

ANNENBERG SCHOOL FOR COMMUNICATION

HBO ORAL HISTORY PROJECT

The Reminiscences of

Donald E. Anderson

Annenberg School for Communication Library Archives

University of Pennsylvania

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PREFACE

The following oral history is the result of a recorded interview with William G. Hooks conducted by Howard Burkat on December 6, 2016. This is part of the HBO Oral History Project.

Readers are asked to bear in mind that they are reading a transcript of the spoken word, rather than written prose.

Interviewee: Donald E. Anderson

Location: Los Angeles CA

Interviewers: Howard Burkat (Q1), Corrina K. Laughlin (Q2), Date: December 6, 2016

Unknown (Q3), Unknown (Q4)

Q1: What is your name?

Anderson: Don Anderson.

Q1: You worked at HBO. You had a lot of different jobs. Give us a quick summary of some of those titles. You don't have to tell us all that you did at this point anyway, but give us some titles and tell us at the end what the most senior title was that you had.

Anderson: Well, I came into the company, I think I was the tenth executive brought in in 1974, and my first title was manager of affiliate relations. I eventually became vice president, general manager of the western region, senior VP [vice president], senior vice president of Home Box Office [HBO]. [I] managed our investment in BET, Black Entertainment Television. We helped get that started. After eighteen years at HBO, [I] went up to corporate and worked with the chairman and CEO [chief executive officer] of Time Warner.

Q1: You were at HBO *per se* from year what to year what, roughly?

Anderson: Roughly?

Q1: Not the Time Warner part, but the HBO part.

Anderson: 1974 to 1992--'91, in there.

Q1: What did you do before you went to HBO? What was your work?

Anderson: I was director of government relations for the cable industry's trade association, NCTA [National Cable & Telecommunications Association], national cable television.

Q1: You were in the cable world.

Anderson: I was in the cable world.

Q1: You answered this but a little more detail would be very interesting. How did that background lead you to move to HBO?

Anderson: When Jerry [Gerald M.] Levin, our president, was staffing the company, they had a good relationship with the trade association--Time Inc., the parent company of HBO then. I got to know their representative, a gentleman by the name of Barry [Baryoor] Zorthian, who served on the board, and one afternoon, he and I were on our way to the airport, and he said "Would you ever consider coming to work for Time Inc.?" I said, "Well, I'd consider it. I'm not a career lobbyist or government relations person, so I'd love to do that." And shortly after, Jerry Levin

approached me at a board meeting and said “We're very interested in bringing you aboard.

Would you like to come to HBO?”

Q1: What did you see there? We all know HBO in 1974 was not exactly big time stuff. What did you see there that interested you?

Anderson: Well, in my capacity in government relations there were many rules and regulations that prohibited HBO from even getting off the ground, so one of the things I used to do was go before members of congress and the senate, and the White House Office of Telecommunication Policy, and members of the FCC [Federal Communications Commission], and start preaching the concept of what this company was trying to do. And no one got it.

One day, I called HBO and said “Send me some program guides.” They brought me this little two or three page booklet, and I used to take them into these meetings and put them on their desk and said “Look, we want to be able to bring these guides into people's home, that show films unedited, commercial-free. Why can't we do that?” They got it, and I did that all over the [Capitol] Hill.

Q1: Did you have a sense at how big it might become even in those days or was it just, let's keep it going, this is a good thing. Did you ever think it'd be a giant?

Anderson: Some of us did. My interest in going to the cable industry in the first place was not to be a government relations guy, but go into what I believed was going to be an emerging industry

that would someday be quite substantial. And the concept of pay television, if you understood what the cable industry was in the early '70s, it was a retransmission service. It had nothing other than clear pictures that it was offering consumers. In some places like New York City, you had ghosts on your screen. To finally bring something to an industry that marketed itself prior to HBO, "Ninety-nine cent turkey specials. Buy cable and we'll give you a turkey free, or for ninety-nine cents." We were visionaries. We all were.

Q1: I was going to say, you were an early believer.

Anderson: I, in the '60s, read the RAND [Corporation] report on cable television. I was fascinated by that industry long before I even became a part of it.

Q1: There you are and you've made a switch: you've moved to New York [City]. You started in New York, right?

Anderson: Yes.

Q1: What kind of place was it? What kind of a place was HBO? What was the feeling there? What was it like working there?

Anderson: Well, that's a good question and to me, interesting. As you know, HBO was started by Time Inc., the publishing giant. HBO and Time Inc. for years had wanted to enter the media business. Time-Life Films existed on paper before HBO came aboard. Time-Life had this vision

of wanting to move beyond print, but here we show up on the fifteenth floor of the Time-Life building in a corner--little space. There's ten executives. A few secretaries. We had guys in the studio down on Twenty-Third Street, downtown, far enough removed that we didn't taint the pure environment of the publishing world. That's really my characteristic of what it was like. We were the weirdos.

Q1: Your first duties were to go out and convince the cable operator that they should carry HBO in their system. Is that correct?

Anderson: I was doing inside HBO, now, what I was trying to do on the Hill. The difference was I was trying to get a contract signed. The beauty of coming from where I came from, I knew every one of the founders of the cable industry. I knew John Walson [Sr.] who was the first cable operator in the country--spent a whole afternoon in his home with him and his wife and family looking at their scrapbook, showing me pictures of how they ran wires down from the mountain so that people in Wilkes-Barre, Pennsylvania could get television signals. So I knew the industry, and I spent hours on their behalf promoting cable television.

Q1: Your job was--I'm setting up a question here--your job was to convince the John Walsons--

Anderson: --Well, with the background that I had of knowing the people who started the industry. Remember cable was a very parochial little business, in those days.

Q1: Well, that's what I wanted to ask you. What was it that interested the customer? What would you tell them, that this was good for them, why they should do it? What is your pitch, is really what I'm saying.

Anderson: The industry was limited to operating in rural parts of the country. And in the '70s, cable was trying to--with a few exceptions of a little bit of cable in Los Angeles [California]; a little bit of cable in New York City; a little bit of cable in South Philly [Philadelphia, Pennsylvania]--get franchises to move into the urban markets, the larger cities. Well, the larger cities didn't have problems with viewership. They could see a television signal. There were no mountains keeping the signals from people's home. They were getting very low penetration when they tried to build their systems to sell to those homes. Unless you had something compelling to offer, what did consumers need two or three more channels for?

HBO became a pretty compelling proposition. Not easily accepted in the beginning because [it was] such a new phenomenon. Bringing an R-rated movie into a home at 8 o'clock without a commercial or editing created all kinds of problems. There was a positive, and then negative reaction to us in the very beginning, but it was my job to try to convince cable operators--selling conceptually at that time. We had no quantitative data that said this is why you should have us. It was all conceptual, but once people saw it, it became a pretty compelling proposition over time; not initially, but over time.



Q1: Along with your selling conceptually, did you also have to sell against some of the competitors of the time? Showtime [Networks, Inc.] was around then; there was a movie channel thing or something like that.

