Monopolies and Oligopolies of the Media

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"Trying to determine what is going on in the world by reading the newspaper is like trying to tell the time by watching the second hand of a clock."

Ben Hecht

Introduction

The entire world is modern man's village, although he cannot at a glance see even a millionth of this 'global village', the people in it or the activities going on. Modern man can hate a person he has never talked to or seen face-to-face. He can be saddened because of a tragedy which has happened to someone else he never met, in a place he has never been. He can experience love, hate, joy or sadness without having ever experienced its stimulus; he can be persuaded by political leaders he has never met to give up his life for reasons he has never considered or perhaps been allowed to consider. Or, he can be persuaded to buy a product he doesn't need, attested to by someone he has never met. Modern man, unlike primitive man who experienced all important life activities directly through interpersonal communication, has to depend on mass communication technology (electrology) for a picture of what is important in his world.
In primitive man's society, it would be impossible for them to neglect such important problems as world hunger, perilous pollutants, and speculative ecological engineering. In the tribal village, conditions like these would not be, indeed, could not be ignored. They would be priority media items.

Only a people completely dependent on mass communication technology could be left ignorant or misinformed about concerns of vital importance to individuals and society.

Modern man, the man who each day rides a crowded transit car, sees more people in one minute than did primitive man in his lifetime. Yet, this over crowded modern world supplies no tactile experience. The cities are full with lonely people; full with a crowd that is not company. It is for these reasons that modern man seeks some kind of comfort and security in his newspaper, radio or television set.

Unlike the primitive man who knew by direct contact the bounds of his world and the form that it took, modern man's idea of the world's landscape and his place in it is determined by the information which the communications media bring to him. In large part, these act as substitutes for him, giving him a sense of orientation to his world. Because modern man lacks any real contact with his fellow men, the vicarious pleasures offered through the media such as minor wars, divorces, rapes, killings, political statements, all act as replacement acts for the direct sensory response primitive man felt over the direct experience of the hunt, the territorial protection or the kill.

It is the mass media which helps to fill this void in modern man. However, this mass media man is primarily an observer, a passive recipient of the constant barrage of image, sound and print projected at him. Every once in a while he may respond, but, generally, he does so within the narrow limits defined
by the mass media. He is basically a receptor allowing mass media to fill the voids of participation with pre-edited, highly selective news and entertainment. Modern man is 'etherized' like Prufrock in T.S. Eliot's "The Lovesong of J. Alfred Prufrock". Or, as Lazarsfeld and Merton (1948:105) described it, he has been narcotized. Modern mass media 'substitute knowing for doing'. (1) And, contrary to their belief that narcotizing is a dysfunctional process rather than functional, it is in the interest of 'those who keep society' to keep the masses politically apathetic and physically inert.

It is impossible to conceive of modern man apart from what he sees, hears, reads and is involved in through mass media. We do not think of primitive man apart from what he saw, heard or participated in. (2)

In extending his eye and ear through technology, modern man has had to hand over to those who operate his electronically extended eyes and ears the major organizing and selective decisions which he used to make for himself. (3)

The fact that these selective processes have been relegated to another has ominous implications. In simple terms, it means that no one individual can be free of the overt or covert bias directly or indirectly managed by mass media. Because mass media man needs the information given through these various channels due to his need to feel a part of society, it means also that he has had to absorb the bias that for centuries in North America have been operative upon him.

Whether the bias is in the source of the news; through the selection of the news; through the omission of news; through placement of news; through headlines; through word choice; through photographs; through captions; or, through implicit or explicit editorials, it
is enough to give a somewhat distorted, if not misleading, view of the world modern man inhabits.

"We are all robots when uncritically involved with our Technologies."

Marshall McLuhan

Given the above quotation, it is little wonder that the major trend in research and education today has centered on the sociology and psychology of communications. Or, to quote another McLuhanesque phrase, 'nothing is inevitable as long as there is a willingness to think (4) it is not at all surprising that a great amount of concern has been created over the power of the media, its transactional acquisitions and its monopolistic tendencies.

One such focal point occurred in Canada, in 1969, with the formation of the "Special Senate Committee on Mass Media", chaired by Senator Keith Davey.

