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Desilu, *I Love Lucy*, and the Rise of Network TV

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Robert Saudek of the Museum of Broadcasting, looking back over a half-century of radio and television, has said that "broadcasting's bone structure was formed in the 1920s, and has never been fundamentally altered or improved upon."[1] While cable TV and the VCR boom threaten to alter—if not necessarily improve—broadcasting's "bone structure," Saudek's view of early network radio and TV has become by now commonplace among media historians. And in the most general sense, that view does indeed hold up. The genesis of network radio in the 1920s marked an unprecedented alliance of social, economic, and technological forces, establishing a "structure" which persisted into the TV age—and persists to this day in commercial television. That structure, essentially, involves national networks feeding news and entertainment programs via local stations to a mass audience which, in the process, is "delivered" to sponsors whose advertisements dominate schedules and subsidize program costs.[2]

When we move beyond generalities and look closely at the history of network broadcasting, however, Saudek's thesis is problematic, if not misleading and downright wrong-headed. The fact is that as commercial television took shape after World War II, the established "radio model" proved ill-suited to the new medium. Through an ensuing decade of struggle, negotiation, and shifting alliances, network TV gradually adjusted and effectively transformed the economic, creative, and administrative practices developed by the radio industry. With that transformation, there were significant changes in the roles, functions, and relations of power among the networks, sponsors, ad agencies, program suppliers, and the audience.

There are any number of ways in which we might trace these changes, given the convergence of forces and ever-shifting relations of power involved in TV's

early development. The focus here is on the birth and decade-long rise of Desilu, an independent TV production company created by Lucille Ball and Desi Arnaz that provided much of CBS's programming during the 1950s. Desilu's 1951 flagship series, *I Love Lucy*, gave CBS its first runaway hit series and gave television a prototype for the situation comedy (the "sitcom"), a genre that by the 1960s was the programming staple of network TV.[3]

Desilu's initial success with *I Love Lucy* led to further series productions, from sitcoms to westerns and anthology dramas. In the process Desilu helped shape the institutional, technological, and economic practices in 1950s television—the shift in prime-time series production from live video out of New York to film out of Los Angeles, for instance, or the use of reruns in network programming strategies. Equally important, the CBS-Desilu alliance gives a clear indication of the networks' growing control over TV production and programming during the 1950s. Ball and Arnaz were successful enough to buy out a Hollywood studio by 1957, when Desilu was turning out more product than any other company on the West Coast, including the major movie companies. But Desilu's autonomy and authority—its so-called "independence"—steadily diminished as the economic stakes rose and the networks consolidated their control over the TV industry. By the early 1960s Desilu's role in the overall network system had changed dramatically from only a decade earlier, when television was new and virtually anything seemed possible.

TV'S BEGINNINGS: REWORKING THE RADIO MODEL

Like dozens of other early TV series, *I Love Lucy* grew out of a successful radio program—in this case *My Favorite Wife*, a CBS radio comedy starring Lucille Ball and sponsored by Jell-O. When CBS asked Ball early in 1950 to consider doing her show as a television series, it was assumed that the series would be financed, produced, and "sold" on much the same terms as it had been on radio. According to the established radio model, national networks acted as "common carriers," feeding programs to local "affiliated" stations. Programs were actually produced by advertising agencies for sponsors who purchased "air time" from a network, specifying a slot on the network schedule when both the program and its ads were broadcast. Those local stations wishing to produce their own programs and deal with area merchants for ad revenues could remain independent from network affiliation, as did over half the 10,000 or so radio stations in the United States by 1950.

Even as early as 1950, however, when CBS proposed the new TV series to Ball, it was becoming obvious that there would be problems adapting the radio model to television. The major drawbacks were economic. The enormous cost and technological complexity of TV production prevented most local stations from producing their own programs with any real hope of competing with affiliated stations carrying network-fed programming. Because radio was relatively easy and inexpensive to produce, the majority of local stations throughout the

country could—and in fact did—remain independent of the networks. TV stations could ill afford such a strategy; indeed, they couldn't afford *not* to affiliate with a national network, given the high production values and obvious audience appeal of early network programming. During TV's earliest years, fewer than 2 percent of local stations remained independent from the national networks. And because virtually all local TV stations were network affiliates, American television emerged literally overnight as a genuine *mass* medium, with far fewer stations (than radio) competing for portions of a truly national audience and thus providing sponsors with an unprecedented access to the American consumer.

In TV's early years, of course, there was still no telling just how massive a medium television might be. This was due not only to the uncertainties of an emergent industry but also to a government-imposed "freeze" on its development. TV's growth was stalled in October 1948 by the FCC, which suspended the licensing of new stations until certain technical and organizational wrinkles could be ironed out. That froze the number of licensed stations nationwide at 108, all of which were affiliated with major networks. NBC had 63 affiliates, CBS had 30, and the ever struggling ABC had 15.[4] The freeze was expected to be brief but it dragged on until 1952, and it wasn't until 1953 that the "TV boom" hit the country in full force. While the freeze slowed TV's penetration, it did provide what historian Erik Barnouw termed a "laboratory period" for the industry, "a priceless opportunity for testing and observing" various program types and trends. It became obvious during the freeze that TV, like radio, would rely heavily on a limited repertoire of program formulas.

When the A. C. Nielsen company began measuring audiences and rating TV programs in 1950, its numbers indicated how genre-bound the medium was. They also showed how heavily TV's genres were keyed to certain East Coast entertainment forms, particularly the "culture industries" based in and around New York City—not only radio and advertising, but also theater, vaudeville, music, and publishing. Not surprisingly, most of TV's early program formulas were lifted directly from radio, a process that was accelerated by the so-called "talent raids" of the late 1940s, which attracted radio stars with the promise of higher salaries, tax breaks, and more widespread exposure. Of the top twenty programs on network TV in 1950–51, all were produced live in New York; six were variety shows with roots in radio and vaudeville, seven were anthology dramas which tapped into New York's theatrical talent, and two were comedy-dramas adapted from radio. There also were three crime dramas, two of which were based on radio series, a sports program emanating primarily from New York's Madison Square Garden, and both a quiz show and a talent show broadcast simultaneously to radio and TV audiences.

