The US media: a critical component of the conspiracy against democratic rights—Part 5

Media ownership and concentration

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This is the fifth in a series of articles on the ideological and political role of the American media. Part one appeared on December 5, part two on December 7, part three on December 16 and part four on December 19.

The growth of anti-democratic tendencies among leading media personalities is linked to the increasing wealth of the social layer to which they belong and its distance from the concerns of ordinary people. These well-heeled individuals for the most part feel that society is a mechanism that exists to satisfy their narrow interests, so it is not surprising that they should adopt an indifferent or hostile attitude toward the efforts of working people to vote in a presidential election and have their votes counted. They sense, moreover, that if wide layers of the population *did* enter into political life and began advancing their own social demands, the lives of those at the top would be dangerously and irretrievably altered.

The process by which media figures have been bribed and corrupted is bound up with changes in the composition of the industry itself. More and more television news personalities, in particular, are little more than sales representatives for giant conglomerates. Their essential responsibility is to sell the conglomerates' products.

The degree to which the ownership of the media is concentrated in the hands of a few mega-corporations is astonishing. But nearly as astonishing is the lack of outcry from the journalistic community (and the erstwhile liberal intelligentsia, in general). It seems to trouble almost no one in these circles that they are writing and reporti ng on behalf of a relative handful of corporate behemoths whose clear interest lies in suppressing material detrimental to their drive for profit both at home and abroad. The overwhelming majority of journalists see no conflict of interest in this circumstance, because they share the same general dedication to the status quo as the directors of the corporations who employ them.

Nine giant companies now dominate the US media landscape, providing most television programs, films, videos and DVDs, radio shows, CDs, books and other leisure-time products and activities. They are Disney (ABC), AOL-Time Warner (CNN), Rupert Murdoch's News Corporation (Fox TV), Viacom (CBS), General Electric (NBC), Sony (the former CBS records and Columbia Pictures), Seagram (Universal film and television studios), AT&T (cable television systems, including former MediaOne), and Bertelsmann (a German firm that controls the publication of one out of ten adult trade books in the world). (Some analysts put the number at six in the mass media field, excluding Sony, Seagram and AT&T.) Their media revenues range from $8 to $30 billion a year. According to Robert McChesney and John Nichols, the authors of *It's the Media, Stupid*, “Another twelve to fifteen firms, which do from $2 or $3 billion to $8 billion per year in business, round out the system.” (p. 28) These include Comcast, Hearst, the *New York Times*, the *Washington Post*, Cox, Advance, Tribune Company and Gannett.

The concentration in the industry is extraordinary. The top six, in order of annual revenues—AOL-Time Warner, Disney, Viacom, News Corp., Bertelsmann and GE—have more annual revenues than the next 20 firms combined. Time Warner, before its alliance with AOL, was some 50 times larger in terms of sales than the world's fiftieth-largest media firm. AOL-Time Warner is valued at $350 billion. It is, according to media critic Ben Bagdikian, “a communications cartel of a magnitude and power the world has never seen.” (*The Media Monopoly*, preface to the sixth edition, p. xi.)

The nine giants have holdings in almost every media sector. Without inflicting too many facts and figures on the reader, it might be useful to look briefly at the anatomies of some of these conglomerates.

Time Warner (considering the company before its alliance with AOL) was formed in 1989 through the merger of Time Inc. and Warner Communications. In 1992 Time Warner split off its entertainment group; it regained its position as the world's largest media firm in 1996 when it purchased Turner Broadcasting. In 1998 the company had revenues of $28 billion. It is a global firm, with over 200 subsidiaries; its income increasingly comes from outside the US.

Time Warner makes 20 percent of its money from the music business, another 20 percent from the news division (magazine and book publishing and cable television news), 10 percent from its US cable systems and the rest from its film, video and television holdings. As one commentator notes, “Time Warner is a major force in virtually every medium and on every continent.”