The 'Davey Report' - In Retrospect

"The Press of this country is now and always has been, so thoroughly dominated by the wealthy few of the country that it cannot be depended upon to give the great mass of the people that correct information concerning political, economical and social subjects which it is necessary that they shall have in order that they shall vote and in all ways act in the best way to protect themselves from the brutal force and chicanery of the ruling and employing class."

Edward W. Scripps
founder, Scripps-Howard Newspapers
Indeed, the Senate Report on Mass Media may still be looked upon as the first of its kind in Canada. It was a massive undertaking. It was expensive and it was brilliant. Much of the information, gathered by Hopkins Hedlin, a Toronto economic consulting firm, clearly demonstrates that too many of our media barons were taking fat profits out of the community and giving little back in the way of editorial quality.

The committee itself received briefs from more than 500 companies, organizations and individuals, in addition to questioning 125 witnesses who underwent considerable self-examination. Publishers were asked to justify their existence which is a major feat in itself.

The coverage the committee received has been viewed by some editors as the most overrated news story in Canadian history. Canadian Press reported each day's findings in detail and newspapers across the country printed what CP sent. It was unique because the subject reported was a critical observation of the activities of those who printed it.

It has also been stated that the report jolted several trade organizations. The Canadian Association of Broadcasters and the Canadian Daily Newspaper Publishers Association have attempted to shed their Daddy Warbucks image in recent years and have attempted to improve or at least show some concern for their editorial quality, a subject usually dismissed when advertising revenues are discussed.

Keith Davey has said himself that the report's recommendations were "of tertiary importance." (5) The exercise itself - the research, the hearings, the publicity, the conferences, the briefs, the debates, the documents. As Alexander Ross stated, "In this case, the medium was the message." (6)

The message was and still is that the media are
still suitable subjects to come under the scrutiny of the public just as are the automobile industry and insurance companies.

What the Report specifically states was that the concentration of media ownership was increasing, and could constitute a threat to the freedom of expression. When that statement was made 66% of the nation's media were owned by chains; it is now 90%. (7)

The Committee also proposed a Media Ownership Review Board to oversee proposed mergers for their effect on the public interest. Since then, Southam Press Limited has bought the Windsor Star, The Brantford Expositor and the Montreal Gazette; F.P. Publications Limited has bought the Montreal Star; Thomson Newspapers Limited has bought the daily in Belleville, Ontario. The concentration of ownership in broadcasting, disregarding national policy to discourage cross mergers has proceeded at the same rate as it has in print.

As a matter of some urgency, the Senate Committee also recommended that a national press council be established "to monitor the press the way the press monitors society." (8) Press councils are now operative in Ontario, Alberta and Quebec. Quebec's, however, was already in the formative stage when the Committee met. Ontario would have received one anyway because Honderich of the Toronto Star wanted one. All in all, it has not been effective. As Keith Davey states, "only moderate effectiveness. Publishers tend to misread apathy for acceptance." (9)

What has occurred then, in the past seven years since the Report? Not much. The Canadian media 'tend to unfold as they should'(10) - a favorite phrase of the Trudeau government when talking profit is progress.

Of course, there have been those who maintain that
the Davey Report has had profound effects upon the Media.

Sounding typically like liberals, apologetic capitalists, they shift their discourse to isolated cases of emerging newspapers, magazines and television stations and are fast to state that although our sources of news and information are now concentrated in fewer hands than ever, Canadian have vastly more access to diverse views and approaches. No sooner have they said this than they talk about dramatic improvements in editorial quality.

Apologetically, they mention that Montreal has now several new dailies. When they are really reaching for justification they talk about the lusty birth and swift success of the Toronto Sun that appeared after the death of Toronto Telegram and which now exceeds the Globe and Mail in circulation. There is no mention of the low quality of information supplied by the Sun nor do they mention that the Globe and Mail has lost over 90 thousand in circulation.

When the subject of new media is under fire they deliberately allude to the appearance of excellently edited magazines which are showing profit. Included in the list are: Homemakers, Quest, Toronto Life and Toronto Calendar. And frequently, they speak in motherly terms of the flowering television accomplishments such as the emergence of CITY-TV and the Global Network.