When CBS suggested moving *My Favorite Wife* to its TV network in 1950, Ball was enthusiastic about the idea but only on certain conditions. She was then living in the Los Angeles area and balked at doing the show from New York City. Ball was expecting her first child and, nearing age 40, had no desire to commute or relocate for the series. She suggested that the series be broadcast

live from the West Coast and that she costar with her husband and business manager, Desi Arnaz, an actor and popular bandleader in the L.A. area (with a successful radio show of his own). CBS balked and soon dropped plans for the TV series, but by now Ball and Arnaz were intrigued by the idea of costarring in a TV series. They pursued the venture on their own, engaging Bob Carroll and Madelyn Pugh, two of the writers on Ball's radio series, to create a few vaudeville-type sketches wherein Ball and Arnaz essentially played themselves. These were polished into a stage act which the couple took on a cross-country tour during the summer of 1950.

A successful stage tour (and Ball's continued obstinacy) won over William Paley, CBS board chairman, and the network agreed to a series pilot produced on the West Coast costarring Ball and Arnaz. Writer Jess Oppenheimer came aboard at this point, and together with Ball and Arnaz transformed the stage act into the domestic comedy format. Arnaz would play a Cuban bandleader, Ricky Ricardo, with Ball as his scatter-brained and star-struck housewife, Lucy. Sketching out future episodes, they incorporated the characters of Fred and Ethel Mertz as comic foils and coconspirators with Ricky and Lucy in their ongoing "battle of the sexes." The series pilot was shot early in 1951 live on video in CBS's West Coast facility before a studio audience. (Actually all video was live until the marketing of videotape in 1957.) Films taken directly from the video monitors—called "kinescopes"—were sent back to New York, along with story outlines for future episodes.

CBS was pleased with the results and within days had sold the series to Philip Morris through their ad agency, the Biow Company. Philip Morris agreed to produce the entire season's slate of 39 episodes at $19,500 per episode, and secured the 9:00 PM Monday slot from CBS. But still there were problems to be worked out over the logistics of actual production. Milton Biow, agency president, insisted that the series be done in the CBS studio in New York, where the agency could supervise production and exploit the more desirable time frame (especially since the vast majority of viewers lived in the eastern time zone). Biow also wanted the show produced with CBS's superior video production facilities. Arnaz, however, wanted creative control of the series as executive producer, which he thought would come only if the series were produced on film in Los Angeles.

That led to further negotiations between Arnaz, the network, and the ad agency, negotiations that affected the emergent TV industry on various fronts. Biow agreed to Arnaz's plan, but CBS was adamant about maintaining the live-audience dimension of the pilot. Arnaz assured CBS that they could "stage it as a play" which could be shot "simultaneously with three or four 35mm motion-picture cameras."[5] That pushed the budget up another $5,000 to $24,500 per episode—still a bargain, considering feature film budgets were then pushing beyond the million-dollar mark. CBS and Philip Morris agreed to cover $4,000 of the budget increase, but Ball and Arnaz would have to come up with the rest out of their salaries. Arnaz agreed, but only if CBS would let Desilu have full

ownership of the series after its initial network showing, instead of the original agreement of a fifty-fifty split between CBS and Desilu.

Incredibly enough, CBS agreed. "Nobody was giving much thought to residuals in those days," Arnaz later recalled, "or what a film library would be worth in the future." Arnaz claimed that demanding full ownership was something of a whim, and that his primary motivation for doing the series on film had more to do with creative control and superior production values: "I just knew we could do a better show on film. Lucy would be photographed better and whatever mistakes were made even during filming could be corrected later."[6]

The network's willingness to relinquish ownership of the series would cost CBS millions over the next few years, and it is an apt indication of how little the networks understood the financial stakes and profit potential of TV series production. It also indicates a remarkable degree of flexibility and cooperation between ad agency, network, and talent in the production process. This was clearly a period of experimentation and uncertainty, before the standardization of that process would severely restrict such freedom. Only during such a period, in fact, could the Hollywood film industry have made such inroads into the network production process. The governing perception has been that the film and TV industries were bitter antagonists in the early 1950s. Actually, such hostility was evinced only by the largest movie studios, the group of surviving "major" studios: Paramount, Warner Bros., MGM, and 20th Century-Fox. These were the film companies whose massive production facilities, bloated studio overhead, and global distribution and exhibition arms rendered them most vulnerable to the emerging television industry. Not so the smaller studios and independent filmmakers, which welcomed this new medium with its insatiable appetite for product.

Even a cursory glance at the trade journals of both the film and television industries at the time of Desilu's creation indicates how openly the Hollywood film industry embraced the new medium and converted to "telefilm" production. A story in the September 10, 1951, issue of *Broadcasting*, for example, under the headline "Film in the Future—as Television's Horizons Expand," reported that at least 75 independent telefilm units were in operation in the Los Angeles area, and that some 25 of these companies had sold 40 series to the networks for the 1951–52 season at an average cost of $14,000 per episode.[7] Most telefilm series production was in the B-western category, with series like *Wild Bill Hickok*, *The Lone Ranger*, *The Cisco Kid*, and *Gene Autry* already in production. The article also reported that some 780 hours of telefilm material had been produced over the past year, almost the exact equivalent of the number of hours of feature films and short subjects produced for the movie industry. "How far the major networks will go in the way of making filmed programs for television is yet to be seen," concluded the article. "The situation, instead of becoming clearer each week, simply becomes more muddled."

