

The American Networks

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After some debate in the early 1920s over the possible ways a broadcast system might be financed in the United States, the government chose a course different from that of European countries and consistent with its own *laissez-faire* creed: radio would be built and operated by the private sector—within certain regulatory parameters to safeguard the public interest—and supported by the sale of advertising. Television, when it arrived, was allowed without debate to develop similarly. This made for a system unique in the world, freer than any other, risking all the consequences of mass media shaped by the exigencies of commerce—a system which grew to be so prosperous and powerful that its influence, for better or worse, came to be felt throughout the world.

Though American broadcasting was predicated on localism, with licences awarded to serve every corner of the country, the system quickly became network-centred. National networks attracted lavish-spending national advertisers, and the economies of scale allowed for the presentation of opulent programming with stars of the first rank. Local stations that affiliated with the networks invariably were

more prominent in their communities and made more money than those that were forced to programme independently. By the 1960s, each of the three television networks had around 200 affiliated stations giving over some 60 per cent of their air time to national programming.

In such a profits-obsessed system that put the advertisers' interest first, the supreme test for any programme was its popularity, as determined, accurately or not, by the ratings services. Locally and nationally the ratings ruled. Artfulness and worthiness were negative values if they made for limited audience appeal.

The American system was much mocked abroad for its devotion to Mammon. It came to represent culture as defined by business, a perverse democracy in which the tastes of the least educated, because they were most prevalent of viewers, prevailed. Yet for all their disparagement of US television, public broadcasters everywhere in the world purchased great quantities of its entertainment programmes—indeed at times fought to get them—because the shows were smartly produced and appealing to their own audiences. Buying American was easily justified

because the shows were usually offered cheaply, having recovered their essential costs in the large and thriving home market. Many of the American imports were merely time-fillers in the schedules, but *I Love Lucy*, *Kojak*, *Dallas*, and *Dynasty*, among a score of other US series, were true international hits. American culture, to the extent that it was reflected in TV programmes, thus made itself known and felt, and in some quarters resented, everywhere in the world.

The Industrialist and the Showman

The network system that evolved in America was to a large extent shaped by the friction between two powerful figures—General David Sarnoff, founder of the National Broadcasting Company, and William S. Paley, head of the Columbia Broadcasting System—and by the lively competition between the companies they built and infused with their personal values and mythology.

If anyone can properly be called the father of American broadcasting it would be Sarnoff, who as president of the manufacturing giant, Radio Corporation of America, created the first radio network in 1926 and the first television network in 1940, both through the NBC subsidiary and each with a view to spurring the sale of RCA home receivers. Sarnoff was, moreover, the driving force in bringing television into the consumer market just before World War II. Yet, paradoxically, it was his arch rival Paley who, after trying to hold back television, became the industry's father-figure and reigned as television's spiritual leader almost till the time of his death at the age of 90 in 1990.

Sarnoff, while neither engineer nor consummate showman, was a visionary in his field, and it was his genius for developing and marketing new electronic products that made him one of the great industrialists of the twentieth century. In 1916, when radio was still the wireless, Sarnoff saw its potential as a household utility—the radio music box, as he characterized it in a prescient memo. As early as 1923 he spoke of television as 'the ultimate and greatest step in mass communication'.

When RCA began manufacturing radios for the home in the 1920s, Sarnoff understood that people were not buying the device for itself but for the

information and entertainment it brought to them. The network he created was to be his chief marketing tool—the software, in today's term—and it allowed him to indulge his penchant for extravagance. He brought prestige to the medium early on by hiring no less a resident maestro than the world-renowned Arturo Toscanini to lead the NBC Symphony Orchestra. Some two decades later, to showcase colour television when the receivers were becoming widely affordable, Sarnoff lured away Walt Disney from ABC for a splashy Sunday evening family series whose title, *Walt Disney's Wonderful World of Color*, was implicitly a sales message for RCA.

Paley, while not as visionary or as concerned with technology, was a creative businessman, an indefatigable salesman, and intuitively an impresario for the new broadcast media. For one who was a socialite and lover of the arts, he had a flair for the popular and proved to have remarkable instincts for what would succeed as mass entertainment. Ultimately it was his impresario's knack for befriending and coddling star performers—a talent Sarnoff neglected to cultivate—that allowed CBS television to vault past NBC in overall popularity and stature during the early 1950s, and Paley's remained the premier network for almost a quarter century. During that period CBS boasted of being both the world's largest advertising medium and the 'Tiffany of broadcasting'.

The two industry leaders, both of Russian-Jewish parentage, were a study in contrasts. Sarnoff, who was born in Russia and came penniless to the USA at the age of 9, had one of those legendary rags-to-riches histories—the young wireless operator who through dedication and hard work made his way to the very top of the company and proceeded to build it into a great communications empire. Paley's background was far more privileged. His father owned the prosperous Congress Cigar Company in Philadelphia, which Paley joined, on completing his schooling, as director of advertising. He became intrigued with radio when he saw how dramatically the sponsorship of a programme boosted the sales of the company's popular brand, La Palina.

Through family connections, Paley came upon an opportunity to enter radio, and leaped at it. For less than \$400,000 he bought the controlling interest in United Independent Broadcasters, which operated a

faltering young network, the Columbia Phonograph Broadcasting System. In September 1928, at the age of 27, Paley became president of the network renamed CBS. Starting with a paltry twenty-two affiliates and meagre revenues, it presumed to challenge the well-financed and flourishing NBC monopoly, which by then consisted of two networks, the Red and the Blue.

That Paley succeeded against enormous odds in building a communications empire to rival that of Sarnoff's testifies to his entrepreneurial genius and keen eye for executive talent, at least early in his career. (His choice of the brilliant and fastidious Frank Stanton as second in command, on the eve of the television age, gave him a distinct edge on Sarnoff, who was thinking dynastically with his son Robert positioned to succeed him.)

As a neophyte entrepreneur in the late 1920s, Paley assembled a nation-wide line-up of affiliated stations for his fledgling network through the simple device of paying them for the use of their air time, on a scale governed by their market size. NBC was soon forced to do the same or risk losing affiliates to CBS. This practice became standard for all networks. Known as 'station compensation' it carried over into television and binds the local affiliates to their networks to this day.

