Power corrupts; absolute
power corrupts absolutely.
LORD ACTON, 1887

CHAPTER ONE

COMMON MEDIA FOR AN UNCOMMON NATION

New York Times, February 20, 2003 . . . *Senator Byron Dorgan, Democrat of North Dakota, had a potential disaster in his district when a freight train carrying anhydrous ammonia derailed, releasing a deadly cloud over the city of Minot. When the emergency alert system failed, the police called the town radio stations, six of which are owned by the corporate giant, Clear Channel. According to news accounts, no one answered the phone at the stations for more than an hour and a half. Three hundred people were hospitalized, some partially blinded by the ammonia. Pets and livestock were killed.*

Anhydrous ammonia is a popular fertilizer that also creates a noxious gas, irritating the respiratory system and burning exposed skin. It fuses clothing to the body and sucks moisture from the eyes. To date, one person has died and 400 have been hospitalized.
—HTTP://WWW.UCC.ORG/UCNEWS/MAY02/TRAIN.HTM

Clear Channel is the largest radio chain in the United States. It owns 1,240 radio stations with only 200 employees. Most of its stations, including the six in Minot, N. Dak., are operated nationwide by remote control with the same prerecorded material.[1]

* * *

The United States, as said so often at home with pride and abroad with envy or hostility, is the richest country in the world. A nation of nineteen thousand cities and towns is spread across an entire continent, with the globe's most diverse population in ethnicity, race, and country of origin. Its people live in regional cultures as different as Amherst is from Amarillo. In contrast to other major nations whose origins go back millennia, the United States is a new country, less than three hundred years old. Consequently, it has not inherited the baggage of centuries of monarchs, czars, and religious potentates who held other populations powerless with absolute authority. From its birth, the United States' most sacred principle has been government by consent of the governed.

But the United States has always been in a state of constant change. Today it is living through one of the most sweeping technological innovations in its history. The speed with which the digital revolution has penetrated an entire society has been breathtaking. The computer and Internet, added to one of the world's largest quantity of mass media outlets, have altered the way millions live their daily lives. The new technology has almost miraculous functions that at their best have led to the betterment of numberless aspects of life, like science, scholarship, and medicine.

The country is unique in yet another way. It has left to each community control of its own schools, its own land use, its own fire and police, and much else, functions that in other developed countries are left solely to nationwide agencies. Given the United States' unique dependence on local civic decision making and its extraordinary multiplicity of local self-governing units and hundreds of media outlets, a rational system for a nation with such a vast diversity of people and places would be hundreds of individual local media owners, each familiar with the particular needs of his or her own community. It would be a reasonable assumption that only then would an American community receive the media programming it needs.

It would be a reasonable assumption. But it would be wrong.

Five global-dimension firms, operating with many of the characteristics of a cartel, own most of the newspapers, magazines, book publishers, motion picture studios, and radio and television stations in the United States. Each medium they own, whether magazines or broadcast stations, covers the entire country, and the owners prefer stories and programs that can be used everywhere and anywhere. Their media products reflect this. The programs broadcast in the six empty stations in Minot, N. Dak., were simultaneously being broadcast in New York City.

These five conglomerates are Time Warner, by 2003 the largest media firm in the world; The Walt Disney Company; Murdoch's News Corporation, based in Australia; Viacom; and Bertelsmann, based in Germany. Today, none of the dominant media companies bother with dominance merely in a single medium. Their strategy has been to have major holdings in all the media, from newspapers to movie studios. This gives each of the five corporations and their leaders more communications power than was exercised by any despot or dictatorship in history.

(In the manic-depressive cycle of corporate mergers that has transpired throughout the various editions of this book, the names of the Time and Warner media conglomerates have changed four times. *Time* magazine was created in 1923 by Henry Luce and his Yale classmate Briton Hadden. Luce bought out Hadden, created Time, Incorporated, and went on to issue additional magazines like *Life*. In the first edition of this book in 1983, the firm was simply Time, Incorporated. In 1990—the fourth edition—Time merged with Warner Communications to form Time Warner. In 2000—the sixth edition—America Online, the Internet server, bought it all for $182 billion in the largest merger in history and renamed the firm AOL Time Warner. In 2003, the Securities and Exchange Commission announced that it would investigate AOL's accounting methods in the prelude to AOL's purchase of Time Warner, an investigation with embarrassing implications. In October 2003, the Board of Directors voted to drop "AOL" from the firm's U.S. title. Nevertheless, "AOL Time Warner" continues to have a separate corporate life overseas, as does AOL as a separate entity. In this—the seventh edition—the company, as leader of the Big Five, returns to its former name, Time Warner, except where the business context and the date make sense to use AOL Time Warner. Whatever its title, it is still the largest media firm in the world.[2])