In the eye of a myopic beholder they perceive all of these as a direct positive result of the Senate Committee's Report. They willingly admit that concentration of ownership has not been exercised, however, they quickly state that the Canadian public has more and better choices now than it did before the Report. The question posed is however, what access, what choices do we really have?
The Canadian Scene

K.C. Irving's pulp mills stink
But it don't matter what the people think
His newspapers smite him good
With editorials about motherhood.
He owns the oil and he owns the gas
He owns the ships and he owns the mass
Media, monopoly, such an oligopoly,
Rippin' off the media raaag! (11)

This jingle was created by the staffers who worked with and for Keith Davey on the Senate Report on Mass Media. Its very mood, I think, is exemplary of the lack of seriousness with which the final report was published. Explicit in its lines is the position government has taken when it presumably takes a critical look at big business. And, big business is what Canadian Media is. No one need go any further than the Report itself to know how much money is invested by so few to sell so many. Since the Report on Mass Media, circulation, revenue and concentration of ownership have steadily risen.

The trend toward even more concentration of ownership is indicated by the fact that in 1930 there were 116 dailies under the control of 99 publishers. In 1953, 89 dailies were under the control of 57 publishers, with 11 publishers accounting for 42 of the dailies. (12) The Davey Report recorded that 14 newspaper groups owned or held substantial interests in 77 dailies with a combined circulation of 3,614 million or about 77% of Canadian total circulation.

The fate of all media may soon be group owned:

"The hand in hand growth in circulation and technology has had a vicious circle quality. To serve vastly increased readership, newspapers require costly equipment; to pay for elaborate
and costly equipment, publishers must secure vastly enlarged readership. Under such conditions, many an entrepreneur has found himself caught up in a situation in which he has had to gain all or nearly all the potential subscribers if his enterprise is to continue. Thus in many communities there has no longer been room for two newspapers as there had been in the days of MacKenzie and Howe and rival journals have given no quarter in publishing battles that have ended only when all but one contestant has been driven out of the field...this process has brought about what Oswald Garrison Villard has called, in reference to the United States, "the disappearing daily". (13)

Today of course, we may add one more variable to the cause of the 'disappearing daily' - advertising. The more readership a publisher has, the more he may charge his advertiser for space in his newspaper. In turn, the more revenue the publisher accumulates the more he must buy interest or diversify so he is not taxed directly on his profit. This is not a new phenomenon, but rather a generally known and accepted principle of business economics. The trend then may be a natural monopolistic press structure, one that is not quite irresistible. The very forces that work against monopoly may derive their power from the conditions whereby the conventional press has achieved its monopoly. The daily of our century has captured all or nearly all of its readership by trying to reflect majority opinion. More truly, they have tended to reinforce an already conditioned majority opinion and reveal no other. This would naturally follow, as we know that the newspaper owner is a businessman or big business and it would be unlikely that his publications would call for the breaking up of business monop-
olies when he wears the same grey flannel suit. This conservatism or blandness has also been reflected in the dailies which have become bland, undocitraire and unlikely to disturb the status quo. (14) None of these qualities have yet to turn off the dailies' large circulations. For who, in a one newspaper town, for that matter, who in a three newspaper town, will refuse 'to be informed' of the world around him and take a chance on being a totally isolated and alienated individual. No matter what the content or image, modern man must make the only contact he may make with other human beings. He may suppose contact, but he may never communicate. And, you may be sure that those who publish know this emphatically.

The American Scene

"The American Press, with very few exceptions is a kept press. Kept by the big corporations the way a whore is kept by a rich man."

Theodore Dreiser

Although to some, an American section, no matter how brief, would seemingly be out of place in an essay dealing with Canadian Media. However, it is difficult to ignore after having examined the ownerships and locales of certain Canadian Publishers. It is well known for instance that Thomson Newspapers Ltd., owns and operates 76 United States newspapers: 51 dailies, 5 weeklies and 20 Sunday papers. The Thomson Organization, headed by Lord Thomson's son, K.R. Thomson, also has interests in the Times and Sunday Times, London, England.

