

# The Political Economy of Media (Part II)

Review of Robert McChesney's book

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McChesney's book is a compilation of his best political economy of media work in the past two decades. It contains 23 separate offerings under three topic headings. In them he covers "enduring issues" and "emerging dilemmas." Part I of this review discussed some of them. More follow below. The entire book is must reading and contains new material never before published.

## The Battle for the US Airwaves, 1928 - 1935

McChesney recounts the beginning. It explains much of the current dilemma and necessity to confront it.

The notion that the dominant media system is "natural" and was adopted enthusiastically is pure myth. Opposition to what emerged was considerable. It insisted that network, for-profit, commercial broadcasting was inimical to the public interest, and that there should be a substantial nonprofit sector.

In the mid-1920s, things looked much different than later on. Several hundred nonprofit broadcasters began operating in the decade's early years, mostly affiliated with colleges and universities. Commercial ones, in contrast, weren't even professionals. They were owned and run by newspapers, department stores, power companies and others in the private sector.

NBC was established in 1926, CBS the following year, and neither had an impact until the 1927 Radio Act's passage. Commercial advertising, the pillar of today's system, hardly existed until 1928. It was very controversial and very unpopular throughout the 1920s. Before 1927, it was generally agreed that nonprofit broadcasting should have a significant, even a dominant position, in the US system.

Then came the Radio Act that year. It established the Federal Radio Commission (FRC). It was to make the airwaves orderly, reduce the number of stations, allocate broadcast licenses, and favor those applicants that would best serve the "public interest, convenience or necessity." The FRC was renewed in 1928 and then indefinitely in 1929. It used these years to solidify the emerging industry's dominance and make no effort to change it.

FRC held meetings with commercial broadcasters. Nonprofits and nonbroadcasters were left out, so it's not surprising how things developed. FRC's reallocation plan came out under General Order 40. Of the 90 available, it set aside forty 50,000 watt clear channels for one occupant nationally. The remaining 600 broadcasters got the other 50 to operate simultaneously on at much lower power levels. Those in the same region would share a

frequency at different times of day. The squeeze was on, and by autumn 1929, 100 fewer stations were on-air.

Not surprisingly, the networks won big. They got a flying start, and by the early 1930s, controlled 30% of the stations, including all but three of the clear channel ones. In addition, commercial advertising began growing substantially. Equally dramatic was the decline in nonprofit, noncommercial broadcasting. The FRC reduced their hours and power and made it harder for them to generate funds to keep operating. As a result, by 1930, their numbers dropped to less than one-third their 1927 total of around 200. By 1934, nonprofit broadcasting accounted for about 2% of total broadcast time. Business was king. The potential of the medium was beginning to be understood. The FRC was on board to support it, and said it was in “general public service” to do it.

Nonetheless, nonprofit opposition emerged. A National Committee on Education by Radio (NCER) was formed to get Congress to set aside 15% of channels for its use. Other nonprofit broadcasters joined the battle, and so did newspaper owners (at first) and civic groups. The former ended up partnering with for-profit broadcasters, while remaining opposition elements continued the struggle. They were against the status quo and wanted reform. Three themes underlined their position:

- the airwaves should be a public resource and broadcasting a public utility;
- most important, an advertising-supported for-profit network would use its programming to defend the status quo and would shut out unpopular or radical ideas; and
- reformers criticized broadcast advertising and the limitations of for-profit broadcasting; it would work against cultural, educational, and public affairs efforts that are less suited to commercial operations.

Opposition groups proposed a number of plans with three getting the most attention in the early 1930s:

- setting aside a fixed percentage (15 - 25%) of broadcast channels for exclusive nonprofit use;
- have Congress authorize an extensive and independent broadcasting study to devise a whole new system; and
- have the government establish a number of local, regional, and national nonprofit stations; they’d be subsidized by taxes and operated by a congressionally approved citizen board of directors; these stations would supplement, not replace, commercial operations.

None of the proposals were considered. For-profit operators worked against them. The opposition movement was divided in its tactics, and it faced three major barriers - the radio lobby, consisting of NBC, CBS and the National Association of Broadcasters (NAB). They went all out with a PR blitz to establish the “status quo.”

