase the value of an operator's inventory of repair parts, other than tubes, above the value of such inventory on the date of this order.

(4) Such rating is not used to replace in inventory a new part if the defective part can be repaired with a smaller consumption of raw material.

(5) The tube which has been replaced from operator's inventory or for which replacement is required has been operated to failure.

(6) The operator has returned to the manufacturer any power tube rated at 25 watts or more which has failed, unless such tube is to be repaired.

(7) Equipment which has failed has been operated within the ratings specified by the manufacturer.

(8) Such rating is not used to build up inventory of operating supplies other than tubes, in excess of requirements for a three-month period.

(9) Such operator was actively engaged in one of the activities listed on Schedule A hereof, on the date of issuance of the order, or has received specific authorization for his installation from the Director General for Operations of the War Production Board.

(f) *Application and extension of rating.* An operator or supplier, in order to apply the preference rating assigned by this order, shall endorse the following statement on the purchase order or contract for such material signed manually or as provided in Priorities Regulation No. 7 (§ 944.27) by an official duly authorized for such purposes.

CERTIFICATION

The undersigned purchaser hereby represents to the seller and to the War Production Board that he is entitled to apply or extend the preference ratings indicated opposite the items shown on this purchase order, and that such application or extension is in accordance with Priorities Regulation No. 3, as amended, with the terms of which the undersigned is familiar.

Name of Purchaser Address
By Date
(Signature and title of duly authorized officer)

(g) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priority control and may be deprived of priorities assistance.

(h) *Records.* All operators assigned a preference rating by or pursuant to this order shall keep and preserve for two years copies of all purchase orders or contracts applying such rating.

(i) *Reports.* All operators affected by this order shall execute and file with the War Production Board such reports and questionnaires as the War Production Board shall from time to time prescribe.

(j) *Communications.* All reports to be filed, and other communications concerning this order, should be addressed to War Production Board, Radio and Radar Division, Washington, D. C. Ref: P-133.

Issued this 4th day of February 1943.

CURTIS E. CALDER,
Director General for Operations.

SCHEDULE A

1. Radio communication, including broadcasting.
2. Sound recording for commercial purposes.
3. Radio direction finding.

EXECUTIVE ENGINEERING COMMITTEE

The following broadcasters make up the membership of the NAB Executive Engineering Committee:

John V. L. Hogan, Chairman, WQXR, New York
E. K. Cohan, CBS, New York, N. Y.
Franklin M. Doolittle, WDRC, Hartford, Conn.
O. B. Hanson, NBC, New York, N. Y.
G. Porter Houston, WCBM, Baltimore, Md.

The Committee held a meeting in New York City on January 27. Included in the discussion were the following subjects: training of replacement operators and technicians, availability of repair facilities for broadcast equipment and components, methods for the recruiting of new technical personnel, servicing of home receivers, consideration of standard coverage recommendations, priority regulations, batteries for farm radios, publicizing NAB recording standards and post war planning.

Much constructive progress was made through policy recommendations and outlining future activity of the Engineering Department.



Broadcast Engineering Bulletin

MAY 28, 1943

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No. 2

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH., D.C.

RMA TRANSMITTING TUBE CONSERVATION RECOMMENDATIONS

Percentages of rated normal filament voltages to be used under various operating and stand-by conditions to give maximum filament life.

Tube Type by Kind of Filament or Cathode	Operating Conditions		Recommended Stand-by Conditions (% of Normal Operating Voltage)				Typical Tube Types
	Normal Load Operation	Light Load; May Increase Life	Under 15 Minutes	15 Min. to 2 Hours	2 to 12 Hours	Over 12 Hours	
1. Pure Tungsten filament..... (small and medium types)	100*	Reduce	80	80	off	off	207, 891R
2. Pure Tungsten filament..... (large types)	100*	Reduce	80	80	80	off	895, 899A, 898
3. Thoriated Tungsten filament..... (small and medium types)	100	95-100	80	off	off	off	211, 803, 851
4. Thoriated-Tungsten filament..... (large types)	100	95-100	80	80	off	off	827R, 861
5. Oxide-coated filament..... (small and medium-gas, vapor)	100	100	100	100	off	off	866A, 872A
6. Oxide-coated filaments or cathodes... (large-gas, vapor)	100	100	100	100	100	off	857B, 870A
7. Oxide-coated cathodes..... (high vacuum)	100	95-100	100	off	off	off	807, 837
8. Oxide-coated filaments..... (high vacuum, quick heating)	100	95-100	80	off	off	off	1616, 1619, 1624

* Normal load operation may be less than 100% as recommended in instructions.

NOTE: Recently the NAB Engineering Department asked vacuum tube manufacturers to submit recommendations covering the stand-by operating conditions that would assure the maximum life from transmitting tubes. It was found that differences of opinion existed among the manufacturers and that the problem was further complicated by the variety of tube types to be considered. The manufacturers coordinating through the RMA Transmitting Tube Committee have now released the above standard recommendations.

TUBES REPAIRED WITHOUT PREFERENCE RATING

The radio and radar division of WPB has just released the following interpretation of preference rating order P-133 and general limitation order L-265, insofar as the orders apply to the repairing of vacuum tubes:

"From time to time the question has arisen as to the restrictions of preference rating order P-133 with regard to the repair of vacuum tubes. The limitations and restrictions of P-133 apply only to the extension of ratings under that order.

"Order P-133 prohibits an operator from applying a rating to obtain a new tube as long as he has one spare tube for each active tube socket. However, there is no limitation on the number of tubes which may be repaired, or the number of repaired tubes which may be held as spares. It is permissible to repair any tube without the extension of a preference rating. It is also to be noted that if a burned-out tube is to be repaired, it is not necessary, under P-133, to return the old tube to the manufacturer in order to obtain a new tube.

"General limitation order L-265 specifically exempts from its provisions the transfer of electronic equipment

for repair, as well as exempting any operations involved in the repair of a specific piece of electronic equipment. Thus, any number of tubes can be repaired without the extension of a preference rating. However, a preference rating under P-133 cannot be extended for the purchase of a new tube unless an operator has in his inventory less than one spare tube per socket."

NEW PREFERENCE RATING IS "AA-2"

Radio broadcasting now has AA-2 rating instead of AA-2X rating assigned last February 14, under P-133.

All other terms of P-133 still apply with one possible exception. This concerns the quantity of material you are now using for maintenance, repair and operating supplies. Quantity cannot be more than that used in 1942. This is covered in paragraph (f) of CMP Reg. 5 (page 238, NAB Reports).

In buying materials your new AA-2 preference rating is applied by use of the following certification appearing on order and properly signed:

"Preference rating AA-2—MRO. The undersigned certifies, subject to the criminal penalties

for misrepresentation contained in section 35(A) of the United States Criminal Code, that the items covered by this order are required for essential maintenance, repair or operating supplies; that this order is rated and placed in compliance with CMP Regulation No. 5; and that the delivery requested will not result in a violation of the quantity restrictions contained in paragraph (f) of said regulation."

Use form PD-1A for material not obtainable with AA-2. No change in this procedure.

The above is an interpretation of the new regulations obtained from WPB.

NEED TECHNICIANS?

The NAB engineering department has now been recruiting technicians, not presently employed in the broadcast industry, for several months. Several methods of recruiting both men and women for replacement technical posi-

tions are now being used. Currently, we are receiving more applications for positions than requests for assistance from broadcast stations.

It is important that these applicants be placed as soon as possible after registering with NAB or they will find employment elsewhere and be lost to the broadcast industry. In order to expedite the placing of these candidates, a few applicants are being selected from the NAB files to be placed on regional availability lists. These lists will be mailed with the current issue of the *Swap Bulletin* addressed to chief engineers.

Stations in need of replacement technicians should first make every effort to fill vacancies locally. If it is found impossible to obtain the required replacements, stations are invited to write to the NAB Engineering Department for the names of several available persons. NAB has no knowledge of the applicants other than the statements contained in the registration letter and is therefore not in a position to make employment recommendations. The usual employment references should be obtained by direct correspondence with the applicants.



Broadcast Engineering Bulletin

OCTOBER 22, 1943 * * * * * No. 3

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH. 6, D. C.

New Priority Instructions

As first reported in NAB REPORTS (page 414, October 8, 1943), Preference Rating Order P-133 has been revised by WPB to make it the exclusive controlling order for obtaining maintenance, repair and operating supplies for radio broadcasting. The amendment continues the AA-2, MRO-P-133 symbol and preference rating to broadcast stations.

Recording blanks to be used exclusively for broadcast purposes may be purchased by broadcast stations under

the preference rating AA-2, MRO-P-133. Blank discs to be used for purposes other than broadcasting are assigned the preference rating AA-5 by the revised order.

Section (e) (1) is a clarification of tube inventory restrictions. The language of this section has been interpreted to allow the use of these ratings or allotment symbol only if a similar tube has first been operated to failure and the purchaser has in stock less than one new and one rebuilt tube, or two rebuilt spare tubes per active socket.

PART 3289—RADIO AND RADAR
[Preference Rating Order P-133, as Amended Oct. 8, 1943]
ELECTRONIC EQUIPMENT

Section 3289.41 *Preference Rating Order P-133* is hereby amended to read as follows:
§ 3289.41 *Preference Rating Order P-133*

—(a) *What this order does.* This is a complete revision of Preference Rating Order P-133. It gives preference ratings to persons engaged in certain businesses. It also entitles some of them to use the allotment symbol "MRO". The ratings and symbol can be used only to get materials for maintenance, repair and operating supplies; and there are also certain special restrictions set forth in paragraph (e). The businesses, and the ratings and symbol assigned to persons engaged in them are:

- (1) Radio communication—AA-1. Persons engaged in this business are also entitled to use the allotment symbol "MRO".
- (2) Radio broadcasting—AA-2. Persons engaged in this business are also entitled to use the allotment symbol "MRO".
- (3) Sound recording for commercial, educational or industrial purposes—AA-5.
- (4) Operation and maintenance of public address, intercommunication, plant sound or other similar electronic systems, such as systems for the controlled distribution of musical programs—AA-5.

(b) *What is meant by maintenance, repair and operating supplies.* These terms include whatever is necessary to keep a person's business property and equipment in sound working condition, or to fix it when it has broken down or is about to break down. They also include those things which are normally used in the day-by-day operation of any of these businesses, being as a rule things which are consumed in use. On the other hand, there are some things which these terms do not include, and to which the benefits of this order do not extend. These are production materials, capitalized repairs, capital equipment, capital replacements, plant expansion, addition of facilities, and the construction and remodeling of buildings.

(c) *Relation of this order to War Production Board regulations and other orders.* This order and all things done under it are subject to the provisions of all applicable regulations and orders of the War Production Board, except that persons who are engaged in the businesses listed in this order to that extent are entitled to none of the benefits, and are subject to none of the restrictions, contained in CMP Regulations No. 5 and No. 5A. Any one using this order should read particularly Priorities Regulation No. 3, which tells how to apply and extend ratings, and which contains a list of things which blanket MRO ratings (such as those assigned by this order)

cannot be used to get (Priorities Regulation No. 3, paragraph (f) and List B).

(d) *How to use the ratings and allotment symbol.* (1) Persons entitled to use these ratings and the allotment symbol "MRO" under this order may do so by placing on their purchase orders either the form of certificate provided in Priorities Regulation No. 3, or that provided in CMP Regulation No. 7. In every case those persons entitled under this order to use the allotment symbol "MRO" must place on their purchase orders in addition to the certificate the symbol "MRO-P-133".

(2) Any purchase order for controlled materials which bears such a certificate and symbol is an authorized controlled material order, and on such orders the preference rating should not be shown. The preference rating must, of course, be shown on orders for anything but controlled materials.

(e) *Restrictions on the use of the ratings and allotment symbol.* No person shall use these ratings or allotment symbol:

- (1) To buy or to repair a tube unless a similar tube has first been operated to failure, or unless he has in stock less than one new and one rebuilt, or two rebuilt spare tubes for each active tube socket. All power tubes of 250 watts or more (plate dissipation), which have been operated to failure and are not to be repaired, shall be returned to the manufacturer.
- (2) To replace in stock any spare parts except parts which are subject to frequent failure or rapid deterioration, or parts which are of such special design that their failure would cause a lengthy interruption of operations unless they could be immediately replaced from stock.
- (3) To replace in stock a new part (other than a tube) if the old part can be repaired.
- (4) To replace equipment which has not been used within the ratings specified by the manufacturer of the equipment.
- (5) To increase the value of a person's inventory of repair parts (not including tubes) above the value of such inventory on October 5, 1942.
- (6) To increase a person's inventory of operating supplies (not including tubes) above a ninety-day requirement.
- (7) To get aluminum if the use of any other material is practicable, or to get more than five hundred pounds of aluminum in any calendar quarter in any event.
- (8) To get materials for the maintenance, repair or operation of equipment for the account of War Emergency Radio Service.

(f) *Persons who service these businesses.* Any person (such as a service repair shop) who does maintenance or repair work for anyone engaged in any of the businesses

described in this order may use the rating and symbol to which his customer would be entitled in order to get materials to do that work for his customer. In such a case the restrictions of paragraph (e) apply as to the customer and the customer shall be responsible if they are violated.

(g) *Special rule for international, point-to-point, radio communication carriers.* Any person engaged in international, point-to-point radio communication, as a commercial operation, may use the rating and allotment symbol given by this order to rearrange, modify or expand existing facilities and equipment (but not buildings) either to maintain his regularly established services, or to provide whatever new or modified service may be necessary to render services required by or for the account of the United States Army, the United States Navy, any agency of the United States Government, or any agency of any foreign government.

The cost of materials for any one project undertaken under this paragraph (g) must not exceed \$1,500.00, in which case the restrictions of paragraph (e) of this order, and the rules of Conservation Order L-41 shall not apply, and an authorization to begin construction shall not be necessary.

(h) *Penalties for violating this order.* Any person who wilfully violates any provision of this order or falsifies the certificate prescribed in paragraph (d), or who conceals any material information or furnishes false information to any department or agency of the United States is guilty of a crime. If convicted, he may be punished by fine or imprisonment. He may also be deprived of any or all priorities assistance. For example, he may be prohibited from getting, delivering, processing, or using anything which is subject to priority control by the War Production Board.

(i) *How to appeal from any provision of this order.* Any person may appeal for relief from any provision of this order by writing a letter which explains fully what provisions he is appealing from and why he thinks he should be relieved from those provisions so far as they relate to him or his business. He should send this letter with two signed copies to the War Production Board.

(j) *Letters and reports about this order.* Any letters about this order, or any reports which persons subject to this order may be required to file, should be addressed to the War Production Board, Radio and Radar Division, Washington 25, D. C., Ref: P-133.

Issued this 8th day of October 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

General instructions for the purchase of materials in accordance with P-133 as amended October 8, 1943, are as follows:

1. Read Preference Rating Order P-133 as amended October 8, 1943, and become familiar with the provisions of the order.

2. Operate all tubes and parts to absolute failure, before installing replacements, in order to bring inventory within the limits of the order.

3. Hold best spare tubes for last use in the equipment thus minimizing the chance of failure while procuring replacements. In order to check the condition of spare tubes and to insure their immediate availability without conditioning, use all spares not less than one day every three months and not more than one day of each month. This practice is preferable to the rotation of spare tubes on an equal use basis.

4. Immediately upon the failure of tubes which will reduce the spare inventory to less than the maximum permitted, place a purchase order with your supplier. This purchase order should bear the required certification assigning the preference rating AA-2, MRO-P-133. When placing the purchase order request delivery prior to a definite date and ask your supplier to advise you immediately if for any reason the order cannot be filled on or before the required date. If notice is received from supplier that delivery cannot be made by the date specified, immediate inquiry should be made to all other known sources of supply concerning their ability to fill the order in accordance with your requirements. If these inquiries result in a satisfactory delivery promise from another supplier, the original order *should be cancelled* and another order placed with the new supplier (WPB Regulation 3, amended June 26, 1942, Section (b), paragraph 3. This regulation forbids duplicate orders.)

5. The following certification form should be placed on all orders:

CERTIFICATION

The undersigned purchaser hereby represents to the seller and to the War Production Board that he is entitled to apply or extend the preference ratings indicated opposite the items shown on this purchase order, and that such application or extension is in accordance with Priorities Regulation No. 3, as amended, with the terms of which the undersigned is familiar.

Name of Purchaser	Address
By.....	
(Signature and title of duly authorized officer)	Date

6. If after following the procedure outlined in paragraph 4 a satisfactory delivery promise is not obtained, an order should be placed with the supplier offering the best delivery promise. At the same time a 541 form should be filed with the War Production Board, Director of Industry Operations, Washington, D. C. Be sure to furnish all required information, including your purchase order number or the vendor's order number, on the WPB-541 (formerly PD-1A) and outline in the covering letter the substance of your correspondence under paragraph 4.

7. If capital equipment, such as turntables, microphones, amplifiers, monitors, transmitters, antennas, etc., is destroyed by fire, accident or other causes, it is suggested that the problem of obtaining proper authorizations for the replacement of the lost equipment be referred to the regional WPB office for instructions. A directory of regional WPB offices will be found in this issue of NAB REPORTS and Broadcast Engineering Bulletin No. 3.

8. If your station is actually off the air due to the failure to obtain spare tubes or parts or if the tubes or parts in use (for which no replacements are available) appear to be approaching failure communicate immediately by telephone or telegraph with the WPB Emergency Branch, Washington, D. C. The telephone number is REpublic 7500, extension 75052. This communication should refer to your 541 application, if previously filed.

To avoid confusion, it is suggested that Broadcast Engineering Bulletin No. 1 dated February 5, 1943, be removed from your files and this bulletin substituted. The complete text of the new order as amended October 8, 1943, is printed herewith.

DIRECTORY OF REGIONAL OFFICES RADIO AND RADAR DIVISION, WPB

- | | |
|-------------------------------------|---|
| REGION 1—
Boston, Mass. | Michael Scott, Chief
17 Court Street
Boston, Massachusetts
Phone: Lafayette 7500 |
| REGION 2—
New York, N. Y. | Frank S. Mysterly, Chief
Empire State Building
New York, New York
Phone: Murray Hill 3-6805
Charles Eppleur
Globe Indemnity Building
Newark, New Jersey
Phone: Market 2-0700
W. T. Croysdill
1138 Rand Building
Buffalo, New York
Phone: Madison 3-160 |
| REGION 3—
Philadelphia, Pa. | David Miller, Chief
1617 Pennsylvania Boulevard
Philadelphia, Pennsylvania
Phone: Locust 3400 |
| REGION 4—
Atlanta, Georgia | Guy Mankin
116 Candler Building
Atlanta, Georgia
Phone: Walnut 4121 |
| REGION 5—
Cleveland, Ohio | Howard J. Shartle, Chief
1318 Union Commerce Building
Cleveland, Ohio
Phone: Cherry 7900
M. G. Thomas
34 E. Fourth Street
Cincinnati, Ohio
Phone: Parkway 0100
Wm. H. Martin
1st National Bank Building
Pittsburgh, Pennsylvania
Phone: Grant 5370 |
| REGION 6—
Chicago, Ill. | Raymond H. Woodford, Chief
226 W. Jackson Boulevard
Chicago, Illinois
Phone: Andover 3600 |
| REGION 7—
Kansas City, Mo. | Fred H. Larrabee
Mutual Interstate Building
Kansas City, Missouri
Phone: Harrison 6464 |
| REGION 8—
Dallas, Texas | R. C. Watson
1221 Mercantile Bank Building
Dallas, Texas
Phone: Riverside 5711 |
| REGION 9—
Denver, Colorado | George Joslyn
Continental Oil Building
Denver, Colorado
Phone: Tabor 3137 |
| REGION 10—
San Francisco, Calif. | Harold S. Ayers
1355 Market Street
San Francisco, California
Phone: Klondike 2-2300
Herman Schmieter
1031 South Broadway
Los Angeles, California
Phone: Richmond 1261 |
| REGION 11—
Detroit, Mich. | John G. Carroll
7310 Woodward Avenue
Detroit, Michigan
Phone: Trinity 2-4900 |
| REGION 12—
Minneapolis, Minn. | H. M. Richardson
334 Midland Bank Building
Minneapolis, Minnesota
Phone: Main 3244 |

REPAIRED TUBES

Many stations have been able to maintain adequate tube inventories through the use of repaired tubes. When difficulties are encountered in obtaining new tubes (250 watts or more) it may be well to investigate thoroughly the repair facilities now available. A directory of firms engaged in this work will be found in NAB REPORTS of October 2, 1942, page 580, and October 23, 1942, page 611. If additional information is desired concerning either tube repairing facilities or the dependability of repaired tubes, communicate with the NAB Engineering Department.

National Association of Broadcasters

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

"PAT - ON - THE - BACK" BULLETIN

Here Are a Couple of Roses

OFFICE OF PRICE ADMINISTRATION

TREASURY DEPARTMENT

Mr. Neville Miller, President,
National Association of Broadcasters,
Washington, D. C.

April 15, 1943.

Mr. Art Stringer,
National Association of Broadcasters,
1760 N Street N. W.,
Washington, D. C.

DEAR MR. MILLER:

DEAR MR. STRINGER:

I wish to take this opportunity to express on behalf of the Office of Price Administration and myself the deepest appreciation for the fine public service rendered by your industry during the past few months in helping explain to the American people the essential facts concerning recent rationing programs instituted by this agency.

On behalf of the Treasury Department, we want to express to you and all associated with NAB our heartiest thanks for the invaluable cooperation given us in planning and publicizing RADIO DAY to launch the 2nd War Loan.

We in OPA have been faced recently with the problem of implementing complex rationing programs covering footwear, processed foods, and meats and fats. The task of instilling in the American people an understanding of (a) the reasons underlying these programs and (b) the mechanics of their operation has been a difficult one. In certain cases we have had to get information out to every household and to thousands of merchants with a minimum of delay. We turned, of course, to our system of free radio for aid in this important work.

April 12, 1943 should go down in radio history as the greatest all-out cooperative effort ever accomplished by the industry. The Treasury Department is deeply grateful to the nation's broadcasters who gave so unsparingly of their time and effort to make Radio Day such a tremendous success. Since it is impossible personally to thank the thousands of people who contributed toward the radio launching of the 2nd War Loan, we hope that you will pass on to all your stations our sincere and heartfelt THANKS.

The industry has responded magnificently. You have helped us in three principal ways: (a) Through your regular news broadcasts you have enabled us to get basic information out almost simultaneously; (b) through your commentators you have aided us in dissemination of explanatory material designed to secure wide understanding and acceptance of our programs; and (c) by making available time on your stations for myself and other OPA officials you have made it possible for us to make detailed explanations of OPA problems.

Sincerely

VINCENT F. CALLAHAN,
*Director of Radio, Press
and Advertising.*

Your cooperation has proved to be a vital factor in the success of these "home front" measures which are related intimately to the winning of the war. For that we in OPA extend to you our grateful thanks and appreciation.

MARJORIE L. SPRIGGS,
*Chief, Radio Section,
War Savings Staff.*

Sincerely yours,

PRENTISS M. BROWN.

National Association of Broadcasters

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

Third War Loan Bulletin

The Gauntlet Is Down In The Biggest Challenge Ever Given The Broadcasting Industry

New Guinea



This boy got it in the steaming mess that is jungle fighting in New Guinea. All we can do can't touch what this boy has done.

Sicily



Thank God that this isn't one of our homes and one of our children this soldier is carrying out the doorway.

These pictures were printed because they say a lot of things that we broadcasters are taking and have got to take to heart to accept this great challenge:

“The Third War Loan Is The Biggest Job Of War Financing Ever Undertaken In One Month In The History Of The World—Are You Equal To It?”

Some folks think we aren't. Some in the government and elsewhere. They think it's just too big for radio or anyone else. Even the Treasury is only figuring on a 50-50 chance of you or anyone else making the grade. Here It Is:

Name of Campaign: Third War Loan

Starting date: September 9, 1943

Slogan: BACK THE ATTACK—WITH WAR BONDS

Objective: To raise 15 billion dollars to finance the war. All money to be obtained from sources other than commercial banks.

Theme: Invasion. Each person who possibly can do so is asked to buy at least an *extra* \$100 Bond during September to back up the men in the armed forces.

Where the money is to come from: Current income and surplus accumulations of funds.

Activate Yourself As Issuing Agencies

The Treasury is issuing 65 million registered certificates for the Third War Loan Drive—a bigger job than the U. S. Census. There aren't nearly enough issuing agencies. Many broadcasting stations have registered as issuing agencies—**BUT THEY'RE FALLING DOWN ON THE JOB AND EVEN WITHDRAWING AS SUCH!** Let's about face on this thing and help the Treasury as issuing agencies—this is vital—put one or more of your best people on this.

Neville Miller Says—

"In war as in peace, sometimes a ray of sunshine cheers us out of all proportion to the threat of heavy, black clouds all around. There is a little sunshine in our war picture right now, but the storm still rages heavily, with great loss of life and physical destruction still impending.

"We must never forget that our war losses are directly proportionate to our ability to maintain a rapidly expanding, hard hitting military juggernaut. This is a tremendous responsibility. If we falter even for a moment, casualties and new dangers can be traced to our let down.

"The Third War Loan Drive of the United States Treasury is imminent. It calls for fifteen billion dollars to be raised from the people—**NOT** from banks and other financial centers, but from the people in your block and my block, in the coverage areas of radio stations, in all the streets and farm lands of this nation.

"It will be a challenge not only to radio, but to everyone to meet this goal. Radio has pledged itself anew to do everything possible in furnishing voluntarily time, talent and facilities without stint or qualification, both network and local.

"As a vital artery of communications, radio knows its job. Like the people it serves, radio will keep its eyes fastened to the balance sheet, showing materiel of war in the one column against casualties, defeats and despair in the other. We all know that it will take greater and greater effort to add up to final victory.

"The Third War Loan campaign calls for raising from

the public four times the money raised in the last drive. We of radio shall set our sights accordingly and shall not let false optimism diminish our attack until the goal is achieved."

This Is It!

By

Vincent F. Callahan

**Director of Advertising, Press and Radio
U. S. Treasury War Savings Staff**

The Third War Loan drive to raise fifteen billion dollars in War Bonds, between September 9 and September 30, to finance the war, is the biggest and toughest job which the radio industry ever has had to face.

The success of the Third War Loan drive depends to a great extent upon how well the radio industry realizes the immensity of this challenge.

The radio industry was one of the prime forces behind the spectacular success of the 2nd War Loan Campaign . . . previously the greatest single money-raising campaign in the history of the world.

But, still, there are facts to show that the great April War Loan drive did not reach all of the American people with its message of the great need for more dollars invested in War Bonds.

By the same token, these facts show that there is a

great, rich field left untapped . . . and which must be tapped by radio if the Third War Loan drive is the success it must be.

Here are those facts:

More than one out of every five urbanites did not even know there was a War Loan drive on!

More than three farmers out of ten did not even know there was a War Loan drive on!

Of course, the answer to this situation lies in the hands of the radio industry. The radio is an intimate member of almost every family in America.

What's In the Book

Preliminary reports indicate that the radio industry will make every possible effort to meet successfully the challenge of the Third War Loan Drive. Here is what is in the "book" so far:

During the 22 days beginning September 9 (opening day of the drive), the greatest array of radio programs and personalities ever to go to work on any campaign will hit the airwaves in behalf of the effort to get every person who possibly can to buy at least one extra \$100 War Bond.

Through the medium of national commercial and sustaining programs, local station announcements, and national spot programs the radio industry will register at least one and one-half billion listener impressions in behalf of the 3rd War Loan, from September 9 until the drive is finished. This coverage is expected to be at least 25% greater than the radio coverage of the 2nd War Loan.

The estimated total value of time and talent for the programs and announcements on the 3rd War Loan will mount up into the millions of dollars.

Two hundred and fifteen of the bigtime network programs . . . with a listener audience of 600,000,000 . . . will aim messages on the 3rd War Loan during the drive. In essence this amounts to three out of four of the bigtime network programs.

During these programs, radio's favorite stars and their guest stars will make personal appeals on the 3rd War Loan. Also, appeals on bigtime programs will be made by returned veterans of the fighting fronts.

In addition, almost 100% response is expected to the proposal that every big network schedule devote at least one entire program to the 3rd War Loan during the time of the drive.

The Army and the Navy also are marshalling their radio big guns in the armament of the 3rd War Loan. War and Navy Department press relations officers will give coverage on approximately 800 Local Service Programs during the 3rd War Loan.

Amazing as all this national coverage is, still this is not all—not by a long shot. At this moment all four networks are busy devising special programs and events to give complete radio life to the 3rd War Loan . . . and bring home the meaning of this drive to every American. These network special programs and events may take the form of individual network-and-affiliate 'round the clock broadcasts—sparked by personal appeals by radio personalities and war heroes. The tentative plans call for one such 'round the clock special event by each network. And there are plans underway for special pick-ups from the fighting fronts—talks by commentators on the scene of battle and our military leaders. Other programs in the tentative stage are broadcasts from military hospitals, broadcasts from scenes famous in American history.

And these are only a few examples of what is still in the network "hopper" for the 3rd War Loan Drive.

Radio Day

September 9, Radio Day, will explode the message of the 3rd War Loan through the following 'round the clock broadcasting events:

Every radio program slated to carry a Government message on September 9 will plug the 3rd War Loan.

Eighty per cent of the top network programs on this day will be 3rd War Loan programs.

At least twenty-six of the bigtime programs will give special treatment to 3rd War Loan messages—carrying these messages as integrated parts of the program or even basing the entire program on the 3rd War Loan.

All network affiliate stations will carry nine one-minute transcribed dramas or "live" announcements on the 3rd War Loan. All non-network stations will carry 12 one-minute transcribed dramas or "live" announcements on the 3rd War Loan.

The four networks' sustaining programs on September 9 will carry the ball for the 3rd War Loan.

Every local station in the country will devote station break announcements to the 3rd War Loan on Radio Day. In addition, a majority of local stations are planning special events connected with local rallies, speeches by community leaders, other special promotions designed to explode the 3rd War Loan locally with the biggest War Bond bang possible.

Throughout the Drive

Among the big guns in the radio barrage for the 3rd War Loan are the programs of the Treasury Star Parade—the most popular series of transcribed programs ever to go out over the air. Twenty-one Treasury Star Parade programs . . . one a day for the length of the drive . . . have been produced for the 3rd War Loan. Here they are:

Bing Crosby leads off the "Treasury Star Parade" program for the 3rd War Loan Drive as Master of Ceremonies and Singer of the nation's favorites, such as "You'll Never Know" and "Sunday, Monday or Always." John Scott Trotter conducts the orchestra, with The Charioteers and the Music Maids and Phil rounding out this all-musical program.

A visit to the Bumsteads is furnished in the next program called "Blondie Sells Some Bonds" with the radio favorites—Penny Singleton as Blondie and Arthur Lake as Dagwood.

Another comedy in the series is furnished by the beloved Baby Snooks. The "Treasury Star Parade" presents "Baby Snooks and Daddy," starring Fannie Brice and Hanley Stafford.

Comedian Eddie (Rochester) Anderson steps into a stirring dramatic role in "Big Jim" with Michael O'Shea.

Another dramatic presentation is "A Man's Memory" starring Martin Kosleck.

Fibber McGee and Molly add a lighter vein to the "Treasury Star Parade" in a program presented in their own inimitable manner.

The most popular tunes of today are brought to the "Treasury Star Parade" by the most popular orchestra leaders of today. Freddy Martin, Ray Noble, Ted Lewis, Jan Garber, Vaughn Monroe and Tommy Dorsey—all do two or more complete musical programs with their orchestras and individual soloists.

Another feature to be issued from Washington in the 3rd War Loan is the series of transcribed messages made by United States Senators. Radio stations in every state will receive three transcribed 3rd War Loan appeals by each of that state's own U. S. Senators. (Owing to un-

avoidable circumstances connected with the war it may not have been possible to record both Senators from your state.)

Saturday Night Bandwagon

As the paratroopers in the 3rd War Loan drive there are the Treasury Department's own programs: The Saturday Night Bandwagon, heard over the Mutual Broadcasting System, from 10:15 to 10:45 p. m., EWT, on Saturdays; Tommy Dorsey, heard over the Blue Network, from 12:30 to 12:55 a. m., on Fridays; Horace Heidt, heard over the Blue Network, from 5:00 to 6:00 p. m., on Saturdays; Guy Lombardo, heard over the Mutual Broadcasting System, from 11:30 to 12:00 midnight, on Wednesday.

Every radio station in the country will receive and broadcast an average of 42 one-minute transcribed dramas or "live" announcements weekly in behalf of the 3rd War Loan drive.

And, still in the works are many special events . . . to be arranged and broadcast by the Treasury throughout the length of the campaign, featuring Secretary Morgenthau and other government leaders.

Local Work Is Key

The greatest part of the preceding is the story of the radio industry's national participation in the Third War Loan drive. Such national participation is a credit to

the radio industry and, without it, the Third War Loan could not succeed. But, equally important, if not more important, is the **local** picture of radio's cooperation with the Third War Loan Campaign.

Without wholehearted, one hundred per cent cooperation by local radio stations the Third War Loan cannot be a success no matter how much radio does on a network scale. The local radio station is the key to all successful local promotion of the Third War Loan drive and the actual sale of War Bonds to the amount of \$15,000,000,000.

What the local radio station can do in the Third War Loan drive is best known to the local radio station manager and the personnel of that radio station—based upon activity in the Second War Loan and activity in the general field of sales promotion. However, it must be emphasized, whatever has been done in the past must be judged as a springboard for doing more not as a "ceiling."

To assist local radio stations in their efforts to make a success of the Third War Loan Drive, the War Finance Division is preparing a special edition of the *Radio News* which will contain ideas and suggestions which originated in the radio industry itself.

Here are the Securities in the Third War Loan

Securities to fit every class and type of investor will be sold to the American people during the Third War Loan campaign opening September 9.

Salient facts about each type of security follow:

United States War Savings Bonds Series E: Now the most widely sold security in America. Known as the People's Bond the Series E War Bonds are issued to meet the needs of the small investor. No one person may buy more than \$5000, maturity value (\$3750 purchase price), in any one calendar year. For every \$3 invested in Series E Bonds you receive \$4 at the end of 10 years. They are dated the first day of the month in which payment is received by an authorized issuing agent. Due 10 years from issue date. Interest return: equivalent to 2.9 per cent compounded semiannually, if held to maturity. Denominations: \$25, \$50, \$100, \$500, and \$1000. Issue price is 75 per cent of maturity value. Owners may redeem bond in whole or part at any time 60 days after issue date without notice at stated redemption values. Cannot be used as collateral for loans.

United States Savings Bonds Series F and G: For larger investors. Series F, issued at a discount, are commonly known as 12-year appreciation bonds. Redeemable at option of owner at increased fixed redemption values. Increase in value represents the interest return, which is approximately 2.53 per cent compounded semi-annually if bonds are held to maturity. Issue price is 74 per cent of maturity value. Issued in \$25, \$100, \$500, \$1000, \$5000, and \$10,000 denominations. Limit on holdings: \$100,000 (issue price), of either series or a combination of both F and G, in any one calendar year. **Who may buy:** All classes of purchasers other than commercial banks accepting demand deposits.

Redemption: On first of any month, six months after issue date upon one month's written notice.

Series G Bonds are issued at par. They bear interest at the rate of 2½ per cent a year, the interest being payable semi-annually by Treasury check. They mature 12 years from issue date. They are redeemable prior to maturity at option of owner, at fixed redemption prices, which are less than the face amount of the bonds for interest adjustment purposes. In the matter of who may buy, limit on holdings, and redemptions they are similar to the F Series. Denominations are \$100, \$500, \$1000, \$5000, and \$10,000.

Treasury Savings Notes of Series C: Issued at par in \$1000, \$5000, \$10,000, \$100,000, \$500,000, and \$1,000,000 denominations. Designed for Federal tax payments and short term investment. Due three years from issue date. Investment yield is 1.07 per cent a year if held to maturity; lesser yield if redeemed for cash or tendered in payment of taxes at earlier dates. May be redeemed at par and accrued interest, after six months from purchase date. May be used as collateral for loans from banking institutions only. May be purchased in unlimited amount by any individual, or bank, corporation or other entity.

Treasury Certificates of Indebtedness: Dated September 15, 1943, due September 1, 1944, paying 7/8 per cent. They will be available for subscription by investors during the entire period of the drive. The certificates

will be in denominations of \$1000 to \$1,000,000 and will be issued in coupon form only. Not open to commercial bank subscription.

Two per cent Treasury Bonds: Dated September 15, 1943, due September 15, 1953, callable September 15, 1951. Available for subscription by investors for the entire period of the drive. These bonds will be in denominations of from \$500 to \$1,000,000 and will be issued in coupon or registered form at the option of the buyer. Not open to commercial bank subscription.

Twenty-six Year 2½ Per Cent Treasury Bonds: Dated September 15, 1943, due December 15, 1969, callable December 15, 1964. Will be issued in coupon or registered form at the option of the buyer. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until September 15, 1953. There will be no limit to the amount of this issue and no restriction upon the issuance excepting the temporary exclusion of commercial banks from ownership for their own account. The bonds will be sold in denominations of from \$500 to \$1,000,000.

State Chairmen of War Finance Committees

ALABAMA

Ed Leigh McMillan
1525 Comer Building
Birmingham 3

ALASKA

Gov. Ernest H. Gruening
Post Office Box 110
Juneau

ARIZONA

Walter R. Bimson
Post Office Building
Phoenix

ARKANSAS

W. W. Campbell
Radio Center, 1st Floor
Little Rock

CALIFORNIA

Charles R. Page
(Northern)
733 Monadnock Building
San Francisco 5
Robert H. Moulton
(Southern)
621 South Spring Street
Los Angeles 14

COLORADO

Clarence H. Adams
302 Colorado Building
Denver 2

CONNECTICUT

Thomas Hewes
36 Pearl Street
Room 523
Hartford 3

DELAWARE

Henry T. Bush
1064 du Pont Hotel Building
Wilmington 99

DISTRICT OF COLUMBIA

John A. Reilly
852 Washington Building
Washington 5

FLORIDA

W. W. McEachern
404 Federal Building
Jacksonville 1

GEORGIA

Charles A. Stair
1202 C. & S. National Bank
Building
Atlanta 3

HAWAII

Fred H. Kanne
Young Hotel Building
1055 Bishop Street
Honolulu

IDAHO

John Schoonover
423 First National Bank Building
Boise

ILLINOIS

Harold H. Swift
300 Bankers Building
105 West Adams Street
Chicago

INDIANA

Eugene C. Pulliam
816 Illinois Building
Indianapolis 4

IOWA

Herbert L. Horton
800 Walnut Building
Des Moines 8

KANSAS

W. Laird Dean
208 Federal Building
Topeka

KENTUCKY

Ben Williamson, Jr.
(Eastern)
808 Second National Bank
Building
Ashland
S. Albert Phillips
(Western)

LOUISIANA

Leon G. Tujague
512 Pan American Building, Camp
and Poydras Streets
New Orleans 6

MAINE

(Co-Chairmen)
H. Nelson McDougall
Edward E. Chase
Room 607
Bank of Commerce Bldg.
Portland

MARYLAND

Hooper S. Miles
601 Maryland Trust Building
Baltimore

MASSACHUSETTS

Albert Evarts
79 Milk Street
Boston 9

MICHIGAN

Frank N. Isbey
600 Union Guardian Building
Detroit 26

MINNESOTA

O. J. Arnold
570 Northwestern Bank Building
Minneapolis

MISSISSIPPI

Rex I. Brown
1005 Lampton Building
P. O. Box 747
Jackson

MISSOURI

Walter W. Head
200 Federal Commerce Trust
Building
208 N. Broadway
St. Louis 2

MONTANA

A. T. Hibbard
302 Federal Building
Great Falls

NEBRASKA

W. Dale Clark
636 World Herald Building
Omaha 2

NEVADA

Forest Lovelock
35 East 4th Street
Reno

NEW HAMPSHIRE

Winthrop L. Carter
Bell Building
922 Elm Street
Manchester

NEW JERSEY

Franklin D'Olier
Post Office Building
Newark 2

NEW MEXICO

Cale W. Carson
101 Federal Building
Albuquerque

NEW YORK

W. Randolph Burgess
1270 Sixth Avenue
New York City 20

NORTH CAROLINA

Clarence T. Leinbach
P. O. Box G2
Greensboro

NORTH DAKOTA

F. L. Conklin
Neirling Block
Jamestown

OHIO

Roy D. Moore
693 Union Commerce Building
Cleveland 14

OKLAHOMA

A. E. Bradshaw
203 Drew Building
Tulsa

OREGON

Ed. C. Sammons
330 American Bank Building
Portland

PENNSYLVANIA

Ellsworth A. Roberts
12 South 12th Street
Philadelphia

RHODE ISLAND

C. Burton Hibbert
1812 Industrial Trust Building
Providence 3

SOUTH CAROLINA

Christie Benet
Federal Land Bank
Columbia

SOUTH DAKOTA

Walter H. Burke
Post Office Building
Sioux Falls

TENNESSEE

Cecil Woods
Third National Bank Building
170 Fourth Avenue
Nashville 3

TEXAS

Nathan Adams
Dallas Power & Light Building
Dallas

UTAH

Charles L. Smith
Union Pacific Building Annex
19 W. South Temple St.
Salt Lake City.

VERMONT

Fred C. Martin
Hotel Van Ness
Box 108
Burlington

VIRGINIA

Francis P. Gaines
214 North Fifth Street
Richmond 19

WASHINGTON

Reno Odlin
901 Federal Office Building
Seattle 4

WEST VIRGINIA

A. G. Spurr
608 Security Building
Charleston 1

WISCONSIN

Walter Kasten
1st Wisconsin National Bank
Sixth Floor
Milwaukee

WYOMING

Fred W. Marble
307 Federal Building
Cheyenne

Morgenthau Letter of August 14, to Every Radio Station Manager

DEAR SIR:

As you know, the Third War Loan Drive starts September 9 and will continue for approximately three weeks. Its purpose is to get more money from the American people than ever before. The goal will be \$15 billion, with none of it coming from commercial banks.

During the Second War Loan we had an opportunity to see the important job radio can do; and in expressing the Treasury Department's appreciation at the conclusion of that drive, I stated that the cooperation of the radio broadcasters of the nation was a great factor in the success of the drive. You can see, therefore, why we feel that the success of the Third War Loan depends to some extent upon your cooperation and the cooperation of your organization.

Plans for promoting the Third War Loan Drive through radio have been developed by the Treasury with the help of the Office of War Information and the War Advertising Council; and these groups, as well as ourselves, will appreciate your complete cooperation.

We are hoping that on September 9 all four networks and every individual station will devote the entire day to a round-the-clock selling drive by commercial and sustaining programs. This, as you will recall, was done last April 12 with tremendous success. We hope to have even a greater job done September 9.

We have prepared special material which will be of interest to all cooperating stations in the opening day's promotion, and therefore, we will appreciate hearing from you and would like to know what plans you may have.

Sincerely,

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.



National Association of Broadcasters

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

SPECIAL BULLETIN

NAB DISTRICT MEETING REPORT

The series of District Meetings, which opened with the meeting in Philadelphia on October 18 and closed with the meeting in Boston on December 10, was the most successful series ever held. The primary purpose was to discuss war problems and the meetings afforded an excellent opportunity for broadcasters to discuss their problems with representatives of the Army, Navy, Marine Corps, Office of Censorship, Office of War Information, Selective Service, War Manpower Commission, War Production Board, Office of Civilian Defense and Treasury.

Broadcasters gained a clearer understanding of how they can assist constructively in the war effort. Conversely, these government representatives have gotten from broadcasters some understanding of the problems which confront the broadcaster. We are sure the results of these conferences will be very beneficial to all concerned.

On every side we heard expressions of appreciation for the wonderful cooperation given by broadcasters to every government department, campaign and war activity. Broadcasters have made a splendid contribution to the war effort and have reason to be proud of the record they have made.

Conference With Chairman Fly

President Neville Miller, upon his return to Washington on Friday, December 11, paid a personal visit to Chairman James Lawrence Fly of the Federal Communications Commission, to report to him pertinent information collected on the trip. The Chairman expressed great interest in all subjects discussed at the meetings and the manner in which broadcasters were handling the problems created by the war.

The resolution requesting an extension of the restricted operators licenses for the duration of the war and six months thereafter, originally adopted by the 17th District and at all subsequent meetings, was forwarded to Chairman Fly on December 3. A reply reading as follows has been received:

“This will acknowledge receipt of your letter of December 3, 1942, enclosing a resolution adopted at certain meetings of the National Association of Broadcasters urging that the Commission renew or extend restricted operators’ licenses for the duration of the war and six months thereafter without requirement of a comprehensive examination within the presently prescribed six-month period.

“This matter will receive the careful attention of the Commission. As you state,

(Continued on page 2)

it is already under consideration by Committee IV of the Board of War Communications.”

RETAIL PROMOTION PLAN

Designed to co-ordinate and implement the efforts of radio stations to sell department stores and retail establishments on the increased use of broadcast advertising, the Retail Promotion Plan was presented to station managers and sales managers at all the district meetings. More than 200 radio stations subscribed, with individual pledges ranging from \$25 to \$750 based on 1941 income. This response has been very gratifying to the NAB Retail Promotion Committee.

Although some broadcasters have succeeded in developing a substantial volume of business from the retail classification, the industry as a whole has done very little to convince department stores and retail establishments of the possibilities of broadcast advertising. For example, during 1941, department stores spent approximately \$240,000,000 in newspaper advertising, while only \$5,000,000 was devoted to broadcast advertising. On the other hand, in the field of national advertising, radio leads both magazines and newspapers in volume of business.

The proposed plan does not seek to supplant newspaper advertising with broadcast advertising, but to sell the advantages of broadcast advertising as such. In fact, the presentation points out that the two media can be used in combination with special effectiveness.

The Retail Promotion Plan was conceived after an impartial analysis of the problem had clearly shown that retailers and radio are kept apart because of:

1. A very definite lack of understanding of the retailers' problems on the part of broadcasters.
2. Too little knowledge of the uses of broadcast advertising on the part of retailers.

To meet this situation, the presentation starts with the problems of retailers under wartime conditions and shows how many of these problems can be met by the use of broadcast advertising. Thus, it sets a favorable stage for the presentation of individual radio station recommendations for the use of broadcasting by department stores and retail establishments. As one broadcaster put it: "This is the most forward-looking project the industry has ever undertaken."

Send in your signed pledge now to assure the success of the plan.

ATTENDANCE

The trip to the district meetings covered a period of eight weeks; and those making the entire trip traveled 10,307 miles. The total attendance was 1,485, consisting of owners, and employees of radio stations, representatives of government departments and agencies, others interested in radio. There were 456 stations represented, of which 340 were NAB members, and 116 were non-members. Two charts giving detailed information regarding attendance are on page 4 of this bulletin.

Now would be an excellent time for every broadcaster to consider himself a member of the membership committee and urge non-members in his district to join the NAB.

RADIO PLAQUE

Many broadcasters have expressed a desire to have for display purposes in their studios one of the plaques which was on the speakers table at each District Meeting. The plaque is a reproduction of the pin given to the Convention delegates at Cleveland last May by Station WGAR, and carries the words "Radio in Service of Home and Nation." The cost is \$5.00, and the call letters of your station can be added at an additional cost of 10¢ per letter. Send order, with check, to: NAB Headquarters, Washington, D. C.

COMMENT FROM BROADCASTERS ON DISTRICT MEETINGS

"I believe this last NAB District meeting was the finest which has yet been held. We received some worthwhile information and the whole agenda of the meeting moved on at a splendid pace. I heard much favorable comment from others regarding the conduct of the whole affair."

"Frankly, I was very much impressed with the entire meeting. We always learn more about our industry from these meetings. However, I think one of the greatest assets to a broadcaster is the opportunity of talking with other broadcasters. We get a chance to find out what the other fellow is thinking and doing. How business is in other sections. New ideas, etc. However, it seems that we never have enough time left after or before the lengthy meetings to 'shoot the bull' with the fellow broadcasters. It would seem a good idea for NAB to plan for some time to be devoted to just such a purpose. Most of this time is valuable and when the meetings are over the men scatter very quickly to their various stations."

"In reply to your letter of November 21, the recent district meeting at the Ambassador Hotel in Los Angeles happens to be the second NAB meeting that I have attended.

"My reactions to both meetings have been that they were well planned and prepared, that nothing was left undone or unsaid, that they were very constructive in every way and highly inspirational."

"I would like to report that we have always felt that we derived something of advantage from all NAB meetings. It is always helpful for the station managers and sales managers to get together with managers and sales managers of other stations to iron out their individual problems.

"To give you a definite idea of how this recent Pinehurst meeting has been of value to us, I can say that we solved at least three of our many problems by talking to other radio men who had been bothered in the past by the same problems. It is my personal opinion that nothing could be finer for radio, especially for the smaller stations, than these NAB get-togethers which we have had in the past and intend to have in the future."

"I think the meetings were handled extremely well and were packed with good information for anyone in the

broadcasting business and gave a fine opportunity to not only learn what is going on nationally but to air the views of our local members and their troubles.

"We sit pretty far out here on the West Coast and things that happen in the East, most things do happen first there, are extremely interesting to me anyway and to have them brought into closer focus by the holding of these meetings makes me very happy. I am only sorry that we cannot have them oftener but realize that is impracticable."

"We wish to inform you that we feel that this meeting was in every way a most successful one and we derived from it much information which will be helpful to us during the coming months. We were particularly favorably impressed by the breakfast meeting at which we were able to discuss informally various problems confronting the individual stations."

"Many matters of importance were presented and discussed informally at these meetings, and I believe much good came from these discussions. It seems as though more and more stations are becoming more interested in the sales problems, and the meeting of the Sales Managers Division was very interesting and helpful.

"The retail clothiers or department store presentation which NAB plans to prepare no doubt will be a wonderful thing for all stations, and we are anxious that a sufficient number of stations are interested to make this presentation possible."

"You asked for it—here it is! The 11th District Meeting was the best meeting ever held.

"Fundamentally, more concrete information pertaining to radio was enjoyed by the Minneapolis broadcasters attending and hob-nobbing with the out-of-town boys, which had never been done heretofore."

"It is my very considered opinion that this meeting was the best Fourth District gathering of broadcasters which it has been my pleasure to attend—and I have attended them all."

"I think the program as arranged was very constructive and made possible certain valuable information during these trying times for all broadcasters."

"I feel that these district meetings are of much advantage to the broadcasters and we came away from the meeting with many helpful suggestions in addition to having had the opportunity to get together with our fellow broadcasters which was in itself a good reason for these meetings."

"I think the meeting which I attended at Pinehurst was exceedingly well master-minded and a model of efficiency as far as the meetings were concerned. No one's time was wasted. It was constructive and completely justifiable even in these days of restricted travel. This was my first. If they're all this good, I hope to attend some more."

"We were fortunate in having three of the members of our organization to attend this meeting and each came back with the idea that radio had a definite part to play in the war effort and also that we were most fortunate in having an association that is interested in the welfare of smaller stations.

"Our commercial manager attended the sales session and came back with some very progressive ideas he had obtained from the speakers in these meetings.

"We always derive a benefit from these association meetings and wish it could be arranged so that we could have two or three meetings each year, especially for the smaller stations, whose problems seem to increase year by year."

It is our purpose to make these meetings of the greatest possible value to the industry. If you have any suggestions regarding the meetings, you are urged to send them to NAB Headquarters.

ANALYSIS OF ATTENDANCE—1942 NAB DISTRICT MEETINGS

OCTOBER 19—DECEMBER 10, 1942

District	NAB Member Stations	NAB Member Stations Represented	Per Cent of NAB Member Stations Represented	Non-Member Stations Attending	Total Stations Present	Government Representatives	Others	Total Attendance
1	34	26	76.5	6	32	14	18	102
2	32	22	68.8	10	32	16	52	160
3	25	17	68.0	13	30	23	23	88
4	55	33	60.0	1	34	13	7	80
5	47	31	66.0	7	38	14	19	107
6	23	15	65.2	3	18	11	13	54
7	23	22	95.7	10	32	7	18	91
8	21	11	52.4	2	13	13	16	59
9	25	17	68.0	5	22	18	38	84
10	32	21	65.7	10	31	15	43	128
11	21	20	95.3	3	23	11	16	60
12	19	13	68.4	5	18	5	9	52
13	20	14	70.0	12	26	18	13	84
14	22	15	68.2	2	17	12	8	48
15	23	21	91.3	2	23	14	17	79
16	23	15	65.2	9	24	17	19	84
17	33	27	81.8	6	33	12	9	87
TOTAL	478	340	71.1	106	446	*	**	1447

* Some Government Representatives attended more than one meeting.

** Some of those in column headed "Others" attended more than one meeting.

Government Wartime Agencies Represented at 1942 NAB District Meetings

District	Army	Navy	Marine Corps	Treasury	Censorship	OCD	OWI	WMC Selective Service USES	WPB	Total
1	4	1	3	.....	1	1	2	2	.....	14
2	1	3	1	3	1	3	4	.....	.....	16
3	1	2	.....	1	1	1	14	1	2	23
4	.....	.....	.....	1	1	6	3	1	1	13
5	3	.....	.....	1	1	2	5	1	1	14
6	.....	.....	.....	1	1	1	7	1	.....	11
7	.....	3	.....	1	1	1	1	.....	.....	7
8	2	2	.....	2	1	1	3	2	.....	13
9	1	2	.....	2	1	4	4	4	.....	18
10	4	3	.....	2	1	1	1	3	.....	15
11	2	2	.....	1	1	3	1	1	.....	11
12	.....	.....	.....	1	1	.....	2	1	.....	5
13	4	2	.....	1	1	1	8	1	.....	18
14	5	1	.....	2	1	1	2	.....	.....	12
15	.....	1	3	1	1	2	4	2	.....	14
16	1	2	4	1	1	1	6	1	.....	17
17	.....	1	2	1	1	3	3	1	.....	12

NAB War Conference Bulletin

MARCH 19, 1943 * * * * * No. 1

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH., D.C.

Event: NAB War Conference (21st Annual Membership Meeting, National Association of Broadcasters.)

Dates: Monday, April 26 to Thursday, April 29, 1943.

Place: Palmer House, Chicago, Illinois.

Purpose: To make the grand job radio is doing in the war effort even more effective.

How: By exchanging ideas; discussing ways and means with each other, and with government officials primarily responsible for the conduct of the war; by formulating policies based thereon.

TO THE STATION MANAGER:

The NAB War Conference has every aspect of a military assignment. The maintenance of a well integrated civilian communications system in wartime, keenly alive to Government objectives, is a responsibility of this industry which parallels the production of actual war materials.

Every station manager should give earnest and careful consideration to his attendance and the attendance of his Chief Engineer, Program Director and Sales Manager. Problems affecting these men in the conduct of their departments will be discussed and policies reached. Government or wartime agency representatives will participate in every session.

We cordially invite all broadcasters and networks, members or non-members of NAB, to have comprehensive representation at this War Conference in Chicago, April 27th to 29th, sending those who may contribute something to it and whose instruction will further the war effort.



PLEASE NOTICE

This NAB War Conference is strictly a business and working session. We are arranging a program that will measurably contribute to better broadcasting in the war effort, and those who attend must come with a determination to get every possible advantage.

All features, including affairs usually arranged at NAB conventions for the entertainment of the wives are eliminated. The banquet is scratched. Any formal social gatherings will be matters of private concern only.

AGENDA

Following is the tentative subject agenda for the Conference:

Speakers' names have been omitted pending confirmation, but we have lined up outstanding war and industry leaders to address us on all phases of radio in the war picture.

MONDAY, APRIL 26

Pre-Conference Day

- 9:00 A.M. Registration
- 10:30 A.M. Program Directors Committee
- 10:30 A.M. Sales Managers Committee
- 2:00 P.M. NAB Bureau of Copyrights
- 2:00 P.M. Public Relations Committee
- 2:00 P.M. Research Committee
- 2:00 P.M. Engineering and Insurance Committees
- 2:30 P.M. Code Committee
- 3:00 P.M. Retail Promotion Committee
- 4:00 P.M. BMI Board
- 7:00 P.M. Accounting Committee
- 7:00 P.M. Labor and Wage and Hour Committees
- 7:00 P.M. NAB Board of Directors Dinner

TUESDAY, APRIL 27

War Manpower and War Materials

- 9:00 A.M. Registration
- 10:30 A.M. Manpower
 - 1. Needs of the Army.
 - 2. Needs of Industry.
 - 3. Selective Service.
 - 4. How to meet the need.
- 12:45 P.M. Luncheon
- 2:30 P.M. War and Materials
 - 1. Operation of stations.
 - 2. Listeners.
 - 3. Operations under Fighter Command.
- 8:00 P.M. (1) The Clear Channel, Regional and Local Groups are offered the opportunity to have meetings at this time
- (2) NAB Women Directors

WEDNESDAY, APRIL 28

- 8:30 A.M. Breakfast Round Tables
 - 1. Selective Service and Manpower.
 - 2. Foreign Language.
 - 3. Tubes and equipment, gas and tires, listener problems, batteries, receiving sets.
 - 4. Music.
 - 5. Radio Management Club of Chicago.
- 10:30 A.M. Radio Problems and the War
 - 1. Censorship.
 - 2. The Government and Programs.

- 12:45 P.M. Luncheon
- 2:30 P.M. Sales Problems during War Time
 - 1. Retail Promotion Committee plan.
 - 2. Petrillo recording ban.
 - 3. NAB Annual Meeting.
 - a. Election of Directors-at-large.
 - b. Vote on by-laws changes.
- 8:00 P.M. "Sales—A Wartime Necessity"

THURSDAY, APRIL 29

- 8:30 A.M. Breakfast Round Tables
 - 1. Censorship.
 - 2. Training courses—48-Hour Week—Women.
 - 3. OWI.
 - 4. Sales Managers.
 - 5. The Recording Ban.
 - 6. Legislation and Taxation.
- 10:30 A.M. Recommended standards for coverage maps
The role of advertising in wartime—a panel discussion
- 1:00 P.M. Luncheon

Resolutions and Adjournment of Conference

- 3:00 P.M. Meeting of New NAB Board of Directors.

A study of this agenda will assist station managements in determining what men from their staffs should attend the War Conference. In order that the fullest possible information and understanding may be brought to each discussion we desire to know at the earliest possible date what men the stations plans to send. TELL US IF YOU ARE COMING YOURSELF, IF YOUR SALES MANAGER, YOUR CHIEF ENGINEER AND PROGRAM DIRECTOR WILL BE THERE.

We want to select some men from each of these fields to assist in preliminary planning and to bring local information to particular problems. Will you cooperate with us by sending this information, together with the names of the various men, just as soon as you can.

Transportation

Travel is heavy. Immediate attention should be given to making train or plane reservations. Be sure to get them both ways.

Certification

NAB will hold its 21st Annual Membership Meeting in conjunction with the War Conference. Directors-at-Large and Network Directors are to be elected. The By-Laws require every active member whose dues are not more than one month in arrears to certify to the Secretary-Treasurer "the owner, a partner, an officer, or an agent, who shall be actively engaged in the business of such member to be its representative in the Association and who shall represent, vote and act for the member in all the affairs of the Association, including the holding of office therein."

With this bulletin is enclosed a certification. Please return it promptly.

Rules Governing Conference Hotel Reservations

- 1. Requests for hotel reservations may be sent direct to the hotel at which the applicant desires accommodations or to the NAB Housing Committee, 1 North La Salle Street, Chicago, Illinois.
- 2. The request should set forth in as much detail as possible:

HOTEL RESERVATION FORM

NATIONAL ASSOCIATION OF BROADCASTERS

WAR CONFERENCE (21st Annual Membership Meeting)

April 26-29, 1943

NOTE: If you want rooms in the Palmer House, send this Reservation Form direct to the Palmer House, Chicago, Illinois. If you prefer some hotel other than the Palmer House, send the Form to NAB Housing Committee, 1 North La Salle Street, Chicago, Illinois, Attention: W. J. Hennessy.

Please reserve accommodations as follows:

.....Room(s) WITH bath for one person each	Room rate desired \$..... to \$.....
.....Room(s) WITH bath for two persons each (double bed)	Room rate desired to
.....Room(s) WITH bath for two persons each (twin beds)	Room rate desired to
.....Room suite () WITH parlor	Room rate desired to
() WITHOUT parlor	

First Choice Hotel.....

Second Choice Hotel.....

Third Choice Hotel.....

IMPORTANT!!

Chicago hotels desire to serve you efficiently and promptly. You can assist by providing exact information as to the type of accommodation desired; the names of all persons who will be in your party and *most important*: the exact time of arrival.

Room or rooms will be occupied by:

Name	Company or Business Connection	City	State	Time of Arrival	
				Date	Time
.....					
.....					
.....					
.....					
.....					
.....					
.....					
.....					
.....					
.....					

(SEE REVERSE SIDE FOR LIST OF HOTELS)

ROOMS WITH BATH

<i>HOTEL</i>	<i>Single</i>	<i>Twin Bedrooms</i>	<i>Suites</i>
Palmer House (Headquarters).....	\$3.85	\$6.60	2-Room—\$15.40 to \$16.50 single
	4.40	7.15	\$17.60 to \$18.70 double
	4.95	7.70	3-Room—\$23.10 to \$25.30 single
	5.50	8.80	\$27.50 to \$29.70 double
	6.05	(For single or	
	6.60	double occu-	
	7.70	pancy.)	

(These rooms have double beds. If occupied by two persons, add \$2.20 to each price.)

	<i>Single</i>	<i>Double</i>	<i>Suites</i>
Atlantic	\$2.75 UP	\$3.75 UP	.....
Bismarck	3.75 "	5.25 "	\$12.00 Up
Blackstone	4.00 "	7.50 "	10.00 "
Drake	4.00 "	7.00 "	12.00 "
Edgewater Beach	4.40 "	6.60 "	11.00 "
Harrison	2.50 "	3.50 "	10.00 "
Knickerbocker	3.50 "	6.00 "	10.00 "
La Salle	3.30 "	4.95 "	7.00 "
Morrison	3.30 "	4.40 "	8.80 "
Sherman	2.75 "	4.40 "	8.80 "
Shoreland	5.00 "	6.00 "	.....

a. The type of accommodations desired, rate, single or double occupancy, double or twin beds, etc.

b. The exact date of arrival and if possible, the time; the names of all people for whom reservation is requested.

c. The length of time which the party plans to stay.

d. If the reservation is not made in a firm name or the request written on a firm letterhead, the station or other business with which the reserving parties are affiliated should be given.

3. The Housing Committee and the Palmer House each has a complete list of NAB members. Reservation requests from parties or stations whose names are on this list will be given priority and assignments made in the order of their receipt. Requests from parties or stations not appearing on the membership list will be held in abeyance until April 15, at which time rights of priority will terminate and assignments made in order of their receipt. While NAB members will be given precedence, every effort will be made to suitably and satisfactorily care for the accommodations requested by individuals, firms and radio stations not on this list.

4. If the exact type of accommodations requested are not available in the hotel specified, the NAB Housing Committee or the Palmer House will immediately notify the individual, firm or radio station of that fact and give information as to the type of accommodation available which most nearly meets the specifications. Applicants should bear in mind that no assignments will be made in such cases until a confirmation is sent to the Palmer House or the Housing Committee.

5. Reservations for delegates or persons from member radio stations planning to attend the Conference should be sent in by the station itself and not by a third party. You are urgently requested not to have your station representative or anyone outside your station make a reservation for anyone from your station. This confuses handling of reservations and results in duplication. We ask your cooperation.

For your convenience we enclose a hotel reservation form on the back of which is listed the Chicago hotels which are cooperating with us through the Convention Bureau of the Chicago Association of Commerce. The rates of the various types of accommodations are shown. To facilitate the handling of your reservation request, PLEASE USE THIS FORM.

IF YOU DESIRE ACCOMMODATIONS AT THE PALMER HOUSE, SEND THE FORM DIRECTLY TO THEM; IF AT A HOTEL OTHER THAN THE PALMER HOUSE, SEND IT TO THE NAB HOUSING COMMITTEE, ONE NORTH LASALLE STREET, CHICAGO, ILLINOIS, ATTENTION: W. J. HENNESSY.

Reception Committee

NAB Ninth District Director Edgar Bill has appointed a Reception Committee made up of the following Chicago NAB broadcasters: J. L. Van Volkenburg, WBBM-CBS, Chairman; Harry Kopf, WMAQ; and Edwin R. Borroff, WENR.

From the station staffs in Chicago a number of men and women receptionists will be recruited. Some of these will be at each of the depots to greet you on arrival. Their location will be well identified so that you can easily find them. UPON ARRIVAL YOU ARE URGED TO CONSULT THESE RECEPTIONISTS FOR ANY DESIRED INFORMATION.

Promotional Display

The annual station promotion competition, a feature of NAB conventions, will not be held in connection with the

Room Assignments

The following message from the Palmer House is self-explanatory:

"For those who are wondering what the hotel situation will be when they arrive in Chicago to attend the NAB War Conference, the Palmer House wishes to say that it will guarantee to deliver on every reservation it makes.

"With travel increased a great deal over other years, we will not be able to guarantee rooms immediately upon arrival but, with planning and cooperation, inconveniences can be kept to a minimum.

"(1) If our reservations show that it is necessary to open a special Registration Desk, we will set one up alongside the Registration Desk on the fourth floor for the convenience of all the members.

"(2) If your room is not ready when you arrive at the meeting, you can attend to other matters and your room assignment will be made during the day.

"(3) Several rooms will be set aside where you can clean up and go into the meeting without delay.

"The hotel suggests that, where possible, all registrants plan their reservation and arrival for the night before the meeting starts.

"Again, the Palmer House guarantees that they will 'deliver' on every reservation that is made, but asks your cooperation and patience if rooms cannot be had immediately on arrival in the morning hours.

"Very truly yours,

EDWARD T. LAWLESS,

Vice President & Managing Director"

War Conference. However, provision will be made for the display of promotion material issued for sustaining or sponsored war programs. To contribute to the most attractive and orderly display, the following simple rules will govern.

1. Material is to be mounted on board of sufficient weight to be self-supporting.

2. All panels are to be uniform in size—28 inches wide by 44 inches high, composed vertically.

3. Each panel must show the station call letters on the face.

4. All shipments must be made, charges prepaid, in time to arrive not later than Thursday, April 22. Address them to C. E. Arney, Jr., Palmer House, Chicago, Illinois.

5. If you wish the panels returned, pack in a carton or crate which can be opened without dismantling. Return shipments will be made freight collect unless otherwise specified.

Associate Members

As announced in last week's NAB REPORTS, plans have been made to care for associate members. Details and information forms will be sent out shortly.

Pre-Registration

Last year we inaugurated a plan of registering in advance of the opening of the convention. The results were quite satisfactory and speeded up registration considerably. We believe those who registered in advance last year will so testify. We will again offer the opportunity to pre-register for the NAB War Conference.

Within the next few days pre-registration information and forms will be sent to all stations and others concerned.

NAB War Conference Bulletin

APRIL 2, 1943

* * * * *

No. 2

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH., D.C.

Event: NAB War Conference (21st Annual Membership Meeting, National Association of Broadcasters.)

Dates: Monday, April 26 to Thursday, April 29, 1943.

Place: Palmer House, Chicago, Illinois.

Purpose: To make the grand job radio is doing in the war effort even more effective.

How: By exchanging ideas; discussing ways and means with each other, and with government officials primarily responsible for the conduct of the war; by formulating policies based thereon.

WAR CONFERENCE

Attendance Instructions

Wartime demands on the transportation facilities of the country are tremendous. Joseph B. Eastman, head of the Office of Defense Transportation, has emphasized the necessity for the most severe curtailment of civilian travel. He has made a plea for voluntary cooperation on the part of all.

We have discussed attendance at our NAB War Conference with officials of the ODT and have agreed to cooperate in discouraging attendance of any but absolutely essential personnel. Broadcasters, associate members and others are cautioned in planning their attendance at the conference and that of staff members, to consider the following questions:

1. Will the persons who go to Chicago contribute constructively to assist the broadcasting industry in more effectively aiding the war effort; or,
2. Will the persons who go to Chicago attend the serious sessions arranged for them and gain a clearer understanding of their responsibility and thus be able to serve more effectively the national interests through radio.

Certification Card

Please send in the station representative certification cards as quickly as possible.

Unless anyone you send fits into one of the above classes, he should not attend. It is intended that this year's conference be limited strictly to those members of the broadcasting industry responsible for its continued functioning in the war program.

It is to be regretted no invitation can be extended to the wives nor are any plans being made for their entertainment for reasons which are most obvious.

Promotional Display Out

After discussing the subject with the Office of Defense Transportation, we have determined to abandon entirely all plans to conduct any kind of a promotion display.

Pre - registration

Take advantage of pre-registration by returning your registration cards with check as soon as possible.

Stations are, therefore, requested not to send any material to Chicago and not to expect to see any display of any kind there, except such as may be of purely local origin. We ask your cooperation.

Associate Exhibits

Any Associate Member who had planned an exhibit at Chicago is asked to abandon those plans. The need for conserving transportation space, both express and mail, is so urgent as to justify us in asking you not to exhibit.

National Association of Broadcasters

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

NO. 1

SPECIAL INFORMATION BULLETIN

June 4, 1943

Radio In The War

A Report By The War Advertising Council

Following is an excerpt from the speech of Chester LaRoche, director of the War Advertising Council, delivered in New York City, Thursday, May 27, before 150 radio time salesmen. This is "results from radio" testimony which everyone in the industry will be proud to carry in his portfolio.

1. **The Network Allocation Plan**—A statement by OWI says, "From the beginning of our efforts to effect radio coordination it was clearly evident that the large network commercial and sustaining programs offered the best and most easily coordinated facilities for war information."

"Early in 1942, the Advertising Council presented to the Office of Facts and Figures (predecessor agency to the Office of War Information) a plan for systematic allocation of war information on network programs *both sustaining and sponsored*—a plan which received the approval of all networks and network sponsors."

Since April, 1942, 65 different war information subjects have been handled under network allocation plan. In an average week this plan provides 7,500 station broadcasts to a maximum number of 100 million listeners.

2. **The Special Assignment Plan** was created to render personal service to a limited number of established network programs—both sustaining and commercial—which have volunteered to serve the war information effort either full or part time, *over and above* the Network Allocation Plan. Sixty-five commercial network programs are handling war subjects under this plan. Typical illustrations are The Aldrich Family, Fibber McGee and Molly and We the People, which build an entire program around a war theme. In an average week the Special Assignment Plan receives 4,200 station broadcasts to a maximum audience of 100 million listeners. There are fifty-six such programs per week, eight a day—or two daily on each national network.

3. **The National Spot Plan** in an average week is participated in by thirty-six commercially sponsored programs with 800 station broadcasts per week to a maximum listening audience of 10 million.

These three plans for the utilization of commercially sponsored and network sustaining programs reach a maximum listener audience of 210 million per week. Another 44 million weekly listeners are reached through OWI's own programs under three plans:

1. **Station Announcements**—Twelve a day from stations affiliated with one of the four major networks and sixteen a day from each independent station.

2. **Special Features**—The combined networks produce these programs which have to do with general background war information. These programs average 1,500 station broadcasts per week with a maximum listening audience of 15 million.

3. **Station Transcription Plan**—OWI produces and distributes two major transcription programs to 820 stations.

* A. **Uncle Sam**—five a week—under commercial sponsorship—on 226 stations.

B. **Other government transcriptions**—both serials and one-time topical programs.

The Station Transcription Plan disseminates 8,000 station broadcasts per week to a maximum audience of 4,000,000.

In addition to the 5 types of regular weekly operation, OWI also arranges special events broadcasts and local live programs.

Undoubtedly you all want to know some of the specific results of this great war theme radio campaign. Here are some results of the "action" messages broadcast under the network allocation plan.

RADIO'S "BOX-TOP" RETURNS

Candidates for Marine Officers schools jumped 40 per cent after two weeks on the Network Allocation Plan, June 8 through 21.

"Glider Pilots" was on the Network Allocation Plan for two weeks from July 6 to 20. Up to this time all efforts to recruit glider pilots had failed because the boys

* Uncle Sam is to be replaced by two 15-minute transcriptions per week. These will use radio's top-flight talent, and because of this cannot be sold to local sponsors.

wanted to fly motorized planes. At the end of this two-week period, however, 30,000 glider pilots had been turned up, and every CAA school in the country packed to capacity.

Coast Guard after a three-week campaign, from July 20 to August 10, increased the number of applications being received for Reserve Officers training at least 40 per cent.

"Army-Navy Nurses" ran for three weeks, from July 27 to August 17. The Army and Navy were calling for 3,000 nurses a month, and it looked as if the pool might soon be exhausted unless new volunteers were secured. At the conclusion of the drive, volunteers were already coming in at 50 per cent above the pre-drive rate. Several weeks after the conclusion of the drive, the number jumped to well over 100 per cent—and in many communities as high as 250 per cent above the pre-drive rate.

Signal Corps drive, August 10 through 23, upped recruits over 800 per cent.

"Army Specialists" ran on the Network Plan from October 5 to 19, and on the Baseball Allocation Plan from September 21 to October 5. By mid-October quotas for these mechanics for three branches of the Army were passed. This was considered a particular achievement, in view of the enormous pressure from industry for this type of skilled technical personnel.

"Non-Combat Pilots" was carried for one week on the Network Plan, beginning November 2. The CAA hoped for 50,000 returns; at the end of the 7-day period a total of 104,000 inquiries was assured.

Don't Travel at Christmas—Breakdown of transportation during Christmas loomed unless civilian travel curtailed. Radio went to work. On many railroads less traveled than last Christmas. Mr. Joseph Eastman reported much-feared breakdown completely averted. And *all* soldiers who wanted to get home got there.

V-Mail—Army and Navy problem—one sack of V-Mail equals 65 sacks of regular mail. Week before campaign one-half million V-Mail letters, during third week of campaign one-and-a-quarter million—116% increase. Today increase is between 150 to 200%.

Shoe Rationing—This campaign was so secret OWI called it the Oyster Campaign. Had to be broken on Sunday at 3:00 P.M. to eliminate run on shoe stores. No Sunday newspapers (all printed Saturday night). Radio had to not only tell consumers they couldn't buy without ration coupons, it also had to tell shoe dealers they couldn't open Monday. Very few instances of dealers not hearing.

Recruitment of War Workers at U. S. Employment Service gained 21% in January over previous month.

National Association of Broadcasters

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

No. 2

SPECIAL INFORMATION BULLETIN

June 11, 1943

What Radio Is Doing In The War

(This report was given by Walt Dennis, NAB news bureau chief, before the National Conference of Entertainment Industry for War Activities in New York City, June 3-4. The material in it is offered herewith to broadcasters for possible use in their public relations work in their communities, such as in civic club talks, etc.).

When the word radio is used today, it is generally used in a commonplace sense. Of all the miracles of science which have been developed in the last century, radio has been the greatest which we now take for granted. To me radio means power. The power to fashion and mold the minds, lives and emotions of men. It is an instrument of information and entertainment with a potential so vast we should stand in awe of its accomplishments and its future promise.

Some portion of that power and some portion of that future have been revealed during this war—for war is the crucible in which science labors at white heat to fashion the great devices of peace into the weapons of war. Radio has been and is so being used and worked so that when peace again blesses us, radio will step forward to serve mankind in many new ways.

But my purpose today is not to clothe the mystery of radio in the poor raiment of my words, but to talk about the use of radio in the entertainment and information fields and especially its use to those ends in war time.

American radio at war breaks down into three categories—the domestic, the shortwave for overseas and foreign consumption and the technical, such as radar.

In order that you receive my report as I should like to have you receive it, I must tell you that I feel that radio is merely the instrument through which men and women, such as you in the entertainment world, transmit their art to our services and allies here and abroad.

When I think of radio in that sense I think of people working—working hard and selflessly—day and night to do their bit in their way to lighten the burden now resting on the shoulders of those who wear the uniforms of U. S. soldiers, sailors and marines.

And now it is time to talk of you—for you are the people of whom I am thinking. Your work could be translated into columns of statistics about the numbers—the thousands of programs and appearances you have broadcast and made at our camps in this country—the thousands of broadcasts and appearances you have made to the troops overseas, but statistics have always seemed like skeletons to me, clanking around in cold symmetry with no flesh and blood to give them life.

Rather do I see Edgar Bergen and that scamp Charlie McCarthy up in Alaska doing shows—and, yes, doing something else. How many of you know we have a hospital up at Dutch Harbor where battle-shocked soldiers and civilians are being nursed back to sanity? Maybe some of you know what Edgar and Charlie did for one civilian there not long after the Dutch Harbor raid. This unfortunate person would constantly take off his clothes and try to bathe himself—he didn't know who he was—or much else. Charlie and Edgar visited him and did a bit of patter. Months and months of listening to the radio—to Charlie McCarthy—had their effect. Charlie registered. The sick mind snapped back and today the man is well again.

The National Association of Broadcasters

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

No. 3

SPECIAL INFORMATION BULLETIN

June 25, 1943

How To Use Radio

(This report was given by Walt Dennis, NAB news bureau chief, before the New Jersey Federal-State War Conference on Social Protection on the theme "Venereal Disease—Saboteur of War Manpower." The report suggested the methods by which a campaign against venereal disease might be initiated via radio. It is presented to station managers in this form as pre-information of similar conferences to be held in all 47 other states this summer and fall.)

Under the American system of broadcasting, radio is licensed in the "public interest, convenience and necessity." This places every station manager in a position of public trust.

Since the courageous efforts of Doctor Parran to drive the clouds of bigotry and shame from the study of the prevention and cure of venereal diseases have born fruit in the last two decades, we should now dwell on the theory of how it might be possible to use radio as a weapon in conquering these diseases by education.