Paley's first coup, in 1929, was to secure CBS's financial position by selling a 50 per cent stake in it to Paramount Pictures. Paramount's involvement gave CBS credibility with banks, advertisers, and the Hollywood stars sought for some of its programmes. By 1932 CBS had ninety-two affiliates, including five stations it owned. That same year, in a decision the studio regretted for decades after, Paramount allowed CBS to buy back its stock.

But for all its expansion, Paley's upstart operation still had fewer affiliates than Sarnoff's networks and struggled constantly for business since advertisers were drawn to NBC's greater circulation. While NBC had to do little more than let sponsors bring programmes to its networks, CBS set about creating its own programme series for which it aggressively sought advertising sponsorship. This made for a profound and lasting cultural difference between the two networks. In the television era, through the first two decades at least, CBS had an intensely active programme department in whose decisions Paley

regularly participated. NBC, in contrast, developed programmes of its own but mainly trusted the MCA (Universal) studios in Hollywood to suggest and provide the big series.

In part because of its circulation handicap in radio days, and its need for programmes of distinction, CBS gave high priority to news broadcasts. With a distinguished news director in Paul White, the network built a staff of stellar correspondents, headed by the journalistic icon, Edward R. Murrow, and including William L. Shirer, H. V. Kaltenborn, Elmer Davis, Raymond Gram Swing, Eric Sevareid, Robert Trout, and Charles Collingwood. The news organization came into its own during World War II and made the daily *CBS World News Roundup* one of radio's most creditable offerings. If CBS continued to trail NBC in circulation and advertising, through news it had become the more respected network.

CBS's steady progress was helped along in 1943 by an action of the third great force in American broadcasting, the Federal Communications Commission. On antitrust grounds, the government agency ordered NBC to divest itself of one of its networks. After contesting the decision and losing the case, NBC sold off for \$8 million the less popular Blue Network to Edward J. Noble, manufacturer of Life Savers candy, who renamed it the American Broadcasting Company. The new network fared well enough in radio but, while striving for an identity, was firmly lodged in third place.

Paley and CBS moved to the forefront of broadcasting in 1948. At a strategic moment, taking advantage of Sarnoff's preoccupation with the emergence of television, Paley staged a bold raid on NBC's star talent. In startling succession he spirited away such high-rated performers as Jack Benny, Amos and Andy, Burns and Allen, Red Skelton, Edgar Bergen and Charlie McCarthy, and Frank Sinatra with an innovative business scheme that allowed the artists to save huge amounts of money in taxes. He had them incorporate their shows as companies and sell them to CBS so that they realized a capital gains windfall. Along with helping them become richer, Paley socialized with his new stars. Jack Benny, for one, on making the move, complained that Sarnoff had never taken him to dinner because, as he saw it, the head of RCA deemed such collegiality beneath his station as an industrialist.

The radio audience moved with the stars, and as the CBS ratings boomed new affiliates joined the network and further increased its national circulation. *Variety* dubbed the phenomenon 'Paley's Comet'. Although this occurred in the waning years of the network radio era, the lustre of success carried over into television. And while Paley conducted the raids solely with radio in mind, several of the performers he won over later formed the core of what became CBS's perennially popular, star-laden television schedule.

A Peace Dividend

Well before Paley's raids, Sarnoff had shifted his focus to the development and promotion of television, foreseeing another bonanza for RCA in the sale of home receivers and studio equipment. Paley had shared none of Sarnoff's enthusiasm for the new medium and only dabbled in it during the 1930s to keep pace with his rival. A year after Sarnoff established the first experimental station, CBS went on the air with its own. Six months after NBC began regular broadcasts from the top of the the Empire State Building in 1939, CBS set up its transmitter atop the Chrysler Building and half-heartedly launched its own programme schedule.

The 1939 World's Fair in New York provided RCA with a rich opportunity to introduce television to the consumer market—even though the technology was far from perfected—and Sarnoff made the most of it. The telecast of the glittering opening ceremonies on 30 April, with President Roosevelt's participation, was promoted as marking the official birth of American television since it inaugurated NBC's regular service in New York. RCA's Hall of Television was one of the fair's standout exhibits, displaying NBC's continuous broadcasts on numerous screens in the range of sizes that were being marketed in the stores.

Millions lined up for the demonstrations, and TV cameras were ubiquitous on the fair grounds, but sales of receivers during and after the fair were disappointing. Commentators in the press acknowledged the wonder of television but generally regarded it as a novelty with no practical value in daily life. That view was apparently widely shared. In the midst of the Great Depression, with sets priced from \$200 to

\$600—while movies could be attended for only a few dimes—television was something most consumers could easily do without. A year after the World's Fair, only around 4,000 TV sets were in use in New York.

Though CBS kept its New York station on the air, Paley was as interested in retarding the development of television as Sarnoff was in advancing it. Paley was sworn to radio; it was his essential business, and radio was doing splendidly in the Depression. There seemed no reason to venture beyond, into something as costly and chancy as television, especially since CBS was not involved in the manufacture of the hardware. So when NBC petitioned the FCC for permission to sell advertising on experimental television in the 1930s, CBS opposed it as a danger to radio, and was upheld.

Paley might have moved tentatively into television in the years when it was coming to market but for a fateful development within his company. In 1940 Peter Goldmark, head of CBS Laboratories and the network's resident inventor, came forth with a television system that achieved excellent colour images through the use of a spinning disk. Seeing an opportunity to beat RCA at its own game and to gain lucrative television patents for CBS, Paley applied to the FCC for the acceptance of Goldmark's colour system over the existing monochrome applicants.

The FCC was hesitant because CBS's mechanical system was incompatible with the electronic system already in use and would render all existing TV sets obsolete. Sarnoff urged the FCC to hold off a decision and promised that within six months RCA would present an all-electronic colour system that could be received by both colour and black-and-white sets. The battle over colour was joined, grew fierce with the years, and would not be resolved for more than a decade.

After a bitter struggle involving court appeals and the FCC's approval of the CBS system followed by a reversal of the decision, RCA finally prevailed. Colour telecasting began in 1953.