Anderson: Well, yes, and no. Not in those years. The idea of pay television was not new. Dore [Isadore] Schary, the now deceased former chairman of MGM [Metro-Goldwyn-Mayer Studios Inc.] tried a pay television experiment in Florida. [The] Hartford experiment in Hartford, Connecticut was an over-the-air pay television experiment. Here in Los Angeles, you had ONTV [ON] Subscription Television. You had subscription television license granted around the country on UHF [ultra high frequency] frequencies that never really got off the ground. ONTV was the most successful at that time.

What made us unique was that we believed that if you originated programming from a central location and networked it, meaning deliver that signal--in those days a terrestrial microwave--to a cable headend [note: cable headend is the facility at a local cable TV office that originates and communicates cable TV services and cable modem services to subscribers], trouble-free, hands-free so to speak, then it would ease into an industry that had very little technical or marketing expertise. We delivered a fully integrated package network.

Q1: People have said to us that, and I'm interested in your take on this, some people have said to us the general belief at the time was television is free. No one will actually pay for the kind of television that HBO is offering. You want movies? I got three networks with movies. You want sports? Three networks, et cetera.

Anderson: Well, remember what I said, Howard. We didn't invent the concept of pay television. There was a gentleman here in Los Angeles called Pat [Sylvester Laflin] Weaver [Jr.], NBC Pat Weaver, who used to send, via microwave, baseball games to Palm Springs [California], and deliver them on a cable system for a fee. The concept was there. We didn't invent the wheel. We just put some spokes on it and made it happen.

Q1: You're out there. You're talking to systems, making deals. Was there one or two or three of the hot buttons for deals? Was it very simply, "You can make more money, do this thing." What was it that made, that helped you most of all to make a deal?

Anderson: Again, their desire to move into the urban markets and expand cable beyond the rural industry.

Q1: If you didn't make a deal, what was usually the objection? What was the big customer objection?

Anderson: Didn't have the staff, didn't have the technical capability. There were no marketing executives in the cable industry in those days. Didn't know how to market consumer product. HBO had to staff up and gear up and teach them all of those things. We had a great engineering department which I would take in with me to work with their technical people. We had marketing executives that we'd go in and show them how to do a marketing plan. We became a consultative entity. We brought all the bells and whistles they didn't have to the meetings and I'd

go to places, East Coast, and Pittsburgh [Pennsylvania] area. I'd take a team with me and we'd make a full presentation. Literally, the bottom line was you don't have to do much of anything. We'll bring you the expertise you need to get you started.

Q1: HBO was almost leading them into--

Anderson: We did. We recognized that early on.

Q1: And then came the satellite.

Anderson: That came five years later. Prior to the satellite, it was all terrestrial microwave.

Q1: How important, jumping to that, was the satellite decision--to do it and go in that direction?

Anderson: Believe it or not I came out of the aerospace industry. I had been a design engineer at TRW [Inc.]. I knew about satellites. I didn't make the connection in my own mind: satellites and television. That was for other geniuses like Jerry Levin and Dick [J. Richard] Munro, people like that in our company. We wanted to be a national service. You mentioned companies like Showtime, and Channel 100. They were bicycling video tapes around. Cable operators were putting banks of playback equipment into a studio, with fifty to one hundred machines stacked up. Think how compelling it is for you to be able to say, "We'll bring you this signal. You throw a switch and it's on your system." Well, we had a vision of wanting to be national at some point.

Now I wasn't in the room, to make that clear, when the decision to go on satellite was, but it made so much sense to--all of a sudden you could see the whole country. The footprint of a satellite twenty-two thousand miles above the equator. You could see the footprint cover the whole United States. Suddenly a national plan made sense. Suddenly, it was my idea by the way, to open up regional offices during my first interview to come to HBO. I said, some day we need to have regional offices around the country. Well, it made a lot of sense, when we went on the satellite and suddenly we could see a footprint, to open those offices. So the president, Jerry Levin came to me one day and said, "Alright, it's time to do it. You still want to do that?" I said, "Yes." I moved all the way to San Francisco [California], as far as you could get away from New York City, and opened up HBO's first office, and began to promote, sell conceptually, the concept of pay television in Alaska, Pacific Northwest, in desert areas like Arizona. It was magic to be able to say we could deliver a signal.

Q1: Did the affiliate community get it when you said that on their side?

Anderson: Not only did they not get it initially, but even people like Ralph [M.] Baruch, chairman of Viacom [Inc.] who owned Channel 100, didn't get it. He never thought satellite would work. They didn't follow us on the bird [note: satellites are often referred to as "birds" in the aerospace industry] for at least five years.

Q1: Not only Viacom, but others, were they worried about the technical capability or--

Anderson: No, it's simpler than that. They just didn't get it. They didn't see the magic of satellite. Nobody did. We were the first company to use satellite to distribute television programs. The first. We were the providers of satellite feeds to the commercial networks.

Q1: Well, eventually a scheme was concocted by whomever, I don't even know, where in effect we, HBO, would pay for you to put satellite dishes into your systems. That's the way I remember--

Anderson: Well, that just became an inducement to get the cable operator to remove the barriers to entry.

Q1: Did that work?

Anderson: Of course, it did.

Q1: That worked.

Anderson: Initially, a satellite dish made by Scientific Atlanta [Inc.] was a ten meter dish, cost \$100,000 just for the dish, then you had another \$50,000 or more to install it. In some environments, you had environmental issues, and you had to dig holes and bury them and paint them. People thought those dishes would destroy the forest, kill the cattle.

Q1: What were those numbers again?

Anderson: \$100,000 for the first dish.

Q1: And then about \$50,000 more to get it up and running?

Anderson: To get it in the ground.

Q1: Yes.

Anderson: There may have been some extraneous costs associated with environmental factors that you had to deal with.

Q1: HBO had a program where HBO paid some, all, whatever, a chunk of that.

Anderson: Well, that came a little later. We weren't certainly going to shell out \$100,000 plus per installation. Andrew Corporation came out with a much smaller dish. As frequencies and technology improved on the bird, you could go to smaller dish. We went from a ten meter to a five meter--that became an economically viable proposition for not only the operator but for a company like us to say to a company like TCI [Tele-Communications, Inc.], "We'll provide you the dishes, if you put us in every one of your cable headends." TCI, Tele-communications was their name, at the time was the largest cable operator in the country. Remember in 1975, cable was only in the small percentage of TV households in America, so it wasn't a big market, but

again, now we're starting to franchise larger cities. We could see at that time maybe 70 million TV households. This was the gateway to those households.

Q1: The satellite, and I think, not putting words in your mouth, but I think you're saying what others have said too which is, that really spurred a great growth of HBO when it was available to so many more places.

Anderson: HBO and cable.

[INTERRUPTION 22:44-25:12]

Q1: I was just saying, to pick it up, I was just reiterating, I think really just how important that whole satellite program was.