No imperial ruler in past history had multiple media channels that included television and satellite channels that can permeate entire societies with controlled sights and sounds. The leaders of the Big Five are not Hitlers and Stalins. They are American and foreign entrepreneurs whose corporate empires control every means by which the population learns of its society. And like any close-knit hierarchy, they find ways to cooperate so that all five can work together to expand their power, a power that has become a major force in shaping contemporary American life. The Big Five have similar boards of directors, they jointly invest in the same ventures, and they even go through motions that, in effect, lend each other money and swap properties when it is mutually advantageous.

It is not necessary for a single corporation to own everything in order to have monopoly power. Nor is it necessary

to avoid certain kinds of competition. Technically, the dominant media firms are an oligopoly, the rule of a few in which any one of those few, acting alone, can alter market conditions. The most famous global cartel, the Organization of Petroleum Exporting Countries (OPEC), has had brutal shooting wars between some of its members, and there are mutual jealousies among others. But when it comes to the purpose of their cartel—oil—they speak with one voice.

Thus, Time Warner, the largest media firm in the group, competes against another member of the Big Five, Bertelsmann, the largest publisher of English-language books in the world. But in Europe, AOL Time Warner is a partner with both Bertelsmann and News Corporation in the European cable operation, Channel V. According to the Securities and Exchange Commission (SEC), in 2001 AOL Time Warner needed to inflate AOL ad sales figures quickly for stock market reasons. So, in a complex set of transactions, Bertelsmann agreed to buy $400 million worth of advertising in its "competitor," AOL Time Warner, in return for AOL Time Warner transferring to Bertelsmann additional shares in a European firm in which they were already partners. Thus, Bertelsmann, according to the SEC, helped its "competitor" look healthier than it really was.

The Big Five "competitors" engage in numerous such cartel-like relations. News Corporation, for example, has a joint venture with the European operations of Paramount Pictures, which belongs to Viacom, another of its "competitors" in the Big Five. According to French and American securities agencies, Vivendi, the disintegrating French media conglomerate, had agreed to place $25 million worth of advertising in AOL media in return for AOL giving the French firm a share of one of its operations in France.[3]

Some competition is never totally absent among the Big Five media conglomerates. The desire to be the first among many is as true for linked corporations as it is for politicians and nations. It was true two decades ago when most big media companies aspired to command market control in only one medium, for example, Gannett in newspapers; Time, Incorporated in magazines; Simon & Schuster in books; the three TV networks in radio; CBS in television; Paramount in motion pictures. But completion of that process fed an appetite for expansion toward a new and more powerful goal, a small group of interlocked corporations that now have effective control over all the media on which the American public says it depends.

Free Markets or Free Lunches?

Corporate life and capitalist philosophy are almost synonymous, and at the heart of capitalism is competition, or the contemporary incantation, "the free market." If the dominant media corporations behaved in accordance with classical capitalist dogma, each would experiment to create its own unique product. In the media world, *product* means news, entertainment, and political programs. It would mean offering differing kinds of programs that reflect the widely different tastes, backgrounds, and activities of the American population. To compete outright would mean unique products and the goal of a winner-take-all victory. Instead, the Big Five indulge in mutual aid and share investments in the same media products. They jointly conform to the periodic ratings that presume to show what kinds of programs have fractionally larger audiences, after which "the competitors" then imitate the winners and take slightly varying shares of the total profits.

One result of this constricted competition is that the thousands of media outlets carry highly duplicative content.

Another result is that an innovative newcomer can hope to become a significant participant in the industry only as one of the many subsidiaries of the billion-dollar established giants. It is only in legends that David beats Goliath. In the history of modern media, if two experimenters in a garage create an ingenious invention that could revolutionize their industry, ultimately they have limited choices: either sell their device for millions or billions to a dominant firm or risk a hostile takeover or being crushed by the vast promotion and financial resources of a threatened Goliath. In the end, Goliath wins.

Practitioners of current American capitalism do not reflect Adam Smith's eighteenth-century image of an all-out rivalry in which merchants compete by keeping prices lower and quality higher than their fellow merchants. That classical mythology would create a final battlefield with one victor and four companies reduced to leftovers or worse. No dominant media firm, given its size and wealth, wishes to risk such a loss. The Ford Motor Company and General Motors do not compete to the death because each has too much to lose in an all-or-nothing rivalry. Similarly, the major media maintain their cartel-like relationships with only marginal differences among them, a relationship that leaves all of them alive and well—but leaves the majority of Americans with artificially narrowed choices in their media. It is the small neighborhood stores and restaurants that truly compete in products, price, and quality and are willing to risk failure in the process.