The company is one of the largest cinema owners, with some 1,000 screens outside the US. It has a majority interest in WB, a US television network launched in 1995. Some of its other holdings include CNN, Headline News, CNNfn, TBS, TNT, Turner Classic Movies, The Cartoon Network, CNN-SI [with Sports Illustrated], HBO and Cinemax pay cable channels; Warner Brothers and New Line Cinema film studios; a library of more than 6,000 films, 25,000 television programs, books, music and cartoons; twenty-four magazines, including *Time*, *People*, *Sports Illustrated*; 50 percent of DC Comics; the second-largest book-publishing operation in the world, including Time-Life Books and the Book-of-the-Month Club; Warner Music group; Six Flags theme park chain; and the Atlanta Hawks and Atlanta Braves professional sports teams.

Disney is another giant. In the early 1990s, it shifted from an emphasis on theme parks and resorts to its film and television divisions. In 1995, in one of the most significant media deals of the decade, it purchased Capital Cities/ABC for $19 billion. Disney's 1997 sales were $24 billion. Its subsidiaries include the ABC television and radio networks; ten US television stations and 21 US radio stations; the Disney Channel, ESPN (the television sports network, which has three US cable channels, a radio network with 420 affiliates and the ESPN Sports-Zone website); holdings in Lifetime, A&E and History cable channels; several film, video and television production studios, including Disney, Buena Vista and Miramax; magazine and newspaper publishing; book publishing; several music labels; theme parks and resorts; the Disney Cruise Line; two professional sports teams—the Anaheim Mighty Ducks and the Anaheim Angels; more than 550 retail stores worldwide.

Until the AOL-Time Warner deal, the largest merger in history was the joining of Viacom and CBS, valued at some $40 billion, in 1999. The merged company is the largest single operator of television and radio stations in the US, combining Infinity Broadcasting and Group W, two of the biggest radio chains. With its radio outlets Viacom can reach 41 percent of the national broadcasting audience.

Viacom, before the merger with CBS, was the largest operator of cable television broadcasting, with MTV, Nickelodeon, Showtime, VH-1 and Comedy Central. Viacom's holdings also include Blockbuster Video, the world's largest video rental chain, and Blockbuster Music; book publishing, including Simon & Schuster, Scribners and Macmillan; film, video and television production, including Paramount Pictures; a 50 percent interest in United Cinemas International, one of the world's largest movie theater companies; and five theme parks.

Rupert Murdoch's News Corporation operates in nine different media on six continents. In 1995 its revenues were distributed between filmed entertainment (26 percent), newspapers (24 percent), television (21 percent), magazines (14 percent) and book publishing (12 percent). Its holdings include the US Fox broadcasting network; twenty-two television stations (the largest US station group); a 50 percent interest in several US and global cable networks, including fx, fxM and Fox Sports Tel; a 50 percent stake in Fox Kids Worldwide, the owner of cable Family Channel; ownership or major interests in satellite services; Twentieth Century Fox; some 130 newspapers (including *The Times* of London and the *New York Post*); twenty-five magazines, including *TV Guide*; book publishing interests, including HarperCollins; and the Los Angeles Dodgers baseball team.

General Electric is one of the largest industrial firms in the world, a massive defense contractor and electronics manufacturer. It purchased RCA (and with it NBC) in 1986. GE/NBC has been aggressive about expanding into cable television, where it owns several cable channels outright, such as CNBC, and has interests in 20 others, including A&E. In 1996, in alliance with computer giant Microsoft, it launched the cable news channel MSNBC.

Bagdikian suggests that the power and influence of “the dominant companies are understated by counting them as ‘six.'” He continues: “They are intertwined: they own stock in each other, they cooperate in joint media ventures, and among themselves they divide profits from some of the most widely viewed programs on television, cable, and movies.” (p. xii)

By 1999 the nine largest media firms had an equity joint venture, on average, with six of the other eight conglomerates; often they had multiple joint ventures with one another. “In sum,” write McChesney and Nichols, “this is a tightly knit community of owners, dominated by some of the wealthiest individuals in the world. Indeed, thirteen of the hundred wealthiest individuals in the world—all of whom are worth over $4 billion—are media magnates.” (p. 30)

As McChesney, a professor of communication at the University of Illinois, pointed out in another essay, “horizontal integration” in the media field is nothing new. US film production has been dominated by six or seven studios for decades. But media concentration has accelerated at a staggering pace and taken new forms. By the 1980s, a half dozen chains controlled the US newspaper industry. US book publishing is now controlled by seven firms, the music industry by five, cable television by six.