Public service is implicit in any means whereby the spread of venereal diseases may be stamped out and it is on this point that use of radio revolves.

You have a magnificent precedent in this field in the fact that one of the George Foster Peabody awards in 1942 for outstanding public service was made to radio station KOAC, Corvallis, Oregon, for its presentation of ten broadcasts on the topic "Our Hidden Enemy—Venereal Disease." These broadcasts were made by electrical transcription and originated from Dr. Charles G. Baker, syphologist of the Fayette county health department, Lexington, Ky. Stations WLAP, Lexington, and WHAS, Louisville, also have presented these lectures.

Generally speaking, however, access to a radio station on a matter of this kind is not simple. A station manager must be convinced that the source and authority behind such a campaign is

first-rate and carries the eminence of dignified respectability. For, speaking practically, we just cannot ride rough-shod over four centuries of tabus.

Getting down to cases, let us take a community as an example and work out a proposed means of campaigning.

Let us suggest any average metropolitan community. Any such campaign must embrace at least the newspapers and the radio station or stations. There is little point in using any one to the exclusion of others (and in this talk I am assuming that you wish me to tell you how best to use radio and how to obtain its cooperation). Although we know radio can do almost any given job of education or information alone, we also admit that the more media participating the more penetration obtained.

In a campaign against venereal disease—and I am suggesting that any such campaign might resolve into a permanent part of the civic endeavor—indispensable participants are the health agencies, doctors and nurses organizations, medical and health societies and associations and related groups. Highly important supplemental organizations are the churches, the women's clubs, civic and service bodies and all the constructive organized power of a community, including the full resources of the city government.

When this power is organized behind such an endeavor, then a plan of procedure must follow. Most important part of this plan is transmitting its purpose and information to the public through available media—a process sometimes known as publicity and in certain cases as news. In this case it would be both combined under public education.

When these steps have been taken and the plan made definite, then committees should be designed to contact the radio station manager or managers of other media to enlist their cooperation. Such a committee can demonstrate the organization behind their request and display the working plan and material they have assembled.

And now to the crux of the discussion—this is the point at which the radio station manager takes charge. He knows radio; he knows how best to present material over his station—he knows who should be able to prepare it and present it most effectively.

You show him the definite public interest involved—you show him the community organized to do something about it—you show him material and a plan—and he will take care of his end. He may call upon members of the community to serve; in this case he might wish to have an outstanding physician, or head of the city or county health department, make a talk or two—but if I know radio men, he'll do that and plenty more. He will pull out all the stops in his expe-

rience and lend the fullest production experience of his station to your purpose.

I have pointed out that precedent has been set. The stations which already have presented material on venereal diseases have received public and official acclaim. No criticism can come from public-spirited listeners on the worth of the fight—some may arise on the manner of its presentation over the radio. And it is here that I must inject a note of caution—do not attempt to impose the judgment of inexperienced but well-meaning non-radio people upon station managements. You certainly would not want a radio station manager to treat a syphilitic patient—nor is it logical to presume that a physician or layman with little or no radio experience can handle such a delicate—and I use the word in the presentation sense—subject on the air waves.

In closing let me summarize—don't send a boy to do a man's job. The fight against venereal disease is not only a clinical one, we also must eradicate forever the hush-hush mantle of shame which has impeded medical progress in this fight for centuries.

Therefore, when you approach a radio management for help, do not do so in the name of a small, but sincere, group which "wants to do something about this"—organize your community and plan the battle as a full-scale offensive. Then the cooperation of media is not only assured, but you will receive the fullest power of that cooperation in all its many phases.

The National Association of Broadcasters

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

No. 4

SPECIAL INFORMATION BULLETIN

July 2, 1943

Public Relations of the Radio Industry

By JAMES W. IRWIN

Assistant to the President, Monsanto Chemical Co., St. Louis, Mo.

Address delivered to the Public Relations Committee of NAB, managers of Chicago radio stations and representatives of Chicago NAB Associate Members at the Palmer House, June 23, 1943.

(Additional copies available upon request.)

It is with a feeling of apology that I come before this NAB group today to discuss with you the matter of public relations for the broadcasting industry, because I am in the position of a listener and know very little about the inner workings of present-day radio.

When Mr. Egolf reached me in Milwaukee a week ago to ask me to join with you today he said that an address I had made before a group of industrial executives last March in Edgewater Park, Mississippi, had aroused some interest and it was the desire of your group that I express to you some of my philosophy as it might apply to the radio industry. I assumed, therefore, when I was gathering my notes, that you wanted a frank expression of the way I view the things that affect the operation of your industry, plus whatever constructive suggestions I might be able to toss into the hopper.

It happens that I was one of the original station managers of radio because back in 1922 I handled what little administrative duties there were for Station WGAY, at that time owned and operated by the Wisconsin State Journal at Madison. When I was tendered an opportunity to go on the rim of the Journal's copy desk at \$15 a week instead of the \$12.50 I was getting as a radio station manager, I decided that radio was only a fad anyway and that there was a greater opportunity in newspaper work. That was my last official contact with the management side of radio, although I have had considerable contact with sponsorship of programs over some of the networks.

Ever since the old crystal-set-earphone days, however, and up until a year or two years ago I had been an avid listener. I organized my social life to make certain that I would not miss such programs as Jack Benny and Bing Crosby. Then a year-or two ago I began to become fed up with the pap that the networks and the individual stations were feeding over the air lanes to the listening public.

I have radios in my cars, on my sleeping porch, in my bedroom, in my study and in my office. It used to be that wherever I was a radio always was playing. I have noticed in the last ten to twelve months that I seldom turn on the car radio, my office radio is turned on only in event of something of great importance, and the house radios seldom come on now except for a purely comedy or escape entertainment program.

I cite all of these things because I think possibly I come as near to being an average radio listener as a great many other people with whom you might consult and because I have heard my associates on my staff and my acquaintances out in the various fields of industry express somewhat the same thoughts.

And if I as an individual with purchasing power and the members of my staff as individuals with purchasing power are becoming fed up with listening to the radio then your industry is approaching a point where it is being weakened as a means of selling institutional good will and product acceptance.

I have the positive feeling in my own mind, and

have had this feeling for the last several years, that radio has compromised with its conscience and has not fought back against the efforts of the bureaucrats and the 'do-gooders' to regiment and rule the industry for fear of reprisal in the revocation of station licenses.

I have not admired this attitude on the part of radio. Without referring to any name, I sincerely believe that a certain newspaper, the owners of which I know, supported the third term campaign in return for increased power and fulltime operation.

Over a period of years your industry has lived in fear and trembling of the Federal Communications Commission and the commissioners making it up. I know of one instance, although I cannot recall the date, when Mr. Fly desired to go on the network with some type of a statement, lines were cleared and he was permitted to run over the scheduled time so that the following programs were delayed—a courtesy you would not accord anyone else in the United States other than the President, or a visiting Prime Minister, or someone of equal rank. All of which gives me—and others like me—the feeling that you were afraid of Mr. Fly.

For example, I know that you are worried over the Frankfurter decision, because it so happens that my good friend Merle S. Jones, General Manager of KMOX, had mailed a copy of it to me on June 15, which I found on my return to St. Louis.

I believe that the fact that all three networks give Elmer Davis clear channels once a week impugns the confidence of the public in other commentators who have freedom of action uninfluenced by any apology from a badly run administration. I don't disagree with the policy that the air should be available at any time to give top officials the opportunity to disseminate to the public facts about the war, which the people are paying for. Still, it appears to me that we are getting entirely too near the Goebbels Nazi technique when we have an ordained minister of propaganda who takes every station in the country once a week and shoos every other program off the air; saying, in effect, "You will listen to me or else."

A broadcasting station or network, in my humble opinion, should insist upon the same freedom as newspapers to interpret the news to the public. Davis and the OWI and other departments should be placed in the position of giving a memorandum to the press and radio on a particular subject that they want to put across and leave the treatment

or interpretation of such memoranda to the experienced editors and commentators who are on your private payrolls and not on the government payrolls.

I sincerely feel that the radio industry is approaching the point that has been reached by labor, namely, that you turned to government and surrendered some of your prerogative of freedom of action and now find that you have put handicaps on yourselves. Just as labor turned to the administration and obtained organizing support and one-sided legislation and regulations, it now finds the dictatorial attitude of the administration becoming troublesome because the pendulum is swinging the other way, and the public has become so fed up that the administration knows it has to do something to survive.

You might be interested in the reaction of another businessman who long has been a follower of radio, although having no connection with the industry.

His views are expressed in "The Spirit of Enterprise" which is being brought out by Charles Scribner's Sons on July 12. In this book Edgar M. Queeny, who is the Chairman of the Board of the company with which I am associated, said:

"We Americans pay for radio broadcasting by hearing how little tubules secreted under our armpits may frustrate an otherwise promising combination for winning friends and influencing people, or by listening to advice about our kidneys, our hair or our diet. Advertising pays for our broadcasts.

"As each advertiser wants his message to reach the largest number of people, his program of entertainment is designed to please. Elaborate systems of sampling of audiences gauge popularity. Programs with wide audiences remain on the air—others do not pay and are dropped. Hence public acceptance is the only criterion. The American public now gets the kind of broadcasting it wants, good or bad.

"Without advertising revenue, broadcasting stations would fall into the lap of the state. Competition between chains and stations would cease. A bureaucrat would provide the music he thought the people ought to hear and place before the microphone personalities whose views he thought would be good for the people, which, incidentally, would also serve his own vested interest. The American mind would lose its freedom of determining its own music and entertainment, and of choosing its political, economic and spiritual

thought. We would lose one of our organs of freedom of speech.

"We would also cease to be the best-informed nation in the world. The cost of producing our magazines and newspapers is met in most part by advertising revenue. With advertising eliminated, much higher prices would have to be charged to maintain present standards. This in turn would force drops in circulation; again prices would have to be increased, which would be followed by another drop in circulation. This descending spiral would finally end in a new balance between a lower standard, a lower circulation and a higher price."

I don't think, however, that your cause is entirely lost, although I think you've got a pretty tough battle ahead.

If I were a radio property owner or an administrative executive of one of the networks I think I would cease compromising with my conscience, buckle on my armor and, at the risk of losing that job and/or my properties, give the administration and the Federal Communications Commission the damndest fight it's ever had. In organizing for that fight I would take some very positive steps because I believe most emphatically that if the radio listening public is given the true facts about the hamstringing and censorship and regulation of the radio industry by the administration for selfish gain, it will get up on its hind legs and scream to the high heavens. Certainly that has happened on a great many occasions when there have been attempts to throttle the free action of the press and silence editors.

It is my studied opinion that the radio industry and the press of the nation have so much in common, and are in such a dangerous position, that now is the time to forget all petty disagreements between the two great industries. Both need to recognize that they are the only two major channels for the dissemination of information to the people that make up this nation and that, therefore, they should bury whatever little hatchets they still use and form a united front.

I know that each of the major networks and a great many of the larger and better-financed stations have qualified public relations executives on their staffs, and I would like to stress here that I mean public relations and not publicity executives engaged in program promotion. It is the duty of these men, one of whom—Frank Mason—happens to be a very good friend of mine, to watch the broad trends of the industry they serve, and the national trend as well, and help guide policy and

operating management in the making of decisions that will be to the best interests of the country and the industry.

I do believe, however, that each of the networks or the industry as a whole should also retain outside public relations counsel to give it a broader and more objective viewpoint. I believe that each of the networks should select for election to its board of directors a man who is chief public relations officer of some American industrial organization and pay him a salary as a working director. Then, the man so retained on each network board should serve on an advisory committee on public relations to the National Association of Broadcasters, thus bringing into your picture additional minds who can think a little bit more independently than can those who are so close to your operating problems. On this line some of the more successful railroads have gone to outside directors and, of course, the American Telephone and Telegraph Company has pursued that policy for years and found it very successful, so it is not a new departure.

I think that NAB and its advisory group and its outside public relations counsel should carry on a continuing listener opinion research program under the direction of some able poller of opinion, such as Dr. Claude Robinson, so that its activities in developing public support could be guided by reactions of the listening public.

I believe that radio should very seriously consider a national advertising campaign in which it would use radio as a media and also use daily and weekly newspapers and national magazines, telling the listener public its story and reasons why it must not be throttled. Thus, the public will get the story not only orally but visually. Some members of NAB probably will throw up their hands in horror at the expense involved, but if I am not mistaken, your industry as a whole is decidedly on the profit side and since you are not one-track minded bureaucrats it would pay you well to use all available media in a battle for survival.

Based on a very enjoyable experience I had for several years as a member of the educational advisory group of KMOX in St. Louis I believe that you should develop a grass roots activity by forming in each locality in which there is one or more stations a joint advisory board, the members of which have no formal contact with the radio industry. Such a board would sit with the members of the local radio stations regularly at luncheon or dinner to discuss problems of public relations

affecting radio. Such groups should be made up of representative citizens who are leaders in the formation or influence of public opinion and should represent not only the business mind, but the labor mind, the educational mind and the civic activity mind. Granted you would have on such groups all shades of political completion and thinking, still you would have a working group that could go out carrying your spear. It would be an invaluable aid in helping to combat bureaucratic regimentation and development of bureaucratic control by obtaining for you the support of a great many influential groups of whom the 'dogooders' and long-haired boys and short-haired girls down east live in fear and trembling.

It has been my experience in the last 23 years to have been editor of several rather important newspapers and to have dealt with industrial workers in the capacity of industrial relations officer. That experience leads me to think that many times we underestimate the intelligent thinking of our public. Often, we can be very pleasantly surprised if we take the trouble to carry to that public our problems and the reasons why we should not be subjected to certain types of legislation or regulation.

Your American industrial worker, your American farmer, your American business or professional man still prides himself in the fact that he can tell his boss to go to hell. He can tell the politicians to go to hell by voting against them at the polls at his next opportunity, and instinctively he holds to the belief he has a right to speak his mind as long as his speaking is not subversive.

He will even support an editor he does not like or a paper he hates if an attempt is made by the politicians or some pressure group or other to gag that editor or suppress that publication. He is not so well acquainted with radio, although it probably occupies a stronger position in his household than his newspaper. As a matter of fact, it is well known there are millions of people who have radios who never see a newspaper.

I don't believe your industry alone is being taken for a ride by the apologists for the New Deal and the Fourth Term planners, because I have become completely fed up also with the movies and I know that a great many of my friends and associates feel as I do. Hollywood has sold out to the administration and the propaganda that is being foisted on the American public which has paid its good money to the motion picture theaters is absolutely shameful.

I think that of the three great avenues for information, namely, radio, press and movies, that the press has held on the longest to freedom of action and has not prostituted itself to anywhere near the extent the other two have. I have read a great many newspapers for years and I now read daily not only the three newspapers in St. Louis but also the Chicago Tribune and the Chicago Sun and the New York Times. While I disagree with some of the things each of these papers does, at least there is some semblance of honesty to subscribers in attempting to tell a true story in an independent and free thinking way. Some national magazines, however, have gone down the river and I now do not find much of interest because of the propaganda.

Therefore, I submit these suggestions for whatever help they may be to you. I don't mind saying that I was willing to accept your kind invitation to join with you today on such short notice and to devote a week-end to putting these remarks into tellable form, for a very definite reason. I, as an American, as an officer of an American corporation charged with the responsibility of representing our employes in our policy thinking so that they will be fairly treated and fairly paid, believe strongly that something must be done to halt the bureaucrats from suppressing what little freedom of action there is left in radio, and then obtaining control of the press by ruling out brand names, discouraging advertising, and many other ways that already are visible. I am only too happy to devote some time and what little talent I have in an attempt to arrive with you at a solution of your problem, because I feel that I and the workmen I associate with have just as much at stake in this matter as you have as radio operators.

I realize thoroughly that some of these remarks may bring attempts at reprisal against me by some of the bureaucrats in Washington. But I have always felt that I would rather be purged for fighting for what I believe to be right than taking the easy way, compromising with my conscience and letting the social planners get away with murder by feathering their own nests at the expense of the American people as a whole.

Mr. Egolf did not make it clear to me when we talked this over as to whether there would be time for discussion, but I hope that there is because in discussion we probably can bring out a little bit more clearly my thinking on some of these points.

The National Association of Broadcasters

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

No. 5

SPECIAL INFORMATION BULLETIN

July 16, 1943

WHITE HOUSE PRESS MEETINGS NOW 'PRESS AND RADIO'

(The following exchange of correspondence occurred between Walt Dennis, NAB news bureau chief, and Stephen T. Early, secretary to President Roosevelt. The correspondence is self-explanatory. Station managers are asked to act on paragraph 5 of Dennis' letter by advising their news editors. Similar letters have been sent to James F. Byrnes, Edward R. Stettinius, Harold Ickes, Mrs. Roosevelt, Secretaries Hull, Stimson and Knox, Donald Nelson and Elmer Davis.)

June 29, 1943.

DEAR MR. EARLY:

This is a small request in a time of big things, but having dealt with you as a newsman in several sections of the country on various occasions I know you will give it your usual generous consideration.

The conferences President Roosevelt holds with newspaper and radio reporters are generally referred to as "press" conferences. This does an injustice to what is now the greatest news medium in the world—radio.

I realize that the word "press" may be considered now to have a general meaning and not apply specifically to newspapers in connection with "press" conferences, but we offer an easy way out—

Substitute the word "news" and you have "news" conference.

The radio industry through our association is being urged to effect this changeover and to edit all copy for broadcasting to read "news" conference or "news" source, or "news" association, etc.

We ask your consideration on this matter and hope to have the favor of your approval so far as the White House official naming of "news" conferences is concerned.

July 1, 1943.

DEAR MR. DENNIS:

This is in acknowledgment of your letter of June twenty-ninth. The suggestion that you make is entirely consistent and in principle I am quite willing to go along with you. Accordingly, we will hereafter at the White House designate the President's stated meetings with the news gatherers as "press and radio conferences."

The National Association of Broadcasters

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

No. 6

SPECIAL INFORMATION BULLETIN

July 16, 1943

"BUSINESS AT WAR"

Donald Nelson, Elmer Davis, Judge Fred M. Vinson, Marvin Jones and Chester LaRoche Appeal for Advertising's Support of War—Laud Radio

REQUEST WAR MESSAGE IN EVERY ADVERTISEMENT

In a special broadcast to the business leaders and advertising executives of every state, city and community in the nation, prominent government officials, speaking from Washington, D. C., over the facilities of the National Broadcasting Company, 1:15 to 2:00 P. M., EWT, Wednesday, July 14, praised the part business and advertising are playing in the war and pleaded for even greater support with "A War Message in Every Ad."

Preceded by a closed circuit talk on July 6, this broadcast was directed at specially called meetings of luncheon clubs, business groups of all kinds and thousands of individuals, to mobilize advertising as never before on the war front.

Scripts of both the closed circuit talk and the special broadcast are reproduced in full, as follows:

NBC Closed Circuit Talk, July 6, Opened by Frank Mullen, Vice-Pres., National Broadcasting Company

MR. MULLEN: We in radio have long been proud of our public service record. We have recognized that radio, as a democratic institution, can count its progress only in direct proportion to the service it renders to the people of the nation. Throughout the years, we have expanded our program structure in terms of entertainment, education and information. These are the ingredients in our public service formula.

In arranging this closed circuit hookup, the National Broadcasting Company is motivated by a desire to acquaint you with a new opportunity for public service. We have a special message for you today. It is a vital message, not only because it concerns a critical phase of the war effort, but also because it concerns everybody who hears these words, whether he be station manager, salesman, production man or announcer.

We have asked you to gather in this studio today to tell you about a special program that will be broadcast next week—at 1:30 P. M. EWT, Wednesday, July 14. This program may well prove to be a milestone in the organization of our home front. It will also be a milestone in the relationship between government and business. For both of these segments of our democratic system will join forces to help all the citizens on the home front understand better the meaning of total war.

American business, which has already performed production miracles, is rapidly undertaking its second great conversion job—the job of converting its advertising to

NAB, through the cooperation of NBC, ordered master recordings made of the broadcast, "Business at War." Pressings are available of the complete 45 minute program at a total cost of only \$3.00, express collect.

A complete set includes one double-face record and one single-face record, 16", 33 1/3 R.P.M.

\$3.00 brings you the complete set, express collect, which you may use locally before civic clubs, for private auditions in your studios, etc. The recordings are not to be re-broadcast.

Order your set today!

war needs. The focal point of this contribution to the war program is the War Advertising Council. This was set up immediately after Pearl Harbor to act as liaison between government and business in the development of home front information campaigns. Time does not permit a complete resume of the achievements of this organization, which represents all phases of advertising activity—Advertisers, agencies and the four great media, radio, newspapers, magazines and outdoor. But standing beside me is the man who has been the motivating force in this farsighted activity. He is Chester J. LaRoche, chairman of the War Advertising Council, whose energy and leadership have contributed so much to the Council's success. Mr. LaRoche will give you the details of next week's broadcast and will explain why it is so essential for every advertiser and media representative to participate in this program. Mr. LaRoche:

CLOSED CIRCUIT TALK

July 6, 1943

MR. CHESTER LA ROCHE: Thank you, Frank Mullen, for your generous cooperation in making these facilities available and for your desire to make this a cooperative, united effort of all media, rather than of radio alone.

The purpose of this closed circuit broadcast is to ask those who are listening to *organize* meetings of advertisers—national and local—and agency executives, to listen to a nationwide live broadcast over 138 stations of this network at 1:30 Eastern War Time on Wednesday, July 14th.

The subject of the broadcast will be "The Role of Business in Furnishing the People with Essential War Information." The speakers from the government will be Elmer Davis, Judge Marvin Jones, Donald Nelson and Justice Byrnes.

This broadcast may well be a milestone in the relation-

ship between business and government. Certainly it will represent one of the most important gatherings of business leaders since the outbreak of war.

Why has this July 14th broadcast been arranged?

It is clear that our armed forces can do their job. The momentum of their might increases daily. It is also increasingly clear that our Home Front is sagging. The *certainty* of victory and its *nearness* is threatened, unless we act promptly.

What are we to do? Are we helpless? Must we wait until Washington has settled every policy, has every detail worked out? *No*. Fortunately, there is a greater power than any in Washington. That is the resourcefulness, initiative and will of the people.

Of course, it is important what Washington does about subsidies, inflation and food. The laws and directives that are issued are vital. But no matter what our leaders do, unless the people *understand* and *act*, Democracy cannot go all out in total war. But given understanding, our Democracy can be more efficient than any political organization known.

Tell our people the scope of a problem—the result expected and why—and soon unusual, ingenious solutions come along and the best solution of one is passed along until it often becomes the common method of us all.

What will bring about this understanding?

The speeches of our leaders and the news columns will play their part. But the part advertising can play,—its great responsibility and opportunity,—is not so clearly understood.

Now advertising does not seek to do the complete information job on its own. It should be coordinated with the news. *Both* news and advertising must be used in planned information programs.

But it is the function of the news columns to report. It is the function of advertising to get action; to clarify and interpret; to make readable to masses of people how large social, economic and military problems scale down and touch their daily lives;—to repeat and repeat and inspire until desired actions are taken.

What an opportunity we have to arouse this nation to a mighty wrath, and to finish this war with *amazing speed* and the *minimum loss* of our lives.

Not to understand the part advertising can play in this war job is the equivalent of a military error.

Through the individual actions of many, and through the War Advertising Council, advertising has already done much.

The War Advertising Council is composed of the owners and principals of magazines, radio, outdoor, the country's advertising agencies, and national advertisers. It is sponsored and financed by the following organizations, whose representatives also serve on its board.

Association of National Advertisers
American Association of Advertising Agencies
National (Magazine) Publishers
American Newspaper Publishers
Outdoor Advertising Association
National Association of Broadcasters

It should be made very clear that the War Advertising Council represents no political party, no pressure group, no special interest, no selfish axe-grinders, and it is not concerned with increasing appropriations. Anyone who thinks it seeks to make money for this business is **MILLIONS OF DOLLARS WRONG** as what follows will show.

The Council renders all services to government *gratis*. With the exception of a staff of ten principals, the work is done by volunteer experts, who donate their time. The council asks nothing and wants nothing except a chance to serve the nation in a field it knows best.

It may be fairly said that the War Advertising Council has placed at the disposal of the Federal Government since

the outset of the war the creative talents of the entire advertising field. The government wisely saw that the huge machine advertising had built to serve the ways of *peace* was best qualified to do the *war* information job. The government, in this case, decided not to raise billions and create departments to spend these billions, if the advertising industry would do the job. Let's see what Advertising has done.

Since the start of the war, the public has over-subscribed two great War Loans, has turned in so much scrap metal as to create a huge national stockpile, has planted 2 million Victory gardens, saved and turned over to munition plants 57 million pounds of fats and grease, has volunteered by the hundreds of thousands for part-time work as civilian defense workers, as ration board members, as auxiliary helpers on farms and in food processing plants.

These things have not just happened. They are the result of an enormous amount of hard, tough fact-finding, opinion study and planning. Let me cite a few examples of this planning.

The entire mechanism by which the nation is given war messages over commercial radio programs was worked out by the War Advertising Council in close cooperation with the Office of War Information.

Every line of Washington-released Advertising supporting the Second War Loan was prepared by the War Advertising Council, without its costing the taxpayers a penny either for the creation of the material or the space and time.

To give you a quick idea of how much advertising is already being contributed at no cost to the government. I think you should know that since April 27, 1942, 120 advertisers have contributed time on 202 coast-to-coast network programs every week. On these shows 115 messages are delivered weekly to an average audience of 300,000,000 listeners a week.

On 85 *spot* programs 38 messages are delivered to 9,000,000 listeners weekly.

70 advertisers have contributed, at various times, their *entire shows* to war information projects and without any mention of their own products.

In addition to this national effort, 891 stations broadcast 8,000 messages locally per day.

Combined with the networks' contribution of time and talent for shows, like the Army Hours, This Is Our Enemy, business has made a total *contribution* of \$100,000,000 through radio to the government's Information Program.

National Magazines, too, have contributed generously. 444 of them have given one page a month to inspirational messages concerning total war. These 444 magazines will continue to contribute a page a month to the *new campaign* on *inflation* worked out with Justice Byrnes and Judge Vinson, starting in August. Those anti-inflation ads will reach a circulation of 90,000 monthly.

The Newspapers of the country not only helped organize the scrap drive, but have been instrumental in organizing local and national advertisers to contribute toward the Treasury advertising. As an example of the type of support the government is getting, on the recent Second War Loan Drive, the newspapers through their soliciting efforts, secured from advertisers the equivalent of 36,000 full-page ads which ran during a period of three weeks. This was the largest newspaper campaign in the history of our business.

In 1943 it is estimated that 63% of all outdoor posters will be devoted to wartime advertising. Outdoor will contribute 100,000 wall panels and 30,000 twenty-four sheets to the Third War Loan Drive which starts September 9th, at no cost for space to the government, and has a soliciting quota of 20,000 twenty-four sheets to be secured from business firms.

More than 450 advertising agencies have contributed

\$4,000,000 of the only thing they have to sell—time and skill.

National and local advertisers have devoted more than \$100,000,000 in the past year in magazine and newspaper space to war themes. The drug industry alone devoted \$2,000,000 to the sale of war bonds.

The total contribution of all advertising in the past twelve months was at least \$250,000,000.

And now twice that amount is needed,—\$500,000,000 or one-third of the total of all advertising; twice as much because the job this Fall is easily twice as big.

To help reach this goal, the War Advertising Council is launching a campaign which starts with asking your help to make the July 14th broadcast a well organized, resultful event.

The slogan of this campaign is “A War Message in Every Ad.”

In order to make clear exactly what subjects advertising can deal with, our nation’s leaders have agreed to participate in the special program on Wednesday, July 14th. These leaders will explain to business men the vital part their advertising can play in creating a better informed army of civilian fighters.

The keynote of next Wednesday’s broadcast will be sounded by Justice Byrnes, Director of the Office of War Mobilization, who will tell the business men of this nation and the public at large how important the Home Front is to a successful and quicker completion of the war. Justice Byrnes will explain what the government’s responsibilities are and what the people’s responsibilities are. He is accustomed to speaking frankly and convincingly. I believe that he will adhere to this pattern next Wednesday.

Elmer Davis, Director of the Office of War Information, will discuss the many new problems that have arisen in connection with his office. He is both aware and appreciative of the help OWI has had from business.

Donald Nelson, Chairman of the War Production Board, whose support and suggestions helped organize the War Advertising Council, will give us the latest news on production, and his plans to keep our economy vital through production of needed things.

Marvin Jones, newly appointed War Administrator, will discuss the subject that directly affects more citizens than any other—food.

All these government spokesmen will make clear that they cannot do their jobs without understanding and help from the public. War advertising can bring that understanding.

What is war advertising? It is not brag advertising—not advertising which simply shows pictures of tanks, ships, planes. War advertising is advertising which interests people through information, understanding or persuasion to take certain action necessary to speedy winning of the war. It is this type of war advertising with which the July 14 broadcast will concern itself.

The July broadcast will obviously be more successful if in the listening audience there is a high percentage of *top management executives* as well as sales and advertising executives. For the most part advertising people are better acquainted with the role of advertising in wartime than are management people. But the story must be impressed upon both, if business is to discharge this public service.

For this reason, it is essential that every ounce of energy be exerted on the part of all media representatives to be certain that the top business men of the nation sit before the loud speakers at 1:30 P. M. Eastern War Time on Wednesday, July 14th.

I strongly urge everyone within the sound of my voice to constitute himself a committee of one to turn out the listenership that we must have if the objectives of this program are to be achieved.

The way to organize listening meetings is a matter for individual or company decision. In the smaller cities possibly the media will get together and arrange joint meetings of their own to which advertisers and agency men will be asked.

In the larger cities, *numbers* will make joint meetings difficult, so it is suggested that each media and each company work out its own method of separate meetings, preferably at luncheon time. There will be overlapping invitations, to be sure. But the advertiser is used to being approached by the different media for a share in his business, so he won’t be confused or mind if he gets several invitations to lunch. In the West, the meetings can either be a *late* breakfast or an *early* luncheon. In all cases time should be allowed for discussion as to what follow-up action is suggested by the talks.

You, the members of the Radio Industry and all advertising men, carry a heavy responsibility to see it goes well. You have helped to create this great information machine. In effect, you are the West Pointers and Annapolis men of our information army. The importance and size of the audience of this broadcast is very largely in your hands. On its success depends the first organized attempt to create the fighting Home Front we must have to back up our invading armies.

“BUSINESS AT WAR”

WEDNESDAY, JULY 14, 1943

NATIONAL BROADCASTING COMPANY—1:15–2:00 P.M. EWT

ANNOUNCER: “Business At War” . . . the National Broadcasting Company, in association with the War Advertising Council, invites you to participate in one of the most important business meetings held since the beginning of the war. Gathered before radios and speakers in conference rooms all over the nation, in radio studios, and at special luncheon meetings, are the business leaders of America. In hundreds of communities management, sales, and advertising executives have met to hear this broadcast during which the leading government officials will speak to American business. Elmer Davis, Director of the Office of War Information will open the meeting and introduce the speakers . . . Mr. Davis.

DAVIS: The purpose of this broadcast meeting is to complete the mobilization of American advertising to help win

this war. Each of the speakers to be heard on this program is in charge of one or more aspects of the home-front war effort that affect the lives of every citizen. Justice James F. Byrnes, Director of the Office of War Mobilization, who had hoped to be with us, is detained by unavoidable commitments; but you will hear from Judge Fred M. Vinson, the head of the Office of Economic Stabilization; from Donald Nelson, Chairman of the War Production Board; from Marvin Jones, War Food Administrator, and finally from Chester J. La Roche, Chairman of the War Advertising Council.

Now, these operations are very satisfactory beginnings; but the liberation of Europe, the Pacific Islands, and south-east Asia will not be briefly or easily accomplished. We can expect our offensive action to grow swifter and

heavier, which means that we shall have to expend larger and larger amounts of material, and suffer heavier casualties. And that means that we need a better organized, more efficient home front.

Our Army and Navy have the tough part of the job, and they are doing all right. But it is up to the rest of us to help them just as much as we can. What the supporting cast of civilian fighters on the home front may do can either hasten the victory, or delay it; but the difference between an earlier and a later victory is worth working for just as hard as we can. Every twenty-four hours the government of the United States spends three hundred million dollars on the war. Shorten the war by one day, you save three hundred million dollars; also, almost certainly, you will save hundreds or thousands of American lives. Every man, woman and child in this country ought to be doing everything we can to shorten the road to victory.

To help attain this objective, some of our war leaders on the civilian front are today outlining some of the urgent problems they face. They are asking that business, through its advertising, help create the public understanding that is essential to whole-hearted cooperation by the people. We know from experience that if the people know what is expected of them, and why, and believe that it makes sense, they will respond magnificently. But the job of bringing them essential war information, in a war so complex as this, is gigantic. It calls for the use of all the channels of communication—the news and editorial columns of newspapers and magazines; radio broadcasting—and the radio industry has done an immensely valuable job of transmitting war information to the public; the job needs also books, and posters; and it needs the technique that is the voice of American business—advertising.

The Office of War Information is fully aware and deeply appreciative of the help that business has already given us, by contributing advertising space and time for war messages. This would not have been possible without the help of the War Advertising Council—the voluntary, non-profit organization representing all branches of advertising, which has served so ably and effectively since Pearl Harbor. We in the Office of War Information, who have worked with the Advertising Council ever since our organization was established, can testify to the work it has accomplished; for we have seen the results—results that can be measured.

In telling the people about every one of these home-front projects, the War Advertising Council, the Office of War Information, and the Federal agency or agencies involved have worked as a team; and this team work has resulted in advertising space and time contributions estimated at more than a quarter of a billion dollars during the past year. Yet all this, like our military offensive operations, is just a start. It is clear that our men on the fighting fronts can do their jobs; that is being made plain every day. What is not yet quite so clear is our ability to organize a home front which in energy, morale and fighting power is worthy to be compared with them. In the months ahead, the need for people to do and not to do certain things having a direct bearing on the war will multiply enormously. Every move by every citizen is a factor that will help determine the speed of the victory. The government leaders gathered at this microphone want to explain to the business men of the nation how urgent is this job of getting people to do what must be done, and how business can help enormously, by contributing even more space and time for war messages than heretofore.

Your government has adopted a policy on the use of advertising for war needs that seems to be sound and practicable. We have recognized the need for harnessing this great American force to do the job that all citizens, as well as the government that serves them all, want to get

done. Two alternatives presented themselves: the government could either appropriate a huge advertising budget—hundreds of millions of dollars, perhaps a billion, would be necessary to do the job; or government could turn to the people who are experts in using the advertising mechanism that already exists, and ask them to assume this responsibility.

We decided against huge government advertising appropriations. We decided in favor of asking business to assume the responsibility of converting its advertising to war themes. And in view of the magnitude of the job ahead, we believe it is important that business should support the War Advertising Council's campaign—"A War Message in Every Ad"—of which you will hear more later.

Now here is Judge Fred M. Vinson, the new director of the Office of Economic Stabilization.

VINSON: On the home front, our deadliest and most insidious enemy is inflation. Inflation threatens the security of the people's savings. It is the mortal foe of every bank deposit, every insurance policy and every war bond.

To the average man and woman, inflation reveals itself in a soaring cost of living. You may rest assured that those associated with me and I will exercise all the powers which we possess to hold this line. If we allow prices and wages to rise, the cost of war will be materially increased. The resulting economic confusion and the bitter struggle among pressure groups which would follow from it, would reduce the effectiveness of our productive effort and cost needless thousands of American lives. Rising prices now mean falling prices later. Inflation in wartime means deflation after the war; and with deflation come panic, bankruptcy, unemployment and financial ruin. To speed the day of victory and to build a solid foundation for a prosperous peace, we must hold the line against inflation.

Here is the situation we face: Total war demands that we strain every nerve to produce the munitions of war. We can meet our production goals only by converting all our available resources to the production of military goods. In order to produce more of the things which the fighting forces need, we must produce less of the goods which we at home are accustomed to use. At the same time, we must put every available man and woman to useful work at longer hours.

The job of stopping inflation is almost unbelievably difficult. In all frankness I must tell you that, up to now, we have not entirely succeeded. Neither have we failed. Between May, 1941, and May, 1942, when the first General Maximum Price Regulation was imposed, the cost of living rose 12%. In the next twelve months, between May, 1942, and May, 1943, the cost of living rose only 7.8%. We did not lose as much ground during the second year as we lost during the first.

But we lost too much, and we cannot afford to lose more. Indeed, we must regain some of the ground we have lost, and that is the purpose of the so-called "rollback" program about which you have heard so much.

Most of the ground we have lost has been in the field of food costs, and we are fighting hard to hold this line. Simpler and more easily enforced ceilings have been placed upon food prices—ceilings which every housewife can understand. These new dollars and cent ceilings, along with the limited use of subsidies, should enable us more nearly to achieve our goal of stabilizing food prices at the level directed by the Congress last October.

In other fields, we have been more successful. Between May, 1942, and May, 1943, the level of rents was actually reduced by 1.7%. Clothing prices, during the same period, rose only 1.3%, despite the fact that during the previous year they had gone up 23%.

The battle is not won, but I believe that the tide is turning. To win, the Government must offer firm and vigorous leadership. You, the people, must also take firm and vigor-

ous action. Those who are fighting inflation can act more firmly and more vigorously if they know that you are backing them in their fight against inflation.

In my job as Economic Stabilization Director, I must lead the fight against inflation. I cannot win without the energetic support of an informed public opinion. For our country's sake, I ask you business men who are listening to me now to make full use of Advertising—that powerful information machine which serves you so well in peacetime—to help secure for us the support which we now must have.

There is not a single battlefield in this struggle against inflation where the support, the understanding and the informed opinion of the American people are not more important than any law or regulation.

There are some who doubt the willingness of our people to accept the hardships and restrictions that total war requires. On this score I have no doubts. But I am not so certain that all of our people have yet been given sufficient information to understand the specific needs and the specific requirements of total war on the home front. I realize that it is difficult, at best, to determine how far a free Government can go in guiding the opinions and the habits of a free people. I realize also that there are many who honestly and sincerely disagree with the Government's anti-inflation policy.

But, regardless of what we do in Washington, it is essential that we have the understanding cooperation of you, the business leaders of this nation.

Perhaps I am a special pleader, but I shall run the risk of being called a special pleader to suggest that, in considering controversial economic questions, we must take special account of the other fellow's difficulties. To hold the cost of living, we must hold wages, prices and profits, and we must impose a heavier burden of taxation. Naturally, therefore, each of us is likely to be slightly more eager to hold down the other fellow's prices, wages or profits, and to raise the other fellow's taxes. Each of us will feel the squeeze of total war, each of us is only human, and each of us will be looking for the moat in the other fellow's eye. Yet, unless we all stand together, there will be little or nothing for any of us. If the American people understand exactly what we are doing and why we are doing it, I am convinced that they will stand together. Our people need to know why they should buy and hold war bonds, why they should pay higher taxes and save more money, why they should abominate black markets and chiselers, buy only what they need, at only ceiling prices, and only, in the case of rationed goods, with ration stamps, and why they should not demand higher prices, higher wages or greater profits.

In large measure, this is an advertising job. Advertising is not a charitable institution—it is the handmaiden of business. And there is no business in this nation so strong that inflation will not work havoc and ruin upon it.

That is why the War Advertising Council has seen the issue so clearly. Cooperating with that Council, almost 450 magazines are going to contribute a full-page advertisement every month. These advertisements will spread information as to what every American citizen can do to help hold the line. It will not cost the Federal Government a single cent.

I am also informed that the insurance companies of the nation are considering a similar major advertising effort. I hope that others will join in the procession. I am making a special plea that you business men everywhere work with the War Advertising Council and the Office of War Information to inform every individual in America how he can help fight inflation. As advertisers, each one of you can, like Paul Revere, warn that inflation is coming unless the American people take up arms against it.

DAVIS: Thank you, Judge Vinson. The Office of War

Information is, of course doing all it can to help in this campaign, but the job is so enormous that it needs the help of everyone in a position, as advertisers are, to reach the public eye and ear. Judge Vinson, do you think the job of holding down the cost of living can be done successfully?

VINSON: It can, Mr. Davis—but we can't do the job without the help of every citizen. And we'll get that help to the degree that the people understand the importance of fighting rises in the cost of living, and how they can join in the fight. Advertising can give them that understanding.

DAVIS: Our next speaker is a man who is an expert on the relationship between government and business. He was one of the nation's leading management and merchandising executives when he came to Washington to tackle one of the biggest of all war jobs. As head of the War Production Board, he is perhaps in closer touch with business men than any other leader in Washington. From the outset Mr. Nelson recognized the tremendous importance of war information. He played an important role in the creation of the War Advertising Council.

Mr. Nelson. . . .

NELSON: One of the questions which every American should ask himself these days is this:

“How are we getting on with war production?”

It is about the answer to this question that I want to talk for a few minutes.

Let me make it clear at once that there is no one, quick, glib, easy answer. When talking about a program so complex and so vast as ours, oversimplification is full of hazards, and it is easy to select a few random figures and produce a series of different answers.

Here, for example, are two facts:

First, we are still behind schedule in our production effort, and we face a really staggering job in the months immediately ahead if we are to meet those schedules.

Second, production in May, as I reported, was not so good, and the preliminary figures for last month, though better, did not show enough improvement to satisfy me.

These are the kinds of facts which give daily, hourly concern to those of us in Washington who are engaged in the production effort. But now, let me give you two other facts that sound a little different:

First, we produced over 7,000 airplanes last month, according to preliminary figures, and that means about 270 every working day, or about ten very hour, around the clock. Compare this 7,000 plane figure for June with the production of 5,000 planes back in January, at the start of the year. The increase in the January-June period for planes is about 40 percent.

Second, our munitions and construction program for last month ran over the \$6,000,000,000 mark, compared with an output of only \$5,293,000,000 during the first month of the year. And remember that the construction part of this figure is declining according to plan. The munitions figure alone increased about 25 percent during the first half of the year.

Such figures, you see, when considered alone, are likely to give only part of the picture. For the real fact of the matter is that the picture is mixed—production has risen greatly this year; some important items are *on* schedule; other items are *behind* schedule. I might sum up with a paradox and say that, although American industry has done a job which in part is amazing, it is just not nearly amazing enough to suit me, or to suit the high goals we have set. We must do better—a lot better. I cannot say with too much vigor that we have not done enough.

It is true that some problems have been solved and are behind us, such as building the basic plants and factories for war production. But these problems give way to new

ones, and we must still struggle over such tough problems as steel production, and airplane building, and petroleum questions, and the job of adequately engineering some of our newer devices of war. Perhaps it will serve to clarify the distinction between the rather creditable job we have done and the harder task that lies ahead if I remind you of what I said last week in an address I gave in Toronto. At that time, I said that the United Nations output this year will probably be nearly three times as high as total Axis production and that some of our production figures for certain important items are almost astronomical. But in that same speech, I went on to say—and I must emphasize it again today:

“We can clearly see that the hardest part of our job remains ahead, both for our fighting men and for the producers of the home front . . . this is no time to speak of easing up in our efforts. . . . Our production schedules for this year and the next will tax us to the utmost.”

All of you who are listening to these figures may wonder what they have to do with the subject of this especially arranged broadcast—advertising and the war. Well, the connection is simple, for advertising is one of the instruments that can be used to get more facts before the people and thereby help the people cooperate on the home front in getting the production job done.

Let me show you why this is true. The War Production Board does not produce airplanes with a magician's wand, nor by waving the big stick of legal power. We get planes, in the final analysis, by the cooperation of the men and women who make them. And the same thing is true all along the line. In case after case, war production succeeds because of the cooperation of *all* the people—not just the people on the production line, but also the people who quietly save tin cans and metal and who join car pools and who insulate their homes to make precious oil go farther and who save waste fats.

I need not list all the many campaigns in which the War Production Board is interested, but I must emphasize that the programs just mentioned, together with such other efforts as industrial safety and the correction of absenteeism, are all extremely important to the winning of the war.

Moreover, every one of these campaigns is a job that cannot be done merely by rules and regulations; every one is a task that can only be done on the basis of willing cooperation—a cooperation given willingly, because the facts have been made clear, and because the cooperators are well informed.

Since the fulfillment of our goals in these fields depends on a free flow of accurate and clear information, it is fitting during this special broadcast to point out that industry's own special medium—advertising—can benefit both the people and the Government by the inclusion of war messages. I have no hesitation in saying that, in my opinion, the well coordinated use of advertising to give the people more facts about the war will mean an earlier victory, faster solutions for our production problems, less bloodshed, and less red tape for industry.

It has already been demonstrated that the American people, once they know what is needed, and why, will do a tremendous job. Think back, for example, to the newspaper scrap salvage campaign, in which the War Advertising Council had a part, when more than 6,000,000 tons of metal were collected. Or recall that just last month, despite the rationing of meats, housewives turned in an estimated 8,000,000 pounds of waste fats and grease. These things came about not by accident, but because the people were informed of the need—and in my opinion no request that we make can be effective unless that request is made clear to the people who must answer the call.

So far on the information front, as in the case of war production, a mixed job has been done. And, frankly speaking, I think that there is also a much bigger job still to be done here in informing the people about the progress of the war and in letting them know *concretely*, how they can help. Industry has converted its tools and machines to war production—yes; but now there is an opportunity for industry to convert its *advertising* to the same goal.

I have a special interest in this kind of conversion—not only because of the immediate help it can give us in solving some of the problems I spoke of, but also because I have been interested in the War Advertising Council since it was created in those days when advertisers and advertising men and magazine and newspaper owners and others came together to make their facilities available to the war effort. Now, because of the continuing and growing problems we face, this kind of cooperation is more important than ever, and we all have an opportunity to make the cooperative effort more effective.

One final note: During the next twenty-four hours, by the middle of the tomorrow, this nation will turn out 270 more airplanes to hurl at the Axis. That is not enough. If everyone in America knew all the issues, knew exactly *what* to do and *how* and *when* to do it, and knew *why*, we might be making 300 or 350 planes a day. We could use them. And one quick way of boosting that production total higher and higher is to complete the conversion of advertising—by putting “A War Message In Every Ad.”

DAVIS: One question, Mr. Nelson. Are your WPB problems such that they can best be handled in the so-called mass-media, which carry messages to the general public?

NELSON: Not at all. *Some* of our campaigns require the help of everybody—like car-sharing—but others, like conservation of cutting tools, and the absenteeism, and industrial safety, are particularly good for handling in the business press and trade journals.

DAVIS: Among all our war problems, none strikes home to the average citizen so intimately as does the question of food. Whereas many a war problem may seem remote and abstract, the subject of when, where, and how much do we eat is as personal as breathing. We have had 100 years of thinking in this country behind the point of view that our food supply was inexhaustible. Now, in our first total war, we find that there is a bottom to our food basket just as there is a bottom to everything else.

The men charged with the responsibility of shaping the country's food program is War Food Administrator Marvin Jones. No one knows better than Judge Jones that he faces an educational job of enormous scope, that he must adjust the food producing and eating habits of 130 million Americans to war conditions. Judge Jones, in his first radio broadcast since taking office, will tell you how he sees the picture.

JONES: Today we are announcing the allocations of canned fruits and vegetables for the coming 12 months. Because of increased war demands, civilians will get considerable less canned fruits and somewhat less canned vegetables than average. On Monday we announced allocations of dairy products. Civilians will get less than average of several products including butter, cheese and condensed milk.

Is this because farmers are turning out less? No, far from it! Farm Production is on the increase and new high records have been set in each of the past six years. But war is a very hearty eater. As it increases in size and overseas strength the armed forces require greater quantities of canned fruits and vegetables. Our armed forces and our allies require large amounts of dairy products. To make food fight most effectively civilians are limiting their consumption of foods like these so that these other claims may be met. We are going to try to

push production even higher than in the past. The July crop report indicated that farmers have increased their crop acreage by 7 million acres more than in 1942. They have done this in the face of adverse Spring weather and shortages of labor and equipment. Yesterday, we announced a food production program for 1944 that calls for planting the largest acreage of crops ever put in by American farmers.

But great as is our accomplishment in production, we could not last year, we cannot this year or next year produce enough to supply all claimants with all the kinds of food they want. This year, our food stocks are called on to supply the people at home, our armed forces on 60 fighting fronts, our fighting Allies, and the liberated peoples. Still, of our total food supply, three-quarters will be consumed on our home front. All remaining claimants will get one-fourth of our output.

Every group would like to have more than can be apportioned to it. If we can provide more, we can help shorten the war. Therefore, the management of food is a wartime job of top importance. It is a front for all of us. Every one of America's 40 million families has a battle station on the food front.

For example, in peacetime the average American wastes some 380 pounds of food each year. Multiplied by 130 million, this represents almost 50 billion pounds of food thrown out into American garbage pails—enough to supply a large part of our Army and Navy and our Lend-Lease commitments as well. This waste is criminal in wartime and must stop.

As we study the wartime food problem we find there are four pillars upon which our program must be built. First, we must secure maximum production of the needed crops and livestock; second, we must conserve food and use it wisely; third, we must share—share with our armed forces and allies, share fairly among civilians; and fourth, we must change food buying and eating habits as required by wartime circumstances.

We must see to it that our citizens understand the facts about how our food is being used to fight this war. We must engender a new respect for food as a crucial weapon of war and establish a wartime code of food conduct so that every American—whether he be a farmer—producer—a processor or packer—a food distributor or consumer will help make our food fight by doing their best with what's available.

Helping citizens understand and adopt such a wartime code of food conduct is one job on which we are asking the assistance of business, through its advertising. This is one of the vital problems I hope you will think about, as you proceed with the work of putting "A War Message in Every Ad." If you will roll up your sleeves and become partners with us in this task, it is not too much to say you will be helping to shorten the war. For there is not just food at stake; there are the lives of tens of thousands of American fighting men.

DAVIS: We have heard Judge Marvin Jones, War Food Administrator. And before he leaves this microphone, I'd like him to answer one question for me. Judge, am I correct in summing up the points you have just made by saying that as the war progresses and we come closer to final victory, the more all of us may have to tighten our belts?

JONES: That is right, Mr. Davis, but if we can make the best possible use of our food at home and accept calmly and cheerfully the changes and inconveniences in our eating habits, we'll be helping food help win the war.

DAVIS: Our final speaker on this program comes not from government, but from business. He heads a voluntary non-profit organization that enjoys a semi-official status in Washington—the War Advertising Council. This group of earnest, public-spirited business men is one of which

American business may well be proud. They have been serving the interest of the war unselfishly, almost before the echo of Pearl Harbor died away. I, for one, think the work of the War Advertising Council typifies in the best sense the teamwork between government and business with the common aim of winning the war. Here is Mr. Chester J. LaRoche, Chairman of the War Advertising Council.

CHESTER J. LAROCHE: As Mr. Davis and the previous speakers have recognized, we have, in this nation, channels of communication unmatched anywhere in the world. Through the combination of news and advertising—news to report, advertising to inform and persuade—we can reach the eyes, ears, and hearts of 130 million Americans. We can secure a degree of unity, understanding and fervor which can help us end more quickly the waste and slaughter of war.

The organization formed by business to harness the great power of advertising to the war is the War Advertising Council. The War Advertising Council is a peculiarly American organization. I know of no other country where such a group could be brought together, or so much combined power could be geared to an entirely unselfish purpose. The Council is composed of owners and principals of magazines, newspapers, radio, outdoor, printing and direct mail, the country's advertising agencies, and the great industrialists who use advertising.

I want to emphasize here that the War Advertising Council has no selfish axe to grind. It is a business group representing no political party, and no pressure groups. Anyone who thinks it seeks to make money for the advertising business is wrong—*millions of dollars* wrong—as the following facts will show:

The advertising agencies of the country—the people who have written the Washington-released advertising on war bonds, scrap, black markets, etc.—have contributed more than four million dollars worth of the only thing they have to sell—their time and skill. Radio advertisers and the radio industry have contributed \$100,000,000 worth of time and talent during the past year to promote war messages. 440 magazines have been contributing at least one page of space a month for a campaign on total war. The newspapers of the country during the Second War Loan drive organized the contribution of 36,000 full pages of advertising, 25% of which they contributed themselves. 63 per cent of all outdoor posters are devoted to war messages. The car-card industry contributed 100,000 units of space monthly for war messages. In addition to their contribution on radio, national and local advertisers have contributed more than \$100,000,000 worth of space in magazines and newspapers. The drug industry alone is devoting \$2,000,000 for a special war bond drive.

The total contribution of the entire advertising field in the past 12 months was at least \$250,000,000.

And now *twice* that amount, or \$500,000,000 worth of space and time—is needed. Twice as much because the job ahead is twice as big. \$500,000,000 is roughly one-third the total annual amount of all advertising expenditures.

Our goal for the coming year is therefore two-fold:

First, one-third of all advertising space devoted exclusively to war messages.

Second, a war message in *every* ad.

As an advertiser this means that *some* of your space should be devoted entirely to war messages, and *all* of your space should *contain* a war message.

In other words, because your ad devotes most of its space to a product is no reason why a war message cannot also be included. A lot of information can be packed into a few paragraphs.

Let me say right here that this proposal does not in any way conflict with the radio network allocation plan or the various other radio allocation plans of the Office of War Information. These need supplementing, not disrupting.

One-third of all space devoted *exclusively* to war advertising. And a war message in *every* ad. If these two goals are realized, the cumulative power behind war messages will penetrate into every community and every home in the land. Understanding will replace uncertainty. There will be no room for indifference and life-as-usual. No longer will one-half the population say about the other half, "They don't know there's a war on."

Nor is this a program for national advertisers alone. The biggest percentage of advertising is local advertising. Dislocations in life and living strike into every community. Our great national problems are merely the sum of hundreds of thousands of local problems.

This is why local advertising media and local business men should arrange pools of space or money large enough to cover the local war advertising needs for the next six months. Such cities as Houston, Cleveland, Louisville, Portland, Hartford have already done this. No community in this country can fairly say that it is doing its war job until it is similarly organized.

During these talks, you have heard many references to "war advertising." When we speak of war advertising, exactly what do we mean?

We do not mean advertising that simply shows pictures of planes or tanks or guns. Everybody knows we're at war—it is eighteen months since Pearl Harbor. Is war advertising that which tells how a company's products are helping win the war? Generally no. It certainly is not if it doesn't help get action by the people. In the midst of a struggle for survival, while American boys are dying by the thousands, blatant brag advertising is in questionable taste.

By war advertising we mean advertising which induces people, through information, understanding or persuasion, to take certain actions necessary to the speedy winning of the war.

War advertising follows agreed-upon themes. As every advertising man knows, best results are achieved when all advertising on a given subject adopts the same approach, tells more or less the same story, makes more or less the same appeals.

These official campaigns are all things that virtually anyone would agree need doing. They have nothing to do with *politics*; they have a lot to do with winning the war.

What are some of these official campaigns? In the months ahead we will be called upon to help recruit housewives by the millions to leave their kitchens for the jobs men left behind, we will have to persuade millions to help harvest the food, can and process it, see that it is shared; we will have to persuade Americans to eat nutritious foods, to shun black markets, to understand the overall food picture; we will have to recruit part-time volunteers by the hundreds of thousands for rationing boards, Civilian De-

fense Councils, Army ground observers or spotters; we will have to help get our people to buy more and more war bonds, to spend less; they will have to learn to conserve—to eat it up, wear it out, make it do. We will be called upon to quicken public responsibility to stay on jobs every working minute, to work harder, without grumbling. We will need to make the meaning of the war clearer, to curb disunity, to halt loose talk, to de-bunk rumors. These are the action messages which badly need consistent mass circulation.

The War Advertising Council and the Office of War Information are ready and eager to assist advertisers in the development of war theme advertising. Many of you will receive shortly a booklet entitled "A War Message in Every Ad" which will, we hope, enable you to make an immediate start on advertising that is really "converted for war." If you wish further information on any war campaign, get in touch either with OWI in Washington or the War Advertising Council, 60 East 42nd Street, New York City.

On the other side of the world, our invasions have now begun. During the hard months to come, American boys from your home town and mine will fight and die on foreign soil. As they endure suffering and hardships that put our petty inconveniences to shame, we who stay at home—if we have a spark of conscience—must form a solid front line behind them.

There must be an end to bickering, petty jealousies, suspicion of one group of Americans for another. At this time, of all times, we must have unity. That is why this group of war leaders have taken time from their busy lives to speak to you today. We can achieve that unity, provided only that our people understand clearly what must be done, and why.

What will an invading soldier see as he looks to his homeland? Will he see a nation aroused—effective in action? Upon what he sees depends in no small part his morale. And upon his morale, his fighting spirit, depends our way of life.

DAVIS: Thank you, Mr. LaRoche.

ANNOUNCER: (WASHINGTON—WRC) The National Broadcasting Company in association with the War Advertising Council has presented a special program broadcast as a meeting between American business and the United States Government. The speakers included Judge Fred M. Vinson, Director of the Office of Economic Stabilization; Donald Nelson, Chairman of the War Production Board; Marvin Jones, War Food Administrator; Elmer Davis, Director of the Office of War Information, and Chester J. LaRoche, Chairman of the War Advertising Council. This program came to you from Washington. This is the National Broadcasting Company.

The National Association of Broadcasters

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

No. 7

SPECIAL INFORMATION BULLETIN

July 23, 1943

Labor Transcriptions

Transcriptions offered to stations at commercial rates by the United Automobile Workers and CIO necessitates consideration of the NAB Code of Ethics, with respect to the following provisions:

Controversial Public Issues

"As part of their public service, networks and stations shall provide time for the presentation of public questions including those of controversial nature. Such time shall be allotted with due regard to all the other elements of balanced program schedules and to the degree of public interest in the questions to be presented. Broadcasters shall use their best efforts to allot such time with fairness to all elements in a given controversy.

"Time for the presentation of controversial issues shall not be sold, except for political broadcasts. There are three fundamental reasons for this refusal to sell time for public discussion and, in its stead, providing time for it without charge. First, it is a public duty of broadcasters to bring such discussion to the radio audience regardless of the willingness of others to pay for it. Second, should time be sold for the discussion of controversial issues, it would have to be sold, in fairness, to all with the ability and desire to buy at any given time. Consequently, all possibility of regulating the amount of discussion on the air in proportion to other elements of properly balanced programming or of allotting the available periods with due regard to listener interest in the topics to be discussed would be surrendered. Third, and by far the most important, should time be sold for the discussion of controversial public issues and for the propagation of the views of individuals or groups, a powerful public forum would inevitably gravitate almost wholly into the hands of those with the greater means to buy it.

"The political broadcasts excepted above are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a

legally qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away.

"Nothing in the prohibition against selling time for the presentation of controversial issues shall be interpreted as barring sponsorship of the public forum type of program when such a program is regularly presented as a series of fair-sided discussions of public issues and when control of the fairness of the program rests wholly with the broadcasting station or network."

Manifestly any movement to influence public opinion on the subject of the actions of Congress is not "broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or election to public office, or in behalf of or against a public proposal which is subject to ballot." Therefore broadcasts of this nature should not be classed as political under the Code, nor should they be presented on paid time.

Station management should accept the responsibility of considering this matter as a controversial issue and allot time to both sides or schedule it on a public forum broadcast, if consistent with the public interest.

WILLARD D. EGOLF,
*Assistant to the President and
Acting Secretary to the Code
Compliance Committee*

The National Association of Broadcasters

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

No. 8

SPECIAL INFORMATION BULLETIN

Sept. 3, 1943

United States Radio, War and Post-War

By Paul Hollister

(Vice President, Columbia Broadcasting System)

(This speech was given by Mr. Hollister before the St. Louis Advertising Club and contains information which may be of use to station managers in their public relations work.)

The safe guide to the direction of post-war radio is a projection of the trends and techniques of the past and present. The intelligent layman's guess is likely to be as accurate as the research professional's, provided the layman accepts the potentials and limitations of finite radio engineering, and the professional researcher accepts the no less realistic but far less finite potentials and limitations of human nature, human relations and consumer reactions.

So your reporter in this series of post-war weather forecasts will not do much flapping around in prediction of specific facilities and services which radio will provide after the war has ended. To be sure, television (still around that corner) is within easy reach of production and actual broadcasting . . . but it will not serve widely unless it provides a form of entertainment, of instruction, of cultural and spiritual resort equivalent in quality at least to the standard of service provided by the invisible air today. A logical community of interest seems to be appearing over the horizon between the industry that knows best how to make pictures and the industry that knows best how to broadcast sound waves. Again, it is self-evident that another contrivance, called "radar," will serve the mass public in many and interesting ways—ways which cannot be described without telling the present enemy a lot of things he'd like to know about how radar is seeking him out and knocking him off. It ought not to take very long to put on the market improvements likewise in receiving sets of all sorts. Any engineer in radio can tell you some pretty

sensational stories about other superhuman mechanisms that will perfect the services of broadcasting. Your speaker today is no engineer. He is no prophet. Instead of the road of forecast, marked "Passable But Unsafe," he chooses the conventional graded highway in spite of occasional signs reading "Beware of Falling Rocks." He asks you simply to look back down the long steep grade up which radio has come so far, to observe the gradings and turns, and to guess with him what the general direction of radio's further progress upward may be.

Asks 'Modern' Radio Law

Constructive changes . . . that is, changes in the interest of most of the people, will not come abruptly. Restrictive changes, in the disinterest of the majority of the public, may come unwarned at any time through the capricious application of bureaucratic power, and further restriction of that freedom of speech upon which press and radio base inseparably and wholly. Let us assume that such lightning will not strike, though that is certainly an optimistic assumption until Congress passes a modern and equitable radio law. Let us concern ourselves not at all with the electrical gadgets under cover today. Let's take a glimpse of that path that radio has come to date.

Remember that public-serving radio, serving most of the people most of the time, is only about 20 years old. In that short span some 31,000,000 American families have come to depend enormously upon the 900 free radio stations and upon the American "fair-bargain" method of adver-

tising goods and services over those stations so profitably as to furnish a fabulous daily total of entertainment, instruction and culture without "admission fee" to all who care to listen in our nation. In 20 years American free enterprise has built a radio system which cannot be degraded to the position of mouthpiece for any administration, any pressure group. During those same 20 years there broke upon our people the greatest of all wars in the history of our self-preservation, and for the first time there was ready for instant use a means of communication to all the people.

Less than 24 hours after the Japanese attack on Pearl Harbor, President Roosevelt spoke not only to the assembled Houses and the press and the representatives of the foreign nations, but to some 63,000,000 rank-and-file American listeners. He was heard abroad, too. He was heard in Berlin and Rome and Tokio. The next evening he spoke again from the White House and some 70 million Americans listened. Thus within a couple of days of actual war, the people of our nation got their marching orders from the heard voice of their commander-in-chief. And from that voice the peoples of the world knew exactly where the United States of America stood.

No Radio 'Retooling' Necessary

From the moment the first news flashes from Pearl Harbor broke into that Sunday radio program on December 7, 1941, the full force of American radio swung into war action. No retooling was necessary. There isn't much question that radio's swift distribution of every flicker of developing war news made the American people the best-informed, as well as the largest, company of freemen on earth concerning the immediate fortunes and hazards of their country suddenly plunged into war.

Now at the risk of trying your patience with numbers, I propose to make that statement specific . . . for upon its proof will base your own easy projection of where radio is to go when peace comes. I shall now report to you certain war-time accomplishments of radio broadcasting, as these accomplishments are reflected from the records of a single network (CBS).

This report will take us from Pearl Harbor Day down through March 30, 1943 (the latest date of summary record), and it will go outside the CBS records to cite certain totals of joint accomplishment in radio by the Advertising Council and the Radio Division of the Office of War

Information. The only reason why the records of all four major networks are not included is because they are not available to this reporter. The totals run up by the single network which I shall recite are impressive enough alone; they are typical, I believe, of the pattern of activity followed on the other three networks; let their moral, therefore, be multiplied by four.

To the least of the 900-odd stations in the United States, radio volunteered, and to the least of the thousands of national and local advertisers using radio, their services were instantly placed at the disposal of the single common cause.

They sprayed the air morning, noon and night with a volume and variety of war information which no nation before had ever received in such proportion to its diverse and gigantic need. Quality and finesse and subtlety had to stand aside for quantity, for when a dam breaks it is common sense to block the flood before you try to purify the water upstream. No use to quibble now, or any time in the future, unless you're an academic historian, a professional diletante, or a disgruntled politician, as to whether there was during those first months of radio, too much, or too little, on the air, for the average shocked mind to absorb and to react to.

Radio Converts National Mood

One result is plain: never before had the *mood* of so large a democracy been so swiftly converted to a war footing, pointed in the direction of its most effective volunteer war behavior, or stimulated to project its volunteer tradition to greater result.

Out of the fog of mobilization, certain forces began to loom clear: (1) In government the departments and usable agencies most directly concerned with war, and with total civilian support of it based on the complete dissemination of essential war information. (2) In civilian life, the 900-odd radio stations who provide 31,000,000 of the 34,000,000 homes in America with constant free radio-listening of all sorts. (3) In civilian life too, the thousands of manufacturers and stores and services who alone implement the radio industry with the funds for providing broadcasting. The major problem became (and it is today much the same problem multiplied) one simply of collecting the information, sorting it, putting it into the best form to broadcast, persuading the network or station or advertiser to pay for it and putting it out on the air . . . and thus getting the information to the people.

The Office of Facts and Figures took over the Herculean job of bringing some sort of orderly flow into this torrent. The Office of War Information took over from the OFF, improved on its methods, staffed it with people somewhat more seasoned to their technical tasks (in its domestic radio division in particular) and produced a strikingly heavy and smooth flow of traffic in clearing the information output of 30 separate Government agencies (and two quasi-governmental agencies, the National War Fund and the Red Cross) to the total of the people.

Now to bring that flow down to realistic figures, let us see how war information of all sorts actually went to the American people over the CBS network alone during the period December 7, 1941, to March 31, 1943—a total of 480 war days.

CBS Is Active

CBS broadcast during that period a total of 11,880 programs containing war matter.

These 11,880 separate programs treated 16,055 war "items."

These 11,880 CBS programs used 2,165 hours 42 minutes of radio time, donated wholly by the network or the advertiser.

In addition to these 11,880 programs, CBS broadcast 6,221 programs of war *news*.

The grand total of *war broadcasts* of this single network, therefore, was (during this period), 18,101; they treated of 22,276 war items; they used 3,349 hours 39 minutes of broadcasting time, for which Government paid not one penny.

Of these 18,101 war programs, 9,272 were bought and paid for and volunteered to the war-effort by advertisers.

The remaining 8,829 war programs were bought and paid for and volunteered by the network . . . that is, they were sustaining programs.

Now to sharpen the focus of the effect of this upon the morale of the American people, let us take a cross-section . . . an average day . . . during this period, on this one network:

During an average, typical day . . .

12 times the audience heard a sustaining war-program.

22 times the audience heard a war program volunteered by an advertiser.

8 times the audience heard also a sustaining war *news* program.

5 times the audience heard also a sponsored war *news* program.

Thus . . .

47 times a day the radio audience of this single network heard war information.

What's more, the total of *war information* broadcast during an average CBS day was 37.6% of the entire broadcasting clock of the day.

Exclusive of war *news*, 91 different major war topics were treated in the subject matter of the program itself during the first 480 days of the war. In addition, seventy war topics were handled via straight war announcements. In all, CBS broadcasts aided 99 mutually exclusive major war campaigns during this period.

No man who has the faintest knowledge of the dependence of the American public upon radio, and who knows that the average family listening reflects that dependence by using its radio over 4 hours a day, can sneer at the power that radio has used with self-discipline and forthright patriotism since we went to war. It is important to bear in mind that the OFF and the OWI have never deviated from their basic policy of **guided voluntary effort**. It is equally important to recognize that the voluntary response was forthcoming to a degree no prophet could have foretold.

Now let us open the diaphragm of our lens so as to get a picture, if we can, of the combined war effort of *all* the networks and *all* the individual stations, as those records come off the diary of the Office of War Information.

OWI receives its broadcastable material from 32 government agencies. It sorts this inflow into eight classes, or eight different methods of most suitable *treatment*. Out of OWI, to the networks and stations and agencies and advertisers, these eight great "pipe-lines" carry the war information to the radio transmitters, where it is broadcast incessantly to all America.

Public Gets the Low-Down

Through this "processing and clearing" technique, the U. S. radio public receives (according to the circulation estimates of the OWI itself) during each average week:

74,450 station war-information broadcasts.

It is the OWI's reasonable calculation that these broadcasts amass a total of Listener-Impressions each week amounting to 474,800,000.

Huge as that figure is, if you divide it by total population, it provides no more than the exposure of the total of the American people about four times a week to a war message. Maybe it's not "too much," but really little after all. This is a 7-day war, isn't it? I haven't heard that the men in uniform get three days off each week.

The plan for sorting and clearing this mass of war information is the joint development of the OWI and the Advertising Council; it isn't any more complex than an International Business Machine, but like that machine it sorts out, adds up, and works. Here's a typical week's schedule broadcasting during March, 1943; the estimate of Listener-Impressions is OWI's own, and it must be noted that the OWI confesses that "these figures cannot possibly take into account the spontaneous efforts by *commercial* programs which we cannot always trace." But look at that typical week:

WAR BONDS got	165,320,000	(Listener
MEAT RATIONING	154,960,000	Impressions)
U. S. CROP CORPS	132,750,000	
WAAC RECRUITING	94,820,000	
VICTORY GARDENS	44,960,000	
SOCIAL SECURITY		
CARDS	44,960,000	
RED CROSS	42,800,000	
HOME FORCES	23,210,000	
UNITED NATIONS	19,450,000	
FIGHTING FORCES	16,570,000	
WORKING FORCES	11,680,000	
THE ENEMY	9,530,000	
WOMANPOWER		
WAR JOBS	9,000,000	
LEND LEASE	4,800,000	
POST WAR WORLD	2,910,000	

The mass of voluntary war-information broadcasting adds up to a large sum of hard money.

87 Millions Donated

"Broadcasting" (the magazine) on March 29, 1943, estimated the time volunteered by networks, stations and advertisers to programs cleared through OWI, at \$71,570,000 at card rates and best discounts; the talent donated at \$15,330,000; the total contribution for a single year of war broadcasting under the OWI-Council plan of clearance at \$86,900,000.

The actual out-of-pocket is considerably more than that figure today. One little item in the calculation worth noting is that the total of U. S. radio stations were estimated to broadcast 400,000 quarter-hour Government transcriptions in a year . . . an out-of-pocket of some \$7,740,000 for those stations themselves.

It is impossible to do more than hit the high spots of results. The intangibles are brilliantly apparent to everyone who has the eyes to observe. But some of the tangibles are unusual.

The radio campaign on Victory Gardens helped raise the decision-to-plant from 48% (1942) to 59% in 1943 (about 2 million families).

A concentration on V-letters increased the processing 116% in 3 weeks.

Fat-and-grease collections went up, under radio advocacy, from 3,016,338 pounds in August, 1942, to 7,273,016 pounds in March, 1943.

The Coast Guard says that the applications for reserve officers' training rose 40% following the radio network time allotted the service.

Prentiss Brown called the radio broadcasting of point-rationing "an outstanding job." Norman Davis says the 1943 Red Cross Drive was "successful due to the splendid cooperation of radio and other media."

A Victory Food Special drive on cheese moved cheese "into the millions of pounds," according to the administrator. In fuel oil (Mr. Ickes testifying), in War Bonds (Mr. Morgenthau speaking), in Community War Chest Mobilization (Mr. Tom Smith on the stand), the witnesses all confirm the force voluntary radio added to the solution of an emergency. Radio in a few months trebled the number of citizens who believed that gasoline and mileage rationing *was* necessary. Radio discouraged Christmas travel so thoroughly that Mr. Eastman said radio averted a railroad breakdown.

The Army and the CAA wanted glider pilots, and a 2-weeks' radio campaign got 30,000 grade-A candidates. . . . In a 10-day radio campaign, 92% of the country was convinced that a Victory Tax was not only tolerable, but did so without drawing down the sale of War Bonds. Shoe rationing had to be kept so secret that the OWI called it "the oyster campaign" . . . but when it was announced it was announced by Sunday radio . . . the stores were closed. When they opened Monday morning, radio had averted stampedes and chiselling.

Red Cross Recruitment Booms

The Red Cross needed 3,000 nurses a month, and in 3 weeks of radio enrollments went up 100%. The Office of Defense Health and Welfare needed student nurses, and the radio industry and the advertisers of the country got 23,972 applicants, of whom 19,000 were eligible. In the spring, radio urged immediate though unseasonable coal purchase, and deliveries went up 70%. The CAA wanted non-combat pilots, and though every previous recruiting effort had failed, radio got them 104,000 new applications. Recruitment of war workers at U. S. Employment Services gained 21% in January over the previous months . . . under skillful radio exposition. And so on. . . .

The short paragraph of "results" is a flea-bite on the total. The total, no mind, no set of adding machines, can encompass. But a good deal of what radio has done . . . through voluntary effort all down the line, mind you . . . can be sensed by everyone here as he goes about his daily life. It is apparent, it is plain as day, in the attitude of every real patriot you know . . . every clamorous, impatient, let's-go, common-sensible, self-confident American citizen who has forced himself to think this thing through despite his indifference to "being told," his jealous grip on the right of free speech, his resentment of coercion of all sorts.

Someone said one night, pre-war, in the presence of a great general of the old Army, "We're a peaceful nation." "Peaceful, hell," said the General officer, "we are a damn war-like nation! Step on our toes or shut our mouth or try to order us around without showing us how and why, and look out!" Radio, I think, has helped to "show us how and why." Not all we want to know, by a long shot, but it is possible that we could talk so much that we might tell the enemy something of aid and comfort.

And radio hasn't told us unpleasant things in the manner we all like best, either. But figures like those I have recited, and they are indeed fragmentary, cannot be construed as apology by any but the mischievous. They stand on their own bottom. It would at least be equitable if the experts who want to tyrannize the radio structure, or to sand its machinery, could stand so securely on their own record of performance.

We Have Just a Glimpse

Now we've had a glimpse . . . and I repeat it is only a fractional glimpse of the impact of radio upon a people at war. We have had no glimpse at all of the steady daily service provided to take people to churches-of-the-air by the millions, to pour out to them the music of half a dozen first-rate symphony orchestras, to carry to the total electorate with rigid impartiality both sides of all controversial questions, to invite the mass of the American public to attend regular schools of the air, and to provide the mass of the public with a daily bill-of-fare of outright entertainment the like of which has never been offered to any people on earth. But all those services went forward, pursued with extra skill and extra zeal by the broadcasters who knew that it's just twice as important to support the human mind and spirit in wartime as in peacetime. We have not time to glimpse the short-wave operation which has pre-

sented the American viewpoint to the world, nor to glimpse the job that has been done to short-wave special entertainment to our men in the field all over the world.

On the train last Tuesday I met a Marine corporal, a kid, from Indianapolis, and on his sleeve was a patch marked Guadalcanal. "Get any radio?" I asked. "Sure, sure." "What's best?" "Well, I *guess* that 'Command Performance.' One of the boys got a little receiver and man, we sure didn't miss that one!" "How many listen at a time?" "Oh," he said, "many as could git within hearing. Not less than three or four hundred. And boy, I want to tell you, when they played that Star-Spangled Banner you see plenty of 'em crying right into their whiskers. It shore does something *to you*."

What Is Ahead?

I could stand here till the war ends reciting facts and figures. I won't. I'll take a long running guess ahead, and look out for falling rocks.

Radio hasn't begun to start to commence to approach its horizon. It's going to help rip the sides off the colleges and universities, so the folks outside who support them can see and hear what's going on inside them, and apply it to their own lives, and receive a *quid pro quo* for their contributions, especially to the endowed and private institutions and laboratories.

Radio can be a major force in a renaissance of reliance upon religion. Radio has already learned ways to translate academic book-larnin' into audible forms and dimensions more "graphic," therefore more memorable, than the printed page. Radio can do things the press cannot, just as the press can do things radio cannot . . . and the sooner the sophomores in both industries throw away their brass knuckles and accept the nobility of joint responsibility which is inherent in their community of interest, the better.

Radio can continue to fashion, out of a nation of human beings who find it a little hard to carry a tune even in a bathtub, a nation of real musicians . . . as radio has already begun to do. These are a very few of the things radio can do, if (and only if) the American people wish it. Radio can collect and disseminate live news from here to Singapore and back, it can acquaint people with each other as no other medium short of physical travel can do. If you want radio post-war to help heal the world radio is ready . . . and there will be new techniques as forward of today's as today's are forward of the programming you heard on your crystal set back in 1923.

Radio Creates Demand

It is pretty generally agreed that if we are to adopt a national policy of low-priced productive abundance after the war . . . and there is no other policy conceivable if this country is to go on a free democracy . . . it will base on full employment, at a wage which will buy the low-priced abundance that can be produced only by full employment. This implies a volume distribution of goods and services which makes the pre-war consumption look palid by comparison. But before there can be consumption (even granted money in the pocket) there must be demand. Radio has already proven its power in creating demand. It can create new demand for Kishlar's food and Irwin's plastic and Bowes' glass and Dunn's railroads as well as for Miller and Proeser's ideas.

The price level of radio itself to the distributor must not exclude the small distributor of goods and services. Radio, from the start, has been challenged to produce programs which would certainly follow, preferably the veering tastes of the public; the challenge is greater today, and will be

greater tomorrow. After all, nothing in the world causes the average radio-owning family to spend an average of four or five hours a day listening except that the average programming is *wanted*.

Radio broadcasting as a producing industry is itself deeply interested in turning out a product *demande*d, because it is "better for less," by most people; the radio industry is wholly selfish in intending not only to serve as a medium for sustained employment in the other productive plants and systems of our economy, but in its own plant as well. For two years past CBS has been studying post-war; CBS has no "package plan" to solve the world's ailments. But when the whistles blow, this network of ours, and every other network, and every station that is of no network but that is somewhere serving its community with its best possible product . . . they'll all be there doing their best to adjust to the new order as they adjusted that Sunday afternoon December 7, 1941.

