REVIEWS

BROADCAST REGULATION AND JOINT OWNERSHIP OF MEDIA. By Harvey J. Levin. New York: New York University Press, 1960, Pp. xviii, 219. $4.50.

PROFESSOR Levin's book, *Broadcast Regulation and Joint Ownership of Media,* deals with the perplexing, delicate and important issue of what the federal government's policy should be in respect to applicants for broadcast licenses who also have ownership interests in other communications fields. In its broadest form, the question explored by Professor Levin is whether the federal government should restrict or otherwise discourage any "cross-channel affiliation"—that is, whether in the quest for licenses an applicant who wishes to enter, or remain in, television should, as a matter of policy, be at a disadvantage if he is already an owner of a television station, or is a radio broadcaster, a newspaper or magazine publisher, or a motion picture producer, distributor, or exhibitor.

Perhaps partly because Professor Levin is an economist—and an able one—and so his approach must largely be that of an economist, and perhaps partly because he is dealing with that exceedingly intangible and elusive issue of what kind of economic and personal ownership is likely to produce the best kind of programming (whatever one may judge as "the best"), the book is disappointing, inconclusive, and discursive.

This work has two somewhat disparate purposes. First, it attempts to examine, from the viewpoint of public policy, the necessity or desirability of limitations on ownership of broadcast media by owners of the older news or entertainment media. In this examination Levin weighs the alleged economics resulting from joint operation against an assumption that greater diversity in news or entertainment is likely to be achieved when different media are separately owned. He concludes with some policy proposals for the Federal Communications Commission in its long-continued regulation, through its licensing powers, of cross-channel affiliation.

The second purpose of the study is to analyze the effects of the broadcast media on the older news and entertainment media. Levin examines both the economic effects and the impact on the nature of the output of the older media. The relationship between this analysis and the policy question above is, however, somewhat vague. The interweaving of the two apparently separate issues tends to be confining—and diluting.

In any event, the quality of the study is uneven. It was conducted, according to the jacket, over a period of ten years, and the results give unfortunately strong evidence of the fact. There is a persistent reference to "recent" studies which are sometimes as much as five years old; and in the fluid life of radio and television, two years is a generation. Further, Levin's position on many questions apparently changed considerably over the period of the book's preparation. The earlier chapters are replete with casual judgments, based not on analysis but on assumption, while the concluding chapter, written much later, is substantially more moderate and judicious in its conclusions and proposals.

An example of such casual judgments appears in Professor Levin's discussion of the effect of television on the motion picture industry. Levin comments on the cost reductions supposedly taking place in Hollywood, and speculates on whether this will hurt or help the quality of motion pictures. He continues: "[t]he only hope here lies in the example of European producers, who have known the secret of making superior pictures on low budgets. Perhaps Hollywood's economy drive will eventually eliminate lavish sets and elaborate costuming and put a greater premium on simple backgrounds and significant content."[1] But by what criteria does Levin conclude that this change will be economically fruitful or, indeed, necessarily good for the viewing public? Perhaps the public prefers motion pictures with lavish costuming and background to Levin's tales of significance; certainly there is no evidence—from the success of *Ben Hur* and *Spartacus*—that the spectacle has lost its appeal.

Similarly, in discussing the elusive relationship between quality of product and size of audience Levin concludes: "Small wonder that a *diversity* of offerings within each producing unit, and between competing units in different media, has come to be considered important for the media's economic success, as well as for democratic socio-political processes."[2] The relation between diversity and socio-political processes is a judgment and can be accepted as such. But surely there has been no demonstration by anyone that the economic success of news and entertainment media is a function of diversity.