Against this, reformers got little coverage while the press was strongly on board with the broadcasters. So was the legal community. The ABA established a Standing Committee on Communications in the late 1920s and stacked it with commercial broadcasting attorneys. The handwriting was on the wall.

The campaign to restructure commercial broadcasting went through three distinct phases from 1930 to 1935:

- from 1930 to when Franklin Roosevelt took office in 1933; the period was “the high watermark for popular discontent with US broadcasting;” it won over House and Senate support for setting aside nonprofit channels; nothing passed because economy recovery legislation took precedence; more significantly, powerful leaders (like Clarence Dill, chairman of the Senate Commerce Commission) blocked anti-commercial reforms; so did Sam Rayburn in the House;

- from 1933 until the Communications Act of 1934; it established permanent broadcasting law; reformers hoped Roosevelt would support them; instead he ducked; he was in no mood to confront a “powerful and entrenched communications industry,” especially when passing New Deal legislation took precedence; broadcasters seized the moment; they got House and Senate leaders on board; got the Communications Act passed, the FCC established, and pretty much everything they wanted; Roosevelt signed the new law in June 1934; it was called a “New Deal in Radio Law;” indeed so for the broadcasters; and

- in January 1935, the FCC formerly reported to Congress that there was no need to alter the status quo; nonprofits lost out, and for the rest of the 1930s “the industry became economically and politically consolidated;” by decade’s end, the public no longer had a say over what kind of system was best; as far as government and industry are concerned, they still don’t, but surging reform movements blossomed post-2000 to change things; McChesney is one of its leaders; more on that below.

### The Commercial Tidal Wave

Corporate giants today are so dominant that they compete less on price and more on what economists call “monopolistic competition.” Advertising is key. It needs “advertising-friendly policies and regulations to allow it to flourish,” and it’s the major source of media revenues.

Most notably on television, it’s “ubiquitous.” Yet the greater number of ads, the more alike they become, less believable, and less people pay attention to them. One solution – run more ads. The airwaves wreak with them, and the “commercial tidal wave” takes many forms. On radio and television, they consume nearly one-third of each hour compared to around half that volume before 1982.

Advertisers have also gotten very creative and more intrusive. A proliferation of TV “infomercials” for one thing, and entertainment programming “product placement” is everywhere. The idea is to seamlessly weave products into story lines so they’re hard to ignore. It’s not cheap with Coca Cola one of many examples. It paid Time Warner \$25 million for the characters of one prime time show to “drink Cokes in each episode.” Time Warner also developed “virtual” advertising by getting products placed retroactively in popular shows.

Radio is used as well. Increasingly, broadcasters use airtime to hype products they’re paid to advertise. Hollywood is also cashing in. Disney’s Miramax Films cut a deal to make Coors the studio’s official beer and feature it exclusively in Miramax productions. Then consider James Bond films. They once shunned product placements. No longer in today’s “very competitive movie environment.” It’s now a necessity, and look at the payoff. The 2002 Bond film, *Die Another Day*, so wreaked with them that *Variety* called it an “ad-venture,”

and the Financial Times said James Bond is now “licensed to sell” – with a \$120 million payoff for the film studio.

Product placements show up everywhere, and children aren’t exempt. Far from it. The animated film, Foodfight, had “thousands of products and character icons from the familiar (items) in a grocery store.” Children’s books also feature branded items and characters, and millions of them have snack foods as lead characters.

ESPN is cashing in as well with help from digital ad firm Princeton Video Image. It places changing product billboards on walls behind home plate on Major League baseball telecasts. Only viewers see them, not fans at games because they’re not there.

Overall, the wall separating ads from editorial is disappearing because of media companies’ greed, advertisers’ enormous clout, and the concentrated power of eight dominant advertising/PR agencies that control 80% of all spending. They have great leverage – over product placement and program content. They’re also clever enough to produce ads that are indistinguishable from entertainment.

Sum it up and here’s the problem. Advertising is all-pervasive. We’re drowning in it and paying the price. It’s corrosive to society and intrusive in our lives. It fosters false values, wants and needs. It makes otherwise normal people shop excessively for what they never knew they wanted until Madison Avenue mind manipulators convinced them. Years ago, economist Paul Baran said makes us “want what we don’t need (nonessential consumer goods and services) and not....what we do (health care, education, clean air and water, safe food, good government, and so forth).”

