

In 1986 Laurence Tisch, a fabled Wall Street investor, took control of CBS, often considered the crown jewel of American broadcasting. Tisch ran the TV network, the owned and operated television stations, and other corporate properties until 1995. Throughout this decade, he manipulated and modified CBS, looking to cash in with an eventual sale of the property. In 1995 the deal came through. Westinghouse offered \$5 billion for CBS and Tisch made an estimated \$2 billion.

In the view of many television critics and media industry observers, Tisch badly mismanaged the former "Tiffany network" with policies that caused ratings to drop, earnings to fall, and affiliates to defect. In a stunning pair of 1994 deals fellow mogul Rupert Murdoch contracted broadcasting rights for the National Football League (NFL) and tempted a number of CBS affiliates to switch to the FOX Broadcasting Company. CBS was further embarrassed when Tisch demoted Connie Chung from her co-anchor position with Dan Rather. And media pundits lambasted Tisch for CBS's golf coverage in May 1995 when ABC and NBC carried President Bill Clinton's address to the mourners of the Oklahoma City bombing. CBS opted to stay with the golf tournament to save \$1 million in advertising.

Andy Rooney, long a fixture on CBS' highest rated show, *60 Minutes*, stated openly what many in the industry felt about Tisch's negative impact on CBS's long-fabled news division. On rival network ABC's *Primetime Live* Rooney castigated Tisch for allowing CBS to slip: "We need a hero in the business. I don't see why someone like Larry Tisch . . . doesn't say: 'I've got all this money, why don't I just make the best news division in the world.'"

Tisch's relations with CBS had not begun on such a rancorous note. During the mid-1980s, when Ted Turner tried to make a hostile bid for CBS, longtime CBS chief William S. Paley looked for a "white knight" to save his beloved company. In October 1985 Paley and his hand-chosen corporate directors, asked Tisch to join the CBS board and thwart Turner. Before his takeover Tisch had simply been another faceless New York City multimillionaire, who had made money in tobacco, insurance, and hotels. His rescue of CBS made him a media celebrity.

After serving in the U.S. Army's intelligence office during World War II, Tisch joined forces with his younger brother Bob and began his rise to corporate power and profit with the 1949 purchase of Laurel-in-the-Pines, a New Jersey hotel. For the next decade the brothers bought and sold hotels, particularly in Miami Beach and Atlantic City. In 1959, the Tisch brothers bought the Loews theater chain from MGM, and changed the name of their company to Loews Corporation.

From this base they continued to expand their investment efforts and by the mid-1980s Loews Corporation ranked as a multi-billion dollar conglomerate success story. Loews was built by acquiring other companies through tender offers, beginning with the take over of Lorillard, a tobacco products company, in 1968. In early 1974 Loews announced it had acquired just over 5% of an insurance subsidiary CNA Financial, then an independent company. Before the end of that year Loews had successfully completed a hostile tender offer for the company's stock, and CNA became the principal source of Loews' success. In the case of both Lorillard and CNA the Tisch brothers reversed the fortunes of ailing companies and made millions in the process.

Privately, Laurence Tisch then began to undertake philanthropic causes. He managed the investments of the Metropolitan Museum of Art, provided endowment and buildings for New York University, and led fund-raising for

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Laurence Tisch

Photo courtesy of Broadcasting and Cable

LAURENCE ALAN TISCH. Born in New York City, New York, U.S.A., 5 March 1923. Educated at New York University, BSc cum laude 1942; University of Pennsylvania, M.A. in Industrial Engineering 1943; studied at Harvard Law School, 1946. Married: Wilma Stein, 1948; four sons. Served in U.S. Army, Office of Strategic Services, during World War II. President, Tisch Hotels, Inc., New York City, 1946-74; chair of the board and chief executive officer, Loews Corp., New York City, from 1960, co-chief executive officer, from 1988; president, chief executive officer, CBS Inc., New York City, from 1987, chair, president, chief executive officer, board of directors, from 1990. Chair and member of board of directors, CNA Finance Corporation, Chicago. Board of directors: Bulova Corporation, New York City; ADP Corporation; Petrie Stores Corporation; R. H. Macy & Company board of directors, United Jewish Appeal-Federation; chair, board of trustees, New York University. Trustee: Metropolitan Museum of Art, New York City; New York Public Library; Carnegie Corporation.

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See also [Columbia Broadcasting Company](#); [Paley, William](#)

In 1986 William S. Paley stepped aside and Tisch became not only CBS' major stockholder, but its chief executive officer as well. To no one's surprise, Tisch restructured the company into a "lean and mean" operation. Within months, he had launched the biggest single staff and budget reduction in network TV history. When the dust had settled, hundreds had lost their long secure jobs, news bureaus had been shuttered, and CBS was but a shell of its former self.

On a larger corporate scale Tisch systematically began to sell every CBS property not connected to television. First to go was CBS educational and professional publishing, which included Holt, Rinehart and Winston, one of the country's leading publishers of textbooks; and W.B. Saunders, a major publisher of medical tomes. CBS picked up \$500 million in the deal.

But that sum proved small change compared to the \$2 billion paid by Sony Corporation of Japan for the CBS Music Group. One of the world's dominant record and CD companies, CBS Music boasted a stable of stars that then included Bruce Springsteen, Michael Jackson, the Rolling Stones, Billy Joel, Cindy Lauper, Paul McCartney, and James Taylor. This single 1987 sale enabled the new CBS to earn a substantial profit that year.

With the layoffs, budget cuts, and sales of CBS properties completed, Tisch faced the need to improve TV programming. This proved difficult and rumors began to circulate, speculating as to precisely when Tisch would cash in his CBS stock. Potential buyers for the network included MCA/Universal Pictures, Disney, Viacom, and QVC, a television home-shopping company. Throughout the early 1990s Tisch quietly engineered stock repurchases by CBS and by selling much of his own stock back to the corporation he covered his original investment. Whatever he would receive for his remaining 18% of the company would be pure profit. Thus the 1995 Westinghouse deal moved Tisch from the status of a multimillionaire to a multibillionaire. In television history, however, Laurence Tisch would be remembered for how he had decimated the once dominant television network.

-Douglas Gomory