Hollywood's leading trade paper, *Variety*, also charted the film industry's incursions into television. An article that appeared on December 12, 1951,

typified the growing sentiment at the time that telefilm production might replace Hollywood's B-movie output, which was tapering off during the postwar era. Paramount production chief Y. Frank Freeman and long-time independent movie producer Hal Roach were reported as being in agreement that "formula pictures are on their way out of the major film lots" in Hollywood. Paramount's Freeman "pronounced the death knell of low-cost B production," while Roach "predicted that motion picture and television are destined to complement each other with the major studios dropping B pictures in favor of telepic programs."[8]

Variety also noted that with each passing month, the shift to telefilm production was more evident. A January 9, 1952, article with a typical *Variety* headline, "Vidpix Weed Out Shoestringers," described "the gradual but definite stabilization" of Hollywood-based telefilm production, "to the point where 80-odd vidfilm companies existing in these parts early in 1951 have boiled down to around 20 financially stable outfits."[9] Much of this stability was due to the recent entry "into the telepix field of motion-picture companies such as Republic, Universal-International, and Monogram." The article concluded on a telling note: "more and more sponsors . . . put their coin into vidfilm, apparently realizing that in a piece of negative [film] they retained continued marketable merchandise."

The major studios like Paramount and Warners would not come around to telefilm production for several more years, but second-rank companies like Universal and Republic were ideally suited to telefilm production, given their orientation toward efficient, low-budget, formula-based filmmaking. In fact the January 23, 1952, issue of *Variety*, in its weekly report on "TV Films in Production," lists Republic studios as providing facilities and personnel for Jack Webb's independent production company, Mark VII Productions, in the filming of a "half-hour adventure telepic."[10] That series, of course, was *Dragnet*, whose location shooting in and around Los Angeles and careful attention to the details, jargon, and ennui of day-to-day police work would bring a new level of "realism" to the genre, and one that could only be captured on film. *Dragnet's* impact on the urban crime genre was significant, but nowhere that of *I Love Lucy*, which shaped the style, the technique, the veritable "grammar" of the sitcom. And beyond the series' impact on the genre, there was Desilu itself, which affected the institutional, economic, and even the technological practices in the TV industry.

I LOVE LUCY AND DESILU'S EARLY ASCENT

Producing *I Love Lucy* on film was clearly the principal challenge for Arnaz and company, and not only for technological reasons. There was the ad agency's insistence that the series have top production values, as well as CBS's demand that the show be done before a live audience. Unlike a crime drama or western, sitcom production allowed for no "second unit" work or the incorporation of

"stock footage." What's more, for such a production to engage a live audience, it would have to be enacted "in continuity" and shot in "real time." Each episode would have to be filmed as if it were a stage play, without breaks between each separate shot to move the camera and relight the scene, as is done under conventional filmmaking conditions.

Arnaz realized that if he could economize on camera setups he could reduce the amount of time spent on production and thus reduce the budget. The demands of TV scheduling meant that each series segment had to be written, rehearsed, and shot in the span of a week, as opposed to even the cheapest and quickest of B movies, which would cost upwards of $250,000 and were produced in four to six weeks. Arnaz turned for assistance to Hollywood cinematographer Karl Freund, who had worked with Ball at MGM in the early 1940s. Freund was among the industry's acknowledged pioneers in lighting and camera work, and was noted for creative, economical solutions to difficult technical or artistic problems. He was easing into retirement in 1951, but when approached by Ball and Arnaz, Freund agreed to work (at union scale) as director of cinematography on the series.

Freund quickly convinced Arnaz that the series should be shot not on a theater stage but on a "sound stage" in a film studio, which would ease the problems of lighting and camera synchronization. Editing presented a more complex problem, which was solved by interlocking three Moviola editing machines. As Ball recalls, "One night [Freund] brought us to his house in the valley and showed us the system he'd invented for us, one that could film simultaneously on three cameras and then, when the show was over and the film was developed, you could sit in the cutting room and his machine played back all three shots simultaneously, so you could cut from one shot to another."[11]

By then Arnaz had secured Stage 2 from the near-bankrupt General Services Studio, a site large enough to accommodate Freund's three-camera system and also CBS's requirement of a studio audience. The network put up an additional $50,000 to "remodel" the studio, which entailed removing a wall and adding fire exits and bleachers for about 300 spectators. As amenable as CBS was in this regard, though, the network was fairly uncooperative in other areas, particularly the casting of William Frawley, an unemployed, alcoholic character actor, in the role of Fred Mertz. But Arnaz's contract as executive producer gave him complete creative control, and he took CBS no more seriously in this instance than when the network balked at Arnaz himself playing Lucy's TV husband.

I Love Lucy premiered on October 15, 1951, and was an immediate hit. Clearly the economy of production design—the limited sets and locales, the four-character constellation, the repetitive plot structure of each episode—did not undermine the show's appeal. On the contrary, the very simplicity and formulaic nature of *I Love Lucy* was essential to its success, particularly in the way it concentrated the entire narrative enterprise on Ball's hare-brained, hustling, mock-heroic housewife, the inimitable (though much imitated) Lucy Ricardo.

Ball's character was the source of conflict and comedy in each series installment, and her chronic domestic anarchy clearly struck a chord for the millions of TV viewers caught up in America's postwar baby/family/housing boom.

