

FM: RADIO'S PROBLEM CHILD

By JOHN TEBBEL

WITH its usual high-minded intentions, the Federal Communications Commission in a recent ruling has raised anew the unresolved problem of what to do about radio's troublesome stepchild, FM broadcasting. Unfortunately, it has, at the same time, precipitated a controversy not calculated to enhance the Commission's popularity with the broadcasting industry.

On its face, the ruling appears innocuous enough. It proposes that by August 13, 1965, every AM-FM station in cities of more than 100,000 must program separately at least 50 per cent of the material on its FM outlet, rather than the duplicated simultaneous AM-FM broadcasting that is now the rule on nearly all stations. The reasoning behind the ruling is that AM and FM constitute two separate facilities, and therefore it is both wasteful and illogical to permit them to broadcast the same program material.

But the intent goes deeper. The FCC means, first of all, to increase the number of radio voices within a given market. If, for example, a market is currently served by twenty AM-FM stations, the new ruling will in effect double the area's voices.

Obviously it will be expensive for an AM-FM station to develop separate programming on its FM channel, even at a 50 per cent figure, and when it has done so, what the FCC intends to do next—it couched the warning in the reassuring rhetoric of "long-range goal"—is to separate FM from AM ownership. After they have gone to the expense of developing separate programming, so the station owners fear, when license renewal time comes around the FCC may transfer into other, competitive hands the FM station they have built as the result of the ruling. Moreover, there is nothing to prevent the Commission from taking a further step and separating TV station ownership from either or both AM and FM, in cases where all three are owned by the same group.

Embedded in this controversy is the basic question of what FM's position in the broadcasting industry ought to be, as opposed to what it actually is, and what it may become. Here the listener's viewpoint and the industry's diverge.

For the listener, FM (frequency modulation) is distinguished from AM (amplitude modulation) by two broad

characteristics—the quality of its signal, and its freedom from static caused by weather or local interference. To the country dweller, FM means clear transmission in summer storms and, during all seasons, unwavering signal strength at night, when the AM signal fades in and out. To owners of high-fidelity components, it also means sound of much better quality, because the FM signal transmits a wider spectrum.

YET FM is not an unmixed blessing. For one thing, its signal range is limited by the horizon and is increasingly uncertain at the outer limits. In the city, FM signals are likely to be received better in a building than they are in the open, particularly in a moving car, where they may be blacked out or at least interfered with from time to time by intervening structures, or those reflections of signals which cause the familiar "ghosts" on television. As for the high quality of FM sound, it can be no better than the tuners and amplifiers that capture it and the speakers that reproduce it. Consequently, such phrases as "stereo sound" or "high-fidelity FM sound" are meaningless when they are applied to small AM-FM radios or to any set not capable of reproducing the full range of sound. True high-fidelity equipment will reproduce from 20,000 to 25,000 cycles per second. The average commercial set is capable of no more than 8,000. All that glitters in the sales pitch as "high-fi" and "stereo" is not FM gold.

Perhaps even more fundamental is the attitude of the public toward FM broadcasting. Given the above facts, it clearly means nothing to most radio listeners whether they are getting their transmission in FM or not. Radio programming is divided, for the most part, among rock-'n'-roll or country music, "wall-to-wall" background music, and endless talk, all of which sounds much

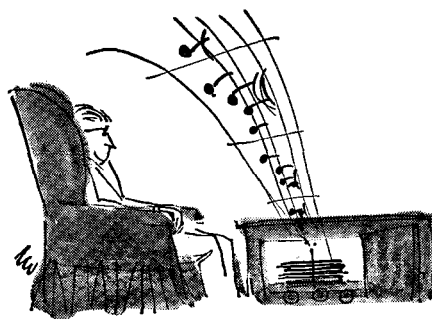
the same on FM as it does on AM. Static-free transmission is the only advantage. The small percentage remaining is devoted to the output of the "good music" stations, which a relatively minor portion of the total audience believes is the chief reason for FM's existence. Through recordings primarily, FM has brought serious music to a larger and more devoted audience than ever before, with the best available quality of sound and—since the recent addition of FM stereo multiplexing—with the added illusion of reality.