The narrow choices the dominant firms offer the country are not the result of a conspiracy. Dominant media members do not sit around a table parceling out market shares, prices, and products, as is done literally by OPEC. The five dominant media firms don't need to. They share too many of the same methods and goals. But if a new firm will strengthen their ability to promote the companies they already own, they will compete with each other to add it to their collections.

The possibilities for mutual promotion among all their various media is the basic reason the Big Five have become major owners of all kinds of media. For example, actors and actresses in a conglomerate's wholly owned movie studio can appear on the same company's television and cable networks, photographs of the newly minted celebrities can dominate the covers of the firm's wholly owned magazines, and those celebrities can be interviewed on the firm's wholly owned radio and television talk shows. The conglomerate can commission an author from its wholly owned book publishing firm to write a biography or purported autobiography of the new stars, which in turn is promoted on the firms' other media.

In addition to jousting for fractional points in broadcast ratings, each of the Big Five wants its shares on the stock market higher than the others (which also increases the value of shares and stock options owned by top executives). Although, if one conglomerate is momentarily ahead, it is tolerable for the others because being a momentary "loser" still allows prodigious profits. Television stations, for example, regard 30 percent profit a year as "low" (being a "loser") because the more successful TV stations that may be Number One at the moment can make 60 percent profit a year. As one of the executives in their trade, Barry Diller, once said of TV stations, "This is a business where if you are a birdbrain you have a thirty-five percent margin. Many good broadcasters have a forty-to-sixty-percent margin."[4]

Though not a literal cartel like OPEC, the Big Five, in addition to cooperation with each other when it serves a mutual purpose, have interlocking members on their boards of

directors. An interlock exists when the same board member sits on the board of more than one corporation (this is illegal only if the interlocked firms would form a monopoly if they merged). According to a study by Aaron Moore in the March/April 2003 *Columbia Journalism Review,* News Corporation, Disney, Viacom, and Time Warner have forty-five interlocking directors.

It is a more significant cooperation that closely intertwines all five into a mutual aid combine. The dominant five media conglomerates have a total of 141 joint ventures, which makes them business partners with each other. To cite only one example, News Corporation shares a financial interest with its "competitors" in 63 cable systems, magazines, recording companies, and satellite channels in the United States and abroad. All five join forces in one of Washington's most powerful lobbies, the National Association of Broadcasters, to achieve the laws and regulations that increase their collective power over consumers. In 2000, for example, the National Association of Broadcasters spent $2.5 million lobbying on communications issues, using 24 of its own lobbyists plus four independent lobbying firms, and that year made 64 percent of its campaign contributions to Republicans and 36 percent to Democrats. This is in addition to the lobbying and campaign money spent by the major media corporations on their own.[5]

The media conglomerates are not the only industry whose owners have become monopolistic in the American economy. But media products are unique in one vital respect. They do not manufacture nuts and bolts: they manufacture a social and political world.

New technology has expanded the commercial mass media's unprecedented power over the knowledge and values of the country. In less than a generation, the five intertwined media corporations have enlarged their influence in the home, school, and work lives of every citizen. Their concentrated influence exercises political and cultural forces reminiscent of the royal decrees of monarchs rejected by the revolutionists of 1776.

The Big Five have become major players in altering the politics of the country. They have been able to promote new laws that increase their corporate domination and that permit them to abolish regulations that inhibit their control. Their major accomplishment is the 1996 Telecommunications Act. In the process, power of media firms, along with all corporate power in general, has diminished the place of individual citizens. In the history of the United States and in its Constitution, citizens are presumed to have the sole right to determine the shape of their democracy. But concentrated media power in news and commentary, together with corporate political contributions in general, have diminished the influence of voters over which issues and candidates will be offered on Election Day.

Conservative policies have traditionally been preferred by all large corporations, including the large media conglomerates. The country's five dominant media corporations are now among the five hundred largest corporations in the world.[6] These five corporations dominate one of the two worlds in which every modern person is destined to live.

It is still true, of course, that the face-to-face, flesh-and-blood environment continues to be the daily reality for human beings. It is part of human evolution and if it has any order and social principles it is the result of the millennia of insights, conventions, and experiences of the human race.

