Chapter XXXVIII The Mailers Are the Message of the Megamedia

The Random House reaction to the smash hit of the Oliver Stone movie JFK was not a publishing norm. It in effect began an immediate campaign to support the official assassination mythology not in the wake of the extraordinary success of the movie but even before that, while it was still being shown. It did that, made this large investmnet of time and mogny, despite the fact that polls reflected ~~the fact~~ that nine Americans our of ten did not believe the official mythology.

Random House published Posner in 1993 and it then published Mailer in 1995. With each it made an enormous and an enormously costly effort to sell the book. That is usually a risky proposition, and with the polls showing public refusal to believe what those books would say, this added investment was even ~~more risky~~ riskier. Normally such risks, with dubious propositions, is justified only when the prospects of return from running the risks is ~~enou~~ encouraging. That prospect did not and does not exist in publishing books that support this assassination mythology.

Because a Random House property, the ~~once~~ highly respcted Alfred E. Knopf opertaion, did the same thing in a different way in 1994 with Riebling's Wedge, this means that the Random House book publishing empire undertook, regardless of cost, a campaign in defiance of the probabilities of financial success to support the official assassination mythology for three ~~straight~~ consecutive years.

Posner himself dates the beginning of this departure from publishing norm to when the Stone movie was still being shown. He also stated explicitly that he intended to exploit the success of that movie by ~~presenting~~ exploiting the other side. His book lists some of his claimed intereviews in its notes. He began those interviews while JFK was still being shown. This means that Random House contracted it that early, that early went for overt ~~sprover~~ suppprt of the official assassination mythology. Given the time required for Posner to prepare his proposal ~~ant~~ then to get his agent's support for it and then for the agent to make a deal with Random House, it does appear that it all ~~began~~ may have begun before JFK became the Hollywoodian supercollosal box-office success that it was.

Making a large investmnet in a book for which all the indications are that about nine out of ten ~~possible~~ potential buyers of books strongly disagree with what the book will says is making this large investment with the hope against the odds that it can be recovered from the small percentage of the people who might ~~buy~~ consider buying it. This is not normal in any business. It is reason to believe that Random House had an interest in other than profits strong enough to be willing to suffer a loss and that it had the same interest when for all the money and effort it lavished on Posner's book it did not do all that well and never made any best-seller list anywhere, no matter how low on ~~any list. and~~ it. Instead it went ahead with the Mailer book.

Any interest in other than making money involved not only the Random House publishing empire, and emprire it is. It also involved the larger empire of which the Random House empire is but a part, the Newhouse empire that began with newspapers.

The most obvious of these other possible interests is government favor.

The only real interest in having the official assassination mythology approved by the people is that of the government.

This approval means nothing to the Random House empire. It means nothing to the Newhouse empire of which Random House is part.

Whether the people approve or disapprove the official assassination mythology has no impact on either of these large empires.

But earning and enjoying government appreciation for defending the government with respect to the assassination could have meaning for not only these ~~emories~~ empires themselves but for all the multitudious part of them. Particularly those faced with government regulations and even possible government ~~legl~~ legal determinations, like enforcement of the anti-trust laws. Those laws were on the books but enforcment of them virtually disappeared with the Reagan presidency. Yet they were the law and the law could be enforced. Infrequently ~~it was.~~ they were.

What makes this even stranger is the fact that the Mailer book is so much like the Posner book both as conceived and as executed.

~~One~~ Posner, ~~as we have seen,~~ excitedly and enthusiastically, said the most important part of his book is its biography of Oswald. This was touted to Publishers Weekly by the Random House vice president and executive editor, Bob Loomis, who was also Posner's editor, for the early 1993 issue in which the coming publishing commemoration of the assassination's thirtieth anniversary was reported.

Yet the Mailer book that Random House contracted was also to be an Oswald biography. It was to have been Oswald in ~~Msgsk.~~ Minsk. It was only after Mailer realized that despite all the evil he could summon to impart any interest at all in Oswald in Minsk, and we have seen that evil in some detail, he and Random House had a certifiable disaster on their hands, that he added its second part, his ~~fictional~~ account of the assassination we have examined. But even second part Mailer added, pretendedly from the official account of the assassination, and Random House published in 1993. ~~Even in this he~~ duplicated the Posner book ~~because~~ that is what Posner had already done. The differences in the books are ~~is~~ slight. While Posner pretended to stick to the official fact Mailer added his mind-reading and ESP and what he regarded as his unique perceptions and understanding. But essentially the two books are the same. They differ in the writing but not in what they say.

If the Posner book had been a big success, what Random House did ~~this~~ could be understood, But it was not a financial success and it was ~~best beste wi~~ beset with costly problems, before the Mailer book was published.

Among these problems were at least two law suits. One by Mark Lane Random House won early on. One by Robert Groden, with Roger Feinman his lawyer, did cost Random House because Feinman persevered with a strong and a detailed case ~~at the~~ lower level and on appeal. While Random House had its own legal staff, because of the potential of loss it engaged costly specialized counsel, experts in First Amendment cases. That did cost and it cost heavily even though on appeal, which entailed added costs, Random House did prevail.

While Mailer and Random House may well have assumed that Marina Oswald would not sue or could not afford to sue or could not get a lawyer to sue for her on a contingency basis, while they may have believe it unlikely that she wouod sue, it is without reasonable question, as we have seen, that Mailer not only libelled her- he libelled her deliberately and knowing that what he wrote was false and ~~xxxxxxx~~ malicious. If it was assumed that Random House would have won any lawsuit she filed because Mailer did have sources for what he said about her, the cost of defending such a suit would have been quite large. Especially if it were filed in Texas. That would have added to the considerable New York legal costs of the suit the cost of Texas counsel.

But there is a more than merely legitimate basis for her to sue, and knowing and knowing from Mailer's book that what he wrote about her was lies, that Random House published the deliberate libels of her anyway. By the time the Mailer book appeared Random House knew very well that there was little prospect of profit from ~~the Mailer book~~ it that could ~~protect it from~~ meet the costs of additional litigation. Then there was what remained a possibility, that Marina would win. With the sums awarded for libels and damages by juries that could have been a very large sum of money.

Not matter how slight Randon House considered the possibility to be, it nontheless published the Mailer book and ran that risk of being assessed a very large award to ~~for~~ Marina in addition to the considerable costs of the litigation.

All of this is the kind of risk that is not normally run without the reasonable expectation of a large profit from the gamble.

That did not exist with the Posner book and it was certain before publication that it could not exist with the Mailer book.

Yet Random House defied normal bsuiness considerations and published both books. And it did that knowing also ~~babe t~~ about the Mailer book that it was not much more than a verbose duplication of what Posner's book said about Oswald and about the assassination and its investigation.

As we saw, the probabilities were ~~xx~~ soon the actuality. Random House cancelled its barnstorming on the book by Mailer so abruptly it ran the risk of antagonizing those on whom it depends for attention to its authors, like the TV shows scheduled and left with voids to fill in haste.

With this the empire of which Random house ~~a~~ is a sub-empire, the Newhouse empire, got behind the promotion of the Mailer book. Newhouse owns Random House and it also owns The New Yorker. Newhouse owns Vanity Fair, too, the magazine for which Mailer wrote, ~~and~~ There was talk that for this reason it would do what The New Yorker did, but it could not begin to devote the length to what it would use that ~~txx~~ The New Yorker did. So Random House opted The New Yorker.

The book did bomb and it bombed fast.

It was an enormous cost to Random House.

As with only normal publishing interests and concerns it should have expected.

However, more than ~~$~~ the books themselves, with the extraordinary attention Random House attracted to what ~~they~~ Posner and Mailer said, ~~it~~ they reached an enormous percentage of the people with its seemingly impartial attempt to justify the official assassination mythology.

Mailer alone reached more people than bought his book with ~~the~~ that one Philadelphia Inquirer story of his appearance before those University of Pennsylvania history students. ~~reached. But there was~~ The rest of this exceptional attention began with that lengthy excerpting of the book's first part in The New Yorker. 5A here

A Then there were all the homes reached by that Parade cover story - most of the homes that saw a Sunday paper. There were also the vast audiences of the network TV shows and the many local TV show audiences. For its bomb of a book at the outset Random House reached a much higher percentage of Americans than a successful and worthwhile book can hope to reach. ~~And~~ But still it did not sell. People just refused to buy it.

~~And which refused to buy it.~~

The only beneficiary of all that Random House did was the government. Other than Posner and Mailer in what they got from Random House for their books, non-refundable advances against royalties.

Two books that normally would not excite a publisher.

Yet the two books that got the greatest publisher created attention of any books in many years.

Not since William Manchester's did any book on the assassination get the attention Posner's did - not in thirty years. Yet despite that unprecedented attention - and remember, it began with much of an issue of U.S.New and World Report, including its cover, devoted to it -the performance of Posner's book was dismal. For the costs lavished on it and for all that attention it, too, was a bomb. That was in 1993. Despite this forecast of what could be expected in the market place of the Mailer approach, the same as Posner's, save for the writing, in 1995, despite this experience, Random House lavished even more money and effort on Mailer's book.

In any business, in publishing in particular, this is abnormal.

In the past, before the proliferations of so many empires, this would not have been possible.

Not for an independent book publisher with a board of directors and stockholders to demand accountings and explanations and to chop heads off.

For an indepedent book publisher a single fiasco like that Mailer ~~siaster~~ disaster could mean more than the difference between profit and loss. It could be ruinous to that publisher and to his reputation. It would have been, in years past, the topic of lively reporting and discussion totally lacking after Mailer bombed for Random House.

Years past changed when that veteran of grade B movies set national policy.

Sublimely ignorant as he was of the national learning of the past or totally indifferent to it if by slim chance he was not ignorant of it.

As this nation grew and with that growth there were endless opportunities for the enrichment of the greedy there came into our national life those first known as the robber barons. They and others who began with wealth saw means of increasing their wealth by establishing monopolies. The evil, the very hurtful consequences of those monopolies led to laws to prohibit them and in some instances to liquidating them into indepedent components. This was found to be necessary for the economic health of the country. Under the anti-monopoly laws the economy and the nation prospered as never before. A special new division of the Department of Justice was established to enforce those laws. It was and is known as the Anti-Trust Division but with the advent of Ronald Reagan it had less and less to do because enforcement of those laws was not the Reagan policy. Nor was it of George Bush, who succeeded him.

The George Bush who when running for the republican nomination Reagan got ridiculed Reagan's economic policies as "Voodoo economics" and when he succeeded Reagan perpetauted what he had ~~ead~~ sarcastically condemned as "voodoo economics."

The word "monopoly" came to be pretty much restricted to a popular game.

As the country grew it learned that the omnipresent greed required regulation to protect the weak and the innocent from the greedy and powerful. So along with the vitiation of the anti-monopoly laws came the reduction of regulatiosn that experience, the most painful and costly experience, had shown to be absolutely necessary. All of these most radical changes were dignified with buzz words. Thus the reduction of regulations in some aspects of banking, which really means with the savings of the majority, led to a special class of institutions with the buzz-word identification of "thrifts." When that new ~~botaional~~ national policy of helping the greedy rich get even richer, of the enrichment of the minuscule minority at the cost of the majority, collapsed, as was inevitable, the cost to the nation was so great it could not even be computed. What was acknowledged was in the hundreds of billions of ~~doulit doallie~~ dollars, a sum beyond normal concept. Much of it was a "hit" on the national treasury, that much of an increase in the national indebtedness. It is not reflected in the official figures

of the national debt because President Bush said he would veto the legislation to relieve some of the hundreds of thousands of victims unless it was not included in the national debt figures. Without that enormous increase in the official national debt figures the Republican Reagan and Bush administrations increased the national debt incurred by all presidents before them by three times. Thus the Republicans had their basis for their successful campaigning against the Democrats by calling the Democrats the "tax and spend" party of the big spenders who had increased the national debt. This gives an idea of the political realities of the era and of the media of the era. The media It ~~MMMX~~ uncritically reported the Republican claims that the Democrats ~~had~~ were responsible for the Reagan and Bush enormous increase in the national indebtedness.

And so it was that monopoly was no longer the national curse it had been proven to be. The word is rarely mentioned. But the proliferation of monopolies was simple ~~enormous~~ gargantuan. As were some of the conglomerates that emerged. Not a few were in communications. They came to pretty much monopolize what the people could know. And what is sometimes more important, what they would not know.

While the lust of the greedy rich to become even richer did no end with the anti-trust laws, witness the number of prosecutions under them, monoploy was restrained. Beginning with the Reagan administration there was increasingly little restraint on monopolies and as with so much of that era they were presented as a boon to the nation. As time passed they grew to be more numerous and ever so much larger.

The tendency came to include the major media.

But before long those conglomerates conglomerated even more.

There was a crescendo the summer of 1995. It made, as it could not help making, sensational headlines but they did not last long and soon it was no news at all and if it ever really penetrated the national conscienceness there was no reflection of it aft~~t~~er the headlines were forgotten.

~~While~~ With the word "monopoly" ~~was~~ rarely used there was an intense controversy the first week of August, 1995 over a bill in Congress ~~thatxxxxxxx~~ whose supporters claimed, it was an anti-monopoly bill. In the words of a single full-page (of which they were a number) advertisement in the Washington Post of August 3, ~~that~~ existing "communications policies allegedly restrain competition, discouraged technical innovation and stifle economic growth and job creation." Change allegedly was needed "to free markets." Most of the three dozen signers were themselves vast conglomerates. Most of the very biggest in TV and cable were signatories, including one that will soon interest us, Time Warner Inc. The proposed changes were by the Republicans. The administration's position, as reported by The Washington Post August 1, was that

"Instead of promoting investment and competition, the bill ~~it~~ promotes mergers and concentration of power. Instead of promoting open access and diversity of content and viewpoints it would allow fewer people to control greater numbers of television, radio and newspaper outlets in every community." One provision, the Post reported, "would allow a single owner to acquire television stations that can reach 50 percent of the nation and another would repeal bans on one company owning a combination of newspapers, broadcasters and cable operators in the same town."

And rather than benefitting consumers, as the Post reported August 5, the bill "would remove most federal controls on cable TV prices and allow media companies to assemble much larger empires of broadcast stations, cable systems and newspapers than are now allowed."

In short, in the name of ending monopolies the proposal ~~a2q~~ was to ~~empower~~ allow even more of them and that in the name of benefitting consumers ~~they~~ who would be compelled by ~~increasre~~ increased monopoly to pay more for what they got.

Support for empowering monopoly in the name of ending it was so well financed that ~~it~~ day after day the Post had three of full-page ads ~~the Post~~ on one day it had four of them. One of three was of two full pages. Such ads are costly.

In the midst of all of this the Post reported on August 2 what it headlined on its first page, "Westinghouse To Buy CBS." The subhead reads, "$5.4 Billion Merger Would Create Top Station Owner." The headline on the carryover inside is, "Westinghouse-CBS Would be Nation's Largest Broadcasting Station Owner."

The combine has the capability "collectively of reachinb about 35 percent of all American househ oldd."

Five billion dollars is so fantastically large a sum most of us can give it no real meaning.

Big as it is it was peanuts cpmpared to the deal of the day before. In the same day's Post it as referred to as "stunn9ng." Hollywood's Walt Disney Company bought Capital Cities/ABC, Inc. for nineteen billion dollars!

This deal was reported as pending August 1. As the Post reported that day,

"In one stroke Disney would become the largest among the handful of Global entertainment goliaths." "Entertainment" includes, of course, news and other information such as is in books and magazines. These once were a major source of information that was ever the basis for the people so they could make their desires known, the way the democratic system is supposed to work.