At around the time the clash over colour began, an *ad hoc* National Television System Committee was formed at the behest of the FCC to help establish the technical standards for the US industry. After adopting the NTSC recommendations specifying 525 scanning lines and FM sound, the commission in the spring of 1947 finally permitted the thirty-two

stations around the country to cease being experimental and to support themselves through the sale of advertising. But just when it appeared that commercial television might be taking off in earnest, the USA entered World War II. Television manufacturing ceased, and the marketing of the new medium was put on indefinite hold. Six stations remained on the air during the war, but most broadcast only a few hours a day and mainly for civil defence purposes.

Sarnoff and Paley both served in non-combatant roles in World War II. Paley took an overseas assignment with the Office of War Information and was given the rank of colonel. Sarnoff became a communications consultant to Eisenhower headquarters in Europe. On his departure in 1944 Sarnoff was promoted to the rank of brigadier-general in the Army Reserve Corps. To him that was tantamount to being knighted, and he so cherished the title *General* that he carried it into business life as his civilian honorific. Within his company he was known ever after as 'The General'.

Their wartime activities seemed to sensitize both Sarnoff and Paley to the importance of news. Both were on a public service high when, on their return, they increased the networks' news programming to more than 20 per cent of their radio schedules. They were also of course reacting to the interest in news that grew during the war, and this inspired a build-up of their journalistic forces beyond the ability of their ragtag competitors to compete. Their news divisions, while loss-leaders, were held sacred; and in television, no less than radio, their networks' primacy in news was Sarnoff's and Paley's greatest source of pride. It was also, of course, politically and socially a unique source of power.

The hiatus for war was in several ways beneficial to television. Developments in radar lent immensely to refinements in video technology. In a most important technical advance, RCA engineers, while working on a military device, invented the image orthicon pickup tube, which made TV cameras easier to use while greatly reducing the light levels the cameras previously required.

But nothing compared in significance to the change in attitude by the American consumer when television re-emerged in the lively post-war economy. No longer minimized as a fair-ground novelty and frill, television was generating enthusiasm and had

come to be regarded by the public as a peace dividend. Crowds frequently gathered at store windows to watch the broadcasts from the street, and when prices for TV receivers began to drop as the production of sets accelerated the boom was on.

A mere 0.02 per cent of American households had television in 1946, a year in which some 10,000 monochrome sets were sold nationally. But in 1947 sales reached nearly 200,000 and the following year one million. By 1950 household penetration was at 9 per cent, and then the spurt began. Within five years it hit 78 per cent, and television's eclipse of radio was almost complete. Within a mere ten-year span, from 1945 to 1955, television went from a failed idea to one of the necessities of modern life. Five years later it was the biggest and most influential mass medium ever known.

AT&T, the telephone monopoly, had begun laying coaxial cable to interconnect the cities for television as early as 1944. In 1946, with the completion of the link between New York, Philadelphia, and Washington, DC, a three-city telecast of the Joe Louis-Billy Conn heavyweight boxing match gave evidence that television could be networked as easily as radio. By 1948 the major cities in the northern and eastern quadrant of the country were receiving programmes simultaneously. When the east and west coasts were finally linked in 1951, Edward R. Murrow marked that momentous occasion on his CBS programme by showing viewers simultaneous live pictures of the Atlantic and Pacific oceans.

The Brief Golden Age

Four networks were involved in television at the war's end. NBC, CBS, and ABC all had branched into the new medium along with many of their radio affiliates, although CBS had to scramble to buy stations in the major cities because, with its bid for the field sequential colour system, it had withdrawn its applications for monochrome station licences. The fourth contender was the DuMont Network, founded by Allen B. DuMont, an inventor and prosperous manufacturer of television sets and picture tubes.

DuMont Laboratories, in which Paramount Pictures was an investor, had been planning a network from early times. Overshadowed by RCA, it

had been the other television exhibitor at the 1939 World's Fair. Its New York flagship was the only television station to continue regular broadcasting during World War II in hopes of getting a jump on the other networks when the war ended. DuMont's handicap was that it had no radio base and thus no ready-made family of affiliates to build upon. But with its two stations in the east tying in with Paramount's two on the west coast, DuMont hoped to string together a national network from the hundreds of new applicants for stations around the country. The FCC was to frustrate that plan. Unprepared as it was for the explosive post-war growth of television, the commission in the autumn of 1948 instituted a freeze on new station licences until it could determine how to allocate the frequencies equitably and in ways to avoid signal clashes. At the time, only 108 stations had been authorized, and eleven cities were left without television service.

The freeze lasted four years. When the FCC finally produced its allocation table, it assigned a maximum of three VHF stations to most metropolitan areas. Though unintended, in practical terms this meant the field would be limited to three networks, since any attempt to compete with an alignment of UHF stations would be unthinkable, given the reception problems with that band.

By 1952, when the freeze ended, NBC and CBS had lined up the new affiliates they needed to assure coverage in the largest and most lucrative population centres. ABC gathered up most of the remainder. DuMont's chances were severely hampered by the FCC's allocation plan and, also, by its own low-budget programme schedule that simply could not compete for prime new affiliates. But the death blow came in 1953 when ABC was significantly strengthened by the completion of its merger with United Paramount Theatres, settling the question of which network would be third.

There was enough advertising at the time to support two networks, scarcely enough for a third, and not at all enough to support four. After nine years of heavy losses DuMont gave up in 1955. The stations it owned were reorganized as Metromedia, which for the next three decades thrived as the largest independent station group. (Interestingly, those stations again became the foundation for a fourth network when Rupert Murdoch purchased the group in 1985.

This fourth network, Fox, was far more successful than its early progenitor.)

Because ABC was the newest radio network and a weak third in importance, it moved swiftly into television so as not to get left behind. But ABC was largely owned by one man, and the investment he faced in assembling and operating a network against powerful competition was far more than he could afford. As early as the late 1940s Edward J. Noble began seeking a merger. After rejecting a number of suitors he settled in 1951 on United Paramount Theatres, a theatre chain flush with money after its government-decreed divestiture from Paramount Pictures. But because a transfer of station licences was involved, the transaction required FCC approval, and that turned out to be a two-year process. During the waiting period, with its funds almost depleted, ABC sank even deeper into third place, where it had been scrambling with DuMont for survival.