After modest success as a movie comedienne, Ball was quite suddenly America's top screen star. *I Love Lucy* also gave CBS, then battling NBC for industry dominance, a potent weapon—a low-cost, high-yield series to challenge NBC's costly and widely acclaimed comedy-variety hits, particularly Milton Berle's *Texaco Star Theater* and Sid Caesar and Imogene Coca's *Your Show of Shows*. In early 1952, *I Love Lucy* overtook *Texaco Star Theater* as TV's top-rated show, becoming the barometer of the new medium's growing popularity. In late April 1952, the American Research Bureau (ARB) announced that *I Love Lucy* was the first television program to reach 10 million homes, and by the end of its first season, the series was regularly drawing viewers in two-thirds of America's television homes. A review of the 1951–52 TV season published in *Variety* reported that the combined Nielsen-Trendex-ARB figures "offer a revealing story of changing patterns in television and audience viewing habits."[12] The most significant trends, according to *Variety's* George Rosen, were "the end of the 'Milton Berle Era' of TV leadership" and "the virtual disappearance of dramatic programming fare from top ten recognition." These live New York-based programs were being displaced by other genres, reported Rosen, who noted in particular "the ascendency of the situation comedy, which finds CBS moving into a new sphere of importance as 'I Love Lucy' sets the leadership pace on all three ratings services."

During that first season, Arnaz proved not only that he could deliver a hit series, but one produced economically, efficiently, and with solid production values. The 39 episodes in *I Love Lucy's* first season, all told, came in only $9,500 over budget—at $24,750 per segment rather than the budgeted $24,000.[13] This included Desilu's purchase of four "crab dollies" to facilitate camera movement and two interlocked editing machines, all of which it would use for future production. The production efficiency extended into scheduling as well, as Arnaz and company soon cut their actual studio requirement to only two days per week: for camera rehearsals on Thursday and Friday, and then shooting (before the live audience) Friday evenings.

As this "system" was refined, Arnaz realized that he could expand Desilu's output within the existing General Services Studio setup. He had been approached by Eve Arden, whose radio sitcom *Our Miss Brooks* was being considered for CBS-TV, and he decided that Desilu could take on another series. Arnaz's decision to produce the series rankled CBS, which still had serious reservations about telefilm production.

Arnaz later recalled:

> The reason they were against film, was that the more shows done on film instead of live, the more power and control they would lose. If a show was live, independent local stations wanting that show had to become an affiliate of the network that was televising it. . . . But with film, the local independent stations could make direct deals with the producers. That's how syndication started.[14]

Still, the network brass let Arnaz proceed with *Our Miss Brooks* as a telefilm series—a clear indication of Desilu's leverage over CBS due to *I Love Lucy's* success.

In mid-1952 when *Our Miss Brooks* went into production, TV was just coming out of the freeze and neither the networks, ad agencies, local stations, nor independent production companies had any clear idea what lay ahead for commercial television. Indeed, no one was quite sure to what extent the public at large would buy into the new medium once the freeze was lifted. Many feared that early TV's major-market skew was giving the industry an altogether unrealistic picture of the medium's overall appeal. (According to *Broadcasting* magazine, the 108 TV stations that had been licensed by the time *I Love Lucy* premiered in October 1951 were situated in only 63 markets nationwide, serving a total of 13,598,000 TV sets. Over 6 million of those sets were in only five cities: New York [2.5 million sets], Los Angeles [1 million], Chicago [950,000], Philadelphia [883,000], and Boston [766,000].)[15]

When the FCC lifted its licensing restrictions late in 1952, any doubts about TV's post-freeze development quickly vanished. Within three years the number of television stations quadrupled to well over 400, and the proportion of television-equipped households nationwide climbed from a mid-freeze figure of 12 percent to 67 percent by June 1955 and 83 percent by January 1958.[16] With this explosion in audience size, the financial stakes for the networks, sponsors, ad agencies, and production companies rose accordingly. "Radio had always been profitable," wrote David Halberstam in *The Powers That Be*, "but television profits were staggering." Halberstam was particularly impressed by the phenomenal growth of CBS.

> In 1953, television reached 21 million American homes and CBS income after taxes reached $8.9 million; by 1954, the year that CBS, by virtue of television, became *the largest advertising medium in the world*, the net income was $11.4 million; by 1957, 42 million homes had television and the profits after taxes reached $22.2 million. It was a constantly ascending curve."[17]

This growing profit potential steadily pushed up production costs as network competition for affiliates and viewers grew more intense. Not surprisingly, sponsors found it difficult to cover the production costs for an entire series, and so the single-sponsored network series gradually disappeared during the post-freeze '50s. At the same time, there emerged a new brand of network executive: the programming chief. "Television programmers have no direct antecedents in radio," points out Laurence Bergreen, "where ad agencies assumed the burdens of production. This responsibility remained with ad agencies until the anticipated cost, complexity, and risk of television forced them to yield programming power

to the networks, which for the most part served as common carriers."[18] The networks coveted this power, of course, since controlling individual programming decisions meant they could design the overall *schedule* to attract the maximum number of viewers and thus maximize network profits.

The most important of this new breed of network programmer was Sylvester L. "Pat" Weaver, a former adman whom NBC chairman David Sarnoff promoted to network presidency in 1953 to chart the network's post-freeze destiny. Weaver was quoted in an October 1954 *New Yorker* profile as saying that when he began his tenure as NBC president, "the programming just had no direction. Programs landed next to each other by mere chance, with each agency building its show in a way that was aimed at nothing more than keeping the client happy."[19] Weaver was intent on developing a more coherent, integrated schedule. He began by reorganizing the prime-time offerings, slotting comedies early when children were viewing and scheduling drama later in the evening for older viewers. He emphasized New York-originated programs, from comedy-variety series like *Your Show of Shows* to "spectaculars" (what are now termed "specials") like *Peter Pan*. Outside of prime time he developed an early morning news magazine, *Today*, and a late-night variety program, *The Tonight Show*. As Weaver recalled years later, "in 1955 I controlled almost all major programming decisions at NBC, for both daytime and prime time. From 'Today' . . . to 'The Tonight Show,' we had taken control from the ad agency."[20]

Looking back, what distinguishes Weaver's network-originated schedule and what undoubtedly accounts for much of NBC's early reputation as TV's "prestige" network, was the network's reliance on New York-based live programming. Weaver did schedule a few half-hour telefilm series—urban crime dramas like *Dragnet* and sitcoms like *The Life of Riley*—but still NBC relied much less on telefilm formulas than on live programs out of New York. Both ABC and CBS, meanwhile, were intensifying their telefilm schedules, and both were relying on Desilu as a program supplier. In 1953, *Our Miss Brooks* climbed to number 14 in the Nielsen ratings and Desilu, on the strength of production deals with Loretta Young, Ray Bolger, Danny Thomas, and Jack Benny, vacated the General Services Studio and leased six sound stages in L.A.'s Motion Picture Center. All were converted into Desilu's distinctive theater-audience studios.

