

MBC

NBC

America's Network

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NBC and the Network Idea

Defining the "American System"

MICHELE HILMES

NBC: the National Broadcasting Company. The name itself, so familiar by now we scarcely give it any thought, lays out the three factors crucial to understanding not only how NBC came to be but also how broadcasting emerged as one of our primary engines of cultural production around the globe.¹ First, *national*: when RCA announced the formation of its new radio "chain" in 1926, it introduced the first medium that could, through its local stations, connect the scattered and disparate communities of a vast nation *simultaneously* and address the nation as a whole. Thus radio could become a powerful means of creating and defining a national public, sorely needed in those nation-building years between the two world wars.

Second, *broadcasting*: this word was coined to denote a new form of communication that emerged in the early 1920s, one that emanated invisibly from a central source and passed with ease through not only physical but social and cultural barriers to reach listeners as private individuals in their homes. More accessible, more exotic (where did that distant station come from?), yet more intimate than any former medium, it created new forms of community and new modes of creative expression.

Third, *company*: In the United States, unlike most of the rest of the world, broadcasting would develop as a primarily privately owned enterprise, a business responding to market conditions rather than an organ of the state or a public service institution. Yet its power and centrality to national interests meant that it would also come under closer scrutiny and accept the basic compromise of government regulatory oversight to a far greater extent than other media, even in the United States with its First Amendment protections. These three factors—the accessibility and simultaneity of broadcasting, its unique capacity to link a nation and construct a feeling of national identity, and the private ownership that led quickly to advertising as an economic base—defined American broadcasting as a system sometimes imitated, sometimes reviled, around the world.

NBC was the first to put the three together. It positioned itself as “America’s network,” just as the British Broadcasting Company (BBC) was Britain’s network and as other nations would soon form national networks, even though by contrast NBC would remain a private, not a public, corporation. Soon, in the national spirit of commercial competition, it would be joined by its closest rival, CBS. This chapter will trace the origins of the commercial network system of broadcasting as worked out by NBC and its parent company RCA in the 1920s and 1930s, looking at the essential tensions that drove its growth and the cultural results of its pioneering efforts. American radio negotiated a space for itself between principles of social diversity and cultural standardization, between forces of national integration and local independence, and between First Amendment-protected freedoms and the need for regulatory control. These tensions, often reductively articulated as a conflict between radio’s public service responsibilities and its commercial economic base, resulted in the affiliate/network structure and the system of sustaining and sponsored programs pioneered by NBC in the 1920s and 1930s. This particular compromise was unique to the United States and represents the central innovation of the American system.

Chaos and Control

The story begins in the United States in the early decades of the twentieth century. By 1917, the year that the United States entered World War I, amateur experimentation with the wireless transmission of Morse-coded messages had already reached a fairly sophisticated level of organization. Groups like the American Radio Relay League had formed, organizing networks, holding yearly meetings, and devising a philosophy of what they called “citizens’ radio”: a vision of wireless broadcasting open to all, each person both a sender and a receiver of messages, untrammelled by either government restrictions or business considerations. Unlike the countries of Europe, at war since 1914 and still settling tense political conditions in the early 1920s, the United States allowed and even encouraged active amateur experimentation and growth, shutting amateur stations down only from 1917 to 1919. The war motivated rapid development of wireless technology, as well as training of thousands of young men and women as wireless operators, many of whom would pioneer radio broadcasting after the war as coded signals gave way to speech and music over the air (S. Douglas 1987, 1999; Hilmes 1997).

Among these amateurs was a young Russian Jewish immigrant named David Sarnoff, who by 1916 was already employed by the leading radio company operating in the United States, American Marconi, owned by its British parent corporation. Much has been made of Sarnoff’s famous “radio music box” memo, which may have been written that year, in which he suggested that radio might become a popular means of listening to music carried invisibly over the airwaves into the home. In fact he was only one of many amateurs and experimenters already put-



FIG. 1 David Sarnoff at his desk at NBC headquarters, September 1941. (Library of American Broadcasting)

ting such ideas into effect nightly in garages and attics across the nation.² He was uniquely placed to implement the notion, however, and it seems likely that his enthusiastic participation in the amateur free-for-all of the postwar years influenced his understanding of the medium in many profound ways.

Sarnoff’s immigrant origins point to another important factor in radio’s developing role in U.S. society. Immigration to the United States had increased steadily through the turn of the century, reaching a peak in 1920, when nearly 35 percent of the U.S. population either had been born in a foreign country or had at least one foreign-born parent. In many large industrialized U.S. cities, that proportion exceeded 50 percent (Dinnerstein and Reimers 1975, 40). The wave of immigration of the 1860s through the 1920s brought, not the Anglo Saxon and Northern European Protestant settlers of the early period, who had tended to settle in rural areas on independent farmers in the best Jeffersonian tradition, but shiploads of economic and political refugees from the “less civilized,” poorer, mostly eastern and southern parts of Europe—Ireland, Italy, Poland, and the Balkans. The majority of these immigrants were Roman Catholics and Jews, crowding into tenements in the nation’s exploding and expanding cities. Fears of cultural disintegration and

lack of national cohesion began to circulate. How could the United States assimilate these swarming, disparate hordes? How could an American national identity be maintained in the face of this overwhelming diversity?

