

Coming — A Program Pool?

Some Suggestions for a Method of Solving This Problem, which Has Vexed the Entire Radio Industry Since the Beginning

By Charles Magee Adams

FINANCING is still one of broadcasting's major unsolved problems. This statement doubtless comes as somewhat of a surprise to most listeners, and for reasons altogether understandable. Technical developments, the evolution of programs, and the frequency-allocation difficulty have absorbed popular attention to the virtual exclusion of financing; and, even when this has been thought of by those at the loud speaker, the comforting assurance that nearly 700 stations are managing to meet their operating expenses "somehow or other" has served to allay concern.

Nevertheless, the fact remains that financing is not only one of the really grave problems confronting broadcasting, but the one perhaps farthest from permanent solution (with special emphasis on *permanent*, since a history of the subject down to the present day discloses a succession of merely partial and makeshift solutions.)

A MODEST BEGINNING

When broadcasting came into being back in 1921, it was assumed that its then trifling cost would be met by listeners through the purchase of receiving equipment from the radio manufacturers supplying programs—an arrangement which seemed admirable. It was practicable because the handful of pioneer stations were owned by the few radio manufacturers of that day. It was painless, as compared with the license fee

system adopted in Europe, since the cost was levied indirectly; and fair in that the cost borne by each listener was roughly pro-

SOME years ago an eminent electrical scientist, Dr. Benjamin Franklin, assured his associates that, if they did not all hang together, they would assuredly hang separately. A prospect of this kind for radio producers seems to be envisaged by the writer of this article, who is an impartial observer of long experience in the radio field. It is his belief that a close union of the radio industry, for the purpose of supporting broadcasting in better style, is quite feasible and the next logical step. We shall be glad to learn the mental reactions of our readers, not only those in the industry and engaged in broadcasting, but also those on the outside, merely listening in.—EDITOR.

portional to the amount of reception. But the plan had hardly been outlined before it was complicated—not to say upset—by the entrance of numerous non-radio interests into the field of broadcasting.

This invasion was a welcome one, to be sure. What was needed just then to popularize radio was more broadcasting, regardless of who supplied it. The financing of

the newcomers' operations, too, was along sound lines. In return for their broadcasting they secured the good will of the audience. But the result, on the support of broadcasting as a whole, was to put it on a composite, and more or less confused, basis. Radio manufacturers continued to recoup their outlay for broadcasting through the sale of receiving equipment, while the non-radio interests depended on good will.

Then, while these two dissimilar plans were engaged in adjusting themselves to each other, came still a third complication—advertising.

THE COMMERCIAL PROGRAM

Again the results justified the innovation, for the moment. The cost of operating stations had been mounting so rapidly that owners were receptive to any expedient which offered partial relief from the increasing burden. Many interests, both radio and non-radio, which did not own stations, wished to secure good will through broadcasting; and the additional revenues from commercial programs, which were the result, played no small part in the subsequent development of the art. Once more, how-



It must be remembered that the cost of operating a modern station, of even 5000 watts, is in the neighborhood of \$100,000

a year; and that only some 30 hours a week are available for sale, to defray the mounting expenses of continuous operation.

ever, the effect on broadcasting's financial basis was still greater confusion—continuing down to the present day.