Anderson: Well, remember, terrestrial microwave--taking a signal from a tower, some spans were fifty miles apart, and running a signal--shooting a line of sight signal from one receiver to a receiver of fifty miles away was treacherous. You might recall, we did the fight from Zaire [note: 1974 heavyweight championship match between George Foreman and Muhammad Ali]. That signal, when we were able to go on satellite, something like one hundred thousand miles up and down. We did that fight, and guess what? Within minutes after the fight was over, a plane crashed into one of our towers, and knocked out the signal. Can you believe that? Satellite was effortless--trouble-free. We didn't have satellites falling out of the sky.

Q1: We've been a little bit chronological, but now I'm just jumping. There you are, and we started with very simple stuff, and it grew, and it became more and more complex, and the satellites came, and a whole proposition. And then Cinemax. Let there be Cinemax. Now, you were out there selling at, therefore, HBO and Cinemax at one time.

Anderson: Yes.

Q1: How do you tell the customer that you now want him or her to buy two products from you when you were selling one product before?

Anderson: We didn't invent the idea of multi-pay [note: cable service operators carrying multiple pay cable services on their systems], which is what it was called. Showtime, who is now a distant second in size to HBO, had to convince the operator to put both pay services on their system. Remember what the environment is, we were all buying the same movies. HBO distinguish itself only because we did original programming and sports pack as part of our offering. We had tennis, NBA [National Basketball Association] basketball, so we were differentiated, but the real powerhouse in those days for pay television was the movies. Well, you'd see the same movies on Showtime, and sometimes at the same time, but Showtime was able to convince the operator to allow them to go on the same system with HBO. We can beat it head to head and none of us benefitted.

Cinemax believe it or not, was what we call in marketing, a flanker brand [note: addition of a new brand in the same product category as an original brand to capture a greater share of the



market for the original brand]. It was created to block Showtime. We were able to take Cinemax into an operator and sell it as a package to him, so HBO and Cinemax. We would counter program the two channels so as not to compete in offering the same product at the same time. We couldn't control Showtime that way, but we could control our own network that way. So it was a blocker.

Q1: There you are doing this, and what are people saying to you when you're bringing this new proposition to them?

Anderson: They still hadn't gotten over how hard it was to convince them to buy HBO. And then here we come, because Showtime is coming along. Showtime, frankly, did a good job in convincing the operator there was room for more than one pay channel.

Q1: You took advantage of that opening to say, "Yeah, you're right, and have we got the more than one for you."

Anderson: Yes. And we could be, because it was our channel, competitive financially, economically speaking.

Q1: Continuing with the jumping around. How would you describe HBO, and the period we were talking about now which is roughly '72, '73 to roughly '82, '83, how would you describe HBO in those ten years in regard to its diversity or its lack of diversity or how would you characterize it?

Anderson: When you say diversity?

Q1: Racial diversity. We've heard different remarks on that.

Anderson: I could spend all of my time with you talking about that. I came into the cable industry, driven by the fact that I believed that cable television, in order to be successful--forget HBO for the moment, you had to bear with me on this one--

Q1: --good, good--

Anderson: --would be successful only if they could sell to one hundred percent of the homes it serviced. Now stop and look at what the television environment or what media, including film, was from a minority perspective in the early '70s and before. Black viewership, Hispanic viewership, was not measured by AC Nielsen [Corporation]. Didn't exist. Blacks were not on television. Blacks were not in film *per se*. The one or two that were there--Nat King Cole [note: Nathaniel Adams Coles; American jazz pianist and vocalist] could not get sponsored to sponsor him on television.

I had this vision many years ago going back to when I read a RAND report in the '60s--famous think tank here in Santa Monica [California]. It was very comprehensive. It whetted my appetite as a child of Southern California whose parents tried to be in the entertainment industry, but were kept out. I always had burning in the back of my head, a desire to get into this business. I

expressed that during my interviews, in my interest in these areas. I said I come here with a strong commitment to helping, and hoping, which is a better word, minorities to become more relevant in our industry. HBO gave me that opportunity. The founders of HBO and the people inside Time Inc. knew that from day one. It was somewhat difficult for HBO, now a viable network, to totally embrace that in the beginning. I was inside raising hell, as often as I could, about why aren't we producing minorities for this network? Why aren't we doing things like that? Michael [J.] Fuchs, who became head of programming at the time, proudly announced one day to me that, "You'll be happy now, Don, that we just signed Sammy [Samuel George] Davis Jr. [note: American actor, singer, dancer, and comedian] to do," what we called then "a standing room only concert." I said, "Yeah, but he's Jewish." That didn't go over so well, but that set the battleground. We fought regularly on that subject.

Look, I'm proud to say because of other efforts that I championed, our involvement in BET, we helped that network get started. I managed our own investment in BET. I worked with Nielsen to get black households included in sampling and diaries. I made sure, strategically. I sold the operators BET and markets with impact--that happening. Suddenly, black viewership of television became quantified. We found out through research, blacks watch fifty percent more television than non-blacks. We found out Hispanics watch fifty percent more television than non-blacks. They're not paying \$50, \$60, \$70, \$80 to go to a football game. They use their television because of the socioeconomic benefit. It was something the whole family could do. And once that became known, then it became important for the company, and the industry, to include more blacks in their programming scenario. When we did the Josephine Baker story, the first predominantly black focused feature, as part of our original programming, Michael Fuchs came

to me one day and said, "We made some friends today." It was the highest rated show for many, many years that we ever had on the HBO, because we were able to capture that audience.

Q1: Some people have also described, as a sidebar to what we've been talking about here--it's an interesting topic to me that, there's also been talk about this group or that group. Someone pointed out the age compression made a very un-diverse staff at HBO. That is to say, almost everybody was twenty five to forty.

Anderson: I know.

Q1: There were no old guys.

Anderson: I was the old guy. I was 35 when I joined.

Q1: The question--there are a lot of white people often, Ivy [note: the Ivy League is an athletic conference comprised of Brown University, Columbia University, Cornell University, Dartmouth College, Harvard University, University of Pennsylvania, Princeton University, and Yale University] people, as we all agree everyone was almost exactly the same age. Do you think that affected for better or worse the success of the organization?

Anderson: All the energy level was through the roof. We had the brightest kids you've ever seen gathered together, who are willing to work seven days a week, twenty hours a day. Look, it took

HBO seven years to make a profit. I didn't take a vacation for seven years. I took my first vacation, the year we turned to profit. I wasn't alone. Yes, age mattered.

Q1: You mentioned some names as we've been talking. Who were your bosses, who were some of the great people that directed you and that you learned from during this first ten year period? Tell us a little bit about them and why, not only just naming them.

Anderson: Well, Jerry Levin. Let's start with him, the president. Not only was he a visionary, but he was color blind. Why would you bring a black guy into the cable industry in 1970? I was the first black executive in the entire cable industry. The first, number one, uno. It was a rural, in many ways, bigoted, little industry. Run by people who were technicians and appliance dealers.

Q1: By the time I went to HBO. I had worked for ABC [American Broadcasting Company], and CBS [Columbia Broadcasting System], and NBC [National Broadcasting Company]. I haven't said this to anyone before, but you reminded me of it. I go to HBO, I look around, and I say "Where are the Jews?" Because I don't think there were a whole lot of them there, besides Levin.