It is possible that an argument in defense of this position can be made for the printed media—newspapers and magazines—where a consumer who buys a paper or magazine purchases a package of different elements from which he later makes a selection of those articles—or comics—he wishes to read. But in other media—motion pictures, radio and television—where the viewer or listener can initially and separately select every unit of product, the logic of this position is much weaker. The homogeneity of motion pictures in their most profitable period tends to bear out this conclusion. Indeed, the most notable contribution on the general economic analysis of product variety and similarity is Hotelling's famous article on spatial location, which argues that market inducements tend to lead toward essential similarity of product.[3]

In any case, Levin's statement expresses little more than his own wishes on the subject and essentially reflects the conclusion that would be most useful to his later argument.

Levin ends his study with an analysis of the FCC's policy on diversification in its grants of broadcast licenses. He argues that diversification ought to

1. P. 151.
2. Pp. 22-23.
3. Hottelling, *Stability In Competition*, ECON. J., March, 1929, pp. 41-57.

weigh more heavily in FCC decisions than it has and that "non-broadcast media . . . should bear the burden of proof in contests for new grants." But he is dubious of the practicality of numerous suggestions for implementing this general goal. Thus, he is not persuaded of the value of delaying authorization of a new station in a market with existing stations on the air, pending application by a candidate with no holdings in other media. Nor is he convinced that there is any reasonable way to control license renewals or station sales for this purpose. "The difficulties that beset these proposals," Professor Levin modestly concludes, "are impressive, whereas the probable gains in ownership diversification are surely limited."[4]

Levin's own proposal is, in essence, that the FCC establish rules providing more stringent limits, particularly in larger markets, on multiple ownership of radio and television stations by nonbroadcast media. In addition, the FCC should require nonbroadcast media to operate stations for a full license period before applying for others, and should place a heavy presumption against renewal of licenses held for a specified period of time by nonbroadcast media in situations designated as "local communications monopolies." In general, Levin holds that these proposals would provide a modest but useful supplement to present policies and would limit the role of *ad hoc* judicial decisions in licensing practice.

As indicated above, Levin devotes most of his book to two analyses. The first deals with the economic and social benefits and disabilities of joint ownership of broadcast and nonbroadcast media. Levin assumes that the community is best served when there is a diversity of news and entertainment media and when each medium produces a diversity of product. He further assumes that diversity is fostered by widespread diffusion of media ownership. But, he argues, media must be reasonably self-supporting to be able to avoid outside pressures. Therefore, if there are important economic advantages to joint ownership of broadcast and nonbroadcast media, prevention of joint ownership would have unfavorable results. And the position that there are economies of joint operation has been widely argued.

Levin submits this question to fairly rigorous study, at least with regard to joint ownership of newspapers and broadcast stations. In part, this study is based on the answers to questionnaires sent to 60 joint newspaper-broadcast enterprises in 1950 and, in part, on statistical analyses of the survival of jointly-owned newspapers and broadcast stations in various periods up to 1952. Except for the fact that the data are somewhat old and the concentration is more on radio than on television, the analyses seem reasonable and the conclusion—that there are no major economies of joint operation, except possibly for joint promotion—seems sound.

Levin concludes, therefore, that the FCC should strongly resist cross-channel affiliations. Given the assumptions, this conclusion stems directly from the evidence. But we must rely on assumptions only if we have no experience on

4. P. 190.

which to draw. In fact, television now has a record of 10-15 years, and radio a considerably longer one, on which to base judgments. And the industry's experience has been that there is no clear-cut relationship between ownership of other media and quality of television or radio station operation. Indeed, many of our best stations are newspaper-owned. Accordingly, Levin's argument tends to lose its force. The second and larger portion of the book deals with the economic and quality aspects of the impact of the broadcast media on older media. Here Levin presents a major thesis, viz., that the birth of new media has desirable stabilizing and diversifying effects on older media. One major difficulty with this thesis is that Levin himself becomes somewhat disenchanted with it towards the end of the study. A second difficulty is that he never indicates whether this "stabilization" provides an economic base that is superior to what it would have been without the new competition, or simply something greater than total collapse. Levin often means the latter, but his general thesis really requires the former.