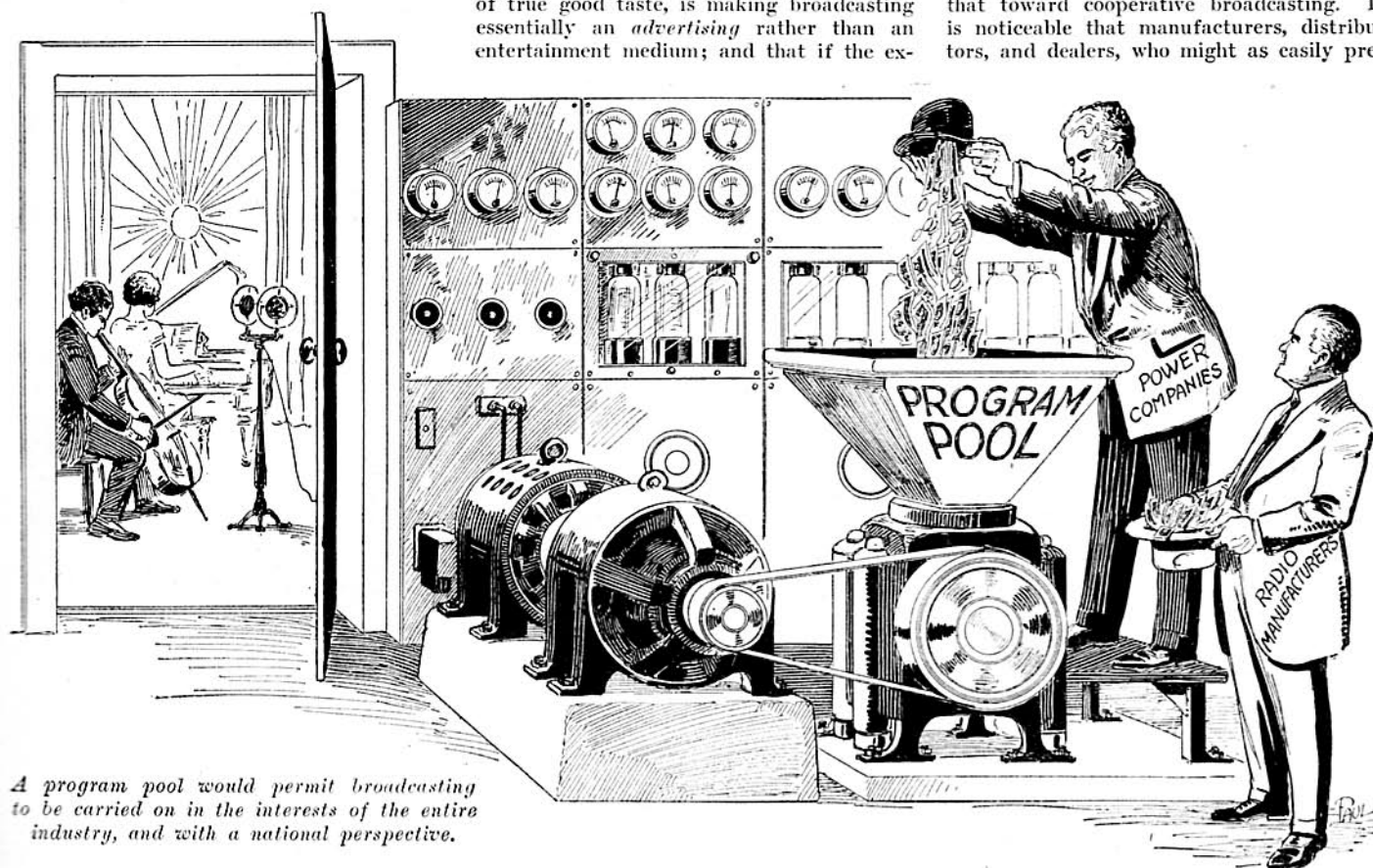
A survey of the field as things now stand reveals the following situation: a few stations are owned by radio manufacturers, who finance their operation wholly by the sale of receiving equipment; a few are operated by non-radio interests, recouping their entire outlay through good will secured by programs; and an overwhelming majority of them are owned by both radio and non-radio

members that the cost of operating a modern station of even 5,000 watts is in the neighborhood of \$100,000 a year, exclusive of artists fees, and that only some 30 hours a week are available for sale.