Now, gentlemen, thank you for your patience. Add up your own guess. It's the correct, or 64-dollar, answer. Now let the rocks fall where they may.

The National Association of Broadcasters

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

No. 9

SPECIAL INFORMATION BULLETIN

Sept. 24, 1943

Radio Newscasting and News of Radio

(Herewith are presented two addresses given before the first meeting of the NAB Radio News Committee at the Waldorf-Astoria Hotel, New York, Sept. 15-16. Because both talks contain information of interest to station operators, news personnel and publicity personnel, NAB is presenting the full texts below. Titles and identity of the speakers are listed with each address.)

"After 12,000 Newscasts"

By Charter Heslep, News Editor, Broadcasting Division,
Office of Censorship

Mr. Chairman and Gentlemen:

This meeting is not concerned directly with war-time censorship and I wish the record to show plainly that I am not here representing the Office of Censorship or the government. Some of these remarks may be critical and it should be understood that any opinions ventured or suggestions made do not in any particular reflect the views—official or otherwise—of Censorship Director Byron Price or of the Assistant Director who heads the Broadcasting Division, J. Harold Ryan.

In fact, the Office of Censorship not only has no criticism of Radio's handling of news but is proud of the record being made by the industry as a co-partner in the unprecedented experiment of voluntary, civilian censorship. As of last Saturday, this record showed only 177 confirmed violations of the Broadcasting Code in a total of 12,044 news shows heard or read by the Broadcasting Division's radio news desk. That's a batting average of 98.3 per cent for the radio news editors of the nation acting as their own

censors. It is convincing evidence that Radio, working with an equally alert Press, has succeeded so far in throwing up an effective security screen around our global war operations.

My only fear in telling this is that you may get overconfident, complacent or careless. Any violation—tho it may be the *only* one in a hundred broadcasts—can be tragic. Just last month, there was a serious breach of the Code which may have endangered the lives of a group of Army communications specialists. We must not relax our day-to-day, hour-to-hour vigilance for a single newscast, commercial or continuity. And the Code should be required reading for every new staff member as well as for the veterans. A veteran of today, according to *The New Yorker*, is an employe who has served loyally for a full six weeks!

Monitor Millions of Words

Walt Dennis asked me to talk shop with this committee from the viewpoint of an experienced newsman who has had an unusual opportunity to

observe news broadcasting. The topic assigned—"After 12,000 Broadcasts"—means that through the operation of two simple controls set up to check on Code observance throughout the country, the radio news desk of Censorship has monitored, reviewed or precensored every one of those 12,044 shows I mentioned earlier.

The two controls are a monitor of network programs which enables us to catch 400 to 600 shows a month and spot checking of selected groups of stations which brings us about the same number of news scripts every 30 days.

These uncounted millions of words include, up to now, the outgivings of more than a hundred network commentators and newscasters and at least one entire week's news production from more than a third of all the stations of the country. These stations include everything from 100 watters to 50 kilowatters. Some have been checked in every state in the Union.

These remarks may seem heavily slanted on the newspaper side. This is because of 15 years as a newspaperman and less than 3 years in Radio. And because I feel that Radio, to use a mixed metaphor, is today the world's widest read newspaper. And that Radio should live up to the opportunities and responsibilities that go with this newly acquired position in the life of our nation.

The National Association of Broadcasters is making a sound move in setting up this distinguished committee to formulate standards to be set before the industry that will improve the overall presentation of news on the air. And any apparent shortcomings that may be discussed here do not represent an indictment of all broadcasters. In most cases, the practices cited are found in relatively few stations. I may even be accused of fly specking. But if any points made here help this committee in its important task, the effort will have been worthwhile.

I had instilled into me by editors I almost worshipped, some high standards of journalism. Working the various beats, departments, news desks and finally as a managing editor, I tried to live up to these ideals. We realize that no paper or service ever achieves perfection. Sometimes my paper fell down miserably. There were moments when I felt cheap, mean and discouraged. But always there were these guiding standards, these goal posts, to give me a fresh start.

The standards that seem pertinent to this committee's discussions are ACCURACY, HONESTY, INTEGRITY AND RESPONSIBILITY. Let's start with ACCURACY.

Accuracy

A well known newspaper buys a lot of spot announcements. The punch line of these messages has been: "When You Read It in The Star, It's TRUE." Some cynics scoff at this paper as dull and uninteresting. But I was part of its opposition for 12 years. I know that this insistence on accuracy built up a remarkable reader confidence—a blind loyalty that would cause me to boil when some of my friends just couldn't conceive that our paper could be equally as accurate as its older competitor. And advertisers have reacted to this prestige by making this paper the nation's lineage leader for more than a decade.

How can radio achieve such an enviable position? Especially when it must carry the burden of the careless listener. The records of Censorship do not reflect the hundreds of inquiries we have from listeners—sometimes including generals and admirals who are willing to take an oath they heard the Code being violated. Most of you in this room have had requests from us to check on such charges. And most of the time we find it was imperfect listening. How to deal with the careless listener is more a matter of style and technique of radio writing but Radio always can have one complete answer—the story as actually broadcast was ACCURATE. And—as long as the war lasts—didn't cross the Code!

No single move will do more to achieve accuracy than *copyreading*. I hope this committee will recommend that no broadcaster ever put a line of news on the air unless it has been read carefully by someone. Consider the care a well-edited paper exercises. Every story is read by the city editor, telegraph editor, or department head. Then a copyreader goes over it, word by word. The news editor gives it a look-see. The composing room proofreads it and the managing editor or some editorial executive checks the proofs before the paper locks up. That's five operations. No wonder bad bulls in the Press are collectors' items.

'Bust It, Bust It. . .'

What happens in some radio stations? The ticker buzzes merrily in a corner. Shortly before the next newscast, an announcer bounds over, measures up on his arm the amount of copy he needs or snips off the last roundup and rushes to the mike. Before NBC sent me to Censorship, I had a spot on a small station right here in New York. One afternoon, while mulling over some

stuff for the next day, I heard this: "San Francisco—The Western Defense Command today ordered the evacuation of all bust it, bust it . . . I beg your pardon." The announcer hadn't even glanced at the copy to notice that there had been a wire break.

This case, I hope, is an extreme one. But of the 340 stations spotchecked to date, more than half originate NO news. That means several million listeners get only what comes over the tickers and what is fed from the networks. It seems reasonable to conclude also that in many of these same stations there isn't a single person employed who possesses much newspaper experience. This situation places a terrific responsibility on the networks and the news services serving radio. Doubtless the manpower shortage explains some of this lack of enterprise by individual broadcasters.

Copyreading comes as natural as breathing to a newspaper. A \$40 a week desk man has no inferiority complex about cutting the stuff of a \$1000 a week columnist. Even a printer will come to the copy desk, holding a pencil smeared piece of copy of perhaps a famous writer and ask: "Isn't this dope all wet here or do you want it to go that way?" But in radio, there is too much reverence for big names, too much standing in awe of the name commentator or newscaster. One night a top news analyst violated the Code. When the originating station was called, the news editor on duty said: "Gee, Mr. Heslep. I thought it was wrong but who am I to question Mr. X. I'm just an announcer here in charge of news."

Station managements should give their news editors complete authority to copyread all material and have the final word—even if that word means ordering control to cut the program if a commentator tries to use material the editor has ordered out. No commentator, analyst, ace reporter or expert who is not a complete stuffed shirt or afflicted with a messiah complex is going to resent competent and intelligent copyreading.

Check Wire Stuff

Don't take your wire service as the last word in perfection. This is no reflection on the great news organizations serving Radio and Press. But any telegraph editor worth his salt is quick to detect inaccuracies that inevitably appear on any news wire. I recall that while night editor for NBC, one news service began winning the war every night in its roundup. After steering news writers along a more realistic approach for a few nights, we protested to the service. I presume

some managing editors did likewise. The situation was corrected.

Dozens of stations, particularly those in semi-rural communities, are attempting considerable local coverage. The police blotter, courts, city government, community meetings and that life-blood of the small newspaper—the personals—are being used. The station usually pastes up clippings from the local paper or just marks up a copy of the paper—a throwback to the early days of newscasting. A few really are doing a neat job of processing this news in interesting fashion. Here, too, accuracy should be paramount, especially where the relation between station and listener is apt to be very personal.

We've all acquired habits as voluntary censors that should be carried over to post war broadcasting. I refer to the Code requests to verify all messages sent in by telephone, to check the source of emergency notices, to edit letters from overseas and to check personal items to see that no clues are given to troop or ship movements. All of these checks promote accuracy—as well as security. Accuracy should be one of the cornerstones in any set of radio news standards.

Honesty

Honesty is the next standard. When debating over making the switch from city room to radio news room, an old broadcasting veteran said to me: "The biggest thing you've got to realize is that you're going into the show business." Well, after I got into radio, and especially after a year on an observation post in Washington, I wonder if radio management wouldn't do well to forget it is in the show business when it is promoting its news department. Legitimate promotion of commentators and services—yes. Frenzied overwriting and extravagant claims for this or that "news boy"—no.

Today, Radio tosses around the words "commentator", "news analyst," "editor," "newscaster" and "reporter" like so many balls kept in the air by a juggler. I know this committee will attempt to evaluate these terms and give them definite meaning to the public. Here is some comment that may be useful. An opening commercial or top sheet breathlessly tells you that this or that "international expert, famous newspaperman, ace reporter" and so forth is about to give his keen analysis of the news and comment on the great events of the day. And what comes next? A collection of from 10 to 15 stories clipped from a wire service. In some cases there isn't a

single pencil mark on the copy! This phoney buildup also hits a network now and then. A commentator fairly new to the airwaves is a good newspaperman and a friend of mine. However, like most newsmen who haven't made a trip abroad, my friend has a fairly obscure background. Both of us get a chuckle and then feel a little uneasy over the false glamor that the network press agents weave around him.

Then, there is the plagiarist. A wire service man comes up with a good think piece. Or a correspondent gets a real beat. Or a rewrite man happens to do a particularly fine piece of writing. How many commentators give the service or the man credit? In one instance, a Washington correspondent did an excellent piece of deduction on a night when newsbreaks were few. I happened to listen to three commentators that use this service. The first analyst appropriated the story completely as his own. The second merely read the story. The third had the honesty to report it as an excellent story on the wire service he was using—even giving the writer credit.

Give Source Credit

This deception also extends in a lesser degree to the stations. Your newspaper labels most of its material. The press and picture associations call you quickly and loudly when you omit that log or agate credit line. But some stations blithely present the news "as gathered by the WWWW newsroom." This committee may see fit to recommend that all material be identified where such labeling contributes to more honest news presentation.

A station discovers it has an announcer who is very facile in reading news. He may never have written a story or handled a piece of copy in his life. But in no time at all he may become a commentator. Why, he'd be paralyzed if he had to write his own script. I recall an instance when an excellent news announcer—newscaster seems to be the right word—was asked to address a prominent women's club. He rushed about the newsroom seeking to get some lowly scribe to ghost the speech for him.

Take another amusing case. It was shortly after the fall of Crete and the top news had shifted suddenly to Russia. A "news analyst" was looking over the copy served up to him neatly by a newsroom writer. "Say," he exclaimed, "there isn't any news from the Mediterranean tonight, eh?" Before the writer could explain, there came this explanation from the bogus commentator:

"Oh well, THAT war down there is over now, anyway."

Remember how you cursed in the old days when you put out a nickel for an extra that amounted to a fake? Well, Radio has abolished most of the newspaper extras—both legitimate and spurious—but has appropriated this vice as its very own. One salutary effect of the war is the virtual banning of the word "flash." I shudder every time I read a show whose format calls for insertion of a last minute bulletin. Some radio men seem to think they can order news to break to suit station schedules. This vicious practice often forces a news editor to prostitute his judgment and give listeners a completely phoney bulletin. A famous network show used this trick for a while. One night, it inserted a "bulletin"—a story taken from the previous day's edition of a New York newspaper—and incidentally ran smack into a Code violation! Another night, a sports result came in just as a newscast went on the air. It was included in the news show—complete result. Thirty minutes later—on the same station—a sportscaster shouted: "And here is the result of that game just torn off the news ticker . . ." I don't think the listening public is so dumb that it isn't going to catch on and lose faith in the honesty of radio news.

Radio Has Speed, Freshness

Speed and freshness is one of the greatest advantages Radio has over the slower paced press. But I wonder if some radio operators realize that even tho it has the pace of a tortoise as compared with broadcasting, a good newspaper that gets a break on edition time can get on the street in 20 to 30 minutes? Today, with newscasts on the hour, quarter-hour, half-hour and sprinkled in between, the bulletin quality of any news break fades quickly. New millions have become regular radio news listeners—but we don't have to bulletin them to death to hold their interest. A good news writer can revamp his show smoothly to put a new top on it within 30 minutes of air time. Why not restrict the use of the word "bulletin" to those newsbreaks that occur within 30 minutes of air-time? It's so easy to keep the freshness of radio news before the listener by phrases like "less than 2 hours ago, a dispatch from North Africa said. . . ." If such a standard were accepted in the radio newsrooms of the country, the word "bulletin" would again come to mean something to the public.

This committee might well recommend definite standards to eliminate these petty frauds and trickery from news programming. If the public is to develop complete trust in radio's presentation of the news, we've got to be honest with it.

Integrity

The next goal post is INTEGRITY. Here, let us look at sponsor censorship, controversial issues, propaganda and time chisellers.

Just last week a friend asked me to read the manuscript of a proposed text on radio news writing and supervision. Several pages were devoted to "sponsor's rights." The author inferred that if a news spot was sponsored by an airline, for example, and a crash occurred on that line, the news should be played down!

Here's an angle that timid broadcasters (and newspapers) might be overlooking. It so happened one year that within a few months, I ran into some hot stories involving local business concerns. The first one caused an advertiser to cancel a 25,000 line contract. The second sent a smaller contract out of the window. The third resulted in the withdrawal of a 50,000 line account. The "front office" was getting dazed. But the stories were accurate, truthful and newsworthy. The editor stood firm and the paper's policy didn't change. And do you know, that within six months, all three of those accounts were back in the paper—one with a lineage boost? It seems fair to assume that respect for the paper's integrity plus its value as an advertising medium that couldn't be passed up must have figured in the return of this business.

All of us know of a large oil company that sponsors many newscasts. This firm has been in the spotlight on many occasions—sometime a most unfavorable spotlight. To my knowledge, the agency placing this radio business never has protested the use of stories critical of its client. I hope this committee will take a firm stand against any so-called sponsor's right or sponsor censorship. And that station managements will stand resolutely behind the judgments of its news editors if demands are made to suppress a story.

Editorializing

There is the much discussed problem of editorializing on controversial issues. As I understand it, the broadcast practice aims primarily at preventing the possibility of political control by any party over any segment of broadcasting. But

if you had read all the scripts that have passed over the radio news desk in Censorship, you would conclude this theory is a dead letter in many cases. Network commentators certainly reflect almost every shade of opinion on controversial subjects. And you don't often hear a disclaimer by the station or the chain. Two outstanding men appear to voice the views of extreme conservatives. A half dozen others expound the liberal viewpoint with the fervor of a crusader. The most conspicuous example has been the battle raging over our foreign policy.

There are stations who boldly label certain of their programs as "editorial." Several news programs devote a section to what is called openly "the editorial page." And this is not confined to national issues. In a western city, a local commentator poured out purple passages of vituperation against certain members of the City Council for a week. I've wondered if the station was sued for libel! But during the week reviewed, there was not a single word of rebuttal.

What appears to be a possibly dangerous practice is presentation of only one side of a question while claiming that what is said is the whole picture. The lead-ins may say there is much confusion about a certain issue. Then comes the punch line, delivered with finality: "Here to give you the FACTS on this issue is Mr. So-and-so." And then Mr. So-and-So proceeds to give all the facts—favorable to one side of the issue. The listener is NOT told that what he has heard is only one side of the question. If he has only a casual interest in the topic, he may think he has just heard the complete story. He has not, and I think this is a serious breach of any standard of integrity of radio news that this committee may set out.

Propaganda is a much abused word that means many things to many people. Some charge that all the government releases funnelled thru OWI into the stations are propaganda. Without discussing the merits of that contention, I think it fair to point out that other governments are bombarding radio news desks with free material. Some of it is definitely slanted to give the government's point of view. And it is being used. We have had numerous inquiries about this material. In a week's scripts from one station, there were eight newscasts consisting entirely of verbatim reading of handouts of governments other than our own. Three were from the Swedes, two each from the Dutch and the Belgians and one from the Australians. A very internationally minded sta-

tion, you may say. But what of this broadcaster's ability to protect the integrity of his news? This is not said in criticism of the excellent information services operated by the neutral and allied governments. But it is a red flag to radio news editors to weigh carefully all propaganda. Pressure groups and minorities in this country are active. Many have powerful backing and plenty of money. The flow of handouts and transcribed features to stations is going to increase. And all this imposes a heavy burden on the station management and its news editors to keep their judgments keen and sharp.

Adopt High Personnel Standards

Many of you will recall the scandal that resulted when a congressional investigation revealed certain interests were paying off renegade newspaper men behind the counter to write articles favorable to these interests. The expose was damaging to the prestige of journalism. If we are alert, we can prevent anything like that happening in Radio. A sound policy would be to adopt as qualifications for a station news editor the same high standards required for admission to the Radio and Press galleries of Congress. Require the news editor to divorce himself of outside promotion, lobbying, publicity and other work—and pay him accordingly. There aren't many stations today—even those originating no news—that cannot with profit to their service to the public employ a full time man in charge of news and coverage of special news events. And if they get the right man, the broadcasters will be taking a major step toward safeguarding the integrity of their news.

Now, for the time chiselers. At a cocktail party recently, a "public relations counsel" boasted that he was getting his clients' products plugged on 205 stations every week for only \$3.50 per station. That's the cost of producing a 15-minute show, the platter and mailing charges. The vehicle is a well written news feature with the free advertising worked in very skillfully. The press agent added that he was not dealing only in teakettles—that he had many big stations on his free list. All of us have been following the current argument about railroads buying thousands of lines of newspaper space but getting the same advertising free over the radio. Also, there are many anecdotes about commentators and newscasters "paying off" for free merchandise, free meals, free hotel bills and the like with sly plugs on the broadcaster's time. I don't know how true

these stories are and haven't seen much evidence of this in my brief years in radio. But news editors should be alert to guard against such infringements that may occur in their bailiwick and against subtle or cleverly concealed plugs that smear the integrity of the station's news.

Responsibility

The last goal post is RESPONSIBILITY. Perhaps here is where a plea should be made for more aggressiveness by individual stations in news handling. Several times "no broadcast" slugs have been slapped on stories on the wire services thru misunderstanding or just plain stupidity. But I have yet to hear the first complaint from a radio news editor.

Again, it sometimes appears that almost any shave-tail or one striper can scare the wits out of a station with a single phone call. Cases are on record of an officer—way out of bounds—ordering a broadcaster to suppress a program or story. Willy, nilly, it is done. Not many months ago, an Intelligence officer called up a network and said an innocent little show was dangerous to security. Without investigating, the network immediately ordered the format changed in such a way that the main feature of the show was killed. The next day, the owner of the show tossed the problem in the lap of Censorship. It did not remotely cross the Code. There was no security factor not already provided for. The show was restored to its original form—but not thru any aggressiveness of the network in protecting its rights.

I should state here that we have a huge Army and Navy with many newly indoctrinated officers. It is to be expected some will make mistakes or that some will try to throw their weight around. We always get 100 per cent cooperation in such cases from the top ranks in Washington.

I'll wager that if a general walked into any country weekly and started issuing orders, the editor would tell him to stick to running the Army or take the responsibility of declaring martial law. Once, while I was a managing editor, a three-star general practically demanded our paper not run a certain story. We weren't at war then. And the story wouldn't violate today's Code. Well, when the General refused to give the Army side of the issue and continued to insist on suppression of the story, I had to inform him acidly of a certain warm region where I was consigning him and his ancestors. It is the responsibility of news

editors to defend their stations against any unreasonable demands involving news.

Balance News Schedule

Is a station licensee obligated to provide news for his listeners? Most stations now find the news department they once kicked around is now a good money maker. It's so profitable that some of them are losing all sense of proportion and scheduling newscasts and commentaries in such profusion over the broadcast day that it is a wonder that the ratings of all news shows aren't dragged down by a bored public. But what about the leaner days that may come?

Well, I don't suppose any station will lose its license because it drops all its news shows. But can you think of any type of programming that provides such a complete answer to that much discussed phrase ". . . in the public interest . . ." as a well balanced schedule of newscasts and commentaries with special news events handled with judgment and intelligence?

War has brought us the biggest audience in radio history. It was news that did it. Is it going too far to say that it has become the duty of every broadcaster to provide his listeners with the best and most complete news coverage he can afford? Also, I feel that the radio news editor of today and in the future should rank as the **equal in importance** with other department heads. Of course, probably all of us here may not be unbiased judges of this question. But in pointing up some possible shortcomings of our present handling of news, we have only emphasized the vast importance of this segment of the broadcasting picture, especially in its impact on the public.

As soon as the war is over, many stations probably will not be content any longer to tear copy off the ticker and plug in the network. Of course, some stations are fat, rich and lazy. They may feel: "That's all I need. That gives them the whole story. Why put out more money for news?" Well, it isn't the whole story as I shall explain later. And I think it is unworthy of 50,000 watt stations—which should be the leaders in the industry—to follow such a course. But I can name a half dozen in this class that are content with this kind of coverage. Here's another angle of radio measuring up to its responsibilities—and opportunities. Some leaders in the industry are mystified that the public and Congress appear to have so little interest in the welfare and advancement of Radio. The average citizen will run a temperature when freedom of the press becomes an

issue in any part of the nation. But all of us know how little he bothers about matters affecting the freedom of Radio—which is freedom of Speech.

I understand that a survey is to be made to find out why Mr. and Mrs. Citizen seem to care so little for an institution that brings them so much. Some critics blame this condition on lack of an aggressive public relations policy of the industry. Some psychologists say it is because Mr. and Mrs. Citizen will have to pay out money for their newspaper and that radio is free. And that a person always feels a proprietary interest in something he pays for. Perhaps that factor will disappear in some future year when everyone owns a television and facsimile set and has to pay service charges to keep the receiver supplied with paper.

Need More Local News

But here I make a plea for a more adequate local coverage of news, for local commentators translating the news into terms of their own particular main street and crossroads, for objective but authoritative discussion of local problems. Perhaps I'm still a city editor who can't get out of the habit of thinking that, in normal times, local news sells the most papers. You will find that Army and Navy PRO's have drilled into them the importance of providing the home town paper with personal news about the boys and girls in the armed services. Any college press agent, and I was one, knows that altho it may be drudgery, home town items are tops in building interest in his school.

At least two small stations recently have hired reporters to gather just this kind of news and put it on the air. A few are devoting one spot a day entirely to local items. I'll wager a reasonable sum that the listeners of such stations will come to feel a more personal interest in the welfare of these broadcasters. And it is my belief that if station managements will assume the responsibility for developing adequate local coverage; if they will pay less money for promoting second rate commentators who parrot the news of rehash what the network men have said and give more thought to developing good local commentators, if all this happens, I believe you will see developing a closer relation between radio and its listeners that may serve Radio well if its welfare is imperiled—either by government or any combination of other interests.

In all of this finger pointing, I am speaking as one who is completely converted to Radio, who hopes to live the rest of his life with it. I have

tried to set out four important goal posts to which can be nailed practical suggestions looking to raising the standards of news handling by Radio.

Under ACCURACY, were discussed the importance of copyreading and complete authority of the news editor.

Under HONESTY, have been listed several petty deceptions such as phoney buildups, false labels, lack of credit lines, the overworked bulletin coupled with a suggestion for a 30-minute deadline for use of that term.

Under INTEGRITY fall the important topics of sponsor censorship, fair play in handling controversial issues, an alertness to propaganda and a ban on all time chiselers.

Finally, under RESPONSIBILITY, I have

pleaded for more aggressive defense by news editors of their rights and contended that it is the duty of every station to present the most complete coverage within its means. I have asked for more local coverage—both from the angle of listener appeal and as a cataclyst to bring radio and its audience into a closer bond of friendship.

I wish to thank this committee for the honor of being asked to talk with you. And may I repeat, in conclusion, that my remarks are based on the study of those 12,000 broadcasts; that they represent only my personal views and have no official connection with my duties as a radio news editor for the Broadcasting Division of the Office of Censorship.

Thank you—and “Thirty.”

“News of Radio Within the Industry”

By Bruce Robertson, Associate Editor, Broadcasting Magazine

Looking at the radio trade press—but why should I pretend to be modest?—if I’m going to talk about industry news I’m going to talk about the way it’s handled in the sheet I work for, so I might just as well start out by saying BROADCASTING MAGAZINE and not go to a lot of trouble to think up fancy synonyms which would mean the same thing, anyway—looking at the current issue of BROADCASTING MAGAZINE, then, a reader who was not familiar with the broadcasting business might think that a broadcaster’s lot is not a happy one.

Here are a few headlines: “Cox Probe to Charge Fly with Contempt; Report to Suggest License Powers Be Stripped.” “FCC Turns Down NBC Petition.” “Way Calls Meeting in Chicago to Discuss Hitch Hike Problems.” “Disc Net Plan Offers Hope in AFM Fight; Threat of Petrillo Would Hit 160 Stations.” “New Definition of FCC Power Urged; Senator Smith Asks Radio Law to Nullify Supreme Court Blow at Free Speech”. The poor broadcaster, our innocent reader would think, every hand turned against him, not a friend in the world, how does he stand it?

But then he might look at some other headlines in the same issue: “Local Food Disc Series Starts on 80 Stations.” “Tobacco Sponsor Announces Plans.” “Wine Discs.” “Healthaids Promotes.” “Vick Renews.” “Information Please Returns.” “Sun-Raycd Series,” and so on at great length, and he’d begin to think that maybe his first im-

pression had been wrong and that this broadcasting business is not a headache but a goldmine.

Of course there are a lot of other headlines in the issue such as “Italy Armistice Gives Radio New War Role,” “Radio War Effort Is Lauded by Hoyt,” etc., which I omitted because they didn’t fit into the point I’m trying to make, which is that we don’t have to worry about naivety on the part of our readers because they are definitely hep to what goes with radio.

Readers Are Broadcasters

Our readers are broadcasters—station and network owners, managers, department heads; advertising agency executives, particularly radio directors and time buyers; advertising managers and their assistants of the companies with national or regional distribution who pay most of radio’s bills by advertising on the air, and then there’s a fringe of Congressmen, radio attorneys, university libraries, etc., who make up the balance of our subscription list. I should of course have included the station reps and other service organizations in our list of readers, and at the moment there are quite a few copies going to men who are temporarily employed by Uncle Sam on an extermination project, but who want to keep in touch with what is going on in the industry they hope to come back to one of these days.

In other words, a trade paper is a business

paper, written and edited for members of the industry, who want to get all of the news and who can add up apparently conflicting headlines and articles into a composite picture of the industry as it is at the moment. They know what it's all about, so we can go ahead with our work without stopping to explain the implications of every news development.

Probably in no other business is there as much interest in the whole field as there is in radio. Radio lives in a goldfish bowl. Everybody in the business, it seems, knows everybody else's business. Radio has more rumors and more crises than any other area of human endeavor except possibly show business, per se, which radio isn't. Broadcasting is a hybrid of journalism, show business, the pulpit, the school, the dime novel and the continued story, not to mention the corner drug and grocery stores, from which all box-tops flow.

Such a business naturally produces a considerably varied flow of news from week to week which a good card-cataloger would probably cross-index under a thousand or more headings. But for my purpose today, I'll deal with them in 3 classes. First, there's industry news, which might be described as covering the relationships of the broadcaster to the rest of the world—for instance, the broadcaster's contacts with the public both directly and through the public's elected representatives in Congress and its appointed representatives on the FCC and other government commissions and agencies; the broadcaster's contacts with the American Federation of Musicians, with AFRA, ACA, IBEW and other labor organizations; the broadcaster's dealings with music licensing groups, news services, transcription library services, networks and other sources of programs and, perhaps, revenue. Station reps might also be included under the general industry news heading, or they might come under the second classification—business news. As long as they are definitely included in the picture, which they certainly ought to be, I don't think it matters very much which group they get put in.

Business and Personal News

Business news covers news about advertisers using radio for the first time, advertisers renewing and expanding and changing their use of radio, even on very rare occasions, advertisers discontinuing their radio campaigns—always because they've been so successful that the advertiser can't keep up with his orders, of course.

The third classification is personal news. This includes every thing from a Behind-the-Mike note that Joe Jolley has joined the announcing staff of WJUN, Juniper Patch, Ga., to a biographical sketch in which BROADCASTING MAGAZINE pays its respects to Joseph J. Jolley, president of the Rural Regional Network. Seriously, the personal columns of the MAGAZINE over the last 12 years contain the business histories of a good many of today's big shots from the time of their first jobs in radio. The only reason they aren't all there is that a lot of them were already big shots when we started publishing in October, 1931.

Before going into more detail about the handling of these three types of news for industry consumption, I'd like to read part of a memo I got Monday from Sol Taishoff when he told me about this assignment. Here's how he outlines our MAGAZINE'S general editorial policy:

“BROADCASTING magazine always has had a purpose and a mission. It has a definite editorial policy. It is 100% broadcasting industry; it does not owe its allegiance to any other field or business.

“BROADCASTING magazine's mission is to preserve a free, competitive industry, operated by the American Plan. It has been, and I hope always will be, the champion of an industry dedicated to public service but with the profit motive. That's the democratic way.

“We are a trade journal and a business paper. We have pioneered in the field. I think our formula has been right, though there is plenty of room for improvement.

“When we started out, radio was still regarded as a passing fad, something like the miniature golf course. The movies were on our tail; so were the newspapers. Radio had to sell the hard way.

“It gave to the public something it wanted. The educators early saw the prospects of the medium as a disseminator of information. They tried to get their cut of the wavelengths. So did other special groups and interests. Those were the knock-down drag-out days of the industry, happily about over. But some of the boys still are pot-shotting.

“We think radio should stand on its own hind legs. It should not play second fiddle to any other group or industry. By the same token, there shouldn't be any discrimination among classes of people or industries on station ownership. That is what the newspaper ownership fight is all about.

“So we get down to this on our editorial policy and overall philosophy:

Radio Must Be Independent

“Radio must be maintained as an independent entity. That goes for any radio development or invention having to do with the dissemination of information to the public. Radio is not a common carrier like the railroads or busses; it can't take all comers. When television comes along, it should be part of the radio industry, not a subsidiary of the motion picture field. It will get its greatest development that way.

“These constitute the reasons BROADCASTING magazine has always hammered away at independence for the industry. I repeat, it isn't the show business, it isn't the newspaper business, and it isn't a Government vehicle. It embodies all these fields.

“I think all of you know about our policy on industry problems, both regulatory and dollar-gouging. In the former, we have had a running fight about Government inroads in the form of radio regulation. In the second category follow such groups as AFM, the music licensing societies and others out for their pounds of flesh.

“It isn't that we feel the industry can do no wrong. We want to dispel the idea that radio is a key to the mint and that it is a sucker for these outfits. Publicly we defend radio at every turn. Privately, on occasions, we may hold a different view about certain things. But there is a certain amount of linen that shouldn't be washed in public.”

Other News Handling

That pretty much sums up the treatment of industry news, under the limited definition we gave it as our first general classification. Most of this kind of news originates outside of your control; War Labor Board hearings on the musician's union ban on recordings, for example, is a story which we and the other trade papers will cover by having reporters present at the hearings; we don't expect to find that kind of news in station and network releases.

But occasionally you will have a good public service story which the station publicity man will write up and send to us. At the moment this story will probably concern the cooperation of the station with the Treasury Dept. in putting over the 3rd War Loan Drive. As soon as this drive was hinted at we at BROADCASTING began checking the Treasury for any information

they had about the part radio would be given in the drive, and as soon and as fast as this information was available we published it for your information and so you and all the other broadcasters could make your plans for promoting the drive in your areas.

Well, the drive is now on and we are being flooded, deluged and almost submerged with War Bond publicity stories and pictures from the national and regional networks and from some 900 individual radio stations, according to a memo I recently got from our managing editor, Frank Beatty, a very nice guy although somewhat of a professional pessimist, which seems to amount to an occupational disease for managing editors.

His memo said: “There will be hundreds and hundreds of pictures—War Bond Sales wagons, platforms and thermometers and other structures set up in the town square, guys on stilts and girls in or out of bathing suits. Out of great flocks we will try to cull with fairness and editorial judgment, a couple of good ones here and there, although there's a strong temptation to say to hell with the whole thing, as every one we print will make 890 other stations sore. So any war bond stuff we handle during this drive is merely designed to typify the sort of job the entire industry is doing and every publicity man whose stuff isn't included will figure we have no sense of news values and that we cater exclusively to our big advertisers.”

About Pictures

I'll come back to that advertising angle later. It's a pat alibi for any publicity man whose stuff isn't used—and don't we all love pat alibis? But first let's get back to this industry news coverage. Every station is rightfully proud of its public service programs, rightfully pleased when some organization which it has helped gives it a public pat on the back by awarding the station a plaque or scroll. Usually the presentation ceremony is broadcast and the station publicity man naturally arranges to get a photograph of the station manager receiving the award from the head of the awarding organization. The picture is good for space in the local press, unless a radio-newspaper feud is going on, and it's also space-worthy in our magazine, *the first time*.

But so frequently the plan is worked out on a national scale. For instance, about a year ago the American Legion posts throughout the country began making awards of merit to stations which had given time to the Legion. The first picture

came in; it looked pretty good; the caption said that this legion chapter had awarded this station a plaque for its outstanding service to the cause, etc.; so it got printed. The next week we got two dozen duplicates, except for names and call letters. They did not get used because the story just wasn't news any more.

Speaking of pictures and repetition, I want to beg you to use all the influence you have to see that your station, at least, doesn't send us any more pictures showing a renewal contract being signed with the advertiser, station manager, salesman on the account and the artist on the program all standing around grinning like toothpaste ads. Oh, yes, the agency man is also usually on hand to show his teeth 15% worth.

Now, everybody knows that when the salesman has got the client to agree to renew, the contract is mailed out and signed without any ado about it; but everybody also knows that one of the major purposes of BROADCASTING MAGAZINE from our inception has always been the education of advertisers and agencies about radio as a new, virile and aggressive medium. Recently we have occasionally substituted "established, virile and aggressive medium," but you get the idea. Radio is good; radio advertising is good advertising. And there's no better way to prove it than by a commercial success story.

Business Pictures

Sometimes these success stories run to a page or more. But not necessarily. A one paragraph item can be a helluva success story. Every new account helps sell radio to other accounts. At least that's what our advertiser and agency subscribers tell us, and they can't both be wrong. And every renewal account is another good sales argument.

Certainly it's legitimate and welcome news. And certainly we like business pictures. But there ought to be some way of getting over the idea that a contract has been signed without actually depicting the pen-in-hand pose. Every once in a while some ingenious guy proves that it can be done. For example, a few weeks back we got a picture about a new milk account, with the boys drinking a toast to the sponsor in his own product. And the "boys" were good—president of the company, ditto of the agency, station manager and salesman. No trace of Milky Moe, your smooth-as-cream crooner.

And just this last week another smart publicity man worked a new twist by having everybody in

the picture offering his pen to the client. So it can be done. And the boys who do it get the breaks with us, which may account for a seemingly disproportionate number of pictures from a few stations. This brings me back to the squawks that we cater to our advertisers. We don't. We give in to the guy with the ideas. I was going to add that there isn't any connection between him and advertising, but it occurs to me that the station that is smart enough to work out new variations on a familiar theme will also probably be smart enough to be a consistent user of space in our magazine.

The same thing is true about stories as about pictures. The easiest thing for a station publicity man to do is to send us a carbon of what he's written for the local radio column, blithely ignoring the fact that the local columnist would be almost certain to delete the very part that we are most apt to use. Let me pass along a few remarks from managing editor Beatty, over whose desk all your copy goes, except that which is given a preliminary sifting by one of our branch offices.

Tips on Publicity

"I wish you could tell the boys how tough it is from our end to process some of the stuff they send out. For instance, we'll wade through a couple of windy paragraphs and after sifting out the cigars, diapers, future announcers and spurious emissions we discover that Bill Jones, announcer of WOOF, Wisteria, Del., is the father of a boy born Sept. 16.

"My special curse goes to the publicity man who writes a whole page of single-spaced stuff about Mary Belle Crooner who has a nifty new yellow sweater—keep your eyes on your copy, boys; Harry McGonigle is strutting high these days as he fondles a new 52-week contract with Dangerous Dan's Delicatessen. And we have to read through the tenth carbon they sent us to find out in the last sentence that Charles Coughin, formerly of WOOF, Wisteria, Del., has joined the announcing staff of KOWF, Throttlebottom, Cal.

"The boys who really click in feeding us are those who study what we print and then go about sending us news that conforms to our style. If all publicity men were on a string basis, they would use the keen judgment of the experienced freelancer as he maps a story to submit to an editor.

"You might remind the boys that we operate as a trade magazine for the commercial broadcasting industry and that we deem the industry an ad-

vertising medium as well as a purveyor of information, news and entertainment. Therefore we face a very considerable sifting and sorting job several times a day as we get tons of publicity and handouts. We want all the stuff they put out, but they must remember that we can't come up with a four-column head every time station WOOF sells another station break to Freddie the Furrier. We are doing a national job, but still want to give a cross-section of what is going on in the thousands of localities served by broadcast outlets. And if we happen to use WOOF's story when we have the same tale from a hundred other stations at the same time, we're thinking in national terms and hope the other hundred aren't peeved."

That pretty much covers the personal news category too, completing the third of the three general classifications into which I divided the whole field. I realize that I've only touched the highspots and if any of you would like to ask any questions I'll try to answer them. But before I

stop to do that I'd like to quote a little platform that we used to carry on our editorial page mast-head:

"American radio as free as the press.

Maintenance of a free, competitive system of broadcasting.

Programs providing greatest good for the greatest number.

The right to render public service without undue restraint.

Maintenance of highest moral, social and economic standards.

Stand aloof from political partisanship on the air.

Build radio circulation to saturation in 30,000,000 American homes, with radios in every classroom, office and automobile.

Keep abreast of modern technical developments.

Foster sound and progressive development of commercial television and facsimile."

"That was back in Jan., 1940. It holds good today."

The National Association of Broadcasters

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

No. 10 SPECIAL INFORMATION BULLETIN Oct. 8, 1943

National War Fund

The Facts:

1. The National War Fund Drive Is Now On and Will Extend Through November.
2. It Is the First Time a Group of Patriotic Fund-Raising Activities Have Been United Into One National Effort.
3. The Goal Is \$125,000,000.
4. This Drive Is for the Benefit of United Nations Relief (including such groups as British War Relief, Belgian War Relief, United China Relief and Russian War Relief and others); Service to the Forces (including United Service Organizations, War Prisoners Aid, etc.) and Home Front (including American Women's Voluntary Services, local defense recreation committees, etc.)
5. Our Armed Forces and Our Fighting Allies Are the Principal Beneficiaries.
6. This Is a National Job, but Its Success Depends Squarely Upon the Kind of Job Done Locally.
7. Radio Is Being Called Upon to Do Its Best in Support of This Drive. Let's Do It!

(For the information of station managers and war program directors, we are reprinting the following excerpts taken from the National War Fund's "Radio Kit," which has been sent all War Fund campaign committees in cities with local radio stations:)

The radio program of the National War Fund represents the cooperative thought and effort of the Radio Bureau of the Office of War Information, experienced in war time campaigns; the Radio Committee, a cross section of network and local station operators of the country; the Radio Advertising Committee, composed of specialists in the commercial radio field, and the Radio Department of the Fund.

For a period of one month nationally starting October 4th, and three weeks locally beginning October 11th, the OWI has given the National War Fund a "green light" on the radio over all governmental and semi-governmental projects.

The national network programs will be arranged from National Headquarters, in conjunction with the OWI. But the success of the radio campaign of the War Fund depends on the combined successes of all local radio efforts. The importance of local stations and local programs cannot be over-emphasized and local committees are urged to take full advantage of this potent means of education, entertainment and news dissemination in their communities. Along with the press, local radio outlets exert great influence. Sometimes the local impact will be more powerful than that made by network programs since local personalities and interests are involved.

The radio manual, containing program suggestions, spot announcements and talks, is intended only as a guide. There is plenty of room for originality in projecting the story of the National War Fund, its seventeen member agencies and the various home front activities of local community campaigns, to local station audiences. But local radio stations rightfully want good programs and committees should keep this in mind in formulating their plans.

THE LOCAL RADIO COMMITTEE AND ITS FUNCTIONS

In cities where local radio stations are located, the Campaign Director should appoint a strong committee to develop a local radio program which will tie in with the national and local radio allocations assigned to the Fund.

Remember the entire radio industry is back of the Fund and patriotically interested in taking an active part in the drive to raise the money.

Be sure to include the heads of local stations on the radio committee, along with radio editors, representatives of advertising agencies, the musicians union and others whose professional activities are identified with this medium. Whenever available, a local representative of the Office of War Information should be added.

To this committee, which should work in close cooperation with the Field Representative of the Office of War Information in your area, should be assigned the entire task of developing and carrying through a comprehensive radio plan in behalf of the appeal in your community.

One of the important functions of the Radio Committee will be to work out with local sponsors the most effective means of projecting the War Fund story on local commercial programs during the allocation period.

The Radio Committee also can assist the State Director in placing electrically transcribed programs which are available for local stations during the campaign. These records feature both instructive talks and entertainment. The speakers, most of whom are limited to five minute spots, include John D. Rockefeller, Jr., Prescott S. Bush, National Campaign Chairman of the Fund, a war correspondent to be selected, and Raymond Massey, distinguished star of the stage and screen. There has also been recorded a fifteen minute program representing labor-management endorsement of the National War Fund, with Eric Johnston, President of the Chamber of Commerce of the United States, speaking for management and

William Green, President of the American Federation of Labor, and Philip Murray, CIO head, voicing Labor's active support.

In the entertainment field, Gracie Fields and Dick Haymes have contributed their musical talents in behalf of the Fund. A fifteen minute dramatization, starring Helen Twelvetrees and Ralph Bellamy and highlighted with human interest material, is available for local stations.

As the campaign develops there will be additional transcribed material for local radio committees.

TYPES OF PROGRAMS

Based on experience, the following program notes may be of value. Of course, local tastes vary and should be taken into account.

TALKS. The shorter the better! There are few speakers who can hold the attention of the radio audience for a quarter of an hour. A five minute talk following a news broadcast or national hook up tying in the community angle in the latter is very effective. Don't forget to broadcast your campaign opening and your victory dinner or meeting.

INTERVIEWS AND ROUND TABLES. All radio stations have competent interviewers and commentators, as well as women's broadcasters with home making programs whose interest may be kindled in inviting War Fund or Chest Representatives as guests. These impromptu question and answer interviews have a spontaneity that makes for good radio. The guest should be provided with background material on which to base the answers. Soldiers home on furlough or citizens who have been in the war zones offer good possibilities. Remember however that military personnel must be cleared with the Army or Navy Public Relations officer in your city before going on the air. A round table discussion on the national and local aspects of the Fund, projecting the three fronts—the military, the United Nations and the home—should result in an interesting half hour.

DEDICATED PROGRAMS. Recent experience has proved that it is often more effective to participate in sustaining programs with established audiences than to attempt to build special shows.

Local commercially sponsored programs, of course, may be contacted by the local Radio Committee.

Programs which are the local favorites produced by the local station—the classical hours, the popular music periods and the like should be utilized.

It is often possible to persuade the Program Director to dedicate some of these programs to your local United War Chest, with brief opening and closing announcements urging support of the campaign. Sometimes a speaker reading a "case history" or interesting factual material on the need, may be introduced during the program for a three minute spot, with telling effect, particularly on a lengthy musical program.

QUIZ PROGRAMS. There are many variations of this popular type of radio entertainment which have been found productive in campaigns. With a bow to Clifton Fadiman and his group of experts one may develop a local "Information Please" using a panel of prominent local men and women and having every fifth question relate to the War Fund and the local United Community Campaign. Other possibilities: three campaign workers pitted against three plain citizens who will be contributors, three men in uniform against three women in uniform or three representatives of Management matching their quiz wits against three representatives of Labor.

COMMENTATORS. Don't forget to supply your local news commentators with brief human interest material regarding your campaign and the agencies. Keep them informed with the progress of the campaign. Quite often commentators have guests who speak for a minute or two.

LABOR MANAGEMENT PROGRAMS. There are 2,300 Labor-Management committees in plants of the country. Many of them have orchestras and talent groups which entertain the workers during lunch hour or when the night shift has a rest period. This offers a source of radio entertainment but remember if the program is carried from the plant there will be a telephone line charge to the radio station which must be absorbed. Because the radio stations contribute so much in valuable time, it is not expected they will pay this charge. It may be feasible, though not as effective, to put on this kind of a program from the studio of the station.

NATIONAL WAR FUND RADIO CAMPAIGN

Office of War Information

Herman S. Hettinger, Deputy Director, Office of War Information

Donald D. Stauffer, Chief, Domestic Radio Bureau

Philip H. Cohen, Deputy, Domestic Radio Bureau

William Spire, Chief, Allocation Section, Domestic Radio Bureau

John Hymes, Chief, Station Relation's Division

Radio Committee

Neville Miller, President, National Association of Broadcasters, Chairman

Burridge Butler
WLS, Chicago, Illinois

Martin Campbell
WFAA, Dallas, Texas

Carl M. Everson
WHKC, Columbus, Ohio

Leo Fitzpatrick
WJR, Detroit, Michigan

Clarence T. Hagman
WTCN, Minneapolis, Minnesota

Wiley P. Harris
WJDX, Jackson, Mississippi

Harold A. Lafount
730 Fifth Avenue, New York City

Miller McClintock, President
Mutual Broadcasting System

Clair McCollough
WGAL, Lancaster, Pennsylvania

Paul W. Morency
WTIC, Hartford, Connecticut

William S. Paley, President
Columbia Broadcasting System

Eugene Pulliam
WIRE, Indianapolis, Indiana

Harry Spence
KXRO, Aberdeen, Washington

Major E. M. Storer
Hearst Radio, New York City

Niles Trammel, President
National Broadcasting Company

Lee B. Wailes
KYW, Philadelphia, Pa.

Lewis Allen Weiss
Don Lee Network, Los Angeles, Calif.

Arthur Westlund
KRE, Berkeley, California

Mark Woods, President
Blue Network Company, Inc.

Ed Yocum, KGHL, Billings, Mont.

Radio Advertising Committee

Joseph R. Busk, Ted Bates, Inc., Chairman

Hubbell Robinson, Young and Rubicam

Cadwell S. Swanson, J. Walter Thompson Co.

S. Heagen Bayles, Ruthrauff and Ryan

Harold Wengler, H. M. Kiesewetter Agency

Maurice H. Bent, Blackett, Sample and Hummert

Radio Department, National War Fund

Jesse Butcher, Director

Rene Kuhn

Jane Moore

Joan MacDonald

The National Association of Broadcasters

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

No. 11

SPECIAL INFORMATION BULLETIN

Oct. 15, 1943

A Great 'First' For Morgenthau

Henry Morgenthau, Jr., Secretary of the Treasury, has recorded, for broadcast purposes, a personal message of thanks to the manager of each radio station in the United States, its staff and its advertisers, for the great job done in the Third War Loan Campaign.

This is the first time each radio station has been thanked in this singularly effective manner and it reflects a unique appreciation and adept use of radio's facilities on the part of the Secretary of the Treasury.

Secretary Morgenthau's personal message to each station manager will be heard in the middle of the Treasury Star Parade record number 291, featuring Vincent Lopez, which will be shipped on or before October 23 and may be broadcast immediately upon receipt by your station.

Properly localized by the announcer on the record, who says, "Here is a message to the management and the personnel of this radio station from the Secretary of the Treasury," the Secretary's remarks are as follows:

"This is Henry Morgenthau, Jr., speaking. I want to thank you, as manager of this station, for the help you gave us in the Third War Loan. Your staff and your advertisers and your stars worked hard, and the results of the Third War Loan—the greatest financial undertaking in the history of the world—reflect your energy, effort and enthusiasm. You have served your country well. Because of what you have done, perhaps you have helped to shorten the war, and to save the lives of American fighting men. I think there could be no greater reward than that. Again thank you—thank you all."

Permission to Dub Off and Use As Local Spot

The Treasury Department has given each station permission to re-record the Secretary's statement and use it as a local announcement, preceded by a local introduction identifying the manager and station by name, as follows:

LOCAL ANNOUNCER: (FROM SCRIPT) We take pleasure in presenting Mr. Henry Morgenthau, Junior, Secretary of the Treasury, in a personal transcribed message to.....

RECORD:, manager of
This is Henry Morgenthau, Junior, speaking (etc.).

Good Taste

Good taste requires that the Secretary's statement, used as a local spot, be handled with great care and diligence to avoid needless repetition.

All Stations Should Obtain Treasury Star Parade No. 291

Some stations are not receiving regularly the Treasury Star Parade. To be certain that you receive number 291, address your request at once to the Radio Section, War Finance Division, Treasury Department, Washington 25, D. C., or to NAB.

WILLARD D. EGOLF,
Assistant to the President.

The National Association of Broadcasters

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

No. 12

SPECIAL INFORMATION BULLETIN

Oct. 22, 1943

The Following Material Pertaining to and Including Representative Mundt's Remarks in the House on October 18 Are Reprinted in Full as Taken From the Congressional Record of That Date.

Mr. MUNDT. Mr. Speaker, in these days of global warfare news stories of great significance tumble over themselves so rapidly that frequently a matter of primary importance on the domestic front gets far from the publicity it deserves. As a result, many citizens are sometimes months behind in the business of getting caught up with far-reaching developments on the home front.

I believe, Mr. Speaker, that the recent announcement of the Columbia Broadcasting System by which it self-imposed upon itself a voluntary code of radio good behavior and impartial performance is an item of this kind. Judging from the almost universal acclaim which this public-spirited action has won from Members of Congress and from impartial editors who have commented upon it, I believe this move on the part of C. B. S. is an epochal step in the direction of protecting free speech and fair play on the American radio. C. B. S. should be congratulated and supported on its patriotic decision to protect its listeners against propaganda and politics and to give all sides of all controversial issues an equal opportunity to be heard over its great radio network. It is hoped that the other radio networks will quickly follow this wise policy as enunciated by the Columbia Broadcasting System.

In my opinion, Mr. Speaker, the decision of C. B. S. to prevent the use of a semipublic monopoly such as radio by private individuals or commercial sponsors of propaganda or political purposes will do more to preserve private ownership and operation of radio in this country than anything which has happened since the advent of broadcasting.

Perhaps a few wealthy radio tycoons who own or control big radio outlets feel secure in their power and believe it to be reference to but a straw

man when it is declared, as I am about to declare, that private ownership and operation of radio in this country is not a guaranteed certainty for even the next 4 years—to say nothing of the permanent future.

Let these big men of radio scoff if they want to—I happen to know that the danger that privately operated radio in this country may have a short life is not something to be blithely overlooked. Stockholders and officials of large radio corporations might well remember that indifference to danger signs along the way was precisely the attitude which trapped the great industrialists of Germany into becoming the servants of the Nazi political state. Indifference to public opinion and to public trends in this country may well do the same for our radio industry.

Those who are in authority for the moment in private radio have a responsibility to themselves, to their stockholders, to the cause of private radio, and to America itself, to discontinue flaunting bad practices in the face of public opinion and to take steps to eliminate them before they give cause to support existing plans to make radio a public instead of a private monopoly. For that reason, the far-sighted and public-serving decision of the executives of C. B. S. is not only gratifying to all those believing in the continuance of private radio but it is one which the executives of other radio networks might well emulate. It should not be forgotten that one persistent offender in the radio field may well break down the dike which is now holding back the flood waters of Government-operated radio.

As background for what I am about to say with regard to two important questions which must soon be settled by the radio industry, the Federal Communications Commission, and the Congress,

Mr. Speaker, I want to call attention, briefly, to some previous considerations which I have given this subject and which appear in earlier issues of the CONGRESSIONAL RECORD.

In the RECORD for May 30, 1940, under the title of "A Question Radio Executives Should Ponder Seriously—and Answer Carefully," I set forth some suggestions which, if followed, I hoped and believed would tend to safeguard private radio in this country and prevent it from flaunting its way into complete Government control or even ownership. Permit me here to read you a few paragraphs from those remarks:

A CHALLENGE TO THE SELF-RESTRAINT OF RADIO

Mr. Speaker, I have a passionate devotion to the American principle of free speech. But should such freedom, when exercised over air channels which are privately owned and from which others are excluded by governmental regulations, get out of bounds to the detriment of the public morale, it would become a public problem of vital concern to the entire Nation. Wise self-restraint, now, by the radio companies themselves is, in my opinion, a far better solution to the problem of hysterical excesses and unduly exciting and provocative broadcasts than any laws which Congress could devise. Surely such restraint can prevent the necessity of new legislation to meet the problem propounded by the question of what is and what is not public-serving broadcasting of war news.

We can still too well remember the results of Orson Welles' purely fictitious broadcasting of a fanciful invasion from Mars. So real did the highly emotionalized speeches of radio speakers appear that a near panic developed in many localities in America. Wisely, radio executives themselves took steps to prevent a repetition of such a sensational program to unnerve large portions of the populace. Confronted, too, with the problem of how much emotionalism and hysteria to convey over the air waves in reporting war news, it is my hope these same radio executives themselves, with no legislative stimulus or restraint, will use equal discretion in not permitting factual reporting to be colored by hysterical or emotional commentators whose inflections and intonations can well induce emotional upsets and develop panicky thinking if they carelessly or deliberately engage in all the histrionics of their art instead of functioning simply as reporters of news.

COMMENTATORS CULTIVATE THE "ILLUSION OF INTEGRITY"

On the other hand, especially among radio commentators who inject their personal opinions and emotions into the news, too frequently an attempt is made to create an "illusion of integrity" which leads the unwary listener to believe that what he hears is more factual or fulsome and reliable than what he reads. Obviously, such is not the case

because newspapers and radio stations, alike, are limited by the same conditions in foreign countries and all are circumscribed by the same foreign censors and the same propagandists who are in the business of distorting the facts for military or psychological purposes.

Following that discussion, Mr. Speaker, I received a telephone call and then a letter from Harry C. Butcher, vice president of the Columbia Broadcasting System. The letter from Mr. Butcher was dated June 5, 1940, and said in part:

To repeat what I told you on the phone, I think your statement in the CONGRESSIONAL RECORD indicates that you have given a great deal of thought to this subject, as have the executives of the broadcasting networks and stations generally. We appreciate the responsibilities placed upon us by these trying times and are attempting, I believe, with considerable success, to inform the public honestly and conscientiously. Certainly Columbia is making every effort in that direction.

This letter was followed by conferences with representatives of the broadcasting industry and by considerable additional correspondence, with Mr. Kaltenborn and other commentators and officials personally interested in private ownership and operation of radio and its utilization in the best possible public interest. As a result of this correspondence and these conversations, I again addressed the House on June 18, 1940, summarizing my observations and proposing five specific factors to which it seemed to me the radio industry should give serious consideration and develop remedial policies. Mr. Speaker, I incorporate extracts of that speech at this point as a part of these remarks.

RADIO'S RESPONSIBILITIES EXPAND WITH RADIO'S PRIVILEGES

Mr. Speaker, all Members of Congress are aware of the severe charges recently leveled at the American radio industry by certain Government officials charging it with "monopolistic practices" and other unfair policies. Personally, I am unwilling to subscribe to these charges on the basis of available evidence. I think that the record of American radio, taken as a whole, is highly commendable. Great public service is rendered the public by radio through its practice of making available to speakers of opposing sides on controversial issues like periods of free time to present their arguments. To my knowledge radio has not yet been guilty of using its monopoly of favorite air waves and its protective licenses and permits to sponsor one set of protagonists against another or to freeze out opposing viewpoints. It is my sincere hope that radio will never permit itself to become guilty of such prejudicial practices because to my mind that would be a big step back-

ward through providing potent arguments for more Government control or supervision and for substituting bureaucratic control—never very satisfactory and seldom very equitable—for self-restraint and fair-play codes which radio can much better provide for itself by a faithful recognition of the responsibilities which always attach themselves to such special privileges as radio presently enjoys.

With the hope that radio may redouble its efforts to avoid justifiable criticism and that it may reexamine its practices to the end that the best public interests may always be served, I summarize herewith some considerations which I believe radio executives should carefully ponder and not lightly shunt aside on the basis that at this time no great complaint is evident in demands for legislative reforms or executive restraints. The time to eliminate a widespread public demand for governmental correctives is before the complaint is crystallized—once the crusade is on and a chorus of demands for Government action is apparent, it is frequently too late to stem the tide and all too often the alleged correctives go too far and impose new vices more pernicious than those they would eradicate. No business enterprise is ever so strong or so safe that it can afford to discard substantial segments of its good will by turning a deaf ear to sincere critics and trusting to time alone to quiet valid criticisms. For that reason, I list the following factors for whatever value they may have in stimulating thought leading to the preservation of free radio in America and the nipping in the bud of any proposals that Government action be utilized to eradicate such minor deficiencies as radio may now be heir to. American radio is good and it is getting better. It is entitled to a fair chance to demonstrate that its self-imposed regulations are adequate to serve the public interest and to protect the functions of democratic government in this great Republic.

A SUMMARY OF FACTORS FOR RADIO EXECUTIVES TO CONSIDER

1. Ninety percent of present-day radio programs are free from substantial criticism by the public. That in itself is a high tribute to American radio. The 10 percent of radio programs which cause concern are in the opinionated observations of speakers who are either on the pay roll of the radio companies themselves or who speak for hire for commercial sponsors. Radio cannot afford to ignore the significance as molders of public opinion which these opinionated observers have and the delicate problem growing out of them concerning how far radio or commercial sponsors go in employing speakers for hire to shape public opinion.

2. Radio executives should study the advisability of setting up self-imposed regulations whereby sponsored programs by commercial groups, professional commentators, speakers working for pay and salaried reporters on sustaining programs, should not permit their personal prejudices, their individual opinions, their

political philosophies, and their own viewpoints to color the programs in which they participate. To expand this type of opinionated program to its full extent would be to permit the opinion backed by the biggest purse to propagandize America and dominate the air waves. Carried to its ultimate degree, a billion-dollar sponsor could purchase enough time and sponsor speakers and commentators enough to superimpose its philosophy or policies upon an entire people. Thus, such free speech on the air could be used to circumvent the free thinking of a nation.

3. Radio's current policy of permitting conflicting sides of controversial questions to have equal opportunity with free radio time to present its arguments is Americanism in action. It is the essence of democracy and is highly commendable. But if speakers on commercial programs and those speaking on the sustaining programs of the big radio chains themselves attempt to influence public opinion and present lopsided arguments on public questions they can well destroy and nullify the great democratic value of the prevailing policy of giving free time to all sides of a controversial question, because the professional commentators and speakers are on the air so much more frequently than the laymen.

4. Radio should recognize a responsibility for not permitting itself to be for sale to the highest bidder on controversial questions, which is not shared by the newspaper business. The difference is clear-cut and obvious. As many newspapers can present themselves for public approval in any State or community as the public will support, they seek and secure no governmental license and obtain no governmental monopoly of favored channels of presentation. Thus editors have an independence which radio systems cannot rightfully exercise because radio by its very nature is more monopolistic than are the newspapers. Too many radio stations find too few choice air waves to share for day and night broadcasting. Therefore the Government licenses some and must refuse concessions to others. While no legitimate complaint can attach to this necessity, it does impose upon those radio units favored by Government permit to own an air wave the obligation not to exercise that concession to plump for one opinion or to play down another.

5. Excesses and abuses in the realm of these opinionated programs by speakers for hire are the danger zone around free radio in America. Government regulation could correct the abuses but I hope it will never have to come to that. In my opinion, such coercion is unnecessary. Radio deserves the opportunity to eliminate these abuses for itself where they occur and to guard against their extension. To say they never occur, is to blink at the facts; to say they are the prevailing practice, is to exaggerate the exception. Between the extremes of too many too highly opinionated commercial or sustaining programs, and a ban against all interpretative speakers and personal commentators there is surely a happy compromise at which point such speakers for hire can

be selected who will exercise uniform good taste and opinions balanced by open-minded recognition that others equally wise may hold differing viewpoints. Such speakers can be secured, I believe, who will stress the factual over the prejudicial elements of news and who will avoid taking sides on issues of political importance or governmental significance at times and on points which comprise periods of our national history when the general public is seeking to formulate clear-headed and far-reaching decisions which may determine our national destiny for many years to come.

In view of the foregoing experience, Mr. Speaker, I am naturally gratified as are many other Americans, both in and out of Congress, at the progressive and forward-looking step in the interests of free speech and fair play which have been taken by the Columbia Broadcasting System in its recent declaration of policy assuring the listening public that C. B. S. would not permit its facilities to be exploited for propaganda purposes. A few radio commentators have utilized the facilities of other radio networks to condemn C. B. S. for forthrightly barring propaganda from its network. Consequently, Mr. Speaker, I want at this time to read into the record an open letter written by Paul W. Kester, vice president and general manager of C. B. S. at the present time, which presents the C. B. S. point of view in this matter. The letter follows:

FREEDOM OF THE AIR

DEAR MR. WINCHELL: During the past several days you have commented critically on Columbia Broadcasting System's news broadcasting policies. There are at least three points not thus far mentioned in your column, which we think your readers should have in order to understand the real issue involved. In view of your own interest in freedom of expression and journalistic fairness, we urge that you publish this letter explaining why we feel that freedom of expression on the air is protected, not "muzzled" by Columbia Broadcasting System's policies of noneditorial news reporting and news analysis.

1. You have not mentioned the fact that, while keeping opinion out of news broadcasting as such, we invite the freest expression of opinion elsewhere in our broadcasting schedule. In other words, our air is wide open to the most partisan speakers on every major issue in the news. Proponents and opponents of lend-lease, post-war collaboration, price control, tax policies, etc., have championed their respective sides of public arguments in a constant battle of public opinion over the Columbia Broadcasting System network. But it is presented as opinion and not as news. This is most important because it eliminates the camouflaged propaganda that opinionated reporters could otherwise insinuate into a field which we

think should remain simple, honestly objective, and utterly noneditorial.

2. Your comments, we think, imply that Columbia Broadcasting System's policies preclude straight news reporting on "controversial subjects" in the news. The opposite is true. For instance: The draft of fathers is one of the "hottest" controversies now before the public. It has been dealt with fully, freely, and fearlessly on Columbia Broadcasting System network news for the past several weeks. None of our news reporters or news analysts has sought to lobby for or against it. Nor has any one of them avoided accurate news reporting of the controversy's daily progress.

3. You should have told your readers the simple, physical fact that lies behind our policy of nonpartisan news broadcasting. The number of radio wave lengths is, at present, definitely limited. There are only a certain number of physical facilities, that is, of radio transmitters which can be linked into radio networks. Clock hours are also limited. And thus a small group of news commentators, commanding preferred positions and established audiences on nationwide networks, could, if they opinionated their news broadcasting, exert a dangerous and dominating power over public opinion. Such power in the hands of a few, would destroy all fairness on the air—and in a domestic world, there is no freedom without fairness.

PAUL W. KESTER,
Columbia Broadcasting System.

NEW YORK.

THE C. B. S. POLICY STATEMENT

Mr. Speaker, the new policy statement of the Columbia Broadcasting System, to which Mr. Kester's letter refers, dated September 7, 1943, speaks for itself. I am incorporating it with my remarks at this point in the RECORD, since it deserves the study of every American who places the preservation of free speech high among the attributes of this Republic:

To C. B. S. news analysts:

This is a restatement of Columbia's policies in regard to news analysis, an explanation of their reasons for being, and a declaration of our intention to enforce them rigidly to the end that the American listening public will be best served.

Please do not expect anything new in this memorandum. No innovations are involved. It is sent you at this time merely because there have been occasional instances recently in which there seemed to be a lack of clear understanding of our policies both on the part of news analysts and of our editors. I trust this will clear up any confusion which may have existed, especially among newer members of our staff. If not, then I shall be all too happy to discuss these matters with you personally at greater length and supply you with fresh copies of previous material dealing with our policies.

First off, let it be emphasized that Columbia has no editorial views except in regard to radio itself. By extension, those men selected by us to interpret or analyze the news must also refrain from expression of editorial opinion or our non-editorial position becomes an empty shell.

Each of you has been chosen by us because of your background and knowledge, insight, clarity of thought and special ability to make yourselves understood by vast audiences. We feel we have faced and met a considerable responsibility in your selection. We now feel that you must meet and face much the same responsibility in writing your analyses. For we have said to ourselves, "We will not choose men who will tell the public what they themselves think and what the public should think." And we ask that you say to yourselves, "We are not privileged to crusade, to harangue the people or to attempt to sway public opinion."

In our view, then, the function of the news analyst is to marshal the facts on any specific subject and out of his common or special knowledge to present these facts so as to inform his listeners rather than persuade them. The analyst should attempt to clear up any contradictions within the known record, should fairly present both sides of controversial questions and, in short, should give the best available information upon which listeners can make up their own minds. Ideally, in the case of controversial issues, the audience should be left with no impression as to which side the analyst himself actually favors.

The news analyst, so restricted in the expression of his personal beliefs, may argue that he is being denied freedom of speech, that if he were employed by a newspaper or a magazine, he would have much greater latitude in speaking his mind. This argument brings us to the reasons for the policies I have just enunciated and the best way to deal with those reasons is to declare at once that there is a very considerable difference between the radio station or network and a newspaper or magazine.

The essential contrast is supplied by the available opportunities for publication and for broadcasting. Nothing except lack of funds or unwillingness to risk them prevents anyone anywhere from starting a newspaper, a magazine, or a publishing house. Within the laws of libel, obscenity and sedition, the publisher is then able to say editorially anything he wishes to say, or to hire men to say it for him. But in the case of broadcasting, there are only a certain number of frequencies available for broadcasting stations and by the same token, only a limited number of networks can be created and maintained on a national basis. It is this limitation which makes for the basic difference between broadcasting and the press, from which stems our noneditorial policy. Without such a policy it is easy to see that a powerful and one-sided position on serious issues could be created for a small group of broadcasters locally, regionally, or nationally.

The threat of such unbalanced power is inimical

to a democratic and free radio or to democracy itself.

As for those radio-news analysts who cry out that the limitations which our policies impose on them threaten freedom of speech, I think the opposite is true. For we have set aside regular broadcasting periods in which controversial issues of the day can be and are discussed first by one side, then the other. We have declined repeatedly to sell time for the discussion of these issues, so that the greater amount of time (and with it the effective control of public opinion) would not be at the disposal of the side prepared to spend the most money.

Actually freedom of speech on the radio would be menaced if a small group of men, some thirty or forty news analysts who have Nation-wide audiences and have regular broadcasting periods in which to build loyal listeners, take advantage of their "preferred position" and become pulpiteers. To permit these men to preach their own views would be to create for C. B. S. news a super-editorial page, instead of no editorial page at all. Then freedom of the air, within the genuine spirit of democracy, would be merely a hollow phrase. There is no sense to the idea of erecting a barricade that will protect public opinion from one-sided assault and then drilling holes in that defense whereby men in our own employ are permitted just such assault.

Our policies are meaningless unless strictly enforced and every news editor is held accountable for their enforcement. We are quite aware that other networks and individual stations may not as yet have similar policies. We hope that in the interest of furthering a free and democratic radio all of them will come to agree with us. But whether or not they do, we want C. B. S. world news to continue to set the highest possible standards of news objectivity and to retain its leadership in public confidence.

PAUL W. WHITE,
Director of News Broadcasts.

SEPTEMBER 7, 1943.

Mr. LANDIS. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Indiana.

Mr. LANDIS. I just want to say that I believe the Members of Congress and others generally are in debt to the Columbia Broadcasting Co. for its readiness in attempting to solve the very serious situation existing in radio newscasting.

Mr. MUNDT. I thank the gentleman for his contribution, and in view of his well-known advocacy of free speech and fair play, it has extra significance. I am sorry, however, that I cannot yield further during these remarks as I have all the material here which I can cover in the time allotted me.

In this connection I would like to read from an article appearing in the October 18, 1943, issue of Broadcasting, the weekly news magazine of radio.

On page 22 of that magazine an article appears, written by Ed. Craney, general manager of Z-Bar Net, the radio network throughout the State of Montana.

Mr. Craney entitled his article "Free Speech, the Right To Be Heard," and I commend the reading of the entire article and editorial to Members of Congress and citizens who are interested in this problem of working out a radio code and a radio policy which will protect the rights and freedom of speech.

I will quote briefly from this article appearing in Broadcasting magazine of October 18: Mr. Craney says:

We of the Z-Net—

Montana's radio network—

recognized the above problems and strove to solve them in the year 1930 with the establishment of the Montana Radio Forum. CBS has just done so. Some say there is no problem—others say some other method must be found. All right—let's find it. I believe all of us are actually striving for the same goal—freedom of speech—the right for both majorities and minorities to be heard on American radio.

Then continuing in his article, Mr. Craney points out there is a definite distinction between the freedom of expression as it is applied to the newspaper field and how it is applied to radio, because of the differences which are obvious between radio and the newspaper.

He asks this question in his article:

Is radio like a newspaper?

Then he answers:

No—anyone with the funds can start a newspaper. Radio is limited and licensed by Government because of the present lack of frequencies. The good newspaper presents factual news of the day written by "on-the-scene reporters of events all over the world."

It has an editor who is free to express his views on any subject in its editorial columns.

Then he points out the differences existing because of limited facilities on the air, because the radio depends on licensing by the Government to enable a certain station to dominate specified air waves at stipulated times; and he points out further on down that radio broadcasts cannot be laid aside and read later; if the broadcast is not heard it is lost forever.

Still later in the article he calls attention to the fact that there are some who think radio can

cure this commentator trouble by a device which has been tried in Montana, the home State of Senator WHEELER who has, himself, devoted a lot of study to the radio situation.

I quote further from the article again:

We of the Z-Net believe commentaries are healthy. We believe the public needs their ideas—we said "theirs," not his or hers. We have saluted C. B. S. on its stand because we know it has taken courage to recognize the problem and C. B. S. is trying to solve this problem. While we do not say our method is the ideal we nevertheless believe it is more practical than any other thus far devised for the protection of the right to be heard and the right to hear.

And I think the Members of Congress who are interested in the welfare of radio are interested in the fact that Mr. Craney recognizes that freedom of speech on the radio means that there must be a right to be heard as well as a freedom of the right to hear and it cannot be exclusively placed within the power of an individual operator on the air.

Continuing the quotation from Mr. Craney's article:

We have merely endeavored to build the columnist page of the newspaper into an air show. We never put a single commentator on the air. We insist on two or more peoples' ideas being expressed on the same or on adjacent shows or we don't carry the broadcast.

I hope the Members of Congress will take time to read this entire article, because it offers an approach to the solution of a very disturbing problem; that is, the alarming tendency of commentators increasingly to use their time and their position to attack individuals in both private and public life and to propagandize and lobby for public causes in which the speakers or sponsors may or may not have a selfish or ulterior motive.

Now, Mr. Speaker, let us leave the problem of making free speech on the air a fact rather than a fiction for the time being and examine the recent Supreme Court decision which bears on the same subject. Later in this talk, I shall return to the original proposition in an effort to show how the circumvention of free and impartial expression on the air by making it the sole privilege of the sponsors with the biggest purse buying up select time on a semipublic monopoly or of the radio companies themselves has a direct relationship to the implications and ramification of the Supreme Court decision of May 10.

On May 10, the United States Supreme Court in a decision of 5 to 2 with the majority opinion being written by Justice Frankfurter and the

minority opinion being written by Justice Murphy made it the constitutional law of the land that the Federal Communications Commission should have the right to determine the composition of the traffic on the air. To use the exact words of Mr. Justice Frankfurter with reference to the Federal Communications Act of 1934:

It puts upon the Commission the burden of determining the composition of that traffic.

I think as we go along with this discussion, Mr. Speaker, it will become clear how this decision of the Court has a direct bearing on what should be considered broadcasting policies which are compatible with the best public interests and with considerations of free speech and fair play. It should also become clear how the Court's decision supports my contention that since radio is a semi-public monopoly exercised through preferential licenses granted to some and denied to others, it must either adopt for itself or have imposed upon it from without a public-serving policy which does not permit one group of citizens or one individual to have opinion-molding opportunities which are denied to those of opposing points of view.

RADIO IS NECESSARILY MONOPOLISTIC IN CHARACTER

In Mr. Justice Frankfurter's majority opinion we find some interesting evidence in support of these observations. In support of the statement that radio is monopolistic in character under its existing network system, Mr. Frankfurter makes this statement in a quotation from the Federal Communications Commission:

It pointed out that the station affiliated with the national networks utilized more than 97 percent of the total nighttime broadcasting power of all the stations in the country.

Under these conditions, it is obvious that if the networks are to be used for propaganda or political purposes, or to support or oppose programs of public policy, there must either be provided equal and suitable opportunity for reply or else we must reconcile ourselves to the fact that those who buy up the radio time are to be granted the exclusive right of indoctrination over the air waves in America. I think it will be generally conceded that to make indoctrination the exclusive right of the fellow with the fattest purse or the man with the best spot on the dial is not sound Americanism. And it is not conducive to the permanent operation of private radio in this country. It is, in fact, according a privilege to a

few which will sooner or later draw penalties from the many.

The extent to which this monopolistic character of private radio, when coupled with the use of indoctrination and propaganda over the air, might be used or abused to distort or warp the thinking of America is further elaborated upon by subsequent statements in the prevailing opinion of Justice Frankfurter.

For example, he points out that the Federal Communications Commission found that network affiliation contracts usually contain so-called network optional-time clauses. Under these provisions, the network could upon 28 days' notice call upon its affiliates to carry a commercial program during any of the hours specified in the agreement as network optional time. The Commission reported:

We find that the optioning of time by licensee stations has operated against the public interest.

Certainly, Mr. Speaker, it can be seen how this could be true if networks permit sustaining or commercial commentators to engage in opinion-molding propaganda which could thus be "force fed" over station outlets which, in themselves, are out of sympathy with the propaganda line of the sponsor or the network. For example, many commentators on the air have seemingly joined in a crusade to discredit the farm bloc in Congress and to a certain extent the farmers of America by insinuating that they are demanding better prices for food products than are warranted. Quite apart from the merits of such contentions—and for one I believe they have no merit whatsoever—it is obvious that a radio station in a farm State might seriously object to being forced to broadcast a network program expressing antipathy to the farm element and broadcast by some city commentator who knows nothing about farming conditions and cares less.

It is also brought out in this decision of the court that network affiliation contracts contain a clause defining the right of the station to reject network commercial programs. The F. C. C. is quoted as finding that "these provisions do not sufficiently protect the public interest." The F. C. C. further states:

We conclude that a licensee is not fulfilling his obligations to operate in the public interest, and is not operating in accordance with the express requirements of the Communications Act, if he agrees to accept programs on any basis other than his own reasonable decision that the programs are satisfactory.

Still another indication of the fact that chain

broadcasting and network growth has made radio increasingly more monopolistic and consequently more subject to public regulation than ordinary private enterprise is the following statement included in the Frankfurter decision with reference to radio facilities in the major cities and primary news sources of this country. I quote:

Competition among networks for these facilities is nonexistent, as they are completely removed from the network-station market. It gives the network complete control over its policies. This bottling-up of the best facilities has undoubtedly had a discouraging effect upon the creation and growth of new networks.

SPECIAL PRIVILEGES REQUIRE PUBLIC RESPONSIBILITIES

Now, sir, let us get down to a discussion of how the monopolistic development of radio, which in itself has granted special privileges to some, demands the acceptance of special public responsibilities on the part of the radio industry if the present system of radio is to be public serving rather than public perverting.

In the gist of the prevailing decision of the Court, Justice Frankfurter said on May 10:

It puts upon the Commission the burden of determining the composition of that traffic.

In that, Mr. Speaker, he referred to the traffic over the air waves of this country. Continuing to quote from Justice Frankfurter, he further said:

The facilities of radio are not large enough to accommodate all who wish to use them. Methods must be devised for choosing from among the many who apply. And since Congress itself could not do this, it committed the task to the Commission.

Mr. Speaker, this responsibility for devising methods "for choosing from among the many who apply" for radio time as well as for station licenses is the crux of the whole matter insofar as demonstrating whether private radio is to serve the public interest or to serve as a propaganda vehicle for some sponsor, some commentator, some political administration, some network, or some cause.

If it is argued that the method of "choosing from among the many who apply" for time on the air, for example, shall be that of permitting the fellow with the fattest purse to buy advertising time and employ commentators or speakers to denounce or support individuals in public life, institutions of government, organizations of private citizens, or occupational groups, it simply resolves itself into a policy of favoritism to some

and frustration for others. In like manner if this process of "choosing" is to be operated so that radio networks can employ commentators on their sustaining time to applaud one point of view and abhor another it means that freedom of speech has become a fiction instead of a fact. It would mean in short that radio networks were reserving to themselves a freedom to indoctrinate which is incompatible with real freedom of speech.

ACCESS TO THE MICROPHONE AN ESSENTIAL IN FREEDOM OF SPEECH

Mr. Speaker, let us keep always in mind the fact that freedom of speech must mean freedom of access to the microphone as well as freedom of acclamation insofar as radio is concerned.