Things are so extreme, McChesney puts it this way. We’re “rapidly moving to a whole new paradigm for media and commercialism, where traditional borders are disintegrating and conventional standards are being replaced with something significantly different.” It marries content with commercialism so pervasively they’re indistinguishable, and it shows up everywhere all the time – television, radio, movies, publications, music, popular culture, schools, universities, public vehicles, commercial ones, public broadcasting and radio, art, subways, restrooms, and any and all other ways advertisers can reach people whether or not we approve.

McChesney calls it “the greatest concerted attempt at psychological manipulation in all of human history.” It increasingly targets younger people. Acclimate them early because they become adult customers, and the children’s market besides accounts for tens of billions of dollars globally and growing.

Hyper-commercialism is troubling. It’s contrary to democratic practices, crowds out other forms of speech, and diverts attention away from more vital concerns. It also produces “profound cynicism and greed (that’s) cancerous to public life.” It reduces “our most treasured values....to commodities provided by the market.” McChesney believes resisting advertising is “essential” because of its corrosive effect on society. Who can disagree.

The Political Economy of International Communications: Foundations for the Emerging Global Debate About Media Ownership and Regulation

Across the world, media and telecommunication systems are a key profit making area in modern capitalist societies. But the idea that it established “naturally” is rubbish. In the US

and elsewhere, state policy is crucial to what emerges. It's true going back to 19th century America when the US Postal Service was the nation's earliest "telecommunication infrastructure." Publisher postal subsidies were instituted. They're important to this day, but very much favor media giants.

Government then was and now is an active player. The question is in whose interests and what values are encouraged. Seen this way, powerful special ones have corrupted US communication policy historically. Today, more than ever, and they constitute a "legitimacy crisis for capitalist media in a democratic society."

Earlier in the last century, "professional journalism" became the solution. It was to be nonpartisan, politically neutral and objective instead of representing the views of owners. It would also be produced by professionals trained to be neutral.

The result was tepid journalism reflecting elite opinions unthreatening to entrenched interests. By any standards, it's weak democracy or barely any at all. It then got worse.

Post-WW II, the US dominated nearly all global negotiations, including communication ones. Prior to the 1960s, colonial states had to accept whatever systems were imposed on them. After becoming independent, however, a New World Information and Communication Order (NWICO) campaign was established. But it went nowhere after the US and UK withdrew from UNESCO.

Globalists had other ideas, and they've blossomed since the 1980s. Neoliberalism and corporate globalization emerged and unleashed national and international policies favoring business. Markets were the solution to everything while unions, regulations, taxes, tariffs, public investment, and so forth were considered restraints of trade.

These ideas exploded in the 1990s – capitalism's golden age and a heyday for communication giants. After the Soviet Union collapsed and China embraced the market, it was open-season for vast business expansion. Globalization became the buzzword, and privatizing everything a universal solution for developing states. As a result, direct foreign investment rose dramatically along with a spectacular increase in international mergers and acquisitions. These amounted to under \$100 billion in 1987. By 2000, they grew tenfold to \$1.14 trillion. The world was being reconfigured into "a global market for goods and services (and) an international production system, complemented by an increasing global market for firms."

Giant communications companies were at its forefront. Before the 1980s and 1990s, their operations were mainly domestic, and in many countries state ministries controlled telecommunication monopolies. It changed and fast.

Neoliberal orthodoxy took over, WTO rules were established in January 1995, trade barriers came down, communications giants took advantage, and the US government backed their global expansion efforts. Then and now, their goal was a global communications and entertainment oligopoly controlled by a handful of international companies, mainly US-based. One estimate puts the market potential in the trillions of dollars annually.

Two distinct features characterize the vision:

— dominant companies "moving across the planet at breakneck speed;" the US market is

well-developed, so overseas represents the greatest potential and dominant media firms say they're "supranational entities" regardless of where they're home-based; and

— consolidating into every market segment is the strategy; the guiding logic is also to get big fast or get swallowed up by a larger competitor; in the end, a mere handful of companies will be "end-game winners."