Bagdikian notes that when the first edition of his book, *The Media Monopoly*, appeared in 1983, fifty corporations dominated the media landscape and the biggest merger in history was a $340 million deal. By the time of the second edition, the number had dropped to twenty-nine; by the third edition in 1990, to twenty-three; and by the fifth edition, in 1997, to ten. The biggest deal of 1983, worth a third of a billion dollars, “would give way seventeen years later to AOL-Time Warner's $350 billion merged corporation, more than 1,000 times larger.” (p. xxi)

Moreover, firms today seek “vertical integration,” not only producing content, but also owning distribution. This is where the real money lies.

“Viacom/CBS, for instance, will now be able to produce a movie at Paramount or a TV show at Spelling studios, air it on Showtime and CBS, advertise it on its thirty-four TV stations, as well as on the 163 Infinity Radio stations, and then sell it to Blockbuster Video—all owned by the same merged company. Vertical integration enables a company to increase market-power by cross-promoting or cross-selling a show.

“If a media conglomerate has a successful motion picture, for instance, it can promote the film on its broadcast properties and then use the film to spin off television programs, CDs, books, merchandise, and much else.” (McChesney, *Oligopoly: The Big Media Game Has Fewer and Fewer Players*, in *The Progressive*, November 1999)

Over the past decade, in particular, international media empires have emerged and grown alongside other transnational companies. McChesney notes that whereas “media systems had been primarily national before the 1990s, a global commercial media market has emerged full force by the dawn of the twenty-first century. In the past, to understand any nation's media situation, one first had to understand the local and national media and then determine where the global market—which largely meant import and export of films, TV shows, books and music—fit in. Today one must first grasp the nature and logic of the global commercial system and then determine how local and national media deviate from the overall system.”

The US Telecommunications Act of 1996, which deregulated all communications industries and enshrined the notion that the market should determine the future development of those industries, has played a significant role in shaping the present situation in the American media. It unleashed a round of mergers and acquisitions that helped lay the basis for the present empires.

Rifka Rosenwein in *Brill's Content* (“Why Media Mergers Matter,” January 2000) noted that another provision of the Telecommunications Act, signed into law by Bill Clinton, was to set aside “a huge, valuable segment of the nation's airwaves for new digital television services”. Broadcasters successfully lobbied to get the new frequencies free of charge, rather than have this part of the spectrum, valued at up to $70 billion, auctioned off.

None of this—not the passage of such laws or the extreme concentration of the media industry—arouses much interest in the broadcast or print media. Insofar as it touched on their most vital interests, the media hardly discussed the debate on the Telecommunications Act, parts of which were written or dictated by industry representatives. Rosenwein observed: “During the nine-month period from when the bill was introduced in May 1995, to its passage, on February 1, 1996, news shows on the three major networks spent a total of 19 1/2 minutes on the Telecommunications Act.” Commentators note that in 1934, at the time of the passage of the Communications Act, there was considerable opposition to corporate domination of radio broadcasting. In 1996 there was virtually no opposition to the handing over of the airwaves to the conglomerates.

Nor did the Viacom or the AOL-Time Warner merger provoke major controversy. “To the extent that there was analysis [of the Viacom/CBS merger], it centered on how the deal would affect Viacom's profits and the strategies of its main competitors. The *Washington Post*'s ‘Outlook' section featured a lead story entitled, ‘Clap If You Love Mega-TV! Without the conglomerates, you can wave goodbye to free, high-quality shows.' Written by Paul Farhi, a reporter for the *Post*'s ‘Style' Section, the article said: ‘Now is the time to root for the big guys, the conglomerates, the mega-studios.'” (*Oligopoly*, McChesney)

The AOL-Time Warner deal aroused some expressions of surprise, but little apprehension or protest. Neil Hickey in the *Columbia Journalism Review* commented: “And so began on January 11 [2000] in the world's newspapers, magazines, and electronic media a panoramic effort to root out ‘what this deal is really all about.' Journalists groped for phrases to epitomize it: ‘The triumph of the Internet as an irresistible force'; ‘The prototype for a twenty-first century media colossus'; ‘The beginning of the end of the old mass media'; ‘Stunning! Wow! Bingo!'; ‘A gripping transitional moment in history'” etc., etc.