Most social theorists of the day agreed that communication was essential and that the expanding arena of popular media and entertainment, if properly supervised, could draw diverse populations into the social order; without such supervision, cultural chaos could spin out of control. In addition, experience with propaganda during the First World War had left the nation wary of the power that media offered the state and powerful groups and even more suspicious of the dangerous political currents swirling around on the street level during this tumultuous postwar period. Radio both promised a solution to these problems and threatened to exacerbate them. From the beginning, however, it was clear that issues of national identity and social control, in tension with traditional American values of diversity and freedom of expression, were too important to be left to chance, or the market, alone.

The Local and the National

Many Americans believed that the government, most likely the Department of the Navy, would need to take charge of the new medium; others deplored the amount of government intervention into private life that had occurred during the war and were determined that radio should remain in private hands. One important compromise was reached in March 1919, when the General Electric Corporation (GE), a leader in radio technology, negotiated to sell all rights to the important Alexanderson alternator to the British Marconi Company. This would have given Marconi a virtual world monopoly on state-of-the-art radio equipment. A young Franklin Delano Roosevelt, then assistant secretary of the navy, stepped in to propose that instead the government use its leverage to force the American Marconi company to sell its assets to GE and withdraw from the U.S. market in exchange for key patent rights abroad. Government and corporate interests cooperated to define and defend radio as a crucial national medium, an arrangement that would be replicated around the world.

In October 1919, GE, with the guidance of the federal government, formed a wholly owned subsidiary, grandly titled the Radio Corporation of America (RCA). Westinghouse, the American Telephone and Telegraph Corporation (AT&T), and the United Fruit Company became partners in RCA in 1920. This national organization brought together the major companies involved in radio research to pool their patents and coordinate the development of radio in the United States. RCA's charter stipulated that its ownership must be 80 percent American, that its board of directors must consist entirely of U.S. citizens, and that one member must be a representative of the government (Sterling and Kittross 2001, 58). David Sarnoff, formerly of American Marconi, became general manager. In 1930 he would be named president of RCA, from which position he would direct the continuing development of NBC.

This early attempt to exert some kind of national control over broadcasting would have a great impact on the equipment-manufacturing and station-building business; however, radio broadcasting itself—actually providing some form of content over the airwaves—was still a remote enough concept in 1919 that no provisions were made for a national broadcasting service (unlike the situation in 1922, when the BBC debuted). U.S. amateurs' early and extensive involvement in wireless telephony meant that over the next three years not only the members of RCA but thousands of individuals, nonprofit organizations, religious groups, small companies, and related commercial concerns such as newspapers, department stores, and movie theaters (also chicken farms, hardware stores, laundries, and a myriad of others) applied for and received licenses to broadcast with very little thought of interference or overlap.

By 1922 the unchecked diversity and populism of the airwaves provoked the first major move to rein it in: the creation by the U.S. Department of Commerce of the Class B license, which was distinguished from the more general Class A license in that it allowed approved broadcasters to shift their operations to a less crowded frequency in exchange for certain promises of quality in performance (Bensman 1976, 550–51). Most notably, these stipulations included a ban on the playing of recorded music (at least in part a reaction to the social panic over African American–rooted jazz that had recently swept the country) and a mandated preference for more expensive live performance that would persist into radio's heyday. This also brought into the picture the American Society of Composers, Authors, and Publishers (ASCAP), a powerful music rights organization interested in ensuring that royalties would be paid for live radio performances, and that development in turn inspired the foundation of the National Association of Broadcasters (NAB) in 1923 to negotiate on behalf of the emergent industry.

RCA itself, along with its constituent partners GE, Westinghouse, and AT&T, was among the first to obtain the new Class B licenses; meanwhile, amateurs faced increasing restrictions on the content of their broadcasts and would soon be banished to another part of the spectrum completely. Setting an important precedent for the field of radio, government and big business, working together, had come up with a way to “improve” broadcasting and restrict its access to “responsible” parties without making any actual First Amendment–infringing rules as to what content radio broadcasting should provide, and also without restricting the field to a single, state-licensed broadcaster, as was about to happen in England (M. Goodman and Gring 2000). However, the concept of radio as a truly open medium, accessible to all, had clearly been compromised in favor of more powerful, socially central groups: citizens' radio no more. Class B licenses became available by the end of 1922. Though their frequency and name changed in the aftermath of later regulatory decisions, many of the Class B licensees remain on the air today and would form the backbone of network operations.

Despite its socially and politically exclusionary intentions, the Class A and B distinction also worked to confirm the principle of locally licensed stations, establish-

ing for American radio a firm basis in *localism* rarely found in other nations.³ Even at the height of network radio, a mid- to large-size U.S. city typically offered anywhere from five to ten or more locally operated radio stations, most of them unaffiliated with a network⁴ and thus open to a plethora of community-originated, syndicated, ethnic, foreign-language, and marginal programming. Network affiliates preserved a high level of local identity and content; they were responsible for programming much of the broadcast day—not least in the area of local news—and could reject network programs in favor of their own, though the networks' steady undermining of this right of preemption would provoke the "chain broadcasting" investigation of 1938–41, as Christopher H. Sterling discusses in chapter 5.