Today, nine giants dominate global media markets, and nearly all rank among the top 200 non-financial firms in the world. Five are US-based, and consider their power. Among them they own:

- the major US film studies;
- the US TV networks;
- 80 - 85% of the global music market;
- most satellite broadcasting worldwide;
- all or part of most cable broadcasting systems;
- a dominant portion of book and commercial magazine publishing;
- all or part of most commercial US and worldwide cable TV channels; and
- a big stake in European terrestrial TV; and more plus an endless appetite for the greatest possible scale; the idea is to spread costs across a large base, be able to outbid competitors, and maximize profits at the same time.

Structural changes in world advertising are also strongly linked to global media consolidation. Further, globalization depends on a commercial media system to market their wares worldwide. It, in turn, is partnered with a handful of "super-advertising agencies" dominating a \$400 billion global industry and consolidating just as fast as media companies.

About 100 second tier players are also important. Among them - Gannett, Knight-Ridder and Thomson Reuters in the US and others around the world like Mexico's Televisa, Venezuela's Cisneros Group, London-based Pearson plc, and global publisher Reed Elsevier. These companies dominate their own national and regional markets and have extensive ties and joint ventures with the giants. Together, first and second tier operators control much of the world's media - from TV and radio to publishing, films, music, and so forth, and the entire system is still undergoing change because of continued consolidation.

These companies are in it together, but the race will determine who wins, so it's likely to end up with a small handful of very large finalists. As a result, the global media market is more a cartel than a competitive marketplace. The largest firms have similar dominant shareholders. They each own portions of the others. Their directorships interlock. The CEOs all know each other, are on a first name basis, and communicate regularly as they plot the future of their businesses.

First and second tier operators are also connected through their investment bankers - Goldman Sachs, Morgan Stanley and Merrill Lynch among them. Financial houses, of course, are matchmakers and make multi-millions at their trade. For them, the more the better, and



they had a heyday in the 1990s with deals worth hundreds of billions.

Media content also comes into play. At times it can be positive where media censorship is common. Overall, however, it subverts local culture when it interferes with profits. The “Hollywood juggernaut” concerns many countries as US film exports expand. Of the top 125 1999 grossing ones, nearly all were US produced, so it shows local audiences like them and more for sure are coming.

Music as well captured overseas markets with US recording artists getting 60% of their sales outside America in 1993, although it fell to 40% in 1998 as local music still has great appeal.

Overall, the combination of global media and neoliberalism is numbing. It reduces everything to entertainment and light fare and results in profound depoliticization. Case in point – 2008 America.

It’s also the driver behind communication industry consolidation. It made it vast, quick, and got it accomplished in two phases:

- from the mid-1980s to 2000 across industry segments; soaring equity valuations fueled it; as currency, it helped in selling debt instruments and getting generous loans; everyone in on the scheme got rich – lawyers, accountants, bankers, and especially CEOs whose compensation soared; and

- a second phase followed the first; by 2001, the technology bubble burst; equity prices deflated, and a “dog-eat-dog” shakeout began.

Companies were enormously indebted. Consolidation came at a high price. Companies were reeling from debt. Some committed fraud to hide it. Write-offs became unprecedented with AOL Time Warner the most noteworthy example. After its market valuation plunged from \$290 billion to \$135 billion, the company took a \$54 billion “impairment charge for goodwill” so shareholders would get stuck with the cost along with laid-off employees by the many thousands.

Global access to voice telephony was just as dramatic. Wired phone access accelerated, and mobile phone usage expanded from a tiny 1990 base to one billion users by 2002. In addition, as business expanded overseas so did telecommunication providers to service it. The FTC backed it. So did the IMF, World Bank, and new trade rules that smoothed the way to opening markets everywhere. In 1997, the WTO Agreement on Basic Telecommunications was established. It harmonized national operating frameworks, bound its 70 signatories to firm commitments, enforced them by a multilateral dispute settlement process, and greased the way for easy market penetration.

From 1984 (before WTO) to 1999, about \$244 billion in state-owned systems were privatized – 90 of the 189 International Telecommunication Union (ITU) membership. In addition, by 2000, 25 countries agreed to allow majority foreign-owned carriers use their own controlled networks to provide international voice service.