In contrast, the mass media world began in earnest only two hundred fifty years ago. Many of its most dramatic and

influential elements have emerged within the lifetimes of the present generation. The media world—newspapers, magazines, books, radio, television, movies, and now the Internet—occupies a major role in the commerce and private life of the entire population.

New Media in a New World

Media corporations have always possessed the power to affect politics. That is not new in history. But the five dominant corporations—Time Warner, Disney, News Corporation, Viacom, and Bertelsmann—have power that media in past history did not, power created by new technology and the near uniformity of their political goals. The political and social content projected by these media to the country's population has had real consequences: the United States has the most politically constricted voter choices among the world's developed democracies. That raises fundamental questions about how and by whom the nature of democracy shall be determined.

The magnitude of the change may be more readily understood by looking back from today's twenty-first century. In retrospect, the awesome power of the contemporary mass media has in one generation been a major factor in reversing the country's progressive political, social, and economic momentum of the twentieth century. As a result, in the United States, the twenty-first century inherited a new, more extreme brand of conservative policies.

Twentieth-century politics began with a Republican president, Theodore Roosevelt (1901–1909), at a time when every city of any size had five or more competing newspapers with a broad range of politics, right, center, and left.

With the support of a number of influential periodicals and a portion of its newspapers, Theodore Roosevelt initiated historic conservation of natural resources and dismantled huge interlocked corporate conglomerates, then called *trusts*. The control of trusts in writing laws, bribing officials, and damaging the social welfare had been exposed month after month by some of the country's leading writers in its most influential periodicals—Lincoln Steffens, Owen Wister, Ida Tarbell, Louis Brandeis (sixteen years before he became a member of the U.S. Supreme Court), Upton Sinclair, and many others. Their investigative articles appeared in major media—newspapers published by Joseph Pulitzer, E.W. Scripps, and the early Hearst. Articles asking for reform were centerpieces of influential national magazines like *Harper's, Atlantic, Cosmopolitan, McClure's,* and *Century.*

That fundamental period of confronting the urgent new needs of industrial democracy ended when J. P. Morgan and John D. Rockefeller decided to buy *Harper's* and *Atlantic* and other angry financiers paid high salaries to the most skilled editors to take positions more compatible with the vision of Wall Street banking houses. That, along with World War I, ended the period of reform.[7]

A similar period of reform repaired the chaos created by the wildly uninhibited free markets of the 1920s. Franklin Roosevelt's New Deal (1932–1945) established new social and regulatory agencies after the Great Depression's corporate breakdowns. The New Deal also established immediate jobs and agencies for housing and feeding the country's poor and middle-class families. While Franklin Roosevelt, unlike his cousin Theodore, had no overwhelming media support before his election, the newspapers, which were the only medium that really counted at the time, had lost much of

their credibility. They had glorified the failed policies that produced the shambles of the Wall Street Crash of 1929 and the Great Depression that followed. By the time that Franklin Roosevelt ran for president in 1932, desperate unemployment and murmurings of popular revolt were ominous. Fear led many of the once-conservative or neutral newspapers and magazines to moderate their opposition to the election of Roosevelt.

Roosevelt created what were, for that period, radical reforms, like the Securities and Exchange Commission to monitor corporations that sold shares to the public; Social Security to create old age pensions for much of the population; and laws that prevented banks from speculating in the stock market with their depositors' money. The uninhibited free market had created the wild euphoria of every-man-a-millionaire in the 1920s, which then led to the chaos. This had a temporary chastening effect on the main media's normal philosophy of "leave business alone."

In contrast, the presidencies of Ronald Reagan (1981–1988) and of the Bushes—George H.W. Bush (1989–1993), the forty-first president, and his son, George W. Bush, the forty-third president, who took office in 2000—again created an abrupt reversal. After his ascendancy to the presidency in 2000, the younger Bush engaged in a systematic reversal or cancellation of earlier natural resource conservation plans, reduced welfare, and adopted economic policies that hastened the flow of wealth to the most wealthy. The theory espoused by President Reagan had been that the wealth at the top would trickle down to create jobs for middle-class and poor workers. It was a long-discredited theory characterized by John Kenneth Galbraith: "If you feed the horse with enough oats, sooner or later it will leave something behind for the sparrows."

Any dynamic democracy inevitably changes political direction as conditions and public desires evolve. The radical changes of the late twentieth century obviously reflected universal alterations in technology, world economics, and other underlying tides. But the contemporary power of mass media imagery controlled by a small number of like-minded giant corporations played a powerful role. The media of that period, particularly broadcasters, were compliant with requests of the Reagan White House, for example, to limit access of reporters to the president himself.[8] The former actor's folksy personality distracted much of the public's attention from the disastrous consequences that followed an expanded national debt. What happened after the 1990s in the American economy was an eerie echo of the wild storms of the 1920s that brought the crash of 1929.