This intellectual approach to FM has little standing with the industry. One of the few exceptions is Station WABC, in New York, which programs its rock-'n'-roll simultaneously on AM and FM except for six splendid evening hours between 6 P.M. and midnight, prime time by any measurement, when the FM band broadcasts only serious music. Once a week it even does live stereo, with its own string-quartet, the only New York station to do so.

BUT broadcasting is a business and the industry looks upon good music stations as the comparative low-income producers they are. The only important fact about programming, from the usual management standpoint, is how much time can be sold to advertisers. Serious music broadcasting suffers from two disadvantages. The first is that not many people hear it, and thus the size of its market is limited; the second is that the musical selections are too long, compared with the two or three minutes of a pop record, and thus it is not possible to insert as many commercials in an hour's program. Station owners would not be at all reluctant to insert commercials between movements of a symphony or a concerto if they were compelled to go into serious music programming on a larger scale, but the need is not likely to arise, at least soon.

Those who think the FCC's new ruling forecasts an improvement in the direction of better music, or more intellectual shows, are barking up the wrong antenna. What it means is more of the same of whatever the station is now broadcasting, except that for 50 per cent of the time it will not be broadcast simultaneously by AM and FM. Thus the FCC's new voices will not provide diversity of content, but only a multiplication of outlets.

And this will not be accomplished



without some anguish and potential danger for the stations. For example, if the ruling were extended to stations in communities below 100,000, the expense of new FM programming would be enough to put a small station out of business. Paradoxically, the diversity that the FCC seeks is most prevalent in cities over 100,000; it is needed most in the smaller towns, where the financial risk is greatest.

THERE is also, ironically, the possibility that good music programming will be hurt by the ruling. The advertisers who have been enabling many of these "quality" stations to show a modest profit in recent years may be compelled to stretch their dollars farther over an enlarged FM market, thus weakening and perhaps even eliminating some marginal operations. The greatest danger may well be to the small FM-only stations, which perform most of the good music transmission. Any substantial loss of advertising in this segment of the industry would be disastrous. (On the other hand, of course, all FM stations may benefit by getting a larger proportion of a larger audience.)

It would be unfortunate if FM were not to benefit ultimately by the FCC's cautious stretching toward unclearly defined horizons, because the industry's problem child has had a difficult time of it ever since Major Armstrong brought it on the scene. For years it was no more than a novelty, or the toy of the hi-fi bugs. Then, a relatively short time ago,

it began to move under the stimulation of such pushers as the WQXR Network, the Concert Network, and the university and other educational stations, not to forget Pacifica's nonprofit ventures. FM has grown remarkably during the past decade, has created its own audience, at least in the intellectual sense, and has succeeded in fighting off those who would have abandoned it, changed it, or severely curtailed it. The FCC has been ambivalent in its attitude toward FM; the big commercial broadcasters have not played a major part in its development; and most of the listening public has either been indifferent to or ignorant of it.

Estimates of FM's future appear to depend on who is doing the estimating. Last year broadcasting circles were agitated by a study emanating from the Harvard Business School purporting to show that FM was growing so rapidly that it would catch up with and surpass AM radio in all revenues by the early 1970s. By 1973, according to this projection, FM radio revenue would reach \$374,000,000, compared with AM's \$500,000,000, and a year later would go ahead.

WHILE the report was produced by a Harvard expert, it was not an official study by the Business School. Its impetus came from the National Association of FM Broadcasters, hardly an impartial sponsor. The results of a later study in thirty-five markets by Pulse, a media research organization, have never been