In the concluding summary of the majority opinion as delivered on May 10 by Justice Frankfurter, this analysis of the true meaning of free speech is again emphasized. Says the prevailing opinion:

We come, finally, to an appeal to the first amendment. The regulations—

Of the Commission—

even if valid in all other respects, must fail because they abridge, say the appellants, their right of free speech. If that be so, it would follow that every person whose application for a license to operate a station is denied by the Commission is thereby denied his constitutional right of free speech. Freedom of utterance is abridged to many who wish to use the limited facilities of radio.

RADIO FACILITIES ARE LIMITED

Mr. Speaker, that statement from the majority opinion should be high-lighted. Let me repeat it:

Freedom of utterance is abridged by many who wish to use the limited facilities of radio.

It is this elemental truth which the new policy of the Columbia Broadcasting System recognizes in its decision to keep all propaganda off its programs unless equal opportunities are given at the same hour and on the same coverage for expression of the other point of view. It is this same fundamental truism which the critics of the new C. B. S. policy ignore and which, when violated, gives cause for public demands restricting the use of radio for private propaganda purposes.

It is, of course, to be expected that a few commentators, Mr. Speaker, or radio officials who enjoy monopolistic privileges of free expression and who have at times used these individualized opportunities to lobby for or against this, that, or the other cause in accordance with their personal

views or corporation outlook will disapprove of steps taken along the direction of the C. B. S. policy. Such men may wail that "freedom of speech is being curtailed" but they are not thinking primarily of freedom of speech in the aggregate but of their own personal freedom to use a semipublic monopoly as a personal opportunity to pontificate, propagandize, or pillory. They ignore the axiom that freedom of speech to be realistic when applied to radio must also include freedom of access to the microphone for opposing points of view. Otherwise, any other interpretation of freedom of speech over the air would be a restriction of freedom of thinking rather than an expansion of it. What the thought processes produce depends upon what information is provided as the basis for thinking. If radio is to do its just share toward developing sound and sane national thinking it must either refrain from projecting prejudice and propaganda or else provide for equal representation for all points of view.

RADIO DAILY QUOTES KALTENBORN AGAINST C. B. S.

In the Radio Daily for Thursday, September 16, Mr. Kaltenborn is quoted by this New York City publication which is read widely in radio circles as being severely critical of the C. B. S. policy of barring propaganda from its newscasts. Radio Daily quotes a speech which Kaltenborn made at a luncheon in the Waldorf-Astoria wherein he states in part:

The argument that commentators should have no opinions because only a limited number can be put on the air is false. Newspaper space is also limited. Only a certain number of columnists can get their material printed. Today, we have almost as many commentators with a national following as we have columnists with a national following. The radio news analyst cannot and should not function night after night as preacher or soap-box orator. He cannot constantly make himself a medium for passionate expression of personal or minority opinions.

Mr. Speaker, these statements by Mr. Kaltenborn warrant some analysis. It appears that there are some blind spots in his thinking. For example, his assumption that an exact analogy can be drawn between newspapers and the radio is inaccurate. While it is true that only a limited number of columnists may get their columns printed, it is equally true that most newspapers present their readers with a balanced diet by carrying columnists with conflicting points of view in the same issue so that the same set of readers get both sides of the question. Such is

not the case with radio. It is also true that in a paper's editorial columns it frequently takes exception with something a columnist reports in another section of the same edition. And it is vitally significant that newspapers almost invariably accord to citizens the privileges of answering charges or criticisms by printing open letters in the paper in refutation of something a columnist may have said. This is a feature almost entirely lacking in present radio policy insofar as it applies to prejudicial newscasting, to slurs and criticisms on radio time sponsored by advertisers who sometimes have their own "ax to grind" or to attacks and lobbying propaganda projected by commentators speaking on sustaining programs provided by the networks and in which the nature of the news is colored either by the bias of the corporation officials or by the prejudice of the individual commentator.

The right of rejoinder, Mr. Speaker, is fully as important as the right of criticism insofar as freedom of speech is concerned. It appears that Mr. Kaltenborn overemphasizes a single side of the problem in his criticisms. It is significant, moreover, that even Mr. Kaltenborn notes the excesses to which his profession is heir by continuing:

The radio analyst should not function night after night as a preacher or soap-box orator. He cannot constantly make himself a medium for passionate expression or minority opinions.

That is sound advice. But like the best medicine in the pharmacopoeia, it can affect no cures if never taken.

One wonders, for example, how zealous Mr. Kaltenborn and certain radio officials would be for the "rights of free speech" about which they talk if regulations provided that any individual, group, or cause which is attacked on the radio should have the right to insist upon a like amount of time on an equally important program in which to make reply. I am afraid that those who now enjoy choice radio program periods and carefully selected wave lengths would be the first to protest if public policy insisted that those wont to abuse this privilege must provide those offended with an opportunity on the next regular program to present their side of the story. Advertisers would be less inclined to permit or instruct commentators to engage in crusades of indoctrination if they were compelled to give opposing points of view an opportunity to be heard "on this same station at this same hour next Sunday evening" or whatever the case might be. It is this inavailability of radio time of like importance to vary-

ing points of view which makes one of the big distinctions between a private enterprise like a newspaper and a semipublic monopoly like a great radio network which depends upon the perpetuation of its license to protect it in the use of a highly coveted wave length which it alone can utilize.

Radio officials and men like Mr. Kaltenborn should not expect to be able to enjoy all the privileges of a monopolistic hold on certain wavelengths which is assured them by the Government and at the same time to have all the opportunities for projecting purely personal points of view which would be theirs if they were engaging in a completely competitive enterprise. If government is not to step in to safeguard the public against the propagandist on the air, the radio industry itself must recognize its responsibilities in this matter and not fall back upon the weak ability that anything which is fair practice for newspapers is also fair practice for the radio.

To conform with the standards of good manners and fair play on the air, it is not necessary to destroy the sparkle and spirit and pungency of radio reporting. It is necessary only to remove the malicious, the prejudicial, the inimical, and the purpose-serving tactics of certain broadcasters and to safeguard the interests of veracity by insisting that radio reporters follow the precepts of good reporting, anywhere, rather than color their reports with personal prejudice and individual bias.

Members of Congress and citizens generally can quickly bring to mind the commentators that they hear and make their own classifications as to whether they measure up to the responsibilities which are theirs as performers on an exclusive state licensed by the public as a monopoly or whether they pervert their power for personal profit, political advantage, prejudicial acclaim, or just because of habitually bad radio manners. Occasional violations of good taste and good practice can be overlooked, but the repetitious offenders jeopardize the whole future of privately owned radio due to the fact that they abuse their control of a great public-opinion-forming institution which in its very nature is not available to all and which looks to government to protect it against infringements by competitors who frequently might covet a popular wavelength to propagandize a different party line or point of view. It is the hope of those of us in Congress who are working on this problem that the good judgment of enlightened leaders in the industry which has made radio

strong will not too long delay taking the steps needed to make privately owned radio as secure as it is strong.

Justice Frankfurter points out, in this prevailing opinion:

Unlike other modes of expression, radio inherently is not available to all. That is its unique characteristic, and that is why, unlike other modes of expression, it is subject to government regulation.

There is no denying the validity of this conclusion.

Radio networks which permit speakers and commentators on either sustaining programs or commercial broadcasts habitually to belabor Congress or the executive departments, or to attack individuals, groups, or points of view are flagrant violators of their public responsibilities as the licensed operators of a semipublic monopoly. Continued flaunting of this responsibility, Mr. Speaker, is certain to result in legislative curtailments of private radio or in similar action by the F. C. C. C. B. S. has taken the lead in attempting to avert this result by imposing a voluntary code of fair play and good manners upon itself. It is hoped other networks will do likewise, as I, for one, would deplore seeing private radio replaced by government radio in this country.

RADIO INDUSTRY MUST MEASURE UP TO ITS RESPONSIBILITIES

Mr. Speaker, the radio industry must measure up to its responsibilities as custodians of the public interest on the networks or by its own shortsightedness it will dig its own grave by its own indiscretions.

The serious offenders of good taste and wise policy on the air probably do not number more than five or six. But these five or six can ruin radio for the host of able and conscientious commentators who serve the public interest, and they can cause the stockholders and owners of radio facilities to find their investments becoming worthless and their period of ownership suspended by governmental interference.

ASSOCIATED PRESS DEMONSTRATES BEST REPORTING IS UNBIASED

Mr. Speaker, the phenomenal success of the Associated Press provides the complete rejoinder to those who insist that to be interesting radio reporting has to be biased, prejudicial, or opinionated. The Associated Press serves newspapers of every political preference. It gathers news for papers in

every section of the country, and readers in every walk of life look to it for the complete and candid coverage of the news. Surely nobody would argue that the freedom of the press is curtailed because the Associated Press does not permit its great corps of reporters to use this agency of public service as a device for purveying personal spleen or propagandizing and lobbying for public policies. C. B. S. may not have found the final answer to the important business of keeping radio free and fair, but it has faced the problem and is approaching a solution. Perhaps radio might find something worth emulating by studying the reportorial habits of the Associated Press.

CONGRESS WAITS TOO LONG—THEN GOES TOO FAR

It is the history of government in this country that we in Congress wait too long before taking corrective action in matters like this, and when we act we go too far. All this can be avoided if radio management will cooperate now in eliminating the causes for growing discontent before they compel corrective legislation. Simply to ignore the situation is to court disaster.

Before concluding this address I wish to emphasize that it is my conviction that private radio is much to be preferred to Government radio in a Republic such as this. Even with its present deviations from proper policy at times I must prefer radio as it is to radio as it would be under Government ownership, operation, or domination. However, there is no use of our ignoring the signs of the times.

There are many who prefer a system of radio such as operates in Britain. I do not. As a believer in private radio, however, I am growing steadily more convinced that either through voluntary steps or through legislative channels arrangements must be made to discontinue propaganda activities on the air by speakers utilizing sponsored advertising time or enjoying monopolistic privileges as commentators on network sustaining programs.

It is not the exclusive province of the U-Tell-'em Soap Co., the We-fool-'em Lotion Co., or We-know-all What's It Co. to indoctrinate the American public with the peculiar personal views of the men and women they engage to capture the attention of the audience and to propagandize it between sponsor "plugs" for this or that particular commercial product. Nor is it the inherent monopoly of speakers representing the networks themselves on sustaining time continuously to criticize or commend, to applaud or abhor, to propa-

gandize or to pillory without suitable and adequate opportunities being given for a similar expression of opposing points of view.

Radio provides this equal opportunity for all during political campaigns but it fails to do so in the day-to-day and week-to-week programs which come to us over the air.

THIS PROBLEM MUST BE SOLVED

A number of us in Congress, Mr. Speaker, have made and are making a study of the abuses of radio and proposals for correcting them. We ask the cooperation of all Members on this matter, since it is of vital concern to all. Government has a responsibility in this matter which we do not propose to ignore and which we must not dodge.

It is our hope that the radio industry will take steps to eradicate its own evils, but if Government must act it is felt that Congress can prescribe regulations which will make freedom of speech on the air an equally true privilege of all and not merely an opportunity for propagandizing to the privileged few.

The Columbia Broadcasting System has courageously and patriotically pointed the way for the preservation of private radio and free speech on the air in this Republic. In this effort it deserves the plaudits of all who believe in equal opportunity and fair play. If similar policies prevail or are adopted by the other networks one of the major causes of dissatisfaction with present-day radio will have been corrected. C. B. S. may not yet have found the perfect solution to a vexing problem, but it has made candid recognition of the problem and has taken courageous action to do something about it.

It is the hope of those of us who are devoting ourselves to this subject that these corrections will be made voluntarily by the great radio networks rather than to force congressional action by a continuation of the abuses which C. B. S. has so wisely set out to correct. America neither wants its radio information distorted by Government domination, by party politics, nor by personal pundits with axes to grind and purposes to propagandize. Good judgment and fair play would seem better devices than censorship for preventing the monopolistic facilities of radio from becoming the devices for propaganda for a select few in this great Republic.

American citizens can form their own conclusions when they are given the undiluted and uncolored facts. It is the function of a semipublic monopoly such as radio to relay the facts rather than to fashion the thinking of America.

SUPREME COURT DECISION HAS DANGEROUS
IMPLICATIONS

Before concluding, let me say that while I have quoted at length from the majority opinion of the United States Supreme Court in its decision of May 10, I am not at all pleased or satisfied with some of the implications of that decision. I am not happy over the prospect of having the Federal Communications Commission or any other body "regulate the composition of the traffic" over the air waves of America without some definite standards being set up in advance which circumscribe and direct those regulating powers.

A broad application of the "regulation of the composition of the traffic" on the air waves could mean outright Government censorship. Its very existence as a right of the Commission operates as a silent threat of censorship to automatically tend to color and bias radio reporting. Now that the Supreme Court has decreed that this right exists, Congress should act promptly to define it clearly, and to limit it definitely so as to bar all possibility of censorship either direct or indirect.

If radio requires a traffic cop of the air America wants him to be bound by specific instructions as

to what violations he can and cannot regulate. We must not have a radio traffic cop, whether it be an individual or a commission, with power to exercise personal discretion with regard to what is considered proper traffic on the air waves.

Congress should quickly act to set up safeguards, in the light of the May 10 decision of the Court, to be sure that private excesses of radio are not replaced by governmental censorship of nonmilitary broadcasts.

Regulations can and should be established which are clear to all, which operate equally in the interests of all, which will remove radio from all fear of governmental crack-downs, and which will conform with the principle that in this Government of laws and not of men the only rightful traffic cop of the air must be a code of prescribed behavior compiled in written form and free from any perversions by power-loving men, be they radio commentators, radio-management officials, members of the Federal Communications Commission, or members of the executive or legislative branches of our Government. Only thus can we realistically enjoy genuine freedom of expression for all alike over the radio networks of this country.

The National Association of Broadcasters

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

No. 13

SPECIAL INFORMATION BULLETIN

Oct. 29, 1943

FCC Requests Explanation From CBS With Regard To New Affiliation Agreements With Stations

(We are printing herewith the text of the FCC letter to CBS and the telegram sent by Paul W. Kesten, CBS executive vice president, to CBS affiliates concerning the FCC letter and press release. The press release follows the FCC letter.)

October 26, 1943.

Columbia Broadcasting System, Inc.,
485 Madison Avenue,
New York, New York.

Gentlemen:

The Commission is informed that since the effective date of the Chain Broadcasting Regulations, you have entered into new affiliation agreements with Stations WPAD, WHOP, KEYS, KGBS, and perhaps others, containing such clauses as the following:

"Columbia will continue the Station as the exclusive Columbia outlet in the present standard broadcast band in which the Station is located and will so publicize the Station, and will not furnish its exclusive network programs to any other station in the present standard broadcast band in that city, except in case of public emergency * * *."

"The Station will operate as the exclusive Columbia outlet in the present standard broadcast band in such city and will so publicize itself, and will not join for broadcasting purposes any other formally organized or regularly constituted group of broadcasting stations. The Station shall be free to join occasional local, state-wide or regional hook-ups to broadcast special events of public importance."

"The Station will broadcast all network sponsored programs furnished to it by Columbia during the time when the Station is licensed to operate; provided, however, that except in connection with occasional sponsored programs of special events (such as World Series broadcasts) during periods of not more than two weeks each, the Station need not in any week broadcast network sponsored programs totaling more than fifty 'converted hours' (as defined below, but for this purpose computed during the entire term of this agreement on the basis of

the differences in rates at different hours specified in Columbia's Rate Card No. 23). The Station may require Columbia to give not less than twenty-eight days' prior notice of the commencement of sponsored programs for new accounts."

Attached to the contracts in question are riders or "schedules" containing certain "saving clauses". No question is raised at this time concerning these "saving clauses" with respect to contracts effective prior to the effective date of the Regulations, since the Commission desired to achieve a transition to operation under the Regulations with minimum delay and without requiring a redrafting of all existing network affiliation contracts. However, the entering into of new contracts containing the very clauses which the Commission has found not to be in the public interest raises a very serious question under the Chain Broadcasting Regulations, even though the objectionable clauses may be limited by other clauses in a schedule attached to the contract. Such contracts would appear to hinder, if not to prevent, a station from exercising the degree of freedom specified in the Chain Broadcasting Regulations.

In addition to the above, your attention is called to that portion of Regulation 3.104 which provides:

"No license shall be granted to a standard broadcast station which options for network programs * * * more time than a total of 3 hours within each of the four segments of the broadcast day, as herein described * * *."

Under date of June 7, 1943, the Columbia Broadcasting System, Inc., addressed a circular letter to its affiliates, a copy of which was supplied to the Commission in response to a Commission request dated September 3, 1943. It appears that this letter sets up a time schedule which does not comply with the requirements of Regulation 3.104. With respect to the afternoon segment, it

For Immediate Release

Wednesday, October 27, 1943

specifies 4½ hours rather than the 3 hours specified in the Regulations and with respect to the evening segment, it specifies 4¼ hours rather than the 3 hours specified in Regulation 3.104.

In the CBS letter dated June 7, 1943, the time schedule in question is described as "certain time periods in which we would make no effort to resell the time once present advertisers give it up, and thus give a green light, from our standpoint, to future guaranteed spot or local sales in these periods." The time periods in question are further described as: "the times in which you are perfectly safe in making future sales on a guaranteed basis, after the time has opened up * * *." The letter further emphasizes the desirability of the station "retaining the freedom to move local and sponsored accounts in order to accommodate network business in times other than those listed above * * *." It is thus clear that the time schedule specified in the CBS letter of June 7, 1943, is in fact an option time schedule.

At least some CBS affiliates appear specifically by letter to have accepted the time schedule set forth in the letter of June 7, 1943, thus entering into an express agreement or understanding with the Columbia Broadcasting System which violates Regulation 3.104. Thus the Orlando Broadcasting Company, Inc., licensee of Station WDBO, wrote to CBS on June 10, 1943:

"The periods of safety time for future sales on a guaranteed basis are excellent and will, of course, carefully and exactly be observed by us."

The Miami Broadcasting Company, licensee of WQAM, similarly wrote:

"We here at WQAM are completely in accord with the ideas as expressed, and we want you to know that Columbia can continue to have the same one hundred percent cooperation that we hope we have been able to extend to you in the past. The time clearance as shown in the letter I think will serve our needs very adequately and it should certainly facilitate the handling of certain local accounts without confusion in the future."

It further appears that a large number of CBS affiliates may have in fact agreed to sell time to others on a guaranteed basis only during the periods set forth in the CBS letter of June 7 and have refused to sell time on a guaranteed basis during other periods, thus evidencing their compliance with the arrangement or understanding set forth in the CBS letter.

Your comments concerning both the written contracts which contain clauses in violation of Regulations 3.101, 3.102, and 3.104, and concerning the agreement or understanding, express or implied, in violation of Regulation 3.104, are invited at an early date, in order that they may be considered in connection with applications for the renewal of licenses of stations having such contracts or such arrangements or understandings with the Columbia Broadcasting System.

By direction of the Commission,

T. J. SLOWIE,
Secretary.

Indicating that contracts being made with new affiliates by the Columbia Broadcasting System may be deemed to violate three of the Chain Broadcasting Regulations, the Federal Communications Commission today announced that it had written to the network for an explanation.

"Such contracts would appear to hinder, if not to prevent, a station from exercising the degree of freedom specified in the Chain Broadcasting Regulations," the Commission pointed out.

The Commission also noted that a circular letter sent by CBS to its affiliates June 7, 1943, appears to set up a time schedule not in compliance with the requirements of the regulation which specifies that a chain may not option more than three hours of a station's time in any one of the four segments of the broadcast day.

At least some of the CBS affiliates appear to have accepted this time schedule, thus entering into an express agreement or understanding which may violate this regulation, the Commission asserted.

The Commission letter asks CBS for its comments concerning both the written contracts and the agreements outlined in the circular letter. These comments will be considered in connection with applications for the renewal of licenses of stations having such contracts or such arrangements or understandings with the Columbia Broadcasting System, the letter states.

Copies of the letter were also sent to all CBS affiliates.

The regulations involved are 3.101 which prohibits contracts preventing a station from broadcasting the programs of more than one network; 3.102 which prohibits a network from making a contract with a station preventing another station serving substantially the same area from broadcasting the network's programs not taken by the former station, or which prevents another station serving a substantially different area from broadcasting any program of the network organization; 3.104 which prohibits a network from optioning more than three hours in any one segment of the broadcast day.

Columbia has signed the contracts in question with Stations WPAD, Paducah, Ky.; WHOP, Hopkinsville, Ky.; KEYS, Corpus Christi, Texas; KGBS, Harlingen, Texas, and perhaps others, the Commission notes.

The Chain Broadcasting Regulations were adopted by the Commission on May 2, 1941, after an extensive investigation and hearings. They were contested by the National Broadcasting Company and by the Columbia Broadcasting System, which carried the case to the United States Supreme Court. The Supreme Court upheld the regulations on May 10, 1943, and they became effective in June, 1943.

October 27, 1943

COPY OF CBS WIRE TO AFFILIATES:

We have today learned of letter which FCC is sending us criticizing our affiliation contracts as amended to conform with the rules and further criticizing Akerberg's June 8 letter to you concerning the periods in which we would seek no clearance for network programs. We have also seen copy of Commission press release charging that affiliation contracts violate three Commission regulations and stating Commission is sending duplicate letter all CBS affiliates. This will inform you that language of amended contracts was discussed with Commission's Chief Counsel Denny in August when Denny agreed same fully complied with Commission rules from legal standpoint. We are therefore amazed at sudden public attack without warning threatening license renewals of stations in connection with phraseology of new contracts despite full legal compliance with Commission rules. In criticizing June 8 letter the Commission apparently refers to helpful information from us advising you of certain time periods in which we would not seek clearance for network programs and misconstrues this as an

option to us on your part on all other time periods. This completely ignores our telegram of May 29 which officially specified option time under the rules and which Mr. Fly approved personally in advance. The Commission's letter also ignores the express desire to many affiliated stations for more than the three hours of sponsored programs covered by network options in each time segment. You will see from the above that we have made every reasonable effort to protect our affiliates from any claim of non-compliance with the rules. If as a result of further conferences with the Commission it confirms its desire to extend its jurisdiction into the field of phraseology of contracts, as distinct from their legal content or effect, we will, of course, in view of the present state of the law, have no alternative but to comply. If the Commission also finds that its jurisdiction applies to non-legal but purely informative letters from us to our affiliates, we will do our best to handle these in a manner satisfactory to the Commission.

(signed) PAUL W. KESTEN
*(Executive Vice President
Columbia Broadcasting System, Inc.)*

The National Association of Broadcasters

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

No. 14

SPECIAL INFORMATION BULLETIN

Nov. 5, 1943

A FREE RADIO

By T. A. M. CRAVEN

Member, Federal Communications Commission

Delivered before the Administrative Section, District of Columbia Bar Association, November 2, 1943

After nearly 25 years of splendid service to the nation, broadcasters are again faced with controversy concerning free speech over the radio. This controversy centers upon rights of minorities to be heard, as well as upon other radio aspects of free speech. Many persons fear that the power of the purse will control the dissemination of facts and opinions to such an extent that the views of minorities cannot be presented adequately to the public and hence, that the public will be deprived of the benefits of all facts and opinions. Others fear potential abuse of power by Broadcasters, while still others fear that radio will become solely the Voice of Government. Some demand that radio be free of Government control; and these are opposed by groups advocating more extensive Government regulation.

Various panaceas are offered, such as "Freedom to Listen", "Freedom of Access to the Microphone", "Freedom to Hear and Be Heard", "Needed: A Code of Radio Good Behaviour", "Free Speech—An Exploration of the Broadcaster's Duty", and "A Free Radio". All of the panaceas which have been offered require analysis and orientation before they can be evaluated properly in terms of "free speech". Many of these panaceas are contradictory to one another, in spite of the fact that all of the proponents thereof intend to defend the Bill of Rights.

As one who has been intimately associated with the development of radio for over thirty years, I am keenly interested in the future of radio broadcasting as a medium of free speech. Therefore, I offer a few thoughts for consideration in the hope they may be constructive. I do this, not in the spirit of criticism of those advocating specific philosophies, but merely to make certain that all phases of the subject may be considered so that the goal which we are all seeking may be attained in fact rather than theory.

Dearth of Facilities Not a Controlling Factor in the Solution of Radio's Problem

Many of the philosophical panaceas for radio are influenced by the present-day dearth of radio facilities. It is alleged that this scarcity is the principal cause of some of our most difficult radio problems. In spite of the fact that in most cities today there are more radio stations than newspapers and that less capital investment is required to establish a radio station than a modern newspaper, emphasis is laid upon the alleged lack of opportunity to enter the radio field as compared with the so-called free opportunities to establish a newspaper.

While it may be true that today there does not exist the *same* "free" opportunity to establish a radio station as there is to establish a newspaper, the ultra short wave frequency modulation radio developments of the war have made it possible to expand radio's opportunities to a considerable degree. Thus, the day need not be far removed when there will be sufficient opportunity for any number of persons with sound business judgment to establish a radio broadcasting enterprise in any community in this country. Thus, the future opportunities may even favor radio in comparison with newspapers. However, it must be made clear that even with the developments arising out of the war, it is difficult to visualize sufficient radio channels to afford every inhabitant the luxury of a radio transmitter. Thus we must content ourselves with the assurance that whatever deleterious effects exist today because of the lack of opportunity to establish radio stations, the lack of facilities will have much less effect in the future. In any event, we can be assured of free competition within the natural limits of prudent economics.

Unfortunately, however, while these expanded opportunities for competition will alleviate one phase of the present situation, such expansion will not of itself constitute a complete solution of the most vexing of today's radio problems. It will not accord unlimited access to the microphone. It may even create other problems. The future danger may well be that too many radio stations in a community will impair the real value of radio as service to the public. To illustrate this danger, let us assume sufficient radio facilities to accommodate 100 national radio networks. While the business public could not give adequate economic support to such a vast number of networks, the general public nevertheless would have an opportunity to choose from 100 programs. Certainly in all of this confusion the chances are that most people would restrict their choice to just a few of the 100 networks. Perhaps there might be 100 different groups of listeners in each community. In either event, radio would be practically valueless to anyone desiring to reach the entire nation or even a particular community at any specific time. The audience would be divided so greatly as to impair the value of radio as a medium for reaching the entire public. Thus, while we could have an abundance of facilities, we find that this very abundance becomes a handicap rather than a solution to the problems of radio.

Hence, an unlimited number of radio facilities does not appear to be even a controlling factor in the cure of "limited access to the microphone." Therefore, something more than mere lack of radio facilities must be the cause of today's radio problems.

Freedom to Listen

The doctrine "Freedom to Listen" has been advocated recently as a cure for today's radio troubles. This doctrine indicates a misconception of present radio problems insofar as it implies that listeners do not now have the freedom to listen and that a person desiring to use radio for the dissemination of his philosophies to the public has the right to compel listeners to make the choice of either listening to a specific speaker or else "turning the dial" off or to another station. "Freedom to listen" should not be so confused. "Freedom to listen" was established centuries ago, both in America and in England. Thus, this right was already the listeners' right when radio was discovered. The fact that radio is the newest instrumentality for carrying the voice to greater distances than was possible centuries ago, is no reason for proclaiming at this late date that this freedom exists in America. The people of the United States of America have always had the right to read or to listen to anything they desire, whether by the papers, by radio or by any other means. They have always had the right to listen to the voice of minorities. This is a part of our democracy. This does not mean, however, that anyone has the right to compel people to listen. Therefore, from "freedom to listen" does not follow an inalienable right to be heard, or in modern

parlance, "freedom to listen" does not convey of itself "freedom of access" to the microphone.

On the other hand, it is true that in enemy countries there is no Bill of Rights. Consequently, in these countries there is no freedom of any kind. That is why the Atlantic Charter proclaimed the Four Freedoms. The alleged new "Freedom to Listen" is not a new or even a fifth freedom for the peoples of the world. It is inherent in all of the four freedoms of the Atlantic Charter.

Therefore, it must be obvious that the solution of radio problems of today cannot be found in the application of the doctrine "Freedom to Listen." This right already exists and in spite of this we have controversies raging over rights of access to the microphone. The application of the doctrine of "Freedom to Listen" cannot provide free access to the microphone.

Freedom of Access

Many persons advocate the doctrine "Freedom of Access" to the microphone as the solution to today's radio problem. This doctrine likewise indicates certain misconceptions of radio, because without equal opportunity of access for everyone in the country, we cannot achieve freedom of access. A simple calculation should demonstrate that equal opportunity of access is impractical. For example, if every individual in the country operated his own radio station, his station would be valueless to the public as well as to himself. The public would be confronted with a veritable "Babel" of radio orators. None of these orators could compel persons to listen. Again, assuming that we have a super abundance of 100 national networks, and that everyone has an equal right of access to the microphone, we would discover that the last of the present-day population could not exercise that right for at least 37 years. Actually, unless all of the 100 networks were devoted to speech-making for 24 hours every day, and each of the one hundred thirty million inhabitants of this country was limited to 15 minutes of talk, it would take longer than 37 years for the last of today's inhabitants to secure his or her access to the microphone.

While most of us wish that minorities with meager pocketbooks could have the opportunity to express their views to the public by radio, it seems obvious that the doctrine "Freedom of Access" is not the solution of the radio problems of today. No one can even guarantee that all minorities can be heard adequately at opportune times even if all broadcast facilities were made available exclusively for speech-making.

Broadcaster's Duty

There are persons who advocate that the broadcast licensee should have the sole responsibility for curing today's radio evils. While this doctrine has much merit, it is possible that it alone will not solve the problems. Under this doctrine the licensee would be required to adjudicate whatever rights any person may have to use the microphone. Unfortunately, even if Solomon were a radio licen-

Government Regulation of Radio Traffic

see today, he would be subjected to severe and perhaps apparently just criticism in the operation of his broadcast station. He would have to satisfy all the proponents of "freedom of access," "freedom to listen" and "free speech." It is impossible for a radio broadcast licensee to exercise his responsibility in accordance with the concepts of all the proponents of these ideals, because each proponent has a conflicting concept of what rights should be conferred upon anyone desiring to use radio and some do not even understand the practicalities of radio.

Everyone desires that radio be a useful medium for the dissemination of information of interest to the public. In this connection, it has already been made unlawful to utter profane or obscene language by radio. Likewise, it is illegal to use radio as an adjunct for lotteries. No one desires radio to become solely a medium for the dissemination of the personal views of the licensees or of any particular group. Likewise, no one desires that radio be utilized solely as the Voice of Government. Neither does anyone desire radio to be used as a vehicle for incitement to riot, sedition, or the stirring of religious or racial animosities or hatreds. Nor does anyone desire radio to be utilized as a vehicle for slander, libel or unfair criticism, or false or misleading information. Moreover, no one believes that unfair discrimination against the dissemination of views should be permitted in radio. And finally, it is not right that the use of broadcast facilities be reserved solely to those who have adequate funds to purchase time. Thus, it seems obvious that broadcasting should not be used indiscriminately to exploit private viewpoints.

On the other hand, while radio broadcasting is cloaked with a public rather than a private interest, it cannot become a common carrier and still be useful to the public. It is impossible, from a practical standpoint, to accord everyone a right to use a radio broadcasting facility for the simple reason that there will never be enough time available in which such a right could be exercised.

Certainly, under these conditions it must be obvious that the broadcast licensee has a responsibility to see to it that radio shall be utilized in conformity with the desires of the public. This means that he should not violate ethics or otherwise abuse power or privilege. He should attempt to make his facilities available for a fair and impartial dissemination of information and opinion. On the other hand, it must be recognized that the broadcast licensee cannot exercise his responsibility to the full satisfaction of the entire public. It is unreasonable to expect a broadcaster to adjust to the satisfaction of the entire public the desires of good citizens who conform to good ethics and yet who apply for radio time to voice their views before the public. Some minorities are bound to be dissatisfied, in spite of the impossibility of attaining unlimited access to the microphone. Thus, the solution of radio problems does not reside solely in the hands of today's broadcast licensees.

We now come to those who advocate that radio licensees must be regulated by the Government with respect to the composition of their radio traffic.

Proponents of this doctrine advocate that rights of "freedom of access," "freedom to listen" and "free speech" should be adjudicated by the Federal Communications Commission which is likewise charged with licensing radio stations. The advocates of this doctrine fervently believe that this will solve the alleged evils of today's radio. In my opinion, this so-called solution of the problem is probably founded upon the worst conception of radio yet advanced. This solution "jumps from the frying pan into the fire" and nullifies all freedoms, including whatever rights may be transmitted to radio from the "freedom of the press."

Everyone familiar with the reasons underlying the Bill of Rights knows that freedom of speech and freedom of the press are, in simple terms, merely freedom from fear of Government reprisals for what *is* said or printed, or for what is *not* said or printed. In other words, the real freedom of the press guaranteed by the Bill of Rights is freedom in the true sense to criticize Government without fear of reprisal. Thus, if this Bill of Rights is to mean anything for radio, it should mean, first of all, freedom from fear of Government reprisals or pressures administered by the radio licensing authority, namely, the Federal Communications Commission.

Likewise, anyone familiar with the history of the development of a free press knows that the public has always rejected a press which was merely the Voice of Government. Therefore, freedom of the press likewise means freedom from the necessity of becoming in any way the Voice of Government. This includes freedom from compulsion, pressure or influence to print what Government officials want printed. If the radio of today is to become as free as the press, a prerequisite condition is that radio should have freedoms such as the press enjoys under the Bill of Rights.

Therefore, regardless of whether the judgment of the Federal Communications Commission would be correct as to the composition of radio traffic, it must be remembered that if this regulatory power is combined with the radio licensing power, the Communications Commission could exert startling influence upon radio licensees. It is inevitable that radio licensees would recognize this power and, consequently, would interpret mere opinions of members of the Commission as edicts and possibly would curry favor by presenting views which conformed to the desires of Government officials. Such a condition means that radio inevitably would become the Voice of Government. This is not a free radio. Consequently, Government regulation of the composition of radio traffic does not constitute a solution to the radio problems of today.

A Free Radio

There are differences between the media of radio and the press, but these differences are not sufficient to warrant the assumption that the principles of freedom of the press should not be extended to radio, in spite of the fact that radio must operate on channels which belong to the people. The principal differences between the two media are due to the difference between the eye and the ear. Radio of today utilizes aural methods, and consequently there is no record of what is said, and in addition, the presentation at any particular time by a radio station must be consecutive rather than simultaneous, as is the case with newspapers. Consequently, the lack of time available to a station or network during the day is a factor which gives rise to many of the radio problems today. However, we should not over-emphasize this difference between radio and newspapers as a justification for denying to radio the principles of a free press. Neither is the fact that in the early days of our history the pamphleteer had certain advantages which radio does not afford today a valid reason for refusing to extend to radio the principles of the Bill of Rights. If we project the pamphleteer's original advantages into comparison with radio today, we should likewise recognize the disadvantages of the modern pamphleteer system. In fact, the modern pamphleteer system does not have the same value as it did centuries ago as a medium available to an individual desiring to reach the entire public. Even if such an individual possessed the cash, we could not expect the American family to read his pamphlet if everyone else exercised the privilege at the same time. Imagine the average American family trying to sift through 130,000,000 pamphlets in a day or even in 37 years. And in this connection we should remember that it would take 37 years for the last one of us alive today to secure access to the microphone even if we had 100 networks all devoted to speech-making for 24 hours every day of the entire period. Thus, in this aspect at least, there is not such a great difference between the radio and the pamphleteer system or even the press as some would have us believe. While we must recognize that potential abuses can exist in radio, the same kinds of abuses can exist in the press. Therefore, if freedom of the press is a good thing, it should likewise be in the public interest to extend this principle to radio. It should be all the more valid because in the future the advent of radio facsimile and radio television will still further minimize the differences between radio broadcasting and the press.

Nevertheless, in spite of the statements just made, it appears necessary that we recognize radio broadcasting as a public service, not in the sense of common carriers, but in some quasi public utility category. This would imply that neither the licensee nor anyone else has rights which are paramount to those of the public. Such a philosophy need not be an encroachment upon freedom

of speech or a free radio in the true sense of the Bill of Rights.

Experience has taught us that radio must be licensed so that technical chaos caused by radio interference between stations may be obviated. This licensing in itself need not constitute an encroachment upon a free radio. Such coordination is essential before an effective medium for the dissemination of facts and opinions can be obtained. This type of regulation, therefore, is required in the interest of the public and it need not impair a free radio in any way.

No one desires monopoly in broadcasting. There is no curtailment of a free radio in requiring radio licensees to comply with the laws of the land in exactly the same manner as the press or anyone else is required to adhere to the law. Moreover, in the future more radio channels can be allocated to broadcasting. The very fact that there will be more opportunity for competition will contribute greatly to a "free radio." The ever present threat of competition can be an automatic weapon in the hands of minorities to correct abuses by radio licensees.

On the other hand, after having provided an effective radio medium by licensing applicants for radio stations, the regulation of the composition of the traffic or the business affairs of those licensees by the Federal Communications Commission could very easily become a curtailment of a free radio. Consequently, such a concentration of power may be contrary to public interest for the simple reason that such regulation must inevitably delve into the realm of "freedom of speech." It must be obvious that when the radio licensing agency also regulates the business affairs and the composition of the radio traffic of licensees, radio can no longer be free in the sense of "freedom of the press." Since the traffic and economic regulatory power is *combined* with the licensing power, the total authority is a potential "Sword of Damocles" which could be applied to force licensees to comply with the social, political and economic philosophies of an administration in office. Thus, the combination of licensing power with the authority to regulate the composition of traffic and the business affairs of licensees into a single bureau of Government, could spell the doom of a free radio regardless of what men constitute the Communications Commission and this, in spite of the fact that Commissioners will be imbued, as they are now, with the best of intentions in behalf of the public.

Above all things, the public will demand a "Free Radio." The only way this can be secured is for the public to retain "control of the dial" and demand that its representatives in Congress refuse to delegate this power to anyone. This power, combined with free opportunity to compete, is the most effective control yet devised to correct abuses of privileges in radio.

Courses of Action to Secure a Free Radio

We should recognize that final answers to all of the problems caused by radio today cannot be discovered overnight. Indeed, we need not seek

final answers today. However, we can and should discard panaceas or irrational solutions which bear no real relation to the fundamentals of democracy and which do not recognize the practical realities of radio. Instead, we should approach the solution of radio's problem in the atmosphere of our Constitution.

It seems clear that we cannot solve the difficulties of radio until we first agree to make radio free in the full sense of the Bill of Rights. Until this is done, radio cannot become truly useful to the public! It is only after having made this concession, can we think of steps tending to eliminate potential abuses arising out of the inherent limitations of radio.

Another constructive contribution to a free radio can be achieved by providing more opportunities to establish radio stations. This can be accomplished by allocating more radio frequency channels to the service of broadcasting. The radio developments of the war will make this possible. Such an increase of basic facilities would more nearly approach the condition of "free competition." The prudent business man would not be so limited in his opportunity to establish a competing radio station in a community as he is today. With reasonable opportunities for competition, we need not have much fear of potential abuses by radio licensees. Minorities could utilize the weapon of competition to facilitate their opportunities for "access to the microphone."

Legislation may be required to serve as guideposts to insure a free radio in the fullest sense and, at the same time, constitute a protection against potential abuses. For example, one potential abuse is the concentration in a single Government agency of the licensing power and the power to regulate the business affairs as well as the composition of the traffic of the licensees. The present law already prohibits the Federal Communications Commission from censoring programs but a recent Supreme Court decision seems to imply that the Commission has power to regulate the composition of traffic as well as to make certain rules and regulations governing the contractual and business relations of broadcast licensees. This situation should be clarified by legislation which prohibits the Federal Communications Commission from regulating the composition of radio traffic or in any other way, directly or indirectly, promulgating any regulation or fixing any condition which would interfere with the right of free speech by means of radio communications.

This suggestion for new legislation does not mean that broadcast licensees should be immune from the application of other laws of the country. Neither is it suggested that the Commission should be deprived of power to determine whether licensees are disqualified to operate radio broadcasting stations because of violations of laws not specifically within the jurisdiction of the Commission. It does mean, however, that these licensees should be free from the necessity of having the Federal Communications Commission determine, directly or indirectly, whether licensees are

guilty of alleged violations of law, other than those specifically placed within the jurisdiction of the Commission. It also means that radio licensees will have the same rights as any other person to the judicial processes guaranteed in the Constitution.

A procedure could be established whereby the Commission, in determining the qualifications of licensees, could consider violations of law not within its jurisdiction. For example, the legislation could provide that the Commission may consider such violations when there is evidence of guilt adjudicated by courts of competent jurisdiction. This procedure would afford both due process and at the same time protect the public interest. However, the Federal Communications Commission should not be permitted to revoke a license merely because an official of a licensee corporation violated some law and such violation had no relation to the operation of a broadcasting station.

The present law accords to candidates for public office limited rights of access to the microphone. However, I believe it should be realized that today there are at least two schools of thought with respect to this phase of the radio problem. One group advocates the extension to all people of legal rights of access to the microphone as well as freedom from censorship by radio licensees. The other group advances the doctrine that no person has an inalienable right of access to the microphone and that the broadcast licensee not only has the responsibility of determining who may use his radio facility but is also responsible for what is uttered by any person using the microphone. The latter group relies upon the weapon of competition to insure access to the microphone to minorities. This assurance has not been satisfactorily effective in the past but as indicated hitherto the weapon of competition could be made much more effective in the future.

The only limitations upon free speech in the present law are the prohibitions against utterances of profane and obscene language and prohibitions against the use of radio in conjunction with lotteries. Naturally, these are not unconstitutional limitations. As indicated hitherto, there is a requirement which compels licensees to accord equal opportunities to opposing political candidates if a licensee makes his facility available to any such candidate; but there is no requirement that he shall make his facilities available to political candidates. Likewise, there is a requirement respecting the announcement of names of sponsors. Finally, there is the requirement to operate radio according to public convenience, interest and necessity. The latter can be enforced on license renewal proceedings and, for certain specified offenses, by revocation of licenses.

Thus, until recently, the present law accorded broadcast licensees considerable latitude in the operation of radio stations.

Nevertheless, broadcasters have been subjected to severe criticism for attempts at censorship of

news commentators and for the manner in which the licensees accord access to the microphone. This criticism has inspired action on the part of the Federal Communications Commission. For example, a recent decision of the Federal Communications Commission prevents licensees from using their broadcasting facilities solely as a vehicle for the dissemination of their personal views. The code which many broadcasters have adopted, governing the practice of licensees with respect to the methods of making radio facilities available for the dissemination of facts and opinions, has been severely criticised by the Chairman of the Federal Communications Commission, as well as by others. Finally, the Supreme Court, in a recent decision, implies that the Commission has the power to regulate the composition of the licensees' traffic. With such an interpretation of the present law governing communications, it is not unreasonable to expect that the Federal Communications Commission may soon proceed further into the realm of regulation of the composition of radio traffic.

The criticism of some aspects of broadcasting is so persistent today that Congress may feel compelled to specify what steps broadcasters may or may not adopt in meeting the demands for access to the microphone. Nevertheless, it is difficult for me to visualize how positive equal rights of access to the microphone could be exercised in

practice, even though a new law should accord such rights to all the people. The best that could be achieved in practice in this respect is to make more opportunities to establish competitive radio stations and the enactment of legislation prohibiting broadcasters from imposing harsher conditions upon "opponents" than upon "proponents." Extreme care must be taken that any new legislation does not give advantages to "proponents" with large cash reserves to the disadvantage of minority groups having little money to spend. Moreover, if the broadcaster is to be prohibited from censoring, he should be relieved from responsibility for libel or for other violations of ethics which he is not empowered to control. If we desire to hold the licensee responsible for what is uttered over his station, we must concede that he should have the right to control such utterances. On the other hand, if it is desired to limit such control, it would seem only fair that the licensee's responsibility be limited in proportion.

I believe the time has come for Congress to settle these controversies. No one else can adjust the matter without either usurping power or else invading the realm of free speech, or both.

As both a member of the Federal Communications Commission and a citizen of the United States, I urge the Congress to enact legislation which guarantees to the public of this country a "Free Radio."

RADIO AS AN INSTRUMENT OF FREE SPEECH

Address by C. J. DURR

Federal Communications Commissioner

Before

FREEDOM OF SPEECH PANEL, THIRD FREE WORLD CONGRESS

October 29, 1943

Twenty-six years ago we entered the last war with a slogan. We were fighting "To make the world safe for democracy." It was a simple slogan, but it was effective because we believed in it. We believed that human beings everywhere were fundamentally decent, and intelligent enough to direct their own destiny if given the chance. We also believed that if given the chance they could work out a method of living together in peace, irrespective of race or nationality. Our territory had not been attacked and we had no reason to fear that hostile armies would soon invade our shores. But we had a cause that was good enough for most of us and that was worth fighting for.

Then came the end of the war and shortly afterward the fatal illness of President Wilson, who had been so effective in putting our ideals into words and action. Our "practical" men took over. They told us that our slogan was silly; that human beings were not fundamentally decent but were divided generally into two classes, the stupid and those who were out to get what they could for themselves. We were made ashamed to admit that we had ideals. The peoples of Europe, we were told, were a particularly sorry lot, given from time immemorial to the habit of squabbling among themselves for the pure job of squabbling. Their problems were no concern of ours and the

smart thing for us to do was to forget about them and look out for ourselves. At home we had to prove that we were not stupid, so we started to get what we could for ourselves and to get it the easiest way possible. This business of producing our way to prosperity took too long and was hard work. Besides, if we started producing too much we would have to reduce prices at home or find new markets abroad. We couldn't get into the foreign markets because we had hemmed ourselves in with tariff walls and the foreign countries, of course, could not buy from us unless we bought from them. So we plunged into an orgy of speculation. Listed securities, corner lots, farm lands—anything would do, even foreign loans. What difference would it make if we bought at prices having no relation to values? A "sucker" would always come along upon whom we could unload at a profit. We of course were not "suckers." We belonged to the smart branch of the human family. There were such a select few of us and so many of the other kind who only *thought they* were smart that we couldn't possibly lose.

And so we went on our merry way to economic collapse and to another war dwarfing all others by its horror and magnitude.

We are fighting this war without a slogan. Possibly we would be less confused and more sure of ourselves and our destiny if we had one. But we and our Allies all refer to ourselves and to each other as the "democratic nations." Perhaps some of us still have quite a way to go before we are in fact democratic nations, but the claim is itself evidence of the ideals and objectives of our peoples. So we are in fact fighting again to make the world safe for democracy, even if we feel that the slogan of the last war has been too shopworn for further use. If democracy were not the stake, the war would not be worth the cost, for if we are to be ruled by a fuehrer or a group of fuehrers, the choice of whether they shall be German or Japanese, or American or British is hardly worth fighting for.

We cannot think of democracy without thinking of freedom of speech, for the two are inseparable. The fundamental principle of democracy is that the people, if informed and given a reasonable choice of alternatives, will in the long run choose wisely. Information and free discussion are the food upon which its life depends. No one of us is wise enough to decide what the rest of us should know and think.

The author of the First Amendment to our Constitution, which guarantees freedom of speech and of the press, warned us against becoming complacent in the belief that these rights were secured to us for all time. We do not have to look overseas for constant reminders of the wisdom of his warning. Thomas Jefferson's pledge of "Eternal hostility against every form of tyranny over the mind of man" is a pledge that should be taken anew by each generation.

When we begin to think about the kind of world we want to live in when this war is over, it is necessary that we should think in terms of world-wide

instrumentalities of speech and how they can be most effectively used, and the limitations upon their use, as well as in terms of freedom of the individual mind. For, as the world has contracted through the development of rapid means of transportation and communication, the audiences that can be reached have increased correspondingly, and so has the importance of reaching them. The number of people that could be reached by the old-time speaker was limited by the power of his lungs and vocal cords. Today radio provides a means for world-wide discussions.

I will speak primarily in terms of American radio broadcasting as an instrumentality of free speech.

In the United States, we have endeavored to obtain the maximum of freedom of speech through a diversification of ownerships and controls of the radio outlets. We have rejected the idea of any monopolization, whether by private groups or the Government. In an attempt to avoid both types of monopoly, we have placed the operation of broadcasting stations under diversified private control, but we have reserved title in the people to the radio channels, which are the highways over which the broadcasts travel. Congress has expressly provided that the channels shall *not* be privately owned. It has also provided that they must be used in the public interest. As an assurance that they will be used in the public interest, Congress has directed that no license be issued for a period longer than three years, so that if any licensee fails to recognize his public responsibility the channel assigned to him may be placed in the hands of another operator who *will* recognize this responsibility.

But what happens when the various licensees, through whom we are seeking this diversification, surrender their responsibility, or bind themselves together by common understanding to follow uniform restrictions in determining what shall or shall not be heard over the air?

In an effort to assure diversity, licenses have been issued for more than 900 standard broadcasting stations. But the number of stations does not measure the degree of diversity for over 575 of these stations, which together utilize nearly 95 per cent of the nighttime broadcasting power of the entire country, are affiliated with one or more of the four nation-wide networks. The network technique has made possible both nation-wide programming and a quality of program which could not have been afforded by individual stations acting independently, but it has also made the nation-wide networks the "big business" of the radio industry.

An affiliation contract with a network is, next to its government license, the biggest economic asset a station can have; many stations could not survive without network affiliation. The networks, therefore, with this power of economic life and death in their hands, are in a strong position to influence if not control the program policies of their affiliated stations.

In 1941 the Federal Communications Commis-

sion adopted regulations dealing with the relationship of the independent stations to the networks. The regulations were designed to prevent contractual restraints upon the free flow of programs and to give the independent stations a little more control over their own time. The hold of the networks over the stations was thereby weakened a little, and naturally they did not like it. Still more serious to them was the fear that once the value of the regulations to the independent stations, as well as to the listening public, should be proved, the way might be paved for further inroads on their power, so they began to raise the old cry that the FCC was stifling *their* "freedom of speech." The two largest networks resorted to the courts in an effort to have the regulations declared invalid, and succeeded in delaying the effective date for nearly two years. At the same time they appealed to Congress for legislative relief, but without success. Ultimately, the United States Supreme Court, by a decision handed down in the spring of this year, held that the FCC was acting within its authority in adopting the regulations and that the constitutional guarantee of freedom of speech and the press was in no way impaired. So the networks are now raising the cry that the Supreme Court itself is trying to suppress freedom of speech, and the appeal to Congress has been renewed.

The "Code of Ethics" of the National Association of Broadcasters is another illustration of what may happen to the diversification in broadcasting control which we are seeking. The Code is a voluntary one, and unlike an affiliation contract between a network and a station, has no legally binding effect upon its subscribers. It merely sets forth a common understanding among members of the Broadcasters Association as to the program policies which should be followed. The restrictive effect of some of the provisions of the Code was brought clearly into the open for the first time only a few weeks ago in the public testimony of an official of the Blue Network. He stated that while his network did not follow the NAB Code absolutely, there was no substantial conflict between its program policies and the policies laid down by the Code.

According to this witness, the function of radio is the sale of goods and services. It is primarily an advertising medium and time will therefore not be sold to anyone having ideas to present. As he put it:

"We are selling time for one specific reason, and that is to sell goods, manufactured by American manufacturers, to the public."

But ideas may be thrown in as the free prize in the box of crackerjacks. He was asked, "The only method by which you can get an idea out is by selling it along with a package of goods," and he replied, "That is the only way."

The rules determining who shall or shall not have time on the air as described by the witness, are highly selective. No time will be sold for the discussion of "controversial issues." A "reason-

able" amount of free time will be made available for such discussion. The network, of course, determines what issues are of sufficient public interest to warrant discussion over the air and also affords time for the opposing point of view to be presented. It is admitted that, as a rule, programs of this kind are not carried over as many affiliated stations as sponsored programs, but the witness was not able to give any figures as to the number of stations which have carried any particular program. No solicitation of memberships whatsoever is permitted, either on free or paid time, except for organizations such as the American Red Cross.

Labor unions, according to the witness, are controversial *per se*, and consequently even a symphony orchestra, if sponsored by a labor union, becomes controversial. However, the views of Mr. W. J. Cameron are not controversial when he is sponsored by the Ford Motor Company, for Ford Motor Company is not controversial and Mr. Cameron, presumably, is expressing his own ideas and not the ideas of Ford. It is conceded that the views of commentators sometimes happen to correspond rather closely with the views of their business sponsors, but this is merely a fortuitous coincidence.

The network, according to the witness, would sell time to General Motors to sponsor Vandercook as a commentator, but would not sell time to the A. F. of L. to sponsor the same commentator, because that would be controversial, although the witness is sure that Vandercook broadcasting for the A. F. of L. would say the same things as Vandercook broadcasting for General Motors.

The witness repeated that the function of radio is to sell time for advertising goods and services. General Motors, he admits, has nothing to sell to the public at the present time because its entire production is devoted to military goods, but nevertheless, time would be sold to General Motors to enable it to acquire good will and to tell the public about the contributions of General Motors to the war effort. Time, however, would not be sold to the United Automobile Workers in order that they might attempt to acquire good will and to tell the people about their contributions to the war effort, because this would be controversial.

The witness admitted that, on occasions at least, some business organizations, as for example, electric power companies during the period of debate on the holding company act, are controversial *per se*. The network would not, of course, sell time to a power company under such circumstances, "to further any legislative program", but it would be all right for the power company to buy time for a program by a philharmonic orchestra. The C.I.O., however, could not buy time for the same philharmonic orchestra. Apparently, there are subtle distinctions of controversiality even as between controversial organizations.

According to the witness, time, of course, cannot be made available on any basis to a consumers' cooperative because cooperatives solicit memberships. But time will be sold to mutual insurance

companies, for this is an entirely different matter. Mutual insurance companies also solicit memberships, but people are inclined to think about insurance policies rather than memberships when mutual insurance companies are mentioned. The membership is merely incidental. It is admitted that in the case of consumers' cooperatives, the membership is incidental, and cheaper buying is the main thing, but still there is a difference which is apparent enough to those versed in such matters. But the network is broadminded. It has no objection whatsoever to consumers' cooperatives selling their goods provided, of course, they don't advertise them over the air. As the witness said:

"We have no objection to their selling goods because that is the business we are in, but you would soon find out that if you opened the door to that extent, they would be stepping beyond the principle of selling goods, as such, and begin selling memberships in their organizations. All you have to do is open the door once, and you have them in."

Apparently the witness is not afraid that if the door is opened to a business concern to sell advertising, it might go a little further and start selling ideas.

Again there are subtle distinctions even as to cooperatives and other membership organizations. If the cooperative is a producers' cooperative and is big enough, it is all right. For example, there is no objection to selling time to the Land O' Lakes dairy association and, of course, it is all right for an industrial concern to advertise for employees and tell them of the benefits which go with their jobs, such as vacations, medical care, and disability insurance. A labor union, however, cannot buy time to say anything about the benefits its members receive in the way of medical care, insurance, etc., even though it does not ask its listeners to join the union.

The NAB Code Manual, in its discussion of the complicated subject of labor unions and controversial issues, warns NAB members:

"The situation is further complicated by the fact that employers, as a rule, won't discuss their labor problems on the air and *are inclined to frown on those stations, especially in smaller communities, which open their facilities to labor unions.*" (Emphasis supplied.)

I think we are warranted in accepting with some degree of scepticism the assurance that this attitude on the part of employers, who may also happen to be advertisers, has nothing whatsoever to do with the amount of free time made available for the discussion of union problems or with the policy against the sale of time for such purposes. We may ask, too, whether the attitude of the large advertisers has anything to do with the policy relation to consumer cooperatives.

The Blue Network has recently changed hands and fortunately the new owner has stated that he will consider all requests for time strictly on their

individual merits and without arbitrary discriminations. This policy should result in a real contribution to a freer discussion of public issues and it is to be hoped that his lead will be promptly followed by the independent stations as well as by the other networks.

Another development which may have an important effect upon the discussion of public issues over the air is the recently adopted program policy of the Columbia Broadcasting System. CBS disclaims for itself all right to an editorial policy, except as to *radio* (I am not certain that I understand all the implications of the exception). It also requires commentators to eliminate all personal opinion from their comments. A strong argument made in support of this restriction on commentators is that it minimizes the opportunities for business concerns, under the guise of advertising, to buy up time for the exposition of their own philosophies. I will not attempt here to argue the merits or demerits of this policy. The commentators themselves have taken up the cudgels and it looks as if this is an issue that will be adequately aired. CBS should be commended for making its facilities available for the discussion of its own policies.

The question which immediately arises, however, is, even if the elimination of all editorializing is desirable, is it possible? Editorializing exists in the mere decision as to what is or what is not newsworthy and the emphasis placed on one item of news as against another. For example, the Washington Evening Star, which also happens to own Radio Station WMAL, Washington outlet for the Blue Network, didn't bother to write an editorial in defense of Blue's policies as outlined in the testimony of the official I have been referring to. It was much simpler not to mention the testimony in its news columns.

Another question is, if public issues are to be discussed only on free time, will a sufficient amount of free time continue to be available? Radio broadcasting has long passed the trial period as an advertising medium. The demand for advertising time is constantly on the increase. Broadcasters can well afford to be generous in making time available for the discussion of public issues when no buyer for the time is in sight. But as advertising demand has increased, the unpaid time available tends more and more to be the poorest time from the standpoint of reaching the widest audience. We may well reach the point, and in the not far distant future, when broadcasters will be able to find a profitable market for every single minute of the broadcasting day. What, then, will be their policy? Can they be relied on to resist the pressure to make the maximum profits which, after all, is what they are in business for? The Blue Network's time sales in 1942 increased 22.7 per cent over 1941 and the sales for the past six months of 1943 were almost 70 per cent higher than the sales for the corresponding period of 1942. Already, according to its witness, it is seeking a commercial sponsor for its Town Hall program, which would mean that the selection of

subjects and speakers would be brought within the influence of the sales and business policies of the sponsor. The increase in the time sales of the other networks has not been as spectacular as that of Blue, which has in the past been at a commercial disadvantage because of its affiliation with NBC, but the general decrease in time left unsold has been rapid and there is no reason to believe that the trend will be reversed after the war, when the large advertisers will have specific goods to sell rather than mere good will.

Even if we assume that the broadcasters and their sponsors are concerned only with the sale of goods and not the dissemination of any ideas of their own, what does the present trend of radio promise for the future in the way of a positive service in the public interest? We have made our decision that the greatest safety lies in having our radio outlets privately operated. They must rely upon advertising for the money with which to operate. But what will our civilization be like if the culture and ideas which we receive from radio are merely a by-product of the advertising business?

The problem of freedom of the air is not limited to what shall be said or heard over our domestic broadcasting stations. We also have the problem of what we shall say to and hear from the peoples of the other nations of the world.

Prior to the war, international broadcasting from this country was in private hands, but the broadcasting stations were few in number and there was not enough advertising to sustain them. Since the war, they have come under Government operation and the number of stations has been markedly increased. What will our international broadcasting policy be after the war? Will the Government continue to operate these stations, or will they be returned to private hands, or will we

have both Government and private stations operating side by side? Whatever alternative we choose, will we recognize that listeners abroad, like listeners at home, are entitled to receive a fair presentation of the news and a well-rounded discussion of the public questions in which they may be interested? Should we have one standard for what we shall hear from our domestic broadcasting stations and another for what we shall beam to the people of other countries? And should we not expect the same standards to be observed in the broadcasts beamed from other nations to this country which we observe in our broadcasts to them? We have never denied to our citizens freedom to listen to all broadcasts, irrespective of the source from which they are beamed. Can there be any freedom of discussion on a worldwide basis unless the other nations grant the same freedom to their citizens? And, finally, can we afford to let democracy's story remain untold or be misrepresented to the people of any nation merely because it is unprofitable, from a business standpoint, to operate the facilities with which to tell that story?

We have always hoped that every war would be the last one, and that is our hope about this war. Civilization cannot hold up under many more, if even one more, like it. We cannot let the point that there have always been wars deter us in our determination to obtain an enduring peace. No enduring peace can be made solely by compact among rulers. It must be based on the desires and beliefs of the people themselves and an understanding by the peoples of each nation of the problems and aspirations of the peoples of the other nations, accompanied by a common determination to get along with each other. There can be no enduring peace unless it is a democratic peace.

The National Association of Broadcasters

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

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SPECIAL INFORMATION BULLETIN

Nov. 26, 1943

The Manager and the Medium

By WILLARD D. EGOLF

Assistant to the President, National Association of Broadcasters

Delivered at the Annual Dinner, Association for Education by Radio,
Stephens College, Columbia, Missouri, November 20, 1943

Contrary to the reasons advanced by the toastmaster, my conscience requires me to confess that I am on the program tonight simply because my wife is a graduate of Stephens College and our small daughter is already registered for entrance in the year 1958. President James Wood, Barry Holloway, Sherman Lawton and in fact the entire staff of Stephens College are notorious for sponsoring Stephens graduates and their families. In my case you might even call them shameless.

I come to you in the capacity which was formerly that of Colonel Ed Kirby, now with the War Department in Washington. I am trying to do Colonel Kirby's work at NAB with the assistance of nine broadcasters as a committee and seventeen more as district chairman. In other words, Colonel Kirby was replaced by twenty-seven men. Ed continues to demonstrate his prolificacy by superintending radio's vital functions as a weapon of war while maintaining his civilian contacts which were so enjoyable to him in peace time. I find him at most of our meetings wearing the uniform which identifies him among the broadcasters as one of radio's first and foremost contributions to the war.

A station manager, looking at the title of my speech, made this observation, "Hmmm! The Manager and the Medium. So it's finally come to that."

"Come to what?" I asked.

"Well," he said, "with commentator trouble, labor trouble, personnel trouble, equipment trouble, battery trouble and legislative trouble, I guess it's time I consulted a medium."

When I meet with educators I like to adopt their techniques, first, because they are democratic, second, because they provide the best method of studying radio's problems.

Consequently it is in a classroom sense that I say, let's play a game. This game you all know.

It is the formula used by psychologists and psychoanalysts to demonstrate the association of ideas. The game leader pronounces a word and the player answers with the first thing that comes in his mind. For example, the word "money" might suggest "taxes", the word "war" might suggest "soldiers" and so on. Some words suggest many things that are related.

Now I would like to pronounce a word, just one word, and call on some of you to answer with not one but several of the things that it suggests. Let your thoughts roll out, disjointed, scrambled, I don't care—expressing what the word I pronounce means to you. The greater number of different things that can be crammed into your sentence, the better. Are you with me? All right. Just one more suggestion. Please stick to the first things you think of, even if you hear someone ahead of you use them, too. We want a true first reaction. Sherman Lawton will try to keep an account of them, but there will be no competition, no prizes. This is not "Double or Nothing" or "Take It or Leave It," so don't be nervous. Ready, then, the word is simply "radio."

(Grateful acknowledgment is made to Miss Tobin, Miss Debblor, Miss Patterson and Mrs. Charters for their helpful participation.)

Very good. Now, please listen to this definition of radio.

"Radio. A system of national and international communication which, by means of news, entertainment and education, serves and influences the masses and promises to enlighten the peoples of the entire world."

How many of you agree with that definition? Then how about this definition?

"Radio. A system of local communication, which by means of local transmitters, studios and equipment, provides news, entertainment and education designed for those within specified cover-

age areas and augments this service through national and international hook-ups in a manner compatible with the local public interest."

How many of you agree with that definition? Both definitions are valid. Both are necessary to the perfect conception of radio. But failure to recognize the importance of the second definition is responsible for many ills. Let me repeat it:

"Radio. A system of local communication, which by means of local transmitters, studios and equipment, provides news, entertainment and education designed for those within specified coverage areas and augments this service through national and international hook-ups in a manner compatible with the local public interest."

Radio is primarily local, local in its facilities, local in its coverage, local in its philosophy.

The language of the law which creates radio as we know it today, the communications act of 1934, as amended, makes no reference to what two stations shall do, or three stations, or a network of stations. The law speaks in terms of single stations, single licensees, in single localities.

The license under which an applicant is granted the right to operate a radio station specifies that he shall operate the station "in the public interest, convenience and necessity." That language means operation in the *local* public interest, convenience and necessity, conceived and executed with regard to the needs of a particular community or specified coverage area. It places no burden upon the operator to weigh the problems of the nation or of the whole world except as they apply locally. In the modern development of national and international philosophy, many more such problems do have application locally, but it is the duty of the manager to study and distinguish them, for a broadcaster cannot serve the whole world and ignore his own community.

You don't have to look to the law alone to find the local responsibility and individual integrity of station management. Travel around the country and discover how numerous and different are the interests of our states and communities. Get out among the people of a certain area; see what they are doing and hear what they are talking about. I've just come from Oklahoma, which I know perhaps best of all. You don't have to go any further than Oklahoma to find interests distinguishable from those of their neighbors in other states. Their national concern now is the war and all its consequences but their local interests include flood control, irrigation, the price of beef, pork and farm products and the price of oil.

Local station broadcasts in Oklahoma must be patterned to the disposition and interests of its people. National and international programs must be sifted through the screen of local public interest.

No, you don't have to look at the law alone to define local station responsibility and individual integrity. A lot of it depends on how you were brought up in this business. I first became acquainted with radio when my boyhood pal and I made crystal sets out of cigar boxes and other

odds and ends, an outgrowth of our interest in communications developed through a tin can telephone. In 1921 I played in a college orchestra which broadcast once a week or whenever the transmitter was in working order. Our studio was the operator's living room. Our microphone was an ordinary telephone and our announcer was a law student who edited the school's comic magazine and hoped to sell a few extra copies by reading jokes out of each issue over the air. Our most responsive audience was the operator's eight months' old baby who cried like the devil in the next room every time we played. There was certainly nothing national or international in our conception of radio at that point. We could almost count the number of receiving sets that were able to pick us up and we usually heard from most of them. A few years later in Florida, I had frequent contacts with one of America's pioneer commercial stations but never thought of using it as an advertising medium in the tremendous real estate boom going on at that time. Only a few receiving sets were in operation and the whole thing was strictly a local experiment. When I joined an advertising agency in 1928, frequently writing radio continuity for local advertisers and attempting to sell ideas for sponsorship, all my dealings were with the station manager. He was the focal point of station business. His responsibility and authority were clearly recognized.

When I joined radio actively in 1932, at the lowest depth of the depression, our station and in fact the entire radio industry were going through an economic fight for survival. Management meant everything in those days, in order to keep a station on the air. We had to go to the safe every Saturday night and pay off. Anyone who could call himself a radio man had to be able to sell time, write programs, select music and talent, produce shows, perform in the shows and collect bills—but quick. I'll never forget the time I first faced a microphone as an announcer. That was something else again. Later in the evening a friend told me that I sounded as if I had run up three or four flights of stairs just before going on the air. That was impossible because our studios were in a basement. My office was where the rats always ran when the news editor chased them out of the news room. When we finally prospered to the point of moving to the top of the town's finest tall building, high up in the sunlight, we were so overcome with joy and the realization of our accomplishment that we sailed paper airplanes from the twenty-second floor balcony like a bunch of kids. Through it all there was a tremendous spirit of loyalty to our station and to the job we were trying to do for our community. For ten years at my station, during which we went from 5,000 to 50,000 watts, I never saw that spirit falter or do anything but grow. It was everybody's trust and everybody stood ready to discharge it. One of the last things I did before leaving the station was to go back on the air as a cowboy singer, under another name, when the war began to pinch us

again for station personnel and the regular singer went to work in a shipyard.

You will find the same story in most of the stations in America today. The experiences which station managers and station executives have undergone, quite as much as the radio law which governs their operations, are responsible for the feeling of local autonomy, local individuality and devotion to local public interest.

Edgar Guest says, "It takes a heap of living in a house to make it home." Well, a heap of broadcasting in a town will make it home, and it gives that town a civic asset in the men and women who have gone the route and learned the civic consciousness.

And why is it important to review these things? Because radio's responsibility in the new world rests almost solely upon the shoulders of station managers. It is immaterial if they are standard band stations, FM stations or television stations, the same responsibility applies.

I said earlier that improper recognition of the local definition of radio is responsible for many ills. The new world is already producing new ideas, there will be great social and educational readjustment, sponsored by national and even international groups. There may be a tendency among these groups, because of their national complexion, to resolve themselves onto the air, demand nation-wide broadcasts through network programs without proper regard for the obligation of station management to pass upon such programs from the standpoint of local public interest. It must be remembered that the obligation remains with local station management whether the time is given or sold. Sale of time puts no obligation on station management to accept program content. In fact, it calls for even closer scrutiny of broadcast material.

The best solution to the problem is educational. Those who wish to use radio for the furtherance of ideas or ideologies should learn the principles of radio's true American system. Radio cannot be regimented in a free democracy. Radio cannot be seized by the forelock and made to do something as a single corporate body. He who tries it will discover that he has grasped a bristling cactus

with every spear a different local viewpoint. Might as well try to grasp all the newspapers of America at once and march them around by the collective seat of their pants. Might as well try to abolish state's rights or local autonomy in city government.

But there must be a disposition to teach as well as to learn. The broadcasters, as part of their responsibility in the new world, are prepared to assist all who value radio as a means of expression and communication. Generally speaking, broadcasters are as public spirited as any group of men you will find in America. They have learned the meaning of public service as the life-blood of radio. None has ever failed in the process of amiable agreement and understanding when approached with the proper recognition of his position.

In the last analysis, radio is not a cyclops—a giant with a single eye. Radio has a thousand eyes, represented numerically by almost a thousand radio stations, eyes to see the people of our new world and read in their faces the challenge of the years. Eyes to see the returning soldiers, many of them permanent victims of battle; eyes to see the changing aspects of home life; eyes to see the new type of youth, many of whom have already said that they will not leave war plants and go back to school; and eyes to see what I saw only a few weeks ago in Washington at the Navy Day Banquet—while a WAVE choir sang the Navy Hymn—a gray-haired mother leaning back, unnoticed (she thought), as the tears ran down to her trembling lips. Eyes, hundreds of eyes, watching in every city, town and farm home in America, will be needed to shape radio's programming in the new world. To the eyes of station managers will be added those of thousands of returning radio men and women now with the armed forces. Their thoughts, their reactions will be woven into the radio programs of our post-war world.

Frequency modulation will come, television will come, but the greatest thing to come is understanding, so that the marvels of our science will be properly concentrated to the betterment of humanity. Thank you.

The National Association of Broadcasters

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

No. 16

SPECIAL INFORMATION BULLETIN

Dec. 17, 1943

“War Department Report”

Forty-five Minute Official Sound Film Available to Radio Stations for Local Showings

Public Release Date
Dec. 26—Order Now

“War Department Report,” an official film on the military situation, frank, grim, startling, prepared especially for the war workers of America, will be made available for public showing December 26!

Radio stations may obtain prints for studio showings or as station-sponsored programs before civic clubs or other local groups of their own choosing.

This forty-five minute film was previewed in Washington recently and it will grip and hold any size audience that your station is able to assemble, in studio, theater or civic auditorium. Available in both 16- and 35-mm. sound films.

The War Department is making public bookings now, through Washington and agents in the field. If you want to be first in your community, send your request at once to:

MONROE W. GREENTHAL, Capt., AUS,
Industrial Services Division,
Bureau of Public Relations,
War Department,
Washington, D. C.

Previews to management may be made prior to December 26 but no public showings are to precede that date.

Here is what the War Department released to America's war workers on the subject of “WAR DEPARTMENT REPORT.”

“THE ARMY GIVES AMERICAN INDUSTRY THE INSIDE FACTS

‘For the first time in its history, the War Department is making an official report on the military

situation directly to the war workers of America. This is not a pep talk. It is a report by your General Staff.’

These are the words that Robert P. Patterson, Under Secretary of War, uses to introduce WAR DEPARTMENT REPORT to the screen.

The heretofore confidential material on which the film is based was first presented in a series of highly restricted War Department conferences to members of Congress and leaders of industry, labor, and the press.

These men were so impressed with the information presented that they urged the War Department to relax restrictions and make the facts available to every war worker in the Nation—from top executive to apprentice worker.

Accordingly, the Under Secretary of War directed that the material be made into a film, as the quickest, most graphic way of telling this important story. WAR DEPARTMENT REPORT is the result . . . frank, grim, often startling in what it discloses . . . a film that pulls no punches.

To illustrate its points, the picture draws on the cream of actual combat movies filmed by Army and Navy camera crews. In dramatic sequence it shows the landing in Sicily . . . the bloody battle on the Salerno beach . . . our planes in aerial combat with the enemy . . . the remarkable amphibious attacks on Jap-held strongholds . . . and other action scenes.

The strength of the enemy is revealed in his own films, seized from him and now used to expose the truth about his men and equipment. A unique part of this seized footage gives the Germans' own film record of their abduction of Benito Mussolini.

Other sections reveal the job that lies ahead for us . . . the problems and possibilities of attack

on the Axis from the air, on land and by sea. Interesting animated charts supplement dramatic action pictures in presenting strategic and statistical facts in a simple and engrossing manner.

'1944 is the year of decision . . . there is no more waiting . . . we are ready for the test of our strength and spirit,' says Under Secretary of War Patterson at the end of WAR DEPARTMENT REPORT. The film itself helps arm America to meet the test, by showing exactly 'what the score is.' It is the sincere belief of leaders in the Army, of management and of labor that

every man and woman in America's war industry should see it."

* * * * *

Not only war workers, but every man and woman in America may now see it! This factual sound film report that pulls no punches, to be released for public showing December 26, is yours for the asking in your community. The number of prints is limited. Other organizations know about this offer. Order your print of "War Department Report" today!

Section 326 of the Communications Act which specifically provides:

“Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication.”

“The answer to these questions is that the Court neither decided anything nor uttered any dicta with respect to the Commission’s powers over programs. This will be clear in a minute when I put the phrase “the composition of that traffic” back into the context from which the NAB tore it. Neither the words, program control, or programs, or anything comparable to either occurs in the pages preceding or surrounding the one phrase so carefully culled out of its meaningful environment.

“You have before you mimeographed copies of the Supreme Court’s decision. Let’s take a look at the entire document, and please feel free to challenge me on any line you may think raises any question on program control. The first page summarizes the history of the court litigation. Pages 2-4 are devoted to a summary of the Commission’s investigation of chain broadcasting. Beginning at the bottom of page 4 and continuing to page 10 the Court takes up, one after another, the Commission’s eight chain broadcasting regulations and describes the network abuses which each of these regulations was designed to correct. At the bottom of page 10 and at the top of page 11, the Court sets forth the various grounds upon which the networks were challenging the regulations. Pages 11 through 13 are devoted to a summary of the history of radio-legislation culminating in the 1934 Act. The pertinent provisions of the 1934 Act are quoted on page 14.

“It’s important to note that all of the opinion beginning at the bottom of page 10 through page 15 is of interest in clearly demonstrating what the Court was discussing in the significant paragraph of page 15. It first discusses the licensing of stations under the Wireless Ship Act of June 24, 1910. Then came the licensing provisions of the Radio Act of August 13, 1912, which forbade the operation of radio apparatus without a license from the Secretary of Commerce and Labor. Then follows a discussion of the development of the art and of the interferences between the various stations, including broadcast stations. There follows a reference to the national radio conferences and to the difficulties of the Secretary of Commerce in attempting to find frequencies for every station that wanted to go on the air. Following that at the bottom of page 12 is a reference to the breakdown due to the fact that the Secretary of Commerce did not actually have authority to license the stations and control their frequencies, power and hours of operations.

“Then at the middle of page 13, the Court

draws attention to the bedlam of 1927 and to the natural limitations which require a selective process in determining the stations that should be permitted to operate. There follows at the bottom of page 13 a discussion of the Radio Act of 1927 setting up a valid licensing and regulatory system for the industry. There ensues a discussion of the licensing and regulatory provisions of the FCC Act of 1934. Various of the pertinent statutory provisions are set forth on page 14. Then immediately preceding the paragraph in question is a specific discussion of the Commission’s licensing power in the public interest and a reminder of the provision and need for the distribution of licenses, power etc., so as to provide a fair, efficient and equitable distribution of radio service. Now it is significant that in the paragraphs which I have outlined no reference whatsoever is made to program control, program material or programs in any form or manner.

“Now we come right down to the paragraph on page 15 which contains the much quoted words, it should be borne in mind also that the Court had before it the question of the validity of eight regulations, each of which provided “*no license shall be granted*” to a licensee engaged in specified monopolistic practice. The first question presented for the Court’s decision was whether, under the Communications Act of 1934, the Commission had power to promulgate such regulations. The Court commenced its discussion of this question by saying:

“The Act itself establishes that the Commission’s powers are not limited to the engineering and technical aspects of regulation of radio communications. Yet we are asked to regard the Commission as *a kind of traffic officer, policing the wave lengths to prevent stations from interfering with each other*. But the Act does not restrict the Commission merely to supervision of the traffic. It puts upon the Commission the burden of determining the composition of that traffic. The facilities of radio are not large enough to *accommodate* all who wish to use them. *Methods must be devised for choosing from among the many who apply*. And since Congress itself could not do this, it committed the task to the Commission.”

“I would ask you to observe the language of that paragraph very carefully set forth at the top of page 15 of the mimeographed copy. First the Court says the Commission is not simply a traffic officer, policing the wave lengths to prevent stations from interfering with each other. Obviously, the traffic there referred to is the stations themselves, or the radio emissions from those stations. Then the Court goes on to say that the Commission does something more than supervise “the traffic.” Again the traffic refers to the stations.”

Senator McFarland: “I think a different interpretation can be put on—

Mr. Fly: “If you will let me finish my statement—

"Then follows the sentence which the two big networks and their associate NAB choose to misconstrue. "It puts upon the Commission the burden of determining the composition of that traffic." Permit me to underscore "*that traffic*", because, again, it refers to the same traffic in the preceding lines and can refer to no other traffic."

Senator Wheeler. "I have never felt that the Supreme Court had in mind about this traffic anything except radio stations themselves and I can't see how that decision repeals Section 326."