Between 1990 and 2000, mergers and acquisitions volume skyrocketed – an estimated \$1.616 trillion, and cross-border takeovers accounted for a large share of it. Including investments and service revenues, telecommunications expenditures totaled trillions of dollars. Investments were heavily debt-financed. Banks lent an estimated \$890 billion. An additional \$415 billion came from debt instruments, and \$500 billion more from private

equity and stock issuance.

At its peak, lucrative markets information-carrying over-capacity was stunning (along with neglect in others) with most of it built from 1996 to 2000 – millions of fiber-optic cable circuitry, underseas cable laid, and huge Internet investments for this burgeoning new technology.

Government partnered in the enterprise. It deferred to business and investor needs while neglecting overall social responsibilities and the nation's basic infrastructure – roads, airports, power plants, bridges, and so forth.

Until the bubble burst, investors were having a party and so were industry players. Rates favored business users. Workers lost collective bargaining rights. Downsizing following, and so did consumer quality of service. They were also victimized by scams and overbilling.

By the second half of 2000, the industry got its comeuppance. It was routed along with the dot-coms in a bloodletting they're still recovering from. Giant firms began reporting huge losses, and most people know the WorldCom story that got its founder and CEO Bernie Ebbers convicted of fraud and conspiracy and given a 25 year prison sentence. Along with Enron, it became the largest ever accounting scandal in US history.

Everything came up roses in the 1990s. The power of global capitalism seemed unstoppable. So even its opponents were resigned and largely quiescent. Ignored was that none of this expansion was natural. It took plenty of government help fueling it. It led to growing monopoly, higher prices, and poorer service so powerful business interests could profit at the public's expense. It's a familiar story going back generations, but the stakes keep getting greater and the harm caused even worse.

Add to it massive fraud, a corrupted business-government alliance, a historic public rip-off, and chalk it up to defrocked market miracles. Those of us committed to democracy have our work cut out for us. And in view of the media's importance, it's crucial to democratize it.

Communication "comprises the indispensable institutional basis for social deliberations – discussion, debate and decision making – beyond elite forums." Solutions aren't simple, and McChesney cites "two overarching principles" central to reform:

- policy debates on these topics must be public; behind closed doors no longer cuts it; and
- the public interest must be "reaccredited, strengthened, and enlarged;" to a large degree, it should also be protected from direct state control but not to the point of neglect.

#### Rich Media, Poor Democracy: Communication Politics in Dubious Times

At a time of technological wonders, communication breakthroughs, and near limitless online ways to stay informed, our society is largely depoliticized. Political involvement is weak, and it's evident when presidential and off-year elections are held. Routinely, half or less of the electorate turns out, and those most in need show up least often or not at all. It mocks the idea of democracy, but who can blame people when candidates are pre-selected, machines do our voting, candidates who lose are declared winners, and winners don't complain.

What's the cause? More than anything, the dominant media that's "become a significant antidemocratic force...." They're larger and more influential than ever. Combined they're



the main information source for most people, and it's in their interest to marginalize the public to shut out any interference with their commercial aims. Profits uber alles are paramount. Concentrated power and hyper-commercialism are dominant, and when combined with the sorry state of today's journalism it's easy to understand the problem. Fixing it will be no easy task.

The "corporate media explosion" corresponded with the "implosion of public life," and McChesney calls it "the rich media/poor democracy paradox." He cites two components:

- a political crisis; our hyper-commercialized corporate media system bodes ill for our politics and society; a crisis this great is totally off-limits for discussion; how and by whom the media is controlled, and how it's structured and subsidized should be at the heart of discussion; and

- media ideology; its defense is indefensible – that markets "give the people what they want;" commercialized media are innately democratic; so is nonpartisan, objective professional journalism; new technologies are inherently democratic; and most important, the First Amendment gives media giants and advertisers unfettered free speech rights without public or government interference; this reasoning is no more credible than the discredited American exceptionalism notion, except in its negative sense.