Anderson: Gerald Levin was there in the beginning--

Q1: --besides Levin.

Anderson: Robin Harold [phonetic] was there--

Q1: No, Robin is not—

Anderson: --Stu Chazman [phonetic] was there.

Q1: --Stu was gone by the time I was there.

Anderson: Of the ten of us, half were Jewish.

Q1: There were. Some of those guys were gone though.

Anderson: You raise an interesting issue, and I'm not sure how controversial you want to get, but Time Inc., as a WASPy [white Anglo-Saxon protestant] little company from ivory tower New York [City] was kept out of the entertainment industry because of this WASP background.

Q1: Absolutely.

Anderson: There was always a movement to keep Time Inc. out of the industry, or not let it expand. It's just a conservative little WASPy entity. Part of the reason I procrastinated about joining the damn company in the beginning was I had to check their pedigree out before I went in there. "How sincere are you? What are you trying to do here? Are you playing a game with me?" I wasn't a fresh little kid. I'd been around the bush a few times. I knew my way around the street. I had my guard up. I checked out some history on the company and thought, "Okay, this is a place I can come."

But the battles that were fought, and the transition that was made from a WASPy company into a full standing member of the entertainment media industry took time, but it was part of the strategy, believe it or not, undocumented strategy. Probably no one, you'll be talking to will ever be as candid as I am on that subject, but I watched it. I watched the headcount, and our staff meetings changed. All WASP, one black. Three Jews, four Jews, five Jews, to finally, the industry was fully represented.

Q1: Let's go back, that's a very interesting comment. It's very helpful. Let's go back to what brought them forth, which was, that I had asked about some of--who did you think were some of the great bosses, some of the great mentors, and you started with Levin.

Anderson: Levin, terrific, for that one reason, but more important, he was a visionary and color blind. As the company moved, and frankly, there weren't a lot of visionaries--people that stood out to me in the very earliest. All bright, all motivated, all passionate about what they were doing, but it's a ten percent world out there, ninety percent of us just follow the ten percent genius. Jerry was one of those. An interesting personality came aboard after we went on satellite, a guy by the name of Tony [Winston H.] Cox. He was a very controversial person but he was a genius. He was smart as a whip. He taught us how to be marketers. He's the one that whipped this into shape.

To back up, there's two HBOs. Before you can create this, all the wonderful programming that HBO is known for, you have to build the network. The brick and mortar phase of building this

company was the phase that I am part of. We were the ones cutting through the mountains, with steam shovels and building tunnels and laying track. That took a mindset, once the highway is built, the programming model flies over those roads. Now, we had geniuses that came into the company who took us there, and Michael Fuchs was one. We were an industry that nobody in Hollywood liked. I was the one that can open the office in Los Angeles; I was the one that convinced the company to go national. I was the one that came out to LA and sat in those meetings with academies because they didn't know this little industry, and didn't want us to be part of it. To break through that, not only took good programming, but it took a genius, and Michael and his team were geniuses. So those people stand out.

Q1: You've mentioned Jerry, you've mentioned Michael, you've mentioned Tony. Anyone else who come to mind easily?

Anderson: I had mentors in Time Inc., the parent company, who believed in the vision and supported me and some of my wild schemes, like investing in BET and getting involved in that network when they were trying to get started. We were the ones that helped USA [Network] get off the ground. We were instrumental. I was the first senior VP of marketing for what is now Comedy Central. We called it The Comedy Channel. Then Showtime was trying to start one called Ha! TV. We eventually sold our interest and merged the two, and it became Comedy Central. So there are some visionaries behind the scenes there that created those concepts.



Q1: You remind me, on the topic of Hollywood's treatment of HBO, at some point I got an assignment to figure out how HBO could get Emmys [Primetime Emmy Award] because we didn't have any Emmys.

Anderson: That was the committee I used to sit in on as an invited outsider, never a guest, but an outsider to say we could break that.

Q1: I couldn't get anywhere either!

Anderson: So we created the ACE [CableACE] Awards, as an industry.

Q1: Yep. Hollywood laughed at us when we talked about Emmys.

Anderson: Nobody wanted this thing called cable to get off the ground.

Q1: I always had the feeling, but others shared it too, but I'm interested in your own view, that there were a lot of lawyers at HBO and that they were very instrumental in the daily operation of what we did and how we did it. Did you find they were involved in, going back to your actual deal activities, were they helpful? Were they hindrance? Was it good, bad, and different? What was it?

Anderson: They weren't always involved. When we started, we had a lawyer on loan, Peter Gross was his name, who was a lawyer in the Time Inc. legal department. We didn't have

lawyers. We did A to Z in the deals. Peter taught us the wordage to use and we drafted our own contracts in the beginning. Today, the lawyers are selling packages and bundles of programming. The legal team becomes [a] more important part of that process today.

Q1: Most of your time was spent not in New York, is that correct? Of all those years, [did] it breakdown [that] the majority were not in New York.

Anderson: Half and half. I opened up the office in San Francisco in 1976. I opened up LA, which became our regional headquarters, and is a major center for us, in 1980.

Q1: How did it affect your own career, do you think, being away from the headquarters?

Anderson: Positive and negative. Look, I knew I wasn't going to be president of HBO. I knew I couldn't compete with some of the brilliant minds that were based in New York, but I did have a strategy to open regional offices, and I backed it up with some pretty sound logic. Part of our early successes [were] due to the fact that we put people all over the country, early on, the minute we went on that satellite. We staffed ten offices around the country.

Q1: Tell me the benefits of a regional office.

Anderson: Again, you got to back up. Cable, as an industry, was a highly regulated business. You had three tiers of regulation. You had federal, FCC. You had congressional oversight as part of that federal. You had state franchise authorities, public utility, and you had local franchise

authorities. What this created for the cable operators, to penetrate these, you have to have a national, state, and regional presence. Cable operators formed state associations and all the operators within those states belong to what became a highly collegial group. Their families knew each other. Their kids play together. They did what the other guy did down the street.

For an ivory tower based company out of New York [City] to come in and penetrate that inner circle was foolish. I knew those industries--I worked with them from the days of my involvement in Washington. I lobbied them. I taught them how to meet their congressmen. I would take them in to see their representative. We put video tapes of congressmen on their cable systems which they would take back to their district. I understood that dynamic. I convinced the company to hire people from those regions and staff those regional offices. When I moved to San Francisco to open the first office, everyone I hired was from that area. When I opened up an office in Denver [Colorado], I hired people from that region. They knew the operators. They joined their state associations. I was the first executive from HBO to be elected to a board of the California Cable Association [California Cable and Telecommunications Association] which was a very effective and large trade association. We integrated ourselves into the culture of the industry, those regional offices key to that.

Q1: Did they help in any way with any given or series of deals because you were somewhat nearby, did that facilitate making deals?

Anderson: Again, you didn't get in the door unless they knew you and felt comfortable with you. I know that because Showtime, for example, who began to emulate that strategy years later kept trying to hire me to come setup their operations. What's the old expression? Imitation?