So it is obvious that the commercial program, now relied on most heavily, has not only failed as a solution of broadcasting's financial problem, but offers little, if any, hope for further relief. Listeners are remarking that the predominance of the sponsored feature, even in its present quantities, and when it is kept within the bounds of true good taste, is making broadcasting essentially an *advertising* rather than an entertainment medium; and that if the ex-

To non-radio interests, broadcasting is at best merely a publicity medium; valuable, to be sure, but only as such. Curtailment or even suspension of the service could easily be compensated by increased use of some other medium. To radio interests, on the other hand, broadcasting is their life-blood. Without it there can be no radio industry, and even its curtailment carries a serious threat. Hence the increasing efforts of radio interests to build up broadcasting.

This explains the second current trend—that toward cooperative broadcasting. It is noticeable that manufacturers, distributors, and dealers, who might as easily pre-



A program pool would permit broadcasting to be carried on in the interests of the entire industry, and with a national perspective.

interests, financing themselves in part by the sale of receiving equipment or through good will, and in part by the sale of time on the air to other interests, radio and non-radio. This involved and haphazard arrangement seems to be succeeding in spite of its manifest lack of definite policy or coherence.

"Seems" deserves all the emphasis that can be given it. It is assumed by most listeners that the development of the commercial program in particular has virtually solved the problem of financing broadcasting. Accounts of the impressive sums paid for time on the air suggest that stations reap not only a handsome revenue, but a comfortable profit from this source. But the facts are quite to the contrary.

NOT A BONANZA

A man, whose long experience and intimate contact with broadcasting from the inside make his statements carry the weight of authority, informs the writer that, far from showing a profit, even those stations which sell a maximum of their time on the air still operate at a loss. Further, and more significant, there is the fact that the National Broadcasting Company, the largest and most successful agency for commercial program dissemination, shows an annual deficit of more than \$2,000,000; and this is not difficult to grasp when it is re-

pansion of this advertising plan continues radio will lose much of its appeal to the public. Advertisers, too, are indicating that the rates charged for time on the air are already all the traffic can profitably bear.

The situation today accordingly is this: only the few largest radio and non-radio interests are strong enough to supply modern broadcasting single-handed, and further development of the commercial program as a means of distributing the burden seems inadvisable; which would make it appear that the present haphazard method of financing can scarcely be relied on to carry the increasing load the future will inevitably bring to broadcasting.

At the same time, analysis discloses certain trends which, if they follow their indicated course, may well develop a sound and permanently satisfactory solution of the difficulty.

BROADCASTING VITAL TO RADIO

First—even a cursory survey reveals that, of all the diverse industries now engaged in national and near-national broadcasting, the radio industry leads by a comfortable margin; also that there has been a steady increase in the amount of such broadcasting, particularly by manufacturers, distributors, and even dealers employing single stations; and the reasons are not far to seek.

sent small individual programs, are finding it to their common advantage to furnish more pretentious features under the auspices of their trade bodies. The same idea, further developed, also appears in the proposal for national programs provided by national trade associations of the industry. This may infuse new life into the suggestion of a comprehensive program pool, made some four or five years ago.

At the time it was brought forward, this plan contemplated the general financing of broadcasting through a common fund collected from all the varied interests benefitting from broadcasting. It failed to progress beyond the status of a suggestion for several reasons.

The component interests of the industry were too far apart to make such a high order of cooperation practicable at that time; and other methods of financing—notably the commercial program, just then developing—held out promise of a solution along different lines. But in view of the failure of these methods, and more especially in the light of the two trends just noted, there now seems ample justification for reconsidering the possibilities of the pooling plan; the more because of still another development—the Radio Corporation's licensing policy. (Continued on page 1262)

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made at pick-up points, such as Roxy's Theatre, The Capitol, etc., from which programs are regularly broadcast. For example, in the former theatre, as many as twelve microphones, scattered about the stage, footlights and in the orchestra pit, are sometimes used. These microphones are connected to a microphone mixing panel, where the output of each pick-up can be regulated. This is necessary for several reasons. In the first place, let us suppose that the full orchestra is accompanying a singer, and that it is desired to broadcast the combination. In the majority of cases the musical accompaniment almost drowns out the singer's voice; but when this is broadcast the output of the microphones in the orchestra pit is toned down so that the accompanying music takes its rightful place, in the background of the singer's voice. Thus, we actually hear better results over the radio than if we were sitting in the theatre.