The year 1953 also saw Desilu initiate production on a series with its own capital. CBS wanted to move its radio series, *December Bride*, to TV, but without radio star Spring Byington in the lead. CBS co-owned the series with its writer-producer, Parke Levy, who wanted Byington for the TV series lead. When negotiations reached an impasse, CBS let its option lapse and Desilu bought the network's share of the program. Arnaz produced the series for General Foods, which sold it to CBS. Board chairman William Paley was furious after seeing the pilot for *December Bride*, when he learned that CBS had let the series go. Paley personally entered negotiations with Arnaz, who demonstrated his own scheduling savvy. Arnaz gave CBS one-quarter ownership of the series in exchange for the 9:30 time slot on Monday evenings—immediately after *I Love Lucy*.[21] That blockbuster lead-in ensured the success of Desilu's new series, which debuted in April 1954 and finished the season at number eleven in the ratings. Over the next two seasons, *I Love Lucy* and *December Bride* were TV's two most successful sitcoms. Desilu, meanwhile, steadily increased its overall output. In 1953 alone the company produced 229 half-hour series episodes, the equivalent of nearly 100 feature films. That output increased in 1954, the year that Desilu purchased controlling interest in the Motion Picture Center.

Clearly Desilu was fast becoming a major industry power—and something of a threat to CBS's programming control. But the network had been careful to hedge its bets against the potential power of Desilu and other independent producers. One hedge was to expand its own production operations, which CBS did quite dramatically with the construction of "Television City" in Los Angeles in 1952. CBS also began buying into independent production companies if, like Desilu, they wished to become steady suppliers of network programming. Before signing a new two-year contract for *I Love Lucy* after the first season, the network bought one-quarter ownership of Desilu for $1 million. What's more, the network itself went into syndication. Early in 1952, CBS-TV Sales was created as a distribution company and a separate entity from the network. Its creation was reported in *Variety* on February 13, when CBS announced that it "will distribute films produced either by the web [the network] itself or by indie producers."[22] Thus CBS's syndication company, like the one created by NBC in 1951, would sell both "off-network" shows ("reruns") and "first-run" shows, those never offered on network schedules but sold directly to local stations.

The importance of syndication was becoming more evident with each passing TV season, not only as a scheduling strategy but also as a means of attracting new affiliates and of appeasing those already on line. CBS initiated certain "incentive plans" in the summer of 1952 involving discounted telefilm offerings and "rebate" periods extending from early July through late August. *Broadcasting* reported in March 1953 that NBC-TV, "which offered no special inducement concessions last year, currently is considering the question."[23] The network was definitely set, though, to follow "the precedent set last year by *Dragnet* and *The Groucho Marx Show*, wherein advertisers repeated as summer fare, the best programs of the winter season." NBC's summer reruns in 1953 would include *I Married Joan* and another sitcom, *My Hero* (with Bob Cummings), while CBS planned to rebroadcast *Our Miss Brooks* and *Four Star Playhouse*, an anthology drama produced by Dick Powell. "Since all these shows are on film," *Broadcasting* reported, "the production costs involved will be negligible."

A hit series like *I Love Lucy* was crucial to such a strategy, but Arnaz decided to withhold Desilu's wholly owned series from summer reruns. Instead Desilu supplied *My Little Margie*, another Philip Morris-Desilu production, which could be test marketed by CBS during the summer months. By late summer, with the post-freeze boom well under way, the networks all reported profitable summer rerun schedules and announced plans to further reduce production contracts,

virtually eliminating 52-week deals and reducing many 39-week contracts to 30 weeks as the term "summer" took on ever broader connotations. The surplus value of telefilm series extended far beyond the summer months, of course. When a series' life span reached approximately 100 episodes, it could be "stripped" for off-network syndication. Eventually the FCC would restrict network ownership of both TV series and syndication companies, but during the mid-to-late 1950s all three networks were hell-bent on purchasing their most successful series to reap the benefits of syndication.

Not surprisingly, CBS paid dearly for the syndication rights to Desilu's flagship series. Early in 1955 the network signed a new two-year contract with Desilu for another 52 episodes of *I Love Lucy*; the network paid Ball and Arnaz an additional $4.5 million for outright ownership of all 179 of the series episodes, including those of the next two seasons. CBS also bought Desilu's share of *December Bride* for another half-million dollars. That gave the network part ownership of Desilu's two most successful series, though *I Love Lucy* and *December Bride* represented only a fraction of the company's output. In all, that output for the next two seasons would total 691 half-hour series segments, making Desilu the most productive independent in the industry and the principal supplier of CBS's prime-time programming.

EXPANSION, DIVERSIFICATION, AND THE LOSS OF "INDEPENDENCE"

The new CBS-Desilu pact typified all three networks' growing inclination to "cooperate" with "outside sources" in developing series for their schedules. By now the networks recognized the need to control programming in order to maximize their audience base and thus their revenues. But the networks also were learning that to control programming, they did not necessarily have to produce or even to own their programs. There were clearly some very good reasons for the networks to minimize their own production efforts. One was the financial risks involved in TV series production, particularly during prime time when the costs and thus the stakes were highest. Another was the federal government's antitrust posture. The Justice Department and the courts had recently dismantled the movie industry's integrated production-distribution-exhibition system, and so the networks were well aware of the need to restrain their quest for control of TV's production and dissemination.