McGraw-Hill Ryerson Ltd., Toronto, is 70% owned by McGraw-Hill Inc., New York and has affiliate offices in Australia, France, Brazil, England, Germany, India and so on. Maclean-Hunter, Harlequin (52% owned by the Toronto Star), and Multiple Access are all trans-
national corporations with key interests in the United States and abroad.

Not to be outdone by Canadian Corporations the Americans also face the problem of monopolistic tendencies in media acquisitions.

The number of daily newspapers in the United States has similarly decreased in recent years. In 1950 there were 1,894 dailies in operation. In 1972 there were 1,809. The number to date is approximately 1,775. (15) The number of publishers has also declined within the past twenty years while the number of newspaper chains has steadily increased to the point that approximately 96% of America's cities depend on single ownership newspapers.

Like Canada in 1930, when 116 dailies were published by 99 owners, the United States has seen its 2,400 daily newspapers owned by 2,387 individual publishers slowly decline to the point where of the 1,775 dailies, 1,012 are owned or controlled by 172 newspaper chain-owners. Federal Communications Commission's records show that 231 of the nation's dailies are also owned by broadcasting licensees in the same city. (16)

This concentration of ownership in fewer and fewer hands is considered unhealthy by many informed observers because the possibility of limiting or manipulating news reporting is thereby increased. The greater the number of papers controlled by one person, the greater the danger of controlled, inherently biased, news output. Two or more competing newspapers tend to correct the journalistic excesses and omissions of the other. When the papers in a city are all controlled by one publisher, the likelihood of such a healthy corrective force is diminished.

Early in February 1977 this same tendency of monopolistic acquisition was peaking and we saw the transfer

When one talks in figures such as these it follows simply that it makes little difference if there is less concentration of ownership for, even if an independent publisher had bought any one of these papers the purchase price would still have been the same. It is difficult to comprehend that an independent would sing a different tune than that of the richest man in town.

The North American Scene

"It is startling that the means by which the citizens of a democracy get their news - information that they must have in order to run their country - is a form of private property."

Charles Rembar, in the Atlantic April, 1973

The relentless drive in North American Media for monopolies and maximum profit has been best analysed by A.J. Leibling in his book, 'The Press':

"The profit system implies a pursuit of maximum profit for the shareholders' sake, distasteful though it may be. That it is theoretically possible to make money by competition in the newspaper field is therefore immaterial, since there is a great deal more money to be made by (a) selling out and pocketing
a capital gain; (b) buying the other fellow out and then sweating the serfs...

The point is that even when two, or several, competing newspapers in a town are both, or all, making money, it is vastly to the advantage of one to buy out the others, establish a monopoly in selling advertising, and benefit from the 'operating economies' of one plant, one staff, and exactly as much news coverage as the publisher chooses to give. The advertisers must have him anyway, and the readers have no other pabulum. He will get all the income for a fraction of the outlay, so he can afford to pay a price for his competitor's paper far beyond what it might be worth to a buyer from outside, who would continue to operate it competitively...

What you have in a one-paper town is a privately owned public utility that is constitutionally exempt from public regulation, which would be a violation of freedom of the press. As to the freedom of the individual journalist in such a town, it corresponds exactly with what the publisher will allow him. He can't go over to the opposition (paper) because there isn't any. If he leaves, he ends his usefulness to the town, and probably to the state and region in which it is situated, because he takes with him the story that caused his difference with the management, and in a distant place it will have no value...

Diversity - and the competition that it causes - does not insure good news coverage or a fair champion for every point of view, but it increases the chances." (17)

In the past thirty years Media monopoly has occupied
a great amount of space in News, Broadcast and Government circles. In 1947, one of the earliest such concerns was made by Robert Hutchins in his Commission on the Freedom of the Press. His closing remarks after three years study of the media made this warning:

"Protection against government is now not enough to guarantee that a man who has something to say shall have a chance to say it. The owners and managers of the press determine which persons, which facts, which versions of the facts, and which ideas shall reach the public... Through concentration of ownership the variety of sources of news and opinion is limited. At the same time the insistence of the citizen's need has increased... The service of news, as distinct from the utterance of opinion, acquires a new importance. The need of the citizen for adequate and uncontaminated mental food is such that he is under a duty to get it. Thus his interest also acquires the stature of a right.

