

## The World's Media Titans

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In October 1991, Donald Barlett and James Steele of the *Philadelphia Inquirer* wrote an eight-part series worthy of the Pulitzer Prize. Entitled "America: What Went Wrong?" the series detailed the greed of corporate America and the powers-that-be in Washington that led to alarmingly high rates of ownership concentration, record numbers of bankruptcies, increasing unemployment and job insecurity, and a sense of helplessness among the working and poorer classes. They spoke of corporate raiders who siphoned off pension funds; of overly paid chief executive officer who received astronomical bonuses and pay increases based on something other than performance; of legislators, especially during the Reagan and Bush administrations, who supported deregulation and privatization plans and other changes in the laws benefiting the wealthy and setting back the poor even further. (The series did not win a Pulitzer Prize, which in itself might be a statement about what is wrong with the mass communications field.)

What Barlett and Steele had to say about American corporatism readily pertains to what is happening in the businesses of mass communications in the United States and most other parts of the world. The far-reaching activities of media giants such as Murdoch, Lagardere, Berlusconi, Maxwell, Thomson, Gannett, Time Warner, Paramount, and Bertelsmann are mind boggling; the modus operandi of their purchasing, selling, or killing off unprofitable media is unfathomable, understandably so, because many media entrepreneurs, moving at dizzying speeds, have very little idea of what their purposes are, except to garner more and more.

Media moguls today operate in what are strange ways to most of us. Many have very little interest in the contents of their media, as long as the bottom line is healthy; they make quick decisions to buy and sell, and only occasionally lament a wrong decision (Murdoch said he paid the Annenbergs \$500 million too much for Triangle Publications); they use other people's money, juggling loans and playing one bank against another, and they keep their operations in a state of fluidity. They boast of having debts that are higher than the gross domestic products of several nations (the last time I paid attention, Murdoch's debt was near \$10 billion); they prefer large transactions that allow them to gobble up other groups or conglomerates, not merely individual properties. For example, Lagardere of France's Hachette has purchased Curtis Circulation Company, the U.S.'s second largest maga-

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zine distributor, Diamandis Communications, publishers of 12 magazines, and Grolier Publications, in recent years.

Oftentimes, these titans of mass communications enter the news themselves because of shady histories and dealings. In recent years, we have heard much of Robert Maxwell's connections to the Israel secret police, his raiding of his newspaper pension plans, and other sordid activities, of Giancarlo Parretti's corrupt business practices that had devastating effects upon movie giant MGM, and of Sam Newhouse's tax bill of \$600 million (over \$1 billion with interest and penalties) owed to the U.S. government. Nor has it been much of a secret in the international media world that Robert Hersant, in control of about one-third of France's daily newspaper circulation and numerous other media properties spread over Europe and elsewhere, received his journalistic start from Nazi propaganda chief Joseph Goebbels; that Reinhard Mohn of Bertelsmann served two years in a U.S. prisoner of war camp after being captured while an officer with Rommel's Afrika Corps; that the Annenbergs had early connections with the Mafia and participated in the bloody circulation ward of the pre-World War II era, resulting in the blowing up of delivery trucks and the killing of at least 30 uncooperative newsboys.

Communications has become such an important commodity worldwide that these individuals and a few others have expended much energy to be among the top five or six conglomerates they believe will control the world's media scene by the turn of the century. Gulf and Western certainly wants to be among that elite group. Started as an automobile bumper manufacturer in the 1930s, Gulf and Western expanded into more than 100 huge corporations by the 1980s, and included many communications firms such as Simon and Schuster, Desilu Productions, and Paramount Pictures. In recent years, the company has changed its name to Paramount Communications and has decided to expend all of its energies in communications development, divesting itself of other interests in the process.

Throughout the world, one sees mushrooming concentrations of media ownership that bode well for the handful of media oligopolies bent on dominating the fight for the hundreds of millions of minds in the global village. Increasingly, the titans look to places traditionally not considered very important as media centres, as they seek properties to take over. National concentrations of ownership into a few groups are convenient pickings for outside entrepreneurs, who can, barring legislation preventing foreign ownership, find themselves, with a single transaction, in control of large chunks of a nation's media apparatus. Both Murdoch and Maxwell bought large media enterprises in Eastern Europe after "democratization," Murdoch has also purchased a media combine in Hong Kong and Maxwell, one in Kenya.

In many parts of the world, media have become parts of large conglomerates. In Brazil, TV Globo, owned by Roberto Irineu Marinho,

dominates, producing television soap operas around the world and owning *O Globo*, Brazil's major daily, and a television station in Monte Carlo that broadcasts to Italy. In Mexico, Emilio Azcarraga monopolizes television with four private channels and five radio stations; in Canada, three groups have owned almost all dailies for years, which has been the situation in Australia as well.