Q1: People have talked about, during this time--and you touched on this a bit but I'd just like to go back to it as well. The affiliate salespeople such as yourself building the highway, building the railroad, building the infrastructure, whatever our metaphor is, and you have the programming people doing the programming. Would you say that there was a good relationship; an indifferent relationship; were there clashes--

Anderson: --between who?

Q1: --between on the one hand, the affiliate salespeople and the job they had to do, the programming people and the job they had to do?

Anderson: Well, that's again another interesting cultural issue. Once the highway is built, who keeps the highway up? Industry consolidated. You didn't have cable headquarters spread all over the country. The driving engine was not the quality of the deal, but the quality of the programming, so of course the culture changed, and yes, there were clashes. For me personally, it was sad to have a guy who just showed up one day after we just spent fifteen years building this highway, and calling it his company, and we didn't exist. That happened--that used to happen a lot. Painful but that's part of growing up.

Q1: Did the affiliate--I know this is very broad--but with that background. Did the affiliates in this first ten year period care about the programming at all, or are they just, whatever is in the pipe. That's fine, just keep the pipe flowing.

Anderson: No, right from the beginning they got it, as far as they needed something besides rebroadcast signals from major markets. So they knew it was coming and they needed it, but there was a little disdain between the programmers and the distributors--the cable people--culturally, night and day. Different cultures, different breed, different animal.

Q1: There was a very disparaging term used for cable operators in those days.

Anderson: Cable apes. You've heard it?

Q1: That's what it was.

Anderson: I know.

Q1: May have even said it occasionally.

Anderson: I know, I know, but that's the way they--now look who runs the media industry, the cable people.

Q1: Yes.

Anderson: I always had respect for the cable operator. Don't bite the hand that feeds you, my God. And they gave me the most significant opportunity in my life, for a professional opportunity at least.

Q1: We spent a lot of time, and money, and effort, and again, you also alluded to this in another way earlier, working with affiliates on marketing. Teaching them marketing. Giving them marketing materials as much as we could do. Was that fruitless? Did it help? Did they use anything? Did they care all about that?

Anderson: You got to think about what the industry was before HBO came along. It was a transmission service. It's like selling telephone equipment into the house. This equipment was called cable television. I don't know if anybody else you've talked to, Howard, can tell you how cable really started. In the '50s, when TV started becoming commercially available, people in Pennsylvania couldn't see television signals, because separating New York City, and Wilkes-Barre [Pennsylvania], for example, where we first started, was a mountain range called Blue Mountain, and it blocked their signals. But all of a sudden, people heard of this new device called television and those people selling television were hardware dealers, appliance dealers. Those are the people who became cable operators. One of them, John Walson, got the idea--put an antenna on top of this hill, picking up that New York City signal, and running a wire--literally running a twisted pair wire [note: a twisted pair is a type of wiring in which two conductors of a single circuit are twisted together for the means of improving electromagnetic compatibility] down to the storefront and connecting it to the back of that TV set. People would stand in front

of his store and watch television. That's how he sold his first television set. That became the beginning of the cable television industry.

That same mentality existed before HBO came on the scene. So what you had in the office was a little bill collector; you had somebody manning the phone; you had a technician tweaking the wires, making sure the system played. Nobody knew anything about selling and marketing a consumer product. We learned early on, and this is where I credit Tony Cox for taking us to that next level early on, how to be consultative salesmen. He made sure that his team was trained. We went to Leesburg [Virginia] to Xerox Learning Systems. We went everywhere as you know, Howard, you were part of that. We began to understand how to sell and how to be consultative salesmen. We began to staff around us, people who brought disciplines that we could put in front of the cable operator, and the industry began to hire its own, over time.

Q1: We're coming at the end. We have a couple more. Just thinking, in my opinion, you're absolutely right about Tony and consultative selling.

Anderson: He was the guy.

Q1: Where did he get that from? He was a relatively young guy at that time.

Anderson: But he was a smart guy. Princeton, Harvard--that ain't bad to start with. He was lucky enough to go into what was the parent company, Time Inc.'s training program.

Q1: You think that's where he learned it--

Anderson: That's where he learned it.

Q1: --because he gave it to us.

Anderson: Every new executive hired by Time Inc. in those days spent a year in their training program, before they were publisher. He was probably one of the initial publishers of People Magazine.

Q1: I agree with you completely on that point and it's just interesting to think, yes, he did that for us, and where did he come and you've answered the question. Couple of more and then we'll see if our students have anything that they want to add in the question department. I may not have this picture too clearly, so you'll correct my premise if I'm wrong, but my recollection is in those days, this is very businessy--very inside baseball [note: figurative adjective meaning that something is only understood by a small, dedicated group]--but it helps you understand the company. There were national accounts and national sales; there were regional accounts and regional managers. A little bit confusing. Did that work? Did that work? Was that the system? How did it go?

Anderson: Well, in the beginning, we did it all, A to Z. But as the industry, the cable industry-- our customer consolidated and became more sophisticated, et cetera, and had now have hired-- I remember when the first MBA [Master of Business Administration] came into the cable industry,



and people like that. We wanted to match that at every level. There became a need to focus corporately, and so national accounts were born and created, and we staff, again, marrying the backgrounds of their counterparts inside the cable industry, cable companies--our own staff married those people.

Q1: You had a multilevel--because you gave a very good explanation of why it was important and successful that there be regional approaches--

Anderson: Well, and it's change, they evolved. Remember that when I came into the industry in 1972, there were maybe three thousand cities--I'm counting the cities with ten people--that had some form of cable, spread all over the country. How the heck are you going to cover those unless you're within driving distance, so to speak? The industry evolved. We had to evolve with it. Eventually they became dinosaurs, meaning our regional offices. Who needs a regional office when now the industry is consolidated? Instead of thirty multiple system operators with headquarters in Denver, Boston [Massachusetts], Atlanta [Georgia], and Texas, Comcast runs two-thirds of the country, and they're in Philadelphia, of all places. [Laughs]

Q1: Of all places. [Laughs] Alright, so a quickie question and then another one. The quickie question is, is there anything that we haven't mentioned that you were thinking about that you want to make sure that we hear about today?

Anderson: No.

Q1: My last question is why--it was not written in the stars that HBO was going to succeed, yet people like you made it succeed. Is there any one thing, two things, three things that you would say, this is why it succeeded?

Anderson: Passion, passion. We were passionate about it, and we just never took no for an answer. The forces that were martialed to stop cable and particularly pay television were enormous and well-funded. You had to have passion to stand up against that headwind.

Q1: Great answer. This is an unusual joint venture between the two Annenberg Schools [for Communication at Universities of Pennsylvania and Southern California]. We have reps from the two Annenberg Schools. Definitely have USC [University of Southern California]. You guys got a question yet?

Q2: I have a question. I wanted to go back. I love this idea. It sounded like this is a turning point in your life when you read the RAND report. You said, "This is when I realized I want to go into cable." And before that, you talked about being from Southern California, and your parents being kept out of the entertainment industry. You glossed over that, and I wonder if you could just tell that story a little bit. What is that history that brought you to this moment where you're reading a RAND report, and this light bulb goes off in your head?

