Tribune and Times-Mirror combine: US media monopolies grow larger

Patrick Martin
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The merger of the corporations which control the *Chicago Tribune* and the *Los Angeles Times*, two of the biggest and most influential newspapers in the United States, is another step towards the complete monopolization of the American media. Tribune Co. will acquire Times-Mirror Corp. in a stock and cash transaction worth more than $6.5 billion.

While the combination is dwarfed in dollar value by the merger of AOL and Time-Warner and other $100-billion-plus deals announced in recent months, it has nonetheless considerable political and historical significance. Tribune Co. will become the third largest US newspaper firm in terms of circulation, after Gannett and Knight-Ridder, and the second largest in terms of revenues and stock market capitalization, trailing only Gannett. It will control 11 daily newspapers, 22 television stations reaching 75 percent of the US population, and a stable of magazines. It will also own four radio stations and 25 percent of the WB television network, the fifth largest in the US.

The merged company will have a powerful multimedia presence in the most important US local markets, New York, Los Angeles, and Chicago, owning a major newspaper and a television station in each one. Tribune Co. will be the largest media company in four of the five largest states: California, New York, Florida and Illinois.

Along with the *Los Angeles Times*, Tribune Co. will acquired the Long Island daily *Newsday*, the *Baltimore Sun* and the *Hartford Courant*, as well as several smaller papers. Acquisition of Newsday brings the Tribune Co. back into the New York market which it left in 1991, selling the *Daily News* in the course of a bitter strike.

The deal is a windfall for the Otis/Chandler family interests who have controlled the *Los Angeles Times* since the 1880s. Times-Mirror shareholders will receive stock and cash equivalent to $95 for each share of Times-Mirror stock, about double the current market price. Tribune Co. will also assume $1.4 million in Times-Mirror debt.

Members of the Chandler family initiated the merger behind the back of Times-Mirror CEO Mark Willes, a former General Mills executive brought in as a cost-cutter in 1995. Willes rejected a Tribune Co. inquiry last year. Willes closed the New York edition of *Newsday* and the evening edition of the *Baltimore Sun* and carried out other cuts which tripled the value of Times-Mirror stock by mid-1999. Since then, however, the stock has fallen sharply and it is now at a 52-week low.

Tribune Co., by contrast, is the most profitable company in the newspaper industry, with a profit margin of 29.2 percent. The company has waged ruthless warfare against the newspaper unions, smashing a printers' strike at the *Chicago Tribune* in 1985-86 and selling off the *Daily News* rather than settle with strikers in New York City in 1990-91. The company has also cut back sharply on its foreign and Washington coverage in order to reduce costs. These precedents do not bode well for workers at the *Los Angeles Times* and other newspaper properties acquired with Times-Mirror.

The two corporations which are combining were each built up by publishers who prided themselves on right-wing politics and vicious attacks on the working class. Both are examples of the class character of the press under capitalism. Whatever the intentions of the journalists and other workers employed, the press serves in the final analysis as an instrument of corporate power, not a neutral or objective source of news.

Gen. Harrison Gray Otis and his son-in-law Harry Chandler used the *Los Angeles Times* as the spearhead of the decades-long campaign by business interests to maintain southern California as a bastion of the open shop. This culminated in the 1910 bombing of the newspaper's offices, for which two union activists, the McNamara brothers, pled guilty and went to prison. The newspaper developed a reputation for crude pro-business propaganda—it was voted the “least fair and reliable” publication in America in 1937, in a poll of Washington-based reporters—and it stridently promoted the McCarthy witch-hunts, boosting the career of Richard Nixon, among others.

The *Chicago Tribune* was also rabidly right-wing and anti-union in the 1930s, as its publisher, Col. Robert McCormick, an heir to the International Harvester fortune, sought to assume the role of political kingmaker in the Republican Party. His hostility to the New Deal culminated in the famous headline (mis)reporting the victory of Dewey over Truman in the 1948 presidential election.

On the same day as the newspaper merger, another big combination was announced in radio broadcasting. Radio One Inc. revealed that it would buy 21 radio stations in three separate deals worth a combined $1.36 billion. The company is the largest operator of black-oriented radio outlets.

The main deal is a $1.3 billion purchase of 12 stations from Clear Channel Communications Inc., which is divesting outlets in Los Angeles; Houston; Dallas; Miami; Cleveland; Raleigh, N.C.; and Greenville, S.C., to meet federal regulators' ownership requirements as part of its merger with AMFM Inc. Radio One is acquiring three more stations in Indianapolis and six stations in Charlotte, North Carolina and Augusta, Georgia in two additional purchases. All the deals involve cash payments for which Radio One will borrow the money.

According to one analyst of the industry, the pace of consolidations is so rapid that in the next few years the 4,000 commercial radio stations in the United States will be owned by only six major companies, including Radio One.