Radio in the United States would thus develop in a productive tension between the local and the national, in strong contrast to the highly centralized national systems established in many other countries. Localism's central position in the U.S. system of radio—as indeterminate and contradictory a concept as it has proven to be in application—not only reflected the facts of U.S. radio's early history but also functioned as the guarantor of decentralization, both cultural and political, so vital in American political thought and so deeply rooted in the diversity of American cultural origins and influences. To further this policy, U.S. regulators regarded allocation of "the maximum technically feasible number of stations around the country" as a vital part of their task (Newton 2003, 870). One of the first actions of the Radio Act of 1927 was to divide the nation into five zones for frequency allocation purposes; the Davis Amendment in 1928 required equality of allocation across the zones.

In most other nations, such as France and Britain, both localism and cultural diversity took a back seat to a centralized, state-mandated monopoly and a carefully constructed homogeneity of culture and address. Some, like the Netherlands, allocated broadcasting outlets to established pillars of social and political power, such as religious and political groups. Switzerland and Belgium focused on linguistic regions. Localism was America's bottom-up answer to such top-down determinations, and one factor that troubled many observers about the formation of networks linking such local stations into New York-based chains was the subversion of localism that they seemed to imply. The relationship of NBC and CBS to their affiliates would thus not only form the backbone of commercial broadcasting's economic system but also become the primary source of contention between broadcasters and their critics and regulators.

The Birth of Networks

The first steps toward the formation of NBC were taken both by RCA and by AT&T. In 1922, RCA established WJZ, later to become the flagship station of its Blue network. At first based in Newark, New Jersey, it would move into New York City the following year, building state-of-the-art studios in the Aeolian Building on 42nd Street just off Times Square. AT&T opened its pioneering station WEAF that same

year a little further uptown, where it would undertake some of the first experiments in chain broadcasting—tying two or more stations together via telephone wires to create the first network. Later, it would be sold to RCA and become the key station of NBC's Red network. Over the next five years, both of these early Class B stations came up with many of the programs and practices that served as prototypes for American radio. Bertha Brainard, WJZ's first program manager, who later served as station manager and then NBC's first director of commercial programming, originated one such show in 1922 that took advantage of WJZ's enviable location: the alliteratively titled *Bertha Brainard Broadcasting Broadway*. Bringing Broadway stars to the microphone for interviews and skits, and eventually airing entire stage productions, this program represented radio's ability to translate and enhance existing cultural forms in a broadcast format, a concept that would soon be extended to symphonies, jazz bands performing in hotels and ballrooms, sports events, and political conventions.

During this early period, WJZ's economic function within RCA was to provide incentive for the purchase of radio receiver sets and not to make a profit itself. Thus much of WJZ's schedule consisted of programs provided free of charge—and broadcast without charge by the station itself—by those with services to promote or goods to sell. Prominent among such early program providers were magazines and newspapers, music publishers and talent agencies, hotels, department stores, and theaters.

Nearby, AT&T's station WEAF took a different approach. Since AT&T, by agreement with its RCA partners, was not in the business of selling radio receivers, it came up with an economic model based on that of the telephone: toll broadcasting. WEAF invited would-be sponsors to purchase time, in fifteen-minute or half-hour installments, to deliver their sales message along with entertainment for a fee, just as a telephone caller paid a fee to make use of telephone lines. One of its earliest successes was *The Eveready Hour*, sponsored by the National Carbon Company (maker of Eveready batteries) and produced by their advertising agency, N. W. Ayer. This early hit show was based on a vaudeville variety format that starred ukulele-strumming Wendell Hall, "the red-headed music maker," and a group of recurring performers. AT&T also used WEAF to experiment with one usage of radio that centrally featured AT&T's unique control over telephone landlines that stretched across the United States. Starting with just two or three stations linked together by wires, by early 1924 AT&T had connected stations in twelve cities for a special broadcast of the Republican National Convention. By October 1924, a regular three-hour block of programs was offered daily, and by the spring of 1925 thirteen stations in twelve cities had joined the chain. *The Eveready Hour*, airing on Tuesdays from 9:00 to 10:00 p.m., formed a cornerstone of the schedule. RCA also experimented with linking stations, but without access to AT&T's telephone network they were restricted to leasing lower-quality telegraph lines from Western Union.

Growing disputes over the division of the burgeoning radio business among

RCA's sometimes restless partners led to a series of lawsuits and a decision reached by arbitration in November 1925 that ended AT&T's foray into radio station ownership and programming. Its continuing monopoly over telephone landlines, however, would keep the company in a profitable position at the heart of network broadcasting. In July 1926, AT&T sold WEAF to RCA and retreated to its primary business, the manufacture of telephone equipment and the provision of landlines and service. Just two months later, on September 9, 1926, RCA announced the launch of its new business in momentous terms:

ANNOUNCING THE NATIONAL BROADCASTING COMPANY, INC. *National radio broadcasting with better programs permanently assured by this important action of the Radio Corporation of America in the interests of the listening public. . . . The purpose of that company will be to provide the best programs available for broadcasting in the United States. . . . The Radio Corporation of America is not in any sense seeking a monopoly of the air. . . . It is seeking, however, to provide machinery which will insure a national distribution of national programs, and a wider distribution of programs of the highest quality.* [emphasis in original]⁵

RCA's linking of "national" with "quality," along with its disclaimer of intention toward monopoly, would provide the nascent network's keynotes throughout its early years. The monopoly issue, however, would not soon go away.