There are multiple reasons for the politics of any country to change, but with growing force the major media play a central role in the United States. In the years after 1980, conservatives began the chant of "get the government off our backs" that accelerated the steady elimination of a genuinely progressive income tax. They adopted the goal of uninhibited corporate power. Political slogans advocating a shrinking government and arguments involving that idea filled the reportorial and commentary agendas of most of the country's major news outlets. It was the beginning of the end of government-as-protector-of-the-consumer and the start of government-as-the-protector-of-big-business. And the news industry, now a part of the five dominant corporations, reflected this new direction.

By the time Bush the Younger had become president, the most influential media were no longer the powerful *Harper's, Century,* and other influential national organs of one hundred years earlier that had helped to expose abuses

and campaigned to limit the power of massive corporations. In sharp contrast to the major media that led to Theodore Roosevelt's reforms, the most adversarial media in 2000, both in size of audience and political influence, were the right-wing talk shows and a major broadcast network, the Murdoch News Corporation's Fox network, with its overt conservatism. Murdoch went further and personally created the *Weekly Standard,* the intellectual Bible of contemporary American conservatism and of the administration of Bush the Younger. Murdoch's magazine is delivered each week to top-level White House figures. The office of Vice President Cheney alone receives a special delivery of thirty copies.[9]

It is not simply a random artifact in media politics that three of the largest broadcast outlets insistently promote bombastic far-right political positions. Murdoch's Fox radio and television have almost unwavering right-wing commentators. The two largest radio groups, Clear Channel and Cumulus, whose holdings dwarf the rest of radio, are committed to a daily flood of far-right propagandistic programming along with their automated music. Twenty-two percent of Americans polled say their main source of news is radio talk shows.[10] In a little more than a decade, American radio has become a powerful organ of right-wing propaganda. The most widely distributed afternoon talk show is Rush Limbaugh's, whose opinions are not only right-wing but frequently based on untruths.[11]

Dominant media owners have highly conservative politics and choose their talk show hosts accordingly. Editor Ron Rodriques of the trade magazine *Radio & Records* said, "I can't think of a single card-carrying liberal talk show syndicated nationwide."[12] The one clearly liberal talk show performer, Jim Hightower of ABC, was fired in 1995 by the head of Disney, Michael Eisner, the week after Eisner bought the Disney company, which owns ABC.

The political content of the remaining four of the Big Five is hardly a counter to Fox and the ultraconservatism and bad reporting of dominant talk shows. American television viewers have a choice of NBC (now owned by General Electric), CBS (now owned by one of the Big Five, Viacom), and ABC, now owned by another of the Big Five, Disney. Diversity among the tens of thousands of United States media outlets is no longer a government goal. In 2002, the chairman of the Federal Communications Commission, Michael Powell, expressed the opinion that it would not be so bad if one broadcast giant owned every station in an entire metropolitan area.[13]

The machinery of contemporary media is not a minor mechanism. The 280 million Americans are served, along with assorted other small local and national media, by 1,468 daily newspapers, 6,000 different magazines, 10,000 radio stations, 2,700 television and cable stations, and 2,600 book publishers.[14] The Internet gave birth to a new and still unpredictable force, as later portions of this book will describe. Though today's media reach more Americans than ever before, they are controlled by the smallest number of owners than ever before. In 1983 there were fifty dominant media corporations; today there are five. These five corporations decide what most citizens will—or will not—learn.[15]

It may not be coincidental that during these years of consolidation of mass media ownership the country's political spectrum, as reflected in its news, shifted. As noted, what was once liberal is now depicted as radical and even unpatriotic. The shift does not reflect the political and social values of the American public as a whole. A recent Harris poll showed that 42 percent of Americans say they are politically moderate, middle-of-the-road, slightly liberal, liberal, or extremely liberal, compared to 33 percent for the same categories of conservatives, with 25 percent saying "Don't know or haven't thought about it."[16]

Dollars versus Votes

One force creating the spectrum change has been, to put it simply, money—the quantities of cash used to gain office. Spontaneous national and world events and the accidents of new personalities inevitably play a part in determining a country's legislation and policies. But in American politics, beyond any other single force, money has determined which issues and candidates will dominate the national discourse that, in turn, selects the issues and choices available to voters on Election Day.