It was not until a couple of weeks passed that the third of these "goliath" deals was done. Again the Post's August 23 headline, "Time Warner, TBS Agree on $7.5 Billion Merger." The subhead is "Deal to Create World's Largest Media Company." Under the heading "PLAYERS IN THE DEAL" the Post lists the major holdings of Time Warner and of Turner Broadcasting in parallel columns under this comment:

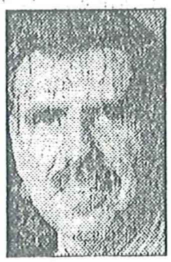
Who put this deal together was reported without confirmation. If there was any denial I am not aware of it.

Of those who were cleverest ~~in~~ taking advantage of the real possibilities for profitable dishonesty that ~~were~~ became the reality beginning with the Reagan administration and its radical change in national policy and even in concepts of honesty none was more spectacularly successful than the Wall Street <u>wunderkind</u> Michael Milken. But in time he went a little to far. He was indicted and convicted over his fantastic manipulations. Part of his ~~sence~~ sentence was that (after he served his sentence in jail) he is forever precluded from such wheeling and dealing. He is credited with putting that Time Warner/ Turner deal together and with getting $50 million for it.

11

A combined Time Warner-Turner company would have had revenue of just over $18.7 billion last year. Here is what each brings to the proposed merger.

TIME WARNER


Levin

- **Headquarters:** New York
- **Chairman and CEO:** Gerald M. Levin
- **Operations include:**
  - *Publishing:* Time, People, Sports Illustrated, Fortune and other magazines; Book-of-the-Month Club; Little, Brown and Co. and Warner Books
  - *Music:* Warner Bros. Records, Atlantic Recording Corp., Elektra Entertainment
  - *Programming:* Warner Bros. films; Warner Bros. Television; WB television network.
  - *Cable:* Nation's second-largest cable TV system group with about 11 million subscribers. Owns 18 percent stake in Turner Broadcasting System.
- **1994 earnings:** Lost $91 million
- **1994 revenue:** $15.91 billion

TURNER BROADCASTING


Turner

- **Headquarters:** Atlanta
- **Chairman and president:** Ted Turner *(will become vice chairman of Time Warner*
- **Operations include:**
  - *Cable Networks:* TBS Superstation, Cable News Network, CNN Headline News, CNN International, Cartoon Network, Turner Classic Movies, Turner Network Television.
  - *Entertainment:* Castle Rock Entertainment, Hanna-Barbera Cartoons Inc., New Line Cinema, Turner Entertainment Co.
  - *Sports:* Atlanta Hawks basketball, Atlanta Braves baseball, Goodwill Games, World Championship Wrestling
- **1994 earnings:** $21 million
- **1994 revenue:** $2.81 billion

by even more monopoly

And so in the new world of doublegoodspeak this is how monopoly was to be retrianed and trade was to be feed up, supposedly all for the benefit of the consumers, almost all the people. NA done

Befofe Time Warner's ~~was~~ gobbling up of Turner Broadcasting was a done deal, here is how humorist Art Buchwald, who had become the most perceptive and articulate of political commentators, put it in perspective in his August 15 column. He titled it "The Lonely Antitrust Repairman," the latter referring to the popular Maytag ad on TV:

(Unlike Time-Warner, Turner Broadcasting was making money. As The Washington Post ~~rep~~ reported November 8, 1995,"Turner Broadcasting, which has agreed to a buyout by Time Warner, reported ~~to~~ a $40 million third-quarter profit." And that was after ~~a~~ paying off $25 million against debt.)

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12

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With all the giant mergers going on and no one protesting, I think of the lawyer in the antitrust division of the Justice Department as the Maytag man. He keeps sitting by the telephone, but it never rings. He has absolutely nothing to do but cut out paper dolls.

I felt sorry for him, so I went to visit him the other day. He was in his bare office with his feet on the desk. He was tossing rolled-up pieces of paper into a small basketball hoop attached to his wastebasket.

"I'm sorry to bother you," I said.

"You're not disturbing me," he said. "No one ever comes here anymore. It's nice to see a friendly face."

"Tell me what the antitrust department is supposed to do."

"My job is to make sure giant corporations do not have a monopoly on any major American industry. I have to protect competition, so the consumer is not at the mercy of avaricious Wall Street manipulators who will try to corner the market and control prices once they are in charge."

"That sounds like a very important job."

"It would be if the phone ever rang. Every time there is a merger, the giants who make it insist it will create employment, lower prices and allow American companies to compete with Japan."

"Then what?"

"As soon as the paper is signed, they their products and have everything they once made here manufactured in China."

"Why don't you call them on it?"

"I can't. My phone isn't plugged into the wall. Congress passed a law that I am not to interfere with any merger that has been proposed by lobbyists who donate more than $25,000 to a political campaign. That's why the phone never rings."

"I guess for all intents and purposes, your job isn't worth a bowl of clam chowder. Why do they even have an antitrust department at all?"

"It looks good to have one because it makes the people think they are being protected from the money men who want to own America. This month it's been the entertainment conglomerates that want to take over all the facets of the industry—tomorrow it will be the phone companies, and the month after that the computer giants will make a stab to have it all. It's to their advantage to have an antitrust division so they can say we didn't object to their becoming a monopoly."

I said: "This has been very helpful. I am no longer fearful that the cable people will raise my rates or the movie companies will force their own junk films down my throat in the theaters they own, or the TV networks will show garbage they produced on their own networks."

"Why do you think that?"

"Because I know you're here."

Two days after the deal was done the *Post*'s same financial writer, Paul ~~[illegible]~~j Farhi (right), had a lengthy story headlined, "Getting a grip on Debt." Referring to Gerald M. Levin, its chairman and chief executive officer, the subheading is "Time Warner Owes $18.5 Billion, But to Jerry Levin That May Not Be So Bad." Time Warner's ~~took this~~ debt so great it is hard to imagine, $18.5 billion dollars!

Time Warner's ~~gr~~ gross revenue for 1994 did not equal its debt. That year it actually lost $91 million dollars. So, solid as American business is, Time Warner's debt was increased even more by gobbling Turner up—for $18.7 billion, (more than the debt it incurred before the Turner deal)

12.1 → Thanks to the earlier easing of ~~restrians to~~ restraints, which means encouraging of monopolies beginning with the Reagan administration, this control over what people could know had already been gathered up by smaller monopolies of the print press and radio and TV. The net result had already been what is referred to as "entertainment," which rather stretches that word, became the basis of ~~news~~ "news" on TV and a smaller and ~~sm~~ smaller proportion of the newspapers was devoted to the changed concept pf of hard news. ~~Impor~~ What would have been regarded as important stories only a few administrations earlier never got reported. Reporting was more and more angled not infrequently in line with the policies of those Republican administrations. The people had been conditioned not to want real news, to watch what is dignified by being referred to as "entertainment," and they came to expect less news and to have less interest in it.

Steadily they have gotten less news and in what is billed as news most of local origin is crime and disasters. There is increasingly little reporting of significnt national issues and that little is more angled as the super-rich would prefer and the Republicans did prefer and they did taken advantage of that slant and bias.

With increasingly fewer owners to control what would be presented to the people.

With TV network owners like Westinghouse and General Electric (NBC) deeply involved in military production TV had motive for treating the military and appropriations for it as sacred cows. Very few people had any way of knowing whether some military appropriations were necessary, because that information was skimped on when reported at all.

Nor was there any hue and cry when in the midst of decimating needed programs for children, the poor, ~~and~~ the elderly and disabled the Republicans insisted that more B-2 bombers, the most expensive in history, be appropriated for than the Pentagon (which did not want them,) said there was any use or need for.

Who remembers this being spelled out, made comprehensible to the people by the even more monopolistic major media?

Relatively small monopolies today are vastly ~~mo~~ wealthier than the worst of the era that taught us how dangerous and hurtful monopolies are.

John D. Rockefeller was a pipsqueak compared with Gerald Levin, except that Rockefeller owned his fabled monopoly and Levin merely controls the one he mired in extraordinary debt.

Even for the privately-held company it is this does seem strange, more so because ~~it is~~ Newhouse is an empire. Its holdings are of exceptional importance to the areas in which they are. This is particularly true where it owns the only or the major newspaper.

When my helpful friend Paul Hallr got to a library other than the one where he lives he found the 1995 Directory of Corporate Relations. Under "Advance Publications, Inc." it lists sixteen magazines, twenty-two book publishing corporations and not a single newspaper or radio or TV station as owned by Newhouse/Advance.

These inconsistencies and disagreements seem strange considering that these are listings for businesses.

It seems strange, too, that the Newhouse empire does not see to it that the information about it available to business interests is full and complete and above all correct. Not only are these the differences noted above in standard sources, the Directory of Corporate Affiliations lists Pantheon as a Random House subsidiary in 1995 when Random House created a flap in selling it five years earlier.

Yet it does not list The New Yorker as a Newhouse property.

Inspired by Reaganism ~~bookxpublishersxalsox~~and its de facto nullification of of the anti-monolpoly ~~laws also~~ combinations combined even more ~~or were taken over.~~ By August 3, 1995, ~~Grndi~~ Random House had twenty-one book publishing entities. They are listed as subsidiaries, affiliates or divisions. Random House itself is listed as having as its parent Advance Publications., Inc. ~~Two other well-known publishing names are affiliated with Advan ce Publications.~~ Random House sales are given as a round number, $100 million. Indices other than Reed give still other publishers as part of Random House.

Dun & Bradstreet lists S.I.Newhouse as chairman of the board of Advance Publications, Inc., and Donald Newhouse as president. Under "Sales" it says "1.6 MMM." For the "number of sites" it says "114." The newspapers listed are listed as individual newspapers and as chains of newspapers.

Ward's Business Directory gives Random House's sales for the year 1994 as $290 million.

Standard & Poor's ~~Kourtxxandxmoodyx~~ Corporate Register for 1995 lists as Random House directors Donald Newhouse and S.I. Newhouse, Jr., Dun & Bradstreet appears to have dropped the "junior." With S.I.Newhouse seeming to have begun what grew into this vastness in 1924 that seems not to be unjustified.

There are other inconsistences, like Ward's Business Directory listing as Random House's "immediate parent" not Advance but "Newhouse Publications Corp."

14X here

What did strike me as particularly strange is that a search of Standard & Poors and of Moody's, both standard sources for most of a century at the least, turns up nothing under Newhouse, only other corporate names. A library computer search resulted in the same void. Without doubt the information is not secret but it likewise does not surface with what used to be the normal and adequate search of standard sources. 14X here

The television part of the Newhouse empire is not referred to in these sources. Another source gives its busines volume for 1994 at almost a half billion dollars.

In any event, whetever the size or wealth of the Newhouse empire, while it certainly is not that of Time Warner/Turner it is its own empire in the news and information field or industry as ~~they are~~ it is now thought of and called. And, as Newsweek referred to on November 12, 1990, shortly after ~~him~~ the ~~him atxxhmxxtimmxoxfxan~~ intense contraversy he caused soon after to took posession of Random House, it is privately owned by billionaire Si Newhouse."

Random House, not quite as old as the Newhouse empire, was founded in 1927 by Bennett Cerf. He later, with the advent of network TV, was one of its early personalities/ stars because of his manner, his personality and his knowledge ~~when~~ of a wide variety of subjects. Random House under him became what it still remains, what at the time of the 1990 controversy Roger Cohen, writing in The New York Times, referred to as "a literary symbol." As Cohen also wrote, from the time of its for that era courageous publication of James Joyce's ~~Ulysses~~ Ulysses in 1934, "Random House has embodied excellence."

As of the time Newhouse shook it all up, from the top down, as Cohen reported, for "greater profitability," when he forced its publisher, Joni Evans out she was, again quoting Newsweek of November 12, " success." She had "published 18 best sellers so far this year alone." But that, apprently, is not how Si Newhouse measured success.

Newhouse caused an unroar in book publishing. The Cohen story quoted above, one of a great number, was given about half of an entire page by the Times.

Also forced out as Random House chairman was the respected Robert Bernstein. ~~a he~~ ~~he had~~ He had served Random House with distinction for twenty-three years.

Of the many controversies this Newhouse shakeup caused perhaps the most serious in publishing was dumping from Pantheon "Andre Schiffrin and most of his editorial stuff," as the trade publication Publisher's Weekly reported in its March 23, 1990 issue. As a result, "Forty editors and publishers of Random House, Inc. issued a public statement" condemning it. They interpreted this action as an "attack" on and as "disparagement" of themselves.

Random House also got rid of Pantheon, a very respected book publisher. ~~Neha~~ Newhouse wanted more profit, not more respect, and Pantheon then was not profitable.

Before this book publishing was first shaken up when RCA, which was also a major military supplier, sold Random House to the Newhouses. That is when ~~Newhouse~~ Random House also began expanding by buying such major book publishers as Times Books and Crown along with the major paperback publisher, Fawcett.

How the trade regarded all of this is refeflcted in the headline on the quoted Newsweek ~~Newswwk~~ story. It is ~~was~~ "Manhattan Cannibals."

Harold Evans, former British newspaperman, chosen by the Newhouses to do what they wanted done at and with Random House, did it so well that after five ~~fifteen~~ years he is still at its ~~the~~ top ~~at Random House~~. Among the many of those forty who signed the letter of protest over what Evans did in 1990 who are still there, Bob Loomis ~~is~~ rose to become a vice president and executive editor. He ~~is Bob Loomis, who~~ was Posner's editor. He ~~and who~~ sharees Posner's dedication of the book with Posner's wife Trisha. Another of those survivors is Jason Epstein. He was Mailer's editor.

In an interview with Newsday's Paul D. Colford published September 9, 1994, Evans dispelled "the popular notion that a best-seller is by definition a profitable book. ...According to Evans, the 29 Random House titles that made the Times' end-of- ~~the~~ 1993 list of ~~the~~ 'most notable books' collectively lost around $600,000."

Of Posner's Case Closed Evans told ~~Colfield~~ Colford, "We would have done it even if we'd lost money." ~~that~~

If he told Colford why they would have publisjhed Case Closed believing that it would lose money, Colford did not include that in his interview.

This fits nicely with what Bob Loomis told my friend Dan Bechmann, that they would not under any circumstances publish any book not in accord with the official assassination mythology. It can also explain why with all his duties as vice presidnent and executive editor Loomis ~~he~~ took the time to respond to many letters critical of that book and of Random House for publishing it. In copies of them sent me he even denounced those who wrote him.

When my friend Gerald Ginocchio, professor of sociology at Wofford College in Spartanburg, South Carolina, wrote Loomis documenting the grossest lies and factual inaccuracies in Posner's book, documented with copies of the Warren Commission's own evidence Posner claimed to be citing, Loomis did respond on February 22, 1995, that long after the book appeared, a full year and a half later,"I think the only thing I can say to your letter is that I feel sorry for you." This is Loomis' entire letter.

That was about a year after I learned from inside Random House that Loomis was seen prowling its halls with a copy of my Case Open clenched in his fist muttering, "Gotta find some way to sue this son-of-a-bitch." Loomis knew he had published a deliberate fraud of the crudest inaccuracies by a plagiarist and a shyster a year before his nonresponse to Ginocchio.

In that letter he defines himself, ~~and~~ his publishing and his ~~purpoees~~ purposes as no enemy could improve upon.

