

# TOUGH BUILDING 3

MUST HAVE 8  
TOWNS MINIMUM

Attempts to Date  
Sought to Exploit  
Isolated Affiliates of  
ing Networks—  
Backing of High F  
Would Be Deemed  
midable Threat

In 1933, there was much talk in the radio industry about starting a third network to compete with the National Broadcasting Company (its Red and Blue networks were not always separate) and the Columbia Broadcasting System. Many affiliates were not happy with the networks' heavy-handed policies (particularly NBC's).

But previous attempts at a third network had been dismal, with most covering small markets that big advertisers had no use for, and telephone line charges eating up what little money advertisers would pay. The trade had a name for them: "liquor and laxative networks."

Comedian Ed Wynn's short-lived Amalgamated Broadcasting System had been a disaster in the fall of 1933; and although former NBC vice president George McClelland was trying to put together a network of stations to share their programming, it was generally thought that only a *very* well-financed group would be able to make a go of a third network.

Meanwhile, ties were quietly growing between four stations - independents WOR, WGN and WXYZ, and NBC affiliate WLW. In Detroit, WXYZ was having amazing success with its thrice-weekly western adventure, "The Lone Ranger." Sponsored by the Gordon Baking Company for Silvercup Bread, it quickly expanded to the eight-station Michigan Network and, in December 1933, to Chicago via WGN.

Calling itself the "Quality Group," WOR, WGN and WLW linked occasionally for commercial broadcasts sponsored by, among others, Cal-Asprin and Pebecco Toothpaste. But it grew from there: in March 1934, WGN and WOR

even exchanged free air time to air a weekly 30 minute program plugging each other's station.

Each station was exploring its options - especially WGN. Talks were held between the Chicago Tribune outlet and the new Amalgamated Broadcasting System, but WGN turned down an affiliation, saying, "The only thing WGN can be interested in from a chain standpoint is an additional sustaining program and a few commercial programs of exceptional quality."

The "Quality" stations - particularly WOR and WGN - could be a potent combination, and some station representatives offered to install permanent lines between them for only one hour of commercial time. But the stations turned down any proposal where an outsider would control any of their air time. Their feeling was that if anybody was going to control the WOR-WGN wires, they'd do it themselves.

**VARIETY**

**Tuesday, July 31, 1934**

---

## **CO-OP NETWORK UNDER DISCUSSION WOULD EMBRACE WGN, WLW, WOR, WXYZ**

In July 1934, *Variety* reported the four stations were talking about forming their own network, and gave credit for the plan to WGN. Such a tieup had several advantages. It would allow advertisers lacking national distribution to choose stations that hit markets where their products were sold. Stations would be paid their full rate card minus operating expenses, a switch on the system where the network sold the station's time, with the station getting \$25 or \$50 in return. Plus, they would be able to choose which programs to put on the air.

But the prime drawing card for the new network would be the reputation of the stations themselves, and the markets they covered. It would be the first co-operative network to cover the nation's largest markets.

Meetings between the stations were held through the summer, and culminated with the official formation of the Quality Group on September 25, 1934. Under the setup, WOR, WGN, and WLW would serve as basic outlets, with WXYZ as a "supplemental" outlet. As WGN's W. E. Macfarlane explained to *Broadcasting*:

"Through this new organization we will endeavor to make suitable time arrangements for advertisers seeking to broadcast in important markets through the use of a few stations having high power and a vast listening audience...

"Each station will remain independent and make its own decision in accepting programs. Each station will receive its card rates for the time less agency commission making no additional charge to the advertiser for transmission lines. Thus we believe, we have established a truly mutual agreement between a group of independently owned stations."

While it was a co-operative setup, WGN and WOR controlled the stock - and, essentially, the direction of the network.

The Quality Group signed on Sunday, September 30, 1934 at 11:30 a.m. with Jacob Tarshish as the "Timely Philosopher," a half-hour on WOR, WLW and WGN sponsored by Wasey Products (Primrose Cosmetics, Dr. Edwards Olive Tablets). Tarshish had been on WLW when the sponsor heard and liked him, and signed on after Tarshish had moved to WOR broadcasting as "The Lamplighter." (For the record, *Variety* found Tarshish "monotonous and dull," and described his program as "a scow-full of slush.")

The next night, Horlick's Malted Milk sponsored "Lum and Abner" as a 9:30 p.m. Monday-thru-Friday quarter-hour feature on all four stations (*Variety*: "All in all, it's fairly clever stuff."). Pure Oil Company bought WOR, WGN and WLW for the "Pure Oil Show," a quarter-hour Mondays and Wednesdays at 9 p.m. The "Musical Memory Book" was the network's fourth program. A half-hour starting October 19 and airing Friday nights at 9 p.m. for Baume Ben-Gay on all four stations plus WCAE Pittsburgh, it was contracted before the decision to form the network was made. (*Variety*: "The production is exceptionally smooth in every department.").

(Although it was not an official network offering at the beginning, "The Lone Ranger" aired on all four stations, and was on the web's schedule by the end

of 1934. Eventually, it would be Mutual's showcase program, heard three times a week at 7:30 p.m.)

The "Mutual" name was officially adopted on October 6, but not without some rancor: WGN preferred "Mutual Group," while WOR wanted to stick with "Quality Group." (On the first "Lum and Abner" broadcast, the billing tried to please all sides: "A presentation of the Quality Broadcast Group, which has come to you through the facilities of the Mutual Broadcasting System.")

WLW didn't care one way or the other about the name, perhaps because there was doubt whether it would join the new group. WLW was the NBC station in Cincinnati, and for several years a major thorn in NBC's side, frequently sparring with the network over program clearances and compensation. With the formation of the Quality Group, NBC officials forced a showdown with WLW, insisting on an exclusive affiliation. At first wary of breaking ties with the established network (and losing \$500-thousand a year of NBC money), WLW somehow managed to keep its dual network status.

MBS' true build-up started toward the end of October 1934 with the airing of a regular sustaining, or non-commercial, schedule for the Wayne King and Jan Garber orchestras, three times weekly. It was aimed at impressing the "Mutual" name on the public, and to establish MBS as a regular broadcasting network in the full sense of the word, and not a hook-up for purely sponsorship angles.

By mid-January 1935, Mutual's four member stations were set. WOR, WGN, WLW and WXYZ met in Chicago to sign a four-way agreement that bound them for two years. They voted for establishing permanent telephone lines between them at an annual cost of \$210,000, divided between them. The lines were two-way, permitting any station to feed to any of the others.

Mutual aired 6½ hours of commercial programs each week. In addition, each station would be responsible for producing one hour of sustaining (non-commercial) programs each day. (The network perhaps explained their setup best in a 1940 letter to affiliates: "Mutual does not originate programs, but merely makes available to members and affiliates programs originated by other members and affiliates.")

Ironically, Mutual started life with no intentions of becoming a national network. Mutual was determined to keep the network to a maximum of eight stations, in order to get the widest coverage with the fewest stations. Advertisers could add more stations on their own through their own lines.

But Mutual was clearly looking to grow. How the new network eventually did that clearly annoyed its two rivals - and even one of its founding members.

---

Some information on this page came from various issues of *Broadcasting and Variety*.

Text copyright © 2009 [Kenneth I. Johannessen](#).

No challenges to logo, sound or image copyrights are either inferred or implied.