NBC expanded its programs over two networks, the Red, anchored by WEAF, and the Blue, captained by WJZ. Over the next two decades they would both grow exponentially but unevenly, as the Red remained the more popular and commercial, and thus the more profitable, while the Blue linked lower-power stations into a less commercial network but one that showcased NBC's primary nonsponsored public service (sustaining) cultural and educational programs.

This much radio power in the hands of one company began to cause concern among political leaders, social reformers, and smaller radio operators alike. American radio companies followed the developments in Britain closely. They were aware of the BBC's state-chartered monopoly of national network broadcasting that had begun to emerge as early as 1924, as the early BBC (a private organization of manufacturers, much like RCA, until its nationalization in 1926) began to centralize broadcasting and close down local stations. Fears of a similar monopoly were circulating in the U.S. press (along with a considerable amount of admiration for the British system and a desire for the U.S. to emulate it), and the monopoly status of AT&T in the telephone field and RCA in the radio manufacturing arena added to these concerns (Hilmes 2003).

Meanwhile, American radio still operated under the rather loose system of licenses administered by the Department of Commerce. A series of radio conferences had been called by Commerce Secretary Herbert Hoover from 1922 to 1925 in an attempt to amend the by now out-of-date Radio Act of 1912 and address the relative scarcity of available frequencies compared to the number of would-be users. Here, fears of monopoly, both state and commercial, competed with the threat of

perceived chaos in the air, both technical and cultural. In 1926 a lawsuit filed by the Zenith Corporation against Secretary Hoover, questioning the legal basis of any of his regulatory decisions, was decided in favor of Zenith, and "in a period of seven months, more than 200 new stations went on the air, creating intolerable interference in major urban areas" (Sterling and Kittross 2001, 98). Commercial stations—which had invested significantly in their radio operations—found themselves drowned out by wayward enthusiasts and pressed for a solution, not least among them the newly launched NBC network and its powerful parent, RCA. In February 1927, Congress finally passed a new Radio Act that created the Federal Radio Commission (FRC) in an effort to bring order to the airwaves. Not just technical issues were at stake; reimposition of social order would be one of the tasks of the new commission as well.

During this early period, regulators paid limited attention to the experimentation with networking going on at AT&T and RCA; with a plethora of ideas swirling around about how radio might be organized, the FRC initially concentrated primarily on the pressing issue of local station licensing. Given the preexistence of hundreds of local stations, already well established and broadcasting a variety of entertaining, informative, and promotional messages in their separate localities, U.S. radio regulators focused on the contentious process of balancing regional allocation of licenses—no congressman wanted to see his district lose any service—and on the difficult task of reconciling free-speech protections with the development of some kind of criteria as to which applicant might receive such local preference.

Networks and Affiliates

Passage of the Radio Act of 1927 ushered in the era of network dominance, despite its framers' ambivalence about NBC's emergent chain and its parent RCA's monopoly in the radio market. Though cautions against monopoly were sounded throughout the act, with so many voices in the airwaves dispersed unevenly about the country, chaos seemed to be a more pressing problem than monopoly. The FRC's first task was to restructure the system for assigning station licenses. After coming up with a plan for dividing radio stations into three categories based on service requirements and signal strength—clear channel, regional, and local—across the five regions, the FRC next devised criteria on which to base licensing assignments. In 1928, General Order 40 developed a framework that created a preferred category of "general public interest" stations—commercial stations selling time to any and all—and gave such stations higher power and more favorable frequency allocations. Those owned and operated by nonprofits, schools, religious and social organizations, and political groups—including labor unions—were classified as "propaganda" stations: stations committed to representing only one point of view or set of interests and thus not open to the general public. These stations were to be discouraged, and many of them soon found themselves assigned to shared frequencies operating on the lowest power.⁶ General public interest stations—a cat-

egory that included all the powerful clear-channel and most of the regional licensees—were constrained to operate only in the “public interest, convenience, and necessity,” a phrase borrowed from public utility law and never clearly defined.

This distinctly American conception of the public interest, privileging commercial business operations over nonprofit public service, was the exact reverse of the BBC’s definition, which considered commercial broadcasters inherently private and thus not able to operate in the service of the public. It demonstrates the “Progressive compromise” between government and business so influential in the shaping of American broadcasting (Hilmes 2006). Rather than making licensing decisions that might violate First Amendment freedoms by giving preference to one group’s point of view over another, the FRC deflected the issue by turning control of broadcasting speech over to the marketplace. Commercial stations would sell time freely to all on the basis of their ability to pay, not the content of their speech, and with many small, local stations available in every market, every voice could find an audience; this was the concept. National broadcasting, however, would be dominated from the beginning by large commercial corporations, and decisions made on the basis of their corporate interests would influence the scope of radio’s free speech.