Asia is also very deeply involved in corporate journalism. In recent years, newspaper groups have become affiliated with multinational corporations such as Dow Jones and Murdoch's News Corporation, and combines of government, local business, and regional conglomerates have purchased parts of broadcast stations and newspapers in at least Hong Kong, Taiwan, South Korea, Indonesia, the Philippines, Malaysia, Singapore, and India. Group ownership and cross-media ownership are prevalent in many instances.

Murdoch's purchase of the *South China Morning Post* of Hong Kong, which added to his more than 80 other worldwide publications and broadcasting organizations, is probably indicative of what will follow. As possibilities of lucrative media acquisitions in the West dwindle, and as some Asian publishing and broadcasting outfits become more economically profitable, groups such as Murdoch, Hersant, Thomson, or Bertelsmann, in their lust for more and more properties, will increasingly look to Asia and other parts of the Third World. For example, when Macao authorities decided a few years back to open a new Chinese-language television channel, international bidders lined up. Maxwell was in the bidding, and expected to join were Murdoch, Hong Kong publisher Sally Aw, and since-bankrupt Alan Bond's Hong Kong company. Maxwell reportedly had planned a number of joint newspaper publishing ventures in Hong Kong, China, and Japan.

As Hong Kong dickered about introducing cable television in 1988, outside corporations were involved, including Japan's Sumitomo and a U.S. cable operator, Viacom. Dow Jones' involvement in Asia communications is of much longer standing. Beside the *Asian Wall Street Journal*, Dow Jones has had 22 percent of the shares of *South China Morning Post*, parts of *Far Eastern Economic Review*, Singapore's *Straits Times*, and Times Business Publication.

Asian mass media are increasingly found in some national conglomerates which connect to multinational corporations. For example, Samsung Group, owners of South Korean newspaper, magazine, and broadcast interests, controls a portion of Corning Corporation of the U.S. The world's thirty-fifth largest corporation, Samsung owns *Joong-Ang Ilbo*, which has a daily circulation of over 600,000 and which, in turn, owns a weekly, two student journals, one general audience monthly, a women's magazine, an AM/FM radio station, and a television channel.

Two relatively new conglomerates that have huge investments in mass communication are Indonesia's Bimantara and Malaysia's Fleet Group. The country's fastest growing conglomerate, Bimantara started Rajawali Citra

Televisi Indonesia (RCTI) in late 1988, with a 35 percent stake by Rajawali Wira Bhakti Utama, a consortium associated with the Ometraco Group and a national bank. With assets of US\$1 billion, Bimantara has equity in 90 companies, ranging from the Indonesian assembly plant for Mercedes trucks, a palm oil plantation, an insurance brokerage firm and an animal vaccine manufacturer, to leasing, holding, investment, transport, petroleum, plastics and food companies. The firm also has very close ties with the ruling establishment.

By bringing commercial television to Indonesia, Bimantara realized part of its five-year plan to become a major force in telecommunications. Already, the company owned Cakra Nusa (telecommunications trading), Elektrindo Nusantara (telecommunications equipment manufacturing), and Settel Technologies (telecommunications research and investment). In 1984, Bimantara purchased, refurbished, and resold an Indonesian government telecommunications satellite, Palapa B-2R, in a very controversial undertaking. A subsidiary of Bimantara, Settel, located in Los Angeles, has dealings with Hughes Aircraft of the U.S.

Fleet Group, an investment army of Fleet Holdings, has grown to astronomical proportions, not only in mass communications, but in many other business and industrial pursuits. Also very closely aligned with the government through the political party, United Malays National Organisation (UMNO), Fleet controls New Straits Times Group, which owns 70 percent of Malaysia's commercial television channel, Sistem Televisyen Malaysia (TV3); the dailies *New Straits Times*, *Malay Mail*, *Berita Harian*, *Shin Min*, and one devoted to business; three Sunday newspapers; many magazines; book publishing firms; a food products company; and a major hotel chain. Formed to wrest control of print media from the Chinese and foreigners in the 1970s, Fleet is made up of, or closely tied to, over 150 companies in areas such as investment, hotels, realty, telecommunications, trading, land development, cinemas, shipping, recreational services, drilling, travel, car rental, construction, electronics, restaurants, credit companies, newsprint, insurance, banking, leasing, and computers, among others. Like Indonesia's Bimantara, Fleet and New Straits Times have been involved in controversial dealings; in 1987, they were accused of contravening the nation's Companies Act. (Editor's note: Following a Management buy-out by four executives of the New Straits Times Press in 1993, the NSTP and TV3 are now under the Malaysian Resources Corp Berhad).