When the merger was finally effected in 1953, ABC had a new leader in Leonard Goldenson, a lawyer who had been president of the large theatre chain. NBC and CBS already had such dominance of the television audience, such formidable stables of stars, and such tight relationships with the largest advertisers that ABC's existence on the network playing field was bound to be a study in futility. Moreover, Goldenson not only lacked a background in broadcasting, he had none of the hubris or sense of manifest destiny that propelled Sarnoff and Paley. He was a mere life-sized human in the company of godheads.

ABC's was to be a hard climb indeed. Though DuMont's demise gained ABC some affiliates and advertisers, it left ABC the lone victim of network television's poverty cycle, perennially at the short end of what was characterized as a two-and-a-half network economy. The big stars shunned ABC for fear of acquiring a loser's taint, so it was helpless against the star power of its rivals. Year after year through the 1950s and 1960s the ABC network lost money, its existence justified in business terms only by its contribution to the profits of the five ABC-owned television stations. Its wretched position in the three-network race forced ABC to compete inventively, and on several occasions its efforts created dramatic changes in the television business.

The ABC merger occurred in a period that is often referred to as American television's golden age—a time when much of the main nightly fare in the new medium was studio drama in the theatre tradition. Television production was centred in New York then, and the networks drew from the talent pool for the Broadway stage, as one live medium feeding off another. In a wave of sponsored anthology series such as Kraft Television Theatre, Philco Playhouse, U.S. Steel Hour, and General Electric Theatre as many as a dozen original plays were presented in prime time each week. The most ambitious series was Playhouse 90 on CBS, which offered a ninety-minute weekly drama.

To talented young people aspiring to the stage, television in the early 1950s afforded an opportunity to be discovered. The network showcases launched the careers of numerous dramatists, including Paddy Chayevsky, Rod Serling, Reginald Rose, Gore Vidal, A. E. Hotchner, and William Gibson; and such directors as Sidney Lumet, Arthur Penn, George Roy Hill, and John Frankenheimer. Among the raft of producers spawned in the golden age were Paul Gregory, John Houseman, Herbert Brodtkin, Martin Manulis, and George Schaefer.

But most impressive was the galaxy of young actors who went on to stardom. In their considerable number were Paul Newman, George C. Scott, Lee Remick, Julie Harris, James Dean, Sidney Poitier, Jack Lemmon, Grace Kelly, Peter Falk, Jack Palance, Dina Merrill, Rip Torn, Rod Steiger, Kim Stanley, Jack Warden, and Lee J. Cobb.

Stage adaptations were made of such TV plays as *Marty*, *The Miracle Worker*, *Twelve Angry Men*, *The Bachelor Party*, *Patterns*, *No Time for Sergeants*, and *Visit to a Small Planet*. All were later produced as movies.

The drama anthologies, in their brief hour on the prime-time stage, brought respectability to the new medium and demanded that it be evaluated by critics of substance. Television had not yet come to be scorned by the intelligentsia. But just when it seemed that the networks would be contributing a new and significant body of literature to the national culture, the drama anthologies began to give way to quiz shows and episodic filmed series, mainly Westerns. By the late 1950s television's golden age evaporated, and most of the artists it had nurtured fled to motion pictures and the stage.

At least partly responsible for the networks' abrupt change of direction was television's proliferation in working-class households. In 1953 television was only in 40 per cent of American homes; by 1955 the number had nearly doubled. The first to purchase TV sets were, by and large, the wealthier and better-educated families. Studio drama served such an audience well. But when the masses joined in the viewing, the presentation of serious plays on gloomy themes could not stand up to competition from lighter forms of entertainment.

Other factors contributed to the sudden demise of the drama anthology. One of them was the arrival of videotape in 1956, after which actual live productions were unthinkable. While tape helped eliminate production flaws, it also removed the sense of immediacy that was part of the wonder of a live dramatic performance. The shows, in short, were not as exciting as before.

Most significant, however, was Hollywood's change of heart towards television. The major studios, after years of shunning the new audio-visual medium that was stealing their audience and causing neighbourhood theatres to close around the country, began to see financial salvation in television. One by one they began releasing to the syndication market large packages of old feature films from their vaults. The sudden plethora of movies on the air seemed to satisfy much of the need for drama that the network anthologies had provided.

At around the same time, ABC's new president, Leonard Goldenson, was making his unique contribution to television. Putting to use his Hollywood connections as a former Paramount executive, he succeeded in persuading first Walt Disney and then Warner Bros. to break the Hollywood hold-out and produce weekly film series for the networks. Warner weighed in with a Western, *Cheyenne*, whose hour-long episodes could be shot in five days while incorporating considerable library footage to keep costs low.

When both *Disneyland* and *Cheyenne* became hits for ABC, the other studios began seeking network commissions for weekly series, and few projects were denied. Most were Westerns. By the late 1950s the genre was epidemic, driving out most other forms of programming in prime time. Virtually all that served for balance were some innocuous

situation comedies, a scattering of variety shows, and a new genre—opulent and suspensefully orchestrated serialized quiz shows that paid unheard-of awards to the winners. One of the most typical and popular was *The \$64,000 Question*. They became a national rage and then a national scandal.

At their very height of popularity, the quiz shows self-destructed. They were banished from the air when they were discovered to have been 'fixed' at the sponsors' behest in ways intended to produce higher ratings. Contestants with demonstrable audience appeal had been fed the answers to ensure their continuance on subsequent shows; those lacking in viewer sympathy or charm were disposed of with questions designed for their elimination. When the hoaxes were found out, the networks were disgraced and the licences of their owned stations placed in jeopardy. They atoned for their sins against the public trust with a commitment to producing social documentaries. This enlivened the news divisions, but only for a few years, until the scandal was forgotten.

The passing of the quiz programmes increased the networks' dependency on Hollywood for entertainment and changed the nature of the prime-time competition. Executives who were adept at live television were replaced by those skilled at selecting and scheduling continuing film series. Common practice by the networks was to order thirty-nine episodes of a series and repeat thirteen of them during the summer months. Programmes were created cynically, with intent to destroy the two others in opposition—such was to be the nature of three-network competition for decades after, although for reasons of economy the ratio of first-run to rerun episodes came down to one-to-one.