Anderson: Well, thanks for letting me open up a little bit on that. Being an African American in Los Angeles, the heart of the entertainment industry, and you rub elbows with people like Lena [Mary Calhoun] Horne [note: American singer, dancer, actress, and civil rights activist], Dorothy

[J.] Dandridge [note: American actress, singer, and dancer], Nat King Cole. I can go on and on and on. I've met most of those people. And your parents want to be like them, but there's a very narrow entry point into the industry, only because of racism and bigotry. It lights a fire in the back of your head.

In reading the RAND report--and now I'm an adult and working in the aerospace industry--I wanted to be in the entertainment. I wanted to be a performer, and was great. Had a little voice as a kid, but then the practical side of me won out, and I said, "I can't make any money in there. I can't take care of the family doing this." And I don't want to pay the price that I see those people I mentioned earlier paying. Lena Horne going through the back elevator to get into a venue in Vegas. I'd go to Las Vegas in the '60s, '50s, and I couldn't go on the strip. I couldn't go watch Ella [J.] Fitzgerald [note: American jazz singer] perform because I was black. That leaves forever. Racism as we talked about now openly, leaves a permanent scar, and it's not one that you're obsessed with, but your instincts are always there. You recognize it when you see it. You can smell it.

When I read that RAND report, and I understood what they described in the '60s as exactly what the industry is today, including a phenomenon like HBO. I went off on an entrepreneurial tangent. I had a company here in LA. Used to produce black music for American Airlines [Inc.], you know, the major airline, that stuff you listen to when you travel. I had an office in DC, and in that office I staffed it with three guys--three black guys--where one particularly was part of a group run by his other two counterparts, called BEST, Blacks for Soul in Television. In the late '60s, they were lobbying, believe it or not, Washington DC, Senator [John O.] Pastore, who said

on the commerce committee, talking about--they had read that RAND report. They're the ones that steered me to the RAND report because I had this one guy who worked for me who was part of that group. I said, "This is an industry that someday is going to be serving America, where ninety percent of my particular race live. And because of the nature of the beast, you got to literally go to a household, sell it on why it should have this wire come into your house, and what this wire brings you as programming." And they're going to say, "Why would I need that? There's nothing in there for me."

In the '50s, we were one of the first families to have a TV. If there was a black person on television, we'd call every black person we knew in the neighborhood who didn't have a television. We'd all come to my house and watch this little screen, and watch that phenomenon. I'm jumping around here a little bit, but I want you to get a sense of what it felt like when you believe that finally something is going to come along and make it easier for parents like mine to work in this. That's what I was attracted to.

Q2: That's really interesting.

Anderson: I'm a co-founder of an organization called the [Walter] Kaitz Foundation, which is the diversity arm of the cable industry. It has recruited minorities from all over the country. It didn't hire and recruit entry level positions. We were hiring lawyers and CPAs [certified public accountant] and very gifted, well trained people who wanted to make a transition into an industry. By now we finally had an industry that was receptive, because all of a sudden, the black city managers on those cities. There's black mayors who said "Where's cable?" thanks to that

group called BEST [phonetic] who used to work with mayors around the country and city managers and stuff and councilmen, telling them about this thing called cable is coming to your community and we need to be a part of this one. That helped create that pool. All of that added up, made me appreciate why we were going to change it, and we have.

Q2: That was what I was trying to get to too is when you talked about it, you talked about a trajectory towards today. You talk about today as being--

Anderson: There are more blacks and minorities of all ilks in every aspect of media than ever before, only because it's good business to have them represented in the industry, and they do bring something to our industry. From an Afrocentric point of view, we create language in this country, fashion, dress, music. We're part of the cultural fiber of this country. Going back to the beginning of our being here, which precedes most other races in this country, so it's a natural-- we're not forcing anything. It's just a natural--and then when you add the socioeconomic piece to that, we use it. We consume it. You put us on television or film, we'd go to those.

Look, you know what tickets receipts are and theatrical receipts and what percentage of that is black money? It's over thirty percent! Why shouldn't they be represented? With a few hiccups here and there, like the one we have now, it'll be even more that way in the future. The country is browning and changing forever. We're becoming culturally diverse. It's good business, good social and cultural reasons why we're here to stay.

Q2: You sound optimistic about diversity and media today.

Don Anderson: It is--look at what you see. Pay attention to how many black people and Hispanics and Asians you see on television today, or in print. I remember buying a magazine only because there was a black model on the cover, the first. We almost take it for granted, but not me. [Laughs]

Q2: That's great. Thank you.

Anderson: You're welcome.

Q1: Other questions, guys?

Q3: This is very past focused, but we're the next generation, so I was wondering if I could pick you guys's brains about the future, and where HBO has gone?

Q1: Well, where it has gone or where it is going?

Q3: Where it is now and with the merger threatening it at the moment between, what is it? It's AT&T [Inc.] and Time Warner [Inc.], and then how that might change the company?

Anderson: Well, think of HBO as a content provider, and an aggregator, and creator of content. We may have had clashes along the way as we went from highway builders to programmers, but the fact is it's the programming that people want to enjoy and it's the content that they enjoy.

Cable today is already obsolete as a technology. It's streaming. What are they going to stream? Hopefully, the brand HBO will always stand for excellent programming, and that programming will always find a household that wants to consume it.

Q1: I have an answer on the operational side, you might say, which is that HBO has been a success, and Don actually alluded to this in a couple of ways, because it had the backing of a great corporation. One of whose backing techniques was to leave it alone, support it when necessary. What I hope is that the AT&T masters will allow it to continue in that mode, because if they start making it the white bread that I picture AT&T [is] as a company, bland and uninteresting, then it'll die.

Anderson: Don't worry about that.

Q1: Well, that's very optimistic of you.

Anderson: But it's realistic. Remember, all AT&T is is a highway builder. They build pipe. The sell distribution.

Q1: My fear is that that doesn't stop them from meddling.

Anderson: Well, nothing is more sterile than print. Time Inc., Time Magazine.

Q1: And they didn't meddle.

Anderson: People wasn't the first magazine they published.

Q1: Well, I'm hoping you're right. I'm telling you what I'm worried about.

Anderson: Who's to say if the brand name HBO will survive, but we hope so. Those of us who were there in the beginning. We hope so. We hope it's like Tide. It goes on forever, but does the content of the box change? You bet it does, it gets better because consumer taste get better or different.

Q1: I agree with everything you've said. I think the only thing, and we're not even disagreeing--

Anderson: --I know we're not--

Q1: --is what their corporate style will be.

Anderson: Yeah, they're Texas-based. What do they know about the entertainment industry? Look, who owned [20th Century] Fox? You've forgotten, Marvin Davis, oil millionaire, bazillionaire [sic] from Denver, bought 20th Century Fox.

Q1: We were very lucky to have the [James R.] Shepleys and that ilk in the '60s, '70s, and '80s. We've now had Jeff [L. Bewkes], an alumnus as president of Time Warner--and Dick Munro I forgot to add--we're lucky to have him too, so hopefully that will continue.