Thus the reliance on independent companies like Desilu, which, in fact, CBS President Frank Stanton outlined in some detail for the U.S. Senate in June 1956, responding to an antitrust investigation of the TV industry.[24] Stanton reported that CBS owned 29 studios (22 in New York, 2 in Chicago, and 5 in Los Angeles), of which only 5 were equipped for telefilm production. For the week ending April 7, 1956, CBS delivered to its affiliates a total of 72 3/4 "sponsored broadcast hours," of which 55 3/4 hours were live video and 17 hours were on telefilm. To blunt any accusations of monopoly control, CBS

pointed out that only 23 percent of those hours were produced by the network (down from 39 percent in 1954). One half of CBS's April 1956 broadcast hours were "produced entirely by 38 outside producers with whom CBS Television has no direct connection."[25] The remaining 27 percent were produced by eight outside outfits "in association with" the network. This latter group included Desilu, the only outside company in which CBS had an actual "financial interest."

What the report did not point out, however, was that all the telefilm hours were for prime-time series and were produced by outside sources, while CBS itself produced live programs such as news shows, game shows, and soap operas. CBS was not alone in this practice. By the 1956–57 season all three networks were farming out virtually all prime-time episodic series programming—whether sitcom or western, police drama or adventure series—to independent telefilm producers. This practice was on the increase due to yet another key factor in telefilm production: the entry of the major Hollywood studios. As was already noted, the lesser film production companies had been producing telefilm series since TV's earliest years. It wasn't until ABC signed Walt Disney Productions for *Disneyland* in 1954 and Warner Bros. for *Warner Brothers Presents* in 1955, however, that the wholesale shift by Hollywood's established powers to TV series production began. Within another year MGM, 20th Century-Fox, and Paramount also joined the fray and began producing telefilm series.[26]

Not surprisingly, this incursion by the Hollywood majors had considerable impact both on network programming and on L.A.-based telefilm series production. The major studios specialized in hour-long series with superior production values, often shot on location and done in the time-consuming "one-camera style" used for motion picture production. Thus production costs steadily climbed, to a point where "deficit financing" became standard operating procedure in telefilm series production. In other words, production companies were willing to take a loss on the initial run of a series, expecting to turn a profit once the series went into syndication. The studios were able to cover those initial losses in one of two ways: via revenues from current movie hits, or via the sale of their old movies to TV syndicators. The smaller or weaker telefilm production outfits simply could not compete at this level, of course, and many were either swallowed up or forced out of business. The stronger independent companies, meanwhile, had little choice but to up the ante and compete at the major studios' level.

No independent was stronger than Desilu, which continued to thrive during this transformation although Arnaz was well aware that the stakes were changing rapidly. During the mid-to-late 1950s, according to Arnaz, "the economics of the television business began to get ridiculously bad. I put the blame for that squarely on all the motion-picture studios. When they finally decided to enter television, they would sell a series for much less than they knew it would cost them, just in order to sell it."[27] Still, Desilu not only held its own but continued to expand. For the duration of the two-year pact signed with CBS in 1955, Arnaz

and company solidified their position as top independent producer, with Desilu's profits climbing from $675,000, in April 1956 to $3,183,000 a year later.

That surge enabled Desilu to compete more directly with the majors. In September 1957 Arnaz paid $6.15 million for RKO, the Hollywood studio where both he and Ball had been employed as contract players two decades earlier.[28] RKO, once a major studio power, had suffered a severe postwar slump under the mismanagement of Howard Hughes before changing hands several times in the 1950s. By the time Desilu bought RKO, much of its real estate holdings (particularly its theaters) and virtually all of its library of feature films and shorts had been siphoned off. But Desilu's primary interest was in RKO's production facilities, both its sound stages and the "back lot," which were needed as Desilu expanded from sitcom production into action-adventure series—westerns like *Jim Bowie* and *The Sheriff of Cochise*, and even an ambitious urban-crime series, *The Untouchables*, which Desilu had on the production docket for ABC in 1958.

With the purchase of RKO and expanded production operation, Ball and Arnaz were hailed as the "new moguls" in Hollywood's television era. A telling irony at this point was the steady dissolution of the Ball-Arnaz marriage and the decision at Desilu to discontinue *I Love Lucy* as a weekly series after the 1956–57 season, despite its number-one Nielsen rating. Both Arnaz and Ball were looking in different professional directions—Arnaz for other telefilm ventures and Ball for feature film and stage roles. CBS kept *I Love Lucy* on its prime-time schedule by rerunning old episodes, but the series' popularity quickly fell off. It was bolstered somewhat by a succession of Arnaz-produced hour-long specials, *The Lucille Ball-Desi Arnaz Show*, usually featuring the Ricardos and the Mertzes in some exotic locale.

Yet another irony in the late 1950s was Arnaz's growing disdain for the sitcom. Having reached the higher echelons of independent television production, Arnaz now wanted very badly to experiment with different programming forms and felt that he'd earned the right to do so. Bucking the odds and the system he'd helped to shape, Arnaz sent two anthology drama series into production in the late 1950s: *Fountain of Youth* in 1957 and *Desilu Playhouse* in 1958. But this time Arnaz found the network much less receptive. In fact, with *Fountain of Youth*, whose pilot boasted the considerable creative energies of Orson Welles, the networks refused even to pitch the series to either public or sponsor. This marked a curious reversal of the network's role back in 1951, when CBS had successfully pitched *I Love Lucy* to Philip Morris and had given Arnaz and Ball free rein in developing the series. Now CBS was calling the shots and was less inclined to take such efforts or such risks. Hubbell Robinson, CBS programming chief, told Arnaz he doubted the public would "understand" the program, and Robinson later confided to a TV critic, "I think that Orson Welles would set television back twenty years."[29] Eventually all three networks rejected *Fountain of Youth* in 1957, deeming it too innovative and sophisticated for the general audience. Only a last-minute cancellation at NBC put Welles's pilot on *Colgate Theater* in 1958, where it won widespread critical praise and a prestigious Peabody Award; but still it wasn't picked up as a series.