Mr. Fly said that he did not want laid at his doorstep the responsibility for the "soap operas and these awful programs" that we hear from 10 to 6 in the daytime.

Senator Brooks asked whether the Commission exercised program control in any manner, such as holding up applications and asking the lawyer of a licensee to come in and talk to the Commission's lawyers and Mr. Fly replied "we certainly do not want to deal with programs and no member of the staff has authority to do such a thing."

Ask by Senator Wheeler about the foreign language situation Mr. Fly replied that the Commission "has rendered a line of cooperation with other government departments."

Senator McFarland asked whether the Commission exercised any consideration of program in the case of two applicants where only one facility is available, Mr. Fly replied "Yes sir—in cases of that kind, if the applicants are equal in financial and legal qualifications then the type of program to be rendered might be a determining factor."

Continuing from his prepared statement Mr. Fly said:

"The composition of that traffic is again the composition of the electrical traffic, that is, the stations that are on the air. In other words, the Court is saying that far from simply policing the existing traffic, the Commission shall by licensing choose the stations which shall operate on the ether highways. To put it another way, the traffic officer simply guides and controls the traffic which comes along on the highway, but the licensing authority determines what cars shall compose the traffic, or what cars shall be permitted upon the highways.

"Let us take a look at the next sentence. "The facilities of radio are not large enough to accommodate all who wish to use them. "All who wish to use them" must necessarily refer to persons or concerns who desire to establish stations. This necessarily means again, that the licensing authority must pick from the different applicants and that is exactly what the next succeeding sentence says "Methods must be devised for choosing from among the many who apply." This is simply a reminder that a selective process is necessary in the granting of applications, and the choosing of the licensees who may put stations on the air.

"The language immediately following the paragraph in question continues to discuss the licens-

ing process and the standard to be relied upon in the selection of licensees. At no point either before or after the quoted paragraph is there any reference to programs or program control. The Court points out that the "public interest" is the interest of the listening public in "the larger and more effective use of radio." The Court said that radio facilities are precious and cannot be wasted. It was on this basis that the Court on pages 16 and 17 reached the conclusion that the Commission could properly refuse licenses to stations engaged in the monopolistic practices at which the chain broadcasting regulations were directed. The Court said that, in essence, the eight regulations represent a "particularization of the Commission's conception of the 'public interest' sought to be safeguarded by Congress in enacting the Communications Act.

"The balance of the court's opinion beginning at the bottom of page 17 deals with answering the other arguments which had been advanced by the networks.

"Thus, in the network case the Supreme Court did nothing more than decide the issue before it—the validity of the anti-monopoly regulations. The law with respect to the Commission's power, or rather lack of power over radio programs was left just where it has always been. Under Section 326 of the Act the Commission is specifically denied the power to tell a radio station what it shall or shall not broadcast. The only power which the Commission does have is the power to review the over-all service of a station to determine whether it is operating in accordance with public interest, convenience and necessity. If the Commission finds a man like Dr. Brinkley, Reverend Shuler or Dr. Baker, it has the power under the decisions of the courts to refuse to renew his license. Everyone who has testified at these hearings has said that the Commission should have the power to keep men like these off the air. Certainly it cannot be said that this power has been abused. The record shows that it has been very sparingly exercised.

"In short, the cry of the networks at these hearings has been for Congress to "repeal the Supreme Court Decision." I have shown you that the decision has nothing to do with programs and therefore to overturn the Court's decision would have no effect so far as programs are concerned. It comes down to this. The only result that would follow from a repeal of the Supreme Court decision would be the restoration of the monopoly that the big networks formerly enjoyed. This monopoly must not be restored, particularly when we are on the threshold of television and frequency modulation which would make that monopoly far more powerful than it ever has been in the past."

Senator McFarland said that he was more interested in what the law should be than in what it is interpreted to be.

Senator Wheeler said that as a result of the Supreme Court decision there had been created "a fear" to which Mr. Fly replied "Apart from the

NAB campaign and editorials which whopped it up some stations in complete good faith are afraid."

Senator Tunnell observed "As I understand, you and the industry both agree that the Act does not authorize you to get into programs."

Senator Wheeler—"What we ought to do is write it into the law."

Mr. Fly: "You can leave the law as it is—it has been exercised in a pretty just manner. I am not anxious to move into the critical survey of programs."

Senator Wheeler said the hearings would be adjourned until 10:30 a. m. tomorrow as he had some further questions to ask.

Senator White asked that there be incorporated by reference, in these hearings, the testimony on the so-called Sanders Bill in the House—the Chain regulations in the Senate hearings and the merger bill.

The hearings were recessed until 10:30 a. m. Thursday, Dec. 16.

Senate Hearings—December 16, 1943.

Mr. Fly was the only witness when the hearings reopened on December 16. The following were present: Senators Wheeler, Chairman, White, Moore, McFarland and Gurney. Mr. Fly commenced his testimony by submitting for the record a detailed set of comments of S. 814, and two proposed drafts of amendments, as follows:

- (1) Related to a new section 310B requiring consent of the Commission before a transfer of 20% or more of a licensee's ownership.
- (2) A section amending 312 of the Act calling for penalties of less than forfeiture of license.

He said he wanted to remind the Committee of the historical background of this country, the environment under which previous legislation has been enacted and reviewed the fact that RCA had been developed at the end of the last war for the purpose of maintaining control of patent developments and communication exploitation in this country. He mentioned the separation of Westinghouse, General Electric, Bell System control of RCA and the expansion of RCA interests in the related lines of business.

He said that RCA had moved beyond its original specified program and it was under that environment the 1927 Act and 1934 Act were passed. He said "The Committee will want to bear in mind the RCA control of the patent situation, as for example in the television field."

Senator Wheeler asked whether RCA held most of the television patents to which Mr. Fly's reply was "No one can go into the television business without getting together with RCA". Asked by Senator Wheeler who could apply for television channels, Mr. Fly's reply was "Other companies" he thought "will go into the television broadcasting and set manufacture", and said that he thought

the patents controlled by RCA would have an advantage.

Senator McFarland observed that there might be other companies that might develop patents of a basic nature and thus require RCA to go to them. Mr. Fly said "You'd be surprised at the ingenuity of RCA in getting around these competitive patents and you'd be surprised at their ability to discourage other developments."

He said that Mr. Trammell had stressed television and had passed over hurriedly FM. He said that FM is ready to go ahead in developing a national service, but Major Armstrong controls the basic patent on FM and RCA had tended to discourage FM and is plugging television. He said that radio broadcasting had a terribly important effect on the public in many vital ways, but when this television spreads over the country the impact will be extremely increased. He said it was ominous to think of the power a single control over one medium would have.

Senator Gurney inquired whether he felt that the public had benefited through the big companies' operation of radio and Mr. Fly's reply was that before he would know the answer to that question he would have to have a psychiatrist diagram the minds of housewives, after they'd listened to these programs from 10 to 6.

Senator McFarland said that from Mr. Fly's remarks he assumed he thought that programs are generally bad and Mr. Fly replied that he was not seeking any control of programs and that he thought it would be a healthy thing if Congress could bring a greater degree of responsibility to the licensee to render a public service rather than have an hour to hour or day by day control.

Senator McFarland said "I understand you advocate an extension of FM which it seems to me would result in giving more programs and that would be a remedy" to which Mr. Fly said "There is no remedy in more programs." Senator McFarland then said "What's the good of it" and Mr. Fly said "It gave a better signal and better quality and is better on the whole but is not the cure for this program situation."

Mr. McFarland asked Mr. Fly "Don't the stations put on programs that the public wants to hear and if there are more stations won't they have apparently lots more programs they want to hear." Mr. Fly admitted that might possibly happen, like the case of WQXR which started experimentally and started notching up the quality of programs and built a pretty good audience.

Senator Wheeler said "What bothers me is the talk about monopoly—when it is a monopoly of a thing it is bad enough but when there is a monopoly of what goes out over the air and then the companies say they want to broadcast what they think is in the interest of the public and the public will then say what they want. I don't want either Government or free enterprise with a monopoly of ideas.

Mr. Fly said it was an ominous thing, when for the sake of a dollar—"public service" programs were being dropped. Senator Moore said "I

haven't watched these programs very carefully—just what do you mean about dropping public service programs.” Mr. Fly said they were being cuffed around and educational and scientific programs were losing out, and that he had already mentioned what had happened to the Forum programs.

Senator Wheeler asked “Have you made any check of what the listening public prefers in the way of programs, and Mr. Fly said that Broadcasters carry on surveys to determine this factor.

Senator McFarland said that one solution he thought of was “More thought should be given by the public to programs” and Senator Moore said that “A lot of this stuff is trashy and I would like to see more informational programs broadcast, but how are you going to do it and who's going to pass on it?”

Mr. Fly's reply was that a thing like the Quiz Kids was good although it was a commercial program, but it depended largely on the amount of non-commercial time and then pointed to the early night-time hours that were sold by NBC and CBS.

Senator Moore said “Just explain what we should do—you disclaim any desire to do anything about programs but suggest that something be done”. Mr. Fly replied that the answer would be for Congress to require a certain percentage of time be allocated to blocks of musical programs to evening hours and said that Amos and Andy

came along and tried to push off the Catholic Hour which had been on the air 14 years and they were not successful. Senator McFarland asked “How did it happen they couldn't be thrown off by the network and Mr. Fly reply was that he assumed the public did it. Senator McFarland said “that is just what I thought.” Senator Wheeler said “But that was a strong organized group that kept it on—” and suggested that “we could write into the law a requirement that the licensee agree when the license was issued to grant a certain amount of time for public service programs.

Senator Wheeler said “What bothered him in considering programs or license renewals is how you can take away fear by a station that if he puts on a program somebody does not like he might lose his license.” Mr. Fly said that “I think you can take care of that by saying we have no control over a single program.”

In answer to further questions Mr. Fly indicated that permanent licenses would be impractical since it is necessary from time to time to change frequencies and bands of frequencies as the art develops.

He said that work was being done to determine where bands of the various services would be placed after the war and indicated, in reply to a question by Senator McFarland that the newspaper decision should be expected in a few days.

The Hearings were concluded.

National Association of Broadcasters

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

December 24, 1943

SPECIAL LEGISLATIVE BULLETIN

No. 28

House Select Committee to Resume Hearings in January

Chairman Lea, in reviewing the hearings on the investigation into FCC personnel and activities indicated that upon resumption of the hearings in January FCC personnel will be heard regarding the activities of its Radio Intelligence Division, Foreign Broadcast Intelligence Service and War Problems Division. Counsel Garey stated that he would be ready to proceed with reports prepared by the investigating Staff at an early date. No specific date for the resumption of the hearings was announced.

NATIONAL COUNCIL OF CATHOLIC MEN REQUESTS CORRECTION MR. FLY'S TESTIMONY ALLEGING NBC TRIED TO "PUSH THE CATHOLIC HOUR OFF" 6 o'clock time.

Edward J. Heffron, Executive Secretary of the National Council of Catholic Men has requested NAB to publish the following excerpt from the testimony before the Senate Interstate Commerce Committee on Wheeler-White Bill, together with his letter of explanation to Senator Wheeler.

Testimony of James Lawrence Fly at the Hearings before the Committee on Interstate Commerce, U. S. Senate, December 16, 1943.

"Mr. Fly: I think that you might well consider that sir (speaking of program control). And you might consider requiring a certain percentage of the time during the day to be devoted to a variety of purposes. Without moving too much into detail you could require that . . . a sufficient time, or that a given block of time, be devoted to educational programs, and you could require in these evening hours, when you have your best audience, that some attention be given to the public-service programs. I do not want to overstress that, but that becomes more and more acute. You take a single example here, the Catholic Hour. It has been on the NBC Sunday evenings for 14 years,

and yet here a few months ago the NBC came around and tried to push the Catholic Hour off there, to put on Amos 'n' Andy, a commercial program.

Senator Moore: The Catholic Hour is heard on Sundays, isn't it?

Mr. Fly: Sunday evenings, yes sir. Now I do not think they succeeded in that push. But they may well succeed when they move in, and they have succeeded in moving in, on other educational programs.

Senator McFarland: What was there to prevent them from succeeding?

Mr. Fly: Well it is, I would assume, the public opinion that is involved there. And I would assume that the Catholic organizations should have and probably did raise Cain about it.

Senator McFarland: Well, that is what I am getting at. It just goes to show that if the public do set their mind on a thing they can have their way without legislation.

Mr. Fly: Yes, but you do not always have as powerful a group . . .

The Chairman: Organization."

December 17, 1943

"Hon. Burton K. Wheeler, Chairman
Committee on Interstate Commerce
United States Senate
Washington, D. C.

"Dear Mr. Wheeler:

"It has come to our attention that, in the hearings before your committee yesterday, reference was made to The Catholic Hour, nationwide religious broadcast produced by this organization. According to the reports we have received, the testimony on this point might give the impression that the National Broadcasting Company undertook to high-pressure the National Council of

Catholic Men into changing the time of the broadcast to some less desirable hour.

"Any such interpretation is not in accord with what actually took place. To dispel any misunderstanding of what occurred, I should like to state the following facts for the record. Last spring the National Broadcasting Company did ask the National Council of Catholic Men to consider moving the Catholic Hour from six o'clock Sunday evening (Eastern time) to three o'clock Sunday afternoon, saying that, at the earlier hour, they would be able to assure us a larger number of cooperating stations than were then carrying our program. (I need not explain to you, of course, that since the Catholic Hour is a sustaining public service program, it brings no revenue either to the National Broadcasting Company, or to those independent stations affiliated with NBC which choose to carry it; and that as a consequence, a number of the stations to which the program is made available by the National Broadcasting Company, prefer to carry local commercial programs at that hour.)

"The Board of Directors of the National Council of Catholic Men considered NBC's proposal at

its meeting on May 1, 1943, and thereupon informed NBC that it would prefer not to have the hour of our program changed. NBC accepted this decision with good grace and with no impairment of the good relations that have existed between us since the inauguration of the Catholic Hour nearly fourteen years ago.

"Our transcript of the testimony before your committee yesterday seems to suggest that NBC may have accepted this decision of the NCCM board only as a result of organized efforts by Catholic groups to persuade them to do so. Actually the negotiations were private, entirely between the National Broadcasting Company and the National Council of Catholic Men. NCCM released no word concerning the matter, either during the pendency of negotiations or afterwards, to individuals, groups, newspapers, or magazines.

"I trust that this statement will serve to avoid any possible misunderstanding of the matter.

Sincerely yours,

EDWARD J. HEFFRON,
Executive Secretary,
National Council of Catholic Men."

National Association of Broadcasters

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

NO. 1

SPECIAL MUSIC BULLETIN

April 9, 1943

TO NAB MEMBERS WHO USE ASCAP PER PROGRAM CONTRACTS

Audits which have been made within the last few weeks have resulted in the making of certain claims by ASCAP field men. Since the NAB has received inquiry on these points from a number of stations, it is making the following information available to all NAB members:

1. Claim has been made for compensation with respect to programs utilizing ASCAP music which follow spot announcements when spot announcements do not take place at station breaks. The Consent Decree signed by ASCAP, and ASCAP's Per Program license are clear on this point. The Consent Decree requires ASCAP to offer to broadcasters a sustaining Per Program license which requires payment only for the sustaining programs on which ASCAP licensed compositions are performed, and as to commercial programs a license requiring only the payment of a percentage of the revenue derived by the licensee for the use of its broadcasting facilities in connection with a commercial program which uses ASCAP music. There is, therefore, no basis for asking for compensation with respect to contiguous programs which do not use ASCAP music.

For instance, if a station presents a five minute newscast, followed by a one minute commercial announcement, followed by a sustaining program of ASCAP music, ASCAP is entitled only to the sustaining fee on the ASCAP musical program. Of course, if the one minute spot uses music licensed by ASCAP, ASCAP is entitled to payment-at the commercial rate on the amount collected from the advertiser for the one minute spot. The local station program commercial license issued by ASCAP specifically provides that compensation shall be paid only on local commercial programs which utilize ASCAP music, and local commercial programs are defined to mean a local program in connection with which a sponsor pays for the use of the broadcasting facilities of the station, including participating programs.

On October 17th the Copyright Committee of Independent Broadcasters, Inc. wrote to all broadcasting stations a letter, which was specifically

approved by John Paine on behalf of ASCAP. Among the examples given in this letter was the following:

"Under the per program contract, the question was asked as to whether ASCAP would make a claim for compensation in respect of a program entitled, for instance, 'Early Morning Club' which runs from 7 to 7:15 A.M. using music and is interrupted by a sponsored fifteen minute straight news program, after which, at 7:31, the second half of the 'Early Morning Club' is broadcast for the balance of the period. The Committee was informed that ASCAP would not expect to be compensated in respect of the revenue derived by the station from the straight non-musical sponsored news program."

This ruling aids in the definition of participating programs. Moreover, in the NAB reports for January 16, 1942 (Volume 10, No. 3) there was published a letter addressed by the NAB to ASCAP, which letter was approved in substance by Mr. Paine, who said of it:

"Undoubtedly what you are seeking to say is the same as what we have in mind . . ."

Among the statements in this letter was the following:

"If you have a Musical Clock or other participating program which broadcasts some music, some news, etc., and the program is listed, announced and billed as one program, the station is obligated to pay ASCAP on the entire program. If, however, this program is broken down into a number of separate programs, for instance, with a news period segregated from the portion of the program which uses ASCAP music, and the portion of the program which uses ASCAP music segregated from the portion of the program which uses BMI, P.D. and other music, so that there will be a number of separate programs instead of one program, a substantial saving may result to the station, and this should be considered by all stations. We understand from the statement of authorized ASCAP representatives at district meetings that even if the newspaper lists the Musical Clock or other participating program under

one name, if it is in fact segregated and station break announcements made between the segments of the program that this will be an adequate division by ASCAP into separate programs.”

2. Questions have been raised with respect to the applicability of the 8% rather than the 2% rate where themes, jingles, etc., are used. The ASCAP commercial per program contract provides that the 2% is applicable on local commercial programs which use compositions licensed by ASCAP only incidentally as bridge or background music, themes or signature, arrangements of works in the public domain, or incidentally to the broadcast of a public or sports event. The claim has been made by ASCAP field representatives that if the composition used as the theme varies from program to program, it will not be considered as theme music and that the full 8% rate must be paid. This claim is unjustified. The reason for the word “signature” and the word “theme” was to distinguish between the invariable signature and the varying theme. So long as the composition is used as theme music, the 2% rate is applicable. Attention is also called to the statement made in the NAB Bulletin of January 16, 1942, already referred to, as follows:

“Authorized representatives of ASCAP have stated at district meetings that if an ASCAP jingle is used on a transcription, and this jingle is the only music that is used, the program is compensable at the 2% incidental rate rather than at the 8% major use of music rate under the per program commercial contract.”

3. ASCAP field men have raised questions with respect to compositions originally licensed directly to broadcasters by independent music publishers and subsequently acquired by ASCAP publishers. It is clear that the licenses originally issued with respect to such compositions remain in full force and effect until cancelled. For instance, Back Bay Music Company of 168 Tremont Street, Boston, Mass., in January, 1941, licensed broadcasting stations with respect to compositions entitled “Somebody Else is Taking My Place” and “Until You Went Away.” “Somebody Else is Taking My Place” was subsequently acquired by an ASCAP publisher member. Stations which received the original licenses from Back Bay Music Co., however, are entitled to perform this work under such license until this license is revoked. Similarly compositions originally licensed by small music publishers through BMI are occasionally acquired by ASCAP firms. Performing rights in

such compositions remain available to broadcasters under their BMI licenses until such time as BMI notifies stations to the contrary. A case in point is the composition “My Devotion”, licensed through BMI by Stover Music Company. This license still remains in force and effect despite the fact that the composition was subsequently acquired and published by an ASCAP member.

4. ASCAP also questions the title of BMI affiliates in certain compositions licensed through BMI. Conspicuous among these is “Song of the Islands”, published by Edward B. Marks Music Corporation. This composition is licensed to broadcasters by BMI and may be performed under BMI license. The Edward B. Marks Music Corporation has indemnified BMI against any claims which may be made by ASCAP or any of its members, and BMI has similarly indemnified all broadcasting stations. The composition, therefore, may continue to be performed under the existing licenses and indemnities. BMI has requested that if any claims are made with respect to compositions licensed through BMI, that such claims should be referred to BMI for attention.

5. Claims have been made by ASCAP field men with respect to Consent Decree licenses issued directly to broadcasting stations. The Consent Decree signed by ASCAP specifically provides that any ASCAP member may license works on a non-exclusive basis directly to broadcasting stations. The Department of Justice has clearly stated that these Consent Decree licenses may be issued either with or without the payment of consideration. Attached hereto is a list of those Consent Decree licenses issued to broadcasting stations which have been brought to the attention of the NAB. All these licenses were issued in a form approved by the Department of Justice and broadcasters are entitled to rely upon these grants. Certain of the Consent Decree licenses have been cancelled subsequent to their issuances and this information appears on the schedule. Broadcasters are not entitled to perform these works under Consent Decree license subsequent to the date on which they receive notice from the person issuing the license that the license has been withdrawn. Prior uses, however, are not performances on which ASCAP is entitled to claim compensation.

Broadcasters who desire advice with respect to these or similar claims are invited to communicate with the NAB for additional advice and information with respect to these and similar claims.

SCHEDULE A

<i>Title of Composition</i>	<i>Publisher</i>	<i>License Issued By</i>	<i>Remarks</i>
Lamp of Memory	E. B. Marks	Al Stillman	
I'll Be a Good Soldier Too	BMI	Russell Robinson	
The Kick of the Kangaroo	E. B. Marks	Andy Razaf	
Ree Tee Zootle Lo Do	Merrywood	Buddy Kaye	
Olivia	Merrywood	Milton Berle	
Would It Make any Difference To You	BMI	Eddie Cherkose	
Nightingale	E. B. Marks	Milton Berle	
I'll Be Home for Xmas	E. B. Marks	Bert Pellish	
Three Terrific Guys	National	Xavier Cugat	
Stardust Serenade	BMI	Buck Ram	
Buy a Share in America	} Orange Music	Kay and Su Werner	
I Pledge Allegiance		George F. Whiting	
We're Riding for Uncle Sammy Now	Greene-Revel	Lanny Grey	
You Go Your Way	} Southern Music	Milton Berle	
I'm in Good Shape			
Karanina			
I Haven't a Thing to Wear			
Wherever You Are			
Romeo Smith and Juliet Jones	} Southern Music	Southern Music	
Thank Your Lucky Stars and Stripes			
How Long Did I Dream	} Maurice O. Wells	Southern Music	
Que Chica			
Humpty Dumpty Heart	} Acuff-Rose Publications	Russ Morgan	
Goodnight Little Angel			
I'm Reading Your Letter Again Dear			
Let's Tell Our Dreams to the Moon			
In the Echo of My Heart			
Sorrow on My Mind			
Time Alone			
Pins and Needles			
Fire Ball Mail			
Low and Lonely			
Whose Heart Are You Breaking Now			
Home in San Antonio			
I'll Reap My Harvest in Heaven			
I'm Human Too			
There's a Palace in Dallas, Cowards Over Pearl Harbor		} Greene-Revel, Inc.	
Heavenly, Isn't It			
When There's a Breeze on Lake Louise			
A Million Miles from Manhattan	} Greene-Revel, Inc.	Mort Greene	Consent Decree
You're Bad For Me		Harry Revel	License withdrawn June 17, 1942
Cindy Lou McWilliams	} Greene-Revel, Inc.		
How Do You Fall in Love			
Sing Your Worries Away			
Until I Live Again			
Call Out the Marines			
Zana Zaranda			
Beware			
The Light of My Life			
Went Out Last Night			
Hands Across the Border			



National Association of Broadcasters

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

NO. 2

SPECIAL MUSIC BULLETIN

May 28, 1943

TO ALL NAB MEMBERS WHO HAVE ASCAP PER PROGRAM COMMERCIAL LICENSES:

Once again the question of interpretation of provisions of the ASCAP contracts has arisen. From time to time other problems in the music field arise which could well be considered on an industry-wide basis. For that purpose NAB will appoint soon a music committee, composed of broadcasters, which will meet periodically for general consideration of all problems in the music field.

One of the first duties of this committee will be to sit down with ASCAP and thrash out interpretation of the ASCAP contracts.

In the meantime, NAB is issuing this special music bulletin giving NAB's interpretation in respect of the claims asserted in ASCAP's circular letter No. 3945, which was sent on May 18, 1943, to local station program commercial licensees.

At the outset we call the attention of all members to NAB's Special Music Bulletin, issued April 9, 1943, which relates to some of these claims. Some background as to ASCAP's position on commercial per program licenses may, however, be helpful.

On March 4, 1941, a Consent Decree, to which ASCAP was a party, was entered in the Federal Court in an action entitled United States of America against ASCAP. This decree provided:

(1) That ASCAP should not require a license fee in respect of commercial programs, any part of which should be based upon a percentage of the income received by the broadcasters from programs in which no musical compositions licensed by ASCAP shall be performed. (Consent Decree, Paragraph I, subdivision 3 (a)).

(2) That broadcasters would be entitled to a per program license in respect of commercial programs requiring the payment of a stipulated amount for each program in which the musical composition licensed by ASCAP for performance are performed, or, in the alternative, the payment of a percentage derived by the broadcaster from the use of its broadcasting facilities in connection with a program in which musical composi-

tions licensed by ASCAP are performed. (Consent Decree, Paragraph I, subdivision 3 (ii)).

Under the Consent Decree, therefore, ASCAP was forbidden the right to demand a license fee based on income from programs in which its compositions were not used, and was affirmatively directed to grant a license to broadcasters based only on the revenue from programs which actually use ASCAP music. The agreements which ASCAP subsequently made were, of necessity, in compliance with this decree and the local station per program commercial license defined the local commercial programs as being

"any local program in connection with which a sponsor pays directly or indirectly for the use of the broadcasting facilities of the station. A so-called 'participating program' shall be deemed to be a commercial program." (License agreement, paragraph 2).

Paragraph 4 of the license agreement sets forth that the station is required to pay a percentage of its receipts from sponsors only "on local commercial programs which use any of the compositions licensed hereunder."

Both by the requirements of the decree and the provisions of the contract, therefore, ASCAP was limited to payment on commercial programs which use ASCAP music—that is, programs on which the sponsor paid for the time, including participating programs. From this alone, without further clarification, it is obvious that ASCAP is not entitled to call a sustaining program a commercial program because it is either preceded or followed by a commercial spot announcement. If any doubt had been left on this point it was resolved in a letter dated October 17, 1941, signed by W. J. Scripps on behalf of Independent Broadcasters, Inc., which letter ASCAP, by a letter dated the same date and signed by John Paine, general manager, stated would act as a construction of the contract. This letter, approved by ASCAP, read:

"Under the per program contract it was understood that ASCAP does not demand compensation in respect of spot announcements made on 'station breaks' between completed programs."

ASCAP now says they understood this statement "would cover only such announcements as Bulova, Longines and weather reports (when permitted) and similar announcements."

There is, of course, no justification for any such interpretation of the term "spot announcement" by ASCAP and, indeed, such an interpretation is in conflict with the Consent Decree, with the contract and with the understanding between the parties. The fact is, therefore, that a spot announcement which precedes or follows a sustaining program which uses ASCAP music does not convert the adjacent sustaining programs into commercial programs, nor is ASCAP entitled to any percentage of the revenue derived from the sale of such spot announcements unless the announcements use ASCAP music.

ASCAP's circular letter of May 18th also states that the income of participating programs is subject to payment to ASCAP. This is correct, and the local station per program commercial license so provides. ASCAP's statement that the only interruption to a participating program can be a complete fifteen minutes newscast is, however, not justified. The letter from Independent Broadcasters, Inc., previously referred to, raised the question of an "Early Morning Club" program which used music from 7:00 to 7:15 A.M., was interrupted by a sponsored fifteen minute news program "after which at 7:31 A.M. the second half of the 'Early Morning Club' program is broadcast for the balance of the period."

ASCAP confirmed to Independent Broadcasters, Inc., that ASCAP "would not expect to be compensated in respect of the revenue derived by the station from the straight non-musical sponsored 'news' programs." This is, however, only one example of the type of revenue on which ASCAP is not entitled to a percentage. A participating program is obviously one in which a number of commercial announcements are made, in addition to the commercial announcements which occur at station break. ASCAP is entitled to payment on a participating program which uses ASCAP music and is not entitled to payment on a participating program which does not use ASCAP music.

On December 18, 1941, Neville Miller, on behalf of the NAB, sent to John Paine, on behalf of ASCAP, a special bulletin defining the position which had been taken by ASCAP as to participating programs. On December 23, 1941, John Paine wrote Neville Miller thanking him for the letter and saying that he thought that it would be very helpful. He also wrote:

"Undoubtedly what you are seeking to say is the same as what we have in mind but you haven't said it our way, and as long as we are to be bound by it, and I rather think that we should be, we would like to rewrite the memorandum and express it in our own words, and then send it on to you for such use as you may desire to make of it."

Such revision of the memorandum was never prepared and, therefore, in the NAB REPORTS for January 16, 1942, the memorandum which had been forwarded to ASCAP and had been thus approved in substance was published. This memorandum set forth an explanation with respect to participating programs which was based on the statement of authorized ASCAP representatives, made at the time that ASCAP was endeavoring to get its contracts signed. The subdivision of this memorandum which related to participating programs read as follows:

"If you have a Musical Clock or other participating program which broadcasts some music, some news, etc., and the program is listed, announced and billed as one program, the station is obligated to pay ASCAP on the entire program. If, however, this program is broken down into a number of separate programs, for instance, with a news period segregated from the portion of the program which uses ASCAP music, and the portion of the program which uses ASCAP music segregated from the portion of the program which uses BMI, P.D. and other music, so that there will be a number of separate programs instead of one program, a substantial saving may result to the station, and this should be considered by all stations. We understand from the statement of authorized ASCAP representatives at district meetings that even if the newspaper lists the Musical Clock or other participating program under one name, if it is in fact segregated and station break announcements made between the segments of the program that this will be an adequate division by ASCAP into separate programs."

The statement of ASCAP that the only exemption is for a complete fifteen minute news broadcast, therefore, is not justified either under the Consent Decree, the contract between the parties, or the interpretations which have been made of it.

ASCAP makes one other claim in its letter of May 18, 1943, and according to the information which we have, this claim is justified. ASCAP has cleared all of its compositions for inclusion, without charge, in programs prepared or furnished for broadcasting by or on behalf of governmental agencies. Such clearances are for sustaining purposes, however, and if the station sells such a government program which contains ASCAP music for sponsorship, payment should be made the same as for any other sponsored programs.

If ASCAP attempts to press against any station the claims made in its letter of May 18th with respect to spot announcements or participating programs, the NAB should like to be advised of such attempt.

Retail Promotion Committee

JUNE 18, 1943

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No. 4

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

BULLETIN!

An editorial in the June 5, 1943, issue of EDITOR & PUBLISHER carried this headline:

RADIO SEEKS STORE BUSINESS

The same issue of EDITOR & PUBLISHER featured this headline on the leading article:

ARE DAILY NEWSPAPERS TODAY THE THIRD-RATE MEDIUM?

The lead story in the June 14, 1943, issue of ADVERTISING AGE bore this headline:

NEWSPAPERS' COMPLACENCY TARGET AT NAEA MEET

Retail Promotion Committee Named to Study Competition

Here are excerpts from the editorial in the June 5, 1943, issue of EDITOR & PUBLISHER:

"A NEW and possibly formidable threat to newspaper revenues has appeared in the plan of about 300 radio stations to promote the sale of time to retail stores. A selling fund of \$125,000 has been pledged by some members of the National Association of Broadcasters, and approximately \$83,000 is said to have been already subscribed.

"That is more than a 'possibly formidable' menace. It is one that deserves the immediate attention of all newspapers, whether or not they own radio stations. If the broadcasting industry can convince the local retailer that it can do a better job for him than the newspaper has done through the past century, the small-town newspaper faces a revolution in its economy. . . .

". . . the Blue Network, which has just completed a survey . . . (announces) the conclusion . . . that 'the potentialities of daytime radio have not yet been reached.'

"We doubt very much that these 'potentialities' can be reached with department store advertising substituted for some of the sticky stuff that passes for daytime entertainment now. . . .

"Nevertheless, it is possible that the aggressive salesmanship of the radio people may lure some dollars from the printed word to the purchase of time, as an experiment. That is a circumstance against which newspapers ought to take every precaution. The radio sales team will have its story in the most attractive form, with every favorable element well to the front and quick answers for every uncomfortable question. The newspapers, with an infinitely superior case, should be well prepared to scotch this competition before it takes away another corner of their revenue."

The following excerpts are taken from the lead article by Wm. J. Swagerman in the same issue of EDITOR & PUBLISHER:

"Unfortunately, newspapers have been so occu-

pied with their own 'civil' war that they have lost sight of the more important conflict going on about them. While they have been struggling against each other for better percentage shares of a rapidly diminishing newspaper dollar, competitive media have assailed them frontally and with devastating effect.

"From the record, however, it is evident that many important advertisers and agencies are not concerned with claims of newspapers that they are 'first' in particular markets. It is obvious that they do not consider the newspaper first among general advertising media.

"Without considering the peak volumes of 1929, let us look at the relative national revenue figures for the 'normal' year of 1927, the depression year of 1933 and the latest year of 1942.

"In 1927, newspapers, magazines and radio divided an estimated national revenue of \$412,000,000. The share of each was as follows:

Newspapers	54.6%
Magazines	44.2
Radio	1.2

"Then came the depression, and the low of 1933. In that year, national advertising revenue had shrunk to \$299,000,000, divided as follows:

Newspapers	48.6%
Magazines	32.2
Radio	19.2

"Thus, at the depth of the depression, newspapers were off \$80,000,000 of national revenue, magazines had dropped \$86,000,000, or nearly 50% of their 1927 volume; while radio had the only increase. Nonetheless, newspapers continued the major medium.

"With the advent of prohibition repeal in late 1933, some 20 to 30 millions of new revenue was released, of which newspapers got the major portion. Newspapers' national revenues jumped to \$163,000,000 in 1934, \$167,000,000 in 1935 and continued through 1937, when they hit \$195,000,000. In 1937, the percentages were:

Newspapers	39.7%
Magazines	31.1
Radio	29.2

"Since 1938, the position of the newspaper has become steadily worse. The newspaper dropped to \$143,000,000 of national revenue in 1942—or just about the equivalent of its 1933 low. It has maintained this figure for five years—despite substantial increases by both magazines and radio. The newspaper today is *third* among major media

in national revenue. Here is the distribution for 1942, when the total reaches an estimated \$551,000,000:

Newspapers	25.9%
Magazines	31.3
Radio	42.8

"Included in the newspaper figure is the national business carried by THIS WEEK and AMERICAN WEEKLY, representing roughly \$13,000,000. Thus, without benefit of this Sunday supplement volume (which many people consider more properly in the magazine category) newspapers got only about \$130,000,000 of national revenue last year. Magazines are almost back at their 1927 level, while radio has soared to new heights and has solidified its position as first medium for national advertising. And radio does not accept liquor advertising.

"Unfortunately, there has been no selling of the newspaper medium in an organized, national sense. Radio and magazines have never been aggressively challenged by the newspapers. The longer they remain unchallenged, the more impregnable will become their position.

"Now, newspaper publishers are faced with a new threat. Radio has decided to initiate a drive on retail. Toward this end, about 300 stations have subscribed to a fund of \$125,000 to establish the radio medium as the most effective for promotion of retail stores, particularly department stores."

But that is only part of the story! Reporting the meeting of the Newspaper Advertising Executives Association at Hotel Pennsylvania in New York on June 7, 8 and 9, 1943, Warren Bassett wrote in the leading story in the June 14, 1943, issue of ADVERTISING AGE:

"Of all the problems the 'Big Three' are, it was indicated, radio competition in the retail as well as the national field, the threat of further curtailment of newsprint supplies which will require rationing of advertising, and the complacent, indifferent and even obstructionist attitude on the part of some newspapers in regard to movements which have for their goal the promotion of newspapers as a whole.

"Significant of the fighting attitude of this wartime meeting of the country's leading newspaper advertising executives was the appointment of a committee new in NAEA history, a retail promotion committee, whose sole duty will be to study and report on the selling plans of competitive media. Funds necessary for the committee's research will be solicited and it will report to the

next NAEA meeting in the fall, or earlier through the office of the NAEA if the committee deems that a report should be made.

“Although all competing media will be studied, it is no secret that increasingly stiff radio competition in the retail as well as the national field was a large factor in the minds of NAEA members when they voted to activate such a committee.

“Chairman of the new group, appointed by William Ellyson, Jr., RICHMOND NEWSLEADER and TIMES-DISPATCH, retiring NAEA president, is H. H. MacLean, manager of retail store advertising, Scripps-Howard Newspapers, New York. Other members of the committee will be appointed by the newly elected president, William Wallace, advertising manager, TORONTO STAR.”

What You Can Do To Help

There are two things you can do to help with the development of the Retail Promotion Plan. In reality, you will be helping yourself—for the Plan is designed to help you sell more broadcast advertising to retail accounts.

1. Please fill out and return as soon as possible the Statistical Questionnaire on page two of the folder mailed to you on May 27, 1943. It is a simple and easy form to use and will prove genuinely helpful in the preparation of the Plan.
2. Please write a letter immediately, telling us, in your own way and in your own words, some of your recent experiences with retail advertising. You will find a list of topics on page three of the folder to serve as a guide in writing your letter.

Many stations have already written letters to Sheldon R. Coons, outlining their recent experi-

ences with retail advertising. Mr. Coons is enthusiastic about the wealth of useful information these letters have provided. The more letters that are received, the more complete his analysis will be—the more useful the Retail Promotion Plan will be to you.

For your convenience in sending us this information, a self-addressed envelope was enclosed with the folder. If you failed to receive the folder and the envelope, drop us a line and you will receive both by return mail.

We can not emphasize too strongly the importance of returning the Statistical Questionnaire and writing a letter at your earliest convenience. We have set a tight schedule for the production of the Retail Promotion Plan and we want to meet every date on that schedule. Won't you please help us to help you by returning the questionnaire and writing the letter today?

Here Is Where The Plan Will Be Shown ... Based on Present Pledges

Here is the list of cities in which the Retail Promotion Plan will be presented, based on present pledges. Look over this list—is your community included? If it is not, neither you nor the other stations in your community have pledged

support to this project, designed to help you.

How can your community be included in this list? By pledging the support of your station! If you have not already done so, doesn't it behoove you to pledge your support right now?

(See the present list of cities on the following page)

HERE IS WHERE THE PLAN WILL BE SHOWN . . . BASED ON PRESENT PLEDGES

Connecticut
Bridgeport
Hartford
Waterbury

Maine
Portland

Massachusetts
Boston
Fall River
Springfield (Holyoke)
Worcester (Fitchburg)

New Hampshire
Manchester

Rhode Island
Providence

New York
Albany (Schenectady, Troy)
Buffalo
New York
Rochester

Pennsylvania
Altoona
Philadelphia
Pittsburgh

District of Columbia
Washington

Maryland
Baltimore

North Carolina
Charlotte
Raleigh
Winston-Salem

South Carolina
Charleston

Virginia
Richmond

West Virginia
Charleston

Alabama
Mobile
Montgomery

Florida
Jacksonville
Miami

Georgia
Atlanta
Columbus
Macon

Arkansas
Little Rock (Hot Springs)

Louisiana
New Orleans
Shreveport

Tennessee
Chattanooga
Knoxville
Memphis
Nashville

Kentucky
Louisville

Ohio
Canton
Cincinnati
Cleveland
Columbus
Dayton
Toledo
Youngstown

Indiana
Evansville
Fort Wayne
Indianapolis

Michigan
Flint
Kalamazoo

Illinois
Chicago
Peoria
Rock Island

Wisconsin
Milwaukee

Iowa
Davenport
Des Moines
Sioux City

Missouri
Kansas City (Mo. and Kans.)
St. Louis

Nebraska
Lincoln
Omaha

Minnesota
Duluth
Minneapolis-St. Paul
St. Paul

Kansas
Wichita

Oklahoma
Oklahoma City
Tulsa

Texas
Austin
Dallas
El Paso
Fort Worth
Houston
San Antonio

Colorado
Denver

Utah
Salt Lake City

California
Oakland (Berkeley)
San Francisco
Los Angeles (Bakersfield, Glendale,
Pasadena, Riverside, San Ber-
nardino)
San Diego

Washington
Seattle
Tacoma

Retail Promotion Committee

SEPT. 27, 1943

* * * * *

No. 5

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

The Retail Promotion Committee Plan Is Ready

First Showing Is In Washington, D. C., Statler Hotel,
October 12, 1943

The Retail Promotion Plan is the answer to a question that has long puzzled the radio industry. In America, radio has proved itself an incalculable powerful force in the field of news, education, religion, politics, music and entertainment. Its use by advertisers has profoundly affected sales, profits and public acceptance for almost every branch of American industry. Yet, radio has not had industry-wide acceptance in the field of retailing.

In a broad sense, this presentation is designed to create and cement friendly relations and understanding between retailers and broadcasters, by showing in detailed dramatic form the mutual problems of both. The whole conception has been one of rendering a service to retailers that will produce material results for both retailers and broadcasters.

The responsibility for the success of this presentation in your community rests with you. In conception and production, the Retail Promotion Plan has been prepared in a constructive and professional manner. It will come to your city, deserving of the best setting, the best promotion, and to be heard by the top personnel in the retail industry in your city. Given your personal attention and best efforts, it will produce results both lasting and profound.

The Plan

Here, then, to help you answer the one-hundred-and-one questions that come to your mind, is a brief story, chronologically told, of the Retail Promotion Committee and its Plan. The Plan was born in the minds of the commercial managers of American radio stations who insisted that something should be done to break down the illogical resistance of the leading retailers to the use of broadcast advertising.

Following the NAB Convention in Cleveland

in May, 1942, the Board of Directors determined that action was imperative. A committee was appointed to study the problems and to recommend a course of action.

Paul W. Morency, manager, WTIC, Hartford, Conn., was named chairman and the Committee was selected to represent all parts of the country and all types of station operation. The other members of the Committee are:

Robert E. Bausman, WISH, Indianapolis, Ind.
Gene L. Cagle, Texas State Network, Fort Worth.

Dietrich Dirks, KTRI, Sioux City, Iowa.
John Esau, KTUL, Tulsa, Okla.
James V. McConnell, NBC, New York City.
Kenneth K. Hackathorn, WHK-WCLE, Cleveland, Ohio.

Arthur Hull Hayes, WABC, New York City.
Walter Johnson, WTIC, Hartford, Conn.
C. L. McCarthy, KQW, San Jose, Calif.
John M. Outler, Jr., WSB, Atlanta, Ga.
Oliver Runchey, KOL, Seattle, Wash.
William Crawford, WOR, New York City.
Lewis H. Avery, director of broadcast advertising, NAB, was named secretary of the Committee.

Two Problems Recognized

In its preliminary discussions, the committee recognized two problems. They were:

1. A very definite lack of understanding of the retailer's problem on the part of the broadcasters.

2. Too little knowledge of the uses of broadcast advertising on the part of retailers.

After many meetings and hours of discussion, the committee decided the solution for this two-fold problem was promotion and education, combined in a single dramatic presentation. Once this had been determined, the need for outside, professional counsel became apparent.

After a careful examination of the entire field, Sheldon R. Coons, nationally-famous retailer and

advertising consultant, was selected. Mr. Coons had attained a national reputation in the fields of retailing, broadcasting and advertising. He spent twenty years as a retailer in Wilkes-Barre, Pa., in Portland, Ore., and for fourteen years with Gimbel Bros. in New York. During the last few years, he served as general merchandise manager and executive vice president. Then he entered the advertising agency field and became executive vice president and director of Lord & Thomas. For the past three years he has been business consultant to industrial clients throughout the country.

From many discussions with the committee, Mr. Coons submitted a basic plan. This was developed after exhaustive research, engaged in by Mr. Coons and his staff, as well as the various committee members to whom assignments were given. Throughout, both the committee and Mr. Coons worked closely with the executives of the National Retail Dry Goods Association.

In fact, the Board of Directors of the Sales Promotion Division of that organization enthusiastically and unanimously endorsed the project.

Other Experts Consulted

In preparing the Plan and reaching the conclusions to which it led, Mr. Coons counseled with Dr. Julius Hirsch, senior consultant to OPA and former Price Administrator for the German government, who gathered a symposium of literature and utterances on the subject of the problems and cost of retail distribution.

Dr. Paul Lazarsfeld, director of the Office of Radio Research of Columbia University, was retained to make a new and original analysis of the use of broadcast advertising by retailers. He and his staff prepared the most searching study that has ever been undertaken in this field.

Frequent discussions took place with other individuals engaged in both retailing and broadcasting, and in other fields related to these.

W. H. Knowles, vice president of the Jam Handy Organization, and his staff assisted in planning and executed the final presentation in its dramatic form.

The Master Showing of the Retail Promotion Plan consists of five sections.

1. "The History and Development of Retailing"—a talking motion picture featuring Sheldon R. Coons.

2. "Distribution Tomorrow"—a critical analysis of postwar problems by the master of ceremonies, using prepared charts.

3. "America Takes to the Air"—a talking slide film detailing the growth and development of broadcasting in the United States.

4. "Why Radio Works"—a talking motion picture based on new and original research by the Office of Radio Research of Columbia University.

5. "Retailing's Future in Radio".

Here are a few excerpts from the Retail Promotion Plan. In the sound motion picture entitled "The History and Development of Retailing," Mr. Coons points out:

"Today we are faced with new forces and new trends as never before, and for our own selfish well-being, it is vital that we seek and observe these trends—be constantly aware of them—be prepared to adjust ourselves to them.

* * * * *

"But, the point that I want to make right now is this. We've all been pretty emotional about these changes. But that's not surprising, for, if we stop to think about it, we've always been emotional about change—change brought on by war measures or by social trends.

* * * * *

"Because farsighted people in your industry and in the radio industry had recognized the fact that broadcast advertising represented a trend, which perhaps neither of you fully understood, the National Retail Dry Goods Association, through the instigation of the National Association of Broadcasters, circulated a very complete questionnaire relating to retailers' use of radio. At the time our study was beginning, the answers to that questionnaire had just begun to come in.

* * * * *

"We have seen that change is paramount—change filled with opportunities for the imaginative and the daring.

"Change liquidates those who are emotional and refuse to keep up with social trends.

"What about the problems of tomorrow? For tomorrow will bring new changes."

Postwar Problems

In Section 2, the master of ceremonies traces the forces and problems that will be faced by retailers in the postwar period. First of these forces is described as "a huge new productive capacity." In fact, the presentation points out: "The productive capacity of our labor force will be 60 per cent greater in 1945 than it was in 1929, the pre-war year of greatest production."

The presentation then traces some of the new products that will be available to a merchandise-hungry public.

Another of the forces in the postwar period is "a huge army of people to be reemployed." Then, this portion of the second section is summarized as follows: "Now let's add up the factors we've covered so far. More production capacity than we've ever had before. More new products than we've ever dreamed of. And a terrific amount of pressure demanding that jobs be found for 56,000,000 people. What does it all add up to?"

"A tremendous flow of merchandise."

The concluding portion of this section is devoted to the four major problems which retailers face in the postwar period. This is considered one of the most authoritative studies of this subject that has ever been prepared.

At the conclusion of Section 2, the master of ceremonies urges those in attendance: "Again we say, let's look at radio, as such, not emotionally—but objectively. To help you do this, Mr. Coons made a new study—analyzing radio—much as he did retailing. And we believe you will find some answers to those questions in the following motion picture."

Radio's Story Presented

In "America Takes to the Air," you will find a dramatic and moving story of the history and development of broadcasting in the United States. Even though you are familiar with all of the facts and figures in this fast-moving recital, you cannot help but feel genuine pride in the achievements of this industry in the short span of two decades. Perhaps the closing dialogue, handled by two narrators, will give you some idea of the power of this portion of the presentation: "So these things we know about radio—it is most typical of America—more widely owned and used than automobiles, electric lights, bath tubs, or toothbrushes.

"It is the great American habit—more people spend more time with their radios than they do in any other pursuit, except working and sleeping."

"It is a tremendous force that persuades and commands—that changes people's interests, habits, and beliefs.

"New developments always bring change—always exert new forces that alter and re-direct the currents and trends of society.

"Radio has proved itself the greatest force in history.

"For radio is a powerful, still-growing habit with all the people of America.

"Making possible a mass transmission of ideas—radio is moulding the mind of the nation."

At the opening of Section 4, the master of ceremonies states, in part:

"In addition to showing what radio is, we decided we could be of greater service to your industry if we went one step further and tried to show you why radio works."

At the conclusion of the first portion of this section, the narrator states:

"So, in our search for the answer to why radio works, we find that radio meets certain basic psychological needs.

"Radio provides companionship for those physically or psychologically isolated—escape from the normal anxieties—standards of judgment for those who seek standards—and a vicarious life to add to a hum-drum existence.

"Now, our study turns to a search for the psychological reason for radio's tremendous success in selling. Here, we have collected some interesting facts."

"Pseudo-Mystery" Removed

In the portion of the sound motion picture which follows, you will find a detailed analysis of programs and commercial continuity that removes much of the pseudo-mystery of radio and bares it as a powerful and easily controlled advertising force. Many leaders in broadcasting, who have read the script from which this sound motion picture was filmed, have pronounced it the most effective story of broadcast advertising that has ever been told.

In the parlance of day-to-day broadcasting, you will call Section 5, entitled "Retailing's Future in Radio," a "closing commercial." That's exactly what the committee has called it from the beginning. This section tabulates the seven most pressing problems of retailers, introduces the five "How to Do It" booklets, designed to aid retailers in the use of broadcast advertising and presents the "Ten Commandments of Radio for Broadcast Advertising."

The five "How to Do It" booklets are intended to convert the interest that will be developed through the Retail Promotion Plan Presentation into action on the part of retailers. These five booklets embrace the following phases of broadcast advertising:

"How To Buy Radio Time"

"How to Measure Radio Audiences"

"How to Promote Your Radio Program"

"The Elements of a Successful Radio Program"

"Radio and Retailing in 1943"

In the preparation of these booklets, the committee has drawn on the leaders in every phase of broadcasting through the following advisory committees:

Advisory Committee of Time Buyers on Study of Purchase of Radio Time:

Charles T. Ayres, Ruthrauff & Ryan, Inc.
Carlos Franco, Young & Rubicam, Inc.
John D. Hymes, Foote, Cone & Belding.
Thomas H. Lynch, Wm. Esty Co.
William B. Maillefert, Compton Advertising Co.
J. James Neale, Blackett-Sample-Hummert.
Miss Linnea Nelson, J. Walter Thompson Co.
Lou J. Nelson, Wade Advertising Agency.

Advisory Committee of Promotion Executives on Study of Merchandising of Retail Radio Programs and on Sales Promotion:

M. F. Allison, WLW-WSAI.
Charles B. Brown, NBC.
Thomas D. Connolly, CBS.
Joseph Creamer, WOR.
B. J. Hauser, BLUE.

Advisory Committee of Program Managers on Study of the Elements of a Successful Radio Program:

Harold L. Fair, WHO, chairman.
William J. Adams, WCHS.
Douglas Coulter, CBS.
Robert L. Kennett, WHAS.
Clarence L. Menser, NBC.
Herbert C. Rice, WGR-WKBW.
Ray Shannon, KQV.
M. T. Williams, WSPD.

Advisory Committee of Sales Managers on Study of Station Services to Retail Advertisers:

John M. Outler, Jr., WSB, chairman.
Frank R. Bowes, WBZ.
Donald D. Davis, WHB.
Dietrich Dirks, KTRI.
George H. Frey, NBC.
Arthur Hull Hayes, CBS.
William F. Malo, WDRC.

Operating on the theory, so ably demonstrated in the Allied strategy in this war, that the only secret worthwhile is a well-kept one, the Committee has consistently kept its own counsel and the broadcasting industry, respecting the personnel of the Committee, has kept the faith. This faith, as everyone who has worked on and with the Plan and the few who have seen the finished presentation will agree, will be more than justified.

The Committee was fortunate in obtaining the help and counsel of John McKay, NBC publicity director; George Crandall, CBS publicity director; Earl Mullin, BLUE publicity director, and

Lester Gettlieb, MBS publicity director, and members of their staffs in publicizing the Plan and its showings throughout the nation. This assistance will be of immense help to you in getting retailers to come to showings as their trade press will have been thoroughly covered.

At the same time C. E. Arney, Jr., NAB secretary-treasurer, undertook preparation of tour schedules and the thousand and one details of such arrangements.

To insure a uniform and professional presentation of the Plan, 15 leaders of the broadcasting industry were selected to act as masters of ceremonies at the showings, which will be held in 116 cities. These men will be trained, one group at a school in Detroit beginning October 4 and the other group in New York beginning October 11.

Here are the men who will be trained to present the Plan:

M. F. "Chick" Allison, sales promotion manager, WLW, Cincinnati, Ohio.
Lewis H. Avery, director of broadcast advertising, NAB.
Harry Burke, program-commercial manager, WOW, Omaha, Neb.
Donald H. Davis, president, WHB, Kansas City, Mo.
James H. Gaines, station relations, NBC.
Arthur Hull Hayes, manager, WABC, New York City.
Kingsley F. Horton, sales manager, WEEL, Boston, Mass.
Walter Johnson, assistant general manager, WTIC, Hartford, Conn.
John Nell, special representative, WOR, New York City.
John M. Outler, Jr., sales manager, WSB, Atlanta, Ga.
Clyde Pemberton, commercial manager, KFJZ, Fort Worth, Texas.
William C. Roux, sales promotion, NBC, New York City.
Frank Webb, commercial manager, KDKA, Pittsburgh, Pa.
Frank P. Wright, manager, San Francisco Retail Radio Bureau.
(One more to be selected.)

Your Cooperation is Vital

The Plan presentation is an accomplished fact the day it reaches your city. The success of the presentation and the accumulated year's work many men have put into it now rest wholly with you as a broadcaster and participant in the Plan. No effort should be spared to gather the largest quality audience to see the presentation. Every promotion facility at your command should be tapped. The finest meeting room in your city should be utilized, if possible.

Experts who have seen the presentation say, without qualification, it is the biggest thing radio has done to date. We think it is the biggest and the best thing ever done to bring two great industries together in a study of mutual problems and their solutions. With your full and enthusiastic local support, the success of the Plan's message will be insured to the future mutual benefit of retailers and broadcasters.

To offer a guide as to how to set up your local meeting, we give you a brief outline of how the presentation will be handled in Hartford, Conn.:

The presentation committee in Hartford is composed of the Retail Trade Board Committee of the Hartford Chamber of Commerce and repre-

sentatives of the three local stations. The Committee chairman is president of a large department store. E. N. Allen, president of Sage-Allen store in Hartford and also president of N.R.D. G.A., will act as host and honorary chairman. The showing will be an afternoon affair in the Hartford club with cocktails served afterwards.

You have had faith in the Plan Committee, Mr. Morency, Mr. Coons, the sub-committees and advisory committees.

They have faith in your ability to accept the local responsibility of insuring the lasting success of the industry's effort in the Plan.

Following is a list of cities where the Plan presentation will be shown:

<i>Alabama</i> Mobile Montgomery	<i>Louisiana</i> New Orleans Shreveport	<i>North Carolina</i> Asheville Charlotte Durham Fayetteville New Bern Raleigh Winston-Salem	<i>Tennessee</i> Bristol Chattanooga Kingsport Knoxville Memphis Nashville
<i>Arkansas</i> Little Rock	<i>Maine</i> Portland		
<i>California</i> Los Angeles Oakland San Diego San Francisco	<i>Maryland</i> Baltimore		
	<i>Massachusetts</i> Boston Fall River Greenfield Pittsfield Springfield Worcester	<i>North Dakota</i> Fargo Grand Forks	<i>Texas</i> Austin Beaumont Dallas El Paso Fort Worth San Antonio
<i>Colorado</i> Denver			
<i>Connecticut</i> Bridgeport Hartford	<i>Michigan</i> Flint Kalamazoo	<i>Ohio</i> Akron Canton Cincinnati Cleveland Columbus Dayton Springfield Toledo Youngstown	<i>Utah</i> Provo
<i>Florida</i> Gainesville Jacksonville Miami	<i>Minnesota</i> Albert Lea Duluth Minneapolis St. Paul		<i>Virginia</i> Danville Lynchburg Newport News Norfolk Richmond Roanoke
<i>Georgia</i> Atlanta Columbus Macon	<i>Missouri</i> Kansas City St. Louis	<i>Oklahoma</i> Oklahoma City Tulsa	<i>Washington</i> Seattle Spokane Tacoma
<i>Indiana</i> Evansville Fort Wayne Indianapolis	<i>Nebraska</i> Lincoln Omaha	<i>Pennsylvania</i> Altoona Philadelphia Pittsburgh	<i>West Virginia</i> Beckley Charleston Huntington Parkersburg Wheeling
<i>Iowa</i> Cedar Rapids Davenport Des Moines Dubuque Fort Dodge Sioux City	<i>New Hampshire</i> Manchester	<i>Rhode Island</i> Providence	
<i>Kansas</i> Wichita	<i>New Jersey</i> Newark		
<i>Kentucky</i> Louisville	<i>New York</i> Albany Buffalo New York Rochester Utica	<i>South Carolina</i> Charleston Columbia Greenville Spartansburg	<i>Wisconsin</i> La Crosse Milwaukee Racine Wausau

Retail Promotion Committee

OCTOBER 15, 1943 * * * * * No. 6

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

Washington Premiere Acclaimed By Audience

Retail Promotion Presentation Is Pronounced Valuable Contribution to Radio-Retailing Cooperation

More than 600 merchants, government officials, editors, advertising executives and others attended the first public showing of "Air Force and the Retailer," the radio industry's ambitious 100 minute film presentation analyzing the problems of retail selling and distribution, October 12 in Washington.

The premiere, held in the Presidential rooms of the Hotel Statler, was "Washington gone Hollywood" with a new twist. District of Columbia retailers mingled with prominent officials of the Office of Price Administration, the War Production Board and other government agencies which have issued numerous wartime regulations affecting their business.

Representing the Retail Promotion Committee, which is sponsoring the presentation to the nation's merchants were Sheldon R. Coons, former Gimbel Brothers and Lord & Thomas, executive and counsel to the committee, who is starred in one of the films; Dr. Paul Lazarsfeld of Columbia University's Office of Radio Research, and Dr. Julius Hirsch, OPA consultant and widely known economist, whose scientific findings were incorporated into the study; Paul W. Morency, manager of Station WTIC, Hartford, and chairman of the broadcasting industry's Retail Promotion Committee, and Lewis H. Avery, of NAB, Committee Secretary.

After-showing comments on every hand indicated those attending were pleasantly surprised and enthusiastic about the completeness of the presentation and the excellent quality of the script and facts presented.

Arthur Robb, editor of Editor & Publisher, summed up his feelings by saying: "It was a fine, objective job and I'm going to write an objective story about it."

Broadcasters, themselves, after they had discovered their retail business and government executive guests were highly complimentary about the presentation, added their own praises to the general theme.

A masterful job of staging the presentation was done by the Washington Committee, headed by Carleton Smith, of WRC. Emcee of the Washington showing was Harry Burke, assistant general manager of WOW, Omaha.

In addition to Mr. Burke of WOW, the masters of ceremonies who will go on swings around the country beginning October 18 are:

M. F. ("Chick") Allison, sales promotion manager, WLW, Cleveland
Lewis Avery, director of broadcast advertising, NAB
Donald D. Davis, president, WHB, Kansas City

James H. Gaines, stations relations,
NBC, New York
Arthur Hull Hayes, manager WABC,
New York
Kingsley F. Horton, sales manager,
WEEI, Boston
Walter Johnson, assistant general
manager, WTIC, Hartford
John M. Outler, Jr., sales manager,
WSB, Atlanta
Clyde Pemberton, commercial man-
ager, KFJZ, Fort Worth, Texas
William C. Roux, sales promotion,
NBC, New York
Frank Webb, commercial manager,
KDKA, Pittsburgh
Frank Parke Wright, manager, San
Francisco Retail Radio Bureau

Among those present at the premiere of the Retail Promotion Committee's presentation were:

Frank R. Wilson, Special Assistant to Secretary Jones; Federal Trade Commissioner Robert E. Freer; Edwin R. Hawkins, former professor of retailing at the Wharton School, University of Pennsylvania and now chief of the Commerce Department's Distribution Cost Unit; Walter A. Crowder, Chief of that department's Distribution Division; Walter Chamblin, Jr., executive director, National Association of Manufacturers; Dr. David R. Craig, president, American Retail Federation; Richard H. Stout, president, Morris Plan Bankers Association.

Jean Carroll, director, Food Price Division, Office of Price Administration; Fred Kaminows, Retail Trade Division of the War Production Board; W. R. Thomas, Office of Price Administration; Russell I. Whyte, Department of Commerce; Mount Taylor, National Association of Ice Industries; Milford L. White, Department of Commerce; M. L. Wilson, War Food Administration; John Shepard Bartlett, Electric Institute of Washington; John D. Battle, National Coal Association; Robert I. Black, National Association of Manufacturers; Lea W. Turner, Retail Credit Institute of America; Sumner Pike, Office of Price Administration; Theodore K. Quinn, Office of Price Administration; Bart Cumings, Office of Price Administration; Don Stauffer, John Hymes of the Radio Bureau of the Office of War Information.

City By City Itinerary of Retail Promotion Film

ALABAMA—Mobile, Oct. 21 and 22; Montgomery, Oct. 26. ARKANSAS—Little Rock, Oct.

25. CALIFORNIA—Los Angeles, Oct. 20; Oakland, Nov. 2; San Francisco, Nov. 1. COLORADO—Denver, Oct. 27. CONNECTICUT—Bridgeport, Nov. 1; Hartford, Oct. 27.

FLORIDA—Gainesville, Oct. 19; Jacksonville, Oct. 20; Miami, Oct. 18. GEORGIA—Atlanta, Nov. 1; Columbus, Nov. 2; Macon, Nov. 3. INDIANA—Fort Wayne, Nov. 3; Indianapolis, Nov. 2. IOWA—Cedar Rapids, Nov. 8; Davenport, Nov. 9; Des Moines, Nov. 10; Fort Dodge, Nov. 11; Sioux City, Nov. 12. KANSAS—Wichita, Oct. 28.

KENTUCKY—Louisville, Nov. 12. LOUISIANA—New Orleans, Oct. 25. MAINE—Portland, Oct. 21. MARYLAND—Baltimore, Nov. 11. MASSACHUSETTS—Boston, Oct. 22; Fall River, Oct. 19; Pittsfield, Oct. 18; Springfield, Oct. 28; Worcester, Oct. 26. MICHIGAN—Grand Rapids, Nov. 5; Flint, Nov. 3; Kalamazoo, Nov. 4. MINNESOTA—Albert Lea, Nov. 11; Duluth, Oct. 20; Minneapolis, Oct. 19; St. Paul, Oct. 18. MISSOURI—Kansas City, Oct. 19.

NEBRASKA—Lincoln, Nov. 17; Omaha, Nov. 16. NEW HAMPSHIRE—Manchester, Oct. 20. NEW JERSEY—Newark, Oct. 26. NEW YORK—Albany, Oct. 25; Buffalo, Oct. 19; New York, Nov. 9 and Nov. 10; Rochester, Oct. 20; Utica, Oct. 21; Plattsburg, Oct. 29. NORTH CAROLINA—Asheville, Nov. 1; Durham, Oct. 18; Fayetteville, Oct. 21; New Bern, Oct. 19; Raleigh, Oct. 19; Winston-Salem, Nov. 2. NORTH DAKOTA—Fargo, Oct. 22; Grand Forks, Oct. 21.

OHIO—Akron, Oct. 19; Canton, Oct. 21; Cincinnati, Oct. 28; Cleveland, Nov. 3; Columbus, Oct. 26; Dayton, Oct. 27; Springfield, Oct. 25; Toledo, Nov. 2. OKLAHOMA—Oklahoma City, Oct. 26; Tulsa, Oct. 27. PENNSYLVANIA—Altoona, Nov. 10; Philadelphia, Nov. 4; Pittsburgh, Nov. 8. RHODE ISLAND—Providence, Oct. 18.

ILLINOIS—Chicago, Nov. 1 and 2; Peoria, Nov. 4; Rock Island, Nov. 9. SOUTH CAROLINA—Charleston, Oct. 25; Columbia, Oct. 26; Greenville, Oct. 27; Spartansburg, Oct. 28. TENNESSEE—Bristol, Nov. 8; Chattanooga, Nov. 4; Kingsport, Nov. 8; Knoxville, Nov. 9; Memphis, Oct. 27; Nashville, Nov. 10. TEXAS—Austin, Nov. 8; Beaumont, Nov. 2; Dallas, Nov. 10; Fort Worth, Nov. 9; San Antonio, Nov. 4. UTAH—Salt Lake City, indefinite.

VIRGINIA—Danville, Nov. 3; Lynchburg, Nov. 8; Norfolk, Nov. 9; Richmond, Nov. 11; Roanoke, Nov. 4. WASHINGTON—Seattle, Oct. 21; Spokane, Oct. 25; Tacoma, Oct. 26. WEST VIRGINIA—Fairmont, Nov. 22; Beckley, Nov. 15; Charleston, Nov. 17; Huntington, Nov. 16; Parkersburg, Nov. 18; Wheeling, Nov. 9; Clarksburg, Nov. 19. WISCONSIN—La Crosse, Nov. 10; Milwaukee, Nov. 8; Racine, Nov. 5; Wausau, Oct. 28.

Retail Promotion Committee

OCTOBER 22, 1943 * * * * * No. 7

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

Retail Promotion Showings

Launching the most ambitious large-scale promotion activity yet undertaken by the industry, the Retail Promotion production, "Air Force and the Retailer," started "on the road" this week.

On Monday (18) in Providence, Rhode Island; Miami, Florida; St. Paul, Minnesota; Pittsfield, Massachusetts, and Durham, North Carolina, the initial showings of the extensive tour, which will ultimately embrace 116 cities, were made. On Tuesday (19) two more units, one at Akron, Ohio, and one at Kansas City, Missouri, got under way. The eighth unit made its first showing at Los Angeles on Thursday (23). In all 26 showings were made in this first week.

Kingsley Horton reports attendance at Pittsfield of some 75 to 80, about 260 present at Buffalo, and 150 at Utica. Chick Allison reports from 50 to 60 at both Fall River and Manchester. Over 560 attended the showing at Kansas City, Missouri. Similar reports are coming in from other masters of ceremonies.

Expressions received are for the most part gratifying. Retailers in all communities are manifesting unusual interest. The typical expression is that received from J. F. Jarman of Station WDNC, Durham, North Carolina. He says in part:

"Held highly successful showing before 85 retailers this afternoon. All were high in praise of show and thought presentation not only instructive but excellent entertainment. Of 85 attending only three left before closing commercial. Seventy-five cards signed asking for booklets offered. One guest called two hours after show to ask for rates."

S. Bernard Berk, President of WAKR, Akron, Ohio, wired:

"Air Force and Retailer enthusiastically received by 150 people in Akron. All leading retailers, including department stores, represented."

Carr's Statement

Eugene Carr, the 1942 Chairman of the NAB Sales Managers Executive Committee which originally proposed the Retail Promotion Plan and laid the foundation for it, was one of those who witnessed the Washington premier. He writes:

"I am extremely proud that the radio industry came through to a successful conclusion on this plan. I think the Committee in charge and the NAB staff members involved have done an excellent job and have carried the plan through with a minimum of change necessary to make it an effective presentation. After all, this sort of thing has never been done before on so large a scale and I think it is quite remarkable that it has been accomplished so well the first time. The important thing now, as I see it, is the follow through by the station salesman after the Plan has been shown to the retailers of his community."

Major Frank E. Pellegrin, former NAB Director of Broadcast Advertising, who resigned to enter the armed services, was also present at the premier. He was, with Mr. Carr, one of the originators of the Plan, and worked actively on it in its early stages. He writes Lew Avery, his successor, as follows:

"Right after the premiere I left town on an Army Hour assignment, and had plenty of time to ponder what I had heard and seen. I think it is by all odds the biggest and best cooperative job ANY advertising medium has ever done—the most intelligent and the best executed.

"Two hundred showings will make a lot of difference, to radio and to retailing. Thereafter the big challenge will be to the radio salesman. If he will measure up to the high level and standard set by this presentation, he will add greatly to his stature as well as to his income.

"'Air Force' sets a new pattern in radio promotion, I believe, dignified, sincere, credible, adult. In my humble opinion it is really a milestone.

"The Committee and its consultants deserve worlds of credit and praise. . . ."

The trade press of the retail industry and advertising have dealt in a most constructive manner with the study.

Radio Daily Says:

In its issue of Wednesday, October 20, "Radio Daily" contains the following story:

NAB Promotion Show Pleasing Audiences

A telegraphic survey by RADIO DAILY to ascertain the results of the first regional meetings of the NAB Retail Sales Promotion campaign brought reports of successful meetings, well attended, and prospects of new local retail radio accounts. Better than average interest was evidenced in "Air Force and the Retailer" film which is a feature of the program. Excerpts follow, describe reaction of audiences in some of the key cities which reported to RADIO DAILY.

Miami, Fla.

Miami, Fla.—Attendance at the Retail Sales Conference sponsored by the NAB comprised over 200 retail merchants from Miami, Miami Beach and Fort Lauderdale. The program created favorable reaction and it is believed will result in greater mutual understanding of radio problems.

Pittsfield, Mass.

Pittsfield, Mass.—Retail Promotion Committee of NAB launched nation-wide campaign to make retail merchants radio-advertising-conscious with presentation of "Air Force and the Retailer," new promotional motion picture, in the Hotel Wendell ballroom, here Monday.

WBRK and Pittsfield Chamber of Commerce, joint promoters of the Pittsfield presentation, received response far beyond expectations with attendance of about 75 of leading representatives of Berkshire retail industry. Merchants reaction generally favorable; only mild criticism expressed at length of program, which runs about 1¾ hours. Felt that program could use some editing in certain spots. However, everyone remained through complete program and for informal discussion at subsequent social hour provided by WBRK.

Extensive research done on production was evident, and proved invaluable in pointing out radio's potentialities for the national retailer. As yet, it is too early to forecast any direct results of the presentation.

Emcee King Horton, of WEEI, made very successful debut, and is to be highly commended for his work, as is Monroe B. England of WBRK.

Durham, N. C.

Durham, N. C.—Honored with first showing following premiere of "Air Force and the Retailer," 85 Durham merchants operating all types of businesses highly praised each of five parts of presentation offered yesterday. A half-hour

luncheon preceded the showing and although the full meet lasted two hours, ten minutes, only three left before the closing commercial.

Comments brought out the audience's pleasure with the unique method for displaying presentation as well as high praise for work done by the NAB committee on research and preparation of material including movies and charts.

Many Booklets Requested

Frank Webb, sales manager of KDKA, and emcee likewise was praised for smooth manner with which he presented entire promotional program.

Seventy-five signed cards requested booklets offered. Phone calls to Manager Frank Jarman have come from a number of retailers offering congratulations on the showing. A building supply house signed a contract for announcements.

There was no ceremony about the meet. The Merchants Association cooperated fully. Their representative introduced Frank Webb. No station representative made remarks and it is believed that this impressed the guests, since it proved desire of station to let promotion stand on its own merits.

Women's Wear Daily:

Following the world premier in Washington on the 12th, "Women's Wear Daily", one of the leading retail publications, gave a full column to a helpful, critical analysis of the showing.

"Editor and Publisher" devoted a full page to a complete detailed review of the 5 sections of the Plan as presented in the showing, and Arthur Robb, Associate Editor, concluded his report with the following:

"A cocktail party followed the showing, and in several conversations I detected a note of disappointment that the plan did not propose more specific directions for the use of radio by stores. The five booklets indicate by their titles that this lack may be met in part, but the difficulties of laying down all-embracing rules for all stores and all cities are self-evident. Without more information on the contents of the supplementary literature, it is not possible to present a final judgment on the value of the program, either to radio stations or to store owners. Aside from that, it was an impressive demonstration of co-operative selling on behalf of an entire industry. Its showings in other cities during the next month should stimulate similar evidences of solidarity among competing daily newspapers."

Broadcasting Editorial

"Broadcasting Magazine" in this week's issue devoted two profusely illustrated pages to the Washington premier and comments editorially as follows:

Radio Gives a Party

"Last week in Washington, organized radio pulled back the curtain on its first united effort to sell the medium, with its 100-minute film presentation developed by the NAB retail promotion committee.

"The premier was before as critical and as mixed an audience as one could fathom—merchants, government officials, editors, advertising executives and broadcasters. From there it goes to more than 100 communities for individual showings to retailers, agencies and others interested in the medium. There may have been a fuzzy spot here or there; over-selling was happily avoided. It did a terrific job of selling radio as an art and medium.

"Merchants interviewed following the presentation wondered perhaps why they weren't told how radio can sell their specific articles of merchandise. The answer will come when the individual stations call on their department store prospects with case histories and with prepared literature providing the why, where, when and how.

"Whatever the emotions or reactions, the Washington premier disclosed that the industry can act in concert. In every phase of radio, now and *after* the war, team-work is needed. The retail promotion committee has blazed the trail. All credit to Fritz Morency, its hard-hitting chairman, and to the men in the broadcasting, agency and advertising fields who collaborated and followed through."

Heinl Comment:

Robert D. Heinl, in his "Heinl Radio Business Letter" reviewed the plan and said in part:

"The first sign of life the broadcasting industry has shown in endeavoring to capture its share of the retail advertising was the sound picture and chart presentation of 'Air Force and the Retailer', the premiere of which took place in Washington last Tuesday afternoon. . . . During the entire presentation from 2:30 p.m. to 4:30 only three or four persons were seen to leave the room. . . . Altogether it was a bang-up presentation, one of the finest ever made by any industry. One was struck by its thoroughness and the time, money and thought it must have taken to get up. . . . The selection of Harry D. Burke, of WOW, Omaha, Nebr., as the master of ceremonies at the National Capital premiere, was a happy one. His was a long, hard role—too long in fact as, in the opinion of this writer, the script was a trifle too heavy in statistics and could be cut, especially in the beginning. . . .

"A Washington broadcaster told the writer that just before the presentation had been concluded a local advertiser sitting behind him tapped him on the shoulder and said if he could get 15 minutes on the air any day before 6 p.m., he'd take it. Another local advertiser who had seen the show, telephoned the broadcaster immediately afterwards inquiring about available time. Another

Washington broadcaster, after the presentation, said: 'Well, it makes us feel as if we are really doing something.'

"A newspaper man said, 'I received two distinct impressions, (a) the broadcasters are great showmen; (b) there are a hell of a lot of radios.'"

Frankel of Billboard:

Lou Frankel, Radio Editor of "Billboard", described the plan in great length and among other things, observed:

"Where the production clicks, and clicks big, is in its effect on radio as an industry. As a primer on background and problems of the retailer, the picture is a pip. . . . After viewing 'Air Force and the Retailer' . . . no time salesman should fluff his approach to the retailer."

"Advertising Age", in its issue of October 16, devoted the equivalent of half a page of its very large-sized publication to a story of the Washington premier.

Judged by the reaction to the showings which have been made in this first week, it is safe to predict that the Retail Promotion Committee production will unquestionably prove of great value in arousing the interest of the retail industry in radio as an advertising medium.

The schedule of showings yet to be made is as follows:

Monday, October 25—Fitchburg, Mass.; Charleston, S. C.; Albany, N. Y.; New Orleans, La.; Springfield, Ohio; Spokane, Wash.; Little Rock, Ark.

Tuesday, October 26—Worcester, Mass.; Columbia, S. C.; Montgomery, Ala.; Tacoma, Wash.; Oklahoma City, Okla.; Columbus, Ohio.

Wednesday, October 27—Denver, Colo.; Hartford, Conn.; Greenville, S. C.; Spartanburg, S. C.; Memphis, Tenn.; Seattle, Wash.; Tulsa, Okla.; Dayton, Ohio.

Thursday, October 28—Springfield, Mass.; Wausau, Wisc.; Wichita, Kansas; Cincinnati, Ohio.

Friday, October 29—Plattsburg, N. Y.; Albert Lea, Minn.

Monday, November 1—Bridgeport, Conn.; Chicago, Ill.; Terre Haute, Ind.; Asheville, N. C.; Atlanta, Ga.; Toledo, Ohio; Oakland, Calif.

Tuesday, November 2—Chicago, Ill.; Indianapolis, Ind.; Winston-Salem, N. C.; Columbus, Ga.; Beaumont, Texas; San Francisco, Calif.

Wednesday, November 3—Cleveland, Ohio; Fort Wayne, Ind.; Danville, Va.; Macon, Ga.; Flint, Mich.

Thursday, November 4—Philadelphia, Pa.; Newark, N. J.; Peoria, Ill.; Roanoke, Va.; Chattanooga, Tenn.; San Antonio, Texas; Kalamazoo, Mich.

Friday, November 5—Grand Rapids, Mich.

Monday, November 8—Pittsburgh, Pa.; Lynchburg, Va.; Bristol, Tenn.; Kingsport, Tenn.; Austin, Texas; Cedar Rapids, Iowa; Milwaukee, Wisc.

Tuesday, November 9—Wheeling, W. Va.; Moline, Ill.; Knoxville, Tenn.; Fort Worth, Texas; Davenport, Iowa; New York, N. Y.

Wednesday, November 10—Altoona, Pa.; New York, N. Y.; Nashville, Tenn.; Charlotte, N. C.; Dallas, Texas; La Crosse, Wisc.; Des Moines, Iowa.