The largest source of political money has come from corporations eager to protect their expanded power and treasure. The country's massive media conglomerates are no different—with the crucial exception that they are directly related to voting patterns because their product happens to be a social-political one. It is, tragically, a self-feeding process: the larger the media corporation, the greater its political influence, which produces a still larger media corporation with still greater political power.

The cost of running for office has risen in parallel with the enlarged size of American industries and the size of their political contributions to preferred candidates and parties.

In 1952, the money spent by all candidates and parties for all federal election campaigns—House, Senate, and presidency—was $140 million (sic). In 2000, the races spent in excess of $5 billion. Spending in the 2000 presidential campaign alone was $1 billion.[17]

The growth of money in politics is multiplied by what it pays for—the growth of consultants skilled in, among other things, the arts of guile and deception that have been enhanced by use of new technology in discovering the tastes and income of the public.

Television political ads are the most common and expensive campaign instrument and the largest single expenditure in American political campaigns. Typically, the commercials are brief, from a few seconds to five minutes, during which most of the content consists of slogans and symbols (waving Americans flags are almost obligatory), useless as sources of relevant information. Television stations and networks are, of course, the recipients of most of the money that buys air time. This is why the country's political spectrum is heavily influenced by which candidate has the most money.

Incumbents always have an advantage in attracting money from all sources because even conservative business leaders want influence with whoever happens to vote for legislation, even if it is a liberal. Nevertheless, if one eliminates incumbents, the big spenders have almost always been the winners. Beginning in 1976, candidates who spent more than $500,000 were increasingly Republicans.[18] Conservatives perpetually accuse Democrats of bowing to *special interests*. In the conservative lexicon, these are code words for labor unions. And, indeed, labor unions in 2000, for example, gave Democrats $90 million and Republicans only $5 million. But in the 1990s, corporate and trade association political action committees gave Republicans twice as much money as they gave to Democrats and in quantities many multiples larger than labor union political contributions.[19] In the crucial midterm 2002 elections, when control of the Senate depended on a few votes, Democrats spent $44 million and Republicans $80 million. Republicans gained control of

Congress, undoubtedly helped by President Bush, who, two months before the election, suddenly declared that the country would go to war against Iraq and that opponents would be seen as supporters of Saddam Hussein's tyranny. That alone took domestic economic troubles off the front pages and out of TV news programs.

Increasingly, House and Senate candidates have spent their own money on campaigns, a choice available only to multimillionaires. Thus, the money both of the wealthy and of corporate interests has come to dominate American politics in the single generation during which the country's political spectrum has shifted far to the right.

The View from the Top

The major news media overwhelmingly quote the men and women who lead hierarchies of power. Powerful officials are a legitimate element in news because the public needs to know what leaders in public and private life are saying and doing. But official pronouncements are only a fraction of the realities within the population. Complete news requires more. Leaders, whether in public or private life and whatever their personal ethical standards, like most human beings, seldom wish to publicize information that discloses their mistakes or issues they wish to keep in the background or with which they disagree. Officials do not always say the whole truth.

Citizen groups issuing serious contrary studies and proposals for mending gaps in the social fabric get only sporadic and minimal attention in the major media. Consequently, some of the country's most pressing problems remain muted. Unless powerful official voices press for attention and remedies for those missing issues, the pressing problems remain unresolved.

It is not rare for speakers and large organizations to complain publicly that it is shameful for the richest and most powerful country in the world to have increasing numbers of citizens homeless, that the United States is the only industrial country in the world without universal health care, or that its rhetorical support of education seems to believe that this requires no additional money from the federal government—even though it is the federal government that requires local schools to meet higher standards. Or that the country withdrew unilaterally from previous treaties to protect the planetary environment. Or that, despite agreement to restrict existing stocks of Russian and American nuclear weapons, President Bush the Younger announced that he would consider military action against countries initiating nuclear weapons research while simultaneously announcing that the United States would restart its own nuclear weapons research.

These issues are not absent from major news media. They are reported but then they are dropped, though national stories about a distant kidnapped child can continue on front pages and television news for weeks. There is nothing harmful and often some good in persistent stories about individual human tragedies. But in the national news agenda, there is no such media persistence with problems that afflict millions. It is an unrelenting tragedy that more than 41 million Americans remain without health care, that millions of young people are jammed into inadequate classrooms with inadequate teaching staffs, that deterioration threatens Planet Earth as a human habitat, or that a similar threat is growth of nuclear weaponry in the United States and the rest of the world. Or that preemptive war as a permanent policy is the law of the jungle.