Colford raved about Evans ~~key~~ best-seller reoord: "A whopping eight of his books have settled on The New York Times' national best-seller list..."

Colford did not recall that ~~fifteen~~ five years earlier, before Evans, the Random House best-seller record was more than twice what he raved about.

But then ~~as~~ Evans also told him, they do not always publish to make money and that was not a consideration in publishing Posner.

Or, as is clear, Mailer.

If it seems inconsistent that Newhouse brought Evans in to make more money and Evans lost more than a half-million dollars on those "most notable" books ~~eight best-sellers~~ and then says he would have published the Posner book even if he expected it to lose money, this was not inconsistent or provocative enough for Colford to mention it. (If Colford read the copy of Case Open I was asked to send him he did not review it in Newsday and he did not write or ask me about it. But then Colford also knows what news-and-information industry empires are. He works for one, that of the Los Angeles Times, the Times-Mirror Company.) While I was writing this that empire caused another New York publishing commotion by killing the New York edition of ~~the paper~~ their Long Island paper.)

There is not a thing those who work for these empires can do about them other than survive in them, quit them or get fired by them. Their proliferation has cost thousands of reporters, editors and others their jobs. That, in addition to concern about the inevitable effects of

monopoly is on news, has caused fear and discussion. In the September/October 1995 issue of *The Columbia Journalism Review* Neil Hickey wrote an article headed, "the megamedia and the message." In the previous issue his "Revolution in Cyberia: The Battle Between Megamedia, Congress and the FCC" appeared. Earlier we had a brief look at what troubles him in his second article whose subhead is "when the government ~~lex~~ lets go the deals get going." (1)

With only a page there was much for which Hickey had no space. For example, the billionaire Australian Murdoch owns another of those empires. His Fox broadcasting network, which only a few years earlier bought Metroemdia out, comes from money he made in newspapering all around the world, from his native Australia to London, where he bought the prestigeous The Timeso of Lomdon. Murdoch's many other propertoes includes the major book publisher, ~~Harpe~~ Harper Collins. Harper was a major publisher in this country, as Collins was in England. Murdoch was also involved in a scandal that walked like a bribe, talked like a bribe and looked like a bribe when he contracted a book from the newly-elected but not yet Speaker of the House of Representatives, Newt Gingrich, for $4 million without a word of it on paper. By controling the House Gingrich would control legislation. This includes legislation facilitating and rewarding empire-building, specifically the legislation Hickey writes about.

Once this was reported there was a flow of contradictory statement about it from Gingrich and those who spoke for him. These ranged with regard to Murdoch from to denials and to there being nothing to it at all to ~~an~~ the belated admission that he had met with Murdoch and his lobbyist and his lawyer and they had discussed legislation. But naturally, soul of probity that he is, Gingrich did nothing improper. It only looked that way. 194

~~Wiht~~ Without such details Hickey did speak for many journalists and others:

the megamedia are the message

when the government lets go, the deals get going

It was no coincidence. Just as the most sweeping telecommunications reform legislation in sixty years was clearing the last hurdles in Congress, the Disney folk let it drop that they would dine on Capital Cities/ABC, and Westinghouse said they aimed to scarf down CBS. "An utterly great transaction," trumpeted Barry Diller of the Disney concordat. "It's a great deal for both parties," declared Rupert Murdoch. "A great merger," decided Warner Brothers chairman Robert Daly. "The right thing has been done for the shareholders of both companies," announced Warren Buffett. (But what about the rest of us, a few dazed observers wondered.) The Westinghouse/CBS pact won lesser raves, but mostly because the one-time Tiffany Network (now dubbed the Woolworth Web) is a ratings also-ran (versus the surging, No. 1 ABC) and had been eviscerated by the policies of outgoing proprietor Laurence Tisch. And because Westinghouse was a lackluster suitor compared to the dashing Disney.

That thundering double salvo from the guns of early August was triggered by expectations of a new day dawning in which government, once and for all, will stand aside and not meddle in the profit strategies of America's media conglomerates. The telecommunications bill, to be negotiated between House and Senate this fall, contains provisions that remove all limits on the number of radio stations a single company could own; increase the number of TV households a single broadcaster could serve; and allow entrepreneurs to own newspapers, radio stations, telephone companies, and cable systems all in the same market. President Clinton has vowed to veto the bill "in the best interests of the public and our economic well-being" if it weren't significantly revised — on grounds that it smothered diversity and would permit unwelcome concentrations of media firepower "in every community."

Virtually lost amid all the speculation, jubilation, and lamentation: What vision do Disney and Westinghouse harbor for the news departments now so firmly in their grasp? At the two press conferences announcing the buyouts, neither Disney boss Michael Eisner nor Westinghouse suzerain Michael Jordan thought to offer a reassuring word that the journalists in their employ would enjoy a sturdy firewall protecting them from the preferences and petulances of the corporate parent. Nor did Eisner and Jordan pay the customary state visits to their network newsrooms (as had Barry Diller and Larry Tisch before them) to reassure the troops. (During a teleconference with ABC employees, Eisner did declare, with customary elegance: "I wouldn't screw around with the news, especially ABC News." And belatedly, on August 9, Jordan paid a flying courtesy call to the CBS News precincts.)

But a Disney executive told *The Wall Street Journal* Eisner is a "warrior . . . . If he doesn't feel like you're with his program, there's a problem." Attention Peter Jennings and Ted Koppel. Also take heed: the seven Capital Cities/ABC newspapers (including *The Kansas City Star, Fort Worth Star-Telegram*, and the Wilkes-Barre *Times-Leader*), plus *Los Angeles* magazine, *Women's Wear Daily*, and *Institutional Investor*. *New York Post* columnist John Cassidy wrote: "To put it kindly, Disney is not renowned for its commitment to freedom of speech."

Clearly, the fear of ownership of news organizations by mega-corporations (including those that traffic in government contracts) is nothing new (viz. NBC News and GE.) But the Disney and Westinghouse ventures ratchet the concerns up to a new level, especially since the end of big-time merger mania is nowhere in sight. Andrew Barrett, an FCC commissioner, predicted a few weeks ago that by the year 2000 "we'll probably see ten to twelve companies controlling everything we see, hear, and convey in entertainment, voice, and data." "A passion for good old-fashioned journalism could hardly find a more discouraging atmosphere within which to try to survive," wrote Nieman Foundation curator Bill Kovach in *The New York Times* (August 3). Andrew Jay Schwartzman, director of the Media Access Project, added: "The unprecedented cynicism and distrust of American journalism is not alleviated by these consolidations."

~~Not everybody is so pe simistic. *60 Minutes* bo: Don Hewitt claims that twenty-seven years n employer has ever tried influence him. Pressu from on high is somethi "that's simply not on m mind. Maybe it should b but it isn't."~~

~~A growing number theorists like Al Snyde senior fellow at tl Annenberg Washingto Program, feel that Disne Westinghouse, and all oth present and future co glomerates need to issue formal, industry-wide pu lic declaration of their ne divisions' independence - a document that would co tain language reassurin both the public and tl press that journalists are hundred percent insulat from the interests of the owners; that corpora chieftains will nev attempt either to advance quash a particular stor and that news broadcas will never be used f cross-promotion a exploitation. "It's som thing they need to turn the attention to very quickly Snyder says.~~

~~Without such a covena television journalists are vu nerable, even if they don know it. Just after th Disney buyout, Barba Walters recalled that AB News aired a special la spring from the Disne World movie studio Florida. "Now, I couldn't d it," she declared.~~

~~Wanna bet?~~

~~*Neil Hick*~~

Hickey wrote "Revolution Cyberia: The Battle Betwe Megamedia, Congress, and t FCC" in the July/August CJR.

= To draw on how Hickey begins his article, was it, could it have been, only coincidence that Murdoch visited Gingrich "just as the most sweeping telecommunications reform [sic] legislation" was before the Congress? Only coincidence that Murdoch's book publishing subsidiary offered Gingrich that enormous "advance" on the book he had not even begun to write when Gingrich controlled the House and what it could do with that bill?

What did Murdoch say of this "reform" that assured greater monopoly and greater control in fewer hands of what the people could know?

"It's a great deal" he said of the proposed merger Hickey refers to.

That bill, as Hickey said,, ~~mxxnt~~ meant "expectations of a new day in which government... will stand aside and not meddle with the profit strategies of America's media conglomerates." The bill "would remove all limits on the number of radio stations a single company could own; increase the number of TV ~~stationsx~~ households a single broadcaster could serve; allow entrepeneurs to own newspapers, radio stations, telephone companies and cable systems all in the same market."

with all he did that was so wrong, Murdoch's visit - with his communications lawyer and he denied

Of course as he always did, Gingrich made little of ~~his visit~~ ~~from~~ and connection

or of that visit with the pending legislation

with Murdoch, All innocent, pure as the driven snow. No matter how seemingly corrupt.

The Murdoch who would benefit from that bill as the owner of all the various means of communication, from the Fox TV networks to ~~including~~ books, who would be exempt from the controls it took us generations to learn were essential to a free and democratic society, and to free competition in the marketplace. And that vast advance to Gingrich for the book not written? Of course it had to be worth that much, sight uness unseen, as ~~he~~ Gingrich made clear when he could not longer pretend that none of this had ever happened.

He was as he always says, completely innocent with the interest of the nation all he ever had in mind.

While throughout all of this there were ~~m~~ faint murmurs of the corruption Gingrich always denied, the next year, following initial exposure in The Wall Street Journal of was prohibited in the House, as The Washington Post reported November 11, 1995:

20B

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House Democrats accused Speaker Newt Gingrich (R-Ga.) of a conflict of interest yesterday for using a telecommunications entrepreneur as an unpaid adviser while Congress rewrites laws regulating that industry.

"Influence peddling, special interest access . . . these are the hallmarks of the Gingrich revolution," said Rep. Rosa L. DeLauro (D-Conn.).

From December 1994 until late July, Donald G. Jones, a GOP donor whose holdings include cable television systems and a service that sells access to the Internet, was a volunteer in Gingrich's office, advising the speaker on telecommunications issues.

The "issues," of course, were of considerable interest to all the empires, including that of Newhouse ~~in particular~~.

As *Post* reporters John E. Yang and Mike Mill continue:

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House rules prohibit the donation of services to a lawmaker except in the case of "educational programs that are primarily of educational benefit to the individual [volunteer], as opposed to primarily benefiting the Member or office, and which do not give undue advantage to special interest groups."

"I don't believe, if you read those rules, that they're intended to cover a person like Mr. Jones," Andrew said. [Louis Andrews was Jones' lawyer]

Democrats portrayed Jones's role as an example of a special interest holding sway in Gingrich's office. "This is a toxic mixture of campaign money, special interests and the third-highest office of the land," Miller said.

Since 1988, Jones and his wife gave at least $63,950 to the Republican Party and GOP candidates, including $1,000 to Gingrich in 1990, according to Federal Election Commission records. In addition, he gave at least $10,000 to GOPAC, a political action committee Gingrich headed, according to GOPAC records.

GOPAC is what Gingrich used to develop the political influence he had gotten. In doing that he had used cable TV for a special "educational" program of his which as entirely of the new politics he was developing. It was the basis of his "Contract with America" that soon enough, but without the major media spelling ~~of~~ it ~~all~~ out, was his Contract on America.

Through his attorney ~~Louis~~ Andrew S., Jones "denied his client had ever attempted to influence legislation." But for what else would he have been there?

Gingrich was not entirely silent, although as was so often true he was careful not to speak in his own name:

Indent single space

> In a statement, Gingrich defended Jones and his service. "To the best of my knowledge, Don Jones is an ethical and upstanding citizen," he said. "He has done nothing inappropriate nor unethical."

Non sequeturs are the ~~stac~~ stock in trade of politicams with something to hide or to evvade. As the Post did not report, the question raised was not whether Jones ~~was~~ is "an ethocal and upstranding citizen" but whether Gingrich is and whether he had done wrong in ~~hqxr~~ having that barefoot boy from the telecommunications industry wrongly work on what that same telecommunications industry had so great an interest in.

Our political system has always been tainted with allegations on influence pedlind and of the multitude of ways in which Members of Congress can be reached and influenced in favor of the rich.

With the growth of these empires in the various forms of communication the passing of cash that used to be commonplace is no longer nexeccary and there are many more payoffs more valuable to those to be reached than money. Especially is this true of the communications ~~industry~~ empires. Appearance on TV alone can be an enormous political asset to a politician; Favorable appearance mkes it even more valuable. This is true of radio appear= ances and of stories, especially favorable stories, in any of the print media.

All of which are now dominated by the rich empires lusting for greater riches.

It does not require what has all the appearances of a bribe, that fat contract from Rupert Murdoch to Gingrich worth more millions that Gingrich ever dreamed of for those many millions the unsritten book had little prospect of earning for the influence to be felt.

There was additional commentary on this and what it means to a free and a democratic society that also was not in the major media. It was in The Nation of October 23, 1995. The Nation is a very small magazine. It reaches very few people. In it,

21 fols

Again ~~not in any of the major media,~~ in The Nation of ~~October 23~~, 1995, Morton Mintz, former reporter on The Washington Post's national desk, reviewed the autobiography of the then assistant managing editor of the Post under whom he had worked, ~~Ben~~ Ben Bagdikian. Most of that review reports what Bagdikian said about this growing monopoly in news and information.

When on the Post it was Bagdikian who left for a clandestine Boston meeting with Daniel Ellsberg from which he returned to Washington with a copy of The Pentagon Papers the Post then published that was after ~~the~~ The New York Times was forbidden to do that by the federal courts. ~~When~~ after Bagdikian left the post he headed the journalism school of the University of California at Berkeley.

Like Hickey, Bagdikian and Mintz, as former daily journalists, are concerned ~~of~~ about the large number of reporters who have been ~~are~~ fired, ~~and~~ leaving that many fewer to report the News the people need. Here are a few excerpts:

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The provider of the information that enables citizens to exercise intelligent sovereignty is supposed to be a free and responsible press. Today the idea of such a press faces converging threats, many of them deriving from the relentless greed of owners. A three-part danger is the sharp decline in the number of newspapers (lately and lamentably including *New York Newsday*), the shrinkage of news staffs at surviving papers and the consequent fear of unemployment in the journalists remaining. On the September day I am writing, *The New York Times* reported that at the *Berkshire Eagle* in Pittsfield, Massachusetts, where cuts had already shrunk the newsroom from sixty-two to forty, the new owner, Media News Group of Denver, will cut salaries and reduce the newsroom to twenty-nine. Yet another threat is what Ben Bagdikian accurately diagnoses as "the desire of new editors to look like hard-boiled realists insisting that nobody is really interested in serious news, that readers want only to be entertained."

But the gravest threat, inseparable from the rest, is the rapidly increasing concentration of ownership by the national and multinational corporations that, as Bagdikian wrote in the first edition of *The Media Monopoly* (1983), "control what America sees, hears and reads." At the time the number of these corporations was down to fifty. In the fourth edition (1992) it was twenty.

Recently, Walt Disney acquired Capital Cities/ABC, owner of the network *and* seven newspapers. Two other empires competed for CBS, where Laurence Tisch decimated the news division. One was Westinghouse, long significant in broadcasting, which recently defeated Turner Broadcasting System. Voting control in Turner, which is the biggest cable TV programmer, was held by cable giant Tele-Communications. And in a mega-mega-merger announced on September 22, Time Warner bought Turner.