What would the merger mean for CNN journalism, Hickey asked? Jeff Greenfield, the network's senior analyst and professional sophist, was, naturally, unconcerned. “Bad journalism doesn't turn on who owns you, he [Greenfield] thinks. ‘In some ways, big is an advantage to journalistic independence.' A small town editor who attacks his publisher's pal, the mayor, can be in deep trouble, whereas big media can often tweak the powerful, and be resilient enough to withstand retribution.” From whom would Greenfield refuse to draw his annual paycheck of $1.1 million?

In any event, Greenfield's argument is ludicrous. The simple fact is that network television and major newspaper reporting are directly shaped by large corporate entities and the general interests of the ruling elite, whose wealth and power can be maintained only at the expense of the social needs and democratic rights of the broad mass of working people. In the American media, the truth is subordinate to corporate profit, political expediency and the preservation of the existing social order.

The record of CNN is a case in point. In 1998 the cable network—under pressure from the Pentagon and the right wing—fired the producers of a documentary that investigated the use of nerve gas by American special forces operating in Laos during the Vietnam War. And during the debate over the Telecommunications Act, CNN refused to run advertisements from telephone companies claiming passage of the bill would mean increased cable television rates.

There are countless instances of corporate censorship and self-censorship. In 1998 Disney-owned ABC News suppressed a *20/20* segment about Disney World in Florida that exposed problems with its hiring practices. Disney chief Michael Eisner is notorious for his remark: “I would prefer ABC not cover Disney. I think it's inappropriate for Disney to cover Disney.”

Rupert Murdoch eliminated the BBC from his Asian satellite service to win favor with the Chinese Stalinist regime. Sumner Redstone, billionaire chairman of Viacom, told a business forum in China in 1999 that “journalistic integrity” should not “be exercised in a way that is unnecessarily offensive to the countries in which you operate.” Redstone made it policy at MTV only to cover and promote those film studios that purchased large amounts of advertising on the music video channel.

In May 1999, NBC executives expunged from the heavily advertised mini-series *Atomic Train* —about a runaway train that causes a nuclear catastrophe in Denver—any references to nuclear waste. They did so just days before the program was to be aired. The network claimed the program contained inaccurate information. A consumers advocacy group, Public Citizen, suggested the “more likely scenario is that the nuclear industry—including the network's corporate parent, General Electric—leaned hard on NBC.” GE has built about one third of the nuclear plants in the US, including some identified as the most dangerous.

A Murdoch/News Corp.-owned station in Florida fired two of its on-air reporters, Jane Akre and Steve Wilson, for refusing to water down their investigative report on Monsanto's bovine growth hormone. CBS News rebuked one of its *48 Hours* correspondents, Roberta Baskin—who had exposed Nike's labor practices in Vietnam in 1996—for protesting when CBS on-camera correspondents wore the Nike logo and Nike gear during coverage of the 1998 Winter Olympics.

There was the infamous cave-in by CBS News to the tobacco industry in 1995 (fictionalized in *The Insider*) when the television network initially killed an episode of *60 Minutes* that included an interview with former tobacco executive Jeffrey Wigand.

These few examples (and there are countless others) underscore what should be obvious to anyone over the age of six: these enormous media corporations are going to manage the news.

Then there are the stories—concerning the great social issues of the day—that rarely, if ever, are even considered by the network executives, producers and writers, and are examined only sporadically and superficially by the print media.

Bagdikian notes quite correctly that over the past 20 years “the American economy was undergoing an astonishing phenomenon that the mainstream news left largely unreported or actually glamorized in its infrequent references: the largest transfer of the national wealth in American history from a majority of the population to a small percentage of the country's wealthiest families.” (p. viii)

The approach the media took to the crisis following the 2000 election has to be seen in this context. Several dozen corporations, worth hundreds of billions of dollars, control the mass distribution of news and information. Their on-air personnel and leading columnists are wealthy individuals, entirely caught up in the workings of this corporate set-up and identifying fully with its interests. Nothing progressive or illuminating can be expected from such quarters.