By 1959 there were thirty-two Western series in prime time. While many of them had relatively complex characters and dealt with social and philosophical issues, all were essentially action shows, and they introduced violence to television on a grand scale. In striving to succeed in the crowded field, the series increasingly resorted to mayhem and often to bizarre forms of torture and murder. This dismal landscape was what Newton Minow, the young FCC chairman in the Kennedy administration, referred to in his famous speech that characterized television as 'a vast wasteland'.

The Ratings War Escalates

In time the filmed shows from Hollywood became too expensive for single sponsors. Advertisers, moreover, began to shrink from the high risk of backing shows for a full year only to have them fare poorly in the ratings and adversely affect product sales. Their desire to retreat from the sponsor system proved opportune for the networks, which had wanted to assume greater control over programming ever since the quiz show scandal when they were held responsible for the nefarious practices of sponsors. Network advertising began to be sold in flights of one-minute spot announcements spread over numerous shows, in the manner of ad pages in magazines, and by the mid-1960s the sponsorship system that had been carried over from radio was gone.

With the networks having full control over prime-time programming (Procter & Gamble continued to hold a grip on certain daytime hours for its soap operas) the ratings war intensified. Ad spots were valued according to the amount of audience reached, so that a programme which placed first in a time period might earn 50 per cent more than one placing third. Every rating point translated into dollars, and a network that finished a season on top by a single average rating point stood to make some \$20 million to \$30 million more in profits than the network next behind. This had implications for the stock options of network executives, because Wall Street began correlating stock values with the monthly Nielsen rating reports, so the executives' personal fortunes were at stake in the game of numbers.

Caught in a web of venality—one of their own making, to be sure—the networks lost virtually all ability to be boldly venturesome in programming. Scores of pilots for new series were produced each year, and nearly all were mere variations on the proven formulas. Programmes were aligned in the schedules for compatibility, so that one might feed its audience to the next. At the first sign that a series was faltering in its time period, it was either pulled from the schedule or given a second chance in a move to another night. Early cancellation was a form of damage control, even affecting series with several unaired episodes that were already produced and paid for.

The television audience made its unwitting contribution to the programming morass and the lock step

of the networks by the sheer predictability of its viewing habits. Audience research found that television viewing levels remained about the same for any hour, week after week, no matter what was being offered on the air. On any Tuesday evening, for example, there would be 75 million people before the set at 8 p.m., 90 million at 9 p.m., and 70 million just after 10 p.m. If NBC offered a programme at 9.00 that viewers did not especially like, they did not switch off but merely tuned to another network. This meant that when a network failed in a time period it compounded the injury by feeding the dissatisfied audience to its rivals, boosting their numbers.

During the 1960s the ratings race was mainly between CBS and NBC, with CBS always finishing first. To a large extent winning was a matter of having star power, and CBS had Lucille Ball, Jack Benny, Danny Kaye, Red Skelton, Jackie Gleason, Ed Sullivan, Dick Van Dyke, Andy Griffith, Carol Burnett, the Smothers Brothers, and Jim Arness. NBC had Bob Hope, Dean Martin, Andy Williams, Rowan and Martin, and other popular performers, but in this sphere CBS proved always to have the edge.

In the dramatic programme forms, NBC excelled in the action-adventure series while CBS was pre-eminent in the sitcom genre. In general, NBC's programming in the 1960s was oriented to the urban viewer while CBS cast a wider net and derived much of its rating strength from the rural areas. Because ABC always ran third, it was somewhat more daring with programming than the others, and occasionally trendy. ABC seemed mainly to succeed with the young. The network raised controversy for the excesses of violence in such shows as *The Untouchables* and *Bus Stop* and for the sexual currents in the *Peyton Place* series—made the worse to ABC's critics by the following among teenagers it had won with shows like *Leave it to Beaver*, *My Three Sons*, *The Adventures of Ozzie and Harriet*, and the animated sitcom *The Flintstones*. Though last in the ratings, ABC was always a factor in the competition and excelled particularly in sports. It even had an occasional entertainment blockbuster with shows like *The Fugitive* and *Batman*. But there were four hours a night of prime time, and in most of those hours ABC did not measure up to its rivals.

Movies that were only a few years out of theatrical release became available to the networks in the

mid-1960s, though at great cost, and quickly became a prime-time staple. By 1968 each network had two movie nights and some expanded to three, pitting one against another. The movies were so immensely popular that they were destroying virtually all the TV series in opposition. One reason was that they were racier.

In having to compete for audience with television, producers of theatrical motion pictures exploited whatever was taboo in the family medium and heaped on the flavourings of sex and violence. Even after severe editing, when these movies came to television they usually exceeded the normal standards of acceptance for the medium. Responding to pleas from television producers for the ability to compete, the networks liberalized their standards and opened the new era of permissiveness in TV programming. This was typified by the various Norman Lear series—*All in the Family* and *Maude*, among them—which in dealing with such themes as bigotry, impotency, and abortion altered the character of sitcoms and ended their age of innocence.

Television's voracious appetite for successful movies soon exhausted the supply. MCA, the parent of Universal Pictures and the chief supplier of programming to NBC, offered to produce two-hour features made expressly for television and created a new form—the made-for-TV movie. A crass descendant of the early drama anthologies, it has since become a staple of prime-time schedules.

The Networks' Great Power

Collectively, for having at least half the American population in their thrall on any night, the networks became extremely powerful in the 1960s and a source of concern to many for their influence on the public mind and for visiting change on virtually every institution of society, from politics to professional sports. In mounting the so-called 'Great Debates' between Richard Nixon and John F. Kennedy in the 1960 presidential campaign, the networks established television as the proscenium for national politics, as in time it was to become for local and state politics as well. Ward healers and power brokers selecting candidates in smoke-filled rooms—the essential behind-the-scenes players in old party politics—were rendered obsolete by television.

The televised debates of 1960 not only changed politics but also the course of history, at least to the extent of affecting the order of leadership in the USA. In an earlier time, Nixon would probably have won. As the highly visible vice-president in the popular Eisenhower administration he was a far stronger candidate than the relatively unknown senator from Massachusetts. But the first of the debates, the most crucial of the series of four, proved to be more about image than about where the candidates stood on issues; and on that score the handsome, sun-tanned young senator won handily over the haggard Nixon. Interestingly, most people who had heard the debate on radio thought Nixon the winner. In the aftermath, the event left no doubt about television's ability to create political stars overnight.

