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Schools of communication used to be called schools of journalism. The change represents a recognition of two important trends. The first trend is the belatedly growing awareness that the character of the mass communication media has become technology dependent. The second trend is the increasing acceptance of communication as a legitimate academic discipline, largely through the work of a few distinguished social psychologists and sociologists.

Now it is true that some schools of journalism became schools of "communication" simply by adding a course or two in film-making to their curricula and perhaps buying a video-tape machine. But I think it is generally recognized today that communication means much more than that. People who want to understand the creative process and effects of mass communication in modern society must know something about psychology, law, economics, engineering, political science, and education. Whatever one may think of Marshall McLuhan, he has certainly underscored the breadth of erudition required to understand and use mass communication.

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The trouble is that new technology strains our institutions. Most industries are economically based on a particular technology of production. But when governmental institutions base policy on particular production technologies, they sanctify existing economic relationships, and are unable to cope with technological innovation. Not only are they unable to cope, they make it still harder for industry and the public to cope. The result is often that government, industry, and public combine in

VII [implicit cooperation to resist -- or ignore -- technological progress.

But technology will out, and this means that new technologies often progress in a policy vacuum -- mere stepchildren of existing institutions.

No one takes the trouble to think through the full implications of new inventions -- until things finally get out of hand and we can no longer ignore or stifle the new.

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The way TV cassettes and related technologies are developing, people will be able to buy programs at the store and carry them home. I doubt they can be stopped from buying them at home and having them carried by cable. Opponents of cable won't be able to force people to leave their homes and go to a motel for the immoral purpose of paying for a movie on closed circuit TV. As broadband cable and video cassettes grow in the streets and homes and minds of America, you must now begin to consider what lies ahead for your industry beyond next season.

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The point is that it isn't bad or immoral to think in the old terms about these newer technologies -- it's simply not economic, or even realistic, to do so. You can't program the new media of outlets a-plenty with the same mass audience syndrome that is at the heart of current broadcast programming.

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The networks' 3,300 hours of prime time programs would be a drop in the ocean. With just twenty channels there are 29,000 prime time channel hours in a year. The entire stock of movies produced since 1948 would barely supply enough programming to fill such a system for two years in prime time. Even if we reran all original network programming, that would only add about 18 months. It's clear that the present economics of television simply won't provide twenty channels of quality entertainment programming. And a twenty channel system is already obsolete. Channel capacity is just not a problem. Looking ahead, some cable operators are already sinking two or three cables into the ground. It won't be all that long before 50 to 100 channel systems are operational and, even then, channels could still keep growing at a visible rate.

We are going to need a public policy for the new technologies and, in creating that policy, we must be cognizant of the economic incentives our policy creates. If we don't grapple with this central economic issue, the present programming problems will be magnified when there are 20 or more channels, and the public will still not have the opportunity to make meaningful program choices.

Mass audience programming on a few channels is certain to continue, but the new economics cannot be dependent solely on mass appeal programming. With lots of channels and the relatively low transmission costs they entail, there will be exciting new opportunities to reach specialized audiences:

not just minority audiences of special ethnic or cultural interests, but those slivers of the mass entertainment audience that don't rate anywhere near a 30 share. There is room for programs for those kinds of audiences as well as mass appeal programs. That's what diversity is all about. There are opportunities not only for diversity of programs and program sources, but also, for the first time, for meaningful consumer choice. Not every channel then has to seek out only that exceptional talent that can win in the mass audience competition and this could reduce the costs and increase the volume of program production.

VII I don't think this is blue sky, but there are many practical problems that must be solved before it actually comes about. Where is the money going to come from to support this new programming? How will public policy for the communications media affect the supply and the demand?

It's clear that revenues from advertisers aren't infinitely expandable. It doesn't seem likely that advertisers will pay much more than the \$4 billion or so they now do. But what if we weren't totally dependent on advertising revenues? Suppose we allowed a mixed system for the electronic media, as we do for the print media? In a mixed system, funds would be provided by subscribers only if a different kind of programming is offered. Specialized interest programs could generate the subscriber revenues they need to be viable but they won't replace mass appeal programs on either cable or broadcast channels. There will always be mass appeal programs and

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advertisers willing to spend billions on them. The important thing is that a mixed system would provide more diversity in both mass appeal and special appeal programs. Imagine the kind of program diversity and choice that could be created by doubling the dollars presently available for television programming.