Within three years of the act’s passage and the extensive reassignment of frequencies that followed, hundreds of small, nonprofit stations had lost their licenses or gone out of business due to unfavorable time and frequency assignments, while the more powerful stations owned by larger commercial interests thrived. Many of them received the clear-channel assignments that enabled them to be heard across large sections of the country. Starting out with 28 affiliates by the end of 1927, NBC claimed 71 by 1930, 88 by 1934, and 182 (53 Red, 60 Blue, 69 that alternated) by the end of 1940. CBS’s growth was equally impressive; debuting a year after NBC in 1927 and purchased by William Paley in 1928, it went from 17 affiliates that year to 112 in 1940 (Sterling and Kittross 2001, 830–31). Though networks owned and operated some of their stations, all affiliates were local stations licensed to serve a specific geographical area, most of them owned by local businesses or other organizations in the community.⁷ They elected to air NBC or CBS programs for part of their broadcast day or in many cases, during the first decade, switched from NBC to CBS depending on the program and local audience tastes. The rest of the time they provided either locally produced or, increasingly, syndicated recorded programs. In 1929, the three networks (NBC-Red, NBC-Blue, and CBS) combined put out approximately 351 hours of national programs per week; by 1935 that figure had risen to 809, and by 1941 it was 1,078—distributed over four networks by then, since the new Mutual Broadcasting System had joined the competition in 1934 (Sterling and Kittross 2001, 848). This meant that most affiliate stations broadcast local, or at least locally selected, programming for much of their day, with network programs aired largely at night and at certain key parts of the daytime. In 1939, NBC provided approximately sixteen hours of programs to its affiliates each day, stating as its philosophy, “To help create a true democracy of the air, NBC has

sought to preserve the individuality which characterizes every station’s approach to its own audience” (NBC 1939, 14–15). Of course, affiliates had to agree to clear the best parts of their schedules for network transmissions, leaving only late night, early morning, and weekend daytime hours for expressing such individuality.

The economic system worked out by NBC and its affiliates in the early years proved cumbersome as network broadcasting expanded. Networks provided two classes of programs to their affiliates: commercial (sponsored by advertisers) and sustaining (nonsponsored, produced by the networks themselves or by nonprofits). NBC paid its affiliates a flat fee to take the commercial programs, since the network was compensated by sponsors on the basis of the number of stations, and hence listeners, they could provide, but it required its affiliates to pay the network for sustaining programs. Stations might do this to fulfill their own public service obligations or to attract an audience to higher-quality programs than could be produced locally; they could then sell advertising spots adjacent to these broadcasts to local sponsors.

However, as Michael J. Socolow discusses in the next chapter, as CBS grew into a full-size network William Paley recognized that a simpler and more beneficial system would be to eliminate the revenue stream from the affiliates and replace it with tighter guarantees that a station would accept and air the *entire* network schedule of programs, both commercial and sustaining. NBC adopted his system in 1935, and it became an increasingly controversial aspect of network operations during later regulatory investigations, which Christopher H. Sterling analyzes in chapter 5.

Sponsored and Sustaining Programs

During this early period, the networks briefly enjoyed more creative control over broadcast production than they would again until the 1960s. Part of the task of the nascent NBC was to step up its own production of programs; rather than relying solely on other self-promoting businesses to fill up the broadcast hours, NBC itself, as its announcement promised, would take responsibility for the production of network programs in the name of quality (as the BBC had been doing in Britain since the early 1920s). In November 1926, Bertha Brainard, newly named director of commercial programming, wrote to a potential client: “This department secures suitable talent of known reputation and popularity, creates your program and surrounds it with announcements and atmosphere closely allied with your selling thought.”⁸ One function of sustaining programs was to attract advertisers; these programs might be unsponsored for a period of time, but it was the networks’ hope that a sponsor would quickly pick them up.⁹

By 1932, however, sponsors came to perceive that they—or more likely, their advertising agencies—might more successfully produce programs “allied with their selling thought” than could a network whose loyalties were divided. By the mid-1930s, almost all evening programs, and a large proportion of daytime programs, were originated and produced by sponsors and advertising agencies. During the



FIG. 2 Bertha Brainard, early program innovator, WJZ station manager, and NBC's first director of commercial programming. (Library of American Broadcasting)

daytime, in fact, networks frequently sold time in hour-length blocks to big advertisers like Procter & Gamble, who might produce four fifteen-minute serials, each promoting a different P&G product. Sponsors effectively took out long-term leases on a particular day and time slot, filling it with the program of their choice, and since networks had very little stake in programs, sponsors frequently moved them to a rival network if a better deal, or a better time, was offered.¹⁰

Thus, although NBC and CBS can take credit for originating early forms of many radio broadcast genres that still exist today on television—the variety show, the serial drama, the quiz show, the news commentary, the homemaker talk, the public affairs program, and many more—it was in the creative meetings and planning sessions of advertising agencies and their sponsors that these genres developed and grew into staples of modern popular culture. NBC had promised quality national programs; sponsors took that promise and ran with it, all the way to the bank. On the way they innovated cultural forms today known around the world.