Media concentration was most notable in the 1990s, but it was powerfully that way earlier. A handful of Hollywood studios dominated film production since the 1930s. Until cable and satellite TV, three networks dominated national television. Too few companies publish the popular magazines most people read, and from the 1960s to the 1980s, newspapers "underwent a spectacular consolidation."

Now it's much worse in the wake of the outrageous 1996 Telecommunications (giveaway) Act. Mega-media deals followed, and unless stopped, more are coming. Along with them, journalism keeps getting worse – in commercial and so-called "public" spaces. The reasons again are covered above – hyper-commercialism; PBS and NPR as corrupted as the giants; the endless quest for dominance and profits; professional reliance on "official sources;" labor's decline; the public shut out altogether; a lack of local journalism; and the dismal state of democracy overall.

Given the above, reporters need no direction – serve your owners or find new line of work. And when covering media political allies, it's de rigueur to show favoritism and "swift boat" the opposition. It violates fundamental journalistic canon, but at times of campaign frenzy it shows how pervasive the practice is. And the more concentrated media become, the worse it'll get.

The same holds for what's aired, to what degree, and what isn't. Mass antiwar and global justice protests barely get mentioned. But let celebrities like OJ Simpson or even Bill Clinton run afoul of the law (or be perceived that way) and it's wall-to-wall, round-the-clock headline news for days or longer.

Other major topics are also shut out – wars of aggression, a militarized society, hugely repressive laws, erasing social services, silencing dissent, rigging elections, pervasive corruption, the unprecedented wealth gap, and far too many more to list that all should top media discussions in a democratic society where journalists are supposed to hold the powerful to account. McChesney sums it up saying "In the crescendo of news media praise

for the genius of contemporary capitalism, it is almost unthinkable to criticize the economy as deeply flawed.” He quotes the Washington Post calling us a “perfect economy.” Indeed for the rich and them alone.

Next, he discusses the Internet and calls its “rapid commercialization and expansion....the most striking media and communication development since January 1999.” But alone, it’s not magic and not a solution to media concentration and dominance. In the digital age, they’ll continue to grow, partner and merge until we’re left with a handful of mega-global giants with potential veto power over world governments. They pretty much have it now as well as large swaths of the Internet.

Worse still is that governments hand it to them – secretly, behind closed doors with no public involvement or press coverage. It shows since the late 1990s in the “shadowy history of how the Internet went from being a public-sector creation to being the province of Wall Street.” Politicians from both parties were bought off to do it. Media influence remains dominant, but a battle royal looms to preserve Net Neutrality, and that topic is discussed below. But if media giants prevail, the Internet will be as commercialized as all other media components with the public left out in the cold.

There are more concerns as well – violating our privacy, pervasive spying, shutting out the poor, debasing democracy even more if the Internet is totally commercialized, charging whatever the market will bear, censoring content, and overall letting a potentially wondrous technology cost more than it benefits.

With this in mind, and the media giants insatiable quest for size and dominance, now’s the time to demand the unmentionable – reactivate antitrust laws. Break up the giants along with other industry conglomerates. A century ago, it dismantled the Oil Trust and in the 1980s AT & T. Today, however, the only time trustbusting comes up is when one industry sector challenges another, never when it’s in the public interest.

Nonetheless, as media enlarge, its public trust betrayal worsens, and the battle for Net Neutrality looms, anything is possible if a great enough groundswell gets behind it. Frances Fox Piven cites four historical times (in her book *Challenging Authority*) when people in America achieved the impossible. Conditions produced outrage enough over the status quo to erupt into a “disruptive protest movement.” It shook the political establishment and brought about transforming social change – if only for a short time.

Media reform pressures are now building at a crucial moment in our history. McChesney put it this way in his 2007 book, *Communication Revolution*. We have “an unprecedented (rare window of opportunity in the next decade or two) to create a communication system that will be a powerful impetus (for) a more egalitarian, humane, sustainable, and creative (democratic) society.” He calls it a “critical juncture” that won’t remain open for long. It’s a “historic moment” in a “fight we cannot afford to lose.” In the digital age, “the corporate stranglehold over our media is very much in jeopardy..” Citizen actions have successfully challenged them. Important victories have been won on ownership rules, public broadcasting, and exposing fake news.