News executives claim periodically that no one's really interested in unmet domestic needs, or people are tired of bad news, or we had a story on that. This is the same industry that is proud of its ability to be artful and ingenious in making any kind of story interesting, in which many of the same editors pursue the "lost child story" that, in fact, interests only part of the audience and is ignored by the rest. Every reader of a newspaper or viewer of television will pay close attention and absorb copious detail on an issue that affects that reader personally, whether it is a jobless bookkeeper or the national prospects for the unemployed or a family member desperate for possible treatments for Alzheimer's disease.

The major news media fail to deal systematically with the variety of compelling social needs of the entire population. Those needs remain hidden crises, obscured in the daily flood of other kinds of news. Yet the weight of most reputable surveys shows that, in the late twentieth and early twenty-first century, most Americans were deeply concerned with systematic lack of funds for their children's education, access to health care, the growing crises in unemployment, homelessness, and steady deterioration of city and state finances.

But these issues are not high priorities among the most lavish contributors to political candidates and parties. Corporations have other high-priority issues. There is a world of wealth, stratospheric in its imperial heights, which is so beyond the life of most Americans that it is barely imaginable.

When There Are No Limits

Though not typical of the average profitable corporation, disclosures in recent years show excesses that can be achieved by "getting the government off our backs." It was only through divorce paper filings that shareholders of General Electric (GE) and the public learned about the lack of limits on compensation that some large corporate leaders quietly grant themselves while keeping their stockholders and the public unaware of their almost obscene money and perquisites.

The most striking disclosure was the compensation and pension benefits for Jack Welch, the much-celebrated leader of General Electric, learned only when his wife's divorce filings became public. Mr. Welch, while still CEO of GE, received $16.7 million a year; access to the corporate aircraft; use of an $80,000-a-month Manhattan apartment, with its expenses (including wine, food, laundry, toiletries, and newspapers) paid for by the company; along with floor-level seats to New York Knicks basketball games, VIP seating at Wimbledon tennis games, a box at Yankee Stadium and Boston Red Sox games, four country club fees, security and limousine service at all times, satellite TV in his four homes, and dining bills at a favorite restaurant.

In retirement, Welch's pension continues most of the perquisites for life, plus $86,535 for the first thirty days of each year's consultancy, plus $17,307 for each additional day. These otherworldly heights of excess not only were hidden from the average American but also were vague to shareholders, thanks to obscure or undecipherable footnotes in annual reports.[20]

Tyco, one of the Enron-like fiascos, forgave a $19 million loan to executive Dennis Koslowski, who needed it to pay for an additional home in Florida. Kozlowski and his partners were later charged with looting $600 million from their company.[21]

Vain Ambition Produced No "Big Six"

When Vivendi, the house of cards concocted by French corporate adventurer Jean-Marie Messier, came apart, his dream of a media empire gave GE a chance to join the Big Five that now dominate American media.[22] Under Messier, Vivendi's buying spree had included the United States' last major independent publishing house, Houghton Mifflin, based in Boston, which was then sold to an investment group that operated it with changes in the company's mix of printed and online services.

Messier's hard-headed successor, Jean-Renee Fourtou, salvaged Vivendi by GE's $3.8 billion purchase and assumption of $1.6 billion in debt, giving GE 80 percent ownership of Vivendi-Universal, which includes Universal studios. This purchase also gave GE's new chairman, Jeffrey Immelt, the foundation to convert GE from a large collection of older industrial assets (weaponry, jet engines, etc.) to the new hot industry, the media. Immelt has said that the old industries were paying one-digit profits while the media pay 25–60 percent.[23]

Immelt foresees an enlarged GE as a vertically integrated media firm overshadowing its older products. GE already owned the NBC TV network and cable networks including the USA Network, Sci-Fi, CNBC, MSNBC, Bravo, and Trio. The deal added Universal Pictures, Universal Television (producer of the high-profit program *Law & Order*), shares in five theme parks, and Telemundo, the big Spanish-language network. Barry Diller owns 7 percent of Vivendi. Despite Immelt's vision of GE as a major media conglomerate, GE was also planning to acquire the London-based medical firm Amersham for $9.5 billion and still promotes sales of GE gas turbines and wind energy, high-tech ovens, and medical devices like magnetic resonance imaging (MRI).

Immelt still has to escape what Hollywood calls "the Curse of Universal," a threat based on a long line of business and other failures of former owners of the studio, from its founder Carl Laemmle in 1912 to the unfortunate Messier.[24]

New names, systems, and services inevitably will, like GE, emerge; they add an increment to the media scene but do not approach the magnitude and power of the truly giant all-media conglomerates described in this book.