Having begun to compete as vigorously with news as with entertainment programming, with prestige as the prize, the networks were at the centre of the turmoil of the 1960s. The civil rights movement gained momentum when the inhumanity of the rabid segregationists towards black demonstrators in cities like Birmingham, Alabama, appeared on the home screens. Images of attack dogs and fire hoses being turned on the blacks seared the consciences of Americans around the country. As public opinion shifted to the civil rights cause the networks themselves responded. After having portrayed in their programming an essentially lily-white nation up to the late 1960s, the networks lowered the colour bar which had been raised from the belief that series featuring blacks would be rejected by much of the audience. Instead, as it turned out, programmes like *Julia*, *Sanford and Son*, and *The Jeffersons* became substantial hits, and the mini-series *Roots*, when it aired in 1977, drew the largest audience ever for an entertainment programme.

Along with advancing the civil rights, women's rights, and gay rights movements—none of which could have progressed on the scale experienced without a marked change in public opinion—the television networks were instrumental in ending the US involvement in Vietnam. It was not that they changed attitudes by taking editorial positions against the war—although CBS's revered anchorman, Walter Cronkite, did suggest in a commentary that it was an unwinnable war—but that the networks'

daily news coverage revealed as it progressed the horrifying moral decline of the enterprise.

The networks had the power also to bind and comfort the nation through the traumatic wave of assassinations in the 1960s, of President Kennedy, his brother Robert, and Martin Luther King Jr. But the power of the networks, for all the good it actually served, was widely resented and distrusted. Though their programmes were still immensely popular in the Nielsen ratings, the networks themselves were not loved by much of their public. Indeed at times they seemed to have more enemies than friends. Parent groups condemned them for exploiting children as a market and rotting their minds with base Saturday morning cartoon shows. Educators reviled the networks for providing little of intellectual nourishment, and racial and female activists protested the stereotyping of women and minorities. Social critics deplored television's unrelenting commercialism and the medium's role in supplanting a democracy of citizens with one of consumers.

Moreover, the networks found themselves under fire from the political extremes, assailed from the left as part of the military-industrial complex—wasn't RCA, the parent of NBC News, one of the Pentagon's major contractors?—and from the right as tools of the eastern liberals. Richard Nixon, a champion of the right, was downright paranoid about the media, but particularly the networks, when he became President in 1969. He opened fire on the networks early on, and others in his administration seldom passed up an opportunity to attack them publicly for opposing Nixon from an ideological bias. For years after the Watergate hearings and the Congressional vote to impeach the President, Nixon's right-wing loyalists continued to believe it was the networks that had hounded him out of office.

Public television became a victim of Nixon's war against the media. In 1973 the President vetoed the Congressional appropriation for the system because the money would be going to support a fourth network, PBS, which he believed to be a hotbed of liberalism. The operators of public television stations were made to understand that they would receive the federal funds only if they decentralized the system. PBS was then reduced from an actual network (after only three years in that capacity, as a creation of President Johnson's 'Great Society' programme)

to a central body that merely handled the distribution of national programmes. In its decentralized form, with each local station determining what it would air, public television had to content itself with small audiences and never became a factor in the competition among the networks.

If the networks had provoked the public's resentment and the government's anger, they also fuelled a bitterness towards themselves within their own industry for their arrogance and greed. In the 1960s the networks came to dominate nearly every facet of the television business. They made continual demands on stations for more air time, and though the stations objected, they usually complied from fear of reprisal. A network had the ability to drop a recalcitrant broadcaster and switch the affiliation to a neighbouring independent, which indeed happened more than once. The market value of the abandoned stations immediately decreased by at least half.

CBS, NBC, and ABC, moreover, held complete sway over the programme market to the despair of independent producers and programme distributors. The major Hollywood studios were not only frustrated at having nowhere else to go with a project if the networks rejected it, they often were forced to give the networks equity positions in their shows to get them on the air. The networks also presumed to dictate when the reruns of a series could be placed in syndication; invariably it was after the series had run its course in prime time, when its popularity was so thoroughly spent that it posed no serious ratings threat as a competitor. In the syndication field, where the networks also ruled, they tended to favour their own affiliates with the most desirable shows.

Acting on petitions from a number of industry sectors, and after a long series of inquiries, the FCC adopted severe regulations in 1970 that curbed the networks' power and effectively restructured the television market. Under what was called the Prime Time Access Rule, the networks could claim no more than three hours of prime time (the period defined as 7-11 p.m.), except on Sundays where the first hour had to be given over either to programmes for children or to news and public affairs. A companion regulation, the Financial Interest and Syndication Rule (known in industry shorthand as fin-syn), barred the networks from engaging in domestic syndication and the ownership of cable systems,

and outlawed their ownership of all or part of the programmes they aired, except for news and public affairs.

The new rules were a boon to the Hollywood studios, which came to realize enormous profits from their network hits, both because they owned the shows entirely and because they were able to sell the reruns in syndication while the new episodes on the networks were at their peak of popularity. Twentieth Century Fox, for example, hit the jackpot with *M*A*S*H*, which while running once a week on CBS in its regular slot was also aired five times a week (and in some instances ten) on local independent stations. In the industry's reorganization, the syndication market flourished, allowing small distributors to prosper and independent producers to create shows for the time periods that became available under the Prime Time Access Rule.

In compliance with fin-syn, CBS spun off its syndication and cable divisions into a new independent company, Viacom, which went on to become a force in both the cable and television industries. ABC sold its syndication unit, ABC Films, to a group of its own executives, who named the new company Worldvision. It too continues to live on. NBC chose a different course and sold off its various syndication properties to a scattering of independent distributors.

Despite being reined in by the FCC's action, the networks continued to prosper in the 1970s and, paradoxically, found some of the radical changes in the market working in their favour. ABC was a particular beneficiary, since in being forced to give up seven hours a week of prime-time programming it was able to unburden itself of the weakest shows in its inventory. That served not only to bring ABC closer in line with the other networks in the ratings but also allowed it to shore up its finances and build its evenings around its most dependable programmes.