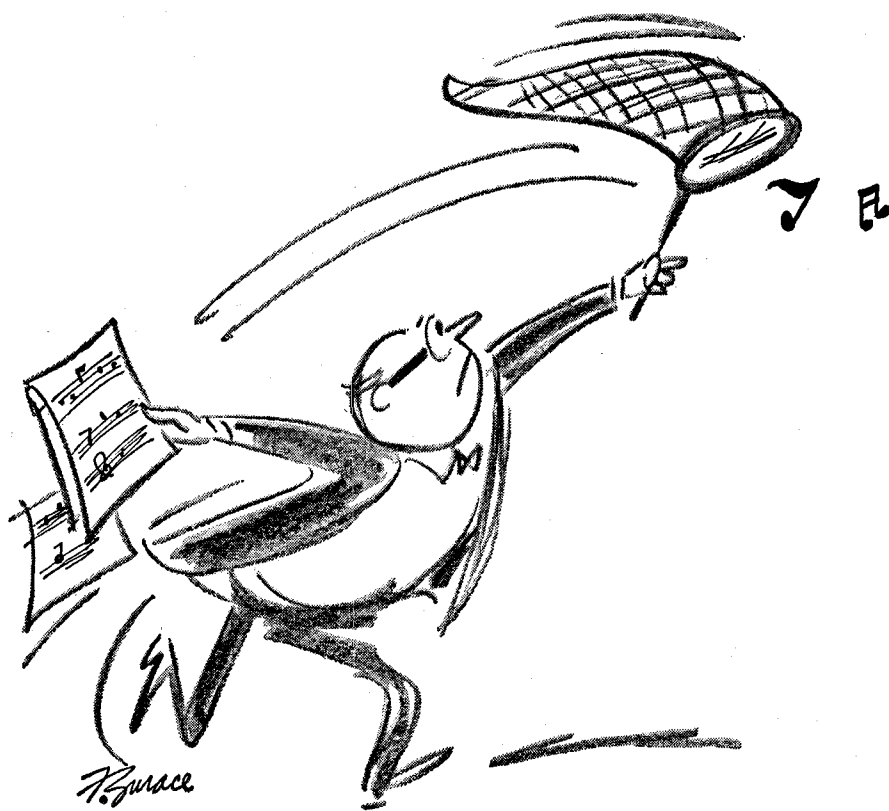
released, possibly because they were less favorable to FM broadcasting. Accurate statistical analysis is difficult, in any event, as far as producing any meaningful figures is concerned. FM-only stations do not have the same statistical profile as the FM divisions of AM-FM stations. Further, when it comes to discussing sets sold and sets in use, the figures are particularly misleading because the very term "FM set" can mean equally a \$500 high quality FM tuner-amplifier or a little transistorized AM-FM hand-held radio, which no one would pretend had any other use than the elimination of static.

Nor are the advertising figures conclusive. When revenues are calculated, do they apply to AM-FM stations, FM-only broadcasters, or both? Again, the statistics are likely to be compiled in the way that will best serve whoever is doing the compiling.

In the present state of radio broadcasting, it can be safely recorded that there are about 200 million AM radios in the United States (or one and a fraction for every citizen) and between 35 and 40 million FM sets. Manufacturers are making more and more sets with both bands, so that by 1967 it is projected that annual sales of FM and AM-FM receivers will surpass the sales of AM-only sets, and a year later will reach a total of 11.4 million, as compared with 9.2 million for the latter. There are already more than 1,100 licensed and operating FM stations, and their number is increasing steadily. About 555 AM-FM stations are already programming separately, and as of last July 1 more than 300 stations were broadcasting stereophonically in FM multiplex, which many observers see as the wave of the future.

Only when it comes to the all-important matter of advertising revenue do the statistics become controversial and the blue skies begin to cloud over. Most broadcasting experts appear to believe that eventually FM is bound to equal and surpass AM in revenue, but given its present technical and commercial limitations, they are not nearly as optimistic about the time it will take as the enthusiasts of the NAFMB, who naturally are inclined to see victory around the next corner. More cautious estimates place the triumph of FM as much as two or three decades away, barring unexpected technical breakthroughs of one kind or another. As for programming, whether carried entirely or partially by FM transmission, it will continue to represent, by and large, the lowest common denominator of popular taste in a mass audience.

Meanwhile, radio's problem child continues to have its growing pains, and the FCC may soon have another hot controversy on its hands.



Should Every Writer Have an Agent?

By PAUL R. REYNOLDS

ONE OF THE curious phenomena of the world of the written word is the literary agent. The legitimate agent handles an author's business on a 10 per cent commission basis. He solicits buyers for the author's manuscript, negotiates contracts, collects the money, and remits 90 per cent to the author. If the agent fails to sell the author's manuscript, the agent receives nothing. If the author's manuscript earns a great deal of money, the agent receives an enormous commission. The author and agent are in partnership; as the author prospers, the agent prospers.

In the case of the novel, a contract for publication in the United States is the first essential. The agent may have to approach many publishers. Upon finding one who wants to publish the book, the agent negotiates the terms of publication. The agent does not give ultimatums. The publisher wants to keep the author happy. The publisher also wants to satisfy the agent for the sake of future business. At the same time the publisher cannot be pushed too much. Publishing is a risky business, and the publisher wants to make, not lose, money.