Lest ye forget: General Electric, which has a criminal record as long as your arm, owns NBC. And Wells Fargo International Trust is not only the biggest institutional shareholder in G.E., as Representative Marcy Kaptur pointed out in *The Nation* [September 11], it is also the third-largest shareholder in Disney, the fourth-largest in Time Warner, the fifth-largest in Capital Cities and the seventh-largest in CBS. Wells Fargo isn't unique. Kaptur named three other investors with "substantial holdings in each of these gi-

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ants." The Gingrich-Dole Congress, rising to the challenge of concentration, passed a bill permitting a single corporation to own a town's newspaper, two of its TV stations, all of its radio stations and its cable company. . . .

The growing concentration of ownership of news and information corporations can only worsen the present situation, in which so-called conservatives constantly complain of "liberal bias in the news." Thus do they not accidentally conceal reality:

> All of broadcast and printed news is pulled by a dominant current into a continuous flow of business conservatism. . . . The main news mostly ignores or obscures the true "other side," the social and economic realities that most Americans live with. . . . The result is that American news is overwhelmingly the world as seen from the top down. . . . Whole sections of newspapers and entire broadcast programs are devoted to possibilities for a quick killing or a safe bet on Wall Street. . . . But there is no speculation or broad spectrum of opinion offered about the causes and cures of unemployment, . . .

These are a few of the concerns of a few of the professional journalists who, not working for the major media, feel free to express them. As they are never expressed in the major media. The monopolized major media. Of which the Newhouse and much, murch more than unemployment alone.

Their concerns, of course, are for the country and for the functioning of its supposed democratic system when what the people need for that system to work is controlled by a very small number of the superrich whose major interest is getting even richer and whose real concerns have little or nothing to do with those less rich than they.

empire is ~~a~~ major ~~mjor~~ part. And of which major part Random House is also a major part.

Without which neither Posner nor Mailer would have had the exposure each ~~they~~ got so that each in his own way would propagandize the official assassination mythology as the truth about it.

Without which neither could have taken that lie to so large a percentage of the people. Or Mark Riebling of The Wedge in 1993 or Max Holland with his coming 1996 history of the Warren Commisson could to a lesser but still significant percentage of the people. All by the Random House sub-empire of the Newhouse empire.

22A fols

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The year after I wrote this Jonathan Tasini, president of the National Writers Union, wrote for the Sunday Outlook section of the Washington Post of February 4, 1996 an article titled "The Tele-Barons." The subhead is, "Media Moguls Rewrite the Law and Rewire Our Country." He refers to these moguls as the new "Robber Barons, the phrase of a century earlier, and to the "avarice" of their "mega-mergers" as the increase in monopolies on the sources of information continues to be increasingly under the control of fewer and fewers of the super-rich. Of those whose wealth he gives S.I. Newhouse is third with $4.3 billion dollars. Next to him and also big in the book-publishing monopoly is Rupert Murdoch whose wealth is given at $3.3 billions dollars.

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What the proliferation of communications-industry monopoly has meant to newspapering and to what the people can and should know- which they certainly did not and could not get from TV - is reflected in the October 30, 1995 article in the Washington Post by its veteran reporter who is also it media commentator, Howard Kurtz. The page-one portion of his story is headed, "The Bad News Starts at Work in Nation's Newsrooms." The carryover headline refers to two of the "bad news" items his story reports, "New Stress in the Bottom Line" and that it is "Creating Newsrooms of Unrest." The latter refers to more than the wholesale loss of newspaper jobs. The top line is that bottom line-money.

One of the ~~so H~~ his sources Kurtz does not name told him that, apparently referring to newspaper ads, "When radio ads trumpet the fact we're dumbing down the newspaper, it insults everyone who works there, and it insults the reader as well."

Kurtz, referringto wholesalw staff reductions on newspapers, quotes Bill ~~Kovack~~ Kovach, curator of the prestigious Nieman Foundation at Harvard, the real plum for the best reporters being a scholarhip to it, as saying about buyouts to get newspaper staffs off the payroll:

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> ...you lose some of your best people. That's lousy management. To cut yoor staff by a significant percentage and say it is not going to have an impact on what your report is is just ... public relations propaganda."

The more newspaper monopolies spread with the elimination of local ownership the more the "changing approach to journalism...casts a pall over Americans newsrooms."

This changing approach made newspapers more like the so-cslled entertainment treatment of news on TV. The emphasis was away from hard news and toward the frivolous.

Having driven readers away and having joined TV in misleading people to believe that the mostly sex and crime that TV news became is the news, the drive for money, to make more or to loose less, meant more of the same, of what had failed and ~~a ed~~ reduced the value and importance of newspapers that was enough to tell readers they did not get what thy they need from their papers, not what they needed.

Illustrative of this ,Kurtz wtites that

wident single space

At the Miami Herald, which has killed its Sunday feature section... will henceforth concentrate on nine subjects deemed most important in reader surveys, National and world news is not among them.

The Los Angeles Times, owned by Times-Mirror, was then abolihhing its"World Report section , six suburban sections and City Times," one of its more recent papers. The same owners had closed down The Houston Post, New York Newdday and The Baltimore Evebning Sun .

At The ~~Hartfro~~ Hartford Courant which Times Mirror also owned sixteen percent of its staff, one hundred and eighty eight emoloyess, accpted being bought out, sith the alternative eventual firing. Kurtz quotes it managing editor Clifford Reutsch, as saying "The Courant is losing part if its heart and soul." ~~DXXXX~~ Those leaving include Pulitzer prize winners.

These are merely a few examples of the Times Mirror approach to serving the need for news that is the essence of the democratic system. Newsday's former Washington columnist who quit an went to work for the rival New York Daily News, "said he was disturbed by the conduct of Mark Willes, the new Times Mirror chairman hired from General Mills. '|Willes made editorial decisions he was not qualified and competent to make. It was done for the short term hit on the stock praice.' Indeed, Times mirror stock has risen from $18 to $29 a sh re since Willes took over" fibe months earlier.

Berry Crocker at the editor and publisher's desk made money but at the cost of what people could ~~once~~ know, once the purpose of newspapers. Under the system of newspapering that made fortunes of what began as grain, Kurtz writes,

wident single space

At Newsday, which is under orders to boost its profits from 7 percent to 17 percent, so many staff members accepted buyouts that the ppper now must fill 20 empty slots. Anthony Marro, editor of the Long Island paper, noted that 'we've sharply reduced the geograpjy that ~~we are~~ we're covering. We've sharply reduced the number of people that ~~we are~~ we're serving.'

This is to say that the Zengers of the earliestAmerican journalism are even

3 226

~~father~~ farther and dimmer in the remote past of American journalism as under the escalating monopoly ownership the newspaper get more like those of the supermarket weeklies and the poor apology for news from the same monoplies and what they have made of televsion's supposed news/that is ~~incere singl~~ increasingly like television's supposed entertainment.

There now is but a single motive and inspiration in the ~~lefe~~ life's blood of any democratic system: money, without concern for how it is made.

And thus we have the control asserted by the empires and the influence they have and can muster and the only reason disgracefully bad books like Mailer's get published and are and can be promoted as his was - with nobody giving a damn for the people and the corruption of their minds and of our system with it.

Deal Struck on Overhaul of Telecommunications Laws

12/21/95

By Mike Mills
Washington Post Staff Writer

Key congressional lawmakers and the White House reached final agreement last night on the biggest rewrite of the nation's telecommunications laws in 61 years. The deal paves the way for quick enactment of a bill that promises to change the way all Americans use their telephones, television sets and computers.

Following more than a decade of often-bitter lobbying, key leaders of a House-Senate conference committee said they agreed to a final deal on the legislation.

In a telephone interview, Vice President Gore said President Clinton would sign the bill, despite an earlier threat to veto it. "This is an early Christmas for consumers," Gore said. "It's a terrific bill . . . Every concern the president expressed about the initial legislation has been dealt with on a bipartisan basis."

But one element of uncertainty remained: an aide to House Speaker Newt Gingrich (R-Ga.) said that the speaker did not necessarily support the deal and might seek to reopen certain provisions.

The legislation would go far beyond the court-ordered breakup of AT&T in 1984. It would tear down regulatory walls that for decades have kept the telephone, cable, and long-distance and broadcast industries apart, often providing legally sanctioned monopolies. On the grounds that competition would flower and keep prices low, it also provides for gradual removal of price controls on cable TV rates.

Proponents say that the bill will free companies to create a vast collection of new electronic services and an information economy. Home video conferencing, interactive entertainment services and remote access to the country's best libraries would become commonplace.

See TELECOM, A10, Col. 1

TELECOM, From A1

"It's the industry's equivalent of the Berlin wall being broken down," said Robert Mayer, a senior manager at the District-based Deloitte and Touche Consulting Group. "We're going to see major industry groups with enormous resources begin to penetrate each others' markets."

Other provisions of the bill would:

- Relax the limits on how many TV stations a single company can own.
- Regulate sexual material on on-line services, which to date have largely escaped any restrictions from Washington, making it a criminal offense to make "indecent" material available to minors.
- Require TV makers to include "V-chips" in their sets that would allow parents to screen out violent programs.

The bill remains highly controversial. Consumer groups fear that ordinary Americans would suffer due to removal of price protections they have enjoyed for years. Rates for local phone service and cable might rise, they say, because competition may not appear as fast as the bills' proponents promise.

"The irony is that, while everyone else is being deregulated, the beginnings of regulating the Internet are there" in the legislation, said Jerry Berman, executive director of the Center for Democracy and Technology, a Washington-based civil liberties group that plans to challenge the indecency provision in federal court.

Whether prices rise or fall, most analysts expect that the bill will vastly change how Americans buy their communications services. Huge communications companies will begin offering one-stop shopping for package deals on phone service, cellular, paging and cable television.

Consumers may find their long-distance carrier or local cable operator offering them local telephone service. Or their telephone company might offer a package of video or cable TV services along with local calling.

To foster competition in local phone service, the seven Bell companies that provide most of the country's local calling would be required to let competitors lease capacity on Bell networks and "resell" it to consumers under their own brand names. To encourage construction of totally separate phone networks, the Bells also would have to let the newcomer companies connect to Bell switches, so that the customers of the two systems could talk to each other.

In exchange, the Bells gradually will be allowed to compete in the $75 billion a year long-distance market. That infusion is sure to jolt the long-distance industry, which has been dominated by AT&T Corp., District-based MCI Communications Corp. and Sprint Corp. Analysts predict a flurry of mergers between the Bells and smaller long-distance providers that own switching facilities around the nation. Some of the Bells themselves might even merge, or at least form joint ventures to offer long-distance service.

Last night, Gore agreed with sponsors' claims that the new competition fostered by the bill ultimately would lower telephone and cable rates. But many analysts interviewed said that cable and local telephone rates may indeed rise over the next several years, as phone and cable companies invest heavily in their networks to prepare for competition.

The House and Senate passed similar bills over the summer. Final approval of the conference agreement, which works out those differences, was stalled for days as Democrats and Republicans tussled over a number of issues.

Most vexing was how much to relax federal rules limiting the number of radio and television stations one company may own. Rupert Murdoch, whose News Corp. owns 12 Fox television stations and has financial interests in 17 others, was among the network owners pushing hardest for the changes and won support from many Republicans.

But Sen. Ernest F. Hollings (D-S.C.) and the Clinton administration refused to support a bill that contained many of the media ownership changes sought by Republicans. The final bill raises the limit on the total audience reach one network may control from 25 percent of households to 35 percent, but it does not allow the FCC to waive that rule, as leading Republicans had wanted.

The final bill also includes limits on radio station ownership that had been opposed by Republican sponsors. The proposal helping Murdoch also was rejected.

"These are substantial improvements that alleviate our worst fears about a few companies controlling the major media," said Gene Kimmelman, Washington co-director of the Consumers Union. "We still have concerns that cable is being prematurely deregulated."

The long-distance industry, which sponsored an aggressive barrage of television and print advertisements urging consumers to oppose the bill, also is claiming a late-inning victory of sorts. AT&T, MCI, Sprint and other long-distance carriers have long opposed the legislation on grounds that it frees the Bells to enter the long-distance market before the Bells face significant competition in their local telephone networks.

But the long-distance industry and the administration were able to win a greater role for the Justice Department in deciding whether to let a Bell company offer long-distance service. The final bill requires the FCC to give "significant weight" to opinions of the Justice Department on such issues.

Long-distance carriers also won provisions in areas such as reselling local telephone service. "We think there has been significant progress," said AT&T spokesman Herb Linnen.

But the Bells won the bigger battle: the ability to offer long-distance in a state if only one competitor hooks to its network anywhere in that state. The Federal Communications Commission must first determine that the Bell company has met a checklist of technical steps to open its local networks to competition. The FCC also would have to determine that letting the Bell company offer long-distance serves the public interest.

House and Senate leaders rarely get involved in the specifics of any legislation, but both Senate Majority Leader Robert J. Dole (R-Kan.) and Gingrich played hands-on roles in crafting the final legislation. Dole has led the fight in the Senate since 1986 to lift regulatory controls on the Bell companies. Dole and Gingrich intervened twice this year to prevent the long-distance industry from winning provisions that would have delayed the Bells from entering their industry.

Dole and Gingrich have clashed with Clinton on almost every aspect of the bill, particularly on the issue of freeing the Bells. Clinton and Gore have strongly argued that the Bells first should face competition in their local phone monopolies before being freed to pursue long-distance and other businesses.

FOR MORE INFORMATION

To stay updated throughout the day on the latest revisions to the telecom bill, see Digital Ink, The Post's on-line service. To learn about Digital Ink, call 202-334-4740.

The Tele-Barons

Post 2/14/96

Media Moguls Rewrite the Law and Rewire the Country

By Jonathan Tasini

AN UNPRECEDENTED string of mega-mergers sweeps through the media industry. AT&T puts 40,000 workers on the street. Major publishing companies demand that creators sign away rights to their works in perpetuity. Lawmakers put forth a radical overhaul of the nation's telecommunications laws. These events are all connected to the rise of a modern-day business elite that is casting a great shadow across the globe.

They are signs that, after nearly a century's absence, the Robber Barons are back. Not the same families that dominated the American economy at the beginning of the Industrial Revolution—the Mellons in finance, the Carnegies in steel, the Rockefellers in oil. These are new Robber Barons, but in several key respects they are much like their predecessors: accumulating tremendous profits, dominating their markets and influencing the lives of millions of workers.

The new pantheon of Robber Barons includes the Sony and Bertelsmann chieftains, Rupert Murdoch, Disney's Michael Eisner, Microsoft's Bill Gates, TCI's John Malone, Ted Turner, the DreamWorks' titans (run by the trio Jeffrey Katzenberg, David Geffen and Steven Spielberg) and Time Warner's Gerald Levin. With almost lightening speed they are consolidating in their hands a breathtaking amount of power.