Thursday, November 11—Baltimore, Md.; La

Crosse, Wisc.; Mankato, Minn.; Fort Dodge, Iowa.

Friday, November 12—Youngstown, Ohio; Sioux City, Iowa; Louisville, Ky.

Monday, November 15—Beckley, W. Va.

Tuesday, November 16—Omaha, Nebraska; Huntington, W. Va.

Wednesday, November 17—Charleston, W. Va.; Lincoln, Nebraska.

Thursday, November 18—Parkersburg, W. Va.

Friday, November 19—Charcksburg, W. Va.

Monday, November 22—Fairmont, W. Va.

Retail Promotion Committee

OCTOBER 29, 1943 * * * * * No. 8

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

"Air Force and the Retailer" Going Strong on the Road

Comments from station managers throughout the nation are coming in to NAB headquarters in a steady stream, bespeaking high interest in the Retail Promotion presentation among retailers. We'll just let the broadcasters tell the story in their own words:

Canton, Ohio

Felix Hinkle, manager, WHBC: "Fifty Canton retailers including all leading stores feel that 'Air Force and the Retailer' is tremendously instructive and thought provoking. Glad we had the show."

Boston, Mass.

M. F. Allison, master of ceremonies: "Meet here yesterday terrific, nearly three hundred top retail people present. Meeting introduced by Daniel Bloomfield, manager, Retail Trade Board and founder of famous Boston Conference on Distribution, who later praised soundness of presentation."

Little Rock, Ark.

Robert Mason, master of ceremonies: "Everybody well pleased."

Montgomery, Ala.

C. E. Arney, Jr., master of ceremonies: "Very successful showing some 60 Montgomery merchants. Sponsoring stations well pleased."

Duluth and Grand Forks, Minn.

Lew Avery, master of ceremonies: "The presentations in Duluth and Grand Forks have been everything we ever hoped for in station cooperation . . . as the secretary of the Chamber of Commerce here told me last night: 'This was the largest gathering of retailers ever held for any occasion in Greater Grand Forks.'"

Elmer Hanson, commercial manager, KILO, Grand Forks: "Lew Avery presented the NAB showing of 'Air Force and the Retailer' here last Thursday evening with sensational success . . ."

Buffalo, N. Y.

Bill Doerr, commercial manager, WEBR: "We had a very fine turn-out for the Buffalo showing . . . general comments have been very favorable . . . major aspects of the presentation were very strong."

Fayetteville, N. C.

W. C. Ewing, manager, WFNC: "We have received numerous expressions of appreciation from our merchants together with requests from every retailer in attendance for the five booklets offered . . . Mr. Webb held our audience spellbound."

Memphis, Tenn.

Robert Alburty, WHBQ; Henry Slavick, WMC, and Hoyt Wooten, WREC: "Nearly four hundred Memphis retailers sat intensely interested through one and a half hours of super salesmanship in most unique form of presentation. More than 95 percent requested all five booklets offered. One department store president said 'Cold at first, however, at conclusion, filled out card for all five booklets. Consider study extremely thought-provoking and will read all booklets with intense interest.' All stations sponsoring showing consider it highly successful and expect to put real sales effort when we follow up."

Denver, Colo.

Gene O'Fallon, manager, KFEL: "Excellent show . . . Lew Avery wowed them . . . 7:30 hotel breakfast . . . 259 attended . . . 248 stayed throughout."

Greenville, S. C.

W. Ennis Bray, manager, WMRC: "Local showing huge success . . . 107 attending all enthusiastic . . . one contract signed already as direct result. Frank Webb to be congratulated on splendid presentation."

St. Paul, Minneapolis, Minn.

Lew Avery, master of ceremonies: "The Retail Promotion Plan has been received with real enthusiasm in St. Paul and Minneapolis. . . ."

Fall River, Mass.

William T. Welch, president, WSAR: "Each and everyone enjoyed the Retail Promotion Show-ing. Mr. Allison performed an admirable job. Reaction from the merchants was satisfac-tory. . . ."

Kansas City, Missouri

Reports from KMBC: "It was Kansas City's largest turnout in the history of 'Heart of Amer-ica' advertising when more than 600 prominent retail store heads and advertising men viewed the N.A.B.'s . . . showing of 'Air Force and the Re-tailer.' Fred M. Lee, general manager of the John Taylor Dry Goods company, one of radio's oldest department store program sponsors, acted as chairman, and Victor A. Newman, executive of Woolf Brothers, leading apparel store, as associate chairman."

Schedule of showings yet to be made is as follows:

Monday, November 1—Bridgeport, Conn.; Chi-cago, Ill.; Terre Haute, Ind.; Asheville, N. C.; Atlanta, Ga.; Toledo, Ohio; Oakland, Calif.

Tuesday, November 2—Chicago, Ill.; Indianapo-lis, Ind.; Winston-Salem, N. C.; Columbus, Ga.; Beaumont, Texas; San Francisco, Calif.

Wednesday, November 3—Cleveland, Ohio; Fort Wayne, Ind.; Danville, Va.; Macon, Ga.; Flint, Mich.

Thursday, November 4—Philadelphia, Pa.; New-ark, N. J.; Peoria, Ill.; Roanoke, Va.; Chat-tanooga, Tenn.; San Antonio, Texas; Kala-mazoo, Mich.

Friday, November 5—Grand Rapids, Mich.

Monday, November 8—Pittsburgh, Pa.; Lynch-burg, Va.; Bristol, Tenn.; Kingsport, Tenn.; Austin, Texas; Cedar Rapids, Iowa; Milwaukee, Wisc.

Tuesday, November 9—Wheeling, W. Va.; Moline, Ill.; Knoxville, Tenn.; Fort Worth, Texas; Dav-enport, Iowa; New York, N. Y.

Wednesday, November 10—Altoona, Pa.; New York, N. Y.; Nashville, Tenn.; Charlotte, N. C.; Dallas, Texas; La Crosse, Wisc.; Des Moines, Iowa.

Thursday, November 11—Baltimore, Md.; La Crosse, Wisc.; Mankato, Minn.; Fort Dodge, Iowa.

Friday, November 12—Youngstown, Ohio; Sioux City, Iowa; Louisville, Ky.

Monday, November 15—Beckley, W. Va.

Tuesday, November 16—Omaha, Nebraska; Hunt-ington, W. Va.

Wednesday, November 17—Charleston, W. Va.; Lincoln, Nebraska.

Thursday, November 18—Parkersburg, W. Va.

Friday, November 19—Clarksburg, W. Va.

Monday, November 22—Fairmont, W. Va.

Retail Promotion Committee

NOVEMBER 8, 1943 * * * * * No. 9

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

PRESENTATIONS APPLAUDED

Favorable comment continues to pour in from the communities in which the Retail Promotion Plan has been shown.

G. W. Covington, Jr., President of WCOV, Montgomery, Alabama, writes:

"The meeting was a great success and we feel sure that the retail merchants of Montgomery got a lot out of it and that it has enhanced the prestige of radio here."

G. E. Zimmerman, Vice President and General Manager of KARK, Little Rock, Arkansas, writes:

"We consider that the showing of AIR FORCE AND THE RETAILER in Little Rock was very successful. We did not have a very large crowd, but the favorable reaction from those present was more than we expected."

Robert E. Bradham of WTMA, Charleston, South Carolina, writes:

"I consider the showing of 'Air Force and the Retailer' in Charleston on the evening of October the twenty-fifth a success. Frank Webb did a magnificent job in his presentation and comments have been very favorable. About one hundred and seventy-five persons, representing approximately seventy-five firms, were in attendance and I am sure that today many of these have a new conception of Radio and its place in modern advertising."

Lewis N. Howard, President of WHIT, New Bern, North Carolina, writes:

"Please permit me to thank the Retail Promotion Committee for the very splendid production, 'Air Force and the Retailer' . . . this production will accomplish great results for radio among the retailers of America."

The following has been received from Columbus, Georgia:

"Seventy-nine present Columbus showing. Swell show most receptive audience. Good number of merchants admitted facts revealed very startling and certainly enjoyable."

Odin S. Ramsland, Commercial Manager of KDAL, Duluth, Minnesota, says:

"Last evening Mr. Lew Avery gave the retail promotion demonstration in Duluth to about 190

merchants of Duluth and Superior. . . . I know all the radio stations were more than pleased."

Further reaction from the Denver showing, reported last week, is set forth in two letters, one from Mark Schreiber of KMYR, and another from Hugh L. Terry of KLZ. Mr. Schreiber writes in part as follows:

"Since I was one of the skeptics after reading the advance previews of the Retail Promotion program, and since all too often good performances are not acknowledged, I want to thank you and congratulate you on the fine program you gave our some 280 potential clients at the Cosmopolitan Hotel yesterday. It was a grand show and you did a terrific job. We are very happy to have been a participant in the entire affair. . . . I hope you can show the same program in Denver again for the benefit of those merchants who either weren't invited or who were unable to attend."

Mr. Terry says:

"The presentation was well gotten up and presented in the language of the retailer, and undoubtedly made a favorable impression. It is possible that many came filled with doubt, and, while it is improbable that they left the meeting completely sold, it is equally probable that they are 'less doubtful' today. This means we have only begun our campaign. As we say in the presentation, 'Don't start it unless you plan to stick.'"

"It is my hope that the radio industry will respond to this presentation in such an enthusiastic manner as to permit its continuance. I feel that our work must be of a continuing nature, with uninterrupted studies, surveys and research under authoritative independent counsel.

"I do not know how the showing is being received elsewhere, but Mr. Avery did a fine job here, and I feel that the reaction from other Denver stations will be much the same as mine."

Lew Avery, who acted as master of ceremonies at the two showings in Chicago on November 1 and 2, wired as follows:

"Completely attentive and unanimously enthusiastic audience of 190 advertising agency executives and 7 trade paper representatives witnessed presentation of Retail Promotion Plan. One agency man remarked: 'I wish I had brought all

of our clients,' while another said: 'After telling retailers for years that their programs might be pre-empted by network advertiser or replaced by national spot accounts, radio is at last making a serious and dignified bid for the retailers business.' "

The manager of a station in one of the large cities in which the showing was made during the first week has this to say:

"Much to our gratification, the promotion showing has already begun to bear fruit. We have been approached by the second largest department store, who have very carefully avoided radio for the past decade and are now seriously thinking of spending some real money if we can sell them a good workable idea. We have already had a conference with the store management and their agency, and several excellent program ideas are under consideration."

With further reference to the showing at Memphis, E. A. Alburty at WHBQ, writes:

"We have received some very favorable comments from last Wednesday night's showing, and all in all the situation can be considered the best investment of its kind we have ever made."

From Dayton comes the following report:

"The Dayton, Ohio, showing of the NAB Retail Promotion Plan was staged at the Dayton Biltmore Hotel, October 27th, before a group of 210 retailers and radio people. The audience included representatives from every prominent retail establishment in Dayton, plus executives from the Dayton branch of General Motors and of the National Cash Register Company. . . . The presentation was well and attentively received and comments subsequent to the showing were indicative of general interest and definite stimulation."

John Esau of KTUL, Tulsa, says:

"The 'Air Force and the Retailer' showing in Tulsa on October 27 was quite a success. All three Tulsa stations were very happy with the outcome and with the reactions."

Ernest L. Spencer of KVOE, Santa Ana, California, states:

"Permit me to compliment you on the showing which was presented in the City of Los Angeles yesterday. We of Radio have reason to be proud of the job you have done."

Expert View

Professor C. H. Sandage of the Graduate School of Business Administration of Harvard University, writes

"It was my good fortune to see the NAB presentation, 'Air Force and the Retailer', yesterday. I was much impressed by the job which you people have done in preparing this presentation. It should give retailers a new appreciation of the

opportunities which radio holds for many types of advertisers. . . . It is our hope that the study we are making will be a profitable follow-up on 'Air Force and the Retailer'."

Trade Paper Coverage

The October issue of "The Advertiser" devotes its leading article to the Retail Promotion Committee's Plan. Two pages in all are given to discussion and pictures. Col. Don R. Jason, writer of the article, concludes as follows:

"Radio has been a miraculous and a dependable sales medium for almost every product that has employed it judiciously. Newspapers must likewise be correctly employed to produce best results. Thus the NAB Department Store Study, now on the road, aims to teach Department Store executives, station operators, et al., how to best employ the medium and increase its use.

"The campaign will undoubtedly prove successful."

"Broadcasting Magazine" likewise devotes a page to pictures and comment in its issue of November 1.

Retail Trade Paper Coverage

Retail trade paper coverage is highlighted by a two-page spread in "Retail Executive Women's Wear Daily" in the issue of Thursday, October 28. Zelma Bendure, Editor, publishes the following signed editorial:

As I watched the Premiere of "Air Force and the Retailer" with several hundred others in Washington, D. C., on Oct. 12, I began looking for Pandora who would open the lid and out would come the WHY-WHOM-WHAT-AND-HOW of radio advertising for retailers.

This did not happen. As the film and oral presentations unfolded, I arrived at the opinion that it could not happen. There is no magic touch that creates a substitute—even in this era of substitutes—for imagination, ingenuity and creative ability—none of which can long survive without a lot of common sense application and diligent follow-through. This applies to newspaper as well as radio advertising.

No one who saw the presentation or who reads today's news outside the battle front can remain unmoved by the magnitude of the age we live in, with breath-taking developments just over the horizon in the field of electronics, television, conquering of unknown diseases through drugs that in another age would have been termed black magic.

The program, including the master showing and the booklets, should stimulate the aggressive imagination of every retail executive, because:

* * *

There is no book of rules except the rule that you make for yourself after a close analysis of

your store, your community, your customer audience and your expected results.

There is no exacting formula except the formula you make for yourself, your type of program, your decision as to hours and time, and what and how to advertise.

There is no general budget except the budget you make for yourself based on the cost of the program and the results in sales and profit.

There is no difference, in the last analysis, in the attitude you take when considering radio advertising than when considering newspaper advertising—and both have a place in today's retailing.

* * *

If you are one of the estimated 25,000 retailers who will view the presentation in your community, you will hear that the cost of distribution is now 54 to 59 per cent of the cost of the goods, bringing with it dangerous threats to many retailers. There is in excess of 5 billion dollars yearly distributed through such channels as direct sales to consumer, manufacturer's owned stores and consumer cooperatives.

Do not attend and expect to return to your store with blue prints for a productive radio program that will immediately meet this competition or lower your cost of distribution. Go there with an open mind and you will come away with renewed awareness of the vast job ahead of you and an energetic desire to follow the trends of the new tomorrows.

ZELMA BENDURE

The "Why-Whom-What-and-How of Radio" referred to in the editorial and published in full in "Women's Wear Daily" is as follows:

Why—Whom—What— and—How of Radio

HOW TO BUY RADIO TIME

BOOKLET I

Obviously the merchant's radio problems, as enumerated in this booklet are the same everywhere. They concern kind, type and price of merchandise to promote, kind of customers you want to reach and your competitive position in the community.

Retailers who have used radio to a successful conclusion have approached the problem with the same thorough knowledge of the facts as they use in newspaper advertising. In other words the keynote of this booklet is the truism that "how well you analyze what you have to sell and to whom you want to sell it," is equally as important as your choice of announcements or program and station.

Selecting a Radio Audience

There are plenty of accurate and reliable statistics on audience availability and sets in use. One

valuable guide is "Urban Radio Listening in the United States." The companion booklet, "The Joint Committee Study of Rural Radio Ownership and Use in the United States," tells practically all there is to know at the moment about rural listening habits.

Audience availability, concretely, for the merchant means the percentage of homes where at least one person is home and awake, able to listen to a radio program. Sets in use mean the percentage of radios actually turned on at any given time. Rural listeners are the most constant. Up until the time when men began working on the all-out-for-war-effort schedule, they were the chief weekend audience (along with children) on Saturdays, and from 8 to 5 p. m. the entire family is a potential audience on Sundays.

Also 83.75 per cent of all urban radio families use their sets for an average of 5 hours and 4 minutes every day (the rural population tops this with 87.7 per cent, piling up a listening time of 5 hours and 18 minutes). If this national mass of evidence seems unsuited for local needs, the broadcasting industry has an answer for that, too.

Nationwide facts compiled by the National Association of Broadcasters point up the use of the 59,340,000 radio sets in use Jan. 1, 1943, in comparison with other commodities, such as telephones and bathtubs.

Radio Market Data Book In Preparation

There is a "Radio Market Data Book" now in preparation which will tell you exactly how many radios are in your town or on the fringe of it, those in your county, your State, or your metropolitan area.

What Time You Should Use

The radio industry's maxim is "Any time is a good time," but since the average retailer is interested in reaching the average housewife, the study made in an Eastern city of listening habits should be helpful to stores everywhere. The results of this survey are listed in this booklet.

a. Answers to the question "on what days of the week would such programs be of most help to you?" are reported by percentages.

b. These women gave their choice of a time most apt to attract them to a retailer's program. The times of the day are the factors which determine to a great degree the type of program likely to be most successful.

They selected times which would conflict least with their present listening habits. However, the broadcasting theory is that once you get them they stay. The proof is in the long-time programs (some running 10 years) on the air, which have sold merchandise to old customers and obtained new ones.

How Long Should Your Message Be?

No concrete answer to this particular problem can be made in any booklet form that will answer all your questions. Again it is your local radio

station, with much experience in the matter of a long versus a short message that is likely to be your best source of information.

Length of time of a commercial that is considered well balanced to the length of the program ranges from 1 minute and 30 seconds for a 5-minute night news program, to 9 minutes for a 60-minute day program.

What Station You Should Use

In neither this nor any one of the other booklets do those in the broadcasting industry climb out on a limb to tell you what station to use. They recognize clearly enough there is a vast difference from the point of view of the retailer between his consideration of national, regional or local channels. They do point out that it is not necessary to rely on a Jack Benny or a Charlie McCarthy to get an audience.

The retailer must do intensive research, once he determines his own needs, in company with his advertising department or another advertising agency, and/or his radio stations.

The "service features," whether local, regional or national, built around a woman's established radio personality have been the most successfully and widely used programs by retailers. This audience is admittedly not large, but extremely faithful. Such "interview" type of programs contain everything from news to fashions, and food to fancy.

While some portion of the public likes nearly every type of program that has ever been put on the air, this booklet gives summary figures taken from studies made in Iowa in 1943 showing program preferences.

HOW TO MEASURE RADIO AUDIENCES

BOOKLET II

Data compiled in this booklet is not a re-hash of the tremendous number of written words on the subject of creating, writing, producing and broadcasting a program. Most of the information in it was obtained from special studies conducted for the Retail Promotion Committee by the Office of Radio Research of Columbia University, from successful retail radio advertisers and from executives of radio stations.

Understanding of the reasons why a tremendous number of people who listen to radio is the basic point at which a prospective advertiser must begin.

Selecting the Proper Program

Possibly the most valuable part of this particular booklet is the section dealing with the approximately 200 successful experiences of merchant users of radio advertising, secured with the cooperation of the NRDGA and from radio stations. To pull no punches, the reply of a specific store about its own experiences was matched, as far as possible, with the reply of the radio station whose facilities were being employed by that store.

Retailers' Experiences

Regardless of survey preferences in California, if your store is in Maine, it is the preference of your Maine audience that you will have to meet. In other words, your program is determined to a great degree on whether you want (a) to reach more rural consumers (b) higher income groups, or (c) newcomers (war workers), etc.

Frequency of Broadcasts

Nearly any program, say retailers and radio stations, will prove successful, provided (1) it is broadcast at a time when the people the advertiser wants to reach can listen; (2) that there is nothing obnoxious to that group about it, and (3) most important of all, it is *broadcast sufficiently often* to keep the retailer's name constantly before his customers and prospective customers.

There is included a detailed analysis of frequency of broadcast of successful retail users of broadcast advertising summarized by percentage of one, two or more programs daily. In short, it adds up to this:

1. The majority of successful retail users of broadcast advertising have programs, rather than announcements only; that more than five out of every six use one or more programs per day; and that 28.7 per cent broadcast two or more programs per day.

2. It is better to broadcast two or three inexpensive programs per day than one expensive one, and better to supplement the program with announcements throughout the day than to let the program stand by itself.

There is also tabulated by percentages, the *types* of programs which have been most successful for retailers.

"In final analysis," says the booklet, "it is probable that news programs would be a good choice . . . particularly for the retail radio advertiser, because women more generally regard fashion information, merchandise offerings and store policies in the category of news."

Consumer Attitudes

One of the points an enterprising retailer will note in the consumer study is that the present audiences are NOT satisfied with current radio fare; that they eagerly seek more of certain types of programs.

As for the commercials, they may be part of the entertainment, the voice of a friendly master of ceremonies, a brief and dignified sales appeal in keeping with the program—all have been tried and found workable. The majority of people in this country take them as part of the American way of selling radio hours effectively and economically.

To summarize the findings, we quote the last paragraph of this booklet:

"The numerous case histories of successful retail users of broadcast advertising, the many impartial surveys and the comments of success-

ful commercial continuity writers . . . clearly establish: The power of broadcast advertising does NOT lie in a specific type of talent (big name or otherwise)—it does NOT lie in a specific type of program—nor in a specific type of commercial. The power of radio lies in an imaginative and intelligent combination of all these elements, beamed at a carefully selected audience . . .”

The final admonition is also a challenge.

“Where retailers have applied to broadcast advertising the imagination and common sense for which their industry is noted, the result has invariably been increased sales at lower costs.”

HOW TO PROMOTE YOUR RADIO PROGRAM

BOOKLET III

This booklet, while still in the preparatory form, is aimed to answer pertinent questions of retailers about the all-important problem, “How to make my radio advertising pay out?”

The writer brings out forcefully that radio is not afraid to produce. It wants to sell and it is sheer folly for a retailer not to make every effort to prove that radio will sell.

Why Promote Your Radio Advertising?

The question arises why advertise advertising? You are not doing this, you are advertising to *listeners* of advertising.

The basic difference between broadcast advertising and advertising in the graphic arts is that people are constantly seeking new radio programs but they are not looking for new advertising.

To ascertain the reactions to new programs, results are given of a survey that was made with 9,000 people in Iowa. It was found that—

IT IS POSSIBLE TO SECURE A LARGE LISTENING AUDIENCE IN ADVANCE BY:

1. Pre-program announcements.
2. Mention in the store's regular newspaper ads.
3. Special newspaper ads.
4. Announcement in customer's monthly statements.
5. Window displays.
6. Interior departmental displays.
7. Elevator cards.
8. Announcement over store's loud speaker.

How Capitalize on Radio Program

As soon as the radio program is under way it is just good business to give it all the promotion possible. The ideas expressed in the booklet by the writer are those that all alert retailers realize are essential to follow through on any kind of advertising, radio or newspaper.

STORE PROMOTION

The many suggestions made include:

1. Mimeographed announcements to both executive and selling staffs.

2. Customer bulletin board announcements of commercial continuity—these should also be brought to the attention of the salespeople.

3. Don't hide the merchandise in the department. Arrange displays with signs tying in with the radio program.

4. Window displays.

There are also many unusual ways in which radio advertising can be promoted to focus attention in the merchandise. The writer of this booklet plans to quote from a chapter on how to capitalize on radio programs, published in the recent book on retail advertising and sales promotion.

The idea carried throughout this discussion on “How to Promote Your Radio Program” is that from time immemorial retailers have had the ability to promote. It is their greatest forte and radio is a great medium for them if used intelligently.

ELEMENTS OF A SUCCESSFUL PROGRAM

BOOKLET IV

This booklet is perhaps the most practical for the retailer “about to take his first step in broadcast advertising.” It tells in A, B, C fashion what other retailers are doing, for what ends and with what success.

The answer to these three questions came from a national survey. Its sponsorship makes it a factual report acceptable without question. The participants were (a): The NRDGA, (b) the retail promotion committee of the broadcasting industry, and (c) the Graduate School of Business Administration at Harvard University. As a final emphasis the committee also employed Columbia University to conduct a survey among listeners to retail broadcast advertising in “a typical Eastern city.”

The results point in three directions:

1. The problems of the retailer are individual and can't be met on the air in the same way.
2. Broadcast advertising is but one link in a chain of retailer activities.
3. Retail broadcast advertising is still in its infancy—and for that reason alone has possibilities for him who seizes them first.

The Booklet Answers Questions

There are certain facts a stubborn retailer will insist on knowing before he bucks the competition of national advertisers on the air. The promotion committee, through its joint surveys, attempts to answer them by posing and giving replies to pertinent problems:

I. “Just how extensive is the use of broadcast advertising by retailers today?”

In 1942 retailers spent \$63,800,000 on its use; the forecast is considerably more investment in 1943.

II. “What kind of retailers are using broadcast advertising?”

The answer to this can't be so categorical. The backers of the survey say it indicates that the

“type of retailers who FIRST embraced broadcast advertising were (1) Those who needed to establish a place for themselves in a highly competitive market. (2) Established retailers experimenting with a new medium.

III. “What kind of merchandise can broadcast advertising sell?”

The promotion committee sidesteps this penetrating query by attempting to concentrate (rightly) the merchant’s attention on an examination of the AUDIENCE he wants to reach, and a re-examination of HOW he has bought radio time previously. The implication is that the how, when and why of radio broadcast purchasing is a delicate matter on which good—or bad—results depends.

IV. “Am I following a consistent plan?”

Failure to achieve desired results in a good many instances apparently are due to the fact that too many retailers try to use radio as the springboard for new merchandising policies.

V. “How much of an investment will it take before I see results?”

This is a question which no retailer can ask without a careful survey of his prospect and his objectives. If you have vision the chances are you will buy your radio time with a view to developing an audience so that your radio broadcast shows consistent gain of a steady audience. If your station is as honest with you as you should be with it, you will find your project rejected if it gives insufficient time to build that audience you will require day after day to get results.

VI. “How will I know what is the best time to buy, and what kind of program to use?”

The best short answer is given tersely in this booklet. “There are experts who devote their entire time to this medium, whose services are available to you.”

There may come a day when every large store or advertising department has a radio director. Until that halcyon moment do what your successful competitors in the field are doing—consult your local advertising agency or your favorite radio station.

“What Can Broadcasting Advertising Do for Me Now?”

This is one question likely to agitate most retailers. Radio’s Retail Promotion Committee claims it has the answers, and piles up specific examples to prove its main point that radio helps the retailer stay in business in wartime.

Pertinent examples are given of the use of radio as a promotional means of selling merchandise under wartime conditions.

Shifting Markets

With drastic shifts in population and in many instances entirely new crops of wartime customers to satisfy, radio, its sponsors claim, has an inside track when it comes to talking to “lost” customers

and capturing new ones. Whether this can be taken at its face value or not, one dramatic instance cited does illustrate the value of the human voice.

Additional Factual Data

The writers bring factual data to bear further on such problems as “getting your share of available business,” “strengthening your competitive position,” “keeping up the profit ratio,” “maintaining your standing in the community” and “preparing for the future.”

What strengthens and verifies the prediction that radio will be the retailer’s next great advertising medium, are examples which any merchant considering this field should examine with minute care.

The broadcasting companies have been careful to include varied retail outlets to pile up impressive evidence of radio’s retailing power.

Reaction of the Consumer

Finally, if there is any doubt left that the customer reacts sharply to radio listening, it should be dispelled by the survey made by the Office of Radio Research, Columbia University, among housewives in June, 1943.

The survey includes answers to such problems as:

Types of products which were recalled

Effects of broadcasts on attitudes toward stores

Effects of broadcasts measured by the buying of radio advertised merchandise.

In summary it was found that housewives listen to such programs; many can name sponsor, program and the merchandise offered.

RADIO AND RETAILING IN 1943

BOOKLET V

There is nothing different for the retailer who wants to know what radio audiences will give him than if he were in the toothpaste manufacturing or the cotton converting business. Radio research relies on “sampling,” the old polling technique, developed to a high degree, and used for everything from determining the height a garbage can should be to uncovering the next black horse candidacy for the Presidency.

What a retailer ought to remember, however, is: (a) Radio can be *adequately* measured and (b) Audience reaction is being determined, *every day of the year*.

Any retailer contemplating radio as a planned advertising medium can find out (1) what kind and how many men and women will listen to his program, and (2) what proportion they represent of the public he is trying to bring into his store.

Ratings Can Be Obtained

The retailer’s interest in how a station rates in popularity is something any merchant can find out with ease. It is common knowledge wherever

radio programs are sold, and is at his disposal, either at the radio station itself, or in any reputable advertising agency.

THE SAME IS TRUE WITH RESULTS—

Here again, "means are at the disposal of both the retailer and the radio station to measure the tangible effects of the broadcast advertising in comparatively simple fashion."

There are nevertheless some additional points to remember:

1. An audience which listens to a series (i.e., broadcasts over regular periods, whether it be weeks or months) is of more importance than any one audience, though for a single broadcast it may command many more ears.

2. Extensive research has already been done on the subject of listener-preferences. Therefore, you can find out exactly who listens to what program by (a) going directly to the audience and querying them or (b) studying the mail that comes to the station. The promotion committee apparently feels the retailer can do this interpretation without extensive expert help.

Coverage, Claims, Caution

In the past there has been considerable conflict in the coverage claims made by stations, because there has been no uniformity of techniques. To date, the NAB standards for the determination of coverage maps should be read only by the expert whose judgment the retailer has reason to trust.

Results

This booklet hastens to touch on the weaknesses which retailers have pounced on previously, when they have demanded concrete results.

Advertising, as the radio people rightly say, can be measured by something more than the number of people who come into a store. Various broadcast programs have given certain stores greater prestige or associated their names with certain types and grades of merchandise.

How much merchandise is sold through radio broadcast is a more ticklish matter to uncover.

Using questionnaire techniques among customers is the latest effort to pile up statistics for retailer consumption. A study in an eastern city—first of its kind ever undertaken reveals these pertinent facts:

1. Many (or most) people still consider newspapers a better medium than radio for retail advertising. BUT—

2. If an article is advertised on the air and in the newspapers on the same morning, they believe they would first learn about it over the air, and are satisfied with a description of the goods without benefit of pictures. (What benefit to the store this double advertising is except for emphasis, is not indicated.)

3. What is more important to the retailer still hesitating on the brink of a radio promotion is that 87 per cent of the women interviewed had not

only heard the broadcasts sponsored by local retailers, but 42.8 per cent, said they were sufficiently influenced to make a purchase.

Finally, it should be clearly established by now that "the means to study the results of broadcast advertising" are by now in the hands of the potential advertiser.

The booklets were written by Lewis H. Avery, NAB director of broadcast advertising, assisted by Charles Harriman Smith, assistant research director, CBS; Robert H. Leding, of Sheldon R. Coons organization, and the advisory committees of research executives and time buyers.

Showings Ahead

Extensive plans are being made for the showings of the Retail Promotion Plan in New York City. The dates have been changed from November 9 and 10, to the 15th, 16th, 17th and 18th, as indicated below. Philadelphia is likewise carefully planning its showing to be held on Friday, November 19.

Following is a complete list of all showing lying ahead:

November 8—Cedar Rapids, Iowa, 10:00 a. m., Hotel Roosevelt; Pittsburgh, Pa., 9:30 a. m., William Penn Hotel; Lynchburg, Virginia, 6:00 p. m., Virginian Hotel; Austin, Texas, 8:00 p. m., Driskill Hotel; Bristol, Tennessee, 10:00 a. m., Gen. Shelby Hotel; Kingsport, Tennessee, 7:00 p. m., Kingsport Inn.

November 9—Moline, Illinois, 7:00 p. m., Le Clair Hotel; Wheeling, West Virginia, Evening, Windsor Hotel; Fort Worth, Texas, 8:00 p. m., Blackstone Hotel; Knoxville, Tennessee, 12:00 noon, Andrew Johnson Hotel; Davenport, Iowa, 6:30 p. m., Hotel Blackhawk.

November 10—La Crosse, Wisconsin, 6:00 p. m., Stoddard Hotel; Altoona, Pennsylvania, 2:30 p. m., Penn-Alto Hotel; Charlotte, N. C., 2:00 p. m., Charlotte Hotel; Dallas, Texas, 3:30 p. m., Baker Hotel; Nashville, Tennessee, 2:30 p. m., Hermitage Hotel; Des Moines, Iowa, 5:00 p. m., Hotel Fort Des Moines.

November 11—Mankato, Minnesota; Baltimore, Maryland, 2:30 p. m., Emerson Hotel; Fort Dodge, Iowa, 10:00 a. m., Wahkonsa Hotel.

November 12—Youngstown, Ohio, 3:30 p. m., Pick-Ohio Hotel; Louisville, Kentucky, 10:30 a. m., WAVE Auditorium; Sioux City, Iowa, 6:00 p. m., Hotel Mayfair.

November 15—New York, N. Y., 3:00 p. m., Barbizon Plaza; Beckley, West Virginia, 7:00 p. m., Black Knight Country Club.

November 16—New York, N. Y., 3:00 p. m., Barbizon Plaza; Huntington, W. Va., 6:30 p. m., Pritchard Hotel; Omaha, Nebraska, 12:00 noon, Fontenelle Hotel.

November 17—New York, N. Y., 3:00 p. m.,
Barbizon Plaza; Charleston, W. Va., 6:30 p. m.,
WCHS Auditorium; Lincoln, Nebraska, 12:00
noon, Cornhusker Hotel.

November 18—New York, N. Y., 3:00 p. m.,
Barbizon Plaza; Parkersburg, W. Va., 2:00 p. m.,
Elks Club.

November 19—Philadelphia, Pa., 2:30 p. m.,
Adelphia Hotel; Clarksburg, 6:30 p. m., Stonewall
Jackson Hotel.

November 22—Detroit, Michigan, Tentative;
Fairmont, W. Va., 8:00 p. m., Fairmont Hotel.

Retail Promotion Committee

NOVEMBER 12, 1943 * * * * * No. 10

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

RETAIL PROMOTION PLAN CONTINUES TO IMPRESS LEADERS IN RETAILING

Master Showings Now Scheduled in New York, Philadelphia and Detroit

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

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

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

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

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

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

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

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

Four New York Showings Booked

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

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

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

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

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

Philadelphia and Detroit Scheduled

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

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

National Association of Broadcasters

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

January 29, 1943 **SELECTIVE SERVICE HANDBOOK** Supplement No. 4

"Occupational Bulletin No. 27 (as amended January 23, 1943)," printed below, adds several new Critical Occupations to the original list appended to Occupational Bulletin No. 27 (see Supplement No. 2 to NAB Selective Service Handbook). Critical Occupations are listed by "Common Titles", under which will be found corresponding "Dictionary Titles" and "Definitions" in the United States Employment Service "Dictionary of Occupational Titles". As soon as available, a future Supplement will carry the "Dictionary Titles" and "Definitions"; the definitions are useful in describing the registrant's duties when filling out Form 42-A.

January 23, 1943

OCCUPATIONAL BULLETIN NO. 27 (Amended January 23, 1943)

EFFECTIVE: IMMEDIATELY

SUBJECT: COMMUNICATION SERVICES ACTIVITY

1. The War Manpower Commission has certified that communication services is an activity essential to the support of the war effort.

2. This bulletin covers the following essential activities which are considered as included within the list attached to Local Board Release No. 115, as amended:

(a) *Communication services*: Magazines of general circulation which are devoted primarily to the dissemination of public information; newspapers and news syndicates; production of motion pictures (including technical and vocational training films for the Army, Navy, and war production industries); protective signal systems which supplement fire and police protection to military, public and private industrial and commercial establishments; radio broadcasting; radio communications (radiotelephone and radiotelegraph); submarine cable; telegraph; telephone; television.

3. The attached list of occupations in communication services are occupations requiring a reasonable degree of training, qualification, or skill to perform the duties involved. It is the purpose of this list to set forth the important occupations in communication services which must be filled by persons capable of performing the duties involved, in order that the activity may be maintained efficiently. There are listed separately the occupations within seven separate branches of communication services activity. The list is restricted to occupations requiring six months or more of training and preparation.

4. In classifying registrants employed in these activities, consideration should be given to the following:

(a) The training, qualification, or skill required for the proper discharge of the duties involved in his occupation;

(b) the training, qualification, or skill of the registrant to engage in his occupation; and

(c) the availability of persons with his qualifications or skill, or who can be trained to his qualification, to replace the registrant and the time in which such replacement can be made.

(Sgd.)

LEWIS B. HERSHEY,
Director.

LBH/phw

DISTRIBUTION "A, B, C, D, E, F"

CRITICAL OCCUPATIONS
Communication Services Activity

1. Magazines of general circulation
2. Production of Motion Pictures
3. Protective Signal Systems
- * 4. Radio Broadcasting; Radio Communications; and Television Services
5. Submarine Cable Services
6. Telegraph Services
7. Telephone Services

* * * * *

4.

Radio Broadcasting; Radio Communications (Radiotelephone and Radiotelegraph); and Television Services.

Director of Operations, Radio Broadcasting (Domestic or International). (This title includes those persons who are in charge directly, or through subordinates, of the activities of the various operating departments of a network. It also includes assistants who are directly responsible to the director of operations for the efficient functioning of the various operating departments of a network. It does not include any directors or assistants concerned with sales, promotional, legal, tax, clerical and other non-operating aspects of a network.)

Dispatcher, Radio Communications

Electrician (All Around)

Engineer, Professional or Technical. (This title covers persons who are actually engaged as engineers in the operating or research phases of this activity regardless of educational background.)

Engineering Draftsman, Design

Foreman, Radio Communications (Installation and Repair)

Inspector, Radio Communications Equipment

Installer, Radio Communications Equipment

Instructor, Training Program (Radio Communications). (This title covers only those persons engaged in the occupations included in this list who, because of their skill and experience, are detailed as instructors in an established training program.)

Instrument Maker (All Around)

Machinist (All Around)

Maintenance Mechanic (Domestic or International Broadcasting, and Radio Communications.)

Manager, Employment or Personnel

Manager or Superintendent, Radio Communications System or Station. (This title covers those persons who are actively engaged in supervising directly, or through subordinates, various technical and operating departments of a system or station in the radio communications industry. This title covers, also, assistants who are directly responsible to such managers for the efficient functioning of the various technical and operating departments. It does not cover managers or their assistants concerned with promotional, sales, legal, clerical, tax, rate structure, or other segments of a nonoperating character.)

Managing Editor, News, Special Events or Public Affairs (Domestic or International Broadcasting)

Mechanician, Radio Communication Equipment

News Editor (Domestic or International Broadcasting)

News Editor-Announcer (International Broadcasting)

Plant Maintenance and Operations Supervisor (Radio Communications)

Program Director (Domestic or International Broadcasting)

Radio Broadcast Technician (All Around) (Domestic or International Broadcasting)

Radio Communications Technician (All Around)

Radio Telegrapher (This title covers radiotelegrapher of both stationary and mobile radio services.)

Radiophoto Operator

Rigger Radio (Radio Communications and International Broadcasting)

Station Manager (Domestic or International Broadcasting)

Storekeeper, Chief (Radio Communications)

Television Engineer

Traffic Manager (Domestic or International Broadcasting)

Traffic Supervisor (Radio Communications)

Translator (International Broadcasting, Shortwave Monitoring Services, or radio communications)

* The list of occupations of all services except "4" have been omitted in this Supplement.

National Association of Broadcasters

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

March 12, 1943

SELECTIVE SERVICE HANDBOOK

Supplement No. 5

Classification of Registrants Over 38 Years of Age

Selective Service local boards on March 8 were directed to place no more men over 38 years of age in Class IV-H, the class for registrants who are beyond the present military age limit, and to reclassify out of Class IV-H those registrants who, by reason of their agricultural occupation or endeavor, are now or prior to May 1 may become eligible for Class II-C or Class III-C deferment.

Furthermore, boards were advised that beginning May 1, 1943, they should reclassify out of Class IV-H all other registrants and place them in the classes to which they properly belong by reason of occupational, dependency, or other status.

Registrants who are reclassified out of Class IV-H and who have no cause for deferment other than age will be placed in Class I-A and will be the first men over 38 inducted if and when the armed forces determine they can be used in the military establishment.

Those registrants who are reclassified out of Class IV-H and placed in Class II-C or Class III-C because of their agricultural occupation or endeavor prior to May 1, will be continued in those classes as long as they are necessary to agriculture if men over 38 are called for service. Other registrants reclassified after May 1 and placed in other classes will remain there, if men over 38 are called, only so long as men in their class would be deferred—as for example, normally not longer than six months if they are given a Class II-A or Class II-B deferment for occupation other than agricultural.

The new instructions, contained in amendments to Selective Service Regulations, provide:

“No registrant shall hereafter be placed in Class IV-H. The classification of all such registrants now eligible or who, before May 1, 1943, become eligible for classification into Class II-C or Class III-C shall be immediately reopened and they shall be classified in Class II-C or Class III-C. The classification of all other registrants now in Class IV-H shall be reopened and they shall be classified anew as soon as possible after May 1, 1943.”

So that registrants over 38 who are reclassified into other classes can be distinguished from men under 38, the new regulations provide:

“Whenever a classified registrant has reached or hereafter reaches the 38th anniversary of the day of his birth and has not attained the 45th anniversary of the day of his birth, he shall be identified in all records by following his classification with the letter ‘(H).’ If such registrant is in Class I-A, he shall be identified thus ‘Class I-A (H).’ If such registrant is in Class II-B, he shall be identified thus ‘Class II-B (H).’ If such registrant is in Class III-C, he shall be identified thus, ‘Class III-C (H).’ If such registrant is in Class IV-F he shall be identified thus, ‘Class IV-F (H).’ The identification ‘(H)’ shall be used for such registrant regardless of his classification.”

Order in Which Registrants Are Called

Instructions to Selective Service local boards prohibiting the drafting of men with children who are recognized as dependents under the Selective Service Act and Regulations until such action is authorized by National Selective Service Headquarters are still in effect.

The order in which registrants are called for military service, as fixed by Selective Service Regulations is:

1. Single men with no dependents (1-A);
2. Single men who do not contribute to the war effort but who have dependents (3-A);
3. Single men with dependents and who contribute to the war effort (3-B);
4. Men who are not engaged in the war effort but who maintain a bona fide family relationship with a wife only (3-A);
5. Men who are engaged in the war effort and who maintain a bona fide family relationship with a wife only (3-B);
6. Men who are not engaged in the war effort and who maintain a bona fide family relationship with wife and children or children only (3-A);
7. Men who are engaged in the war effort and who maintain a bona fide relationship with wife and children or children only (3-B).

In reclassifying men with dependents into 1-A the Boards follow this procedure:

First, the supply of single men without dependents and who are not deferred as "necessary men" in their occupations is exhausted in a local board area. Then the local board reviews, in the order of the above-named categories, the classifications of registrants who were deferred in Class 3-A or 3-B to determine which should be reclassified 1-A and which should be further deferred for occupational reasons or because induction would cause undue hardship for dependents.

However, while State Selective Service Directors have been instructed to adjust their calls for the armed forces so as to prevent one local board from calling registrants from one group substantially in advance of the time when other local boards are calling them from the same group, it is not possible to attain complete uniformity.

Because of varying conditions in local board areas, as well as in different States it has been necessary to call registrants with dependents in some States, while single men still were available in others, and in local board areas in some States before all other local boards in the same State had exhausted their pools of single men.

National Association of Broadcasters

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

March 19, 1943 SELECTIVE SERVICE HANDBOOK Supplement No. 6

Transfer of Appeals in Occupational Cases

Transfer of appeals from Selective Service occupational classification from the area in which a worker registered to an appeal board in his area of employment was announced Tuesday by the Selective Service Bureau of the War Manpower Commission.

Heretofore all appeals involving claims for occupational deferment were handled by the Selective Service board of appeal in the area in which the worker was registered, although the individual registrant concerned had removed for employment to another State. The new procedure permits appeals to be transferred to the State in which the registrant is working even though it is far distant from his local board area.

Such transfers of appeals jurisdiction, according to Selective Service headquarters, are to be permitted in the belief that appeals boards where men are employed may have better knowledge of working conditions, labor supply, and the necessity for registrants in their jobs than home boards distantly located.

[Important: Under this procedure if a registrant or his employer takes the first appeal and fails to request a transfer any other request for transfer of appeal is prohibited.]

When a request for transfer is made and meets the requirements, the case is forwarded to the State Director of the State in which the man is registered and is sent by him to the appeal board within his State which has jurisdiction over the place of employment of the registrant if it is in that State. Otherwise, he forwards it to the State Director of the State in which the registrant is employed for proper reference to the appeal board where the man works.

When a registrant's case has been transferred to a board of appeal having jurisdiction over the area in which a registrant is employed, and such board of appeal is in a different State from the local board of origin, either the State Director of Selective Service of the State in which the local board of origin is located, or the State Director of the State in which the transfer board of appeal is located, may appeal to the President from the determination of the transfer board of appeal if he deems it to be in the national interest or necessary to avoid an injustice.

The new amendments to Selective Service Regulations provide:

TRANSFER OF APPEAL IN OCCUPATIONAL CASES

§ 627.71 *Request for transfer.* When an appeal is taken from the classification or reclassification of a registrant and when such appeal is upon the ground that the registrant should have been deferred by reason of his occupation, the appeal shall be transferred to the board of appeal having jurisdiction over the area in which the registrant is employed provided all of the following conditions are met (but not otherwise):

- (1) The first person to appeal from such classification or reclassification files with his appeal a written request for such transfer;
- (2) the written request states in what respect an occupational question is involved; and

(3) the written request states the name of the registrant's employer and the street address, county, and State where the registrant is employed.

§ 627.72 *Procedure when request for transfer is made.* (a) When a request for transfer of appeal has been made under the provisions of § 627.71, the local board shall forward the registrant's file to its State Director of Selective Service.

(b) When the State Director of Selective Service receives the file of a registrant which has been forwarded under the provisions of paragraph (a) of this section, he shall forward the file either (1) to the board of appeal in his State which has jurisdiction over the registrant's place of employment when such place of employment is within his State, or (2) to the State Director of Selective Service for the State in which the registrant is employed for transmittal to the board of appeal having jurisdiction over such place of employment. The transfer board of appeal shall act on the appeal in the same manner and make the same entries in its records as it makes in the case of an appeal from a local board whose records it normally reviews except that all entries will be made in red ink.

(c) When the transfer board of appeal has acted upon such an appeal it shall return the file to its State Director of Selective Service who will forward the file either (1) to the local board of origin when it is located within his State, or (2) to the State Director of Selective Service of the State in which the local board of origin is located for transmittal to such local board of origin.

APPEAL TO THE PRESIDENT IN OCCUPATIONAL TRANSFER CASES

§ 628.1-1 *Appeal to the President in occupational transfer cases.* When, under the provisions of §§ 627.71 and 627.72, a registrant's case has been transferred to a board of appeal having jurisdiction over the area in which the registrant is employed, and such board of appeal is in a different State from the local board of origin, either the State Director of Selective Service of the State in which the local board of origin is located or the State Director of Selective Service of the State in which the transfer board of appeal is located may appeal to the President from the determination of the transfer board of appeal if he deems it to be in the national interest or necessary to avoid an injustice.

JURISDICTION OF BOARDS OF APPEAL

§ 603.24 *Jurisdiction.* Each board of appeal shall have jurisdiction to review and to affirm or change any decision appealed to it from any local board in its area or any decision appealed from any local board not in its area when transferred to it in the manner provided in these regulations.

National Association of Broadcasters

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

March 22, 1943

SELECTIVE SERVICE HANDBOOK

Supplement No. 7

"Activity and Occupation Bulletin No. 29"

Occupational Bulletin No. 27, as amended January 23, 1943, has been superseded by "Activity and Occupation Bulletin No. 29", issued March 1, 1943. THERE ARE NO CHANGES IN THE LIST OF ESSENTIAL OCCUPATIONS. Selective Service has merely changed the format to eliminate a lot of preliminary language at the top of the old Occupational Bulletins. So that your Handbook may be up-to-date, we print below "Activity and Occupation Bulletin No. 29" insofar as it affects Radio Broadcasting.

NATIONAL HEADQUARTERS SELECTIVE SERVICE SYSTEM

WASHINGTON, D. C.

ACTIVITY AND OCCUPATION BULLETIN NO. 29

ISSUED: 3/1/43

SUBJECT: COMMUNICATION SERVICES

PART I. POLICIES THAT APPLY TO THIS ACTIVITY

General policies govern this activity.

PART II. ESSENTIAL ACTIVITIES

Broadcasting services, radio and television	News reels
Cable service, telephone and telegraph (land or submarine)	News syndicates
Cable, submarine	Radio broadcasting
Communication services	Radio communication
Film, development of sensitized	Radio telephone
Magazines of general circulation which are devoted primarily to the dissemination of public information	Radio telegraph
Motion pictures, production of (including technical and vocational training films for the Army, Navy, and War Production industries)	Signaling systems, protective (which supplement fire and police protection to military, public and private, industrial and commercial establishments)
News magazines, publishing of	Telegraph
Newspapers	Telephone (including contract substation operators)
	Telephone-cable services (land or submarine)
	Television

PART III. ESSENTIAL OCCUPATIONS

Magazines of general circulation	A
Production of Motion Pictures	B
Protective Signal Systems	C
Radio Broadcasting; Radio Communications; and Television Services	D
Submarine Cable Services	E
Telegraph Services	F
Telephone Services	G

D. Radio Broadcasting; Radio communications (Radiotelephone and Radiotelegraph); and Television Services:

Director of Operations, Radio Broadcasting (Domestic or International)

(This title includes those persons who are in charge directly, or through subordinates, of the activities of the various operating departments of a network. It also includes assistants who are directly responsible to the director of operations for the efficient functioning of the various operating departments of a network. It does not include any directors or assistants concerned with sales, promotional, legal, tax, clerical and other nonoperating aspects of a network.)

Dispatcher, Radio Communications
Electrician (All Around)

Engineer, Professional or Technical

(This title covers persons who are actually engaged as engineers in the operating or research phases of this activity regardless of educational background.)

Engineering Draftsman, Design

Foreman, Radio Communications (Installation and Repair)

Inspector, Radio Communications Equipment

Installer, Radio Communications Equipment

Instructor, Training Program (Radio Communications)

(This title covers only those persons engaged in the occupations included in this list who, because of their skill and experience, are detailed as instructors in an established training program.)

Instrument Maker (All Around)

Machinist (All Around)

Maintenance Mechanic (Domestic or International Broadcasting, and Radio Communications)

Manager, Employment and Personnel

Manager or Superintendent, Radio Communications System or Station

(This title covers those persons who are actively

engaged in supervising directly, or through subordinates, various technical and operating departments of a system or station in the radio communications industry. This title covers, also, assistants who are directly responsible to such managers for the efficient functioning of the various technical and operating departments. It does not cover managers or their assistants concerned with promotional, sales, legal, clerical, tax, rate structure, or other segments of a nonoperating character.)

Managing Editor, News, Special Events or Public Affairs (Domestic or International Broadcasting)

Mechanic, Radio Communication Equipment

News Editor (Domestic or International Broadcasting)

News Editor-Announcer (International Broadcasting)

Plant Maintenance and Operations Supervisor (Radio Communications)

Program Director (Domestic or International Broadcasting)

Radio Broadcast Technician (All Around) (Domestic or International Broadcasting)

Radio Communications Technician (All Around)

Radio Telegrapher

(This title covers radiotelegrapher of both stationary and mobile radio services.)

Radiophoto Operator

Rigger Radio (Radio Communications and International Broadcasting)

Station Manager (Domestic or International Broadcasting)

Storekeeper, Chief (Radio Communications)

Television Engineer

Traffic Manager (Domestic or International Broadcasting)

Traffic Supervisor (Radio Communications)

Translator (International Broadcasting, Shortwave Monitoring Services, or radio communications)

The National Association of Broadcasters

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

April 16, 1943

SELECTIVE SERVICE HANDBOOK

Supplement No. 8

Certain local USES offices and a few local boards have advised musicians employed by radio stations that they are employed in non-deferable activities and that they should quit their jobs and seek employment in essential war activities. It is reliably reported that National Headquarters of the Selective Service System does not regard musicians employed by radio stations as employed in a non-deferable activity under Local Board Memorandum No. 181. [We have not printed LBM No. 181, as we believe it unnecessary to do so.] Therefore, stations may inform their musicians to disregard such statements. Such musicians are employed in an essential activity and until such time as the occupation of musician in a radio station, if that time ever comes, is listed as non-deferable, they are under no obligation to seek other employment.

CLASSIFICATIONS FOR SELECTIVE SERVICE REGISTRANTS

The classifications for Selective Service Registrants have been revised. The revised classifications are:

- I-A Available for military service.
- I-A-O Conscientious objector available for noncombatant military service.
- I-C Member of land or naval forces of the United States, including men released from active service for essential work.
 - II-A Man necessary in his essential civilian activity.
 - II-B Man necessary to the war production program.
 - II-C Man deferred by reason of his agricultural occupation or endeavor.
- III-A Man with child or children deferred by reason of maintaining bona fide family relationship.
 - III-C Man with dependents who is regularly engaged in agricultural occupation.
 - III-D Man deferred because induction would cause extreme hardship and privation to a wife, child, or parent with whom he maintains a bona fide family relationship.
- IV-A Man 45 years old, or over, who is deferred by reason of age.
- IV-B Official deferred by law.
- IV-C Neutral aliens requesting to be relieved from liability for training and service as well as aliens not acceptable to the armed forces.
- IV-D Minister of religion or divinity student.
- IV-E Conscientious objector available for work of national importance.
- IV-F Physically, mentally or morally unfit.

Furthermore, dependents acquired on or after December 8, 1941, are not considered as a basis for deferment. However, in view of section 622.33 of Selective Service Regulations, any child born after December 8, 1941, but before September 15, 1942, will be considered a dependent as the date of conception is a factor under the section.

Class III Deferments

Local Board Memorandum No. 123 has been amended and explains the amendments to Selective Service Regulations revising III-A classification, eliminating III-B classification and creating III-D classification. Pre-Pearl Harbor fathers maintaining a bona fide family relationship are kept in III-A and if they are engaged in agriculture they will be classified III-C, but if they are engaged in nondeferable activities or occupations as outlined in Local Board Memorandum No. 181 they will not be placed or kept in III-A. Hardship to a wife, child or parent if a registrant will be inducted warrants a Class III-D classification under the new classification procedure. All registrants presently classified III-A or III-B are to be reclassified. Men reclassified and placed in III-A will not be called until the Director of Selective Service issues the order. Men available for service and so classified are to be called in the following order (1) single men with no dependents (2) single men with collateral dependents (3) married men with wives only and (4) men with children.

LOCAL BOARD MEMORANDUM

No. 123

(Effective April 12, 1943)

SUBJECT: CLASS III DEFERMENTS

1. Changes made to accomplish manpower objectives.—Certain changes in Selective Service Regulations have been made in order to enable the Selective Service System to continue to meet the manpower requirements of the armed forces, war production, agriculture, and other essential civilian activities and, at the same time, protect as long as possible homes where there are children.

2. Revision of Class III-A.—Under the provisions of Section 622.31 as amended, any registrant, unless he comes within one of the exceptions mentioned below, shall be retained or placed in Class III-A if he and his child or children maintain a bona fide family relationship in their home and if such status was acquired prior to December 8, 1941. There are two exceptions:

(a) All such registrants who are also necessary to and regularly engaged in agricultural occupations or agricultural endeavors essential to the war effort shall be placed in Class III-C.

(b) The classification of all such registrants who are engaged in activities or occupations designated as non-deferable shall be governed by the provisions of Local Board Memorandum No. 181. [No keymen in radio broadcasting and no musicians employed in broadcasting are designated as "non-deferable."—Ed.]

3. Elimination of Class III-B.—Section 622.31-1, as amended, eliminates Class III-B. No registrant shall hereafter be placed in Class III-B.

4. Creation of Class III-D.—Section 622.32, as amended, creates a new class, designated as Class III-D, in which shall be placed any registrant not otherwise deferred if (1) it is determined that his induction into the land or naval forces would result in extreme hardship and privation to a wife, child, or parent with whom he maintains a bona fide

family relationship, in their home, and (2) by reason of such determination it is considered advisable that he be deferred.

5. **"Imminence of selection" eliminated.**—All reference to the "imminence of selection" rule has been eliminated from Selective Service Regulations.

6. **Child conceived prior to December 8, 1941.**—A child born on or before September 14, 1942, should be considered as having been conceived prior to December 8, 1941, and a child born on or after September 15, 1942, should be considered as having been conceived on or after December 8, 1941, unless there is affirmative evidence of a medical character which clearly establishes that birth was delayed.

7. **Reclassification from Class III-A and Class III-B.**—Local boards shall immediately reopen and classify anew all registrants now in Class III-A who are no longer entitled to remain therein. They shall also immediately reopen and classify anew all registrants now in Class III-B. In classifying such registrants anew, the local boards shall proceed as provided in Section 623.21, as amended, paying particular attention to the following questions:

(a) Should the registrant be deferred in Class III-C by reason of his agricultural occupation or endeavor? (See Local Board Memorandum No. 164 and Local Board Memorandum No. 164-A.)

(b) Should the registrant, when he is being classified out of Class III-B, be placed in Class III-A?

(c) Should the registrant be deferred in Class II-C by reason of his agricultural occupation or endeavor? (See Local Board Memorandum No. 164 and Local Board Memorandum No. 164-A.)

(d) Should the registrant be deferred in Class II-B or Class II-A by reason of his occupation? (See Local Board Memorandum No. 115 and Activity and Occupational Bulletins. [See Activity and Occupation Bulletin No. 29, Supp. No. 7 to NAB Selective Service Handbook.—Ed.] Local boards should bear in mind that lists of essential activities and essential occupations as set forth in the Activity and Occupation Bulletins are only guides to assist the local boards and do not preclude occupational classification of registrants found to be necessary men in essential activities or occupations not listed. It is incorrect to assume that a registrant cannot be occupationally classified merely because his activity or occupation is not contained on the list.)

(e) Should the registrant be placed in Class III-D? (The provisions of Section 622.32 are to be strictly construed in determining this question.)

8. **New Class III-A temporarily frozen.**—When registrants qualified for Class III-A, as defined in Section 622.31, as amended, have been retained or classified therein, they shall not be considered for reclassification into a class available for military service or work of national importance until such reclassification is ordered by the Director of Selective Service or a change in status occurs.

9. **Filling calls.**—Insofar as possible men who are finally classified in Class I-A, Class I-A-O, or Class IV-E who are available for induction or assignment to work of national

importance should be called for induction or assignment to work of national importance from the following groups in the order listed:

1. Single men with no dependents.
2. Single men with collateral dependents.
3. Married men with wives only.
4. Men with children.

A registrant should be placed in the foregoing groups based upon his status at the time he is ordered to report for induction or assignment to work of national importance.

Lewis B. Hershey, Director.

The National Association of Broadcasters

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

April 24, 1943

SELECTIVE SERVICE HANDBOOK

Supplement No. 9

OCCUPATIONAL DEFERMENT PROCEDURE

I. Survey

Using NAB Essential Personnel Survey Form (2 copies are enclosed herewith), survey and record the Selective Service status of each employee in an occupation listed as essential by the War Manpower Commission in Activity and Occupation Bulletin No. 29 (see Supp. No. 7 to NAB Selective Service Handbook). This bulletin has been prepared for the guidance of Local Boards and has been submitted to them by Selective Service Headquarters with instructions that it be given serious consideration.

II. Key Men

Requests for deferment of key personnel must be kept at a minimum in order that they may be given serious consideration by Local Boards.

III. Procedure for Obtaining Occupational Deferment (Class II-A or II-B) of Key Men

Employers desiring to obtain deferment for essential employees who cannot be replaced should follow this procedure:

(a) *Selective Service Form 42-A*: Obtain Selective Service Form 42-A (AFFIDAVIT—OCCUPATIONAL CLASSIFICATION) from any Selective Service Agency or from NAB.

(b): *Filing of Selective Service Form 42-A*: File Form 42-A with registrant's Local Board. It is advisable to file such forms IMMEDIATELY for all essential personnel. This step *should not be delayed* until the registrant's reclassification is pending or is in process. If Form 42-A has already been filed and new evidence of need for deferment is available, file supplementary letter with registrant's Local Board and make reference to previous Form 42-A.

(c) *Appeal to Board of Appeals*: If, after filing Form 42-A for occupational deferment, the decision of the Local Board is ADVERSE the employer has the right to appeal to the Board of Appeals for the area WITHIN TEN (10) DAYS after the mailing of the notice of classification to the employer. Appeal from classification by Local Board must be made at office of Local Board, by signing appeal form on back of registrant's questionnaire or by filing written notice of appeal.

(d) *Transfer of appeal to Board of Appeals in registrant's area of employment*: IMPORTANT! If registrant's Local Board is remotely located from the station, request transfer of the appeal to the Board of Appeals having jurisdiction over the area in which the registrant is employed. In order for the appeal to be so transferred all of the following conditions must be met:

- (1) The first person to appeal from such classification or reclassification files with his appeal a written request for such transfer;
- (2) the written request states in what respect an occupational question is involved; and
- (3) the written request states the name of the registrant's employer and the street address, county, and State where the registrant is employed.

(e) *Requests to State Directors of Selective Service for Review:* If the Board of Appeals AFFIRMS the Local Board's adverse decision, the case may be brought to the State Director of Selective Service by the employer with a request for review to determine (1) whether the case should be reopened for consideration of new evidence, or (2) whether the case should be resubmitted to the Board of Appeals for reconsideration, or (3) whether appeal to the President is warranted. (For names and addresses of State Directors, see NAB Selective Service Handbook, pp. 9-10.) If the case has been transferred to a Board of Appeals having jurisdiction over the area in which registrant is employed, it is usually advisable to request review by the State Director of the State in which the transfer Board of Appeals is located.

(f) *NAB Assistance in Washington:* If the State Director declines to give further consideration to the case, you may request NAB to take further steps in Washington. In all such cases prompt action is imperative and the following information MUST be supplied NAB in duplicate:

- (1) Registrant's full name, address, age, dependency status and order number.
- (2) Number and location of registrant's Local Board.
- (3) Registrant's classification, date of such classification, and previous occupational classification (II-A or II-B), if any.
- (4) Date of appeal, decision and date thereof of Board of Appeals, and number and location of Board of Appeals.
- (5) Registrant's occupation and detailed description of his duties, together with date of employment and nature of previous employment.
- (6) The date and place of registrant's induction, if order has been given.
- (7) The date of referral to the State Director, his name and the date and substance of his decision.
- (8) Authority for NAB to disclose to Selective Service Headquarters the employer station's NAB Manpower Survey and/or NAB Essential Personnel Survey.
- (9) Request that NAB seek investigation and review of the case by Selective Service Headquarters.

* * * * *

NAB furnishes this procedural information to employer stations for the sole purpose of reducing to a minimum dislocation of operations. Employers should understand that requests for deferment of other than key personnel should not be made. NAB cannot, of course, act in cases unless it agrees as to the critical nature of the services rendered by the particular registrant, nor until all of the steps enumerated above have been followed.

Any occupational deferment is only temporary. Deferments are granted for the sole purpose of providing time to train replacements for essential men in essential jobs. Renewals of deferments are difficult to obtain, and will, it is expected, become increasingly difficult to obtain. The recruiting and training of replacements who, by reason of physical disability, age or sex are not acceptable for military service, should be undertaken wherever possible at the earliest opportunity.

National Association of Broadcasters

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

May 8, 1943

SELECTIVE SERVICE HANDBOOK Supplement No. 10

REMINDER: All stations which have not already done so are urged to fill out and return at once the NAB Essential Personnel Survey form dated May 1, 1943, which was enclosed with Supplement No. 9 to the NAB Selective Service Handbook.

Important Change in Occupational Deferment Procedure

The procedure outlined in Supplement No. 9 is hereby changed in two particulars:

1. *Men with children under eighteen and born on or before September 14, 1942.*—

As to such registrants who are deemed essential to station operations and who cannot be replaced, it is recommended that Form 42-B be filed at once with Local Boards. It seems desirable to do this whether or not Form 42-A has already been filed. The Local Boards will thus be advised of the registrant's employment in an essential activity, and the employer will be notified of the reopening of the registrant's classification. Employers will then have 15 days, it is expected, in which to file an up-to-date Form 42-A.

This procedure is covered in Local Board Memorandum No. 158-A, as follows:

NATIONAL HEADQUARTERS
SELECTIVE SERVICE SYSTEM

Washington, D. C.

LOCAL BOARD MEMORANDUM NO. 158-A

(Supplementing Local Board Memorandum No. 158)

ISSUED: 4/24/43

SUBJECT: OCCUPATIONAL CERTIFICATION, FORM 42B

1. *Elimination of Class III-B affects Form 42B.*—Recent amendments to Selective Service Regulations which eliminated Class III-B, affect paragraph 5 (b) of Local Board Memorandum No. 158, which refers to the use of Occupational Certification (Form 42B), and also the instructions which are printed on Form 42B relative to classification into Class III-B.

2. *Instructions on Form 42B referring to Class III-B to be disregarded.*—Form 42B will soon be revised to eliminate any reference to classification into Class III-B. There will be no other change in the form. The present supply of these forms will be used until exhausted, and local boards will simply disregard that part of the instructions on the form which refer to classification into Class III-B.

3. *Employers to be advised.*—Employers who are engaged in war production or in an activity essential to the support of the war effort should be advised to file Form 42B for men with children under eighteen and born on or before September 14, 1942. The Form 42B should bear the State Acceptance number and certification, if a Replacement Schedule is in effect. The local board will thus be advised of the registrant's employment in an

essential activity, and the employer will be provided with a notice of reopening of classification, as provided in section 626.2-1, Selective Service Regulations.

LEWIS B. HERSHEY,
Director.

LBH/ess
Distribution A, B, C, D, E, F

2. *Employer's Right of Appeal to the President for Occupational Deferment.*—If the Board of Appeals affirms the registrant's I-A classification, and one or more members of the Board of Appeals **DISSENTED** from such classification, the employer-station has the right of appeal to the President under Sec. 628.2 of Selective Service Regulations, Second Edition. Such appeal is taken within 10 days of notice of continuance of classification or notice of classification, by (1) mailing or delivering to the Local Board written notice of appeal, or (2) by going to the Local Board and signing the appeal to the President on the Selective Service Questionnaire (Form 40). If the appeal is taken by filing a written notice of appeal, such notice need not be in any particular form but should include the name of the registrant, his serial and order numbers, the identity of the person appealing (sufficiently definite to show the right of appeal), and the fact that the employer wishes the President to review the determination of the Board of Appeals.

Therefore, whenever there is a dissenting vote in the Board of Appeals on affirmation of a registrant's I-A classification, it is recommended that appeal be taken to the President, rather than request the State Director to review the case.

The National Association of Broadcasters

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

May 28, 1943

SELECTIVE SERVICE HANDBOOK Supplement No. 11

Replacement Schedules

With Local Boards bearing down on essential personnel and with the induction of fathers indicated to begin by fall, stations are advised to consider the advisability of filing replacement schedules with their state director of Selective Service. This advice is directed primarily to medium and large stations. Small stations should resolve any doubts as to the wisdom of doing so by consulting their State Director.

Replacement schedules are a part of the Manning Table Plan, and have not been heretofore recommended. Even now it is not recommended that stations prepare Manning Tables. The benefit to be derived from filing replacement schedules is certainty as to time of induction as against the hit-or-miss action of several local boards which may result in a station's losing several men almost simultaneously.

First step in preparation of a replacement schedule is for the employer to obtain, with respect to each male employee, the following information: (a) Job title; (b) age, including date of birth; (c) local board number and address; (d) Selective Service order number; (e) Selective Service classification; (f) family relationship, i.e., whether he is single, is married without children or the number of children under 18 and born on or before September 14, 1942, if any.

With this information, the employer is ready to prepare a replacement summary, one of the two parts of the replacement schedule. Preparing the summary, the employer will list all jobs by departments, the order of listing to depend on the manner in which the station records are kept. Opposite each job listed the employer will list also, under the following headings, the total number of workers engaged: (a) Number of women; (b) men with children, physically disqualified, 45 and over, 38 through 44, under 18; (c) single men and married men without children.

The replacement summary thus will present a condensed schedule of the jobs and workers in the station and will be the basis for preparing the replacement list, the second part of the replacement schedule.

Preparing the replacement list, the employer lists by departments as used on the replacement summary, the names of the men he will be ready to replace. The replacement list will include only single men and married men without children who are within the age groups liable, or who within the next six months after preparation will become liable for military service. Men with children will be listed when the director of Selective Service orders the reclassification of this group. Those within each department, who

are to be replaced in the first month will be listed first, followed by those who are to be replaced in the second month and so on.

A replacement schedule accepted by a state Selective Service director continues in effect, unless revised, for six months. At the end of each six-month period, the employer must file a new schedule projecting the replacement of registrants into the next succeeding six month period.

After completing the replacement schedule, the employer submits it to the state director of Selective Service for the state in which his station is located for approval. The state director, if he determines that the schedule provides for the replacement of registrants in a satisfactory manner, will assign to the employer a state acceptance number and will so notify the employer and the appropriate regional War Manpower Commission director. The employer thus is authorized to use his acceptance number as a certification on the affidavit-occupational classification (Form 42A) and on the occupational certification (Form 42B) to indicate to the local board that his replacement schedule has been approved and that his affidavits, in support of requests for occupational classification, are in strict accordance with the accepted replacement schedule.

Local Boards continue to maintain authority, subject to appeal, to grant or reject requests for occupational classification. However, submission by the employer of the affidavit-occupational classification (Form 42A) or the occupation certification (Form 42B) bearing the proper state acceptance number is expected to be a clear indication that the employer is attempting to replace his employees in a systematic manner which is in accordance with Selective Service principles.

National Association of Broadcasters

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

June 18, 1943

SELECTIVE SERVICE HANDBOOK Supplement No. 12

Revised Instructions Concerning Replacement Schedules

Revised instructions to employers for the preparation of replacement schedules were issued Tuesday by the bureau of selective service of the War Manpower Commission, limiting occupational deferment of men between 18 and 25 on July 1, who are not fathers, to six months, unless the job involved is exceptionally important to the war effort and extremely difficult to fill.

Employers also were instructed, for the first time, to include men with children on their replacement schedules filed on or after July 1, but provided that no such man be scheduled for release before October 1.

Announcing these changes in the manning table instructions, the War Manpower Commission emphasized that they should not be interpreted as fixing a date for the drafting of fathers.

It was pointed out that instructions to employers provide that "single men who are equally replaceable" will be listed for release ahead of men with children and, of course, will be called for induction first. Moreover, it was stressed that the replacement schedule will list only the comparatively few "key men" in essential industries, and the handling of these cases does not necessarily indicate when fathers in general will be called. The main effect of the instructions, it was stated, is that fathers in "key" positions listed on replacement schedules will have to justify their continued deferment after October 1 on the basis of occupation rather than on their family status.

WMC officials made no statement, or prediction, as to when fathers would be reached in the draft. They emphasized, on the other hand, that the change in replacement schedule procedure was merely routine action to improve the operation of the system; that it had become necessary to speed up the induction of men without children and to take into account the fact that fathers would be drawn from the general pool of registrants at least by the last quarter of this year.

It was pointed out also that no directive authorizing local boards to reclassify men with children,

except those in non-deferrable occupations, has yet been issued, and that none other may be drafted until such specific instructions are given. The present instruction does not constitute such authorization.

The replacement schedule was developed by the War Manpower Commission to enable employers to plan for orderly withdrawal and replacement of employees in essential jobs who are liable to induction for military service. Under its operation, employers are able to plan with certainty concerning the men they would lose from essential jobs and arrange, six months in advance, for their replacement.

Instructions for the preparation and filing of replacement schedules are contained in two memorandums sent by the selective service bureau of the War Manpower Commission to all selective service state headquarters and local boards. They are identified as selective service local board memorandums Nos. 158 and 158-A. The latter is of major interest to employers of registrants and is entitled: "Instructions to Employers for Preparation of the Replacement Schedule."

Both memorandums give detailed instructions for the preparation and filing of a replacement schedule and the manning table upon which the schedule normally is based, and explain the purpose and the operation. Pertinent paragraphs from local board memorandum No. 158-A which give instructions for scheduling replacements read:

"Every man attaining the age of 18 and who has not attained the age of 25 on or before July 1, 1943, who is single or who is married without children (as herein before defined) must be scheduled for replacement during the 6-month period covered by the replacement schedule prepared pursuant to these instructions, unless (1) he has the highest skills or professional qualifications and is in a key or supervisory position or (2) he has

demonstrated capacity for a certain assignment for which no replacement is available.

“Men with children will be listed on the replacement list but no such man will be scheduled for release prior to October 1, 1943.

“In determining the order of listing on the replacement list, certain factors should be considered:

“(a) Generally, those who will be replaced first will be those in occupations having the shortest training and replacement time. This factor, however, is subject to variation since employees in occupations having longer training times may be replaceable through hiring, transferring or upgrading. Due consideration should be also given to previous and existing periods of deferment. In cases where employers are faced with the replacement of a large number of men in an occupation requiring a short time for training replacements, the employer may find it necessary to spread the replacement of such men over several months by scheduling a definite number each month as rapidly as replacements can be secured or trained, and absorbed in the plant.

“(b) Men with the earliest availability for military service according to selective service status will generally be scheduled for earliest replacement. Therefore, single men who are equally replaceable should be listed ahead of married men who are equally replaceable and, likewise, men from these groups should be listed ahead of men with children. If the schedule under consideration is a renewal of an existing schedule, it is advisable to list the single and married men by plant department or operating unit in exactly the same order as they were listed on the original schedule, followed in each department by the names of the men with children.

“(c) Considering the above factors, employees to be listed for replacement will be listed by order number with the lowest order number first. Thus registrants with equal or comparable replaceability and with equal selective service status will be listed on the replacement list in accordance with order number. This will insure a system of replacement which will avoid discrimination since the selective service order numbers have been determined in an impartial manner.”

National Association of Broadcasters

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

August 20, 1943 SELECTIVE SERVICE HANDBOOK Supplement No. 13

Critical Occupations Listed By WMC

On August 14, 1943, the War Manpower Commission announced a new policy to accomplish the following:

(a) to hold essential workers on war-useful jobs if they are so employed now; (b) to assure transfer of workers to jobs aiding in the war effort; and (c) to supply men needed for the armed forces without cutting war production.

These are the steps which the War Manpower Commission is taking:

1. Establishment of a list of critical occupations covering skills urgently needed in the war effort. Workers possessing such skills must get into war industry or supporting civilian activities by October 1 or lose further claim to Selective Service occupational deferment. (Local Board Memorandum No. 115A.) In order to insure accurate channeling of workers with these critical skills to the most urgent war jobs, provision is made for their hiring only upon referral by or with consent of the U. S. Employment Service. (Regulation 7.)

2. Selective Service local boards were instructed to give greater consideration than ever before to occupational deferment. In determining the "replaceability" of a worker the boards are instructed to consider the actual and immediate effect of his induction on vital production. They are to take into account not merely the national shortage of his skill, but available replacements for even unskilled workers and current local shortages of skilled or unskilled labor. Closer collaboration is provided between the local Selective Service Boards and the offices of the U. S. Employment Service in making these determinations. (Local Board Memorandum No. 115, included in this Supplement.)

3. Establishment of new standards for permitting the transfer of civilian workers from job to job. These standards are based on experience under employment stabilization plans and will be written into all such plans by October 15. They are intended to stimulate transfer from less essential to more essential war jobs, and to reduce the unnecessary shifting of workers from job to job which has pyramided turnover and interfered with vital production in many plants. (Regulation 7.) At the same time broad powers to determine when a transfer is in the interest of the war effort are given to local and regional WMC offices. (Regulations 4 and 7.)

4. Extension of the list of non-deferrable activities and occupations, providing that all men of military age must transfer from such jobs or be placed first on the list for induction by local boards. This will insure that the first fathers to be drafted will be those who are contributing least to the war effort.

No occupations peculiar to the broadcast industry are included in the non-deferrable list.

In commenting on the new program, Mr. McNutt said:

"The time has come when every worker must justify himself in terms of his contribution to the war effort. Under our Selective Service System fathers were deferred so that available single men would be taken first. Our instructions have always called and still call for single men not in essential jobs to be taken first. Fathers were not, however, given exemptions, and there is nothing in the Selective Service Act which assumes that they should be passed by at the expense of the war effort itself.

"The new critical list does not displace the existing essential lists of activities and occupations. The purpose of the new list is to search out particular skills and to see that they are so employed as to speed victory, whether their employment is in industry or the military services.

"The provisions governing the transfer of civilian workers as outlined in Regulation 7 are not greatly dissimilar to those applied in most local employment stabilization plans today. Moreover, they do not apply to any person until acted upon by the Area War Manpower Director and incorporated into the local stabilization plan. There is time for the local digestion of these provisions. Each individual should wait for the local announcements telling how these plans apply to him.

"It should be noted that between essential activities and non-deferrable activities are many activities which are not classified. Similarly, between the lists of critical and essential occupations and the non-deferrable occupations there are many occupations which have not been singled out either as directly supporting the war effort or as being non-deferrable. Thus, lawyers and bankers, taxi drivers, and many in other fields are not included in any of the lists. They are still subject to the rules as they apply in the ordinary change order of call."

LIST OF CRITICAL OCCUPATIONS

The new list of critical occupations contains skills urgently needed in war industry and supporting civilian activity. Men with those skills who are not in essential industry at present should register with their local employment offices and make themselves available to take essential jobs. If they do not agree to transfer when called, they will be subject to reclassification so that they will be available to the military forces which also need skilled men.

Radio broadcasting retains the status of an essential industry.

Local offices of the U. S. Employment Service of War Manpower Commission have been ordered to certify workers possessing such skills to the Selective Service local boards "when they are found not properly employing their skills," which means not using them to aid the war effort. Selective Service local boards have been advised to give men with such skills special consideration with reference to deferment if they are in war-useful jobs.