This theatre has also a studio from which

various programs are broadcast, and it is a simple matter to switch on the microphone in the studio instead of those on and about the stage. Instruments similar to those previously described for picking up a program from some remote point are permanently installed. They are the same, with the exception of the microphone mixing panel, which is more complicated, as there are more microphones to adjust.

When a program is put on the air from one of the station's studios in the central building, the steps taken are almost identical, the only exception being that one less amplifier and operator are required. The operator controlling the volume output from the studio is situated in a room adjoining the studio, and he can observe everything that occurs therein. The output from this amplifier goes to the switchboard room where it is routed to the transmitter at Bellmore, L. I., and any other stations that are putting on the same program.

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CAN THEY GET TOGETHER?

Ignoring its commercial implications, and taking into account only the fact that the Radio Corporation is the chief owner of the National Broadcasting Co., this arrangement can be properly, if narrowly, viewed as a substantial step toward the ultimate creation of a plan under which all manufacturers would contribute to a common pool for the financing of broadcasting; and hence of one by means of which the listener would pay for programs indirectly through the purchase of receiving equipment.

As to the practical factors involved in putting such a scheme into operation, the first necessity is, obviously, that it include all those interests which profit directly from broadcasting; not only the manufacturers of receivers and such accessories as tubes, loud speakers, parts, power devices, batteries and cabinets, but also the electrical utilities (since it is well known that they enjoy augmented revenues from the growing use of power-operated receivers) together with the telephone interests, whose lines are employed in chain hookups. At first glance this would seem to present insurmountable obstacles, but closer inspection reveals that such should not be the case.

There are already national trade associations representing most of the groups affected. The Radio Manufacturers Association, the radio division of The National Electrical Manufacturers Association, and The National Electric Light Association, to mention only a few. Representing the stations, there is also the National Association of Broadcasters. So the setting up of suitable machinery, which would serve as a common medium for all, would seem to depend only on the desire of these various groups to cooperate, one which has already been demonstrated in convincing fashion. (Once the plan were well launched, too, practical pressure would virtually force in any "slackers.")

The matter of payment offers somewhat more involved difficulties. In the case of manufacturers, this could, of course, be prorated on the basis of sales; while for such

interests as the utilities it might better be estimated. Allowance, too, should be granted those radio interests which maintain stations. But the spirit of cooperation again could well be relied on to iron out the details.

OPERATING METHODS

As to operation, whether the pool should take over stations or merely supply the bulk of programs, after the manner of the chains, presents a nice question for discussion. It would seem desirable that stations, particularly of the better sort, should be permitted some latitude for individual efforts; also that the pool's facilities be made available to non-radio organizations for programs whose quantity and character are compatible with the best interests of broadcasting. There are, too, a number of broadcasters who would, no doubt, prefer to operate independently of the pool. Once more, however, these details offer no difficulties which could not be solved.

Now as to what such a pool offers:

First: it would cause the listener to pay for programs; the very obviousness of that should not obscure its desirability. There is no doubt that leaders of the industry and fair-minded fans have agreed from the beginning that this is precisely as it should be.

Our European cousins have taken the straight line toward payment by the listener, through the licensing system previously referred to, but such an arrangement can never be put into successful operation in the United States, because of the traditional resentment at anything suggesting direct taxation. Accordingly, the fact that a pool would permit the listener to pay, and *indirectly*, should constitute the most telling argument in its favor.

WHO IS SHIRKING?

Second: the proportional cost would probably be no greater than, if as large as that of the present system. For example, on the basis of \$500,000,000 gross sales (the volume approximated by the industry during

1927) an amount as small as 2% would yield \$10,000,000, which should go far toward paying for national broadcasting of a high order. As compared with this, it is known that some commercial broadcasters spend as much as 4% for their programs, and in addition—a third point—many of those who benefit directly from broadcasting now pay nothing toward its cost.