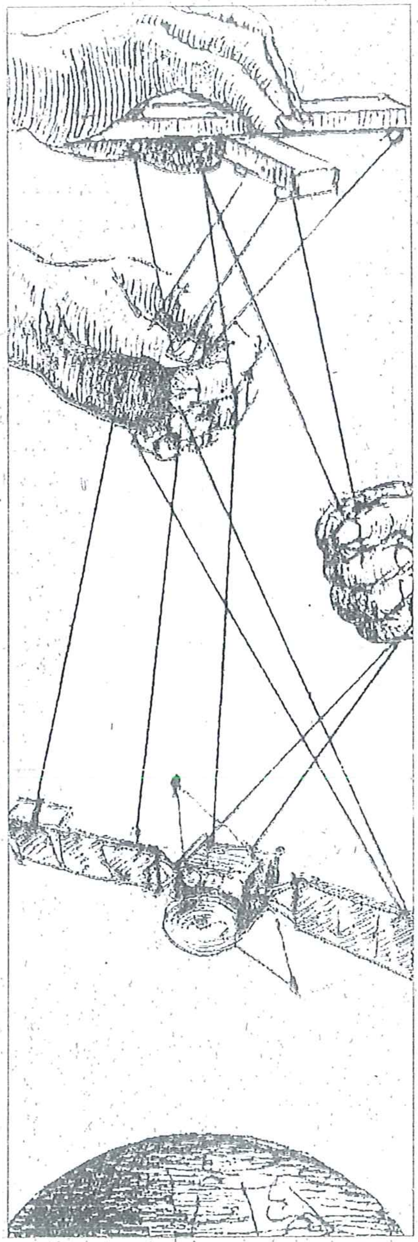
According to Broadcast and Cable magazine, the top 10 telecommunications players—Disney, Time Warner, Viacom, Murdoch's News Corp., Sony, TCI, Seagram (which owns MCA), Westinghouse/CBS, Gannett and GE (NBC's corporate parent)—alone control more than $80 billion in revenues in that industry. In most cases, they dominate at least a controlling share of their market, and in their grasp are the technological and economic tools to control where we work, what we do, how we get our information and how we interact with the people we know. In effect, they are creating a new industry, combining cable, telephone, entertainment, computing and publishing into a single, vertically integrated business that Business Week recently estimated could generate a trillion dollars in revenue by the time they're through.

The fast pace of change and the vast reshaping of these industries makes the long-term future still unclear. But there is compelling evidence that we should be more worried than we seem to be.

At first glance, for example, a casual observer might think the arena is more competitive than in the days when three networks controlled television and AT&T was the only name in telephone service. But any current comparison must look at the panorama and scope of the new single industry that is being created.

Now, in an era of less regulation than there was before, we are molding a new, powerful oligopoly. After its $19 billion purchase of Capital Cities/ABC, Walt Disney doesn't just give us Mickey Mouse. Its Magic Kingdom sprawls across television stations; it controls a large share of cable programming, not just through the Disney Channel but also with its majority ownership of ESPN as well as its stake in the Arts and Entertainment Network;

See BARONS, C4, Col. 1



BY JANUSZ KAPUSTA FOR THE WASHINGTON POST

Jonathan Tasini is a writer in New York and president of the National Writers Union, an affiliate of the United Auto Workers.

The Tele-Barons

BARONS, From C1

it owns half of the Lifetime cable network as well as cable operations in Germany, Japan and Scandinavia; it owns radio stations, newspapers and magazines all over the country; Disney has major joint ventures with DreamWorks and two of the Baby Bells, Ameritech and BellSouth; and it still owns its theme parks.

Besides the mega-mergers—Westinghouse's $5.4 billion bid for CBS last summer and Time Warner's $7.5 billion purchase of Turner Broadcasting—there are innumerable other ventures creating a vast web of interconnecting interests among the major powerhouses. Just last week, Microsoft and MCI allied to enhance their fortunes on the Internet, and Rupert Murdoch has now added cable news to his global empire. Murdoch, who once boasted that new technology would undermine authoritarian regimes, is forging an alliance with the same Chinese government that now censors all foreign broadcasts coming into the country. In the unfolding future, the new Robber Barons could control every sound we hear and piece of information we receive—whether television news, on-line data, feature-length films or prime-time action series.

Like the personal wealth of the Robber Barons of old, the riches of the emerging group are also staggering. Starting with Gates's $15 billion personal fortune (which Forbes magazine says is growing at a rate of $450 million *per month*), the ranks of the richest people also include: Viacom's Sumner Redstone (with an estimated net worth of $4.8 billion); Murdoch ($3.3 billion); S.I. Newhouse ($4.3 billion); and Turner ($2.5 billion). In addition, many of the top brass in these companies take home multimillion-dollar salary and bonus packages that are many times what their workers bring home.

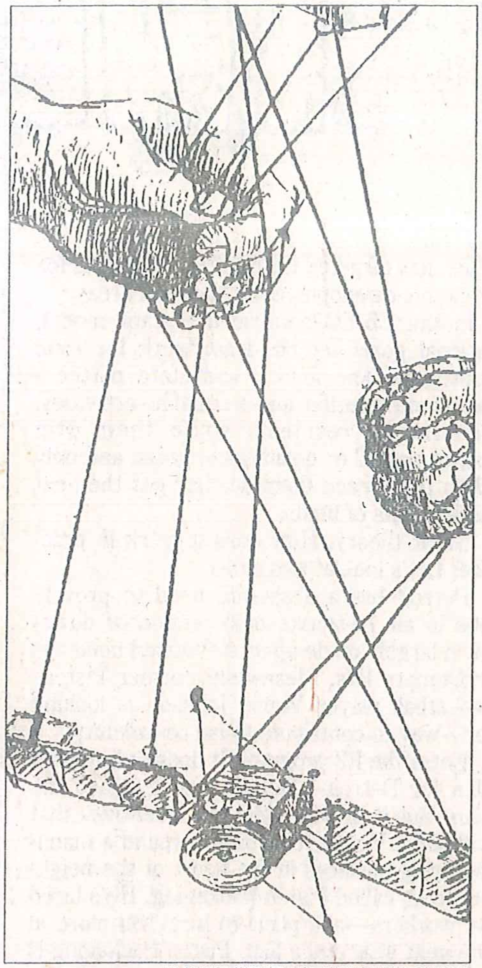
Like the Goulds, Morgans and Vanderbilts, the modern-day Robber Barons are aided by governments that have so far failed to protect the public interest forcefully. The most recent and potentially damaging example is the sweeping overhaul of the nation's telecommunications laws passed last week. To most of America, the bill has been portrayed as an important step toward unleashing the wonders of technology and freeing up companies to give us better service and more entertainment.

What few in the debate have been talking about, however, are consumers—what the people who pay for this stuff might gain from this overhaul. Instead, what has been unleased is a high-stakes scramble for control of an emerging industry, one that has generated what may be an unprecedented flurry of lobbying—including faxes, phone calls, dinners and massive national advertising campaigns—by industries vying for a piece of the action.

Sen. Bob Dole's opposition to the bill (over the issue of broadcast spectrum) obscured the broader picture: The conglomerates were squabbling among themselves over who would get what, but only a few elected officials challenged the legislation's basic premise—that by breaking down the current divisions the consumer will be better served.

"Despite the scope of its impact on their lives," argued Sen. Bob Kerrey, hardly a radical, on the Senate floor last year when the issue was first heating up, "Americans neither asked for this bill nor do many of them even know we engaged in this debate. This one is being driven by corporations . . . successful communication companies treat technology as if its status were somewhere between King and God . . . . Rather than being a Contract with America, this legislation looks like a Contract with Corporations."

In a nod to their predecessors, the new Robber Barons have spent generously on influencing the legislative process to serve their ends—disparate though their interests may currently appear. Though there is no firm number, tens of millions have been spent on advertising and other indirect lobbying for the telecommunications bill. The Center for Responsive Politics says that of the $2 million major communications and entertainment companies gave to Democrats and Republicans in Congress during the first half of last year, one third went to members who sat on the conference committee dealing with the telecommunications bill. The two biggest beneficiaries were the two chairmen whose committees have greatest over-



BY JANUSZ KAPUSTA FOR THE WASHINGTON POST

sight of the bill: Sen. Larry Pressler (R-S.D.) who got $103,165, and Rep. Jack Fields (R-Tex.), who received $97,500.

In essence, while the bill purports to increase competition and thus serve the consumer better, in fact it does little to limit economic concentration in media as a way of guaranteeing the flow of ideas and indeed will almost surely set off a new wave of mergers and alliances. Though in some pockets there may be more competition, a recent study by the Center for Media Education, a nonprofit center that has been critical of the changes taking place in the industry, shows that the new conglomerates will now be given freer range to cross-own businesses in cable, broadcast, radio, print and telecommunications; rates for all sorts of services are predicted to rise, according to the study. While some consumer safeguards are kept in place, the legislation significantly weakens or repeals many others. Under the new law, to take one example, if a company has a broadcast license up for renewal, it will face a far less stringent standard of proof that it is providing public interest programming.

Besides seeking to rid themselves of government restraints, the second pillar of the media mogul's strategy is to cut labor costs dramatically. By the end of the year, the telephone companies alone will have eliminated more than 200,000 jobs since 1992—while, in a familiar pattern, their executives continue to reap millions in pay and stock options. The irony is that these industries are being touted as the great job prospects of the future when, just as in other industries, these conglomerates are routinely engaging in widespread layoffs.

The move for dominance will also mean taking more and more control away from creators. In a sharp departure from past practice, writers, photographers and artists are being forced to give up their rights forever to works that they create. It used to be that writers were paid a fee for a one-time print use. Today, an increasing number of newspapers and magazines (among them the New York Times, the Tribune Co., Times-Mirror and others) are demanding all future rights to an article—and for no more money. The media giants could cash in on works for decades, without having to pay additional money to many of those who actually created the work.

The final piece of the new Robber Barons' strategy is that they, like the old Robber Barons, present themselves as only trying to do what's best for society, branding critics worried about the concentration of power as neo-Luddites trying to stand in the way of progress. Shaped by a broad, bipartisan intellectual and political elite including Alvin and Heidi Toffler, Al Gore and Newt Gingrich, their mantra hums with words like "synergy" and "competitiveness." Indeed, most people are subtly seduced by the combination of the technology and its language. Think about it: the "information superhighway." But information is not like coal dust or toxic fumes; it comes only if you want to plug in and it imposes no physical danger. And, better yet, it's delivered to your doorstep by a highway, one of the enduring symbols of the freedom and expanse of this country. Just as any driver would cruise up the on-ramp leading to a highway, step on the accelerator and, with enough gasoline, go forever, everyone is being offered limitless travel on the electronic pathways.

But the easy access to the torrent of information on the Internet, a small slice of the electronic pathways of the future, has lulled us into a false sense that data will be free and accessible. Indeed, the politics and economics of the Internet are not the model of the future. Rather than an open highway, the Robber Barons are building a series of "toll roads." Sure, we can count on getting direct through our TV sets video-on-demand, new shopping networks and other entertainment. But only those people with the proper skills, equipment and, most important, money may be able to plug in.

Obviously, someone has to pay for many useful commercial services. But the danger is that conglomerates will use their market power to drive out competitors and, like typical oligopolists, tacitly conspire to raise fees, limit service and control supply. And we are not dealing with ballbearings or sneakers but with a future resource that will define economic survival and an informed citizenry.

I believe they are overreaching. When a tiny band of people seeks to hold the power to reach into every aspect of our lives, it suggests that we need a whole new approach to reining in capitalism in the global information age. So far, economic policy has been one-sided, skewed too much toward the multinational corporations.

Before it's too late, the public must snatch back the reins. Money flowing around the world at the command of a small group of financial wizards must be harnessed and reinvested in local communities. We need to demand action from political leaders to retool, update and enforce antitrust laws whose genesis dates back to the abuses of the old Robber Barons. And no better reason exists for strict campaign finance laws, eliminating private money from the political system, than a quest to make sure our choices are not limited and controlled by a few information providers.

Obviously, arguing for more government action in today's political environment might strike some as odd. But it is possible that strong reaction to their avarice might reverse the move toward less government control. Given the choice, most Americans do not favor the concentration of power. They understand that we live in a profoundly unequal society, and that it's time we ask why.

12/13/95

Mr. Weisberg,

This is what the tapes themselves look like.

The transcription I sent came from the begining of side 8.

I U.P.S.'D the Ruby Bullet plaque this morning. They said it should take 3 business days to get to you. I'll give you a call next week after you get it.

Sincerely,

Barry


RANDOM HOUSE
AUDIOBOOKS
OSWALD'S TALE
by Norman Mailer
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DOLBY SYSTEM

Dallas Firm to Buy SFX Broadcasting

Deal to Create Nation's Biggest Radio Group

8/26/97

By Paul Farhi
Washington Post Staff Writer

The deals just keep on coming in the red-hot radio business.

A Dallas-based investment company, Hicks, Muse, Tate & Furst Inc., said yesterday it would buy radio station operator SFX Broadcasting Inc. of New York in a $2.1 billion deal that will give Hicks, Muse control over the biggest radio group in the nation.

The big have been getting ever bigger in the once-sleepy radio industry since the passage of the Telecommunications Act of 1996. The law lifted all controls on the number of radio stations a single company can own nationwide, triggering a consolidation frenzy.

Few companies have been as quick to take advantage of deregulation as Hicks, Muse, whose chairman, Thomas Hicks, is a former deejay. If its purchase of SFX's 71 stations is approved by shareholders and federal regulators, Hicks, Muse would oversee entities owning 344 stations, including six Washington area outlets. The combined radio properties are more than twice as large as the second-largest operator, Clear Channel Communications of San Antonio.

The Dallas company has fashioned its empire of the airwaves from a dizzying series of acquisitions and mergers, especially over the past three years, including investments in Chancellor Broadcasting Co. and Capstar Broadcasting Corp., the entity that will directly acquire SFX. The gross revenue of Capstar, Chancellor and SFX last year was $1.3 billion, making the group about 30 percent larger than the combined CBS-Westinghouse radio group, according to BIA Research.

Chancellor is soon to be the biggest operator of stations in the Washington market, with six. Through yet another mega-deal earlier this summer—Chancellor's proposed three-way merger with Evergreen Broadcasting and purchase of Viacom Broadcasting's stations—Chancellor would gain control of such market leaders as country giant WMZQ-FM, soft-rock station WASH-FM, oldies powerhouse WBIG-FM and sports talk station WTEM-AM.

AMONG ALL THE AIRWAVES

Local stations that are part of the Hicks, Muse, Tate & Furst radio empire:

WMZQ-FM	Country
WBIG-FM	Oldies
WWRC-AM	Talk
WASH-FM	Soft rock
WGAY-FM	Soft adult contemporary
WTEM-AM	Sports/talk

THE WASHINGTON POST

Hicks, Muse will own only 13 percent of Chancellor directly once the Evergreen-Viacom deal is completed, but the investment company will maintain control of Chancellor's board.

The frantic pace of station turnover has raised concern among advertiser groups and antitrust regulators at the Justice Department. Both have said consolidation could hand a few station owners too much power to set advertising rates within a market.

Indeed, Justice officials have challenged parts of some deals, specifically those in which a company would have controlled more than 40 percent of local radio advertising revenue.

A spokesman for Hicks, Muse said he did not anticipate divesting stations following completion of the SFX deal, but he added, "Whatever we have to do to be responsive to regulatory issues, we will do."

Some observers have worried that

See SFX, D4, Col. 3

Radio Deal Continues Industry's Consolidation

SFX, From D1

radio consolidation could have important ramifications for listeners, such as the elimination of less popular programming formats, a reduction of independent news gathering, and limiting of the overall diversity on the airwaves.

"I wonder if Congress knew when it passed the telecom bill that people are pigs," said Goff Lebhar, president and general manager of Washington's WWDC-AM and FM, which are independently owned. "Did they realize that half a dozen people, all males, would someday control what goes on the radio, who have no obligation to satisfy anyone but Wall Street? I don't think they had any idea what would happen in the radio field."