Of course the agent tries to get as high an advance and royalty as the publisher will stand for. With a first novel the minimum advance would probably be \$1,000, and the maximum probably \$3,500. Minimum royalty would be 10 per cent on the first 10,000 copies sold, and 12½ per cent on all further copies sold. Maximum royalty would be 10 per cent on the first 5,000 copies sold, 12½ per cent on the next 5,000, and 15 per cent thereafter. The publisher may want a percentage of the proceeds from any sale of the motion picture, first serial, and translation rights. The agent will try to retain these rights for the author, giving the publisher little or if possible no interest in them.

Once the contract for book publication has been agreed upon and signed, the agent will try, if the manuscript seems at all suitable, to sell the first serial rights. This is the right for a magazine to publish the novel in part or in its entirety before publication in book

form. Such magazines as the *Saturday Evening Post*, *McCall's*, *Ladies' Home Journal*, and *Good Housekeeping* run a few novels serially each year, paying from \$5,000 to \$20,000 for a first novel (much larger prices at times for a novel by a well-known author). *Redbook* runs complete in each issue a short novel for which it pays a minimum price of \$5,000. These novels may be a cut version of what the author wrote and of what will be published as a book. Some magazines will publish an extract or chapter from a novel before book publication. The agent's job is to try to interest a magazine in the novel and, if the magazine wants to buy, to try to get as much money as possible. However, only five or six first novels get published in a magazine of any importance each year.

The agent will try to sell the picture rights to a novel. Here he may operate through a Hollywood agent, the Hollywood agent and the New York agent splitting the 10 per cent commission. The importance of Hollywood is exaggerated. Fewer than 5 per cent of published first novels are sold to Hollywood. Theoretically the price could be \$50,000 or more, and there are a few cases where such prices have been obtained for first novels. But the most an agent can get may be as low as \$5,000. Television is a possibility for a few novels, bringing perhaps \$2,500, perhaps a bit more.

Serial and motion picture rights to a first novel are rarely of value. Publication in England and in translation is common. More than half of the first novels published in America are published in England; more than one-third of them are published in one or more countries in Europe. Advances against royalty from an English publisher run from £100 to £500 (\$280 to \$1,400). Advances from the continent run anywhere from \$250 to \$1,500 per country, such advances being against royalty. Contracts with foreign publishers are similar to contracts with American publishers, except that they are not full of legal mumbo-jumbo. They are usually drawn up by agents and they are comprehensible. In many foreign countries there also may be a serial sale or a book club or paperback edition.

The agent usually markets these rights through subagents. The total commission is usually 20 per cent, 10 per cent for the subagent and 10 per cent for the American agent.

Every contract negotiated is subject to

the author's approval. The contract with the American publisher is always signed by the author. Other contracts may be signed by the author or the agent, depending upon how a particular agent works, but the author has to approve in advance.

The agent's labor may be limited to that of a salesman, a bargainer, and/or a businessman. The agent may be called upon for advice or decisions on the following:

What the author should write.

Cutting and changes in the manuscript.

The selection of an American publisher.

Title, jacket, and presentation of the novel.

Advice of a general nature as to regulating income in a completely legal fashion in order to keep income taxes to a minimum.

Often the agent is asked not merely to advise but to decide. For example, the author may leave the selection of the American publisher to the agent. Selection of English and foreign publishers is nearly always left to the agent.

THERE are thirty-five agents in the Society of Authors' Representatives, the legitimate agents' association. All of the members are believed to be financially responsible and competent. There are only one or two small agents eligible for membership in the society who do not belong. Each of the six largest agents represents 150 or more professional writers; each has a staff of from six to fifteen people, each takes in commissions ranging from \$100,000 a year to \$250,000.

A clear distinction should be made between the legitimate agents, the members of the Society of Authors' Representatives, and the pseudo-agents, people who call themselves agents, people who advertise in *The Writer's Digest* and other writer's magazines. These pseudo-agents in most cases make their chief income from fees. The pseudo-agent will not read a manuscript unless he is paid perhaps \$50 in advance. He may charge further fees for editorial advice. These agents often run testimonial advertising about the wonderful things they have done for authors. Many of these pseudo-agents are editorially incompetent. Many of them sell little or nothing. Many of them are unknown to editors and pub-

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