The tightening of the ratings race, with all three networks in contention, had the effect of firming up the prices of advertising spots. In prior times ABC's frequent offers of bargains produced a more elastic pricing structure at all the networks. Moreover, with their truncated prime-time schedules and 25 per cent fewer spots to sell, the networks found themselves in a most favourable supply-and-demand position. As

advertisers wanted more prime-time ad spots than were available to buy, the networks were able to raise their rates 10 per cent or more every year throughout the decade. Such was the demand that every programme made money, even those at the bottom of the ratings charts. The flops were quickly discarded anyway, because the object was to maximize the revenue potential of every time period. Part of the legacy of the FCC's rules, ironically, was to make network television a failure-proof business, at least for the near term.

A Shift in Network Fortunes

The 1970s became ABC's decade. The network not only achieved parity with its rivals at long last, but in 1976 advanced to the front of the field, helped in part by the mysterious passing of the venerable star system. For reasons no one could quite explain, the star system that had hobbled ABC from radio times suddenly stopped functioning. Established stars no longer ensured top ratings; rather, viewers seemed to enjoy the discovery of new performers, and turned them into stars within weeks.

Also favouring ABC was the mania for young demographics that overtook the advertising industry in the late 1960s. Most advertisers, having determined that younger viewers were more likely than the older to try new products or switch brands, were willing to pay twice as much or more for an audience predominantly in the age group of 18 to 34 than for a programme's audience that was more mature. As a network that once was cursed with a teenage following, ABC was better positioned for the change than were either of its rivals.

At CBS, Paley spent most of the 1970s preparing for management succession, the future of CBS without himself. It proved to be his greatest failure. After arranging for his own exemption from the company's mandatory retirement rule at 65, he declined a similar waiver in 1972 for his long-time alter ego and heir apparent, the esteemed Frank Stanton. Instead, he determined that the company should be led by an executive skilled in acquisitions, because he believed CBS should diversify in a way that would make broadcasting a mere facet of a conglomerate rather than a small company's primary business.

The first of his recruited successors-to-be died of a heart attack only months after joining the company, and in rather swift succession Paley hired and fired two others. None of his appointments had had any previous experience with television, or displayed any instinct or talent for programming, and the network began to slide. Paley's final appointment as president of the corporation, Thomas Wyman, brought over from the packaged foods industry, proved to be his undoing. Within two years after his arrival, Wyman manoeuvred Paley's semi-retirement as a board decision and assumed the chairmanship.

NBC, meanwhile, had a succession crisis of its own. When General Sarnoff retired from RCA in 1970 (he died the following year) his son Robert succeeded him as chairman and immediately was faced with the onslaught from Japanese manufacturers. During the next five years, RCA's share of the TV receiver market shrivelled, and the company was forced besides to shut down its computer manufacturing operations at a huge loss. With the \$10 billion corporation floundering, the RCA board forced Robert Sarnoff's ouster in 1975. After that came two disastrous appointments which left the company in disarray when Thornton F. Bradshaw was named chairman in 1980. Meanwhile, NBC had sunk deeply into third place, the result of a management fiasco of its own.

That had begun in 1978 when, in a blizzard of publicity, RCA wooed away ABC's famed programme chief Fred Silverman by offering him the presidency of the entire National Broadcasting Company, which included the radio, stations, sports, and news divisions. The television network at the time was running last in the ratings race, and the hiring of television's master programmer to turn NBC's fortunes around was viewed as a master stroke. Silverman had made his reputation at CBS in the 1960s as a wunderkind who had an intuitive understanding of the medium that few had ever possessed. Later, as CBS's head of programming, he divined an imposing string of hits, in a range of genres from *Kojak* to *The Waltons*. ABC, in a stunning coup, hired Silverman away in 1975, and a year later the network soared into first place. Silverman was hailed in the press as the programmer with the golden touch.

He lost that touch completely at NBC, however. Whether because he was distracted by having to

oversee the entire company, or because he tried to accomplish too much too soon in doctoring the programme schedule, his frantic three-year stewardship was a humiliating flop. All his programme strategies failed, the ratings continued to decline both in the evening and daytime, several valued NBC affiliates became disenchanted and switched to other networks, and dozens of key NBC executives left, many of them fired by Silverman. By the time he himself was fired in 1981, NBC was a shambles.

The miracle that Silverman had been expected to perform at NBC was instead performed by his successor, Grant Tinker, a noted Hollywood producer and one-time NBC programme executive. In a style that was as calm and civil as Silverman's was hysterical and churlish, Tinker led NBC through one of its most glorious periods. He chose excellent executives and gave them room to do their best. During Tinker's five-year tenure, the network advanced steadily from last place to first, mostly moreover with programmes of exceptional quality, and morale was restored throughout the ranks. NBC had become not only the model network but a model company.

The End of the Networks' Prime

It was the last glorious time for any network. Cable had begun to emerge from the background in the late 1970s, and through its convergence with satellite technology brought forth a number of new national television channels that portended the first real competition to the major networks. HBO, the premium channel that offered recent movies uncut and without commercials for a monthly fee, became the engine that drove cable's rapid growth through the 1980s.

The spread of cable across America also fostered a boom in the UHF band, because cable equalized the reception of VHF and UHF signals. As rapidly as cable spread, so did the construction of new UHF stations for both commercial and public television. This extraordinary second growth of terrestrial TV stations allowed Rupert Murdoch to create the first successful fourth network, Fox, using his newly acquired VHF stations that once formed the Metromedia group (and thirty years before, the DuMont Network) as the nucleus. Fox made

a substantial claim on the three-network audience in the late 1980s, as did, collectively, some fifty cable networks. (One of them, Ted Turner's twenty-four-hour news channel, CNN, rapidly became television's fourth great news force, and on major running stories, such as the Persian Gulf War in 1991, dominated both the coverage and the viewing.)

In 1986, the year Fox began, all three major networks had changed hands. As if in a single wave the network culture that was born four decades earlier was transformed.