Although most major radio markets, including Washington, are moving toward four or five dominant owners, "the argument could be made that that's still pretty competitive," said Jim Duncan, a veteran radio researcher. "That is at least as much [ownership diversity] as local TV stations."

Big station owners believe they can operate stations more efficiently and profitably the bigger they get, and can also capture a larger share of radio ad dollars by owning stations that dominate certain audience segments. What's more, analysts such as Duncan expect Hicks, Muse eventually to sell its radio holdings in a public share offering.

Hicks, Muse plans to pay $1.3 billion in cash for SFX and assume $900 million of its debt. The price is an estimated 15 times SFX's anticipated annual cash flow—a "multiple" considered pricey relative to recent deals.

But the price makes sense, said BIA president Tom Buono, in that SFX is one of the last large groups available for sale and owns stations that fit well with those owned by Chancellor and Capstar. Because the stations generally don't overlap, he said, Hicks, Muse won't have to sell many stations after the deal closes to keep within antitrust guidelines.

TOP TEN RADIO OWNERS

BY ESTIMATED REVENUE

Rank	Owner	1996 revenue (in millions)	No. of stations owned	No. of stations operated
1.	Hicks, Muse, Tate & Furst Holdings*	$1,303.5	344	413
2.	CBS	1,010.3	76	76
3.	Jacor Communications	435.3	151	157
4.	Clear Channel Communications	406.2	169	171
5.	American Radio Systems License	381.8	96	97
6.	ABC Radio	306.3	26	26
7.	Cox Radio	214.0	48	49
8.	Emmis Broadcasting	140.3	14	14
9.	Heftel Broadcasting	137.7	37	37
10.	Susquehanna Radio	126.7	21	21

* Includes estimated owner revenue of Capstar Broadcasting, Chancellor Media and SFX Broadcasting
SOURCE: BIA research

THE WASHINGTON POST

Capstar, which will manage the SFX stations, already is familiar with SFX. Capstar's chief executive, Steve Hicks, the younger brother of Tom Hicks, was president of SFX until last year.

Hicks, Muse was already on its way to becoming a large TV station owner. Two weeks ago, it announced it would buy LIN Television Inc., which owns eight stations in big cities, in a $1.7 billion sale.

The firm's diverse interests include packaged food products, such as those under the Chef Boyardee label and Ghiradelli chocolates, and a range of industrial businesses, including circuit-board and polyurethane foam manufacturers.

JONATHAN YARDLEY

For Authors, a Basic Need

The impending demise of Basic Books, as reported last week by the nonpareil David ld,10 Streitfeld of this newspaper, is not in and of itself an inordinately big deal. Publishing houses, like the human beings who operate them, come and go; the death of a good one, such as Basic often was, is to be mourned, but it is part of the natural order of things.

Still, there is more to the end of this small publishing house than the banal and brutal details of its absorption into that soulless corporate mass known as HarperCollins. How books are published in the United States is changing in important ways, with effects upon American literature and high journalism that are as yet unclear but unlikely to be salutary. The problem is not just that trade publishers, under the thumb of merciless conglomerate parents such as News Corp., owner of HarperCollins, no longer attempt to balance the conflicting claims of profitmaking and serious publishing, and concentrate solely on the former; it is that the role of serious commercial publisher is being assumed by institutions that are not necessarily qualified, or suited, for it.

The news of Basic Books' elimination as a semi-independent entity—its name will appear on some HarperCollins books, but they will be edited by HarperCollins itself—came only a few days after a distress call from an old friend who has spent most of his adult life in what can fairly be called public service. His long experience has given him certain insights into American politics that he properly regards as worth discussing at book length, but he has had no luck finding a publisher, even though he is quite willing to write the book without an advance. "Where should I go?" he asked, to which my immediate reply was, "Have you tried Basic Books?"

There you have it. Basic Books existed primarily to publish serious nonfiction about politics, society and culture. It knew how to make a respectable if unglamorous profit off books that sold perhaps 5,000 copies—it usually takes at least 10 times that for a book to hit the lower reaches of the bestseller lists—and thus was able to offer an outlet to writers less interested in profit and glory than in contributing to the national dialogue on issues that matter.

Now Basic is gone, reducing by one-third the number of trade publishing houses that routinely issue such books. One of the others is the Free Press, a subsidiary of Simon and Schuster, itself a subsidiary of Viacom, which is to say that the Free Press will remain in business only so long as its corporate parents are willing to tolerate its relatively modest profits. Then there is W.W. Norton, still independent against all the odds, still one of the best houses around, but exceedingly choosy about the titles it publishes and very careful about taking risks, especially on books of interest largely to the Washington wonk community.

So where does a writer of serious nonfiction turn? Where, for that matter, does a writer of serious fiction turn? Though the big houses still publish modest amounts of both, they do so in the expectation that it will turn a profit. In the past they were willing to take risks on small books with small sales potential in the hope that eventually their authors would find a readership—Knopf, to take one notable example, stuck with Anne Tyler for years during which her novels sold only a few thousand copies apiece—but now the risks they take are mostly big ones and their big money is mostly thrown away on trash.

In these circumstances the writers of what used to be known as "midlist" books have been pretty much squeezed out. The lucky ones find their way to the Free Press or Norton or—if they write fiction or criticism or poetry—Farrar Straus & Giroux or David Godine. Others find themselves knocking at the doors of the university presses, and occasionally being welcomed there.

This is a decidedly mixed blessing. Over the years university presses have published much work of lasting importance and value. That they are continuing to do so, and are now ready to offer refuge for work formerly brought out by commercial publishers, is yet further evidence of the incalculable contribution they have made to American intellectual, cultural and political life.

But university presses exist in a world that is fundamentally different from the world in which commercial presses compete. Part of the difference lies in that very world; though university presses compete for authors and readers, they are insulated from marketplace pressures by their academic affiliations and often by subsidies; thus they are less concerned than commercial publishers with a work's sales potential, and are more likely to view it from within the cocoon of academia.

To date the effect of this has been most apparent on literary publishing. With literary fiction now marginal in the marketplace and with university writing schools now the main source of such fiction, more and more frequently it is coming to light through the university presses. Although generalizations are always suspect, this one can be made with confidence: None of this work to date has been noteworthy, much less distinguished. It is being published because it is there, not because it is good.

This serves no useful purpose. Commercial publishing, before it went Hollywood, accepted work of quality but insisted that it have at least the potential—whether short- or long-term—of finding readers. This meant that writers had to work with readers in mind and that literature was discouraged from slinking away to the cultural outer limits inhabited by the self-indulgent avant-garde.

With commercial publishing now uninterested in literary work with no proven market, that incentive has largely vanished. History gives little reason to believe it will reemerge in university publishing. Whatever its virtues—and, again, those virtues are large and important—university publishing is not the same as commercial publishing, and its fundamental nature is unlikely to change even as it attempts to chart new courses. The editors and managers of university presses love marketplace successes every bit as much as their commercial counterparts do, but there is less pressure on them to connect with a substantial readership, and therefore less pressure for their authors to make the same connection.

This was fine in the old days, when commercial presses did one thing and university presses did another. But the old days are gone. The university presses are to be applauded for attempting to resuscitate them, but it will be a small gain indeed if the net effect of this is merely to move the "midlist" book into the academic cocoon.

Jonathan Yardley's Internet address is yardleyj@clark.net.

Westinghouse to Focus on Broadcasting

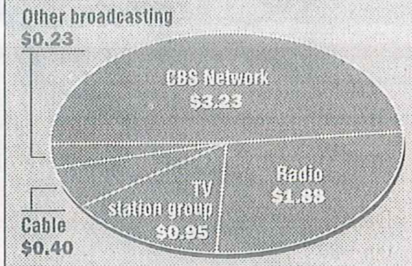
Manufacturer Plans to Sell Rest of Industrial Lines, Change Its Name to CBS

11/17/97

By KYLE POPE
Staff Reporter of THE WALL STREET JOURNAL

The New CBS's Media Business

Projected 1998 Revenue
In billions



Cash Flow
By business segment, in millions

	PROJ. 1998	1997
CBS Network	$58	−$74
TV station group	399	353
Radio	770	703
Cable	137	125
Other broadcasting	16	12
TOTAL	$1,381	$1,118

Source: Salomon Brothers

Westinghouse Electric Corp. said it will formally change both its name and its stock symbol to CBS on Dec. 1, completing a transformation that began with the 1995 acquisition of the venerable television network.

Abandoning an earlier plan that would have spun off Westinghouse's industrial operations – and saved one of this century's best-known corporate names – the Pittsburgh company decided instead to sell those operations and focus solely on TV and radio.

"We never anticipated this," said Westinghouse Chairman Michael Jordan, looking back on the industrial conglomerate he joined four years ago. "This company was a wounded company, and now it's a pretty strong one."

Westinghouse's media bent still carries risks. The television network, for example, continues to attract an unfashionably old audience, scaring away some advertisers. But securities analysts now say that the company's $5.4 billion outlay for CBS finally looks as if it is paying off, thanks in large part to surprisingly strong gains at local TV stations.

Siemens to Buy Power Business

Westinghouse confirmed Friday that Siemens AG of Germany had agreed to buy its power-generation business for $1.53 billion. The remaining industrial assets, primarily a nuclear-power business and a government operations unit that handles nuclear material for the U.S. government, will be shed by the middle of next year.

In New York Stock Exchange composite trading Friday, Westinghouse shares closed at $28.25, down 62.5 cents.

Oddly enough, after nearly $25 billion in transactions over the past two years – $16 billion involving buying and $9 billion involving selling – Mr. Jordan says Westinghouse has now returned to the legacy that began in 1920, when the company's KDKA station in Pittsburgh produced the nation's first commercial radio broadcast. "This is a historical business for Westinghouse," he said.

In reporting third-quarter results Friday, Westinghouse posted a $143 million operating loss from its industrial businesses, compared with a $19 million operating loss in its media businesses, most of which came from pension and other corporate costs. For the quarter overall, Westinghouse had a net loss of $162 million, or 25 cents a share, compared with a year-earlier loss of $28 million, or six cents a share. The losses, blamed on reduced power orders and customer delays in the nuclear business, were in line with Wall Street estimates. Sales rose 41% thanks to a booming radio business, to $1.28 billion.

Banner Year for Media

Nearly every part of Westinghouse's media empire surged in the quarter. Cash flow at the network totaled $47 million in the third quarter, a 42% leap from the $33 million reported for the year-earlier period. While some of those improvements reflect a particularly weak quarter last year – when CBS suffered against the Olympics on NBC – analysts say they also reflect better ratings and a more aggressive ad sales effort. NBC is a unit of General Electric Co.

CBS, currently No. 2 in the ratings, up from third last year, also benefited from strong syndicated TV sales as well as an unusual jump in advertising tied to the broadcast of the Emmy Awards and the Country Music Awards.

Even more surprising, though, was the performance of CBS's local station group, which has long been a laggard at the company. Several of CBS's biggest stations rank third or even fourth during their local news, resulting in a severe drag on profitability. In the third quarter, CBS said cash flow at the stations jumped 35% to $78 million.

John Tinker, a media analyst at NationsBanc Montgomery Securities Inc. in New York, said the turnaround at the station group stems from a new ad-selling blitz led by Mel Karmazin, the CBS executive elevated in May to run the station division. "The stations are out there kicking butt because Mel is forcing them to sell ads," Mr. Tinker said. "The turnaround there is stunning."

Strong Radio Sales Drive

Salespeople at the stations have been taken off salaries and put on 100% commission, while travel costs have been slashed and corporate pension benefits cut. In addition, the network has been surprised by the fact that many of its new shows, including the dramas "Michael Hayes" and "Dellaventura," score well with viewers of CBS's urban stations, even if the national ratings are lackluster. "We've started to at least try to make the network support those stations, to be more urban-focused," Mr. Jordan said.

Yet while both analysts and the company gush about the performance last quarter – with some investment houses considering raising their estimates for the company's performance this year – a number of question marks remain.

CBS's network, for instance, continues to attract the oldest audience in broadcast television. The result is that even though many CBS shows win their time period, the viewers are so old that ad rates on CBS suffer. According to data from Salomon Brothers Inc., an average 30-second commercial on CBS this season sells for $151,731, compared with $168,800 at rival ABC, a unit of Walt Disney Co., even though CBS's overall ratings are much stronger than ABC's.

Problem With Older Viewers

"It is a huge, huge problem for them," says Giles Lundberg, senior vice president of research for rival Fox Broadcasting Co. Mr. Lundberg notes that last week, even though CBS was tied with NBC for first place in total ratings, it ranked a distant fourth among adults under the age of 50, the category that advertisers still prefer. "It is going to be very difficult for them to change viewers' behavior," Mr. Lundberg says.

With CBS now one of the biggest standalone media companies, speculation already is building that the company might become a juicy takeover target. Indeed, Hollywood for weeks has buzzed that programming czar Barry Diller, now aligned with Seagram Co.'s Universal Television, is setting himself up to take over CBS, having failed at an earlier attempt.

Though Mr. Diller maintains he has no such plans immediately – and Mr. Jordan has consistently said he's not interested in a sale—people familiar with CBS say there already is a sense that the company is in play. "Everybody hears the same rumors," says Alan Bell, president of the broadcast division of **Freedom Communications** Inc., an owner of local CBS stations. "The thinking is now that CBS is simply too tempting a prize, despite the big price." CBS's stock-market value is about $20 billion, not including debt or the premium that media companies usually command.

Edward T. Hatch, an analyst for UBS Securities Inc. in New York, said CBS is on corporate acquisition lists for the same reasons it is on investors' lists. "This is a media company with a 20%-plus cash flow growth rate and a domestic focus," he says. "CBS has become a sweet story."

Mergers 'R Us

Has Antitrust Gone the Way of the 5 & 10?

P/2F 3/30/97

By Eleanor M. Fox

"Antitrust" conjures up heroic images from the past when big was bad. In 1902, Teddy Roosevelt charged into battle with railroad magnates James Pierpont Morgan and James J. Hill. In the 1940s, Franklin Roosevelt's antitrust chief, Thurman Arnold, busted the wartime world cartels commandeered by German industrialists. And in 1966, Supreme Court Justice William Douglas wrote that the concentration of economic power threatened our democracy, and that "control of American business [was] being transferred from local communities to distant cities where men on the 54th floor with only balance sheets and profit and loss statements before them decide the fate of communities with which they have little or no relationship."

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"A nation of clerks," Douglas said, "is anathema to the American antitrust dream." Today, giant mergers mock the justice's words: Boeing combines with McDonnell Douglas; Sandoz with Ciba Geigy; British Telecom with MCI; Morgan Stanley with Dean Witter; B.A.T. with American Tobacco; Boston Scientific with Cardiovascular Imaging; Chemical Bank with Chase Manhattan, and Hilton Hotels pursues Sheraton/ITT. Yet Americans seem less concerned about being reduced to a nation of clerks than about being uncompetitive in foreign markets or being left unemployed by foreign competition.

The fact is that antitrust law is not what it used to be; it was redefined in the early 1980s, at the start of the Reagan administration. Rather than being anti-bigness, antitrust law became pro-efficiency. In response to

See ANTITRUST, C4, Col. 1

Antitrust Law Is Not What It Used to Be—But It's

ANTITRUST, From C1

early winds of global competition, the law was cut back to its most minimal interpretation. Big businesses gained greater freedom to do what they wanted, and all businesses gained greater certainty about what they could and could not do.