In 1931 NBC President Merlin Aylesworth wooed John F. Royal, station manager of the powerful independent station WTAM-Cleveland, to the post of NBC

vice president of programming, a new position supervising both commercial and sustaining program production. His background in vaudeville and his firm belief in the value of established entertainment forms on radio helped usher in the years now often thought of as radio's "golden age" (Hilmes 1997). If sponsors were willing to take on the responsibility of providing programs to the network, programs that would attract large audiences and bring big-name stars to the air, Royal was willing to work with them and allow them creative independence—along the lines of a vaudeville house manager, inviting in different acts. Sponsors could provide larger budgets than NBC could afford to expend across its schedule, hastening the transformation of the network to a time broker and, increasingly, censor of programs created outside Royal's immediate direction. RCA's acquisition of the film studio RKO in 1929, in response to the coming of sound to American cinema, only accelerated the creation of big-name, big-budget productions that inspired the shift to sponsor control.

Many of NBC's first commercial successes came in the variety format, inspired by vaudeville and often named after their sponsors: *The Fleischmann's Yeast Hour*, starring Rudy Vallee; the *RKO Theater*, sponsored by RKO; *The Camel Pleasure Hour* (Camel cigarettes); *Jones and Hare*, the "Interwoven Pair," sponsored by Interwoven Socks; and so on. *The Jack Benny Program*, which debuted in 1932, sponsored by Canada Dry, settled down in 1934 with Jello and became the jewel in NBC's entertainment crown. As the 1930s progressed, serial drama and comedy programs rose in popularity, from *The Goldbergs* and *Amos 'n' Family* (Standard Brands), and *First Nighter*, an early dramatic anthology program (sponsored by Campana Balm).

The comedy serials would survive and reach their peak of popularity in the 1940s with *The Great Gildersleeve* (Kraft), *The Life of Riley* (Procter & Gamble), *The Aldrich Family* (Procter & Gamble), *A Date with Judy* (Tums), and many more, some of which would carry over into early television. And the thriller drama would go from relative obscurity to enormous popularity in the late 1930s and early 1940s, though here NBC's roster took a back seat to those of its rivals CBS and Mutual. However, NBC's *Mr. District Attorney* (Bristol Myers) achieved some of the highest ratings in that category, as did *Mr. and Mrs. North* (Jergens Lotion). Other serials, mostly with domestic settings and attracting a primarily female audience, would be transferred to daytime schedules in the mid-1930s as the networks increasingly defined daytime as the province of women, both as audiences and as producers. By 1940 more than fifty different serials filled the daytime hours on the four networks, often gaining ratings higher than their comedy and thriller equivalents; they included *Ma Perkins* (Oxydol), *The Story of Mary Marlin* (Ivory Soap), *The O'Neils* (also Ivory), *Pepper Young's Family* (Camay Soap), *Stella Dallas* (Phillips), *Vic and Sade* (Crisco), and *The Guiding Light* (White Naptha). It's easy to see why these were dubbed soap operas.

By 1936, sponsors' appetite for name-brand stars had moved the center of radio production from New York to Hollywood. NBC built a state-of-the-art production studio at the corner of Hollywood and Vine to complement its stunning new headquarters at Rockefeller Center in the heart of Manhattan. In addition,

both NBC and CBS started their own talent bureaus in the 1930s, finding another income stream in providing the acting and musical talent that the agencies and sponsors required. NBC remained committed to the idea of the network as primarily a facilitator (and profit taker) of programs produced outside its immediate purview. CBS, however, would begin in the late 1930s to take a more active role in creating or commissioning programs, for which it would then seek out sponsors. Douglas Gomery in chapter 9 explores the difference this would make to NBC's and CBS's fortunes in the early years of television.

Another significant change in network operations would occur in the mid-1930s as the broadcasting industry responded to pressures for reform. The debates that preceded and shaped the Communications Act of 1934 both solidified corporate control of radio and placed new public service requirements on broadcasters. Both NBC and CBS expanded and changed their definition of sustaining program production. Now sustaining programs became the primary venue for a version of "quality" that competed with that of the commercial programs. This definition had been heavily influenced by the example of the BBC, often invoked during the regulatory debates by educators and broadcast reformers, and was based on notions of education, information, and cultural uplift (Sterling 2003, 1354–56).

Sustaining public service programs produced by the networks during this period included public affairs discussions such as *America's Town Meeting of the Air* (NBC-Blue, 1935), which David Goodman analyzes in depth in chapter 3, and *The University of Chicago Round Table* (NBC-Red, 1932) initiated by Judith Waller, NBC's head of the central division of public service programming. Sustaining "quality" music programs included not only broadcasts by the NBC Symphony Orchestra, directed by Arturo Toscanini (NBC-Red, 1936), but also regular performances by the Cincinnati Conservatory Symphony, the Metropolitan Opera, the Westminster Choir, the New York Philharmonic, the Salt Lake Tabernacle Choir, the Cleveland Symphony Orchestra, and many more. The daytime, early evening, and late evening hours were filled by much sustaining "light" music by such artists as Art Tatum, the Ink Spots, and a warbling host of lesser-known sopranos, tenors, quartets, and duos.