Much analysis is devoted to the impact of radio on newspapers. Indeed, this treatment is by far the best of this portion of the book. Levin's conclusions are that the growth of radio had some impact on newspaper advertising in the 1930's, but less after World War II. His analyses of the impact of television on older media is much more sketchy, as he himself points out, and indeed in error on occasions.[5] Unfortunately, as well, some of the hypotheses laid forth in the analysis of the impact of radio on older media tend to be inadequate when the impact of television is being analyzed. Thus, Levin hypothesizes that the differences in the degree of economic impact of radio and television on the older media tend to explain the variations over time within the newspaper and motion picture industries—as well as variations between them—with regard to entrance into the broadcasting field. However, while this hypothesis holds fairly well for radio, it does not seem to hold at all for television. Levin later ascribes this difference to other causes, but, of course, a theory that explains only one of every two cases is hardly an enlightening one.[6]

Levin finally, and very tentatively, touches on the quality reactions of the older media. He concludes that the growth of radio and, later, of television has led to greater diversity and, on the whole, improvement in quality in the older media. His data are rather sketchy and, unfortunately, highly selected. As a result, none of the less attractive changes in the older media—the sensationalism in some parts of the press, the screeching juke box performances

5. Thus, Levin draws major conclusions from the "impressive buoyancy of regional (radio) network profits in the face of the equally impressive collapse of national (radio) network profits." But, in fact, his data refer to combined profits of networks and their owned stations, and the "buoyancy" of profits of regional radio networks and their owned stations is surely solely attributable to the stations and not to the networks.

6. Similarly, Levin elsewhere associates lack of diversity in movie output with financial stringency. Yet, in his analysis of the growth of television, he makes the reverse argument, i.e., that under the duress of the current financial stringency brought about by television competition, movies have improved considerably.

that mark some radio stations—are described, much less, properly weighed, in order to get a reasonable evaluation of the net changes in these media.

It is this reviewer's theory that the basic defect of Professor Levin's book arises from precisely the same frustrating dilemma that has long beset the FCC in formulating policy to govern its licensing cases. The basic defect and dilemma are simply that theories about the nature of ownership shed little light on the only broadcast performance that counts—the programming.

Critics have, from time to time, vigorously demanded that the FCC establish more certain policies in its licensing so that, for example, a local undertaker would know in advance whether he is more likely to get a television license than an absentee magazine owner. But programming in radio and television is nothing more nor less than the communication of a vast amount of ideas, in the form of entertainment and in the form of information. However convenient it would be conclusively to presume that a local resident will communicate better—to serve and to elevate the tastes of his community—than somebody who lives 3,000 miles away and already owns a television station there, such a presumption is no more than a theory which is wholly unsupported by the facts.

Here is the basic dilemma. The only way that one can even begin to explore which applicant's programming is, or is likely to be, "better" (making the enormous assumption that there can be agreement on what in fact is, at least in the public's mind, "better" programming) is actually to examine his programming—as it is broadcast. This means constant attention and constant monitoring—not just relying on statistics and the applicant's own (or his lawyer's) written descriptions. This is a horrendous task; there is the most serious doubt that the government can be, should be, or is, equipped to perform it.

And perhaps this exasperating dilemma underlies the uncertainty and the curious lack of solidity of Professor Levin's book. For what he has sought to do is to determine what ultimately might be in the public interest—that is, what is most likely to produce "good programming"—from purely theoretical bases. And if there is any lesson in broadcasting, it is that one can never tell who will produce the best programs or the best program schedule; the only issue in broadcasting more uncertain than that is—the program having been produced—who will like it, and how many.

When we are dealing in the field of mass communication of ideas, and trying to determine the complex problem of who should get or keep licenses to communicate those ideas, economics, charts and theories—even lawyers' or economists' theories—yield no certain solutions. The curiously unsatisfactory character of Professor Levin's book may reflect this very fact.

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In fairness to the reader, it should be noted that the CBS Radio and Television Networks have affiliates which are jointly owned with enterprises in other media.