Something has been lost of the old antitrust dream, which mirrored the pioneering spirit and ideals of Jeffersonian democracy. The vision was built on a populist distrust of power and large corporate size. As Senator John Sherman said in 1890: If we will not tolerate a monarch, we will not tolerate a king of trade. His legacy, the Sherman Act, reflected the idea that individual entrepreneurs should have autonomy and opportunity, that consumers should have sovereignty, and that entrepreneurs and consumers should be free from oppressive corporate power. It reflected an understanding that the dynamic interaction of all market forces would create an impersonal system of market governance, so that individual entrepreneurs and consumers would be ruled neither by public nor private power. Competition itself would assure economic and political democracy.

The dream was alive and well in the 1960s when antitrust and civil rights worked hand in hand to defend the underdog, helping to assure opportunity to the less well established. The problem with the dream was that it failed to take into account the tension between promoting a society of small and middle-sized players and promoting efficiency—and by the late '70s Americans began to care more about efficiency. They demonstrated this by voting for Reagan, who promised to "get government off the back of business." The costs of "civil rights" antitrust was becoming visible with the onslaught of competition from efficient foreign firms, such as Japanese and German steel, automobile and electronics makers, who were making inroads into American markets.

By the 1980s, with the lowering of world trade barriers, the costs were widely felt. IBM, for example, complained that it was shackled by the government antitrust case against it, just at a time when technology was changing the landscape of the market. The Reagan administration subsequently withdrew its case. Global competitiveness became the new Holy Grail—and not just in the United States. In 1993, when the member nations of the European Community adopted the Maastricht Treaty creating the European Union, competitiveness was explicitly stated as a goal for European business.

Though the quest for competitiveness has taken on a life of its own, antitrust is no anachronism. On the contrary, it is a crucial instrument both to empower people to compete and to establish markets, as nations are increasingly adopting the free enterprise system. Some 30 countries already have antitrust laws, and most newly industrializing and reindustrializing economies are adopting them. Post-communist countries such as Poland, Hungary and the Czech Republic are using antitrust laws to prevent newly privatized monopolies from barring entry to entrepreneurs and exploiting consumers.

In the United States, however, markets are well developed, and the role for the efficient antitrust of the '90s may seem small. While American law had originally promoted competition by preventing small companies from being fenced out of markets by economic might, the current antitrust paradigm promotes competition only as a way to achieve greater efficiency. It does not handicap even monopoly firms. Cartels, which are agreements among competitors aimed solely at eliminating competition (e.g. price fixing agreements) remain illegal, because these agreements are virtually always inefficient and harmful to consumers. But most mergers can be justified, even when they trample upon small and middle-sized firms. Even mergers of large U.S. firms may be pro-competitive if the market is global and the combining firms face competition from strong foreign corporations. So mergers of major competitors, such as Boeing and McDonnell Douglas, may pass antitrust muster. If a merger threatens to reduce competition, the parties involved can usually make an agreement with the government enforcers for a minor spinoff of assets.

The facts are often different in markets that are local rather than global. This explains the recent actions of the Federal Trade Commission under the leadership of Robert Pitofsky. The FTC challenged the merger of the discount drug store chains Rite Aid and Revco; the companies abandoned the merger. Now the FTC seeks to halt Staples' acquisition of Office Depot—the two leading office supply discounting superstores—fearing that the combination would eliminate discounting and raise consumer prices. The FTC is studying whether a proposed sale of stores to the only other office supply superstore, Office Max, will cure the problem.

But an increasing amount of antitrust activity today is on the world stage. Transnational enforcement against world-wide price-fixing is strong. The antitrust agencies in the United States, Canada, the European Union and elsewhere work together to catch price fixers. Cooperation with Canadian authorities resulted in criminal antitrust enforcement against foreign firms charged with fax paper price-fixing and others charged with raising the price of plastic dinnerware for U.S. consumers. And cooperation with the European Union authorities resulted in decrees against Microsoft for its monopolistic practices on both sides of the Atlantic. U.S. antitrust enforcers James Rill, Anne Bingaman and Joel Klein—successive heads of the Antitrust Division of the Department of Justice—expanded U.S. vigilance against foreign firms that have exploit our citizens at home and excluded our exporters abroad. And the World Trade Organization has launched a new initiative to consider whether antitrust law should be internationalized to address world competition problems.

The use of antitrust to protect small and inefficient mom and pop stores is a luxury we can no longer afford. Today, the big challenge is whether we can protect the forces of global competition so Americans can reap benefits of dynamic markets—while the less rich countries and their people participate in them, too. The more daunting challenge is to do so while resisting two pulls: the nationalistic impulse to close our markets and keep out foreigners; and the impulse of the owners of capital to move their plants to locations that offer the lowest costs even at the expense of exploiting children, workers and environments, as symbolized by Nike's recent attraction to 20-cent child labor in Vietnam.

The shift in antitrust from protecting the weak against the powerful to helping even the powerful become efficient brings with it a responsibility to safeguard the values that footloose capitalism might destroy. Ironically, getting government off the backs of businesses as they engage in global competition should lead to regulations—international, if national will not work—to protect that still vibrant American dream: the autonomy and human rights of people.

Not Dead Yet

CARTOON REPRINTED FROM "THE LIFE AND TIMES OF THEODORE ROOSEVELT" (DOUBLEDAY AND COMPANY, 1959)

He Carried a Big Stick

Cartoonists loved to show Teddy Roosevelt in the role of "trust buster." This cartoon depicts some of his victims– "The R.R. Trust," "Oil Trust" and "Beef Trust."

still too few in number, appeared to have achieved some degree of equity on income. Most of the Native Americans in our 1992 study worked for media that were quite different from the mainstream news organizations making up the larger sample, so the finding of a salary discrepancy for them is problematic.

In 1971, John Johnstone of the University of Illinois concluded that journalists' income was roughly equivalent to similar occupations. That certainly was not the case in 1982-1983, nor in the latest study. The 1991 median salary of $31,297 for full-time journalists was well below the income of comparably educated accountants, for example. In 1990, the average salary for nonsupervisory management accountants was $37,000. Internal auditors made $36,800. Insurance agents and brokers earned an average of $32,340 in 1991. Technical writers and editors working for the federal government in 1991 earned a median salary of $36,897. Attorneys with a median salary of $66,784 in 1991 earned a great deal more than journalists.

In the field of public relations, the median salary for 1991 was $46,556—a figure that includes executive vice presidents of firms, as well as lower-level creative personnel. However, even public relations account executives for corporate PR departments, at a median of $35,724, earned more than the typical journalist. Those working at public relations firms made somewhat less, at $28,132.

It seems clear, then, that journalists' income during the inflationary years of the 1970s lagged more than did salaries in other comparable occupations. John Morton, well-known analyst of the industry, said, "No one in the history of newspapering has ever expected editorial people to act in their own economic best interest." That may be changing. ◘

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Media ownership and how it fares

Editor's note: Hoover's Guide to Media Companies, published in 1996 by Hoover's Inc., compiled this list. The editors said they decided to do this book after a report from investment bankers Veronis, Suhler & Associates said that between 1990 and 1994, communications was the seventh fastest-growing of the top 12 U.S. industries and would move to fourth position from 1995 through 1999. Since this information was gathered, mergers and acquisitions have changed some of these companies. For the guide, Hoover's editors concentrated on "content providers." Hoover's Inc. company information also is available at Hoover's Online (http://www.hoovers.com). This information is reprinted with permission of Hoover's Inc.

Hoover's Media 50: World's largest media companies

1995 Rank		Company Headquarters	Revenue ($ mil.)
1.	Time Warner Inc.	New York	17,696
2.	Bertelsmann AG	Gutersloh, Germany	14,761
3.	The Walt Disney Company	Burbank, California	12,112
4.	Viacom Inc.	New York	11,689
5.	Havas S.A.	Neuilly-sur-Seine, France	9,118
6.	Sony Corporation	Tokyo	*8,726
7.	The News Corporation Limited	Sydney, Australia	8,641
8.	THORN EMI plc	London	7,306
9.	The Thomson Corporation	Toronto	7,225
10.	R. R. Donnelley & Sons	Chicago	6,512
11.	Lagardere Groupe	Paris	*5,800
12.	MCA Inc.	Universal City, California	5,772
13.	Reed Elsevier plc	London	5,646
14.	PolyGram N.V.	Baarn, The Netherlands	5,449
15.	Aegis Group plc	London	5,262
16.	TCI Communications, Inc.	Englewood, Colorado	5,118
17.	The Dun & Bradstreet Corporation	Wilton, Connecticut	*4,958
18.	Advance Publications, Inc.	Staten Island, New York	4,855
19.	W H Smith Group plc	London	4,271
20.	Reuters Holdings PLC	London	4,188
21.	Publicis SA	Paris	4,178
22.	The Rank Organisation PLC	London	4,139
23.	Quebecor, Inc.	Montreal	4,067
24.	Gannett Co., Inc.	Arlington, Virginia	4,007
25.	Kirchgruppe	Ismaning, Germany	4,000
26.	National Broadcasting Company	New York	3,919
27.	Cox Enterprises, Inc.	Atlanta	3,806
28.	Granada Group PLC	London	3,769
29.	The Times Mirror Company	Los Angeles	3,448
30.	Turner Broadcasting System ,Inc.	Atlanta	3,437
31.	Comcast Corporation	Philadelphia	3,363
32.	Westinghouse/CBS Group	New York	3,333
33.	Compagnie Luxembourgeoise pour l'Audio-Visuel et la Finance	Luxembourg	3,100
34.	The Reader's Digest Association, Inc.	Pleasantville, New York	3,069
35.	British Broadcasting Corporation PLC	London	3,000
36.	The McGraw Hill Companies, Inc.	New York	2,935
37.	Pearson plc	London	2,931
38.	Axel Springer Verlag AG	Hamburg	2,888
39.	Knight-Ridder, Inc.	Miami	2,752
40.	Carlton Communications PLC	London	2,533
41.	Nippon Television Network Corporation	Tokyo	2,413
42.	The New York Times Company	New York	2,409
43.	WPP Group plc	London	2,406
44.	Tokyo Broadcasting System	Tokyo	2,386
45.	U S West Media Group	Englewood, Colorado	2,374
46.	The Hearst Corporation	New York	2,331
47.	Dow Jones & Company, Inc.	New York	2,284
48.	Omnicom Group Inc.	New York	2,258
49.	CEP Communication SA	Paris	2,253
50.	Tribune Company	Chicago	2,245

*Note: Media revenue only

BOOKS & THE ARTS.

Murdered Ink

JON WIENER

When Robert Sam Anson's book-in-progress on the Walt Disney Company was killed by Simon and Schuster this past March a year before its due date, people in the publishing industry were stunned. Here was an established writer with a hefty contract and a powerful editor. If Anson was vulnerable, who was safe? Are more books being killed these days by publishers who are increasingly likely to be part of large conglomerates?

There are many ways to kill a book, as anyone who has worked in publishing knows. Manuscripts can be rejected at a number of points before their final delivery. Less frequently, manuscripts that have been copy-edited and announced in the publisher's catalogue can be yanked almost literally from the presses. Then there's the publishing industry's death-in-life, books that are printed rather than published, sent out into the world with tiny press runs and no advertising. (And of course, as André Schiffrin, director of The New Press, reminds us, there are also the worthy books that don't get killed but are never born because they are never signed up to begin with.)

Why are books killed? It depends on whom you listen to. Authors will tell you that publishers were afraid of the unvarnished truth. Some editors will tell you that the books in question just weren't very good. But there are some cases that seem indisputably to involve fear in publishing companies that are part of corporate conglomerates—particularly concern not to offend company higher-ups in the movie end of the business. ("It's the newest way to measure dick size in Hollywood," Anson says: "Whether you have enough power to kill a book.") And corporate publishers seem to be especially unwilling to take risks to defend their books when libel suits, even unfounded ones, are threatened. In the next few pages I examine a number of books that were killed in one way or another—books by established authors that can't be dismissed as "just not very good." Together they tell us something about where the increasing conglomeratization of publishing is taking us all.

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M-G-M doesn't care what kind of book you write about its founder Louis B. Mayer, but the Disney Company cares deeply what you say about Walt. For sixty years the company has maintained a vast army of P.R. people promoting Walt as a kindly, child-loving, patriotic embodiment of all the true American virtues. Today, the $4.7 billion company he founded works relentlessly to protect his magical name, the name of the land that is "the happiest place on earth." Publishers know the Disney people are skilled at playing hardball; Marc Eliot learned that quickly when he set out to write the first independently researched Disney biography.

Eliot's book, *Walt Disney: Hollywood's Dark Prince*, was signed by Bantam in 1989 and killed in 1991. Eliot had already published two significant nonfiction books—a well-researched bio of Phil Ochs, published by Anchor, and a solid exposé of the music biz, *Rockonomics*—when he agreed with Charles Michener, editor at large at Bantam, to write a Disney biography. Twenty-four hours after the deal was signed, Eliot recalls, he got a call from Robyn Tynan in Disney's public relations department, telling him that Disney executives had read his proposal and were not happy. Neither Eliot nor Michener knew how Disney got a copy of his proposal.

The power of multinationals and conglomerates like Disney over the book industry has been growing steadily in the past decade. The Walt Disney Company not only makes movies and runs the world's various Disneylands, it owns The Disney Channel and a TV station, it records music and publishes books, it buys books to make into movies that are shown on its cable channel and it licenses products, songs and stories to publishers. Half a dozen other multinational media conglomerates do more or less the same thing: Time Warner, Times Mirror, Rupert Murdoch's News Corporation, Hearst, Bertelsmann. Their growing power to control the written word is bad news for readers, and for writers.

When Eliot made it clear to the Disney people that he wasn't going to back down, he was told that in that case Disney would like to open its archives to him and work with him to make sure he got it right. Eliot felt victorious. Then he got another call from Tynan, telling him that the Disney legal department wanted to review his completed manuscript before publication—to enable him to correct any errors. He agreed, but said he'd have to have the final say in any dispute. He remembers her replying, "Of course."

In Tynan's next call, she told Eliot the legal department now said they had to have the final say. He said he couldn't give them editorial control. "Then she says, 'We're going to offer to license the book and make it a Walt Disney product. You can make all the money, but we want to make it official. And we will not only cooperate, we will let you talk to everyone and give you photos.' " He refused. When he went to Burbank for his first appointment with the head of the Disney studio archives, a security guard and a representative from Tynan's office escorted him off the grounds.

Robyn Tynan told me she didn't re-

DISCUSSED IN THIS ESSAY:

WALT DISNEY: Hollywood's Dark Prince. *By Marc Eliot. Killed in 1991 by Bantam (Bertelsmann). To be published July 1993 by Birch Lane Press (Carol Publishing).*

SKIN TIGHT. *By Christopher Byron. Virtually killed in 1992 by Simon and Schuster (Paramount Communications).*

THE RULES OF THE MAGIC. *By Robert Sam Anson. Killed in 1993 by Simon and Schuster (Paramount Communications). Signed by Pantheon.*

MISSING. *By Thomas Hauser. Killed 1983-88 by Harcourt and Dell (Hearst). New edition by Touchstone in 1988.*

IN THE SPIRIT OF CRAZY HORSE. *By Peter Matthiessen. Killed 1983-91 by Viking. New edition by Penguin in 1991.*

CONNECTIONS: American Business and the Mob. *By Roy Rowan and Sandy Smith. Killed in 1990 by Little, Brown (Time Warner).*

member much about her contact with Eliot, and explained, "By doing a license, we can be sure that all the information is correct. When a publisher doesn't want to do that, we say, 'Then we can't help you out with the book.' "

Eliot decided to push ahead without cooperation from Disney, and got the agreement of Michener at Bantam. "Marc had done a tremendous number of interviews with people who had worked with Disney over the years," Michener recalled, "many of them in their 70s, no longer dependent on Disney, who had never talked to anyone before. They had fascinating things to say. . . . I thought, this is going to be one of the great Hollywood bios, way beyond the usual showbiz book."

