

Editorial Notes

Wellington, Friday, Feb. 5, 1932

THE indications are that a major dispute is looming in connection with gramophone records and their use for broadcasting purposes. A summary of the position which appears in another column shows that the negotiations which have been proceeding in Australia between the representatives of the Gramophone Companies and the broadcasting stations have failed. It is further announced that the Gramophone Companies state their terms for the use of records for broadcasting purposes to be: (1) a fee of 2/6 for each performance of such records as the broadcasting stations are permitted to use; (2) a limitation as to the number of times an individual record may be put over the air. These terms naturally are unacceptable to the broadcasting stations, particularly the "B" class stations, which are dependent for their revenue, not upon any proportion of listeners' fees, but upon revenues derived from advertising. Following upon the failure of negotiations, representations have been made to the Postmaster-General of the Commonwealth, Mr. Fenton, and in all likelihood the battle will be transferred to the political arena in order that the politicians may exercise such guardianship as is possible over the interests of broadcasting companies and listeners.

ANOTHER phase of the situation is its possible reaction upon the Australian Performing Right Association. This association always claimed in the past that it possessed, by agreement with similar associations elsewhere, approximately 95 per cent. of the copyright of all musical works of the world, and although it would appear to have always successfully evaded the necessity of giving absolute proof of its claims, it has had sufficient backing in the letter of international law to "get away with it." Up to the time of the Gramophone Companies making their claim, it was assumed that the payments made to the Performing Right Association, in virtue of agreements entered into both in Australia and New Zealand, covered the situation. Apparently it does not, so that the Australian Performing Right Association may well be called upon for an explanation of the position, and may have to face a reduction in the royalties paid it if the gramophone people want a separate "cut" for themselves. An indication of this has already been given in Australia, and

the Association, alive to its own interests, has made representations to the Australian Cabinet that its copyright fees should not be reduced, claiming that they were fair and equitable. Listeners, however, are more valuable politically than the Performing Right Association, and if the issue is to be fought in political circles, the Association may well have to accept a lower percentage of the revenue it has hitherto extracted from broadcasting.

SO far as the Gramophone Companies are concerned, it may be accepted that those companies which have been issuing the more expensive records have suffered recently compared with their earlier successes. Just how far that reduction in their turnover is due to the general depression, or to the actual practice of indiscriminate broadcasting of their records of which they complain, is a matter for argument. Up to the time when the full weight of the depression fell upon the community, listeners who liked a record and were able to buy it, bought it for their own personal pleasure. Now, however, primarily because of the depression and not through any lack of desire to personally possess the record they want, many people are finding it impossible to give full rein to their tastes. In those circumstances it is natural that the Gramophone Companies are finding their revenues suffer, and are seeking avenues for reimbursement. Their obvious course is to seek to control broadcasting by the demands they have formulated. Those demands are far beyond broadcasting in either Australia or New Zealand, and an adjustment must be affected in the interests of radio.

THE gramophone organisations concerned in the present demand are the H.M.V., Columbia and Parlophone Companies. Each of these companies in the past has been extremely well paid by the public for the services rendered it. Dividends of so sky-high a character as in these days of depression to read like the dreams of Aladdin were paid, and relatively recently H.M.V. and Columbia, for purposes of economy and self-interest, merged their forces in a seventeen-mil-

lion-pound amalgamation. Their shareholders in the past have thus done extraordinarily well, but if other gramophone companies are prepared to enter the lists and render service at lower prices, then there is no reason why listeners should yield too much under pressure of the present attack. And that raises a point that is now being discussed in trade circles in Britain and of which an indication is given in our news article bearing on this situation on another page. The view advanced is that radio broadcasting has created a tremendous new market for the sale to individual listeners of gramophone records of numbers which they liked. But this is essentially a low-price market. Hundreds and thousands of listeners have had their musical taste lifted and enlarged by radio. The process is continually going on, and the listener by simply following his taste and passing from one class of musical attraction to another, is developing into a gramophone record buyer of great importance. The gramophone record is thus playing a notable part in gradually broadening the field of music. This influence cannot be better put than by this summary of the viewpoint of a big retailer of records in London. A great number of inquiries, he states, come from customers who ask for certain numbers because "they have heard them on the wireless." Finding the number in stock available only in the form of high-priced records, these customers refuse to buy because they cannot afford to pay that price. Sometimes they buy a cheaper record because they were wanting to take one home for some special occasion, but more often than not the inquiry does not lead to a sale at all. Accordingly in his organisation, said the dealer, he had adopted the practice of recording such inquiries, and immediately the particular number desired became available in a cheaper record, he produced it to the customer, and in nine cases out of ten effected a sale.

THAT statement clearly shows the new market created for gramophone records by broadcasting. But it is to be noted that it is a cheap market, and that the price-paying capacity of the purchaser must be

met. This point has been noted by many of the smaller and alert gramophone companies at Home, and has led to the production of many cheaper records. Those concerns, by meeting the buying power of the market, have been doing well, and are not complaining of the influence of broadcasting on their business. The producers of these cheap records, of course, have not hitherto been able to secure those high-class artists and combinations of musical performers which the more powerful manufacturers have been able to hold to themselves by the power of their purse. But that position is passing. The wall of exclusiveness which has hedged round the inner circle of performers is gradually being broken down. To-day there is an abundance of really first-class orchestras, singers, instrumentalists and dance bands available for record purposes. The price of these is within the scope of the manufacturers of cheaper records, and consequently the product can be issued to the public at a price much below that of the more exclusive organisations. To-day by its very magnitude this demand for popular music is enabling the manufacturer concerned to raise the quality of his offering, and it by no means follows that cheap records to-day are poor records. Many of them are exceptionally good, both in the quality of music made available and in the actual quality of the record itself.

IT comes back to the old question of supply and demand. The gramophone and radio have mutually widened the circle of music lovers. In so doing they have broadened the market for performers and increased the supply of capable musicians. That extra supply of performers has broken down the ring of exclusiveness, and so cheapened the cost of production. By cheapening the cost of producing records, lower prices have been extended to the public, and that new price level in its turn has again broadened the buying market. Having regard to all the circumstances, therefore, considerable caution should be exercised by those guarding the interests of listeners in entering into any hard and fast agreement with the Gramophone Companies regarding the payment of royalties and the acceptance of hard and fast conditions. While the standard of the cheap recordings available may not as yet be quite up