Anderson: Personality-wise, Dick fits the Texas model.

Q1: Indeed.

Anderson: More than anything, he is Greenwich, Connecticut. He is WASP. What did he know? I'll tell you this About Dick, this is something I didn't say. My first day on the job at HBO. He invites me upstairs. My first day.

Q1: Well, then group vice president, later president of the entire company.

Anderson: and chairman and CEO of the entire company, after the merger with Warner. He invites me up. Now my first day at Time Inc.--joining HBO I wanted to make a statement. I had an Afro that wide [indicates width]. I show up in a blazer and a turtleneck. If that ain't contrary to what I knew about Time Inc. I show up and then who should call me? He said, "I want to talk. I want to meet you." Dick Munro invites me upstairs. We had one of those fireside chats. [Laughs] We became great buddies.

But you asked me who--my answer to your question--there were many people that influenced me or supported me in the things that I wanted to do. When I invested in BET, got the company to buy that, I had to sell the Time Inc. board. It was the first on balance sheet investment in a minority owned business in their history. I had to get the entire board. I knew that board because of that first meeting. From them, I got to know Jim Shepley. I got to know everybody.

Q2: Now that you've gone there. I want to go back there. Because I'm interested in this first day. You're talking about what you're wearing, and you talked earlier about you're the one black person in the room and so were you doing this to make a statement or what, what were you thinking?

Anderson: I was always making a statement. I knew it. I knew the statement I was making in Washington when I took that job for two years. Now I'm not a militant. I'm not a Black Panther [Party], but I'm a very racially sensitive black man, who is aware of his environment. It was hostile. Now I ain't an angry black man. I used to say if I didn't retire when I did, I would have slapped one of those white bread conservatives in the face, just because I was angry at some of their naïveté and attitudes. I mean, listen to the stuff coming out of Washington today, and what's about to come up. I don't know what your politics are, but we're going through another sea change, which is a temporary--in my opinion, being the optimist.

Q2: It was hostile?

Anderson: Of course it was.

Q2: In Time Inc. it was hostile? That first day, you could feel it?

Anderson: I knew it. I wasn't there more than two weeks before somebody tried to get me fired only because I was black. I knew that. But you know, Time Inc. was part of a 21st century

company, if I can use that metaphor. They wanted to broaden their company. They wanted to have more diversity. They tried and failed. Well, I've been around the track. I dealt with racism and bigotry in the aerospace industry and other businesses. I knew how to handle myself in that environment, but it didn't stop people from trying to trip me up. That happened inside the company. I just knew how to deal with it.

Q2: How did you deal with it?

Anderson: That's another story. That means naming names, and I'm not going to do that, but it was tricky. Again, I'll just say this without going into any detail. Jerry Levin threatened to fire the entire company one day over an incident, where someone in the company tried to set me up and I went right to him. I said, "This is happening."

Q2: In a lot of ways, it sounds like you are a pioneer.

Anderson: I am a member of the Cable [TV] Pioneers [note: a group of elected individuals each with a minimum of twenty years involvement in the cable industry]. I was inducted twenty five years ago. I was the first African American hired in the cable industry, executive, first. It wasn't easy, but it was okay, it is okay.

Q2: Do you ever regret it?

Anderson: No. Look, I'm living my fantasy. I've made a lot of money. I've done well and I continue to do well and I still have my health. So no, I'm blessed, very blessed.

Q2: You're a great grandfather.

Anderson: Yeah, I am a great grandfather--two brilliant, great grandkids.

Q1: That's an opportunity that very few get, so you are very lucky. Further questions?

Q4: What about women in the industry?

Anderson: Well, we were champions for diversity. When I opened up the office in San Francisco, LA, and places, the first executive I hired, an Annenberg graduate.

Q1: Who was that?

Anderson: Janice [Aull].

Q1: Janice.

Anderson: She's the first hire I brought in LA, and she went onto become an executive VP in the company and retired--

Q1: Yes.

Anderson: --just recently. So yes, I believed in diversity. Not just for my own group. Yes.

Q1: [to Q4] Is your question or your interest, what it was like in that early period--what were the opportunities or lack thereof for women and so on?

Q4: Correct. Were the opportunities for women--and he mentioned bringing in all these different minority groups. Did that include women or did women come later, after those minority groups?

Anderson: Well, no, in HBO women were an integral part of the company, almost from day one. I say almost. They're not helping to build the highway even though we did have women, Janice Aull was one that I hired back in those days. As the programming side of the company developed, many of those heads of the programming department are female.

Q1: I would say to there were a good number of women in very responsible marketing and sales positions.

Anderson: All throughout, yes.

Q1: Yes.

Anderson: My comment about Janice was just my own narrow--but half our staff was female.

Q1: We've heard some rumblings from women that we've interviewed that all was not perfect, but of course what is perfect is one--

Anderson: Of course not. It wasn't perfect. My Time Inc. corporate mentors used to ask me to run around the halls of HBO and have as many meetings as I possibly could with other executives in the company--all over the company--on the subject of diversity. They encouraged me to do it, much to my peril. "Here comes Don. What's he going to talk about today?" I sat in front of many female VPs and senior VPs in our company along the way, and would say "Why aren't you doing more? "You didn't get here"--beside the accident of birth and being related to so and so. The fact is there's still a battle that women are fighting for diversity in our industry. Do your part. That was the beginning and essence of my little chat with them, and I did it all over the company.

Q1: We had a woman who said to us, I'll paraphrase it badly, and maybe Corrina you remember the exact line. I can't remember if you were there or not. I asked her--we're on the same topic of women's role in those days. She said, "Well I succeeded because I could laugh, dance, and drink beer with the guys." It was an interesting perspective.

Anderson: There were women like that. When I met one, I'd pull them aside and say, "You don't have to do that. Be yourself."

Q4: Sheila Nevins talked about that. She wasn't the person that said, rather kind of the opposite--

Anderson: Yes, that was standard behavior.

Q4: How was the pay?

Q1: For women?

Q4: Yes.

Anderson: Equal.

Q4: Equal pay?

Anderson: Yes. I'd say generally, we didn't have that as an issue. The head of HR [human resources] was a female.

Q1: I had lots of women from on the creative side working under me and boy, I certainly hope it was equal, I believe that it was.

Anderson: For years, HBO was listed in one of the ten best companies in America to work for. Those are based on interviews, from independent sources.

Q2: What you just said there brought something up to me, is that a lot of these interviews people talk about the party culture too, which you didn't really talk about.

Anderson: When you say "perty" [phonetic]--

Q2: The party.

Anderson: You don't want to go there.

Q2: I was wondering, is that something that you part--

Anderson: It was *Animal House* [note: the 1978 film]. You take kids--

Q1: [to Q2] Remember we talked about age compression.

Anderson: You take kids out of some of the elite backgrounds and families of this country, and we had them. Hell, I had an employee whose father had ships named after him, okay. It's like former secretary of Navy [note: United States Secretary of the Navy]. I'll go that far.

Q1: I remember her.

Anderson: Alright.



Q1: I won't say, I just I remember.