All the occupations on the critical list are among the essential occupations listed by the War Manpower Commission. For inclusion on the list of critical occupations (a) the shortage of the skill must be so acute "as to impede or threaten to impede war production"; (b) the occupation must be one requiring lengthy training and considerable experience; (c) the occupation must be of such type that replacements cannot readily be made by upgrading; and (d) must be an occupation for which there is a definite need in industries in which current production schedules must be maintained or expanded for the successful prosecution of the war.

LIST OF CRITICAL OCCUPATIONS

Part I—Production and Services Occupations

Aircraft-Engine Mechanic, All Around
Aircraft-Engine Tester, All Around
Aircraft-Instrument Mechanic
Aircraft Mechanic, All Around
Airplane Navigator
Airplane Pilot, Commercial
Airship Mechanic, All Around
Ballistician
Bessemer Converter Blower
Blacksmith, All Around
Blast Furnace Blower
Blaster, Mining
Boatbuilder, Steel or Wood, All Around
Boilermaker, All Around
Boring-Mill Operator, All Around
Bricklayer, Refractory Brick
Cabinetmaker, All Around
Cable Splicer, Telephone, Telegraph or Submarine Cable
Cable Transmitter and Receiver
Cam-Lay-Out Man
Car Inspector, Railroad Transportation
Catalytic-Converter Engineer, Synthetic Rubber

Cementer, Oil Well
Chainmaker, All Around
Chamberman, Acid
Coke Burner
Computer, Electric, Seismic, or Gravity
Conductor, Railroad Transportation
Converter Operator, Nonferrous Smelting & Refining
Continuous-Still Engineer, Synthetic Rubber
Coppersmith, Marine, All Around
Coremaker, All Around
Cutting Machine Runner, Mining
Diamond Driller, Mining
Die Maker, All Around
Die Setter
Die Sinker
Diesel Mechanic, All Around
Dispatcher, Radio Communications, Telegraph, or Submarine Cable
Diver
Driller, Fine Diamond Dies
Driller, Oil Well, Cable or Rotary
Electrical Tester, Power Equipment
(1) Electrician, Installation and Maintenance, All Around
Electrician, Aircraft, Marine, Power House, or Submarine Cable, All Around
Engineer, Chief, First, Second, or Third Assistant, Ship
Engineer, Locomotive, Railroad Transportation
Engineer, Turbine or Diesel
Engineering Draftsman, Design
Finisher, Fine Diamond Dies
First Helper, Open Hearth or Electric Furnace
Flight Dispatcher
(2) Foreman
Included under this designation are only individuals who are (1) utilizing in their supervisory jobs the knowledge and skills of one or more of the occupations included in the List of Critical Occupations, and (2) those who supervise directly or through subordinate foremen and supervisors production, technical, or scientific work in essential activities, although the occupations of the workers supervised may not be listed. The second category includes only individuals who must be in jobs requiring an extensive knowledge of the production, technical, or scientific work they are supervising, the exercise of independent judgment and responsibility for the products made or services rendered, and a training period of two or more years. In some plants, the supervisory personnel may be designated by other than supervisory titles, and where they meet the requirements outlined above they are included.
Form Builder, Aircraft
Glass Blower, Scientific Laboratory Apparatus
Heat Treater, All Around
Heater, Steel Mill, All Around
Hoisting Engineer, Mining
Inspector
Included under this designation are only those workers who are qualified to perform in one or more of the critical occupations appearing in this list, and who utilize the knowledge and skill of such occupations in inspecting work in order to insure uniformity and accuracy of products or services.
Installer, Telephone or Telegraph Equipment
Instructor
Included under this designation are only those workers who are qualified to perform in one or more of the critical occupations listed and because of their aptitude and experience have been assigned as instructors in training programs either in plant or vocational.
Instrument Maker and Repairer, Electrical, Mechanical, or Scientific
Jewel Bearing Maker, All Around
Jointer, Submarine Cable
Lay-Out Man, Boilermaking, Foundry, Machinery, or Shipbuilding
Lead Burner, All Around
Lineman, Telephone, Telegraph, or Power, All Around
Load Dispatcher, Power or Gas
Locomotive Engine Repairman
Loftsman, Aircraft or Shipbuilding
Loom Fixer
Machine Driller, Mining

Machine Tool-Set-Up Man
Machinist, Marine, All Around
Mate, First, Second, or Third

(3) Mechanician, Communications Equipment

This title includes individuals who maintain and repair telephone and telegraph equipment and circuits; technical broadcast equipment; radio-telephone and radio-telegraph equipment; or submarine cable apparatus.

Miller, Grain Products, All Around

Millwright

Miner, Underground, All Around

Included under this title are only those individuals whose job assignment requires them to perform the duties involved in driving underground openings including drilling, blasting, timbering. Due to standardizations of mining methods these functions may be performed by separate individuals whose occupational titles also appear in this list because the jobs meet the criterion of critical occupations. Since the term "Miner" is generally used in the industry to identify underground workers, it should be clearly understood that it does not cover such workers as muckers, trammers, and helpers.

Molder, Bench or Floor, All Around

Model Maker, All Around

Observer, Seismic

Oil Well Gun Perforator

Oil Well Treater, Acidising

Optical Mechanic, All Around

Paper Making Machine Engineer

Patternmaker, Metal or Wood

Pipe Fitter, Marine

Powershovel Engineer, Mining

Precision Lens Grinder, All Around

Pulpit Operator, Steel Mill

Pumper, Refinery, in Charge

Purification Engineer, Synthetic Rubber

Radio Communications Technician

Radio Telegrapher

Radiophoto Technician

Reactor Engineer, Synthetic Rubber

Receiver Tester, Radio or Radar

Refrigerator Equipment Repairman, Gas or Electric, All Around

Refrigerator Engineer

Sheetmetal Worker, Marine, All Around

Shipfitter, All Around

Shipwright, All Around

Ship Rigger, All Around

Ship Captain

Ship Pilot

Signal Maintainer

Still Operator, Chemical, All Around

Stillman, Petroleum Processing

(2) Supervisor, see Foreman

Switchboard Operator, Power

Tanner, All Around

Testing and Regulating Technician, Telephone or Telegraph

Timberman, Mining, All Around

Tool Designer

Tool Maker

Train Dispatcher

Transmission Engineer

Tugboat Captain

Tugboat Engineer

Wood Seasoner, Kiln

X-Ray Equipment Serviceman

Part II—Professional and Scientific Occupations *

Accountant

Included under this title are Certified Public Accountants and those who have comparable training, experience, or responsibilities.

Agronomist

Anatomist

Architect, Naval

Astronomer

Bacteriologist

Chemist

(4) Engineer, Professional or Technical

This title covers persons who are actually engaged as engineers in the operating, research, or teaching phases of these professions, who are qualified either by having met the educational requirements or because of long experience. In addition, this title is intended to include those individuals who may specialize in certain phases of the professions listed below, such as Mechanical Engineers who specialize in the automotive, heating, or refrigerating engineering field but whose special designations have not been mentioned:

Aeronautical	Marine
Agricultural	Mechanical
Ceramic	Metallurgical
Chemical	Mining
Civil	Petroleum
Communications	(4) Radio
Electrical	Safety

Entomologist

Forester

Geologist

Geophysicist

Horticulturist

Mathematician (including Cryptanalyst)

Metallurgist

Meteorologist

Nematologist

Oceanographer

Parasitologist

Pathologist, Medical

Pharmacologist

Physicist

Physiologist, Medical

Plant Physiologist or Pathologist

Seismologist

Classification Suggestions:

- (1) All around electricians employed in the broadcast industry for electrical installation and maintenance.
- (2) Station managers, supervisors and other executives engaged in occupations appearing in "Activity and Occupation Bulletin No. 29," issued March 1, 1943 (NAB Selective Service Handbook, Supplement No. 7), and whose duties are consistent with the qualifying description of "Foreman," may be classified as "Supervisor" or "Foreman."
- (3) Under this title may be included personnel who devote all or a substantial portion of their duties to the maintenance of broadcast station technical facilities.
- (4) This title includes broadcast station chief engineers and technical supervisors whose duties and responsibilities are in accordance with the definition.

OCCUPATIONAL DEFERMENTS

Under Local Board Memorandum No. 115 emphasis is placed upon the critical need for maintaining war production. Selective Service Boards are instructed to deal with occupational deferments with the greatest of care so as not to impair war production or vital civilian functions. Occupational deferment for necessary men has always been based on the judgment of the local Selective Service Boards, and will continue to be. But an additional yardstick was set up for measuring the "replaceability" of men in vital industry.

In judging replaceability, the boards were instructed to consider (a) the shortage of the registrant's skill in the total labor force; (b) the shortage of workers to replace the man even though he is an unskilled worker; (c) a shortage in the place of employment even when no national shortage exists.

Thus the boards will study the question of the actual immediate effect upon war production and essential supporting activity of workers who are subject to induction. Provision is made for close collaboration between the Selec-

* The titles appearing in this critical list of Professional, Technical, and Scientific Occupations are also intended to cover those persons who are engaged in full-time teaching of these professions. In addition, these titles are also intended to cover persons engaged in full-time inspecting duties which require the utilization of the knowledge of the critical occupations.

tive Service Boards and the U. S. Employment Service offices for the exchange of manpower information. The responsibility of the Selective Service Board for filling military calls in such a way as to permit the maintenance of production was emphasized by General Hershey in his memorandum to the Local Boards.

LOCAL BOARD MEMORANDUM NO. 115

ISSUED: 3/16/42
AS AMENDED: 8/16/43

SUBJECT: OCCUPATIONAL CLASSIFICATION

Part I—Occupational Classification Policy

1. Responsibility of Selective Service System.—The Selective Service System has the responsibility to select men for military service and to furnish them at the time and in the number necessary for the armed forces of the Nation. On the other hand, the Selective Service System has the corollary responsibility to select for retention in their civilian endeavor an adequate supply of men needed for war production and in support of the war effort.

2. Statement of general policy.—The continuing demands by the military services, the general deferment of registrants regularly engaged in agriculture, and in manpower needed for war production and in support of the war effort, make it imperative that occupational deferments be made with the greatest of care. Armed forces of adequate size can be selected and inducted without unduly impairing the effectiveness of civilian functions necessary to war production or in support of the war effort if the manpower for service in each of these fields is properly placed. To meet this problem, it is necessary to arrange for the orderly replacement of men through replacement schedules or otherwise and to obtain deferment for a sufficient number of necessary men until they can be replaced.

3. Basis for occupational deferment.—In order to be given occupational deferment, a registrant must be a "necessary man" in war production or in support of the war effort.

4. Replaceability.—In determining whether a registrant is a "necessary man," the replaceability of the registrant is of paramount importance. The replaceability of the registrant may be based on various factors which should be considered carefully. There may be a shortage of men possessing the registrant's special training, qualification, or skill. There may be such a distinct unskilled labor shortage that the registrant is irreplaceable without reference to any special training, qualification, or skill. In either case, there may be a shortage of the supply of labor for replacement purposes at the place where the registrant is working even though there is no over-all shortage throughout the Nation.

5. All available information to be considered.—In determining whether a registrant is a "necessary man" in war production or in support of the war effort, all available information from national, regional, State, and local levels will be used. No one source of information is available to the agencies of the Selective Service System which conclusively makes such determination, and all information presented must be considered and evaluated properly. The agencies of the Selective Service System are urged to use the facilities of the United States Employment Service for information with respect to the occupations of registrants.¹ Local employment offices, on request, will provide local boards with information as to whether there exists or is likely to exist in the near future a national or local shortage of persons with the registrant's claimed qualifications.²

Part II—Activity and Occupation Bulletins and List of Critical Occupations

1. Activity and Occupation Bulletins.³—The agencies of the Selective Service System have been supplied with Activity and Occupation Bulletins. The information contained in the Activity and Occupation Bulletins is pre-

pared by the War Manpower Commission and is used by the United States Employment Service in connection with the recruitment, transfer, and placement of workers. The activities and occupations contained in these bulletins represent, on a national basis, the most important activities and occupations with respect to war production and in support of the war effort.

2. Use of Activity and Occupation Bulletins.—The Activity and Occupation Bulletins should be used by the agencies of the Selective Service System as a guide and should be considered in occupational classification matters along with all other available information. The agencies of the Selective Service System will give careful consideration to the fact that a registrant is engaged in war production or in support of the war effort, in determining his replaceability or loss to the war effort should the registrant be withdrawn without replacement. The inclusion of the registrant's employment in Activity and Occupation Bulletins, or exclusion therefrom, does not conclusively determine his occupational status. Determinations as to coverage of specific establishments by Activity and Occupation Bulletins for placement or stabilization purposes are the function of the United States Employment Service, and agencies of the Selective Service System will make no determination with respect thereto.

3. List of Critical Occupations.—The List of Critical Occupations is prepared by the War Manpower Commission and includes occupations requiring long experience and in which a national shortage exists or would exist should any substantial number of such persons qualified in those occupations be withdrawn from the labor market. It is imperative that registrants engaged in critical occupations in war production or in support of the war effort should be given grave consideration for occupational deferment by the agencies of the Selective Service System. Administrative action will be taken to insure such consideration by the Selective Service System.

LEWIS B. HERSHEY, *Director*.

LOCAL BOARD MEMORANDUM NO. 115A

ISSUED: 8/16/43

SUBJECT: TRANSFER OF REGIS- TRANTS QUALIFIED FOR CRITICAL OCCUPATIONS

1. Classification policy.—A registrant qualified in an occupation included in the List of Critical Occupations (see Local Board Memorandum No. 115, Part II, Paragraph 3), who is not engaged in war production or in support of the war effort, shall not be considered for occupational deferment unless, prior to October 1, 1943, he shall have transferred to employment in war production or in support of the war effort and shall continue to be so employed.

2. Information to local board concerning registrant's qualification in critical occupation.—In those cases where the registrant is qualified in a critical occupation but is not engaged in war production or in support of the war effort, the United States Employment Service will certify to the local board the following information:

- (a) That the registrant is qualified in a critical occupation;
- (b) That the registrant is not employing such qualifications in war production or in support of the war effort.

The failure of the United States Employment Service to make the certification set forth above shall not preclude the local board from classifying the registrant, pursuant to the provisions of paragraph 1 above.

LEWIS B. HERSHEY, *Director*.

¹ Attention is directed to the provisions of Local Board Memorandum No. 149 concerning the obtaining of information from the United States Employment Service.

² Information on the availability of replacements will usually include the number of current unfilled orders for the occupation involved and the number of qualified applications in the local United States Employment Service Office's files, together with such further information as may be pertinent concerning the possibility of fulfilling the job through the transfer of workers from present employment or through clearance.

³ Including a List of Critical Occupations.

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September 10, 1943 SELECTIVE SERVICE HANDBOOK Supplement No. 14

U. S. Employment Service to Recommend Deferments

Instructions for the referral to the United States Employment Service of cases involving Selective Service registrants engaged in critical occupations in war production or a war supporting activity were issued September 1, 1943, by the Selective Service Bureau of the War Manpower Commission. The cases would be referred before the registrants affected are ordered by a local board to report for induction.

Under this procedure, which is part of the program for full utilization in the war effort of registrants qualified for critical occupations, *the United States Employment Service may recommend that a registrant be deferred* in his present employment or place him in more essential production.

As to registrants engaged in critical occupations, Selective Service pointed out that on August 16, the War Manpower Commission announced a list of 149 critical occupations (NAB Selective Service Supplement No. 13) representing the highest and most needed industrial skills for war production and *war supporting activities*. As there are not more than 400,000 registrants of military age throughout this country who have the skills required in these critical occupations, Selective Service advised its local boards:

“It is of the utmost importance that registrants (1) who have the necessary qualifications, (2) who are utilizing them to the fullest extent in a *critical occupation* in war production or in *support of the war effort*, and (3) whose removal from their present employment would have an adverse effect upon the maintenance of required production schedules, be given the most serious

consideration for extended occupational deferment before being reclassified out of a deferred classification into a class available for service.”

Furthermore, Selective Service said, when a local board determines that a registrant who is claimed to be in a critical occupation is not entitled to deferment because of his current employment it should refer the case to the United States Employment Service. The USES will be given the registrant's name and description of his current employment, together with a statement of his skills and qualifications, if a registrant is placed in Class I-A as available for military service and no appeal is taken, or if an appeal is taken and the appeals board continues him in Class I-A.

In all such cases, local board will delay issuance of an order to report for induction for 30 days from the date of referral to the United States Employment Service. Furthermore, if within the 30-day period, the USES certifies that the registrant's present employment is making full use of his qualifications, or that he has been placed in a critical occupation in war production or in support of the war effort with another employer, an additional 10 days will be allowed for his employer to file Selective Service Form 42-A requesting his occupational deferment.

If a Form 42-A is filed by a new employer, or certification is received from the United States Employment Service that the registrant is necessary in his current employment, his local board will reopen his classification and will consider the new evidence as a basis for further occupational deferment.

If, however, no notification is received from the United States Employment Service prior to the expiration of the original 30-day period following referral, or in the event certification is made that the registrant is needed in new employment but a Form 42-A is not received before the expiration of the ten-day period allowed for the filing of a new claim for deferment, the local board may proceed with the induction of the registrant.

The new regulations have been transmitted to local boards under Memorandum No. 115-B. It is suggested that this reprint be attached to Form 42-A, for convenient reference by local boards. Additional copies are available from NAB.

The memorandum reads as follows:

622.21 to 622.25;
633.1

NATIONAL HEADQUARTERS
SELECTIVE SERVICE SYSTEM
WASHINGTON, D. C.

LOCAL BOARD MEMORANDUM NO. 115-B

ISSUED: 9/1/43

**SUBJECT: REGISTRANTS IN CRITICAL
OCCUPATIONS**

1. Importance of critical occupations.—Attached to Local Board Memorandum No. 115, amended August 16, 1943, is a List of Critical Occupations. Only 149 occupations are included on the list, and it is estimated that there are not more than 400,000 registrants of military age throughout the country who have the skills required of the critical occupations. This number is exceedingly small in comparison to the total working force in industry. It can be safely said that the critical occupations as listed by the War Manpower Commission represent the highest levels of skills within industry and that, therefore, all production necessary to the war effort is directly dependent upon the most efficient use within industry of persons qualified in these occupations.

2. Need for extending every consideration for occupational deferment to registrants in critical occupations.—It is of the utmost importance that registrants (1) who have the necessary qualifications, (2) who are utilizing them to the fullest extent in a critical occupation in war production or in support of the war effort, and (3) whose removal from their present employment would have an adverse effect upon the maintenance of

required production schedules, be given the most serious consideration for extended occupational deferment before being reclassified out of a deferred classification into a class available for service.

3. Referral to United States Employment Service.—(a) Local boards are directed that whenever, after the most careful consideration, they conclude a registrant who is alleged to be in a critical occupation in war production or in support of the war effort is not entitled to occupational deferment on the basis of his present employment, to refer the registrant's name and present occupation, together with a statement of his skills and qualifications and place of present employment, to the local office of the United States Employment Service in the area in which the local board is located.

(b) This reference is mandatory and will be accomplished—

(1) If no appeal is taken, upon the expiration of the period afforded the registrant to take an appeal following classification of the registrant in Class I-A, or

(2) if any appeal is taken, upon the return of the file to the local board with the decision that the registrant is continued in Class I-A on appeal.

(c) In all such cases, local boards will delay the issuance of an Order to Report for Induction to such registrant for 30 days from the date of referral to the United States Employment Service.

(d) If, during such 30-day period, the United States Employment Service certifies to the local board that—

(1) The registrant possesses and is fully employing the qualifications required of a critical occupation in war production or in support of the war effort and his removal from his present employment would adversely affect the maintenance of his employer's required production, or

(2) The United States Employment Service has succeeded in placing the registrant in a critical occupation in war production or in support of the war effort with another employer who requires the registrant's skills and qualifications and will fully utilize such skills and qualifications.

the local board will delay the issuance of an Order to Report for Induction to such registrant for a

further period of 10 days from the receipt of such certification so as to permit the filing of a new Form 42A requesting the occupational deferment of the registrant.

(e) In the event that either a Form 42A is filed by a new employer with whom the registrant has been placed or certification is received from the United States Employment Service stating that the registrant is necessary in his present employment, the local board will reopen the classification of the registrant and will consider the new evidence as a basis for further occupational deferment.

(f) If, however, no notification is received from the United States Employment Service prior to the expiration of the original 30-day period following referral or, in the event certification is made, that the registrant is needed in new employment but a Form 42A is not received before the expiration of the 10-day period allowed for the filing of a new claim for deferment, the local board may proceed with the induction of the registrant.

4. Cooperation by United States Employment Service.—The War Manpower Commission is informing the United States Employment Service of the need for expediting investigation of the cases of any registrants qualified for critical oc-

cupations which are referred to it by local boards. Even though a registrant is not employed in the area in which his local board is located, reference by the local board will, nevertheless, be to the local United States Employment Service office in the local board area, and any further reference of the case to the United States Employment Service office in the area in which the registrant is employed will be undertaken and accomplished by the United States Employment Service.

5. Registrants between ages of 18 and 25 in critical occupations.—Men who are utilizing their full skills in critical occupations when the necessity for their continued retention is clearly demonstrated by their employer should be considered as registrants who are utilizing the highest skills or professional qualifications, which is the exception to the general policy expressed in Local Board Memorandum No. 158-A, requiring the release of registrants between the ages of 18 and 25 during the first 6 months of a replacement schedule. In the lower age brackets, however, employers should be required to supply complete evidence that the registrant's qualifications and skills are exceptional, are being fully utilized, and cannot be replaced.

LOUIS B. HERSHEY,
Director.

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November 5, 1943 SELECTIVE SERVICE HANDBOOK Supplement No. 15

NATIONAL HEADQUARTERS SELECTIVE SERVICE SYSTEM

622.21 to
622.25

WASHINGTON, D. C.

LOCAL BOARD MEMORANDUM NO. 115-C

ISSUED: 10/2/43

**SUBJECT: REFERRAL TO UNITED STATES
EMPLOYMENT SERVICE IF LOCAL
BOARD DESIRES ADDITIONAL OC-
CUPATIONAL INFORMATION**

1. Request for information from United States Employment Service.—The facilities of the United States Employment Service have been made available to provide assistance in the classification of men with respect to their occupations. The local board may communicate with the local employment office in the area in which the local board is located if it desires additional information with respect to the occupation of a registrant:

(a) When there is doubt concerning the qualifications of a registrant for whom deferment has been requested or the extent to which such qualifications are being utilized in his present employment.

(b) When additional information is required to determine whether a national or local shortage of persons with the registrant's claimed qualifications exists or is likely to exist in the near future.

(c) When a local board is considering whether or not a registrant is replaceable, it will utilize all information obtainable through the local employment office with respect to the availability of replacement, including the number of current unfilled orders for the occupation involved and the number of qualified applicants in its files, together with such information as is pertinent concerning the

possibility of filling the job through transfer of workers from less essential activities or through clearance.

2. Time for placing qualified persons in occupations in war production.—If in the course of the classification of a registrant it appears that the registrant may possess, but is not at the time using, qualifications needed in war production or in support of the war effort, then the local board upon making such determination may refer the registrant to the appropriate local employment office of the United States Employment Service:

(a) The local employment office may be allowed not to exceed 30 days from the date of the local board's original inquiry to place the registrant in an occupation in war production or in support of the war effort where his qualifications are needed and will be fully utilized.

(b) If the local employment office reports that the registrant has been placed in an occupation in war production or in support of the war effort where his qualifications are needed and will be fully utilized, the local board in classifying the registrant will give due consideration to the change in status.

3. Registrants in critical occupations.—As to registrants in any of the 149 critical occupations appended to Local Board Memorandum No. 115, reference is made to Local Board Memorandum No. 115-B, provisions of which will govern with respect to such registrants.

LEWIS B. HERSHEY,

Director.

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December 20, 1943 **SELECTIVE SERVICE HANDBOOK** Supplement No. 16

Selective Service Procedure Revised

The President on December 10 signed the bill (S. 763) amending the Selective Service Act.

Section 5 of the Act is amended in two respects of interest to broadcasters. The Act as it now reads provides that within 30 days all occupational deferments granted by local boards to men who are not working in their jurisdiction must be submitted for review to Selective Service Appeal Boards having jurisdiction over the area in which is located the principal place of employment of the registrant.

The other instance in which the change is important to radio is in cases where a local board grants an occupational deferment to a registrant who is working in another area. The matter will be submitted 10 days after such deferment to the Appeal Board in the area where he is working for review and decision. The provision providing the right of Presidential Appeal is retained.

Under the new law the Selective Service System comes out from under the War Manpower Commission and the President is authorized to delegate his authority only to the Director of Selective Service.

To effectuate the amended procedure the following communication has been sent by Major General Lewis B. Hershey, Director of Selective Service, to all State Directors:

"S. 763 amending the Selective Training and Service Act of 1940 has become law. Amendments to regulations and applicable local board memoranda to place the provisions of this act into effect will reach you within a few days.

"The provisions of the act most vitally affecting your operations are those which (1) Require submission of certain Class II-A and Class II-B cases to appeal boards having jurisdiction over principal place of employment of the registrant; (2)

Provide for the induction of fathers after the induction of available non-fathers; (3) Prohibit the induction of man because of occupations; (4) Change the composition of the father group; and (5) Require pre-induction physical examination for certain registrants.

"The amendments to regulations and applicable local board memoranda include provisions to carry out the expressed intention of Congress concerning the induction of fathers and a change in the handling of appeals to transmit all appeals to the area of the principal place of employment of the registrant.

"Pending receipt of such amended regulations and memoranda, you will take the following action:

"1. Immediately make sure that your first and second allocation of calls as described in State Director Advice No. 236 are discharged strictly within the letter of those instructions and within the spirit of S. 763.

"2. Postpone the induction of all registrants placed in Class I-A, Class I-A-O, or Class IV-E under the provisions of Local Board Memorandum No. 181, which has now been rescinded.

"3. Immediately instruct all local boards not to forward any files to appeal boards until after receipt of and compliance with the new local board memoranda and amended regulations.

"4. Wire all appeal boards to return to local boards files of all registrants whose principal place of employment is located outside of the area of the appeal board now in possession of such files.

"5. Promptly arrange for the creation of such additional appeal boards panel in areas of industrial concentrations as may be necessary to dispose of the cases which will be forwarded to them. Some of such panels may be needed to dispose of Class II-A and Class II-B cases required by the law to be referred within 30 days after the enactment of the law. Submit to National Headquarters the Governor's recommendations for members of such panels."

In addition Selective Service has issued the following Local Board Memorandum:

NATIONAL HEADQUARTERS SELECTIVE SERVICE SYSTEM

Washington, D. C.

LOCAL BOARD MEMORANDUM NO. 123

ISSUED: 4/21/43

AS AMENDED: 12/10/43

**SUBJECT: FATHERS TO BE RECLASSIFIED
BUT NOT TO BE INDUCTED UN-
TIL AFTER AVAILABLE VOLUN-
TEERS AND NON-FATHERS**

1. Manpower objectives.—The manpower required by the armed forces, war production and activities supporting the war effort to carry out the strategic plans of the armed forces, and the general deferment of registrants regularly engaged in agriculture make it necessary to reclassify fathers to meet current calls, to supply information concerning the number of fathers who will be available to meet future calls, and to determine which fathers will be deferred because they are in war production or in activities supporting the war effort.

2. Disposition of Class III-A.—One of the objectives sought to be accomplished by Congress in adopting the recent amendments to the Selective Training and Service Act of 1940 was to delay as long as possible the induction of fathers. In order to do everything within the power of the Selective Service System to give effect to this purpose of Congress, local boards and appeal boards will continuously review deferred classifications to the end that no non-father shall continue in a deferred status longer than required by the national interest. Selective Service Regulations have been amended to provide that no registrant shall hereafter be placed in Class III-A and that the classification of all registrants now in Class III-A shall be immediately reopened in sequence of order numbers and they shall be classified anew.

3. Deferment in other classifications to be considered.—In classifying registrants anew under the provisions of this memorandum, the local boards shall proceed as provided in section 623.21, Selective Service Regulations, paying particular attention to the following questions:

“(a) Should the registrant be deferred by reason of his agricultural occupation or en-

deavor? See Local Board Memorandum No. 164, No. 164-A, No. 164-B, and No. 164-C.

“(b) Should the registrant be deferred by reason of his employment in war production or in support of the war effort? See Selective Service Regulations, sections 622.21 to 622.24 (NAB Selective Service Handbook pp. 35-36) inclusive, and Local Board Memorandum No. 115 (NAB Selective Service Supplement No. 13), No. 115-A (NAB Selective Service Supplement No. 13), No. 115-B (NAB Selective Service Supplement No. 14), No. 115-C (NAB Selective Service Supplement No. 15), No. 115-D and No. 115-E. In determining this question with respect to fathers who are eligible for occupational deferment under the provisions of Local Board Memorandum No. 115, the foregoing regulations, Local Board Memorandum No. 115, and other applicable instructions will be liberally construed. Fathers who are eligible for occupational deferment under the provisions of Local Board Memorandum No. 115 and who are making contributions in war production or in support of the war effort are usually stable employees and, if other factors are equal, will normally be accorded deferment in preference to non-fathers.

“(c) Should the registrant be placed in Class III-D? In determining this question the provisions of action 622.32, Selective Service Regulations, will be strictly construed and the amounts payable under the amended Servicemen's Dependents Allowance Act of 1942 (see table attached) shall be taken into consideration.

4. Filling calls.¹—When a local board is filling a call, it shall first select and order to report for induction specified men who have volunteered for induction. To fill the balance of the call, it shall, from the groups listed below, and in so far as possible in the order in which the groups are listed, select and order to report for induction specified men finally classified in Class I-A and Class I-A-O who are available for induction:

Non-fathers²

Fathers³

“Specified non-fathers will be selected and ordered to report for induction in sequence of their

¹ A registrant in Class IV-F will be ordered to report for a final-type physical examination under the provisions of section 651.1 when under the provisions of this paragraph he would be ordered to report for induction if he were classified in Class I-A or Class I-A-O.

² All registrants who do not qualify under the definition of the word “Father” in footnote 3 hereof shall be considered as non-fathers. This group combines former Groups 1, 2, and 3. Whenever reference is made to Groups 1, 2, and 3 in Selective Service documents or forms,

order numbers except that a specified non-father placed in Class I-A or Class I-A-O because he is delinquent (see Part 642) or because he left an agricultural occupation or endeavor (see sections 622.25 and 622.31-2) shall, regardless of his order number, be moved to the head of other non-fathers and ordered to report for induction before any other specified non-father. In a similar manner, when fathers are reached, specified fathers will be selected and ordered to report for induction in sequence of their order numbers, except that a specified father placed in Class I-A or Class I-A-O because he is a delinquent (see Part 642) or because he left an agricultural occupation or en-

such reference shall be deemed to refer to "non-fathers" as herein defined.

³ A father is defined as a registrant who was married prior to December 8, 1941, who has maintained a bona fide family relationship with his family since that date, and who has a child as defined in section 633.33 (a), Selective Service Regulations. This group is former Group 4 revised on the basis of the Congressional definition of "child." Whenever reference is made to group 4 in Selective Service documents or forms, such reference shall be deemed to refer to "fathers" as herein defined.

deavor (see section 622.31-2) shall, regardless of his order number, be moved to the head of other fathers and ordered to report for induction before any other specified father.

"5. Fathers in Class I-A or Class I-A-O because of nondeferrable activity and late registrants.— When a father has been placed in Class I-A or Class I-A-O because he was engaged in a nondeferrable activity or occupation listed in Local Board Memorandum No. 181 (now rescinded), or when a late registrant father is hereafter placed in Class I-A or Class I-A-O, but would have been entitled to be placed in Class III-A had not that class been abolished, an Order to Report for induction (Form 150) shall not be issued to him until such time as all fathers with lower order numbers who are still in Class III-A have been reclassified and (if placed in Class I-A or Class I-A-O) have been ordered to report for induction."

DIRECTOR

TAX BULLETIN

FEBRUARY 12, 1943 * * * * * No. 1

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS WASH., D.C.

Excess Profits Tax

NAB tax counsel, Ellsworth C. Alvord, has prepared a memorandum to assist broadcasters in preparing their excess profits tax return. This memorandum, together with a statement by Internal Revenue Commissioner Guy T. Helvering, and data on "Constructive Average Base Period" prepared under the direction of the NAB Research Committee, follows:

EXCESS PROFITS TAX RELIEF

Did you begin business after 1939, or even after 1934 or 1935? Did you, from 1934 or 1935 to December 31, 1939, become a member of a network or change your network affiliation, change your management, adopt an important technological improvement, change your broadcast frequency, step-up your power out-put, benefit from the use of directional antennae, change from a part-time to a full-time program, or undergo any other change causing the years 1936 to 1939, in whole or in part, to be unrepresentative of your normal earnings level? Or were there any interruptions in your operations during the base period attributable to abnormal events such as fires, floods, strikes, etc.? If, for any of these reasons, your base period experience was abnormally low or if you had no base period experience because of having been organized since 1939, you should be interested in the possibilities of relief under section 722 of the Internal Revenue Code in connection with your excess profits taxes. That section may enable you to increase your excess profits credit substantially, thereby reducing the amount of income on which excess profits taxes must be paid. Ignoring special provisions such as the post-war credit or refund, the net saving in taxes should be 50% of the amount by which you are able to increase your credit, since the effect of such an increase will be to subject an equivalent amount of income to tax at only 40% in lieu of 90%.

The nature of this relief and the types of situations in which the section operates, are explained below.

APPLICATION OF SECTION 722 OF THE INTERNAL REVENUE CODE TO THE RADIO BROADCASTING INDUSTRY

I—Function of Section

The function of section 722 will best be understood from a brief review of the structure of the Excess Profits Tax Act, with particular reference to the credits allowed against excess profits net income in the determination of the amount subject to the tax.

Basically, the excess profits tax is intended to be imposed only on *excess profits*. Under the statute excess profits are, roughly speaking, the excess of the taxpayer's excess profits net income (the special rules for the computation of which are not pertinent here) over the taxpayer's excess profits credit. A domestic corporation in existence prior to January 1, 1940 has two alternatives open to it in the

way of excess profits credit: (1) The excess profits credit based on income, commonly known as the average earnings credit; and (2) the excess profits credit based on invested capital. A domestic corporation not in existence prior to January 1, 1940, and not an acquiring corporation under Supplement A, may use only the excess profits credit based on invested capital.

The average earnings credit is based on the corporation's earnings experience for the four years 1936 through 1939. Various special rules are provided to reflect growth and to lessen the burden of a single low income or loss year, but in general 95% of the average of the income for the four base period years is used as the basis for the credit. To this amount is added 8% of any net capital additions since the close of the base period or subtracted 6% of any net capital reduction since such date. The credit is based upon the theory that "the period from 1936 through 1939 represents a period of moderate prosperity for business in general" (Sen. Rept., p. 199), and that, therefore, the average earnings for such period represents a fair reflection of normal peace-time earnings.

The excess profits credit based on invested capital is 8% of the first \$5 million of invested capital, 7% of the next \$5 million, 6% of the next \$190 million, and 5% of anything above \$200 million. Various complicated special rules are provided for the computation of invested capital. In general, it consists of the tax basis of assets paid in for stock, plus accumulated earnings and profits, plus 50% of borrowed capital. The credit is intended to permit a corporation a reasonable return on its investment, before being subjected to excess profits tax. By reason of the arbitrary nature of the computation, however, and the fact that invested capital is frequently not the substantial income-producing factor, this credit fails in many cases to afford a fair measure of normal earnings. The radio industry is a typical example of the case where individual initiative and ability, goodwill developed through operations, and similar factors which may not be reflected in invested capital account primarily for the earnings produced.

It is obvious that, whatever may be said of this system of credits in the general run of cases, there are bound to be many instances in which such purely mechanical rules will fail to reflect normal earnings and will, therefore, produce extreme hardship. In the case of a given taxpayer the years 1936 through 1939 may be completely unrepresentative. The corporation may have commenced business too late to permit a fair reflection of its normal earning capacity during the base period. Changes in the character of the business may have occurred which caused the enterprise as of the close of the base period to be quite different from that during one or more years of the base period. Abnormal events may have existed in the years 1936 through 1939 which completely destroy those years as a criterion of the tax-payer's normal earning power. Obviously, it is desirable to provide an additional opportunity to the taxpayer under such circumstances to demonstrate what may reasonably be considered to be a fair and just amount representing its normal earnings.

The same may be said of a taxpayer which is not entitled to use the average earnings credit because of non-existence prior to January 1, 1940 and is, consequently, limited to the invested capital credit. Many such taxpayers find the latter credit completely inadequate and inappropriate, particularly in the case where capital is not a material income-producing factor. Since the funda-

mental credit concept is that of normal earnings, an adequate opportunity should be given to the new corporation to establish what its normal earnings are or would be in the absence of war conditions and such a taxpayer should not be arbitrarily compelled to rely solely on the invested capital credit in computing its excess profits tax.

The function of section 722 is to provide such an opportunity to any taxpayer which can establish that the excess profits tax computed under the mechanical rules above described results in an excessive and discriminatory tax. In other words, this section provides for a constructive average base period net income in those cases in which the actual base period net income is not fairly representative of the taxpayer's normal earning power, or where the taxpayer is not entitled otherwise to use the earnings credit and the invested capital credit is demonstrably inadequate.

II—Grounds for Relief

(a) General Pre-requisite to Relief.

In order to be entitled to relief under section 722 the primary facts which the taxpayer must establish are:

(1) That the excess profits tax, computed without regard to section 722, results in an excessive and discriminatory tax, and

(2) The amount which would be a fair and just amount representing normal earnings to be used as a constructive average base period net income.

The circumstances in which the excess profits tax is considered to be excessive and discriminatory are set forth in subsections (b) and (c) and are discussed below.

The section provides that, in computing such constructive earnings, events or conditions subsequent to December 31, 1939 must be ignored except to the extent necessary to reflect (1) a change in the character of the business permitted to be taken into account even though not fully completed until after December 31, 1939, and (2) the nature of the business of a taxpayer not organized until after December 31, 1939.

(b) What Constitutes a Discriminatory Tax in the Case of a Domestic Corporation Organized Prior to January 1, 1940.

Relief is granted to domestic corporations organized prior to January 1, 1940 if their actual average base period net income is an inadequate standard of normal earnings because of any one or more of the following circumstances:

(1) *Normal production, output, or operation during any part of the base period was interrupted or diminished because of the occurrence, during or immediately prior to the base period,* of events unusual and peculiar in the experience of such taxpayer.*

The type of event or circumstance for which relief is intended to be granted under this paragraph is primarily a physical rather than an economic event or circumstance. A fire, a flood, or a strike would be within the scope of this provision. In the case of any corporation experiencing such an event, both the immediate results and the after-effects should be taken into account. For example, a prolonged strike would not only cause the taxpayer to be completely or partly inactive during the period of the strike itself, but might have caused a temporary set-back in the business, the effects of which were felt for some period after the strike was concluded.

(2) *The taxpayer's business was depressed in the base period because of temporary economic circumstances unusual in the case of such taxpayer or because it was a member of an industry which was depressed on account of temporary economic circumstances peculiar to such industry.*

As a general rule, ordinary economic hazards to which business in general is subject, such as high costs of production, or low demand, or low selling prices for taxpayer's product, do not afford ground for relief. This classification of hardship cases deals primarily with distortions of base period income by reason of temporary economic cir-

cumstances peculiar to the taxpayer's business or peculiar to the industry of which it is a member. For example, a price war may have been carried on within an industry during the base period, affecting the earnings of the entire industry. On the other hand, although the industry's experience during the base period may have been normal, a particular member thereof may have suffered losses or a reduction in earnings by reason of events peculiar to it. For example, business may have been carried on with a single customer who, at sometime during the base period, decides to manufacture his own product. The base period would represent a period of development of new business rather than a period of normal operations (Sen. Rept., p. 199).

(3) *Owing to conditions generally prevailing in the industry, the taxpayer's profit cycle differs from the general business cycle or its earnings are sporadic, with the result that the base period does not represent a period of average normal profits to the same extent that it does for business generally.*

This paragraph seems wholly inapplicable to the radio broadcasting industry.

(4) *Either during or immediately prior to the base period, the taxpayer commenced business or changed the character of its business and the average base period net income does not reflect the normal operation of the business so commenced or changed for the entire base period of such business.*

This test presents a more varied subject-matter than any of the others and will be discussed in detail under a separate heading.

(5) *Any other factor, consistent in principle with the foregoing, which prevented the base period earnings from representing an adequate standard of normal earnings.*

This test is designed to insure that corporations which do not meet the strict eligibility requirements set forth in other parts of the section will not be debarred from relief if their cases are within the spirit of the statute and if its application would not be inconsistent with its principles, conditions, and limitations. An example of the application of this paragraph is that of a business involved in the manufacture of a product requiring an extensive period for preparation or manufacture, and which had no stocks of such product on hand at the commencement thereof.

(c) What Constitutes a Discriminatory Tax in the case of a Domestic Corporation organized after December 31, 1939.

This category embraces newly organized corporations which, except for section 722, would be forced to rely exclusively on the invested capital credit. The tax in the case of such corporations is considered to be excessive and discriminatory if the invested capital credit is an inadequate standard for determining excess profits for any one or more of the following reasons:

(1) The business of the taxpayer is of a class in which intangible assets not includible in invested capital under section 718 make important contributions to income;

(2) The business of a taxpayer is of a class in which capital is not an important income-producing factor; or

(3) The invested capital of the taxpayer is abnormally low.

If a business qualifies under this heading, it is permitted to construct an average base period net income, which may be used as a substitute for the invested capital credit. Provision is made for avoiding duplication between capital additions as such and the reflection of such items in the constructive average base period net income.

III—Changes in Character of Business

As already pointed out, relief is granted under section 722 in cases where the taxpayer, during the base period

* See discussion under III below for meaning of phrase "immediately prior to the base period".

or immediately prior thereto, commenced business or changed the character of its business.

As illustrative of what the term "change in the character of the business" is intended to embrace, the statute itself lists the following examples:

- (1) A change in the operation or management of the business;
- (2) A difference in the products or services furnished;
- (3) A difference in the capacity for production or operation;
- (4) A difference in the ratio of nonborrowed capital to total capital;
- (5) The acquisition before January 1, 1940 of all or part of the assets of a competitor, with the result that the competition of such competitor was eliminated or diminished.

The rule that the change in the character of the business must have occurred during or immediately prior to the base period is relaxed in one respect: Any change in the capacity for production or operation of the business consummated during any taxable year ending after December 31, 1939 as a result of a course of action to which the taxpayer was committed prior to January 1, 1940, is deemed to be a change on December 31, 1939 in the character of the business. Such a commitment need not, however, take the form of a legally binding contract. It may take the form of the expenditure of money at the commencement of the desired changes or other alterations in position unequivocally establishing the intent to make the change. It is contemplated, however, that a change of this character will not be taken into account in determining the constructive average base period net income for credit purposes until the excess profits tax year in which such change was completed. (Sen. Rept., p. 202) Presumably, the word "completed" in this connection will be given a broad enough construction to justify taking into account those parts of a large project which may have been completed in years prior to the completion of the entire project as a unit. Furthermore, it is apparently intended that some flexibility will be employed in the determination of the extent to which such a change will be taken into account in computing average base period net income for the statement is made in the Committee Report that the extent to which the new facilities enter into the business of the corporation for the taxable year shall be considered to be the extent to which the character of the business was changed on December 31, 1939.

In determining whether a change of business antedating the base period occurred "immediately prior to the base period," no arbitrary temporal limitations control. The test is whether under normal conditions the effect of the change would not be manifested until sometime after the beginning of the base period and would be directly related to the change. (Sen. Rept., p. 200) The same principle would presumably apply with respect to a commencement of business prior to the base period.

An important feature of section 722 is the two year date-back provision. The section provides that in the case of commencement or a change in the character of business occurring during or immediately prior to the base period, if the business did not reach the earning level by the end of the base period which it would have reached if the business had been commenced or changed two years earlier, the commencement or change shall be deemed to have occurred at such earlier date. The purpose of this provision is to afford to growing corporations an opportunity to reflect in its constructive earnings for the base period the results of growth that otherwise would fall outside the base period.

In determining whether the corporation would have reached a higher earnings level at the end of the base period if the commencement or change of business had occurred two years earlier, consideration is to be given to the business experience of the taxpayer and to its prospects at the end of the base period. Events occurring or existing after December 31, 1939, cannot be considered. Accordingly, the operation of the date-back provision will not necessarily reflect as of the end of the base period the earnings level actually reached at the end of the second

year following the base period. It may be lower or higher, depending on whether the war period has been favorable or unfavorable to the taxpayer's business.

IV—Potentialities of Section 722 in the Radio Broadcasting Field

The potentialities of section 722 in the radio broadcasting industry are substantial and warrant a careful examination of its possibilities by every member of the industry. While the particular event, circumstance, or situation which may form the basis of any given taxpayer's claim can be determined only in the light of that taxpayer's own experience, there are a number of broad categories of typical situations in the industry which, if borne in mind, will serve to organize the examination of a particular case and narrow its possibilities. Particular attention should be given to the following:

(1) *Commencement of business.*—(a) *Since 1939.*—

Section 722 should be available in most instances to new radio broadcasting corporations which have commenced business since the end of the base period and which would otherwise be dependent upon an invested capital credit. Such corporations ought to be able to satisfy all three tests laid down in such cases. The broadcasting business is an excellent example of a business in which invested capital is not the principal income-producing factor. The location of the station, the power and frequency allotted to it, the efficiency of the management and the caliber of the programming are some of the substantial contributing factors. Compared with the potential earning capacity of a station, the amount of capital required for equipment and operations is relatively small. Consequently, the new companies should make every effort to establish a constructive base period earnings credit under section 722 which will afford them a much fairer measure of normal earnings than mere return on invested capital. Such corporations will probably encounter some complications in establishing what their earning capacity would have been had they operated on a comparable basis in the same area during the base period, giving attention to geographical location, power output, frequency, and other relevant factors of a specific nature. However, the general business conditions prevailing in the industry during such period are well known, and comparisons with other stations operating during the base period (which will be one of the principal standards in these cases) can readily be drawn.

(b) *During or immediately prior to the base period.*— Many companies which began business prior to 1940, but during or immediately prior to the base period, will also find section 722 beneficial. Vacant years in the base period are, apart from section 722, given an excess profits net income based on the invested capital principle. Section 722 will enable the taxpayer to substitute a hypothetical experience more nearly in line with normal earnings. Careful calculations should be made, however, for in many instances a low base period experience in the first half of the base period will be of greater advantage, coupled with the use of the growth formula, than a constructive credit under section 722. This is most likely to be true if the taxpayer actually reached its normal earnings level prior to the close of the base period, and is therefore deprived of the benefits of the two-year date-back provision already described. The important factor will generally be whether substantial increases can be made in the excess profits net income for the second half of the base period.

(2) *Changes in management.*—Changes in management are particularly significant in their effect upon earnings in any industry where, as in the radio broadcasting industry, the personal ability and judgment of those running the business play so important a part in attaining results. In many instances it will be a relatively simple matter to demonstrate that the company's improved earnings are attributable to such a change. Where the case is clear as to cause and effect, relief should be available under section 722 even though it will probably be impossible to prove the effect on earnings with mathematical certainty. The two-year date-back

provision may operate to produce a credit which can not be obtained under other provisions of the statute.

(3) *Strikes, fires, etc.*—The individual stations may find that one or more events of a physical nature, such as strikes, fires, etc., may have occurred in the base period and resulted in depressing their earnings for one or more base period years. Distortions in base period income can be corrected under section 722. It should be pointed out, however, that if the company is using the normal growth provision under section 713, such a correction may not produce an increased credit if the distortion occurred in the first half of the base period. If in the last half, the advantages of the correction are obvious.

(4) *Increases in capacity.*—It is doubtful whether mere lack of physical facilities for handling available business will afford grounds for substantial relief in many cases. However, increases in the power of the station, the development of networks and other factors may be extremely important. The importance of these factors, which are more properly classified under changes in methods of operation, are considered further below.

(5) *Technological Developments.*—Any significant technological development in the radio field, from the point of view of either sending or receiving, should be carefully investigated to determine whether there has been any appreciable upturn in business or decrease in expenses following the adoption of such improvement which can be attributed thereto. If such changes have occurred since the beginning of the base period, their effect upon net earnings for the entire base period should be reflected in the constructive earnings under section 722. Statistics relative to the industry as a whole may prove the most helpful source of supporting data.

(6) *Mechanical improvements in individual stations.*—The installation of directional antennae, increases in power, and changes in frequency have contributed substantially to the earning capacity of many stations since the beginning of the base period. These improvements will usually be directly reflected in earnings through increases in time charges and in the attraction of new advertisers whose business requires reaching a listening public in outlying districts. In some instances, such changes have been responsible for a station's going on a full-time, rather than part-time, basis. Stations which have been developed along these lines should give careful consideration to the possibility of obtaining relief under section 722.

(7) *Development of networks.*—The developments in the national and regional network systems which have occurred since 1936 (or "immediately" prior thereto) have had a substantial effect upon the earning capacity of those stations which have participated therein. The development of the network system by the initiating corporation results in an increase in its capacity. The joining of the system by the affiliated corporations represents a change in method of doing business, or in method of operation. In either case the change unquestionably falls within the classification of a "change in the character of the business" within the meaning of section 722.

Almost invariably earnings have been enhanced thereby. Both the initiating company and the affiliate are put in a position to offer a more valuable service to the public, and, therefore, to their advertising clientele. Clientele, rate structures, and costs, all of which are basic factors that contribute to the determination of net income, are affected by the change from local broadcasting to broadcasting as a part of a network system. Consequently, in cases of this type, the reconstruction of base period earnings may be essential in order to obtain a fair measure of normal profits from network operations.

(8) *Other Possibilities.*—It is not believed that any relief can be predicated upon distortion due to temporary economic circumstances peculiar to the radio broadcasting industry as a whole. The history of the industry does not show any such situation to have existed. However, the individual members thereof may find grounds

for relief based on peculiarities in their own base period experience.

If, during the base period, the taxpayer has expanded its activities by venturing into some new but related field, such as recording, relief under section 722 should be available for the purpose of revising the taxpayer's credit to reflect the bearing of the new activity on base period earnings.

V—Supplement A Cases

Supplement A of the Code, which has been completely revised in the 1942 Act, provides that where the taxpayer has, since the beginning of the base period, absorbed the business of another corporation pursuant to certain specified transactions, it is entitled to include in its average earnings credit the base period earnings experience of the other corporation. The question has arisen as to the application of section 722 where the changes in the character of the business or other factors recognized in that section as producing an inadequate standard of normal earnings occur in the base period experience of the absorbed corporation rather than in the base period experience of the taxpayer itself.

Section 722(e), as revised by the 1942 Act, specifically provides that in such cases the business of the absorbed corporation shall be treated as the business of the taxpayer for the purposes of that section. The effect of this provision is, obviously, to permit a reconstruction of the earnings credit by reconstructing the earnings of the absorbed corporation as well as the earnings of the taxpayer. However, in spite of the clear language of the section, the Bureau has recently ruled in I. T. 3585, 1942-46 Int. Rev. Bull., page 3, that the taxpayer must choose between the benefits of section 722 and Supplement A and that in the event that it elects the latter it is not entitled to the benefits of the relief provision. The ruling is in direct conflict with the specific provisions of section 722 as now written and consequently can be disregarded. It is understood that the ruling was prepared on the basis of the pre-existing law, as is evidenced by the references to Committee Reports on the excess profits tax amendments of 1941. It is hoped that the ruling will eventually be revoked in order to eliminate the doubts that have been created by its promulgation.

In the event that section 722 relief is applied for in a Supplement A situation, it is probable that the constructive earnings will be developed by considering the activities of the taxpayer and its component corporations as a single enterprise during the base period rather than by considering each corporation separately. To the extent that the ruling above referred to provides for this treatment, it is unobjectionable.

VI—Procedure

(1) *Filing of application.*—Basically, the benefits of section 722 must be obtained by way of credit or refund rather than in the computation of the tax shown on the return. Application for such relief must be filed within six months from the date prescribed by law for the filing of the excess profits tax return for the taxable year for which the relief is requested. The time prescribed by law for filing the return includes the period of any extension of time granted by the Commissioner. If, however, the taxpayer does not apply for relief within such period and a deficiency in tax is subsequently proposed by the Commissioner, the taxpayer is given a further opportunity to claim the benefits of section 722, but in such case the relief is merely by way of offset and cannot accomplish more than the reduction or elimination of the proposed deficiency. If the notice is a preliminary notice, an application may be filed within 90 days after the date thereof. If the notice is a final notice and either no preliminary notice was issued or it was issued less than 90 days before the date of final notice, the benefits of section 722 may be claimed in the taxpayer's petition or amended petition before The Tax Court of the United States.

The relief accorded by section 722 is retroactive, *i. e.*, the taxpayer may claim it for taxable years beginning in 1940 and 1941 as well as years beginning thereafter. The

statute provides that the application for retroactive relief in the case of taxable years beginning prior to 1942 shall be filed by April 21, 1943.

As to the detail required in the original application for relief, see I.T. 3599, published herewith.

(2) *Subsequent years.*—Once the constructive average base period net income has been determined, the Commissioner is authorized by regulation to waive some or all of the limitations above described relative to the manner in which relief may be claimed. It is contemplated that such regulations will provide that, in the absence of substantial evidence requiring a redetermination for future years, the taxpayer may continue to use such constructive average base period net income on its return.

(3) *Deferment of tax in certain cases.*—Although the general rule is that the taxpayer must compute and pay its tax in the first instance without regard to section 722, it is recognized that there may be cases of special hardship in which relaxation of this rule ought to be made. Section 710(a)(5), therefore, provides that if more than 50% of the taxpayer's income would, without regard to section 722, be subject to excess profits tax, a taxpayer claiming the benefits of section 722 on its return may defer payment of 33% of the amount of excess profits tax which would be saved by the application of section 722. For example, if a taxpayer has a total income of one million dollars and an excess profits credit (computed without regard to section 722) of \$195,000, the adjusted excess profits net income will amount to \$800,000, which is in excess of 50% of one million dollars. If the taxpayer claims section 722 and determines that the application of that section will produce an excess profits credit of \$595,000 the adjusted excess profits net income will be only \$400,000. The saving in excess profits tax as a result of the application of section 722 would therefore be \$360,000, *i. e.*, 90% of \$400,000 (the difference between \$800,000 and \$400,000). The taxpayer may defer the payment of 33% of this amount, or \$118,800, thus being required to pay an excess profits tax of only \$601,200, in lieu of \$720,000. If the claim is valid in its entirety, the taxpayer will be entitled to the remainder of the \$360,000 excess profits tax relief claimed, or \$241,200. The net tax saving on all taxes will, of course, be less than \$360,000, owing to adjustments which will have to be made in the normal and surtax.

(4) *Review of Commissioner's determination.*—Issues arising under section 722 cannot be tried by suit for refund in the Court of Claims or District Courts of the United States. Review may be had only in The Tax Court of the United States (formerly the Board of Tax Appeals), and for this purpose the denial of a section 722 application is treated as a deficiency notice. The Tax Court's decisions on section 722 cases are final and may not be appealed to any higher tribunal. Furthermore, it is provided that although section 722 matters may be tried by any Division of The Tax Court in the first instance, any determinations and redeterminations shall be reviewed only by a Special Division of the Court appointed by the Presiding Judge and consisting of not less than three members. Decisions of this Special Division, which cannot be reviewed by the Court as a whole, are nevertheless to be deemed decisions of the Court, and are final.

EXCESS PROFITS TAX RELIEF RULING

Commissioner of Internal Revenue Guy T. Helvering last Monday called attention to a ruling which will be published in the Internal Revenue Bulletin, relative to the general relief provisions of section 722 of the Internal Revenue Code, as amended by section 222 of the Revenue Act of 1942.

The Commissioner stated that the ruling sets forth certain conditions under which applications for relief on form 991 (revised January, 1943), which must be filed on or before April 21, 1943, in order to obtain relief for the taxable years 1940 and 1941, may be supplemented within a reasonable time after the time prescribed for filing if it is not possible for the corporation to obtain and present all the detailed information required to fully establish its eligi-

bility for relief and the amount of its constructive average base period net income.

The Commissioner stated, however, that the corporation's application for relief must set forth in detail and under oath each ground under section 722 and the factors upon which the application is based with sufficient data and information to apprise the Commissioner of the exact basis thereof.

The same conditions apply to applications for relief for the taxable year 1942 and subsequent years which must be filed not later than six months after the date prescribed for the filing of the excess profits tax return. The ruling also deals with the requirements where corporations claim the benefits of section 710 (a) (5) of the Internal Revenue Code, as added by section 222 (b) of the Revenue Act of 1942, which relate to deferment of payment of excess profits tax shown on the 1942 return based upon a claim that such taxes are excessive and discriminatory.

The text of the ruling is as follows:

SECTION 722.—GENERAL RELIEF—CONSTRUCTIVE AVERAGE BASE PERIOD NET INCOME

Regulations 109

1943-3-11344—I.T. 3599

Internal Revenue Code

Time for filing and information to be contained in Form 991 (revised January 1943)—Application for relief under section 722 of the Internal Revenue Code.

Advice has been requested relative to section 722 of the Internal Revenue Code, as amended by section 222 (a) of the Revenue Act of 1942, which extends general relief to corporations where their excess profits taxes are determined to be excessive and discriminatory. The relief is granted to corporations which establish what would be a fair and just amount representing normal earnings to be used as a constructive average base period net income for the purposes of an excess profits tax based upon a comparison of normal earnings and earnings during the excess profits tax taxable year. This relief has been made retroactive to taxable years beginning in 1940 and 1941.

In order to obtain relief with respect to the tax shown on the excess profits tax return for taxable years beginning in 1940 or 1941, an application on Form 991 (revised January 1943) must be filed on or before April 21, 1943, with the Commissioner of Internal Revenue, Washington, D. C. However, if the taxpayer has already filed a claim for relief upon Form 991 under section 722 prior to its amendment by the Revenue Act of 1942, the data and information submitted with such earlier form need not be repeated in Form 991 (revised January 1943), provided reference is made to such earlier form as constituting a part of the revised form. The corporation's application for relief must set forth in detail and under oath each ground under section 722 upon which the application for relief is based, and facts sufficient to apprise the Commissioner of the exact basis thereof. The mere statement of the provision or provisions of law upon which a claim for relief is based shall not constitute an application for relief within the meaning of section 722. If a claim for relief is based upon section 722 (b) (5) (relating to factors other than those expressly provided by section 722 (b) (1), (2), (3), and (4)), the application must state the factors which affect the corporation's business and which may reasonably be considered as resulting in an inadequate standard of normal earnings during the base period. However, if it is not possible for the taxpayer on or before April 21, 1943, to obtain and present all the detailed information required to establish its eligibility for relief and the amount of its constructive average base period net income, such detailed information may be submitted later as a supplement to the application.

If the benefits of section 722 are claimed with respect to the tax shown on the return for a taxable year beginning in 1942 or a subsequent year, an application must be filed in the same manner as is prescribed with respect to applications filed for years beginning in 1940 or 1941, except that

the application for a taxable year beginning in 1942 or a subsequent year must be filed not later than six months after the date prescribed by law for the filing of the excess profits tax return. Such date includes the period of any extension of time granted for the filing of such return. Corporations claiming the benefits of section 710 (a) (5) of the Internal Revenue Code, as added by section 222 (b) of the Revenue Act of 1942, relating to deferment of payment of excess profits tax shown on the return, must attach Form 991 (revised January 1943) to their excess profits tax returns at the time of the filing of such returns. In such case, there must be set forth in the form the data and information relied upon, in sufficient detail to establish eligibility for relief, the amount of constructive average base period net income claimed, the amount of tax reduction claimed by the use of section 722, and the amount of tax deferment claimed on the return.

A corporation may, within a reasonable time after the time prescribed for the filing of Form 991 (revised January 1943), supplement its application for relief by furnishing additional data and information to prove the grounds for relief stated in such application and to establish the amount of the constructive average base period net income. However, no new grounds for relief presented by a corporation after the date prescribed for the filing of its application for relief will be considered.

DATA ON "CONSTRUCTIVE AVERAGE BASE PERIOD"

At the direction of the NAB Research Committee, an effort has been made to collect figures which will be useful to stations which elect to file for relief from the Excess Profits Tax, under Section 722 of the Internal Revenue Code, as amended. It was the hope of Roger W. Clipp, WFIL

Philadelphia, committee chairman, that concise figures of net profit before Federal tax could be developed by station classification and city size, which would enable stations to use the figures furnished in the tax returns they file. This objective has not been attained because of incomplete data, the lack of refinement of those data available, and insufficient detail to classify stations as to like Commission assignment and city size as a criterion of market service. The Research Committee and the Research Department are continuing their efforts to obtain useful data in this connection, but release that information which is available at this time to satisfy the numerous requests which have been received from stations.

There are but two sources of net income data outside of the books of broadcasting stations. These are the financial reports for broadcast stations and networks of the FCC and the U. S. Treasury Department. The Treasury is not able at this time to make available any information on the net income of stations and networks as filed in their tax returns for 1936 through 1939.

The FCC has prepared and made limited releases of such information for the years, 1937, 1938 and 1939. No such information is available for the year 1936. Some consideration has been directed to the possibility of preparing estimates for that year. However, it is the opinion of the Research Director that a reliable estimate of net income in the detail of station classification and city size cannot be made from existing data within acceptable limits of error to render such information valuable in filing tax returns.

In the following table, broadcast service income (net profits before Federal tax) is presented by class of station and network affiliation showing the detail of the number of stations reporting the total net income and average per station for the years, 1937, 1938 and 1939:

BROADCAST SERVICE INCOME * BY CLASS OF STATION AND NETWORK AFFILIATION 1937, 1938 AND 1939

	1937			1938			1939		
	Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station
CLEAR CHANNEL—50 KW & OVER UNLIMITED									
Network	29	\$8,469,603	\$292,055	31	\$7,642,445	\$246,530	33	\$9,375,101	\$284,094
Non-Network	...	.....	.....	...	.....	.....	...	.....	.....
Total	29	8,469,603	292,055	31	7,642,445	246,530	33	9,375,101	284,094
CLEAR CHANNEL—50 KW & OVER PART TIME									
Network	4	484,269	121,067	4	384,095	96,024	4	401,331	100,332
Non-Network	...	.....	.....	...	.....	.....	...	.....	.....
Total	4	484,269	121,067	4	384,095	96,024	4	401,331	100,332
CLEAR CHANNEL—5-25 KW UNLIMITED									
Network	8	796,812	99,601	14	433,086	30,935	19	775,845	40,834
Non-Network	...	.....	.....	...	.....	.....	...	.....	.....
Total	8	796,812	99,601	14	433,086	30,935	19	775,845	40,834
CLEAR CHANNEL—5-25 KW PART TIME									
Network	9	228,718	25,413	4	53,927	13,482	5	89,331	17,866
Non-Network	1	(d) 11,673	(d) 11,673	...	.....	.....	...	.....	.....
Total	10	217,045	21,704	4	53,927	13,482	5	89,331	17,866
REGIONAL CHANNEL—UNLIMITED									
Network	163	7,448,726	45,697	169	5,645,771	33,407	177	6,393,853	36,123
Non-Network	33	(d) 319,639	(d) 9,686	34	(d) 177,141	(d) 5,210	29	(d) 26,502	(d) 914
Total	196	7,129,087	36,372	203	5,468,630	26,939	206	6,367,351	30,909
REGIONAL CHANNEL—LIMITED & DAY									
Network	9	(d) 8,435	(d) 937	12	(d) 25,467	(d) 2,122	14	59,930	4,281
Non-Network	59	(d) 10,604	(d) 179	56	(d) 63,368	(d) 1,132	59	104,385	1,769
Total	68	(d) 19,039	(d) 279	68	(d) 88,835	(d) 1,306	73	164,315	2,251

BROADCAST SERVICE INCOME * — Continued
BY CLASS OF STATION AND NETWORK AFFILIATION
1937, 1938 AND 1939

	1937			1938			1939		
	Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station
REGIONAL CHANNEL—PART TIME									
Network.....	15	322,276	21,485	15	236,809	15,787	16	281,712	17,607
Non-Network..	22	140,631	6,392	18	65,025	3,612	16	71,798	4,487
Total.....	37	462,907	12,511	33	301,834	9,146	32	353,510	11,047
LOCAL CHANNEL—UNLIMITED									
Network.....	54	294,583	5,455	91	276,237	3,036	125	520,450	4,164
Non-Network..	133	315,120	2,369	136	6,888	51	164	100,218	611
Total.....	187	609,703	3,260	227	283,125	1,247	289	620,668	2,148
LOCAL CHANNEL—DAY & PART TIME									
Network.....	4	12,870	3,217	10	7,542	754	4	16,621	4,155
Non-Network..	81	96,746	1,194	66	19,489	295	40	42,643	1,066
Total.....	85	109,616	1,290	76	27,031	356	44	59,264	1,347
ALL									
Network.....	295	18,049,422	61,184	350	14,654,445	41,870	397	17,914,174	45,124
Non-Network..	329	210,581	640	310	(d) 149,107	(d) 481	308	292,542	950
Total.....	624	18,260,003	29,263	660	14,505,338	21,978	705	18,206,715	25,825

* Broadcast Service Income is the figure of profit and loss from operation before Federal Taxes are deducted. These are the figures, insofar as the FCC has maintained accounting comparability between the three years involved. In the physical set-up of the financial reports there have been numerous changes in accounting terms ascribed to various items of income and expense which leaves some question as to whether strict comparability has been maintained.

Source: "Financial and Employee Data for the Broadcast Industry" compiled and published by the FCC.
(d) Deficit.

February 8, 1943

The following table presents broadcast service income by city size and class of station for the years 1937 and 1939. This detail of information was not prepared by the FCC for the year 1938, and it is reported that the Commission cannot furnish such information without resorting to a costly and time-consuming re-tabulation of some 660 station reports. In presenting this information, some adjustments were necessary to establish direct comparison of the

two years. The FCC report for 1939 contained finer population brackets than that for 1937. As an example, the top city size was 2,000,000 population and over. The second bracket was 1,000,000 to 2,000,000. These two were combined to enable comparison. Any adjustments made were accomplished by straight addition without need for any estimating or apportioning.

BROADCAST SERVICE INCOME
BY CITY SIZE AND CLASS OF STATION
1937 AND 1939

City Size	Class of Station	1937			1939		
		Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station
1,000,000 & Over.....	Clear Channel:						
	50kw—Unlimited.....	16	\$5,608,920	\$350,557	16	\$5,734,116	\$358,382
	Other.....	5	584,811	116,962	6	288,643	48,107
	Regional Channel:						
	Unlimited.....	32	1,026,322	32,073	34	1,032,604	30,371
	Limited & Day.....	16	(d) 65,621	(d) 4,101	16	193,873	12,117
	Part-time.....	15	344,870	22,991	14	291,448	20,818
	Local Channel:						
	Unlimited.....	12	162,903	13,575	14	52,428	3,745
	Other.....	13	35,765	2,751	11	2,186	199
Total.....		109	7,697,970	70,624	111	7,595,298	68,426
250,000—1,000,000.....	Clear Channel:						
	50kw—Unlimited.....	9	2,300,490	255,610	12	2,786,459	232,205
	Other.....	7	507,536	72,505	8	458,950	57,369
	Regional Channel:						
	Unlimited.....	57	4,099,140	71,915	61	3,642,067	59,706
	Limited & Day.....	8	(d) 11,439	(d) 1,430	9	(d) 27,681	(d) 3,076
	Part-time.....	9	45,927	5,103	5	45,679	9,136
	Local Channel:						
	Unlimited.....	20	175,132	8,757	27	209,549	7,761
	Other.....	11	30,085	2,735	5	(d) 3,956	(d) 791
Total.....		121	7,146,871	59,065	127	7,111,067	55,993

BROADCAST SERVICE INCOME — Continued
BY CITY SIZE AND CLASS OF STATION
1937 AND 1939

City Size	Class of Station	1937			1939		
		Stations Reported	Total Broadcast Service Income	Average Per Station	Stations Reported	Total Broadcast Service Income	Average Per Station
100,000-250,000	Clear Channel:						
	50kw—Unlimited	3	426,711	142,237	4	608,029	152,007
	Other	6	327,063	54,510	9	400,596	44,511
	Regional Channel:						
	Unlimited	39	1,199,371	30,753	39	963,960	24,717
	Limited & Day	5	9,852	1,970	4	(d) 32,623	(d) 8,156
	Part-time	4	31,183	7,796	7	68,294	9,756
	Local Channel:						
Unlimited	22	31,019	1,410	32	104,586	3,268	
Other	6	8,113	1,352	1	(d) 1,620	(d) 1,620	
Total		85	2,033,312	23,921	96	2,111,222	21,992
50,000-100,000	Clear Channel:						
	50kw—Unlimited	3	215,885	71,962	1	246,497	246,497
	Other	..	..	..	2	98,306	49,153
	Regional Channel:						
	Unlimited	18	505,865	28,104	19	367,448	19,339
	Limited & Day	8	92,455	11,557	8	54,852	6,856
	Part-time	..	..	..	1	29,603	29,603
	Local Channel:						
Unlimited	..	..	..	26	54,095	2,081	
Other	18	136,961	7,609	1	(d) 2,786	(d) 2,786	
Total		47	951,166	20,237	58	848,015	14,621
25,000-50,000	Clear Channel:						
	50kw—Unlimited	..	..	..	2	30,858	15,429
	Other	..	..	..	..	..	..
	Regional Channel:						
	Unlimited	26	184,004	7,077	26	208,568	8,022
	Limited & Day	9*	32,479	3,609	9	1,141	127
	Part-time	..	..	..	..	..	..
	Local Channel:						
Unlimited	31	35,491	1,145	55	65,986	1,200	
Other	12	22,054	1,838	5	14,122	2,824	
Total		78	274,028	3,513	97	320,675	3,306
10,000-25,000	Clear Channel:						
	50kw—Unlimited	..	..	..	..	..	..
	Other	..	..	..	1	(d) 10,846	(d) 10,846
	Regional Channel:						
	Unlimited	14	132,627	9,473	18	128,233	7,124
	Limited & Day	11	389	35	16	(d) 21,182	(d) 1,324
	Part-time	6*	(d) 26,127	(d) 4,354	4	(d) 47,031	(d) 11,758
	Local Channel:						
Unlimited	53	71,368	1,347	91	78,801	866	
Other	30	11,153	372	10	45,535	4,553	
Total		114	189,410	1,661	140	173,510	1,239
Under 10,000	Clear Channel:						
	50kw—Unlimited	..	..	..	..	..	..
	Other	..	..	..	..	..	..
	Regional Channel:						
	Unlimited	10	(d) 18,242	(d) 1,824	9	24,471	2,719
	Limited & Day	13	(d) 30,925	(d) 2,379	11	(d) 4,065	(d) 370
	Part-time	3	17,138	5,713	1	(d) 34,483	(d) 34,483
	Local Channel:						
Unlimited	33	1,593	48	44	55,223	1,255	
Other	11	(d) 2,318	(d) 211	8	5,783	723	
Total		70	(d) 32,754	(d) 468	76	46,929	617
Grand Total		624	\$18,260,003	\$29,263	705	\$18,206,716	\$25,825

* Includes one part-time, clear channel station, which the FCC classified as regional, so that single station information would not be disclosed.

Copies of the above tables have been sent to officials of the Treasury Department and the Bureau of Internal Revenue. The letters transmitting the tables set forth the objective in preparing this information as that of aiding stations seeking relief under Section 722 of the Internal Revenue Code, as amended, which provides for the establishment of a constructive average base period net income. It is pointed out that the information contained in the two tables constitutes all of the official information on the subject which is immediately available to the industry. It is mentioned that the Treasury and the Bureau of Internal Revenue have the basis information from which the exact data desired could be prepared. The query is made whether the Department will elect to assist the taxpayer in establish-

ing a constructive average base period net income on the experience of similar station business situations. It is realized that to follow this procedure would involve a tremendous amount of work on the part of the Department for broadcasting alone. The task for all business would be staggering. NAB is in a fortunate position to offer material assistance, if that course is followed, through the use of the historical station file maintained in the Research Department. Complete information has been maintained in this file on the Commission assignments of power, frequency, operating time, size of city, and network affiliation which appear to be the principal criteria for establishing like situations among station businesses. New developments along this line will be reported to the membership.

TAX BULLETIN

JULY 2, 1943

* * * * *

No. 2

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

Pay-As-You-Go Tax

The pay-as-you-go tax is not a new or additional tax. It is merely a method for collecting existing taxes currently rather than after the close of the year. This is accomplished by requiring employers to withhold and pay to the Government a portion of all wage payments. This portion is roughly equal to the Victory Tax, normal tax, and first-bracket surtax applicable to such wage payment.

Withholding applies only to wages. "Wages" include all forms of remuneration—cash, property, or some other medium of payment—for services performed by an employee for his employer. Generally, the rules for determining whether an individual is an employee under the Victory Tax and Social Security Act will also apply for purposes of withholding under the pay-as-you-go tax. However, since the pay-as-you-go plan merely alters the form of collection of existing taxes, and does not impose an additional tax, the tendency is likely to be to resolve all doubts in favor of the employer-employee relationship in a given case.

When Tax Goes Into Effect

The new withholding provisions (20%) are applicable to all wage payments made for established payroll periods beginning on or after July 1st, 1943. The old Victory Tax withholding provisions (5%) are applicable to payments made for payroll periods beginning prior to July 1st, 1943, even though they may end after June 30th, 1943.

So-called supplemental wages, *i.e.*, commissions, bonuses, etc., are also subject to withholding. If they are paid in respect of the same payroll periods as have been established for the recipient's ordinary wage payments, they are subject to the 20% withholding, if the payroll period began on or after July 1st. But if they are payable with respect to a different pay period or with respect to no pay period, they are subject to the new provisions if *paid* on or after July 1st, regardless of when earned. Any other wage payment made for other than an established pay period is subject to the same rule.

Computation of Amount to be Withheld

There are two methods for figuring the amount to be withheld. The employer may use either method.

Under the "wage bracket withholding" method, the amount of the tax to be withheld can be determined directly from a series of tables set forth in the statute. These tables appear on pages 6 through 10 of the attached Circular WT. This method of withholding is simple, and should be used except where the employees insist on an exact computation.

It will be found convenient to administer withholding on the wage bracket method by numbering the columns in each table from 1 to 10. On the basis of the information

submitted by each employee on Form W-4, a corresponding number may be associated with his name on the payroll list. In computing the amount to be withheld in the case of each employee, it will then be possible merely to refer to the column in the table bearing the same number as that associated with the particular employee's name.

Under the "exact computation" method, the employer withholds whichever of the following is the greater:

- (1) 20% of the excess of the wage payment over the family status withholding exemption, or
- (2) 3% of the excess of the wage payment over the Victory Tax withholding exemption.

These exemption tables appear on page 2 of the attached Circular WT. On page 11 of such Circular there also appears a table indicating the levels at which the 20% computation will exceed the 3% computation.

In fixing both the withholding exemptions and the amounts shown on the wage bracket tables, some account has been taken of what are considered average deductions. Actual deductions will be allowable on the taxpayer's return after the close of the year and appropriate adjustments will then be made.

Credit for Taxes Withheld

The employee must still file a tax return on March 15th, showing his true tax liability for the preceding year. Against this tax liability he is entitled to a credit for the taxes which have been withheld. If such credit exceeds the amount of his true tax liability (because of deductions, etc.), he will receive a cash refund of the difference or it will be applied against the tax for the succeeding year.

Community Property States

The withholding provisions are applied in a community property state as though the wages were entirely those of the person who earns them. However, this does not affect the right of spouses to file separate returns for the purpose of dividing the income between them as heretofore. In making out such returns, each spouse is allowed as a credit one-half of the tax which has been withheld on the community income.

Form to be Filled Out by Employee

In order to inform his employer of his marital and dependency status, each employee is required to fill out and submit to his employer, Form W-4. On this form a married person is entitled to designate how he wishes the personal exemption to be divided. He has three choices: (1) to claim none of the personal exemption, (2) to claim half the personal exemption, and (3) to claim all of the personal exemption. This, however, does not deprive the spouses of the right to decide whether to file separate or joint returns at a later date. Nor, if separate returns are filed, will the spouses be barred from dividing the marital

exemption in any way they may agree upon, even though different from the method chosen for determining their status for purposes of the withholding provisions.

Form W-4 is to be supplied by the employer, who may, in turn, obtain them from his local Collector of Internal Revenue. *If no Form W-4 is filed by the employee, he is entitled to no withholding exemption and will be treated, for purposes of the tables, as a married person having no dependents and claiming no part of the withholding exemption.*

Effect on Wage Contracts and Union Agreements

The obligation to withhold a portion of each wage payment for tax purposes is not affected by and has no effect upon the terms of any wage contract or union agreement. In other words, if a wage contract or union agreement calls for the payment of \$45 a week, the fact that a portion of this is required to be withheld does not mean that the employer has to make up the difference, in order that the employee will continue to receive \$45 a week after taxes. In contemplation of the law, the employer is still paying the employee \$45 a week and is merely collecting the tax on such amount on the Government's behalf.

Payments Made to Employees for Expenses

Amounts paid in advance, or reimbursements made, to employees specifically for traveling or other expenses incurred in the business of the employer are not subject to withholding. Any reasonable segregation of such expenses from the wages paid will be acceptable, as for example, where an employer issues one check indicating thereon the amount thereof which represents wages and the amount which represents expenses, or issues a separate check for the expenses.