It now remains to enlarge grassroots efforts, take the fight to the next level, partner with other progressive campaigns, and force politicians to respond or be replaced. Media giants won’t lay back and take it. They’ll do all they can to quash reform efforts. So far they’ve had everything their way, and “the smart money says that the big guys (always) win.” The

“same smart money once said that communism” would last forever and apartheid couldn’t end peacefully. It may turn out that the “smart money” isn’t so smart. If enough people join the fight for media justice, “anything can happen.”

### The US Media Reform Movement Going Forward

Here McChesney examines the relationship of the political economy of media to the media reform movement and how the former provides understanding of the media’s role in society. It’s whether it “encourages or discourages social justice, open governance, and effective participatory democracy.” Also vital is how “market structures, policies and subsidies, and organizational structures shape and determine the nature of the media system and media content.”

For decades US media scholars have been at odds with their counterparts around the world. They assume a for-profit, advertising-supported corporate media is a given. Major reform against capitalism is unthinkable, “unrealistic, even preposterous” for a media system considered inviolable.

Over time, however, it became apparent that viewing a corporate-run media system as “natural” was erroneous. That’s how it was at earlier key moments when the status quo was challenged – the 1900 – 1915 Progressive Era and again in the 1930s and 1940s.

In the last century’s second half, media became a non-issue. Policymaking was corrupt and commercial interests increasingly dominant. At the same time (and like today), press coverage was nil. So when television emerged it was “gift-wrapped and hand-delivered to Wall Street and Madison Avenue without a shred of public awareness and participation.” FM radio, cable and satellite TV got the same treatment.

Things hit rock bottom after 1980 at a time of Republican ascendance and neoliberal ideology’s emergence. It took its toll on political economy of media scholarship. The field began declining and headed for obscurity. At the same time, “something was happening.” Vital research was published and distinguished figures like Noam Chomsky, Edward Herman and Ben Bagdikian produced it. Their earlier media critiques are still cutting-edge and seminal.

They proved the crisis of media, how inhospitable it is to democracy and social justice, and how essential it is to change it. Progressive writers and publications also emerged as well as media reform movements. Groups like Fairness & Accuracy in Reporting (FAIR) were in the vanguard and are now seen as trailblazers for today’s burgeoning efforts.

Critics at the time weren’t just on the left. By the 1990s, things got so bad even some conservatives became alarmed. Ownership was increasingly concentrated, labor weak, journalistic standards dismal, and hyper-commercialism overpowering. Further, editorial staffs were downsized, bureaus closed, trivia got substituted for substance, and who could know what was coming.

McChesney cites the “tipping point” – early in the new millennium “when the connection was made between the nature of the media system and a variety of policies and subsidies that created it.” Global justice protests erupted, media activism grew, and the notion that the US free market media system was preordained began to crumble. Back room deals designed it, and benefits cut both ways for the dealers. Politicians were rewarded for their

efforts, and media giants got an open field to get bigger. Public interest was off the table.

The key moment came in 2003, and the issue was over new media ownership rules. At the time, it looked like a slam-dunk for Big Media. George Bush was president, Republicans controlled Congress, and three of the five FCC members were Bush appointees. Media giants smelled victory and went for the kill. In spring 2003, what could stop them.

An aroused public could and did, and it seemed to materialize out of thin air. Within a year, two million or more outraged people swamped the Powell FCC and Congress with protests over the proposed relaxation of ownership rules. McChesney calls it the moment when the “contemporary US media reform movement was born,” and ever since mushroomed dramatically as millions in the country are fed up and won’t take it any more.

They won victories, and the Media Access Project (MAP) got one of them. In June 2004, it prevailed in *Prometheus Radio Project v. FCC* when the Third Circuit Court threw out FCC’s new rules. It ordered the agency to reconsider its ill-advised changes that if enacted would be an early Christmas for the giants. They included:

- ending the cross-ownership ban that prohibits a company from owning a newspaper and TV or radio station in the same city;
- eliminating the previous ban on radio/TV cross-ownership and replacing both types with a single set of cross-media limits;
- a concocted “diversity index” to determine cross-media limits; it was based on assigning weights to the various media to determine if markets retained enough diversity; it would only consider ownership limits if by its formula there wasn’t enough; it was pure deception because in major markets like New York the FCC gave equal or greater weighting to a community college radio station than The New York Times and local ABC affiliate;
- cross-ownership limits only in smaller markets; in ones with eight or more TV stations, proposed changes would have no cross-ownership newspaper, TV and radio station restrictions;
- a company would be able to own two TV and six radio stations in the same market if at least 20 “independently owned media voices” remained after a merger; if only 10 remained, ownership would be limited to two TV and four radio stations; and
- redefining National Market Share to mean the total number of households company TV stations reach and raising the allowable ownership ceiling from 35 to 45%; a 39% compromise was reached to accommodate News Corp. and Viacom; they already exceeded the allowable limit, so the deal let them keep their stations.

Down but not out, FCC tried again last year under new chairman Kevin Martin. It proposed similar kinds of loose ownership rules. Unleashed a wave of activist protests in response. Members of Congress from both parties joined in. Martin ignored them, and last December 18 pushed through a 3 to 2 party-line win.

Here’s where things now stand beyond the timeline of McChesney’s book. On April 24, the Senate Commerce Committee voted unanimously for a “resolution of disapproval” to block the FCC’s December 18 decision. To take effect, it must pass the full Senate and did in a historic May 15 vote – by a near-unanimous voice vote showing strong bipartisan support.

Republicans and Democrats are united on this issue (so far), especially in an election year when mass constituency opposition is hard to ignore. Unsurprisingly, the Bush administration threatened a veto. Hopefully it won't matter because too many in Congress feel otherwise.

The issue is gaining traction in the House as well with two Net Neutrality bills for consideration. On May 6, the Internet Freedom Preservation Act of 2008 was introduced (HR 5353). It's to "establish broadband policy and direct the (FCC) to conduct proceeding and public broadband summits to assess competition, consumer protection, and consumer choice issues relating to broadband internet access services, and for other purposes." It also amends the Communications Act of 1934.

On May 8, the Internet Freedom and Nondiscrimination Act of 2008 (HR 5994) was introduced. It requires that ISPs operate and interconnect with other network providers in a nondiscriminatory way. It applies to content, applications and services, and establishes antitrust measures for anticompetitive practices.

It now remains to be seen how House and Senate legislation turns out, what final forms they take, how the White House responds, and whether there's enough support in Congress to override vetoes. Current efforts show promise, and activists hope sentiment is turning their way. In time, we'll know.

Back in December 2002, McChesney co-founded the media reform group Free Press and serves as its president. In 2003, it started off with a few staffers and now has 35 and a membership approaching 400,000 and growing. In five years, Free Press became the largest media reform group in the country, but it's joined by dozens of others. Freepress.net lists 165, and two dozen formed the Media & Democracy Coalition in 2005. In addition, local media reform initiatives are emerging throughout the country with distinguishing characteristics:

- media concentration is key and efforts to reverse it are crucial; so is the battle to preserve Network Neutrality, expose and end fake news, protect and reinvigorate public and community noncommercial broadcasting, and influence the course of the digital revolution democratically;
- making media policy a political issue; open it to public debate; make sure people know there's nothing "natural" about the current system, and that they have a right to participate in policy deliberations;
- media reform groups are linked to independent media creation efforts; they've exploded online; media reform, activism and independent media "rise and fall together;"
- for decades, the US was a media activism laggard; now it's a leader, but its future remains undetermined; much depends on the success of the political left; so far it's "weak and largely inchoate;" the bottom line is whether people or corporations will control communication, and that leads to the larger question of who should direct society and what kind will emerge; according to McChesney, at some point ahead, we're heading for "a direct confrontation with capital," and the outcome will determine it.

Millions know what's at stake, and what's vital for a free and open society. Today, we're light years from it. That no longer can be tolerated, but it won't happen without systemic

media reform. McChesney, Free Press, FAIR, dozens of other media initiatives, and growing numbers around the country, are more engaged than ever for it. McChesney calls it “our moment in the sun, our golden opportunity,” and for media reformers, activists, progressives of all stripes, scholars, political economists of media, and all of the above like himself “we must seize it.” Indeed we must. There’s no turning back now.

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