When Singapore's press was completely restructured in 1982-83, three dailies closed and Straits Times Press (STP), Times Publications, and Singapore News and Publications merged into Singapore Press Holdings (SPH). The new company encompassed not just the press, but the entire economic scene, becoming the number one Singaporean, publicly-quoted, industrial company. SPH, with a capital of about three-fourths billions dollars, has ownership connections with many foreign companies, is involved in cross-

media ownership, and has joint operations and firms involved in non-communications fields.

By 1980, the Straits Times expansionism had engulfed whole or parts of properties in England, Tahiti, New Caledonia, Singapore, New Zealand, Australia, Thailand, Brunei, Malaysia, Hong Kong, and the U.S., with plans for acquiring others in Indonesia, Sri Lanka, and the Philippines. The group had four daily and two Sunday newspapers in Singapore; *Borneo Bulletin* in Brunei; 20 per cent of the *New Straits Times* and its many publications in Malaysia (Editors' note: The Straits Times (Singapore) no longer hold any shares in the New Straits Times (Malaysia) following its sale of the whole 20 per cent share to Malaysian interests a few years ago); a small holding in the *South China Morning Post* of Hong Kong, and 49 percent of the *Bangkok Post*. Straits Times Press also had a 10 percent interest in the *Asian Wall Street Journal*, owned by Dow Jones, and reciprocally, Dow had 3 percent of the New Straits Press and its now defunct subsidiary, New Nation Publishing Ltd., and 20 percent of STP's Times Business Publications.

In book publishing and distribution, the Singapore group purchased 30 percent of a book and newspaper distributorship in Tahiti and New Caledonia. Additionally, Straits Times was in partnership with the Hachette Group, France's major publishing house. Straits Times in 1980 had 49 percent of A.H. and A.W. Reed, New Zealand's largest publisher; 27 percent of Marshall Cavendish, a British book publisher, and 30 percent of Rainbow Products, an Australian distributor of records, tape cassettes, books and magazines. Non-media properties of Straits Times included considerable Singaporean real estate and a partnership in a property development company in the U.S.

Cross-media and non-media ownerships prevail among other newspapers of the region. Hong Kong's South China Morning Post Ltd. owns the daily *Post*, *Sunday Post Herald*, *Television and Entertainment Times*, *Asian Golf Digest*, *Welcome*, a 51 percent share in the *Far Eastern Economic Review*, and one-third of *Asia Magazine*, while Sing Tao, founded by Aw Boon Haw, has *Sing Tao Jih Pao*, *Sing Tao Nan Po*, Pacific Communications Ltd., *Jetwind*, *Hong Kong Star*, *Hong Kong Standard*, editions of *Sing Tao* in eight cities of the world, a daily in Fiji, a large chunk of Jademan Holdings made up of 14 companies and a travel agency. Taiwan's *United Daily News* published four other newspapers and owns China Economic News Service and Lieking Publishing, one of the country's leading newspaper enterprises, and in South Korea, *Hankook Ilbo* publishes *Daily Sports* and operates a travel agency and a construction company, *Chosun Ilbo* owns a Seoul hotel, and six national dailies together owned about 70 percent of all Korean magazines. Other conglomerates, such as Hyundai and Korean Explosives, also owned daily newspapers.

For generations, Philippine mass communications has been characterized by cross-media and other big business traits. Oligarchies such as those of Soriano, Lopez, and Elizalde, tucked newspapers, magazines, and radio

and television stations among holdings in sugar, utilities, beer, and pharmaceuticals. After Marcos obliterated this media structure in 1972, his friends had new media combines, along with their other vast interests in electronics, telecommunication shipping, the coconut industry, and many others. Since the 1986 revolution, some old entrepreneurial groups, notably Roces, Lopez, Soriano, and Yap, have been joined by new ones, such as those of Gokongwei, Cojuangco, and Ramos.

South Asia has had press and big business affiliations for years. Indian groups of newspapers are owned by conglomerates such as Tata and Birla, and until government interference in the 1970s, 95 percent of Sri Lanka's daily press was controlled by three organizations. Concentration and monopolization characterize the Japanese media, where the five largest national or quasinationals account for 60 percent of Japan's total circulation, have printing plants scattered about the country, publish hundreds of regional editions daily, and have many other media and business holdings. As an example, the Japanese-language *Asahi* publishes at least one English-language daily, three weeklies, three monthlies, and 10 yearbooks, and maintains interests in 60 other enterprises, including radio-television stations, travel agencies, and real estate firms.