A moment's survey of the present situation within the industry will disclose that some of the largest, and a multitude of the smaller manufacturers, supply no broadcasting, yet reap nearly as much benefit from that furnished by others as do those paying the bills. This is obviously unfair, but, as things stand, cannot be corrected. With a comprehensive program pool in operation, however, (and, as suggested, practical pressure should make it comprehensive), each manufacturer would pay toward the total cost in proportion to the benefit derived.

Fourth: a pool of the type outlined would have the highly-desirable effect of placing broadcasting under the practical control of radio interests. Not the least grotesque phase of the present situation is the fact that a large majority of the stations are owned by non-radio interests. It is true that many of these are among the best stations on the air. But it is also true that those which are generally conceded to be contributing least, if anything, to broadcasting are, with few exceptions, owned by non-radio interests. And, as pointed out previously, broadcasting is at best of only incidental value to non-radio interests: while to the radio industry it is the thing which makes existence itself possible.

Accordingly, it is most advantageous—if not imperative—that the radio industry have as nearly complete control as possible over broadcasting; and, with a pool acting as a medium for the provision and supervision of programs, this end could be attained in a practical way, even without disturbing the ownership of stations.

Fifth: a pool would permit broadcasting to be carried on in the interests of the entire industry, and with a national perspective.

LACK OF SYSTEM

Laudable and noteworthy as have been the contributions of many manufacturers in the way of broadcast programs, it is nevertheless clear that their efforts have been inspired more by self-interest than by desire to advance the interests of the industry as a whole. This is a state of mind human enough, but one which has not made

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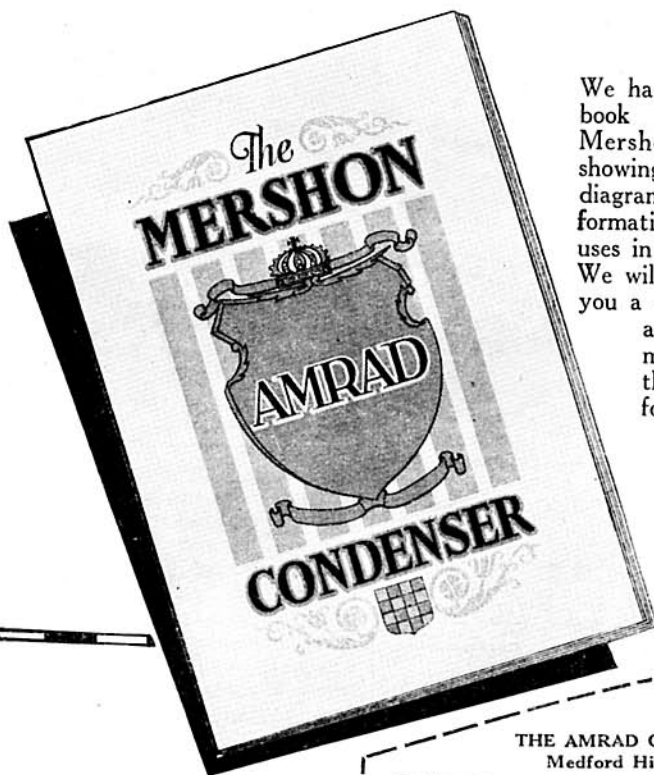
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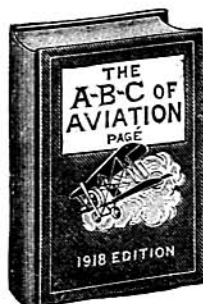
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for maximum progress, because of the obvious losses introduced by competition and duplication of effort.

Similarly, the industry has suffered on account of the lack of not only a definite national broadcasting policy, but a single agency charged with the responsibility of providing broadcasting on a national scale. One result of this has been the existence of more than twice the number of stations compatible with efficient service; another, the surfeit of broadcasting in some sections and its woeful dearth in others; a third, the general unevenness of program quality and quantity the country over.