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The rapid pace of change in communications makes it imperative that we anticipate these developments. For all of us actively involved in shaping public policy for our electronic communications media, the future is now -- our lead time expired yesterday. We're not just on the threshold of a communications revolution -- we're in the middle of one. It's a revolution involving many different technologies -- broadcast, cable, and cassette. The key to this is the public policy we choose for the transmission technologies, for they are the intermediaries between the programmers and the viewers. We should seek to provide the appropriate economic incentives so that the would-be viewer and the would-be programmer can get together as easily and constructively as possible.

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But naturally, you can't plan for the revolution that is upon us, if programmers are worried about where they are going to find the money to keep going today and broadcasters and cable owners continue to see each other as enemies. The cable settlement was good news to Hollywood, and the Administration recently sent more good news on such matters as amortization of film production costs, investment credits, tax incentives and financing for exporting Hollywood's products.

significantly improving the process of printed news preparation and distribution. I refer, of course, to the potential for facsimile reproduction and delivery of your product.

VII Processes which are now technologically feasible will enable the permanence, convenience and completeness of the print media to be combined with the promptness of electronic news-- at least for those specialized users willing to pay a premium for the service--and perhaps even for the public at large.

VII But aside from its ability to assist your present business, I think you should regard cable in and of itself as a new field for the application of your peculiar talents and experience. For cable television is above all a local communications medium. In the area covered by a single broadcast signal, there may be scores of separate cable systems, each with production facilities to serve the particular needs and interests of its own community. Good newspapermen have always been experts on the subject of local needs and interests. You can use that experience to assure that the new medium achieves its full potential for diversity and for community service. You can use it, that is, if you are permitted to do so.

VII Which leads me to the crucial question of whether our regulatory system will enforce an artificial segregation between newspapers and cable television, based upon the differences in their present technology and ignoring the substantial similarity in their functions and needs.

Our policies should allow magazine publishers to use their skills, their talent, and their experience in such a way as to turn the new communications technologies to their own advantage. In doing so you can provide incalculable benefit to the public by increasing the range and variety of program services that can be offered in the new communications media. The opportunities are everywhere.

For example, if new second-class postal rates take distance into account, why not use the new electronic delivery systems to transmit magazines for printing at multiple locations? A new domestic communications satellite system will be in operation in five or so years and it will wipe out distance as a factor in transmission rates. The development of specialized carriers for long-haul microwave communications offers publishers similar opportunities to turn electronic delivery to your production advantages. What cost savings can be realized by using such transmission techniques in conjunction with local and regional common carrier type printing facilities and local mail deliveries, newsstand sales, or even home delivery by private companies?

Even today, some publishers are making use of common carriers' electronic transmission services to cut production

costs and increase efficiency. We are working diligently to assure that competition and innovation are provided for now in the common carrier and specialized carrier industries, so they will be responsive to new demands for service when publishers and other users turn to electronic transmission.

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Magazine publishers can also use the new cassette and cable technologies for distribution as well as production. Why not consider a multi-media magazine, using print for presentation of detailed and systematically-organized information and using audio or video to supplement this data? If this sounds fanciful, stop and consider that TV Guide may already be the first such endeavor. Look at the enormous specialization of subject matter in today's periodicals and consider what you could do to transfer it to multi-channel cable systems. Subscribers and advertisers would be willing to pay for magazine-type program series on subjects such as automobiles, boating, business, hobbies, fishing and hunting, gardening, home decorating, news and public affairs, fashions, sports, and travel. The people who already publish magazines on these and other subjects offer a natural source of talent and expertise to become program originators and packagers for broadband cable systems. Viewing special appeal programs may also stimulate interest in subjects dealt with in TV programs, and lead to an increased demand for magazines to expand upon and reinforce the information presented by television.

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Let me turn then to television. It seems hard to believe that the public interest in this country could possibly be served by freezing the number of TV channels that we have today, and by blocking the growth of cable television which could greatly expand the number of TV channels each of us has to choose from. Yet if you listen to the broadcast industry today, if you listen to the three television networks, that is exactly what you will be told, that only by preserving the limited number

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of channels to choose from can we have quality television. I think exactly the opposite is true. Cable television has to be allowed to grow on an economic basis, as a medium co-equal with broadcasting. It has to have its own regulatory framework passed by the Congress. It has to develop not as ~~a second class medium, living off broadcast television,~~ but rather a new medium encouraged to have a diversity of programming, a multitude of channels -- and that means much more choice for what each of us wants to see and hear.