Sustaining dramatic anthology and "informative drama" shows included *Radio Guild Dramas* (NBC-Blue, 1930), *The American School of the Air* (CBS, 1933), the *Columbia Workshop* (CBS, 1936), *The World Is Yours* (NBC-Red, 1935), produced by the Smithsonian Institution, and many others. Free airtime and production support for informational "talk" programs were provided to groups such as the Academy of Medicine, the Federation of Women's Clubs, the U.S. Department of Agriculture, the National Parent-Teachers Association, and the American Medical Association. Provision of religious programs had been taken into network hands in the wake of Father Coughlin's controversial career, and by 1937 NBC's roster included *The Catholic Hour*, *Message of Israel*, *National Radio Pulpit*, the *Devotional Program*, and *Religion in the News*. Regular news programs tended to be sponsored, although the controversy-provoking character of news commentary often meant the departure of sponsors, so that the networks sustained these programs for at least part of the time. During

World War II, the networks would work closely with the Office of War Information and other government and military agencies to provide a much-expanded schedule of public service and informative programming.

As can be seen from the examples above, the networks approached sustaining programs much as they did sponsored shows: they provided airtime (in this case, for free) to selected organizations and interest groups who themselves created and (with NBC's assistance) produced their programs. With a few significant (and much-trumpeted) exceptions, NBC played not so much a creative as a gatekeeper role, just as with commercial programs; in both arenas the networks developed policies that permitted some groups easy access to the airwaves and barred or discouraged others. They worked most comfortably with mainstream groups and those with government and big business credentials; many groups deemed controversial, such as labor unions (discussed by Elizabeth Fones-Wolf and Nathan Godfried in chapter 4) and smaller, less well-established religious groups, could neither purchase time on the air nor obtain free time from the networks under sustaining-program policies. They were effectively banned from the public airwaves. Though local stations chose separately whether to permit those whom the networks rejected to be heard over their wavelengths—Father Coughlin, for example, cobbled together his own ad hoc network of local stations for his radio addresses in the 1930s—in 1939 the National Association of Broadcasters amended its code to follow network policies.

For evangelical and nonmainstream religious groups, the Mutual network provided a home (Hangen 2002); for labor unions, it would take federal intervention in the 1940s to redress their exclusion. And many issues remained too hot to handle during much of network radio's history, especially anything having to do with America's continuing and central problem of racial exclusion and discrimination, as David Goodman discusses in chapter 3 and as David Weinstein takes into the war years in chapter 6. Not until World War II, when the need for national unity brought a redefinition of inclusion, would African Americans gain more access to the airwaves. This led to an increased awareness of the discrimination faced by minority and subordinated groups, in society and on the radio (Savage 1999).

Conclusion: The American System

By the late 1930s, broadcasting in the United States, led by NBC, had evolved into a system that significantly differed from the vision of broadcasting of the 1920s. The commercial success of radio as an advertising medium, and the pre-New Deal decision to make public service broadcasting an adjunct to commercial radio, led to the dominance of the commercial sponsor and its advertising agency in the creative process of producing popular radio programs. American radio became a cultural form that incorporated advertising into its very substance more thoroughly and intrinsically than any other medium of expression. The networks had been transformed, in the space of just a few years, into middlemen that supplied airtime, talent, and studio assistance to a wide variety of program providers: commercial,

governmental, and civic. They would slowly begin to regain control over program production in the 1940s, but not until the 1960s in television would networks come again to dominate program selection, scheduling, and production as they had in radio in the 1920s.

Local stations continued to produce local programming, but those that affiliated with a network became far more profitable by turning more and more hours of their broadcast days over to network programs. Tighter contracts mandated fewer opportunities for opting out in favor of local tastes and interests, and this would be one of the primary concerns of the Roosevelt administration's investigation into chain broadcasting completed in 1941. Its findings led to the antidiopoly rule, requiring NBC to divest itself of one of its networks. The Blue chain was spun off in 1943 to become the American Broadcasting Company (ABC) in 1945.

However, the debates leading up to the Communications Act of 1934 introduced some important reformist concepts into American broadcasting that had not factored into earlier decisions. Most significant was the example of the BBC, which in the 1930s grew into the leading public service broadcasting system in the world. Many of radio's most avid reformers, and a good many of the terms of the debate, had been influenced by concepts and practices developed in Britain. NBC, in particular, maintained close ties to the BBC. NBC's president, Merlin Aylesworth, had become quite friendly with John Reith, the BBC's longtime head, and Reith himself saw NBC as the most responsible and respectable of the broadcasting networks in the United States. Though Reith's and others' hopes for a less commercialized service in the United States would be disappointed, the way sustaining programs and quality broadcasting were defined and understood after the passage of the act owed much to the example set by the BBC, particularly in the areas of music and drama.

Outside these areas, the United States' definition of quality and public service in broadcasting differed sharply from that of other nations. First, in the United States, neither commercialism nor popular entertainment was seen as incompatible with public service. Networks, sponsors, and regulators all believed that reaching the broad consuming public with entertaining programs was a public service in itself and could be used to promote not only goods and services but also cultural, social, and political ends. This comfortable definition placed some groups, particularly those that challenged the commercial system itself—such as labor unions—at a distinct disadvantage. But it did create a populist address that reached out to the middle- and working-class public, including women, far more effectively and inclusively than its state-chartered public service counterparts (Hilmes 2007). Second, decentralization of culture and the importance of the local played a primary role in U.S. ideas of public service; both the network/affiliate structure and the displacement of production, even of sustaining programs, onto outside groups and organizations demonstrated this principle in action. Not until the World War II years would NBC and CBS take on significant public service program production themselves, including regular network news reporting.