The close alliances between media barons and business, industrial, political, and military powers present serious limits upon the expression of diverse viewpoints and to the watchdog function some Asian presses have performed; instead, they lend continued support for power brokers and the status quo. Complemented by government and ruling political party ownership and control of mass media, the large, privately-owned groups represent one of the most threatening problems in Asian mass communications.

Besides those in socialist states, such as China, North Korea, Vietnam, etc., mass media of other countries are owned or closely tied to government. Except for a few instances, most Asian broadcasting was in governmental hands. When privatization changed some of this in recent years, as in Malaysia and Indonesia, the stations were held by conglomerates affiliated with the ruling establishment. Print media concerns, such as New Straits Times, Utusan Melayu, and Star Publications in Malaysia; Singapore Press Holdings; Lake House in Sri Lanka; National Press Trust of Pakistan, or Gorkhapatra Sanathan of Nepal, are either owned by government or are appendages of ruling party apparatuses.

Obviously, there are many possible impacts of such concentrations of media ownership throughout the world. We will concentrate on just three.

### **1. Serious threat to open marketplace concepts**

The farcical bigness of mass media worldwide represents a serious threat to the democratic ideal of an open marketplace where all ideas can contend. In

the United States, about 20 corporations (down from 50 a decade ago) own most mass media. Because these corporations are interlocked through ownership and directorships to huge banking and other business and industrial complexes, as well as the government and the Pentagon, some important stories affecting vested interests are either slighted or completely ignored.

Thus, in the late 1970s, Simon and Schuster backed down on a book it had planned to publish about conglomerates' criminal negligence for financial expediency reasons, because the book would have given a black eye to all conglomerates. Simon and Schuster is part of the Gulf + Western conglomerate. When presidential candidate Tom Harkin said in a television debate in 1992 what the cost of a B-2 bomber could do to educate children, alleviate Alzheimer's disease, immunize kids, and provide prenatal care to low income pregnant women, NBC's Tom Brokaw made a big fuss, challenging the candidate's figures. Some critics wondered if the fuss was because NBC's corporate parent, General Electric, which does more business with the Pentagon than any other company, is a major B-2 contractor. In 1991, Graef Crystal, who had been preparing *Fortune* magazine's list of highest paid executives, decided to quit providing this service, claiming *Fortune's* parent, Time Warner, had meddled after he had reported that company's chief executive drawing \$78.2 million in compensation.

One must also wonder how much critical comment about military spending, defense weaponry, or even war finds a place in mass media owned by France's Hachette, which is merged with Matra, the country's largest defense manufacturer. Big business journalism, like big business generally, strokes big government, and vice versa. Obviously, Murdoch exchanged favours with Reagan and Thatcher, as did Berlusconi with former Italian prime minister Bettino Craxi.

Critic Ben Bagdikian has addressed the symbiotic relationship between government and big business media:

Monopolistic power dominates many other industries, and most of them enjoy special treatment by the government. But media giants have two enormous advantages. They control the public image of national leaders who, as a result, fear and favor the media magnates' political agendas; and they control the information and entertainment that help establish the social, political, and cultural attitudes of increasingly larger populations.<sup>1</sup>

He added that in the U.S., presidents worry as much about their treatment by the broadcast networks as they do about their treatment by their own parties. Bagdikian saw an enormous danger in this interdependence, stating, In their selection and emphasis of news and through their lobbying, the big media work for legislation favourable to all large corporations and against small firms and public-sector institutions.<sup>2</sup>

## 2. Homogenization, commercialization, and trivialization of media products.

One would not get much argument that journalism and media entertainment have sunk to new lows where all parties involved look to ratings, sales, and possible other uses for media products within the corporation. Calling the result of all this the development of an idiot culture, Carl Bernstein of Watergate fame recently wrote:

For more than fifteen years we have been moving away from real journalism toward the creation of a sleazoid infor-tainment culture in which the lines between Opray and Phil and Gerardo and Diane and even Ted, between the *New York Post* and *Newsday*, are too often indistinguishable. In this new culture of journalistic titillation, we teach our readers and our viewers, we pander to them ... We are in the process of creating, in sum, what deserves to be called the idiot culture ... For the first time in our history the weird and the stupid and the coarse are becoming our cultural norm, even our cultural ideal.<sup>3</sup>

Bernstein cited numerous media conglomerates that support—nay, enthusiastically promote—trash journalism:

And the great information conglomerates of this country are now in the trash business. We all know pornography when we see it, and of course, it has a right to exist. But we do not all have to be porn publishers; and there is hardly a major media company in America that has not dipped its into the social and political equivalent of the porn business in the last fifteen years.<sup>4</sup>

Trash journalism has been promoted by broadcast networks and their affiliates since at least the early 1970s, in the guise of “happy talk” news, featuring facile faces, plastered pompadours, trivialized and tasteless talk, and what Maxlerner termed the “daily disaster diet.”