In a certain sense, Desilu had become its own worst enemy, refining both the programming formulas and efficient production techniques, the narrative and material "economies" which had become so ingrained in TV series production that they restricted certain deviations from the norm. These constraints were becoming even more pronounced in the late 1950s with TV's gradual shift toward multiple sponsors on series, which meant shows had to be designed not only to attract the maximum number of viewers but a range of sponsors as well. And as Arnaz knew when he produced *Fountain of Youth* and *Desilu Playhouse*, anthology dramas hardly drew the numbers of viewers or provided the kind of context that sponsors wanted for their commercial messages. As TV historian Erik Barnouw points out, the decline of the anthology drama, the rise of the telefilm series, and the increasing commercialization of television were closely interrelated. In Barnouw's words:

> The anthology form survived on film but was eclipsed by filmed episodic series of upbeat decor, preferred by most sponsors. Identification with a continuing, attractive actor had merchandising possibilities, and some actors were willing to do commercials. Above all, the series *formula* offered security: each program was a variation on an approved ritual. Solutions, as in commercials, could be clear cut.[30]

This was scarcely new to Arnaz and company, but relearning that lesson after pioneering telefilm series production came hard—and it cost the company dearly. When Desilu went public in 1958, it reported assets of $14.9 million, but its profits for the year had fallen to $75,000. Things went a bit better the following year, with Arnaz overseeing the production of *Desilu Playhouse* along with 25 other series at the refurbished RKO studio. Arnaz reported to the stockholders in a July 1959 meeting that Desilu's various series and specials during the 1958–59 season had generated $20.4 million in gross revenues; the net profits for that period were $250,000.[31]

By then *I Love Lucy* had been out of production for two seasons, but Desilu's flagship series was still its biggest draw. CBS was eager to get Lucy back into a weekly series but Ball still wanted to pursue stage and feature film work. The old cast of Ball, Arnaz, Frawley, and Vance did reconvene for a summer replacement series, *Lucy in Connecticut*, which aired from July through September 1960, but by then the growing strain on the Ball-Arnaz marriage had already taken its toll. The couple hadn't been living together since late 1959, and Ball had filed for divorce. The divorce was granted on May 4, 1960, and when the *Lucy* foursome filmed the summer replacement series, Arnaz already had agreed to step down as president of Desilu. He stayed on long enough to launch Ball's new series, *The Lucy Show*, which debuted in the fall of 1962 and immediately established itself as a prime mover in CBS's remarkable sitcom surge during the

1960s. With her new show in production, Ball bought out Arnaz for $2.5 million and took over as president of Desilu.

EPILOGUE: THE MACHINERY OF THE INDUSTRY

Despite the success of *The Lucy Show* throughout the 1960s, Desilu steadily declined as an industry power. Losing Arnaz was a factor in that decline, of course, particularly in terms of Desilu's interaction with the networks. CBS insider Robert Metz recalls in his network history, *CBS: Reflections in a Bloodshot Eye*, that Arnaz "had always done the negotiating" with the network, and had been "both resourceful and tough" in staking out his company's position. Without Arnaz "to keep CBS at bay," there was a severe downturn in Desilu's innovation and output.[32] Metz's point is well taken, but actually the networks did little "negotiating" with *any* of their outside program suppliers during the early 1960s, a period that saw the networks consolidate their control of the commercial TV industry.

The catalyst for network control was the "quiz scandals" of the late 1950s. In fact, the NBC telecast of Desilu's *Fountain of Youth* pilot in 1958, which had been turned down by all three networks a year before, resulted from NBC's last-minute cancellation of *Dotto*, a high-stakes quiz show implicated in the industrywide "fixing" of such series by their sponsors. The quiz scandals broke wide open in 1959 with a congressional investigation, giving the networks a rationale for taking over virtually all programming and production decisions. CBS's Frank Stanton, for example, responded to the scandals by asserting, "the American people hold the networks responsible for what appears on their schedules. From now on *we* will decide not only *what* appears but *how*."[33]

The networks were particularly aggressive in taking control of prime time. They still relied on outside producers for up to 80 percent of prime-time programming in the 1960s, but such bona fide independent TV production as documentary news specials and first-run syndicated series virtually disappeared from prime time after the scandals. In 1960, all three networks adopted a policy of in-house news and documentary production; they also pressured affiliates to accept their full prime-time schedules, which forced the first-run syndicated series out of mainstream production. Back in 1956 some 30 syndicated series ran during prime time; in 1963 there were only three and by 1965 there were none. What's more, the sponsor-initiated pilot and the single-sponsor series, once so essential to prime time, were phased out in the early 1960s as the multiple-sponsored series became the standard. This diminished the sponsor's authority and all but eliminated the ad agency from the production and programming process.