In 1937, NBC produced a glossy pamphlet celebrating the commencement of

its second decade of broadcasting. Noting that “fully 70% of the 19,842 hours of network broadcasts in 1937 consisted of sustaining programs,” the booklet promised to describe “NBC’s march along the airways to greater service in the national benefit during 1937.” News, international broadcasts, and the access that NBC had given federal government officials and departments led the presentation of proud moments, followed by separate chapters on educational, religious, and “serious” music and drama programs, with sports bringing up the rear. “And popular entertainment too!” was the title of the last section; the book ended with a two-page list, in very small print, of NBC’s sponsors, titled “The Sponsor’s Part in NBC’s Service to the Public.” Clearly a picture was being painted here of the sustaining tail wagging the commercial dog, ignoring the actual preponderance of commercial programming in terms of both audience popularity and the bottom line. Yet to dismiss this activity and its system of compromises and tensions as purely commercial is to misunderstand the American context that produced it. NBC became America’s network because it negotiated the complexities and contradictions of its unique time and place. Its survival—despite profound changes to the network over the years, which this volume documents—and the spread of many of its innovations around the world testify to its central creative position in twentieth-century culture, and beyond.

Notes

Abbreviations

NBC/WHS National Broadcasting Company Archives, Wisconsin Historical Society

1. David Sarnoff himself suggested some alternative names in a letter he wrote to General Electric in 1922, proposing a company that would acquire and operate the broadcasting of RCA partners (except for AT&T): “the Public Service Broadcasting Company” or the “American Radio Broadcasting Company.” Letter reprinted in Lichty and Topping (1976, 163–64).
2. NBC emphasizes Sarnoff’s famous memo in *Brought to You in Living Color* (2002). It is reprinted in full in the pamphlet *Broadcasting in the Public Interest*, published by NBC in 1939.
3. This was affected, of course, by the United States’ geographic size and access to spectrum space: a vast continent to cover, and only Canada and Mexico to contend with in frequency allocations, very different from the situation in Europe.
4. Though by 1947, network radio’s apogee, 97 percent of stations were affiliated with a network, 46 percent were affiliates of Mutual, which had a much looser arrangement with its affiliated stations and provided fewer hours of national programming. See Sterling and Kittross (2001, 830–31).
5. The full announcement is reproduced in NBC (1939, 10–12).
6. Federal Radio Commission, *Third Annual Report of the Federal Radio Commission to the Congress of the United States Covering the Period from October 1, 1928 to November 1, 1929* (Washington, DC: U.S. Government Printing Office, 1929), 32–36; see also McChesney (1993, 23–29).
7. NBC reported owning ten stations in 1939 and managing—providing both network

and local programs for—five more, though these stations were owned by others. See NBC (1939, 15–16).

8. Bertha Brainard to C. B. Donovan, Acme Apparatus Company, November 26, 1926, Box 2, Folder 3, NBC/WHS.

9. John F. Royal, "The Network Program Department," Box 13, Folder 27, NBC/WHS.

10. Llewellyn White (1947) provides an extensive and highly critical analysis of the economics of network operations in his study done for the Commission on Freedom of the Press in 1947.

2

"Always in Friendly Competition"

NBC and CBS in the First Decade of National Broadcasting

MICHAEL J. SOCOLOW

On the night of November 11, 1933, the National Broadcasting Company celebrated the opening of its new Radio City facilities in the heart of New York City. Radio City's shining lights and soaring architecture sharply contrasted network radio's bright promise with the economic despair gripping the nation. NBC's stars celebrated the world's most technologically sophisticated broadcasting facilities in a program beamed around the globe. Invited to the festivities, but not asked to participate, was William Paley, the thirty-two-year-old president of NBC's rival, the Columbia Broadcasting System (CBS). Merlin Aylesworth, NBC's president, sent Paley a personal note shortly before the event. "In the spirit of battle both your Sales and Program Departments and mine will try to show how much better they are," Aylesworth wrote. "This is natural, but when all is said and done we should boost each other and radio. I never make a speech . . . dealing with radio broadcasting that I do not refer to you and Columbia always in kindly terms and as though we stood for the same cause always in friendly competition."¹

Aylesworth's phrasing nicely encapsulates the relationship between America's two original commercial broadcast networks. The rivalry between NBC and CBS in the first decade of national broadcasting has never been adequately detailed. Between 1926 and 1936, NBC and CBS competed for listeners, advertising dollars, prestige, the services of popular entertainers, and, perhaps most importantly, the loyalty of affiliated stations around America. This rivalry could be fierce at times; the chains closely monitored, and tried to counter, each other's moves. Yet the competition would always be tempered by a mutual understanding among CBS and NBC executives that the economic development, political goals, and regulatory stability of the nascent industry required cooperation. The chains never attacked each other in public, nor did they engage in competitive price discounting for advertisers. They refrained from starting bidding wars for affiliates for most of the decade. These actions would have threatened the fragile political and economic stability of