Conceivably, the Federal Radio Commission may remedy some of these serious shortcomings, but by no means all. Had a properly-organized pool been created in 1924 or '25, there would have been no need

for such a governmental agency, no such formidable situation as now confronts broadcasting; and were a pool formed even today, there is ample reason to believe that it could do more to solve the existing tangle than any official body, since the problem is essentially one for broadcasting itself to work out.

This then is, in brief, the case for a program pool. The case against it is, as has been suggested, essentially the desire for individual rather than group action. How long this will continue strong enough to maintain the present illogical and confused conditions, remains to be seen. But certainly there is sufficient justification for anticipating that too long a time may not elapse before broadcasting will adopt some such comprehensive and logical plan for financing and directing itself. Portentous signs are already in the radio sky.

Radio Polices A Western City

(Continued from page 1223)

matically. Similarly, the operator may turn to the Morse key, which is also on his desk, and flash the lamp signal; though this flashes all red lamps on all cars. By the selective method, with the button keyboard, however, he may attract the attention of any one or a number of patrolmen.

Having flashed this call signal, the operator may instruct the patrolman by other flashes on the red lamps, or he may wait one-half minute for adjustment of phones, and then begin speaking through one or the other of the microphones at headquarters. He thus will reach all the patrolmen through the loud speaker and the one for whom the "silent message" is intended, through his phones.

The giving of directions and orders is thus made virtually instantaneous. In case of a robbery or other crime, in an outlying part of the city, the patrolman on that beat, and others on immediately-adjacent beats, can be sent to the scene of the crime; while other patrolmen are shifted to cover the beats vacated by the men concentrated at one point. When a crime is committed in the business or industrial district, all the patrolmen can be called in if necessary, or the crime squad can be shifted from its patrol to the scene of the crime.

On at least two occasions, this radio system has been used successfully in apprehending criminals by sending one squad of officers to the scene, and throwing a second squad in behind them to close all possible avenues of escape. Fires, either in the residential district or in the center of Berkeley, have been policed in considerably less than one-quarter of the time formerly required to throw a cordon of patrolmen around the blazing structure. Patrolmen have arrived at scenes of robberies while the earth was still settling into the footprints left by the robbers—an efficiency impossible of attainment prior to the establishment of the radio system of communication with officers on patrol.

Before this time, Berkeley has had a system of controlling patrolmen by means of flashing red lamps, hung at street intersections at the center of each beat. These were connected by wire with the

central stations, and signals would be flashed over them with great rapidity; but still considerable delay was experienced, because of their ineffectiveness at times when patrolmen were driving away from the light, when they were watching houses or persons out of sight of the light, and in similar exigencies. Much time was wasted while the patrolman was driving to the nearest telephone box, even if he saw the light promptly; and during getting into and out of the car, and so on. Now the officer in charge can communicate instantly with the patrolman, start him on his way, and continue to give him instructions while he is speeding to the point at which his services are required.

So efficient has this radio control proved that Chief Vollmer has ordered a large high-speed car, capable of carrying five men, rifles and a machine gun, and equipped with both receiving and sending sets. This car will be on constant patrol, especially at night, and will be at all times in immediate and continued communication with police headquarters. It will be able to report back to the central station from scenes of crime, and thus quickly give details of the escape of criminals and the direction of their flight, their descriptions, and similar necessary information. It will be delivered sometime in 1928, and will have power enough to maintain a speed of 75 miles an hour.

ALSO A STATIC ELIMINATOR

Recently an ad appeared in the local paper as follows: "Send us one dollar and we will tell you how to reduce your radio upkeep 100%."

Having dutifully forwarded our dollar, we received the following: "Don't use your set."—H. N. Webster.

A TELEVISUAL TRAGEDY

A listener living at *Belvoir
For an artiste caught love-smitten felvoir;
But her image he spied,
Seized a hammer and cried
"Base vocal decelvoir!" and smashed his
recelvoir!

—Arthur Wolfendale (England)

* Pronounced Beaver.