## 3. Augmented disparities in the mass communications workplace

With the weakening of unions by big corporations and governments and the devil-may-care attitude of many media moguls, the rank and file media workers find themselves in extremely tenuous situations. They do not know when a Murdoch, Newhouse, or Maxwell will whimsically close down their place of work; they watch helplessly (sometimes admiringly) as their chief executive officers gather larger chunks of revenues to themselves. Those with extraordinary talent even find the the entry points to the creative world have been shut for all except the chosen ones of the media moguls.

No doubt, as the big corporations move toward maximizing profits, they close themselves to outsiders among journalists, authors, musicians, and other creative people. Bagdikian said, “They buy every possible means of delivery (print, broadcast, films, etc.). They strive to use their own rather than independently produced material.”

Presenting a dream sequence of such media giants wishing to keep everything in-house, Bagdikian invented Giant Corporation Inc., which, owns subsidiaries in every medium. One of its magazines buys (or commissions) an article that can be expanded into a book, whose author is widely interviewed in the company magazines and on its broadcast stations. The book is turned into a screenplay for the company movie studios and the film is automatically cooked into the company's chain of theatres. The movie has a sound track that is released on the company record label. The vocalist is turned into an instant celebrity by cover features in the company magazines and interviews on its television stations. The recording is played on the company's chain of Top 40 radio stations. The movie is eventually issued by the firm's video cassette division and shown on company television stations. After that, rerun rights to the movie are sold to other television stations around the world. And it all started with an article in the company magazine, whose editor selected it because it was recognized as having other uses within the company. The editor of the magazine is given a generous stock option. Every other editor and producer in the empire takes notice.<sup>5</sup> Such rearming of the same old pabulum is hardly cultural nourishment.

The system over which the media behemoths reign is noted for rewarding those at the top very handsomely—oftentimes vulgarly, while demanding more of the rank and file. It has taken a long time, but finally in the U.S., there is some anger directed at the compensation of chief executive officer pay rose sharply (by 212 percent), at the same time pay raises for the ordinary workers were flattened. Americans heard about banker Michael Milken getting \$550 million in 1987, of toy merchandiser Charles Lazarus drawing \$60 million the previous year. In the media world, Time Warner's chief officer Steven Ross pulled down \$78.2 million in 1990.

Especially perplexing were the tenuous connections between performance and compensation of chief executive officers and the predarious state of the rank and file while this gluttony existed at the top. Graef Crystal, who specializes in executives' compensation, reported results of a survey that showed 96 percent of the chief executive officer pay "has nothing, absolutely nothing, to do with the company's performance." And media moguls' salaries stay intact at the same time that their corporations lay off hundreds of reporters or lower level staffers. In 1987, when CBS fired more than 100 reporters, CEO Laurence Tisch made \$1,181,000; similarly, Ross's pay spiralled while Time Warner felt forced to dismiss 100 magazine employees. In fact Ross' \$78.2 million in 1990 was \$48 million more than what the 600 workers made that year.<sup>6</sup>

In conclusion, owners of media companies, must be willing to undergo constant scrutiny concerning their societal responsibilities and whether they are meeting them. Yet this is not the case. Over and over, press critics from within and outside the profession use the word arrogance to describe media management. One, David Shaw, in a 1983 *Nieman Report* story, called

arrogance the greatest ethical problem of the profession. Shaw thought the press has the duties to allow itself to be criticized, to be held accountable, to admit mistakes, to be questioned on why stories are played in certain ways, or altogether ignored. I would add that media entrepreneurs should be accountable for how they make money and whether, in the process of making money, they are fulfilling their responsibilities to provide the information people need in democracies and a diversity of cultural outlets for creativity.

#### Notes

1. Bagdikian, Ben. 1989. "The Lords of the Global "Village." *The Nation*. June 12, pp. 805-810.
2. Ibid.
3. Carl Bernstein. "The Idiot Culture." *The New Republic*.
4. Ibid.
5. Bagdikian, op. cit.
6. See Karen Rothmyer. 1992. "Bloated Pay." *Mother Jones*. July-August. pp. 23-24.