Leonard Goldenson, approaching his 80th birthday, sold ABC to Capital Cities Communications for \$3.5 billion, a case of the smaller company consuming the larger. Capital Cities was headed by one of Goldenson's friends in the industry, Thomas Murphy, who was widely recognized in the business world as an exemplary chief executive. Financial analysts later determined that ABC was worth about twice the price, especially since its assets included major equity stakes in three of the most prosperous cable networks: ESPN, Arts & Entertainment, and Lifetime.

At RCA, Thornton Bradshaw, concerned that the company might be prime for a take-over by predators who were running wild on the business landscape in the 1980s, arranged for its purchase for \$6.3 billion by the giant General Electric Corporation, a company compatible in electronics manufacturing. The deal included the NBC subsidiary but not Grant Tinker who, previous to the transaction, indicated he would resign and return to Los Angeles. GE seemed appropriate for the acquisition because it had been one of the founding partners of the Radio Corporation of America in 1919. But GE in 1986, under its chairman Jack Welch, had a reputation for toughness in business and brooked no sentimentality. Among GE's first acts was to shut down RCA and to sell off NBC Radio, thereby putting an end also to the world's first broadcasting network.

Meanwhile, a boardroom melodrama unfolded at CBS. Tom Wyman's record as chairman was dismal. The network's ratings were in quicksand, and the news division, disarranged by internal changes, suffered a decline in stature. The image of the company that Paley and Stanton had so painstakingly burished over the decades was badly tarnished. That Wyman survived at the helm for six years testified to

his skill and energy in dealing with board members. To save his company, the aged Paley mounted a last stand, producing a 'white knight' in Laurence A. Tisch, the billionaire chairman of Loews Corporation, whom Paley did not actually know. Tisch proceeded to purchase close to 25 per cent of the company's stock, more than enough to assume control. When Wyman overplayed his hand with the board in undertaking on his own to find a buyer for the company, he was dismissed, and Tisch immediately took charge.

The new owners of the networks, unlike the founders, were strictly in the business of business. Although the Capital Cities management was the only one of the three that had experience in broadcasting and understood the special nature of it, Thomas Murphy and Daniel Burke prided themselves on running their company in a manner often described as 'lean and mean'. The rule at General Electric was that every division must be profitable, and that included NBC News, which like the news divisions of the other networks had always been a loss leader. Laurence Tisch made his fortune as what Wall Street calls a 'bottom feeder', one who buys sinking companies cheaply and whips them back to profitability by slashing costs, which mainly means reducing staff.

All three new owners immediately proceeded to reduce their payrolls substantially, with the news divisions hit hardest of all because news is the one programme area whose costs the networks can directly control. Also eliminated were the life-style niceties and executive perquisites—the cut flowers, limousines, company planes, hospitality suites at the Plaza, lavish affiliate conventions, *haute cuisine* in the executive dining-rooms, and generous expense accounts—everything that had made working for a network glamorous and exceptional. The new network owners pointed out that television is not the business it once was. That assertion is not only beyond dispute, it almost understates the case.

From the early years through most of the 1970s the networks had commanded at least 90 per cent of the prime-time viewing on any night, but by 1990 the competition from cable and the Fox network had cut their combined share to less than 60 per cent and at times during the summer months even below 50 per cent. Meanwhile, in the latter half of the 1980s video

rentals ballooned into a \$13 billion a year business that lessened network viewing on weekends and decimated the Saturday night ratings. And more competition was on the horizon, principally from satellite services beaming directly to the home and from telephone companies entering the cable business.

CBS suffered most from the ownership change. The combination of Tisch's extreme fiscal prudence and lack of flair for broadcasting proved almost ruinous for the network. Along with falling behind the others in ratings and choice demographics, CBS also lost irretrievably its special eminence, the exalted public image as 'the Tiffany of networks' that had been carefully nurtured by Paley over the years. Thus weakened, CBS became most vulnerable to Murdoch's surprise raid on long-established network affiliates in several large population centres, leaving CBS to find outlets on marginal stations in those key markets. During Tisch's nine-year stewardship, CBS was also the only network that resisted venturing into new media or developing programme channels for cable.

Tisch finally gave up the company in 1995, making a sizeable personal profit from its acquisition by Westinghouse Electric Company. Not long after, in February 1996, ABC became the property of the Walt Disney Company. General Electric earlier had contemplated selling off NBC but thought better of it when the network ascended in the ratings and opportunities began presenting themselves with satellite channels abroad.

With both Disney and Twentieth Century-Fox having a TV network in the family, two other Hollywood studios, Warner Brothers and Paramount, moved swiftly to create terrestrial networks of their own to ensure their future in television production. Working with a patchwork of leftover independent stations and local cable channels, neither had an infrastructure to compare with the major networks, and both began, as Fox had, with a limited schedule in the peak viewing hours that would be expanded over time. The WB and UPN networks, as they are respectively known, stand to become strengthened in the age of digital television, assuming they can shoulder the losses until then. According to a timetable set by the government, the nation-wide conversion of broadcast television from analog to digital is to be completed by 2006.

While by 1997 Fox had grown to a virtual equal of the older networks, proving that the market could support four, it was far from certain that the ever-fragmenting market could sustain six or even five. Among them, the six terrestrial networks together claimed 62 per cent of the prime time audience in 1997, with cable channels getting a combined 32 per cent. The remaining 6 per cent was shared mainly by public television and Spanish-language stations.

With television and computer technologies converging, it is clear that the video environment will continue to change for decades to come. But though the commercial television networks are bound to continue losing audience to new forms of television, they will almost surely survive, some of them at any rate, because they provide a unique and widely valued service as the central meeting-place for the nation. They remain, besides, the best and most efficient means by which advertisers can reach a large national audience.

The FCC in 1993 helped immeasurably to secure the networks' future by repealing the Financial Interest and Syndication rule that for twenty years had prevented ABC, CBS, and NBC from fully taking part in the changing market-place. Allowed once again to produce programmes and secure ownership positions in those produced by others, the networks may find their economic salvation in the expanding world market, which they were scarcely able to exploit while the Hollywood studios reaped the windfall.

As television in America branches into hundreds or even thousands of specialized channels—in technology's democratization of the medium—the old networks, or what remains of them, will by default represent the mainstream. But never again will they be as autocratic as at their height or, paradoxically, as powerful a democratic force.