By the mid-1960s, the networks had a lock on TV programming and Hollywood's "creative community," from the studio powers to the struggling independents, were relegated to mere subcontractor status. TV's penetration was well over 90 percent of American households, and network executives coined terms like "least objectionable programming" and "lowest common denominator" in their tireless efforts to maximize audience shares and revenues. Not surprisingly, programming strategies grew increasingly conservative and predictable as the experimentation and innovation of the 1950s gave way to standard operating procedure. The network system became so monolithic and inflexible during the 1960s, in fact, that by decade's end Les Brown, a leading TV critic and historian, argued that no individual, not even a network's chief executive, had any real power to affect the system. "The president of a network," wrote Brown in *Televi$ion: The Business Behind the Box*, "can buy a show and set operating policies, but he is powerless to alter the machinery of the industry."[34]

Quite a change from the 1950s, when the "machinery" of radio broadcasting was retooled and redesigned for the Television Age. The result was nothing less than a cultural transformation, a unique convergence of social, economic, and technological forces that forever changed the American experience. Those changes were scarcely arbitrary, nor were they predetermined and inevitable. Once the established radio model proved inadequate, there were any number of directions the TV industry might have taken. The network-controlled system of the 1960s resulted not only from the interplay of "larger" cultural forces, but also from the ideas and efforts of individuals like Sarnoff and Paley, Stanton and Weaver, Ball and Arnaz—men and women who suffered choices, took risks, and made a difference. Their individual contributions can only be gauged in terms of a larger design, of course, as factors in a complex cultural and industrial equation. And in factoring that equation, few independent producers or production companies figure as heavily as Lucille Ball, Desi Arnaz, and Desilu. They provided the nascent industry with its biggest star and most successful series, with a blueprint for its most pervasive genre and production format, and with a model for the independent television production company that persists, like those perpetual reruns of *I Love Lucy*, to the present day.

NOTES

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2. For general historical treatments of the network television industry, see Erik Barnouw, *Tube of Plenty: The Evolution of American Television* (New York: Oxford University Press, 1975).

3. For an overview of the creation of *I Love Lucy* and the general development of Desilu, see Barnouw, *Tube of Plenty*; Rick Mitz, *The Great TV Sitcom Book* (New York: Richard Marek Publishers, 1980); Bart Andrews and Thomas J. Watson, *Loving Lucy* (New York: St. Martin's Press, 1980); Tim Brooks and Earle Marsh, *The Complete Directory to Prime-Time Network TV Shows*, revised ed. (New York: Ballantine Books, 1981). The Nielsen figures here and elsewhere are also culled from Brooks and Marsh, pp. 922–31.

4. Christopher H. Sterling and Timothy R. Haight, *The Mass Media: Aspen Institute Guide to Communication Industry Trends* (New York: Praeger, 1978), p. 47.

5. Desi Arnaz, *A Book* (New York: William Morrow and Company, 1976), p. 202.

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7. Dave Glickman, "Film in the Future—As Television's Horizons Expand," *Broadcasting* (September 10, 1951), p. 79.
8. "Freeman, Roach See Upped Quality, No 'B' Pix in Industry Future; TV Forecast as New Cradle of Talent," *Variety* (December 12, 1951), p. 5.
9. Dave Kaufman, "Vidpix Weed Out Shoestringers," *Variety* (January 9, 1952), p. 1.
10. "TV Films in Production," *Variety* (January 23, 1952), p. 28.
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12. George Rosen, "TV's Changing 'Best Bet' Lineup," *Variety* (June 4, 1952), p. 25.
13. Mitz, *Great TV Sitcom Book*, p. 43; Arnaz, *A Book*, pp. 228–31.
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15. *Broadcasting* (October 8, 1951), p. 82.
16. Sterling and Haight, *The Mass Media*, p. 68.
17. David Halberstam, *The Powers That Be* (New York: Dell Publishing Co., 1979), p. 579.
18. Bergreen, *Look Now*, p. 178.
19. Quoted in ibid., p. 189.
20. Pat Weaver in a book review of Bedell's *Up the Tube*, which appeared in *American Film* (December 1981), p. 81.
21. Arnaz, *A Book*, p. 279.
22. "CBS Sets up Vidpix Syndication Unit; Webs Move into 'Local Time' Picture" *Variety* (February 13, 1952), p. 2..
23. "Repeats, Discounts in Summer Plans," *Broadcasting* (March 2, 1953), p. 28.
24. *Network Practices*: Memorandum Supplementing Statement of Frank Stanton, President, Columbia Broadcasting System, Inc., Prepared for the Senate Committee on Interstate and Foreign Commerce by the Columbia Broadcasting System, Inc., June 1956.
25. Ibid., pp. 32, 58–59.
26. For detailed treatment of the Hollywood studios' shift to telefilm production, see the special issue of *Quarterly Review of Film Studies* (Summer 1984) devoted to the subject, especially Robert Vianello, "The Rise of the Telefilm and the Networks' Hegemony Over the Motion Picture Industry" and Douglas Gomery, "Failed Opportunities: The Integration of the U.S. Motion Picture and Television Industries." See also Christopher Anderson, "Hollywood TV: The Role of Television in the Transformation of the Studio System" (Ph.D. diss., University of Texas at Austin, 1988).
27. Arnaz, *A Book*, pp. 308–9.
28. Figures on 1957–58 season taken from: "The New Tycoon," *Time* (April 7, 1958), p. 69; Cecelia Ager, "Desilu, or from Gags to Riches," *The New York Times Magazine* (April 20, 1958), p. 32; and "There's No Business Like Show Business: Desilu Productions Inc.," *Business Week* (November 22, 1958), p. 98.
29. Robinson quoted in Richard Austin Smith, "TV: The Light That Failed," *Fortune* (December 1958), p. 166.
30. Barnouw, *Tube of Plenty*, p. 166.
31. Arnaz, *A Book*, p. 311.
32. Robert Metz, *CBS: Reflections in a Bloodshot Eye* (Chicago: Playboy Press, 1975), p. 193.

33. Quoted in A. Frank Reel, *The Networks: How They Stole the Show* (New York: Scribner's, 1979), pp. 69–70.
34. Les Brown, *Televi$ion: The Business Behind the Box* (New York: Harcourt Brace and Jovanovich, 1971), p. 4.