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**First Paralyzing Blow at Freedom of the Air in the United States, a
Statement by William S. Paley, President of Columbia
Broadcasting System**

Columbia Broadcasting System

William S. Paley

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First Paralyzing Blow At Freedom of the Air In the United States

New Regulations by Federal Communications Commission
Sound Innocent — Actually They Would Destroy Exist-
ing Broadcasting Structure — Public Asked to Believe
Commission Is Promoting What It Is Actually Destroying



A Statement by
WILLIAM S. PALEY
President, Columbia Broadcasting System

Note

ON SATURDAY, May 3, 1941, the Federal Communications Commission, by a vote of 5 to 2, adopted new regulations for the radio broadcasting industry. These regulations are cleverly disguised to conceal their real purpose, which is not "free radio" but "government controlled radio." They are labeled as a "Magna Carta for American broadcasting stations," as designed "to foster and strengthen network broadcasting by opening up the field to competition," and are proposed as a move to prevent "monopolistic practices" which do not exist.

Actually these new regulations strike at the heart of American broadcasting. So much so that the two dissenting Commissioners predict that "the decision of the majority instead of resulting in 'free competition' would more likely create 'anarchy' or a kind of business chaos in which the service to the public would suffer."

More important than this, however, is that if the Commission is allowed to have such control as it now attempts to seize, freedom of the air in this country will be stifled.

Through the issuance of such regulations, the Commission is seizing power which is nowhere to be found in the language and spirit of the radio law. As a matter of fact, the language and spirit of the radio law are designed to protect the public against the very exercise of the power that is now being created by the Commission for itself.

In language masking a dangerous grab for power, the Commission presents its report in the cloak of a blessing and a protection to the free American way and gives the impression that it is merely introducing an extra degree of competition into network operations.

On the contrary, as the dissenting Commissioners state: "Such concentration of power in government is just as contrary to public interest as the concentration of control of broadcasting stations among a limited number of licensees."

The great danger in the Commission's new rules is that they seem so plausible—until their real effect is understood. For example: It has always been the practice for a station to carry exclusively the programs of the network to which it belongs. The Commission would outlaw that practice. The effect of what the Commission does, however, would be the same as to allow one national magazine to invade the columns of another national magazine and say that freedom of the press required such a nonsensical arrangement.

Regarding it as a public duty to warn the public immediately against the menace to freedom of the air inherent in the Commission's new regulations, William S. Paley, President of the Columbia Broadcasting System, issued the statement contained in these pages. It will be soon followed by a factual analysis of the rules themselves, which it is hoped will aid the public to know what is threatened to be done to their network broadcasting service.

"The American people," Mr. Paley says, "should be alarmed and on the alert."

May 5, 1941.

Mr. Paley's Statement

ABOUT three weeks ago President Roosevelt appointed Mark Ethridge, of Louisville, to make for him a study of the whole field of radio broadcasting, pointing out that he, the President, recognized that the principal function of the government was to determine who should operate the limited number of transmitters and asking Mr. Ethridge to make recommendations as to how to keep radio free, prevent monopoly of ownership or operation, and how best to utilize radio in the public interest.

Mr. Ethridge's appointment came at a time when broadcasters throughout the country were disquieted at the increasingly hostile attitude shown by a majority of the Commission toward the industry and particularly toward the principal networks, with the air full of rumors that the Commission's monopoly report would be destructive.

The appointment of Mr. Ethridge was welcomed by the industry because of his broad experience in both broadcasting and newspaper publishing, and because the appointment was interpreted as evidence that the President, who has fostered broadcasting throughout his years in the White House, had not suddenly switched to advocacy of a wrecking operation and was willing open-mindedly to consider all the facts before any effort was made to tamper with the existing structure.

Hardly was Mr. Ethridge embarked upon his Presidential mission when the Commission launched a report backed up by regulations calculated to torpedo the existing broadcasting structure and apparently defiant of the orderly process proposed by the President and defiant as well of the very limited powers conferred upon the Commission by the Congress.

While crediting the Commission with cleverness in cloaking the inevitable results of its proposed action in language designed to make the public believe it is promoting what it is actually destroying, I feel it to be a public duty as head of one of the major networks to warn out of the depth of long experience and study that if the Commission succeeds in the venture it now launches networks will become mere catch-as-catch-can, fly-by-night sellers of programs. Permanence and stability will have departed from the industry and incentive to public service will have been removed from the broadcasting the American people know and like. Worst of all, the first paralyzing blow will have been struck at freedom of the air, because a Commission which can exercise such drastic powers without even going to the Congress for authority to exercise them will have reduced the networks and stations of

America to impotent vassals, able to survive only so long as they please the regulatory authority.

Ramming what the Commission calls a "Magna Carta" down the throats of the affiliates of the major networks is really taking away from them that freedom of independent lawful action without which radio itself cannot remain free. This is true even though there may be opportunistic elements in the industry who will see in a sudden upset of the whole broadcasting structure a chance to gain temporary commercial advantage.

The fact that the Commission has proposed to go so far, and that it openly threatens government ownership or common carrier regulation if it is thwarted in its purpose, is evidence enough that the American people should be alarmed and on the alert.

If these are strong words, they are measured ones. Competition in broadcasting exists now; its principal limitation is imposed by the physical limitation upon existing facilities. To make a fetish of competition to the extent the Commission proposes makes as much sense to me as if one were to argue that freedom of the press cannot exist unless one national magazine is allowed to sell advertising in the columns of another.

This argument is absurd. If the one making it were to add that his real purpose was to strengthen and improve the national magazines as a whole, his sincerity would come into question.

The Commission in its report and proposed actions persistently ignores the evidence. It disregards the remarkable progress of radio, the absence of substantial complaint and it insists upon considering the whole question of monopoly without giving the slightest weight to the fact that the networks and the stations of America are publicly committed to a policy of freedom and fairness of the air, devoid of any editorial bias whatsoever.

I do not believe that either the President or the Congress will countenance what the Commission seeks to do.