Anderson: We had a lot of people like that. That was the Time Inc. way, and initially HBO mirrored that in its hires. They hired from their own culture and background, and they were all connected. They said their families sat on boards together. But then you turn these kids together, and you put them in five star hotels around the country.

Q1: Unlimited expense.

Anderson: Unlimited expense accounts, and they're twenty eight years old. Holy smokes. You don't want to go there. That's a book. That's a book.

Q2: When you were giving your diversity speeches and saying you don't have to do that and be yourself. What was your own feeling about it? You're the older guy.

Anderson: Well, I never--we used to have an expression in the black community: I wasn't going to be a Stepin Fetchit [note: Lincoln Theodore Monroe Andrew Perry; American comedian and actor] in order to get in the movie business; be the shuffling slave mentality. I had pride. That's all I'm saying. That was my metaphor for, you don't have to do that. Don't curtsy when you get up in front of [that] room, of all men, or mostly men. Stand up and speak like you know what you're talking about. You'd be surprised, and I'm going back a few years, women don't do that today, but I don't care if they came out of Harvard or Princeton or wherever, they were intimidated. It was intimidating to be in that room and "speaking" [makes ersatz quotes] in front

of this group of not peers, but people you're trying to impress. I'm saying don't do it by cowering down. Stand up and say what you have to say. Be prepared, but say what you have to say. I'm surprised, "off the record," that you'd let this go this direction. I wasn't going to go cover this.

Q1: We've talked about it with others, and it just didn't happen to come up in our chat, but if you say it was not *Animal House*, you would not be speaking the truth.

Anderson: Well, not only that, but racials [sic]--and bigotry, that exists in all businesses. The success of HBO is to look at it. Look what it's done, it lived through it. It overcame those issues. To say it didn't exist would be a lie. This is America, come on. One of the best things that's happened politically in this country recently is we stopped talking in code. Let's call it what it is, and that's what's been happening especially this year. Well, it all happened inside Time Inc. and HBO.

Q1: We interviewed last week maybe the, I'm not sure. We're now in our mid-thirties of interviews so it's hard to remember everything, but I think we interviewed the only other African American in this group.

Anderson: Who might that be?

Q1: Henry [W.] McGee.

Anderson: Of course.

Q1: Henry said, “The record of HBO in this matter was not all that I wished it to be.”

Anderson: He had a very sophisticated father--was a law school professor at UCLA [University of California, Los Angeles].

Q1: You know, Henry is on the staff of Harvard Business School.

Anderson: I'm not surprised. He's a well-groomed--Henry survived, but he was so different than a lot of--for years, even after I left HBO now and I'm working for Steve [Steven J.] Ross or Marty [Martin D.] Paves on the corporate side. We'd hire these young gifted minorities and they eventually hear there's a senior executive and call me, and want an audience. They'd come up and I find out that they grew up in New Rochelle [New York], or this isolated environment, and they went to this prep school. They grew up in a bubble. The reason they came to me was they walked in the door, and all of a sudden, they found bigotry, sexism, racism, the isms. I used to call it the race horse syndrome. Some horses can only run on the plowed field. Some of those kids were protected by their parents and shielded from the reality of what was happening. And all of a sudden, they're let out of school and they show up on their first job. They said, “Wow, they really don't like me here because I'm either black or I'm a woman or I'm this.” That's when they felt for the first time what it was like to be the victim of bigotry, and it's a shock. Henry grew up in the same environment, but something about him made him different in that, he was aware of it. These people I'm describing had no idea it was like this, and it was like [Claps] “Oh my God.”

I have relatives now, Stanford [University] graduates, and so forth, and Yale. Yale and Stanford, that's a nice package, right? "Uncle Donald, tell me what it's like." I said, "Where is your mother and father? I want to slap them in the face for not preparing you for what's out here." Now you're hearing that for the first time, because it's on national television and in print, and somehow you got personally shielded from it. Look, I'm a child of civil rights, I've demonstrated in the South. I was part of that. Selma--I've been on that bridge. What can I say?

Q2: Did those people not last, then?

Anderson: Some don't. Some don't. If you're caught up and given some direction--we're taught how to, as blacks, you learn to behave a certain way if a cop stops you, and LA was one of those cities where they was rough. Rodney [G.] King [note: American taxi driver and a victim of police brutality] didn't just happen twenty years ago. It was happening all my life as a kid. You learn those things. Well, if somebody didn't tell you what it's like out in the real world, you'll see a lot one day. You're in for it.

Well, corporate America has changed. My generation remembers the first black on a corporate board. We remember the first CPAs. That first generation. I happen to be in my industry, but I had some examples that I was tracking, my peers, who are all my age or older now--the first. So I learned from that, but I also learned from my parents of what to be careful about.

Q1: Others?

Q4: I've got another one.

Q1: Well, good.

Q4: What did your parents think of your position of being the first black--

Anderson: It was beyond their comprehension. [Laughs] My mother was a maid. My mother and father divorced and separated when I was like five, and my father was out of the picture most of the time. We didn't reconnect until later. My mother was a maid raising four kids. It was a very tough environment for her that limited opportunity. All she appreciated--she never understood what cable was, except when she stayed at my home a few times. She wondered over to the adult channel. She said, "Oh my God, what's on television!" True story. That's how she understood the energies that what I was doing was for, but she was a beneficiary of it. She had a good life until she died.

My father was a pioneer, and that's part of what my commitment comes from. My father moved to Vegas. He was the first civil rights commissioner for the state of Nevada. He was the one that broke down what we call the Jim Crow Laws [note: state and local laws that enforced racial segregation in the southern United States] in Vegas that allowed blacks--that kept blacks from gambling on the strip or going to see blacks perform. He was instrumental in that. There was a park named after my father in Vegas for many years. Yes, he knew what I must be dealing with

in this environment, this hostile environment. There are stories about Nevada I can tell you that are fascinating.

Q1: I have a Don Anderson California story that I remember. We were on about the 40th floor of the Disney [Walt Disney Company] hotel in some real swank suite up there.

Anderson: Do they have one at the Disney hotel? [Laughs]

Q1: Maybe it was the thirtieth floor, way, way up there. We're standing up there and having a drink and probably a little delicious edible courtesy of Chuck [Charles F.] Klein, may he rest in peace. You said, "You see that field out there?" I said, "Yes." You said, "When I was growing up, I used to pick oranges in that field right outside the Disneyland."

Anderson: That's exactly right. I worked at Disneyland the year it opened. Part of the construction crew. I was in high school.

Q1: I've thought about that a lot. About the change that that represents.

Anderson: Yeah. My grandfather built the first black church in Orange County [California], Second Baptist.

Q1: Your family has been in this part of the world for quite a while.

Anderson: Since the '20s.

Q1: When this place was--

Anderson: That's when the immigration took place. They're from Texas--Texas roots--by way of Kentucky, which is where they were in slavery. You go that far back and records would show you, which we did.

Anderson: Is that Mr. Oliver [phonetic]? I don't know. What time is it?

Q1: Either that or lunch.

[END OF INTERVIEW]