Determination of Withholding Exemption in Special Cases

Special problems arise in cases where supplemental wage payments, such as bonuses, commissions, overtime pay, etc., are made. Such payments may be made for the same payroll period as the recipient's ordinary compensation, or they may be made for a different period, or without regard to any particular period. In all these cases the employer may elect to determine the tax in accordance with either of the following rules:

(1) Aggregate the supplemental wage with a regular wage payment, considering them as one payment for the payroll period covered by the regular wage. If the supplemental wage is paid at the same time as a regular wage, it is these two amounts which may be aggregated. If the supplemental wage is not paid at the same time as a regular wage, it is to be aggregated with the regular wage payment for the current or last preceding pay period. The only exception to these rules is that, if the regular wage payment is not subject to the new 20% withholding provision, but the supplemental wage payment is, they may not be aggregated. The supplemental wage payment may, however, be aggregated with the regular wage payment for the first succeeding pay period subject to the new provision.

(2) Treat the supplemental wages as separate, computing the tax without the benefit of any withholding exemptions under the exact computation method, or as

though the recipient were a married person having no dependents and claiming none of the personal exemption, under the wage table method.

The withholding exemption for employees working for less than a full week is on a daily basis, except where the employee submits a verified written statement to his employer that he works for wages only for him and that if he obtains additional employment for wages he will within 10 days thereafter give notice of such fact. If such a statement is obtained, the employer may compute the employee's withholding tax on a weekly basis. In the case of employees working for several employers, their status with respect to each employer is separately determined without regard to their other employment, except as noted above. For example, if an employee works for one employer mornings and for another employer afternoons, but is paid by both on a weekly basis, each employer is entitled to compute the withholding tax on the basis of an established weekly payroll period without regard to the fact that the employee is also elsewhere employed.

Pay Periods

The regulations take the position that an employee can have only one established pay period with respect to any one employer. This pay period is that for which his ordinary compensation is paid. Therefore, if he is paid a weekly salary, plus a monthly bonus or commission, the bonus or commission is not considered to be paid for an established pay period. Many of the distinctions relative to ordinary pay and supplemental pay flow from this factor.

When Withheld Tax Paid Over by Employer

If the total amount withheld by the employer for all employees is more than \$100 per month, it is the duty of the employer to pay such amount monthly into a depository designated by the Secretary of the Treasury. All banks insured by the Federal Deposit Insurance Corporation are *eligible* to qualify as depositories and financial agents. It is possible, however, that not all such banks may choose to qualify. The employer should make certain that his bank has qualified. If it has not, he should obtain from it the name of some other bank which has. If the monthly amount withheld is \$100 or less, the amounts withheld must be paid quarterly to the Collector of Internal Revenue.

Quarterly returns must be made by employers to the Collector for the quarters ending March 31, June 30, September 30 and December 31, on Form W-1. This return must be made before the end of the month following the close of the quarter. The return, when forwarded, shall be accompanied either by payment or by receipts of the depository. Duplicates of such returns on Form W-2, together with a reconciliation on Form W-3 must be filed with the quarterly return for the fourth quarter of the calendar year. In addition, the employer must furnish to each employee, not later than January 31st of the succeeding calendar year, a statement (Form W-2) showing total wages paid and the amount of tax withheld.

All forms may be obtained from the Collector of Internal Revenue for the employer's district.

WITHHOLDING OF INCOME TAX ON WAGES

NOTICE TO EMPLOYEES

WITHHOLDING OF TAX UNDER THE PROVISIONS OF THE CURRENT TAX PAYMENT ACT OF 1943

The 5 percent withholding which went into effect on January 1, 1943, is not applicable to payroll periods **beginning after June 30, 1943.**

Beginning July 1, 1943, your employer is required to withhold a tax of 20 percent from wages for payroll periods **beginning on or after July 1, 1943,** of every employee whose wages exceed the amount of certain exemptions. Certain classes of employees are exempt from withholding, such as those engaged in agricultural labor and domestic service.

Wages consist of all payments for services of employees, whether called wages, salaries, commissions, or bonuses and whether in the form of cash or other property.

Withholding at the rate of 20 percent applies to the amount by which your wage payment exceeds your family status withholding exemption. The amount of this exemption, which is specified in a schedule contained in the Act, depends in general upon whether you are married, single, or the head of a family, and upon the number of your dependents. You are required to advise your employer of your particular status by filling in an Employee's Withholding Exemption Certificate (Form W-4) which you will file with him. The certificate form may be obtained from your employer.

If you are married and your spouse is receiving wages subject to withholding, you and your spouse must decide how much of the withholding exemption each will claim.

If you decide that you will claim the whole exemption and your spouse will claim none, you must, in the exemption certificate, advise your employer that you are claiming the whole exemption and your spouse is claiming none. If you decide that you will claim half of the exemption and your spouse will claim half, you will, by checking the applicable box in the exemption certificate, advise your employer that you are claiming half of the exemption and that your spouse is not claiming more than half of the exemption. If you decide that you will claim none of the exemption and that your spouse will claim the whole exemption, you must place your check mark in the applicable box on the exemption certificate.

The amount of the exemption which each of you claims for the purpose of withholding does not affect the manner in which you may divide your married person's exemption on your income tax return. You may still divide that as you wish.

The withholding exemption for any dependent may be taken only by the spouse who furnishes the chief support of such dependent.

If you fail to file an exemption certificate with your employer, no withholding exemption will be allowed.

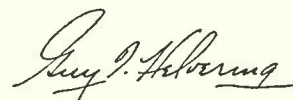
In certain instances the tax to be withheld under the family status withholding exemption will be less than the tax at 3 percent on the amount of wages in excess of the Victory Tax withholding exemption. In that case the employer is required to withhold at the rate of 3 percent on the wages in excess of the Victory Tax withholding exemption.

Your employer is required to pay the amount of tax withheld from your wages to the collector of internal revenue.

Your employer is required to give you a receipt for the amount of tax withheld on your wages. Employers shall furnish these receipts on or before January 31, 1944, for taxes withheld in 1943, except that if employment ends during the calendar year the receipt shall be given to the employee on the day on which he receives his last payment of wages. This receipt should be carefully preserved. It is your record of tax withheld from your wages.

The amount withheld from your wages during the year is deductible from the Income Tax and Victory Tax for which you may be liable for the year 1943. Thus, the amount withheld from your wages will pay your Income Tax and Victory Tax to the extent of the amount withheld.

Withholding will not affect in any manner your liability to file your annual income tax return for the calendar year 1943 on or before March 15, 1944, reporting all taxable income, including the wages on which tax has been withheld, and reporting the allowable deductions.



Commissioner of Internal Revenue.

WASHINGTON, JUNE 1943

This notice is issued for the purpose of general information. It does not have the effect of law, regulations, or rulings. Copies may be obtained by addressing the nearest collector of internal revenue, requesting Employee's Notice WT.

COLLECTION OF INCOME TAX AT SOURCE ON WAGES**EMPLOYER'S DUTIES**

Under the
PROVISIONS OF THE CURRENT TAX PAYMENT ACT OF 1943

(SUBCHAPTER D, CHAPTER 9, INTERNAL REVENUE CODE)

ISSUED BY

BUREAU OF INTERNAL REVENUE, U. S. TREASURY DEPARTMENT

SUMMARY

I. Beginning July 1, 1943, employers are required to deduct and withhold a tax upon the wages of their employees. This is a tax of 20 percent of the excess of each wage payment over the WITHHOLDING EXEMPTION allowable under the schedule shown in Specific Instruction 6.

Instead of making an exact computation, employers may elect to withhold specified amounts shown in the tables designated A-1 to A-5, which approximate the 20 percent.

It is the joint responsibility of the employer and the employee to see that "Employee's Withholding Exemption Certificate" (Form W-4) is made out by the employee and filed with the employer sufficiently in advance of July 1st.

II. It will be the duty of employers who withheld more than \$100 during the month to pay the amounts withheld to a depository authorized by the Secretary of the Treasury.

These payments are to be made within ten days after the close of each calendar month.

Employers may get from any bank the name and address of authorized depositories.

III. Employers must make quarterly returns on Form W-1 to their collectors of internal revenue, showing the aggregate amount of taxes withheld during the quarter.

Returns must be made on or before the last day of the month following the close of each quarter.

Each return must be accompanied by the payment of the full amount of the tax. It will be the duty of employers who withheld more than \$100 during the month to make the payment of the tax in the following form: (1) depository receipts for the full amount of the tax withheld, or (2) depository receipts for the first two months of the quarterly period, together with a direct remittance for the amount withheld during the last month of the quarterly period.

IV. With the final return for the calendar year, employers must send to the collector on Form W-3 a reconciliation of "Quarterly Returns" (Form W-1) with "Statements" to employees of taxes withheld (Form W-2).

V. Employers must provide each employee annually with a "Statement of Income Tax Withheld on Wages."

This is Form W-2, and must be delivered to employees on or before January 31 of the next year. For employment terminating during a calendar year, see Specific Instruction 14.

VI. Employers may obtain all forms mentioned above from the collector of internal revenue for their district.

VII. Employers will discontinue the 5 percent Victory Tax withholding when the 20 percent withholding begins.

(See Specific Instruction 1.)

SPECIFIC INSTRUCTIONS**1. EFFECTIVE DATE**

The 5 percent Victory Tax withholding does not apply with respect to wages paid after June 30, 1943, unless the wages are paid for a payroll period beginning on or before June 30, 1943.

Every employer is required to deduct and withhold the tax under the Current Tax Payment Act of 1943 from the wages of his employees paid for payroll periods beginning on or after July 1, 1943. Every employer is also required to deduct and withhold that tax from all wages paid on or after July 1, 1943, if paid without regard to a payroll period.

Thus, if wages are paid on July 3, 1943, with respect to a weekly payroll period beginning on June 28, 1943, the 5 percent, rather than the 20 percent, withholding is applicable. If wages are paid with respect to a weekly payroll period beginning on July 5, 1943, the 20 percent withholding applies. If on July 1, 1943, wages are paid without regard to a payroll period, 20 percent, rather than 5 percent, withholding applies.

However, if wages for a payroll period which begins prior to July 1, 1943, are paid after the close of 1943, 20 percent, rather than 5 percent, withholding is applicable.

2. WHO ARE EMPLOYERS

The term "employer" includes any person or corporation for whom an individual performs any service as an employee. It

includes also organizations which are themselves exempt from income tax. Among these are religious, charitable and educational institutions, clubs, societies, and social organizations. "Employer" includes the Government of the United States, the States, Territories, and the District of Columbia, including their agencies, instrumentalities, and political subdivisions.

3. WHO ARE EMPLOYEES

Every individual is an employee if the relationship between him and the person for whom he performs services is the legal relationship of employer and employee. The term "employee" includes an officer, employee, or elected official of the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

Generally, such relationship exists when the person for whom services are performed has the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but how it shall be done. In this connection, it is not necessary that the employer actually direct or control the manner in which the services are performed; it is

sufficient if he has the right to do so. The right to discharge is also an important factor indicating that the person possessing that right is an employer. Other factors characteristic of an employer, but not necessarily present in every case, are the furnishing of tools, and the furnishing of a place to work, to the individual who performs the services. In general, if an individual is subject to the control or direction of another merely as to the result to be accomplished by the work and not as to the means and methods for accomplishing the result, he is an independent contractor. An individual performing services as an independent contractor is not as to such services an employee.

Generally, physicians, lawyers, dentists, veterinarians, contractors, subcontractors, public stenographers, auctioneers, and others who follow an independent trade, business, or profession, in which they offer their services to the public, are independent contractors and not employees.

Whether the relationship of employer and employee exists will in doubtful cases be determined upon an examination of the particular facts of each case.

If the relationship of employer and employee exists, the designation or description of the relationship by the parties as anything other than that of employer and employee is immaterial. Thus, if such relationship exists, it is of no consequence that the employee is designated as a partner, coadventurer, agent, or independent contractor.

The measurement, method, or designation of compensation is also immaterial, if the relationship of employer and employee in fact exists.

No distinction is made between classes or grades of employees. Thus, superintendents, managers, and other superior employees are employees. An officer of a corporation is an employee of the corporation but a director as such is not. A director may be an employee of the corporation, however, if he performs services for the corporation other than those required by attendance at and participation in meetings of the board of directors.

4. WHAT ARE WAGES

The term "wages" means all remuneration (other than noted in Specific Instruction 5), whether in cash or goods, for services performed by an employee for his employer. It does not matter if the remuneration be designated as wages, salary, commissions, or bonuses. Included in "wages" is the cash value of all remuneration paid in any medium other than cash.

Amounts paid in advance, or reimbursements made, to employees specifically for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer are not subject to withholding. Any reasonable segregation of such expenses from the wages paid will be acceptable, as for example, where an employer issues one check indicating thereon the amount thereof which represents wages and the amount which represents expenses, or issues a separate check for the expenses.

5. EXEMPT WAGE PAYMENTS

Certain classes of wage and salary payments are exempt from withholding, and consequently employers making such types of payments are not required to withhold the tax with respect to such payments. Payments which are exempt from withholding consist of remuneration paid:

- (a) For services performed as a member of the military or naval forces of the United States, other than pensions and retired pay includible in gross income,
- (b) For agricultural labor,
- (c) For domestic service in a private home, local college club, or local chapter of a college fraternity or sorority,
- (d) For casual labor not in the course of the employer's trade or business,

(e) For services by a citizen or resident of the United States for a foreign government or for the government of the Commonwealth of the Philippines,

(f) For services performed by a nonresident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals,

(g) For such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary,*

(h) For services for an employer performed by a citizen or resident of the United States while outside the United States if the major part of the services for such employer during the calendar year is to be performed outside the United States,

(i) For services performed as a minister of the gospel, or

(j) As fees (but not salaries) to a public official.

*Withholding is required in the case of wages paid to nonresident aliens, resident of a contiguous country, who enter and leave the United States at frequent intervals, except such aliens who, in the performance of their duties in transportation service between points in the United States and points in a contiguous country, enter and leave the United States at frequent intervals.

6. WITHHOLDING EXEMPTION

In the computation of the amount of tax to be withheld from wage payments an exemption is allowable against the wages paid for each payroll period determined in accordance with the schedules below.

Family Status Withholding Exemption Schedule

Payroll period	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
Weekly.....	\$12	\$24	\$12	0	\$6
Biweekly.....	24	48	24	0	12
Semimonthly.....	26	52	26	0	13
Monthly.....	52	104	52	0	26
Quarterly.....	156	312	156	0	78
Semiannual.....	312	624	312	0	156
Annual.....	624	1,248	624	0	312
Daily or miscellaneous (per day of such period).....	1.70	3.40	1.70	0	.85

In no event shall the tax to be withheld be less than 3 percentum of the excess of each wage payment over an exemption determined in accordance with the following schedule:

Victory Tax Withholding Exemption Schedule

Payroll period	Withholding exemption
Weekly.....	\$12.00
Biweekly.....	24.00
Semimonthly.....	26.00
Monthly.....	52.00
Quarterly.....	156.00
Semiannual.....	312.00
Annual.....	624.00
Daily or Miscellaneous (per day of such period).....	1.70

See accompanying Table B for use in determining when the 3 percent limitation applies.

7. WITHHOLDING EXEMPTION CERTIFICATE

Every employee shall furnish his employer a signed withholding exemption certificate, on Form W-4, relating to his status for the purpose of computing the withholding exemption. The

employer is required to request a withholding exemption certificate from each employee, but if the employee fails to comply with such request, he shall be considered, for withholding purposes, as a married person claiming none of the personal exemption for withholding and having no dependents. Forms of certificate (Form W-4) will be supplied employers upon request to the collector for the district. In lieu of the prescribed form of certificate, employers may prepare and use a form which includes contents identical with the prescribed form. The certificates must be retained by the employer as a supporting record of the withholding exemption allowed.

If, by reason of a change of status, a new certificate is furnished by the employee to the employer, it will take effect, at the election of the employer, with respect to any payment of wages made on or after the date the certificate is furnished. In no event, however, shall it take effect later than the first payment of wages made on or after the following first day of July or January which occurs at least thirty days after the certificate is furnished the employer.

In all other instances, the certificate will take effect with respect to the first payment of wages made on or after the date on which it is furnished the employer.

8. PERIOD NOT A PAYROLL PERIOD

If wages are paid for a period which is not a payroll period, the exemption allowable shall be the exemption allowed for a miscellaneous payroll period containing the same number of days (including Sundays and holidays) as the period for which such wages are paid. Thus, in the case of a single person not paid on the basis of a regular payroll period, the withholding exemption allowable for a period of 10 days is 10 times \$1.70, or \$17.00. (See Specific Instruction 10 for the rules in case of a period of less than one week.)

9. NO PAYROLL PERIOD OR OTHER PERIOD

In any case in which wages are paid by an employer without regard to any payroll period or any other period, the exemption allowable shall be the exemption allowed for a miscellaneous payroll period containing the number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later. For example, a single individual employed on a commission basis, commissions to be paid upon consummation of sales without regard to any period of time, commenced employment on December 15, 1942, and received payments of commissions on March 15, and July 15, 1943. The amount of the withholding exemption allowable with respect to the commissions paid July 15 is \$207.40 (\$1.70 x 122), since 122 days have elapsed since the date of the last payment.

10. PERIOD LESS THAN ONE WEEK

The general rule applicable in case the payroll period, other period, or time described in Specific Instruction 9, is less than one week, is the same as the rule applicable under Specific Instruction 8 or 9. For example, if a single person is paid daily a wage of \$7.00 per day, withholding applies on the excess of that wage over the daily exemption of \$1.70, that is, the tax is to be withheld on \$5.30. Again, if a single person is paid a wage of \$36.00 for 4 days work, withholding applies on the excess of the aggregate wages over the exemption allowed for a period of 4 days, that is, \$6.80 (\$1.70 x 4). In that case, therefore, the tax is to be withheld on \$29.20.

However, the Act authorizes the Commissioner, under regulations prescribed by him, to permit an employer, in computing the tax to be withheld, to use the excess of the aggregate of the wages paid during a calendar week over the exemption al-

lowed for a weekly payroll period. For example, in the second illustration in the preceding paragraph, the employer, if authorized to do so by the Commissioner, may withhold the tax on the excess of \$36.00 over the weekly exemption of \$12.00 applicable in the case of a single person.

This weekly exemption rule may be used by an employer in the case of an employee who works only for such employer during the calendar week.

11. BONUSES AND COMMISSIONS

Generally, where an employee's remuneration consists of wages paid for a payroll period and such employee is also paid a bonus or commission, the bonus or commission and the wage payment shall be aggregated for the purpose of withholding either under the wage table method or the exact computation method. For example, if an individual is employed as salesman at a monthly salary of \$100 plus commissions upon sales made during the month, such employee, if single, would be entitled to a withholding exemption of \$52 against each such payment of salary and commissions considered as a single wage payment.

However, at the election of the employer, the wage payment and the bonus or commission payment need not be aggregated. Under this election the employer using the exact computation method may withhold on the gross amount of the bonus or commission payment. The employer who uses the table method may, under this election, apply that method to the regular wage payment, and with respect to the bonus or commission payment may either (1) apply the exact computation method to the gross amount, or (2) use the column in the table applicable to a married person claiming none of the personal exemption for withholding and having no dependents.

12. WITHHOLDING ON BASIS OF AVERAGE WAGES

Upon application to the Commissioner, accompanied by evidence establishing the need for the use of such method, the Commissioner may authorize an employer to withhold the tax on the basis of the employee's average estimated wages, with necessary adjustments, for any quarter.

13. COMPUTATION OF TAX TO BE WITHHELD

At the option of the employer, the tax to be withheld may be determined either by the use of a wage bracket withholding table or the application of the prescribed percentage rate to the amount of the wages in excess of the withholding exemption.

To illustrate the two methods, the following case is assumed:

An employee has indicated on Form W-4, Employee's Withholding Exemption Certificate, by checking Item I (4) that he is a married person living with husband or wife and claiming all of the personal exemption; and in Item II that he has two dependents. The payroll period is weekly and the wage records of the employer show that for the payroll period the employee earned \$44.63.

The steps to be taken by the employer using the wage bracket withholding table are as follows:

(1) Find the table applicable to the payroll period used. In this case it is Table A-1, accompanying these instructions, designed for weekly payroll period.

(2) Locate in the table the subheading descriptive of the employee, in this case, "Or (4) such person is a married person claiming all of personal exemption for withholding and has —" and then locate the applicable column under this subheading, in this case, "Two dependents."

(3) Next locate in the first two columns at the extreme left those amounts between which the weekly wage falls. The wages are \$44.63, so in this case they fall in the line for "At least \$40.00 but less than \$50.00." Reading across on this line to the ninth column, the amount of tax to be withheld is shown as \$1.80.

The steps to be taken by the employer using the percentage method are as follows:

(1) The rule requires that a tax be withheld at the rate of 20 percent on wages in excess of the family status withholding exemption, or at the rate of 3 percent on wages in excess of the Victory Tax withholding exemption, whichever rate produces the greater tax. The employer must determine which withholding exemption to allow and which rate to use. It is not necessary to compute the tax on both bases to determine which produces the greater tax, since the proper basis can be ascertained by reference to the accompanying Table B. This table shows that for weekly wages in excess of \$40.24 paid to married persons claiming all the exemption and with two dependents, the 20 percent withholding rate on amounts in excess of the family status withholding exemption will produce a higher tax than 3 percent of wages in excess of the Victory Tax withholding exemption.

(2) The employer finds from the Family Status Withholding Exemption Schedule, shown in Specific Instruction 6, that a married employee having a weekly payroll period and claiming all the personal exemption is entitled to an exemption of \$24.00 and an additional allowance of \$6.00 for each of his two dependents, which in this instance makes a total exemption of \$36.00. Since the wages paid are \$44.63, the tax must be computed at 20 percent of the excess over the family status withholding exemption rather than 3 percent of the excess over the Victory Tax withholding exemption.

(3) The employer subtracts this exemption of \$36.00 from the weekly wage of \$44.63 and obtains \$8.63, or the amount of wages subject to the 20 percent withholding tax.

(4) The employer computes 20 percent of \$8.63 and arrives at a tax to be withheld of \$1.73.

Assume that the wages in the foregoing example are \$39.50 a week rather than \$44.63 and the percentage method is used. Under these circumstances, reference to Table B indicates that the 3 percent rate in excess of the Victory Tax withholding exemption should be used as this produces a greater tax than 20 percent on wages in excess of the family status withholding exemption. The steps in this case follow:

(1) The employer finds from the Victory Tax Withholding Exemption Schedule, shown in Specific Instruction 6, that the exemption for a weekly payroll period for all persons regardless of family status is \$12.00.

(2) The employer subtracts this exemption of \$12.00 from the weekly wage of \$39.50 and obtains \$27.50, or the amount of wages subject to the 3 percent withholding tax.

(3) The employer computes 3 percent of \$27.50 and arrives at a tax to be withheld of \$0.83. This is the correct amount of tax to be withheld because the application in this case of the 20 percent rate to the wages in excess of the family status withholding exemption would result in a tax of only \$0.70.

In any case in which an exact computation of the amount to be withheld is made, the wages may be rounded out to the nearest dollar.

In the case of the wage bracket withholding table, there is no need to give consideration to the two sets of withholding exemptions and rates, as the table has been constructed to give effect to the 3 percent withholding rate where that rate should be used and the 20 percent rate where that rate should be used.

If the wages exceed the highest wage bracket in any table, in computing the amount of tax to be withheld, the wages may, at the election of the employer, be rounded to the nearest dollar.

14. STATEMENT TO BE FURNISHED EMPLOYEE

Employers must furnish to each employee from whose wages they withhold taxes a written statement (W-2) showing the wages paid and the amount of tax withheld during the calendar year. This statement (unless an extension of time has been previously granted by the Commissioner of Internal Revenue) shall be given to the employee on or before January 31 of the

succeeding year; or, if the employment ends before the close of the year, on the day on which the last payment of wages is made.

In the case of intermittent employment, when at the end of any term of employment it is not expected that the employee will be reemployed, then a statement must be furnished him for the amount of tax withheld from payments made during the period of employment.

With respect to the calendar year 1943, only one statement is required. It should cover the 5 percent Victory Tax withheld beginning January 1, and the 20 percent tax withheld beginning July 1.

While the form of statement is prescribed by the Commissioner of Internal Revenue, statements prepared in substantially like form and size (but in no case larger than 8 by 3½ inches) will be acceptable.

15. DUPLICATE OF STATEMENT REQUIRED

Employers must transmit to the collector a duplicate of each statement to employees (W-2) with their final return (W-1) for the fourth quarter of the calendar year. If the employer discontinues business or ceases to be an employer, he will file with his final return duplicates of all statements (W-2 and V-2).

Where the number of such duplicate statements is large, they may be forwarded in separate packages, properly identified by reference to the return. Employers with numerous establishments or payrolls should assemble the duplicates by establishment or by payroll.

16. RETURN OF INCOME TAX WITHHELD ON WAGES

Every employer required to withhold the tax on wages is required to make a return and pay such tax (see Specific Instruction 19) on or before the last day of the month following the close of each quarter of each calendar year. If the United States, a State, Territory, or political subdivision, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing is the employer, the return of the tax may be made by the officer or employee having control of the payment of wages or other officer or employee appropriately designated for that purpose.

The first return, covering tax withheld during the quarter ended September 30, 1943, must be made not later than October 31, 1943. In the case of most employers on the Victory Tax mailing lists of the collectors of internal revenue, return Form W-1 will be received through the mail. Employers not on such mailing lists, or who do not receive return forms in due course, should address the collector of internal revenue for the district, requesting Form W-1, Return of Income Tax Withheld on Wages.

17. RECONCILIATION FORM

The return of income tax withheld on wages for the fourth quarter of the year (or final return if employer discontinues business or ceases to be an employer) must be accompanied by the duplicates of all statements (W-2 and V-2) issued for tax withheld during the year, together with a reconciliation (on Form W-3) of the returns with the statements furnished employees. With Form W-3 employers should furnish a list in the form of an adding machine tape or in some other convenient form showing the items of tax withheld as reflected on Form W-2. Where the number of duplicate statements is large, they may be forwarded in a separate package, properly identified by reference to the return. In such case, Form W-3 should accompany the duplicate statements, rather than the return form.

18. LIABILITY OF EMPLOYER

Every employer required to withhold tax is made liable for the payment of the tax required to be withheld, and is relieved of liability to any other person for the amount of such payment. The amount of any tax withheld by an employer is a special fund in trust for the United States.

Any errors made by employers, either in the withholding or payment of the tax, for any quarter of the calendar year, may be corrected in any subsequent quarter of the same year.

Criminal and civil penalties are prescribed for the willful failure of any employer to furnish statements to the employee showing the information required under the Act or regulations made pursuant thereto, or for furnishing a false or fraudulent statement. The criminal penalty is a fine of not more than \$1,000, or imprisonment for not more than 1 year, or both, in addition to a civil penalty of not more than \$50 for each such failure. Employers are also subject to penalties for failure to make and file a timely return of tax withheld, and failure to pay the tax on time.

19. PAYMENT OF TAX

It will be the duty of every employer who withheld more than \$100 during the month to pay, within 10 days after the close of each calendar month, to a depository and financial agent authorized by the Secretary of the Treasury to receive deposits of withheld taxes, pursuant to section 1631 of the Internal Revenue Code as added by the Current Tax Payment Act of 1943, all funds withheld as taxes during that calendar month. (All banks insured by the Federal Deposit Insurance Corporation are eligible to qualify as depositories and financial agents.) On or before the last day of the month following the close of each quarter of each calendar year, every employer shall make a return on Form W-1 to the collector of his district, covering the aggregate amount of taxes withheld during that quarter, and attach to such return, as payment for the taxes shown thereon, receipts in the form approved by the Secretary of the Treasury, issued by the authorized depository and financial agent evidencing the payment of funds withheld as taxes; provided, however, that for taxes withheld during the last month of the quarter the employer may, at his election, in lieu of this method of payment, include with his return direct remittance to the collector for the amount of the taxes withheld during such last month of the quarter. The employer may obtain from his local bank the names and locations of the nearby depositories and financial agents authorized to receive deposits of withheld taxes. A list of the depositories and financial agents will be furnished each bank by the Federal Reserve Bank of the District.

20. FORM 1099 INFORMATION RETURNS

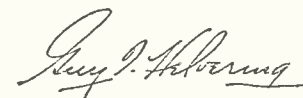
The making of information returns, Form 1099, will not be required with respect to wage payments from which the tax has been withheld, provided that duplicates of the statements (Form W-2 and Form V-2) are furnished with the last return (Form W-1) for the year.

21. OTHER RECORDS TO BE KEPT

Every employer required to withhold tax is further required to keep such records and to render under oath such statements as the Commissioner of Internal Revenue may require under regulations prescribed by him with the approval of the Secretary of the Treasury. No form of records to be maintained by the employer has been prescribed, nor is it contemplated that any particular form of record will be prescribed. Such records should be maintained, however, as will indicate the number of persons employed during the year payments to whom are subject to the withholding provisions, the periods of employment, and the amounts and dates of payment.

22. INFORMATION TO BE FURNISHED EMPLOYEES

It is desirable that employers acquaint employees fully with the provisions of the Act with respect to the withholding of income tax from wage payments. For this purpose, copies of an official notice, "Withholding of Income Tax on Wages—Notice to Employees," in poster form, are available for posting by the employers on the premises of establishments. Employers desiring such notices should address a request to the collector of internal revenue for the district stating the number of such notices desired, specifying "Withholding of Income Tax on Wages Notice WT," and such requests will be filled as early as practicable.



Commissioner of Internal Revenue.

WASHINGTON, JUNE 1943.

TABLE A-1
IF THE PAYROLL PERIOD WITH RESPECT TO AN EMPLOYEE IS WEEKLY

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Seven dependents		
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Seven dependents		
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Five dependents		
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Five dependents	Six dependents		
		The amount of tax to be withheld shall be—											
		\$0	\$10	\$1.00									
10	15	2.50	\$1.30	\$0.10									
15	20	3.50	2.30	1.10	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	
20	25	4.50	3.30	2.10	.90	.30	.30	.30	.30	.30	.30	.30	
25	30	5.50	4.30	3.10	1.90	.70	.50	.50	.50	.50	.50	.50	
30	40	7.00	5.80	4.60	3.40	2.20	1.00	.70	.70	.70	.70	.70	
40	50	9.00	7.80	6.60	5.40	4.20	3.00	1.80	1.00	1.00	1.00	1.00	
50	60	11.00	9.80	8.60	7.40	6.20	5.00	3.80	2.60	1.40	1.40	1.30	
60	70	13.00	11.80	10.60	9.40	8.20	7.00	5.80	4.60	3.40	3.40	2.20	
70	80	15.00	13.80	12.60	11.40	10.20	9.00	7.80	6.60	5.40	5.40	4.20	
80	90	17.00	15.80	14.60	13.40	12.20	11.00	9.80	8.60	7.40	7.40	6.20	
90	100	19.00	17.80	16.60	15.40	14.20	13.00	11.80	10.60	9.40	9.40	8.20	
100	110	21.00	19.80	18.60	17.40	16.20	15.00	13.80	12.60	11.40	11.40	10.20	
110	120	23.00	21.80	20.60	19.40	18.20	17.00	15.80	14.60	13.40	13.40	12.20	
120	130	25.00	23.80	22.60	21.40	20.20	19.00	17.80	16.60	15.40	15.40	14.20	
130	140	27.00	25.80	24.60	23.40	22.20	21.00	19.80	18.60	17.40	17.40	16.20	
140	150	29.00	27.80	26.60	25.40	24.20	23.00	21.80	20.60	19.40	19.40	18.20	
150	160	31.00	29.80	28.60	27.40	26.20	25.00	23.80	22.60	21.40	21.40	20.20	
160	170	33.00	31.80	30.60	29.40	28.20	27.00	25.80	24.60	23.40	23.40	22.20	
170	180	35.00	33.80	32.60	31.40	30.20	29.00	27.80	26.60	25.40	25.40	24.20	
180	190	37.00	35.80	34.60	33.40	32.20	31.00	29.80	28.60	27.40	27.40	26.20	
190	200	39.00	37.80	36.60	35.40	34.20	33.00	31.80	30.60	29.40	29.40	28.20	
\$200 or over		20% of the excess over \$200 plus											
		\$40.00	\$38.80	\$37.60	\$36.40	\$35.20	\$34.00	\$32.80	\$31.60	\$30.40	\$29.20	\$28.00	

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$1.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

The application of the above footnote, which is the same in each of Tables A-1 to A-5 (except for differences in amounts due to the varying lengths of the payroll periods) may be illustrated by the following example applicable to a weekly payroll period:

John Smith earns a wage of \$75 per week. He has filed with his employer a withholding exemption certificate claiming the full exemption allowed a married person, and showing 7 dependents. According to the formula contained in the above footnote, the employer determines that the amount to be withheld is the amount applicable in the case of 5 dependents (which is the largest number of dependents shown in the applicable sub-

heading, (4) above), namely, \$4.20, minus \$1.20 for each dependent in excess of 5. Since there are 2 dependents in excess of 5, the subtraction will be \$2.40 (2 x \$1.20), leaving \$1.80 as the tentative amount to be withheld. Under the formula, however, the employer is in no event to withhold less than 3 percent of the excess of \$12 over the median wage in the bracket in which the wages paid fall, computed to the nearest multiple of 10 cents. The median wage in the applicable bracket is \$75 (being the wage half-way between \$70 and \$80) and the excess of this median wage over \$12 is \$63. Three percent of \$63 is \$1.89, and the multiple of 10 cents nearest this amount is \$1.90. Hence, because of the minimum withholding requirement, the amount to be withheld is \$1.90, rather than \$1.80.

TABLE A-2
IF THE PAYROLL PERIOD WITH RESPECT TO AN EMPLOYEE IS BIWEEKLY

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents	Ten dependents		
		The amount of tax to be withheld shall be—											
		\$0	\$20	\$2.00									
20	30	5.00	\$2.60	\$0.20									
30	40	7.00	4.60	2.20	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	
40	50	9.00	6.60	4.20	1.80	.60	.60	.60	.60	.60	.60	.60	
50	60	11.00	8.60	6.20	3.80	1.40	.90	.90	.90	.90	.90	.90	
60	80	14.00	11.60	9.20	6.80	4.40	2.00	1.40	1.40	1.40	1.40	1.40	
80	100	18.00	15.60	13.20	10.80	8.40	6.00	3.60	2.00	2.00	2.00	2.00	
100	120	22.00	19.60	17.20	14.80	12.40	10.00	7.60	5.20	2.80	2.60	2.60	
120	140	26.00	23.60	21.20	18.80	16.40	14.00	11.60	9.20	6.80	4.40	4.40	
140	160	30.00	27.60	25.20	22.80	20.40	18.00	15.60	13.20	10.80	8.40	8.40	
160	180	34.00	31.60	29.20	26.80	24.40	22.00	19.60	17.20	14.80	12.40	12.40	
180	200	38.00	35.60	33.20	30.80	28.40	26.00	23.60	21.20	18.80	16.40	16.40	
200	220	42.00	39.60	37.20	34.80	32.40	30.00	27.60	25.20	22.80	20.40	20.40	
220	240	46.00	43.60	41.20	38.80	36.40	34.00	31.60	29.20	26.80	24.40	24.40	
240	260	50.00	47.60	45.20	42.80	40.40	38.00	35.60	33.20	30.80	28.40	28.40	
260	280	54.00	51.60	49.20	46.80	44.40	42.00	39.60	37.20	34.80	32.40	32.40	
280	300	58.00	55.60	53.20	50.80	48.40	46.00	43.60	41.20	38.80	36.40	36.40	
300	320	62.00	59.60	57.20	54.80	52.40	50.00	47.60	45.20	42.80	40.40	40.40	
320	340	66.00	63.60	61.20	58.80	56.40	54.00	51.60	49.20	46.80	44.40	44.40	
340	360	70.00	67.60	65.20	62.80	60.40	58.00	55.60	53.20	50.80	48.40	48.40	
360	380	74.00	71.60	69.20	66.80	64.40	62.00	59.60	57.20	54.80	52.40	52.40	
380	400	78.00	75.60	73.20	70.80	68.40	66.00	63.60	61.20	58.80	56.40	56.40	
\$400 or over		20% of the excess over \$400 plus											
		\$80.00	\$77.60	\$75.20	\$72.80	\$70.40	\$68.00	\$65.60	\$63.20	\$60.80	\$58.40	\$58.40	

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$2.40 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

TABLE A-3

IF THE PAYROLL PERIOD WITH RESPECT TO AN EMPLOYEE IS SEMIMONTHLY

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents	Ten dependents		
		The amount of tax to be withheld shall be—											
		\$0	\$20	\$2.00									
20	30	5.00	\$2.40										
30	40	7.00	4.40	\$1.80	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	
40	50	9.00	6.40	3.80	1.20	.60	.60	.60	.60	.60	.60	.60	
50	60	11.00	8.40	5.80	3.20	.90	.90	.90	.90	.90	.90	.90	
60	80	14.00	11.40	8.80	6.20	3.60	1.30	1.30	1.30	1.30	1.30	1.30	
80	100	18.00	15.40	12.80	10.20	7.60	5.00	2.40	1.90	1.90	1.90	1.90	
100	120	22.00	19.40	16.80	14.20	11.60	9.00	6.40	3.80	2.50	2.50	2.50	
120	140	26.00	23.40	20.80	18.20	15.60	13.00	10.40	7.80	5.20	3.10	3.10	
140	160	30.00	27.40	24.80	22.20	19.60	17.00	14.40	11.80	9.20	6.60	6.60	
160	180	34.00	31.40	28.80	26.20	23.60	21.00	18.40	15.80	13.20	10.60	10.60	
180	200	38.00	35.40	32.80	30.20	27.60	25.00	22.40	19.80	17.20	14.60	14.60	
200	220	42.00	39.40	36.80	34.20	31.60	29.00	26.40	23.80	21.20	18.60	18.60	
220	240	46.00	43.40	40.80	38.20	35.60	33.00	30.40	27.80	25.20	22.60	22.60	
240	260	50.00	47.40	44.80	42.20	39.60	37.00	34.40	31.80	29.20	26.60	26.60	
260	280	54.00	51.40	48.80	46.20	43.60	41.00	38.40	35.80	33.20	30.60	30.60	
280	300	58.00	55.40	52.80	50.20	47.60	45.00	42.40	39.80	37.20	34.60	34.60	
300	320	62.00	59.40	56.80	54.20	51.60	49.00	46.40	43.80	41.20	38.60	38.60	
320	340	66.00	63.40	60.80	58.20	55.60	53.00	50.40	47.80	45.20	42.60	42.60	
340	360	70.00	67.40	64.80	62.20	59.60	57.00	54.40	51.80	49.20	46.60	46.60	
360	380	74.00	71.40	68.80	66.20	63.60	61.00	58.40	55.80	53.20	50.60	50.60	
380	400	78.00	75.40	72.80	70.20	67.60	65.00	62.40	59.80	57.20	54.60	54.60	
\$400 or over-----		20% of the excess over \$400 plus											
		\$80.00	\$77.40	\$74.80	\$72.20	\$69.60	\$67.00	\$64.40	\$61.80	\$59.20	\$56.60	\$56.60	

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$2.60 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$26, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

TABLE A-4
IF THE PAYROLL PERIOD WITH RESPECT TO AN EMPLOYEE IS MONTHLY

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has--										
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents	
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has--										
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents			
		Or, (3) such person is a single person and has--										
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents			
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has--										
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents					
		Or, (5) such person is head of a family and has--										
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents					
		The amount of tax to be withheld shall be--										
		\$0	\$40	\$4.00								
40	50	9.60	\$3.80									
50	60	11.00	5.80	\$0.60	\$3.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	
60	70	13.00	7.80	2.60	.40	.40	.40	.40	.40	.40	.40	
70	80	15.00	9.80	4.60	.70	.70	.70	.70	.70	.70	.70	
80	100	18.00	12.80	7.60	2.40	1.10	1.10	1.10	1.10	1.10	1.10	
100	120	22.00	16.80	11.60	6.40	1.70	1.70	1.70	1.70	1.70	1.70	
120	140	26.00	20.80	15.60	10.40	5.20	2.30	2.30	2.30	2.30	2.30	
140	160	32.00	24.80	19.60	14.40	9.20	4.00	2.90	2.90	2.90	2.90	
160	200	36.00	30.80	25.60	20.40	15.20	10.00	4.80	3.80	3.80	3.80	
200	240	44.00	38.80	33.60	28.40	23.20	18.00	12.80	7.60	5.00	5.00	
240	280	52.00	46.80	41.60	36.40	31.20	26.00	20.80	15.60	10.40	6.20	
280	320	60.00	54.80	49.60	44.40	39.20	34.00	28.80	23.60	18.40	13.20	
320	360	68.00	62.80	57.60	52.40	47.20	42.00	36.80	31.60	26.40	21.20	
360	400	76.00	70.80	65.60	60.40	55.20	50.00	44.80	39.60	34.40	29.20	
400	440	84.00	78.80	73.60	68.40	63.20	58.00	52.80	47.60	42.40	37.20	
440	480	92.00	86.80	81.60	76.40	71.20	66.00	60.80	55.60	50.40	45.20	
480	520	100.00	94.80	89.60	84.40	79.20	74.00	68.80	63.60	58.40	53.20	
520	560	108.00	102.80	97.60	92.40	87.20	82.00	76.80	71.60	66.40	61.20	
560	600	116.00	110.80	105.60	100.40	95.20	90.00	84.80	79.60	74.40	69.20	
600	640	124.00	118.80	113.60	108.40	103.20	98.00	92.80	87.60	82.40	77.20	
640	680	132.00	126.80	121.60	116.40	111.20	106.00	100.80	95.60	90.40	85.20	
680	720	140.00	134.80	129.60	124.40	119.20	114.00	108.80	103.60	98.40	93.20	
720	760	148.00	142.80	137.60	132.40	127.20	122.00	116.80	111.60	106.40	101.20	
760	800	156.00	150.80	145.60	140.40	135.20	130.00	124.80	119.60	114.40	109.20	
\$300 or over		20% of the excess over \$800 plus										
		\$160.00	\$154.80	\$149.60	\$144.40	\$139.20	\$134.00	\$128.80	\$123.60	\$118.40	\$113.20	

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$5.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

TABLE A-5

IF THE PAYROLL PERIOD WITH RESPECT TO AN EMPLOYEE IS A DAILY PAYROLL PERIOD OR A MISCELLANEOUS PAYROLL PERIOD

And the wages divided by the number of days in such period are—		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents						
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period											
		\$0	\$1	\$0.10									
1	2	.30	\$0.15										
2	3	.50	.35	\$0.15									
3	4	.70	.55	.35	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05		
4	5	.90	.75	.55	.40	.20	.10	.10	.10	.10	.10		
5	6	1.10	.95	.75	.60	.40	.25	.10	.10	.10	.10		
6	7	1.30	1.15	.95	.80	.60	.45	.30	.15	.15	.15		
7	8	1.50	1.35	1.15	1.00	.80	.65	.50	.30	.15	.15		
8	9	1.70	1.55	1.35	1.20	1.00	.85	.70	.50	.35	.20		
9	10	1.90	1.75	1.55	1.40	1.20	1.05	.90	.70	.55	.35		
10	12	2.20	2.05	1.85	1.70	1.50	1.35	1.20	1.00	.85	.65		
12	14	2.60	2.45	2.25	2.10	1.90	1.75	1.60	1.40	1.25	1.05		
14	16	3.00	2.85	2.65	2.50	2.30	2.15	2.00	1.80	1.65	1.45		
16	18	3.40	3.25	3.05	2.90	2.70	2.55	2.40	2.20	2.05	1.85		
18	20	3.80	3.65	3.45	3.30	3.10	2.95	2.80	2.60	2.45	2.25		
20	22	4.20	4.05	3.85	3.70	3.50	3.35	3.20	3.00	2.85	2.65		
22	24	4.60	4.45	4.25	4.10	3.90	3.75	3.60	3.40	3.25	3.05		
24	26	5.00	4.85	4.65	4.50	4.30	4.15	4.00	3.80	3.65	3.45		
26	28	5.40	5.25	5.05	4.90	4.70	4.55	4.40	4.20	4.05	3.85		
28	30	5.80	5.65	5.45	5.30	5.10	4.95	4.80	4.60	4.45	4.25		
\$30 or over		20% of the excess over \$30 plus											
		\$6.00	\$5.85	\$5.65	\$5.50	\$5.30	\$5.15	\$5.00	\$4.80	\$4.65	\$4.45		

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$0.15 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05 to the nearest multiple of \$0.05.

HOW TO USE TABLE B

Employers who use the wage bracket withholding method (Tables A-1 to A-5) for determining the amount of tax to be withheld do not need to refer to the following Table B.

For the convenience of employers who do not elect to use the wage bracket withholding table, there has been constructed a table which shows the lowest amounts of wages by family status and payroll periods at which the family status withholding exemption and the 20 percent rate apply. For wages below these amounts, the Victory Tax withholding exemption and the 3 percent rate apply.

Example:

If the payroll period is weekly, all wage payments of \$33.18 and over are subject to the family status withholding exemption and the 20 percent rate for—

Married persons claiming no personal exemption (Item I (1) of Form W-4) with five dependents.

Married persons claiming half of the exemption (Item I (2) of Form W-4) with three dependents.

Single persons (Item I (3) of Form W-4) with three dependents.

Married persons claiming all the exemption (Item I (4) of Form W-4) with one dependent.

Heads of family (Item I (5) of Form W-4) with two dependents.

If the weekly wage payments are less than \$33.18 for these classes, the payments are subject to the 3 percent tax on the excess of wages over the weekly Victory Tax withholding exemption of \$12.00.

Thus, it will be observed that before computing the tax to be withheld it is possible through the use of the following Table B to divide the wage accounts as between those subject to 20 percent on the amount in excess of the family status withholding exemption and those subject to 3 percent on the amount in excess of the Victory Tax withholding exemption.

TABLE B

20 PERCENT OF WAGES IN EXCESS OF FAMILY STATUS WITHHOLDING EXEMPTION IS APPLICABLE FOR WAGES EQUAL TO OR IN EXCESS OF THE AMOUNTS SHOWN. 3 PERCENT OF WAGES IN EXCESS OF VICTORY TAX EXEMPTION IS APPLICABLE FOR WAGES LESS THAN THE AMOUNTS SHOWN.

If the payroll period with respect to an employee is—	And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—									
	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents		
	Or, (3) such person is a single person and has—									
	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents		
	Or, (4) such person is a married person claiming all of personal exemption for withholding and has—									
	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents				
	Or, (5) such person is head of a family and has—									
	No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents				
Weekly.....	0	0	0	\$19.06	\$26.12	\$33.18	\$40.24	\$47.29	\$54.35	\$61.41
Biweekly.....	0	0	0	38.12	52.24	66.35	80.47	94.59	108.71	122.82
Semimonthly.....	0	0	0	41.29	56.59	71.88	87.18	102.47	117.76	133.06
Monthly.....	0	0	0	82.59	113.18	143.76	174.35	204.94	235.53	266.12
Quarterly.....	0	0	0	247.77	339.53	431.30	523.06	614.82	706.59	798.35
Semiannual.....	0	0	0	495.53	679.06	862.59	1,046.12	1,229.65	1,413.18	1,596.71
Annual.....	0	0	0	991.06	1,358.12	1,725.18	2,092.24	2,459.29	2,826.35	3,193.41
Daily or miscellaneous (per day of such period).....	0	0	0	2.70	3.70	4.70	5.70	6.70	7.70	8.70



THE SECRETARY OF THE TREASURY
WASHINGTON

June 4, 1943.

TO THE EMPLOYERS OF THE UNITED STATES:

At this time when the method of collecting the Federal Income Tax is undergoing such a complete change, many of your employees will not understand the new system. In spite of the very widespread discussion of the withholding feature, many of them will wonder and may ask why their pay is "short."

A simple leaflet in their pay envelopes may be helpful. Here is a sample explanation which, if you care to do so, you can print and enclose in the pay envelope from which the tax is first withheld.

PAY-AS-YOU-GO INCOME TAX

The new "Pay-As-You-Go" income tax law became effective July 1, 1943. It requires your employer to withhold a certain proportion of your pay. This amount is not a new tax, but is in payment of your regular Federal Income and Victory Tax.

Beginning with the pay you are receiving today your employer has withheld this tax from your wage. Therefore, you have now begun to pay your regular Income and Victory Tax as you earn the income subject to that tax.

The money withheld is not kept by your employer, but is turned over to the United States Treasury. It is *your* money, and stands to your credit as a *prepayment* of your Federal Income and Victory Tax.

After the close of the year your employer will give you a receipt showing exactly how much of your money has gone to the United States Treasury toward the payment of your taxes. Keep that receipt. It is your evidence of tax paid.

Any Federal income tax payments you made during the first two quarters of this year (March 15th and June 15th) stand to your credit as payment on *this* year's income tax.

With the beginning of withholding some of your employees may be inclined to offset their apparent loss of income by reducing their regular subscription to War Savings Bonds. It is vitally important that every effort be made to maintain or even increase the present rate of War Bond purchases. I will appreciate anything you can do to help.

I believe that any additional burden placed upon you as an employer or upon us at the Treasury will be more than offset by the benefits to be derived. Let me thank you in advance for your assistance, and assure you that we will do everything possible to promote the smooth operation of this new Income Tax machinery.

Sincerely yours,

Henry Morgenthau Jr.

Secretary of the Treasury.

TAX BULLETIN

DECEMBER 24, 1943 * * * * * No. 3

1760 N St., N. W. NATIONAL ASSOCIATION OF BROADCASTERS Wash. 6, D. C.

TAX EFFECTS UPON COMPULSORY SALES OR EXCHANGES OF PROPERTY

In view of the recent order of the Federal Communications Commission respecting multiple ownership the following provisions in the 1943 Revenue Bill will be of special interest to those who may be affected by this order.

The Senate version of the pending Bill contains a section intended to mitigate the tax effects of compulsory sales or exchanges of property. This section reads as follows:

“SEC. 116. Gain From Sale or Exchange of Property Pursuant to Orders of Federal Communications Commission.

“(a) In General.—Section 112 is amended by adding at the end thereof a new subsection as follows:

“(m) Gain From Sale or Exchange Pursuant to Orders of Federal Communications Commission.—The sale or exchange of property required by the Federal Communications Commission by order or as a condition to the granting of any application for a construction permit, for the transfer of control, or for the assignment or renewal of any license, shall, if the taxpayer elects to have the benefits of this section, be treated as an involuntary conversion of such property subject to subsection (f)¹ and the part of the gain, if any, which is recognized after the application of such subsection shall nevertheless not be recognized to the extent that it is applied to reduce the basis for determining loss upon sale or exchange of property, of a character subject to the allowance for depreciation under section 23(1), remaining in the hands of the taxpayer immediately after the sale or exchange, or acquired in the same taxable year. The manner and amount of such reduction shall be determined under regulations prescribed by the Commissioner with the approval of the Secretary. The election of the taxpayer to have the benefits of this subsection shall be made by a statement to that effect in his return for the taxable year in which the sale or exchange takes place (or, with respect to taxable years beginning before January 1, 1944, by a statement to that effect filed within six months after the effective date of the Revenue Act of 1943 in such

¹(f) Involuntary Conversions.—If property (as a result of its destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation, or the threat or imminence thereof) is compulsorily or involuntarily converted into property similar or related in service or use to the property so converted, or into money which is forthwith in good faith, under regulations prescribed by the Commissioner with the approval of the Secretary, expended in the acquisition of other property similar or related in service or use to the property so converted, or in the acquisition of control of a corporation owning such other property, or in the establishment of a replacement fund, no gain shall be recognized, but loss shall be recognized. If any part of the money is not so expended, the gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether such money is received in one or more taxable years and regardless of whether or not the money which is not so expended constitutes gain).

manner and form as may be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary) and such election shall be binding for all subsequent taxable years.’

“(b) Taxable Years to Which Applicable.—The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1942.”

The Senate Finance Committee Report contains the following paragraphs explanatory of the proposed provision:

General Statement (Page 23 of the Report)

“In line with its policy of separating joint ownership of competing radio stations the Federal Communications Commission may order the sale of certain radio properties and in such a sale the companies may realize a capital gain. In involuntary conversions, the gain is not taxable if the proceeds of the sale are used in the purchase of similar property or in the establishment of a replacement fund. Due to wartime restrictions, the purchase of new radio property may be difficult. However, the bill treats such sales as involuntary conversions at the taxpayer’s election. There may be situations where the taxpayer is unable to convert the proceeds of the sale into related properties. Therefore, the bill also contains an additional relief provision, under which the capital gain will not, at the taxpayer’s election, be subject to taxation in the year of sale, to the extent that the basis of the remaining depreciable property in the hands of the taxpayer is reduced by the amount of the gain from the sale.”

Detailed Discussion (Pages 53 and 54 of the Report)

“The Federal Communications Commission, in pursuance of the policy of eliminating common ownership of directly competing radio facilities, may condition applications for renewal of licenses or other applications upon the elimination of such common control and disposition of some of the facilities or property. This section [116], for which there is no corresponding provision in the House bill, provides that a sale or exchange of property required by order of the Commission or required as a condition of granting certain applications shall at the election of the taxpayer be treated as an involuntary conversion of property. The taxpayer may thus elect to have the benefits of section 112(f). If the property is converted into property similar or related in service or the entire proceeds forthwith expended in the acquisition of such property or in the establishment of a proper replacement fund, no gain is recognized.

communications have been classified as an essential war activity."

COAST TO COAST SERVICE

Philco is attacking the wartime radio service job on a nation-wide basis, following long and careful experimentation.

Test shops were set up in several cities with service experts and distributors working together to develop a streamlined plan to make best use of existing facilities and materials. This wartime radio service is already operative in Albany and Philadelphia. The New York distributor is ready to swing into action and Newark is expecting to be operating soon thereafter.

The first phase of the job is to get the wartime radio service plan operating in all Philco distributor cities. From these points the movement will fan out, during the second phase, to cover the balance of the country.

Backed by the same vigorous promotion that has characterized Philco's efforts from the beginning, this should not take long.

CONGRATULATE NEAREST DISTRIBUTOR

All men in the manufacturing, distributing and service end of the radio business realize and appreciate how much broadcasters have contributed to the war effort. So welcome these Philco distributors, listed below, as partners in your work. "Radio Reaches People" only when somebody executes plans for keeping home sets working.

Congratulations are in order and every broadcaster should find time, during the next few days, to tell his nearest Philco distributor how much he welcomes his assistance.

Philco Distributors

ALABAMA

Watts-Newsome Co.,
1705 First Ave., N.,
Birmingham, Ala.

Walther Bros., Inc.,
115 Commerce St.,
Montgomery, Ala.

Allen & Jemison Co.,
P. O. Box 440,
Tuscaloosa, Ala.

ARIZONA

Electrical Equipment Co.,
424 N. Central Ave.,
Phoenix, Arizona.

ARKANSAS

Bush-Caldwell Company,
121 Main St.,
Little Rock, Ark.

CALIFORNIA

Devlin & Drew Co.,
718 F Street,
Fresno, Calif.

Listenwalter & Gough,
1163 Pine Ave.,
Long Beach, Calif.

Listenwalter & Gough,
819 E. First St.,
Los Angeles, Calif.

Standard Electric Co.,
131 W. Ash St.,
San Diego, Calif.

Thompson & Holmes,
Att: C. Sharrah,
2701 16th St.,
San Francisco, Calif.

Listenwalter & Gough,
318 State Street,
Santa Barbara, Calif.

COLORADO

Radio & Appliance Dist.,
1708 16th St., Box 5552,
Denver, Colo.

CONNECTICUT

Roskin Distributors, Inc.,
48-50 Winthrop St.,
Hartford, Conn.

DELAWARE

Garrett-Miller Co.,
4th & Orange Sts.,
Wilmington, Del.

FLORIDA

Bent Distributing Co.,
114 Park Street,
Jacksonville, Fla.

FLORIDA—Continued

Electric Sales & Service,
1550 N. E. 2nd St.,
Miami, Fla.

Pensacola Appliance Co.,
16 E. Garden St.,
Pensacola, Fla.

L & L Distributors,
3703 Nebraska Ave.,
Tampa, Fla.

GEORGIA

Ferrell Wight Co.,
421 Washington St., N.,
Albany, Ga.

Brown Dist. Co.,
731 Glenn St., S.W.,
Atlanta, Ga.

G. T. Tuten,
420 W. Broughton St.,
Savannah, Ga.

ILLINOIS

Philco Dists., Inc.,
3335 West 47th St.,
Chicago, Ill.

Linn & Scruggs Co.,
N. Maine & Prairie Ave.,
Decatur, Ill.

Williams, Inc.,
800 S. Adams St.,
Peoria, Ill.

Merkel Bros. Hdwe. Co.,
1711 Broadway,
Quincy, Ill.

Schmiers Radio Shop,
Rock Island, Ill.

INDIANA

Radio Equipment Company, Inc.,
1219-25 N. Meridian St.,
Indianapolis, Ind.

Radio Equipment Co.—So. Bend,
738 S. Michigan St.,
South Bend, Ind.

IOWA

John H. Ewinger & Son,
214 N. Main St.,
Burlington, Iowa.

IOWA—Continued

Willey's,
106 E. Second St.,
Davenport, Iowa.

The Roycraft-Iowa Co.,
1326 Walnut St.,
Des Moines, Iowa.

Beardsley-McMullen Co.,
601 Pierce Street,
Sioux City, Iowa.

KANSAS

Pioneer Hardware & Music Co.,
Burlington, Kans.

Pioneer Music Co.,
Chanute, Kans.

Loyal Distributors,
815 E. Second St.,
Wichita, Kans.

KENTUCKY

McComb Supply Company,
Harlan, Ky.

Sterling Hdwe. Co., Inc.,
Hazard, Ky.

Electric Appliance Dist. of Ky.,
1601 So. First Street,
Louisville, Ky.

LOUISIANA

Butcher Bros. Wholesale,
111 West Main St.,
Lafayette, La.

Walther Bros., Inc.,
722 Howard St.,
New Orleans, La.

Ark-La-Tex Wholesale Co.,
1307 Marshall Street,
Shreveport, La.

MAINE

Utterback-Gleason Co.,
44 Broad St.,
Bangor, Maine.

Philco Wholesalers, Inc.,
919 Congress St.,
Portland, Maine.

MARYLAND

Jos. M. Zamoiski Co.,
1st Floor—Sonnenborn Bldg.,
110 S. Paca St.,
Baltimore, Md.

MASSACHUSETTS

J. H. Burke Co.,
674 Commonwealth Ave.,
Boston, Mass.

MICHIGAN

Philco Distributors, Inc.,
1627 W. Fort St.,
Detroit, Mich.

Northern Automotive Supply Co.,
813 Genesee St.,
Saginaw, Mich.

MINNESOTA

The Roycraft Co.,
1625 Hennepin Ave.,
Minneapolis, Minn.

Larson Company,
Thief River Falls, Minn.

MISSISSIPPI

Cabell Electric Co.,
422 S. Farrish St.,
Jackson, Miss.

MISSOURI

Mardick Tire & Appliance Co.,
3rd & Virginia,
Joplin, Mo.

Federal Distributing Co.,
1717 Walnut St.,
Kansas City, Mo.

Artophone Corp. of St. Louis,
4200 Forest Park Blvd.,
St. Louis, Mo.

MONTANA

Ellis Paint Co.,
64 W. Park Ave.,
Butte, Mont.

Farm & Home Appliance Co.,
609 Main St.,
Miles City, Mont.

NEBRASKA

Gaston Music Co.,
2220 Central Ave.,
Kearney, Nebr.

H. C. Noll Co.,
2226 Harney Street,
Omaha, Nebr.

NEVADA

H. E. Saviers & Son, Inc.,
Wholesale Department,
P. O. Box #1329,
Reno, Nev.

NEW JERSEY

United Tire Stores Co.,
537 S. Broad St.,
Trenton, N. J.

NEW YORK

Empire State Dist.,
300 Central Ave.,
Albany N. Y.

Broome Dist. Co., Inc.,
221-225 Washington St.,
Binghamton, N. Y.

W. Bergman Company, Inc.,
Oak & Eagle Streets,
Buffalo, N. Y.

Roskin Bros., Inc.,
27 W. Main St.,
Middletown, N. Y.

Philco Distributors, Inc.,
New York Div.,
373 Fourth Ave.,
New York, N. Y.

M. P. Myers Co., Inc.,
Plattsburg, N. Y.

Beaucaire, Inc.,
228-230 Broadway,
Rochester, N. Y.

Broome Dist. Co., Inc.,
912 Erie Blvd., E.,
Syracuse, N. Y.

NORTH CAROLINA

A. K. Sutton, Inc.,
1023 W. Morehead St.,
Charlotte, N. C.

Hunter Brothers, Inc.,
467-469 Hay St.,
Fayetteville, N. C.

James T. Little,
Carolina Sales Corporation,
Greenville, N. C.

Buck's Distributing Co.,
12 Dock St.,
Wilmington, N. C.

C. R. Williams Radio Co.,
211 S. Liberty St.,
Winston-Salem, N. C.

NORTH DAKOTA

Northern Radio & Appliance Co.,
 Fargo, N. Dak.

Mandan Electric Supply Co.,
 110 E. Main St.,
 Mandan, N. Dak.

Maytag Electric Store,
 Minot, N. Dak.

OHIO

The Tri-State Dist. Corp.,
 212 E. Eighth Street,
 Cincinnati, Ohio.

Strong-Carlisle & Hammond Co.,
 1394 W. Third St.,
 Cleveland, Ohio.

Bennett Radio Co., Inc.,
 211 N. Fourth St.,
 Columbus, Ohio.

Philco Distributors, Inc.,
 335 Woodruff St.,
 Toledo, Ohio.

Appliance Wholesalers, Inc.,
 809 Market St.,
 Youngstown, Ohio.

OKLAHOMA

Southwest Radio & Equipment Co.,
 1-3 W. 10th Street,
 Oklahoma City, Okla.

OREGON

Appliance Wholesalers of Oregon,
 123 N. E. Third Ave.,
 Portland, Ore.

PENNSYLVANIA

Luckenbach & Johnson, Inc.,
 1034 Chestnut St.,
 Allentown, Pa.

Radio & Motor Service, Inc.,
 800 Chestnut St.,
 Altoona, Pa.

Young Brothers,
 418 E. 21st St.,
 Erie, Pa.

Eshelman Supply Co.,
 110 N. Water St.,
 Lancaster, Pa.

PENNSYLVANIA—Continued

Philco Dists., Inc.,
 1717 Sansom St.,
 Philadelphia, Pa.

C. R. Rogers Co.,
 5434 Penn St.,
 Pittsburgh, Pa.

Biehl's, Inc.,
 500 S. Center St.,
 Pottsville, Pa.

B. O. R. Radio Co.,
 217 Chestnut St.,
 Reading, Pa.

Electric Appliance Distribs.,
 163 Market St.,
 Williamsport, Pa.

RHODE ISLAND

Simons Distributing Company,
 17 Lyman Street,
 Providence, R. I.

TENNESSEE

Radio Sales Company,
 531 Broad St.,
 Chattanooga, Tenn.

Bomar Appliance Co.,
 Broadway at Jackson,
 Knoxville, Tenn.

Orgill Bros. & Co.,
 32 W. Calhoun,
 Memphis, Tenn.

McWhorter Weaver & Co.,
 178-180 Second Ave.,
 Nashville, Tenn.

TEXAS

Adleta Company,
 1900 Cedar Springs,
 Dallas, Texas.

Momsen-Dunnegan-yan Co.,
 800 E. Overland,
 El Paso, Texas,

The Mathes Co.,
 306 Calhoun St.,
 Fort Worth, Texas.

Crumpacker Distributing Corp.,
 36 N. Hamilton St.,
 Houston, Texas.

Taylor Dist. Co.,
 P. O. Box 1300,
 San Antonio, Texas.

UTAH

Strevell-Paterson Hdwe.,
 126 S. W. Temple St.,
 Salt Lake City, Utah.

VERMONT

Vermont Appliance Co.,
 190 Bank St.,
 Burlington, Vt.

VIRGINIA

Piedmont Hardware Co.,
 Danville, Va.

Commonwealth Sales Corp.,
 1601 Summit Ave.,
 Richmond, Va.

WASHINGTON

Appliance Wholesalers,
 Boren & Republican Sts.,
 Seattle, Wash.

Tull & Gibbs,
 705 First Ave.,
 Spokane, Wash.

WEST VIRGINIA

Bluefield Supply Co.,
 23-32 Bluefield Ave.,
 Bluefield, W. Va.

Van Zandt Supply Co.,
 P. O. Box 760,
 Huntington, W. Va.

WISCONSIN

Radio Specialty Co.,
 829 N. Broadway,
 Milwaukee, Wis.

WYOMING

Casper Supply Co.,
 444 S. Center St.,
 Casper, Wyo.

WAR BULLETIN

MARCH 19, 1943

No. 14

1760 N St., N.W. NATIONAL ASSOCIATION OF BROADCASTERS

Wash., D. C.

Radio Day To Launch 2nd War Loan, April 12

Radio's pre-eminent position as the greatest force for molding public opinion speedily and effectively has been certified by the request of the United States Government that the radio industry on April 12, reach the people with the message that, on that day, the Treasury Department is launching the greatest single money-raising campaign in the history of the world.

A telegram from Secretary Morgenthau (see page 2) already has gone to every radio station asking that, on April 12, the entire broadcasting day be devoted to telling the people of the urgency for making a success of the 2nd War Loan to raise thirteen billion dollars in Government securities.

This plan to give radio the most important and effective "day" in its history to launch successfully the greatest single money-raising campaign in history, so that our Government will be able to finance successfully the greatest war in history, has met with the complete approval and support of the Office of War Information.

In making its request to radio stations to devote the entire broadcasting day of April 12, to launch the 2nd War Loan, the Treasury emphasized the following important points:

Radio Day is a cooperative not a competitive effort. There are no quotas, and amounts raised by radio stations during this "day" will not be publicized.

Such campaigns have been conducted in the past by individual radio stations, with tremendous success, due to the radio stations' own ingenuity and resourcefulness.

In the past, radio stations have achieved tremendous sales of Government Bonds by working in cooperation with each other, banks, retail stores, Army Camps, Naval Stations, Marine Bases, war industries, theaters, local personalities, etc. In addition to such tie-ups on Radio Day, radio stations of course are urged to build special events and special programs and use existing commercial and sustaining programs.

The Treasury Department is sending all stations a special half-hour deluxe Treasury

MORGENTHAU TELEGRAM OF MARCH 17

TO ALL RADIO STATIONS

THE UNITED STATES TREASURY ON APRIL TWELVE WILL LAUNCH THE GREATEST SINGLE MONEY-RAISING CAMPAIGN IN THE WORLD'S HISTORY TO BE KNOWN AS THE SECOND WAR LOAN. FOR A PERIOD OF APPROXIMATELY THREE WEEKS THE TREASURY WILL CONDUCT A DRIVE TO SELL THIRTEEN BILLION DOLLARS OF GOVERNMENT SECURITIES.

IN ORDER TO START OFF THIS GIGANTIC CAMPAIGN ALL FOUR NETWORKS WILL DEVOTE THE ENTIRE DAY OF APRIL TWELVE TO A ROUND THE CLOCK SELLING DRIVE ON SUSTAINING AND COMMERCIAL PROGRAMS. SINCE SIMILAR EFFORTS BY INDIVIDUAL STATIONS IN THE PAST HAVE BEEN CONDUCTED WITH TREMENDOUS SUCCESS WE HOPE THAT BOTH NETWORK AFFILIATES AND INDEPENDENTS WILL COOPERATE TO MAKE THIS A TWENTY-FOUR HOUR EFFORT. QUOTAS AND AMOUNTS RAISED BY STATIONS WILL NOT BE PUBLICIZED AS THIS IS A COOPERATIVE, NOT A COMPETITIVE EFFORT.

PLANS FOR PROMOTING THIS DRIVE HAVE BEEN DEVELOPED WITH THE HELP OF THE OFFICE OF WAR INFORMATION WHICH WILL ALSO APPRECIATE YOUR COOPERATION. AS WE HAVE SPECIAL MATERIAL WHICH WILL BE OF INTEREST TO STATIONS IN THE OPENING DAY'S PROMOTION WE WOULD APPRECIATE HEARING FROM YOU BY COLLECT WIRE IF YOU WILL COOPERATE. ALSO PLEASE SEND US BY FAST MAIL ANY TENTATIVE PLANS YOU MAY HAVE.

WE EXTEND OUR SINCERE THANKS AND DEEP APPRECIATION TO YOU AND THE ENTIRE RADIO INDUSTRY.

HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY

DWB
WR/sg

Star Parade program for use on April 12. Live copy, on the 2nd War Loan, will be included in the OWI station announcement plan package as substitute announcements for other OWI messages on April 12. The Office of War Information also will send a copy-fact sheet on the 2nd War Loan to all stations. The stations also will receive editions of the War Finance Committee News, with suggestions for promoting the sale of Government Bonds.

The editors of the War Finance Committee News are banking on the stations themselves to send in these suggestions so that the best of them may be circulated to the entire industry for the best possible results. In

RADIO ONE OF WORLD'S FINEST WEAPONS

America now possesses the world's finest weapons and among these must be classed radio.

The radio industry can lead the way in the Second War Loan, by telling the people how necessary it is to the successful prosecution of this war . . . that they lend every possible dollar to the Government by buying War Bonds and other Government securities.

/S/ ELMER DAVIS
Director of Office
of War Information

view of the short time before the opening of the 2nd War Loan of course it is imperative that the radio stations send in their suggestions immediately.

Following are some suggestions with which radio stations achieved great success in past Bond-selling campaigns and which are applicable for use in launching the 2nd War Loan on April 12, and throughout the campaign.

State-wide or city-wide inaugural broadcasts by Governor or Mayor.

Local or state broadcast by president of Federal Reserve Bank and/or War Savings Staff State Administrator.

Local broadcasts by bank presidents and other leading businessmen.

Broadcasts of local civic club luncheons and meetings, such as Chamber of Commerce, Kiwanis, Rotary Club, American Legion, etc., with special 2nd War Loan speakers.

One or more local news cut-ins from Federal Reserve Bank, or other appropriate points, for announcement of last-minute sales figures of 2nd War Loan securities.

Local hero or heroes day program, with program's emphasis on using every possible dollar for buying 2nd War Loan securities, on April 12, in honor of that hero or those heroes.

Women's rallies, with WAAC, WAVE, SPAR, WIRE, MARINES, as speakers.

Labor-management rallies, with prominent labor and management leaders as speakers.

YOU WILL NOT FAIL

Once again, as so many times before, you are called upon to be of service to our people. We the Government are embarking on April 12, on a Second War Loan to raise thirteen billion dollars. The success of this Second War Loan will depend, to a great extent, on the intimate contact between the radio industry and the people of America. I know you will not fail to do your utmost.

*/S/ CLARENCE F. LEA
Chairman, Committee on Interstate
and Foreign Commerce.*

Programs featuring Americans born in foreign lands and/or of foreign descent.

Swing-shift pickups from war plants.

Programs featuring appearances by visiting celebrities . . . or local radio or theater personalities . . . would solicit sales at retail stores, public gatherings and points of interest throughout the community.

Program during which station's leading announcer or personality would "build" a piece of military equipment, such as a bomber, warship, etc., through phone orders to or direct sales at the station. The sales figures would be announced regularly as the piece of military equipment progresses toward completion.

Special program or programs from the stage of the local theater or theaters, following or preceding the theater's regular show. During the special program, the performers and/or artists would do a special bond-selling stunt which would be broadcast.

Direct sales program from a local night club or hotel dine-and-dance room, leading up to total sales, during program, at program's point of origin.

Bond rally during athletic event in local Armory, Coliseum or school gymnasium.

Broadcast(s) from local hospital(s) with convalescing service men—this copy to be prepared in advance and cleared as required with Army and/or Navy.

Broadcast(s) featuring members of children's groups, such as 4-H, Girl Scouts, Boy Scouts, to report the part children are playing in the 2nd War Loan.

Of course, as in the offices of local radio stations, plans are brewing right now in the offices of all four networks—Blue Network, Columbia Broadcasting System, Mutual Broadcasting System and National Broadcasting Company—for all-day promotion and sale of Government Bonds on April 12. More than one of the networks is planning tentatively on using a topnotch star—or stars—in a round-the-clock stunt in behalf of the sale of these Government securities. Such a performance would be modelled on Kate Smith's all-day effort on CBS and Charles Laughton's all-day effort on NBC. As is known, during this all-day effort, Kate Smith raised \$2,013,000.00 in War Bonds and Charles Laughton raised over \$300,000.00 in War Bonds, and the Blue Network in "Bond Night on the Blue," in a seven hour drive, amassed the total of over \$11,000,000.00 in War Bonds. In this connection it should be emphasized that War Bonds are 2nd War Loan Bonds.

The slogan of the 2nd War Loan is "They Give Their Lives, You Lend Your Money." The theme of the 2nd War Loan boils down to one sentence: Back up the men in the armed forces.

Expanded, the theme of "Back up the men in the armed forces" amounts to the following:

The 2nd War Loan to raise thirteen billion dollars through the sale of Government Bonds (War Bonds and other Government securities) is one of the most important battles in which we of the home front are engaged. The success of this 2nd War Loan will have a great bearing on the success of our armies in the field. Remember, our armies are made up of our sons and brothers and husbands and friends. We cannot let them down!

The way to go over the top in the battle of the 2nd War Loan is to put every penny not needed for the essentials of living into the Government securities of the 2nd War Loan. There are Bonds to fit every need and every purse.

This is an all-out drive to help finance total war—involving self-denial and sacrifice. Our enemies will not stop at anything. We must go all-out with our dollars (from our paychecks *and* from our pockets) as well as with everything else in order to beat them . . . to preserve our liberties, our individual freedom, our lives! Hammer home the thought—this is not a 10%, not a 15%, not even a 20% war. This is a total war!

RADIO'S GREATEST RESPONSIBILITY

You are now called upon to shoulder one of the greatest responsibilities of your history—that of aiding the United States Treasury Department in raising \$13,000,000,000 between April 12 and May 1.

*/S/ James Lawrence Fly, Chairman,
Federal Communications Commission*

One method of emphasizing how necessary it is for every person to invest more . . . no matter how much he or she is investing in War Bonds . . . is to compare the costs of war preparation, fighting on the defensive, to the higher costs of a war of the offensive which we must undertake in order to win complete victory. And we are moving toward the offensive on the battlefield!

Americans on the homefront must match the sacrifices of Americans on the battlefield. Put this in terms of fighting the enemy at home as well as abroad. War is not cheap. The President has asked for one hundred and nine billion dollars this year to fight the war. Every man, woman and child must pay a share of this war cost. Dollars are the least we can do. Should we be more tender with our dollars than with the lives of our sons . . . our brothers . . . our husbands?

Stress that the 2nd War Loan is a voluntary effort . . . a symbol of American democracy. Its success or failure will reflect on the efficiency of the American people, their faith in their Government, their value of Freedom!

Last Minute Flash!

**322 STATIONS REPLIED "YES" TO SECRETARY
MORGENTHAU'S WIRE WITHIN 24 HOURS**

TREASURY COUNTS ON RADIO!

American broadcasters have proved they can do an outstanding job, and the United States Treasury now asks that the radio industry help lead the way in a total effort toward making a success of the Second War Loan.

/S/ HENRY MORGENTHAU, JR.
Secretary of the Treasury.

RADIO'S FINANCIAL MOBILIZATION

Radio has helped to weld the people of America into one great united force. Each and every radio station can add to this distinction, now, by helping to mobilize America's financial resources. These resources are urgently needed by our Government to fight and win the war.

/S/ NEVILLE MILLER, President
National Association of Broadcasters.

AND IN CONCLUSION!

Radio Day

- I. *REASON*—To launch 2nd War Loan.
- II. *2ND WAR LOAN GOAL*—\$13,000,000,000 in approximately 3 weeks beginning April 12.
- III. *TIME*—Around the clock full broadcasting day April 12.
- IV. *QUOTAS*—There are *no* quotas, no reports. Radio Day is a cooperative not a competitive effort.
- V. *WHAT YOU CAN DO*—
 - a. Work out promotion plans with other station managers of your city or state.
 - b. *Commercial cooperation* — Ask local sponsors to participate in Radio Day, and work out special promotions with promotion departments.
 - c. *Special events*—Tie-ups with War Industries, Army Camps, theatres, etc.
 - d. *Talent*—Cut into programs throughout the day either for direct sales or general promotion of the 2nd War Loan. Staff and guest talent.
 - e. *Existing programs*—Use existing sustaining programs for sales and promotion.

VI. SUGGESTIONS FOR VOLUNTEER ASSISTANCE—

- a. AWVS
- b. American Legion

- c. Civic Clubs
- d. Boy Scouts
- e. Girl Scouts

VII. HOW TO HANDLE SALES—

- a. Directly, if you are an issuing agent.
- b. Through a tie-up with a local bank, using remote broadcast through the day from the bank.
- c. Through a tie-up with a local department store which is an issuing agent originating broadcast from this point.
- d. Through tie-ups with local theatres, that are issuing agents, originating broadcast directly from the theatre through the day.
- e. Through tie-ups with hotels and other points on remote broadcasts such as dance bands.

VIII. WAYS FOR LISTENERS TO BUY BONDS—

- a. If possible by going direct to the radio station or other points designated by the station to buy bonds in person.
- b. Telephone orders (try to arrange sufficient lines and instruments to handle telephone calls. Kate Smith at WJSV in Washington used 25 instruments and 25 incoming lines each of which was connected with one telephone number and manned by AWVS).
- c. By mail, stipulating that orders should be post-marked before midnight of April 12.