To protect the press is no longer automatically to protect the citizen or the community. The freedom of the press can remain a right of those who publish only if it incorporates into itself the right of the citizen and the public interest... The voice of the press, so far as by a drift toward monopoly it tends to become exclusive in its wisdom and observation, deprives other voices of a hearing and the public of their contribution...

The outstanding fact about the communications industry today is that the number of its units has declined... If modern society requires great agencies of mass communication, if these concentrations
become so powerful that they are a threat to democracy, if democracy cannot solve the problem simply by breaking them up — then those agencies must control themselves or be controlled by government... (In the latter event, we will have lost our) chief safeguard against totalitarianism, and at the same time take a long step toward it."

(18)

Despite this caution, and others that have since been made, including Canada's own Senate Commission on Media, the concentration of ownership and high profits enjoyed by an elitist group continue to soar upward each year. There is ample evidence to show that the public should be more informed about the implications this has had and will continue to have on the reality of their lives.

Implications

"It is vital to a free society that an idea should not be stifled by the circumstances of its birth. The press cannot and should not be expected to print everybody's ideas. But the giant units can and should assume the duty of publishing significant ideas contrary to their own, as a matter of objective reporting, distinct from their proper function of advocacy... All the important viewpoints and interests in the society should be represented in its agencies of mass communication. Those who have these viewpoints and interests cannot count on explaining them to their fellow citizens through newspapers or radio stations of their own."

1947 - Commission on Freedom of the Press

In a more recent Commission, the National Commis-
tion on the Causes and Prevention of Violence, formed in 1970 in the United States, its investigative committee proposed these ideas:

"The news media can play a significant role in lessening the potential for violence by functioning as a faithful conduit for inter-group communication, providing a true marketplace of ideas, providing full access to the day's intelligence, and reducing the incentives to confrontation that sometimes erupts in violence...

It should become habitual editorial policy to display fairly and clearly the opinions, analyses, and solutions offered by a wide variety of people, expert and nonexpert, covering the spectrum, regardless of the proprietor's personal position.

Too many news organizations fear social ideas and social action. As a result, they stimulate, dissatisfy, and arouse anxiety only to fall silent or limit themselves to irrelevant cliches when thoughtful solutions are required. Alternative solutions to our most urgent social problems, based on the work of our most imaginative social thinkers, and written with the clarity that only a good journalist can produce, ought to be standard practice...

We strongly recommend that the news media examine carefully the problems posed when equivalent access to the media is denied." (19)

However much the Government attempts to remedy the situation of mass media and its social implications, they tend, both here in Canada and in the United States, to become strangled impulses. The fact that someone
only recommends guidelines becomes an exercise in futility. There has not been and I suspect will never be any action taken by those in power positions in the media to regulate themselves. And of course, the governments of both countries, for fear of being attacked under the guise of repression of the freedom of expression, fail to act. This has been the case since both American and Canadian Commissions. The Mass Media in both countries have consistently grown in accordance with their own need to profit more and more each year. Yet, even with the power of the law of the Combines Act, or in America, the Antitrust Act, the respective governments yield to the big business establishment for fear someone yell 'freedom of the press'.

However, it is no longer enough to protect the freedom of the press from government interference in order to guarantee freedom of expression. By far, the every threat posed by monopolistic corporation is a far greater interference to freedom of expression than government regulation.

What is probably more important to the individual in society is that he be made aware of the mythic qualities of both democratic governments and free press as social institutions. The inherent contradiction between the role of the mass media as a fundamental social institution and the reality that they are privately owned, profit-making corporate entities needs to be widely understood by media consumers.

Also, the notion of participatory democracy or full participation as a process where each individual member of a decision making body has equal power to determine the outcomes of decisions, must be understood as mythical. Even the notion that a representative democracy can exist in a complex specialized society is simply not true.
"The fundamental prediction of the classical elite theorists is that all forms of social organization which attain marked degrees of size and complexity will be controlled by a minority: the few will govern the many. Michels' law states that, regardless of the particular form of political organization a system contrives at the outset of its existence, it will drift into oligarchy: rule by a minority... In the words of Zeigler and Dye: 'In all societies, under all forms of government, the few govern the many. This is true in democracies as well as dictatorships'... 