"Humble" Domination

The phrase "humble beginning" is almost obligatory in many corporate histories. Often it has been even more humble than displayed in the company's history. In the case of all parties to the $107 billion in Messier's deals, they were, indeed, if not humble at least not magisterial. Messier's former company name had been a water company and became a major builder of such systems worldwide. But it really began humbly as sewage. The original Vivendi firm inherited the bumbling Louis Napoleon's attempt to regain stature by constructing the Paris sewers. Vivendi's target, Seagram, for which Messier paid $34 million in stock, [25] had the reputation of humbly shipping impressive quantities of liquor from Canada into the United States during Prohibition via groups the tabloids insisted on calling "gangs," using the word "smuggling," although neither word appeared in Seagram official company literature. Seagram was started as a humble Canadian saloon by the Bronfman family.[26]

There has also been genuine public service by the senior Bronfman, who helped rescue European Jews from persecution or worse and was instrumental in exposing the Nazi

collaboration of Kurt Waldheim, former secretary-general of the United Nations. He also helped track down Swiss bankers who profited from money once deposited by Jews murdered in the Holocaust.[27]

A Built-in Imbalance

Most of the more conventionally wealthy families are able to buy private services that ordinary families cannot obtain in a publicly funded school or other community and national facilities that suffer from budget cuts made, among other reasons, to provide tax cuts for the wealthy.

The many decades of only passing consideration of the major needs of most people have produced hopelessness about the possibility for change. Consequently, masses of potential voters have become resigned to the assumption that what the major media tell them is the norm and now unchangeable. In the first edition of this book, twenty years ago, I observed "media power is political power." The five dominant media firms, now among the largest in the world, have that power and use it to enhance the values preferred by the corporate world of which they are a part.

The imbalance between issues important to corporate hierarchies and those most urgent to the population at large is obscured by the neutralist tone of modern news. The rightward impact of modern news is not in the celebrated inflamed language that once characterized nineteenth-century sensationalist headlines and language. Today the imbalance is in what is chosen—or not chosen—for print or broadcast. Media politics are reflected in the selection of commentators and talk show hosts. It is exercised powerfully in what their corporations privately lobby for in legislation and regulations, and in the contributions they and their leaders make to political parties and candidates. It is the inevitable desire of most large corporations to have a political environment that is friendly to weakening minimum standards for public service and safety in order to produce maximum corporate profit levels and lower the corporate share of city, state, and federal taxes. But these seldom provide comparable benefits for the common good, like health care, safe environments, and properly funded public education.

In the last twenty-five years, the media world has experienced accelerated inventions and with them conflicts and uncertainties about which media will survive and which will die off. Yet again, newspeople agonize whether a new method of communication that distracts the country's youths might condemn the daily newspaper to an early death. Similar questions have arisen about other traditional media, like magazines and books, to be dealt with later.

As Gutenberg's movable type was in his day, the new electronic media as a social force remain in a still-uncertain balance. Today, massive demonstrations protesting a government policy have been gathered solely by marshaling sympathizers by Internet. At the same time, the digital revolution has made ambiguous the privacy within one's home because a government official, or anyone else with enough skill, can enter the citizen's computer from a remote location and thereby end the historic assumption that "my home is my castle."

That question hovers over the extraordinary but unpredictable innovations of the electronic media and the transformations that are continuing in our time.

Men, such as they are, very naturally seek money or power; and power because it is as good as money.
RALPH WALDO EMERSON, 1837

CHAPTER TWO
THE BIG FIVE

In 1983, the men and women who headed the fifty mass media corporations that dominated American audiences could have fit comfortably in a modest hotel ballroom. The people heading the twenty dominant newspaper chains probably would form one conversational cluster to complain about newsprint prices; twenty magazine moguls in a different circle denounce postal rates; the broadcast network people in another corner, not being in the newspaper or magazine business, exchange indignations about government radio and television regulations; the book people compete in outrage over greed of writers' agents; and movie people gossip about sexual achievements of their stars.

By 2003, five men controlled all these media once run by the fifty corporations of twenty years earlier. These five, owners of additional digital corporations, could fit in a generous phone booth. Granted, it would be a tight fit, and it would be filled with some tensions.

In this imaginary phone booth would be Richard Parsons, chairman and chief executive officer (CEO) of Time Warner, who would be cautious about his job, because he was now chief of the world's largest media firm only because his former co-chiefs, Steve Case and Carl Levin, had been

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Citations to the New York Times *refer to the national edition; citations to the* Wall Street Journal *refer to the western edition.*

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