The basic argument is evolutionary. All social systems exist in environments to which they must adapt: otherwise they perish (Duncan 1964). Emphasis is on the social environment, on the political struggle between organizations and societies (Service 1962; Eisenstadt 1963). The originating condition for oligarchy is therefore environmental pressure. This pressure, in the form of political struggle, has tended to yield two highly adaptive system properties. Since the beginning of recorded history, competition has generated increased size and complexity in its surviving contestants (Lenski 1970). Large size is required to process high volumes of activity in dealing with the environment, and increased complexity in the division of labour enhances the efficiency of all system operations, both internal and external (Blare 1962). It is important to realize that the environmental conditions which created these properties are not just past history: they are ever present contingencies. They exist today
just as they did in the past, and they are as critical for organizations (Terry berry 1968) as they are for societies (Dahl and Tufte 1973). The bureaucratization of the world is a historical trend (Weber 1925). . . complex systems are not exempt from destruction. Social systems in competition must exhibit additional features if they are to maintain operations under environmental pressure. Specifically, in responding to environmental turbulence, they must display unitary action and short reaction. . . a system incapable of either is destined for the tar pits."

These lines are from a recent article in the American Journal of Sociology titled "On the Emergence of Oligarchy in Human Interaction." What the author goes on to state is that a relatively small group of leaders or elites can more easily achieve unified action than can a large mass. This unified action can take place because of an apathy in the mass which is structurally induced by complexity of the modern world. It is not necessarily an apathy of indifference. The mass, under these circumstances, will not even attempt to interfere in most elite decisions, simply because they do not have the time. In the absence of internal interference, the elites will be able to exhibit unitary action. (21) This process was first proposed in Michels' "iron law of oligarchy" and Mosca's major proposition on system size and ruling elites. (22)

Given our present situation of government and media monopoly it follows that what we are living through is the mass media and governments failure to deal with truth. Plainly the mass media's role is in serving the establishment. It serves to convince people that the rich and their hired servants are respectable, well meaning people. It attempts to keep
the general public from being aware that the establishment (of business; of big media business) runs the government. The agencies of mass media, to hide their role of serving the establishment elites, have used their propaganda tools to create myths about news media and it is these myths which persuade people to accept a communication system prostituted to the special interest of a few. The myths, whether 'democracy myths' or 'free speech, free press' myths continue to shape public opinion in such a way that democracy has merely become a window dressing of legitimacy for the corporate control of government.

"Democracy is not a form of political organization; it is a form of propaganda... the most striking effects of participation in decision making, however trivial the decision may be, are psychological. People believe that they have a degree of control over the system, whether they do or not. If individuals believe that they have an influence on decision making, they are more likely to accept the decisions that are made. They come to believe in their own political efficacy and to accept the system...

The political implications of these findings should not be underestimated. Lazarsfeld and Merton (1948) concluded that propaganda is most successful when it is used to support the existing order. Huntington observes that 'perhaps the most important and obvious but also the most neglected fact about successful great revolutions is that they do not occur in democratic political systems'...all people believe that they will, they can hardly revolt, for they could only revolt against themselves." (23)
For the elites who operate governments, business and media then we can understand democracy more adequately defined as a propaganda strategy than as an operative form of political organization that carefully discards ideas filtering from the mass upward but carefully selects the ideas that it will allow to precipitate downward which will only help to reinforce the system that they wish to continue to dominate.

Or, more aptly phrased, "we might be the first people to go fascist by the democratic vote, and that would be something not even the Germans or Italians did." (24)

**FOOTNOTES**

2. R. Cirino, Don't Blame The People, Diversity Press, 1971, p. 63
3. M. McLuhan, Understanding Media, Signet, 1966, pp.81-86
5. The Financial Post, May 1, 1976, p.S-18
6. 7. Ibid
10. 11. Ibid
12. Wilfred Kesterton, A History of Journalism in Canada, passim
15. Donald MacDonald, The Media's Conflict of Interest The Center Magazine, Vol. 9 No. 6, 1976, p.18
16. 17. Ibid, p.18
18. 19. Ibid, p.25
21. Ibid, p. 1040
22. Ibid, p. 1017
23. Ibid, pp. 1043-44

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