A year and a half later Michener left Bantam, telling Eliot, "Don't worry, your book is safe." A few weeks later, his new editor asked to see what he had done. He sent her forty pages of notes about Disney's childhood, he says, and explained that he was still researching the rest, and that his understanding with Michener was that he would take three or four years to write the book.

"She read my notes," Eliot recalls, "and she canceled the contract. She said this was not of publishable quality. I said, 'This is not the book, these are notes. I'm waiting for Disney's F.B.I. file and I have reason to believe there is explosive material there. I have other material no one has ever dared write about. I can connect Disney to organized crime.' I ran the gamut. But I couldn't convince her." That was the only time he ever talked to her.

Then Eliot discovered that Bantam and Disney had a lucrative contract for Bantam to publish children's book versions of Disney movies sold in supermarkets: the eighteen-volume "Disney Library," available since 1983 at $2.95 a volume, plus a twelve-volume "Disney Choose Your Own Adventure" series published in 1985-87 at $4.95 a volume. Eliot concluded that "there was no way Bantam was going to allow a critical bio of Walt Disney to be published while they were doing business with the Disney Company."

Michener comments, "It does seem very odd and unseemly if they rejected this book just on the basis of notes. It's not done—not to give him a chance to turn in a hundred pages. It invites the suspicion that there might have been nonliterary reasons, like not wanting to rock the boat with Disney."

Gene Young was the Bantam editor who killed the book. She subsequently left publishing. Asked what happened, she said "I don't think I should talk about that book," and referred me to Stuart Applebaum at Bantam. Linda Grey was president of Bantam when the book was killed; today she is president and publisher of Ballantine Books at Random House. She was unavailable for comment; her assistant also suggested I call Applebaum. When I asked Applebaum, the spokesman for Bantam, whether a conflict of interest had led to the killing of Eliot's book, he said, "I vigorously and laughingly deny it on behalf of the company." He added, "You'd have a hard time finding a publisher without some Disney-oriented licensed book product in some aspect of their publishing program." But that's precisely the problem: A muckraking book like Eliot's would have a hard time finding a major publisher who doesn't have a conflict of interest.

Eliot's book was getting the kind of high-profile news coverage that would thrill any publisher.

Eliot took the book to Birch Lane Press, an imprint of Carol Publishing Group, a privately owned company. *Walt Disney: Hollywood's Dark Prince* has a July 1993 pub date. *Publishers Weekly* just gave the book a rave: "Meticulously researched and replete with surprises, this is a major biography." The *Kirkus* review was also strong. A *New York Times* feature story on the book explained why it was objectionable to the Walt Disney Company: Eliot revealed that Walt worked for twenty-five years as an F.B.I. informant. National Public Radio reported that "the man who created Mickey Mouse was a rat"; on his public radio program, Harry Shearer sang, "When you snitch upon a star." A Disney spokesman denounced Eliot. In short, the book was getting the kind of high-profile news coverage any publisher would be thrilled to receive—unless the publisher was doing business with Disney.

Would Eliot write a new book for Bantam tomorrow? "Probably," he answers. "In publishing the cards are stacked against writers so much that you have to be able to work with the field. Otherwise you blacklist yourself."

Christopher Byron also wrote a book that offended the powerful. In his case, he did not realize that the story he told involved the wife of the president of the conglomerate that owned his publisher. The book was published, but it was promoted so feebly that it amounted to killing it. Byron writes the business column for *New York* magazine and is the author of *The Fanciest Dive*, the highly praised book about Time Inc.'s *TV-Cable Week* fiasco. Simon and Schuster signed him up to write *Skin Tight: The Bizarre Story of Guess v. Jordache*, a book that tells a great story: the most vicious fight in the history of the garment industry, a twisted feud for control over Guess jeans between two rival families of immigrant Jews from the Middle East and North Africa. The three Nakash brothers of Jordache and the four Marciano brothers of Guess were terrific businessmen, but they hated each other. A simple civil lawsuit between them over a breach of contract escalated into rival grand jury investigations in Los Angeles and New York, as each side went to U.S. Attorneys to stir up tax fraud investigations of the other. Eventually this culminated in Congressional hearings on corruption in the I.R.S.

Byron learned that the Nakash family's charges against the Marcianos made use of information they got from the former wife of Georges Marciano, the founder of Guess jeans. Her name was Melinda; she had started out working at the Marciano retail boutique in Beverly Hills. She and Marciano divorced shortly after the birth of her son.

The Nakash lawyers obtained a declaration in which Melinda described her husband and his brothers bringing home large amounts of cash and dividing it up—she described one occasion on which "I personally counted $25,000 in cash." The Nakashes presented this as their primary evidence that the Marcianos were taking kickbacks from suppliers, skimming perhaps millions of dollars from the company. Melinda then dropped from the story and disappeared from view after the divorce proceeding. Byron never interviewed her; his reporting was based on her legal declaration.

Simon and Schuster's catalogue announced a "four-city author tour" for *Skin Tight* and "national advertising, including *The Wall Street Journal*." The jacket blurbs were sensational (Alan

Dershowitz called the book "a great read" that proved that "the ends just don't justify the jeans") and the prepublication reviews were strong. *Kirkus* praised *Skin Tight* as "a first-rate and stylish account . . . as engrossing as it is nauseating." *Publishers Weekly* called it an "evocative" book with "a cast worthy of a suspense novel." And there was talk of a big movie deal—so bound galleys were sent to Paramount Pictures, the studio affiliated with Simon and Schuster through their corporate parent, Paramount Communications.

Just as the presses were set to roll, Byron received a call from his editor, Bob Bender, who told him that Paramount wanted all references to Melinda Marciano to come out of the book. When he asked why, he was told that Marciano's ex-wife had undergone the greatest makeover in the history of Beverly Hills and was now married to Stanley Jaffe, the president of Paramount Communications.

So Byron went to work revising the book, now in bound galleys. He couldn't remove Melinda completely because she was key to half the story. But her name was deleted virtually everywhere in the book: In the index she is referred to as "Marciano, Mrs. Georges"; in the text she is called "the missus," "the woman," and "Mrs. Marciano." Her name appears only once in the book: the endnotes cite "Declaration of Melinda Marciano." Byron refused to cut that because he felt he had to provide complete documentation of his sources.

The book was then published—but just barely, Byron says, without any of the fanfare that had been promised. Byron had heard the first printing was to be 35,000-40,000; now he found out the press run had been cut to 11,000. His publicity bookings were canceled, and the promised national advertising never appeared. Simon and Schuster apparently made no attempt to sell the paperback rights. After a 2,000-word review on the cover of the *Los Angeles Times* Sunday book section, the book sank without a trace. Byron was so disheartened he never talked to anyone at Simon and Schuster about what had happened; he told friends he was shattered by the experience.

When I called Simon and Schuster, the operator answered, "Paramount Communications." When I asked Byron's editor, Bob Bender, what happened with *Skin Tight*, he said only "I don't want to get into that." There's no reason to think that Stanley Jaffe himself demanded that his new wife be taken out of a Simon and Schuster book—it could well have been other Paramount employees, who knew that their jobs included protecting the boss from embarrassment.

The most recent victim of corporate murder, Robert Sam Anson's book-in-progress at Simon and Schuster, is tentatively titled *The Rules of the Magic*. It was killed by S & S in March, before the due date, before he handed in a word of it. Anson had written his last book, *War News: A Young Reporter in Indochina*, for Simon and Schuster in 1989 with editor Alice Mayhew, with whom he had developed a close relationship. He submitted a long list of possible topics for his next book, and Mayhew settled on the Disney idea; Anson moved to California with his family and went to work. The deal, signed in May 1991, was for $400,000, with an advance of $160,000. Serious medical problems afflicting his daughter slowed him down, but Mayhew convinced him to keep working.

The contract provided for a payment of $40,000 on presentation of evidence that a major portion of the research was finished. Anson and his six assistants had completed 375 interviews, he says, so he submitted his evidence this past February. According to Peter Shepherd, Anson's agent, "Alice said, 'This is super, the check is on its way.' "

Then, Shepherd recalls, "All of a sudden she invited me over to Simon and Schuster. When I arrived, there she was with her boss Carolyn Reidy. They announced to me they were going to drop the book. They said, 'We think Anson has to talk to some people at Paramount.' I said, 'Oh?' They said, 'And we don't think the people at Paramount are going to want to talk to him. And we can't help him. And therefore we have to terminate the contract.' " Shepherd concludes, "It was one of the most peculiar experiences I've had in thirty-five years of publishing."

Why would "the people at Paramount" pose a problem for a book on Disney studios? Anson thinks the problem was Martin Davis, chairman of Paramount Communications, which owns Simon and Schuster. Davis is relevant to a book on Disney studios because Disney hired its two top executives, Michael Eisner and Jeffrey Katzenberg, away from Paramount, where they had worked under Davis.

"I told Alice that Marty Davis was going to get roughed up a bit," Anson said, "but she didn't know any specifics. Two weeks after that conversation she called and said, 'We're concerned about you getting to sources.' I said, 'Like who?' She said, 'Barry Diller.' She didn't ask about anybody else. I can only surmise that they didn't want me to talk to Barry Diller. Nobody knows Marty Davis better or has a better reason to dislike him. Davis can't stand bad publicity—he loathes it as a matter of principle. He was concerned about what other people would be telling about him. And there's a lot to tell."

Anson got a distinguished First Amendment litigator, Martin Garbus, to represent him, and filed a million-dollar breach of contract lawsuit against Simon and Schuster. Why did Garbus, who has represented Andrei Sakharov, Nelson Mandela and Vaclav Havel, take Anson's case? "There's a relationship between free speech issues and publishing issues," Garbus explains. "It's important to protect authors with rules and requirements that relate to the publication of books. Anson does something like 350 interviews and they say they're dissatisfied. I've never seen that happen. They could have waited to see the manuscript, but their reasons for turning it down were transparent.

"Alice Mayhew is basically a fine editor who has done controversial books," Garbus said. "It was inconceivable to her that she would be faced with this problem. She would have liked to see the book published. But she can't say that." Anson commented, "Marty Davis did not expect the publishing company he owns would turn around and hire a writer for 400,000 bucks who was going to trash him."

The lawsuit, filed in mid-March, charged that the decision to suppress the book's publication was "the result of outside pressure from S&S's parent company, Paramount Communications, Inc.,

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COBB'S BARNS

Hopper painted this one empty of people.
From a ridge of dunes he saw
what someone else had built,
a set of barns attached
in the way a child's might be,
with each side seasoned a different
chromatic red—it being South Truro
and exposed, predictably,
to the permeability of air.
"There are many thoughts,
many impulses, that go into
a picture," Hopper once wrote,
but he chose buildings not for beauty.

He caught the light that mattered
on the three planes
of the three roofs,
then provided solitude
where cows and other mud-bearing animals
are found. Hopper liked
the hills to look purple,
and he made the grasses common—
indigenous, they were given, therefore,
to a certain wildness.
A haze off the ocean is understood.
"My aim," he told his wife,
"is the most exact
transcription possible."

By deed these barns belonged
to A.B. Cobb, unknown man,
until a painter's eye
in the summer of 1931,
transferred ownership to himself,
and Cobb, in death, to immortality.
(Look what) can be done
with the homeliest subject,
if one possesses a seeing eye,
they said of Hopper.

Did these giant forms filling their space
on sand, like dinosaurian blocks,
fill an absence in Hopper as well?
In the deliberate heat
of a Cape Cod summer,
as he divided the soil
of his canvas with Cobb,
Hopper allowed,
"I don't know what my identity is."

Anne Babson Carter

All quotations are from Edward Hopper: The Art and the Artist, *by Gail Levin* other persons and/or entities opposed to the book's publication." Jerry Sherman, Paramount's senior vice president for corporate communications, told the press that Anson's claims were "absolutely absurd" and "sheer fabrication and nonsense."

The S&S denial met with widespread skepticism. "Anson is a serious guy, a hard-working journalist who has written several good books," said Robert Scheer of the *Los Angeles Times*. "He's a fast, productive writer. He's been researching the hell out of this book." Anson has a track record; his seven previous books include the 1987 *Best Intentions: The Education and Killing of Edmund Perry*, published by Random House, which got impressive reviews; he's also written for *The New York Times*, *The Washington Post*, *Harper's*, *The Atlantic*, *Time* and *Esquire*.

The Authors Guild filed an affidavit in the suit supporting Anson, expressing "extreme concern" about the role of Paramount Communications in killing the book. PEN issued a similar statement. The story has a happy ending, though: Simon and Schuster settled the suit; the amount Anson received is confidential, but, Garbus said, "We are very pleased." Pantheon picked up the book; publishing industry sources say Anson's deal with them is for $300,000. And Disney has told Anson the company will give him full cooperation.

Anson and Byron both ran into the same problem: The values of entertainment conglomerates have infected book publishing. If a magazine wants to run an article on a star, the reporter does not ask for an interview; instead the magazine contacts the star's publicist, who first negotiates the placement of the piece—on the cover, the lead piece, whatever. Then they negotiate who will write it. The press is regarded as the P.R. apparatus of the entertainment business, and it's good business to use whatever power or influence you have to get good P.R. The rise of conglomerate publishing brought Paramount, Disney, Time Warner and others to impose those values on the publishers they own.

Defenders of conglomerate publishers argue that their immense size is a virtue because it enables them to stand up to the most dangerous form of censorship—pressure from the government itself. Several significant cases suggest the weakness of that argument. Thomas Hauser wrote the book that was made into the 1982 Costa-Gavras film *Missing*. The paperback edition was killed by Avon Books, a Hearst subsidiary, when author, publisher and filmmaker were sued for libel.

Missing was one of the great political films of the eighties. Like Hauser's book, it told the true story of Charles Horman, killed in the U.S.-backed coup that overthrew Salvador Allende and Chilean democracy in 1973. Horman's father, a deeply conservative man, traveled to Chile to look for him and came to the conclusion that U.S. officials were involved in his disappearance and in the coup. After the film came out, a libel suit was filed by three State Department officials, including Nixon's Ambassador to Chile in 1973, Nathaniel Davis, who sought $150 million in damages.

Even with the suits dismissed, Avon wouldn't put the book back in print.

Hauser, a lawyer with a big firm who decided he'd rather write, had originally published his book in hardcover with Harcourt Brace Jovanovich in 1978 under the title *The Execution of Charles Horman*. Harcourt sold the paperback rights to Avon, which published first in 1980 under the original title; up to this point nobody sued. The paperback was republished in 1982 as a movie tie-in under the new title; the State Department officials sued in 1983, and Avon then took the book out of print. Attorney Richard Bellman, who represented Hauser, recalled that "Avon said, 'We know there's nothing wrong with the book, but we are afraid of the costs of litigation and it's simpler for us to take it out of print.'"

The lawsuits against the book were dismissed as frivolous, but Avon still would not put the book back in print—they said they feared they might be sued again. Hauser asked his publishers to revert the rights to him so that he could find somebody else to publish it; they said no, the book had commercial value and they might want to publish it in the future to make some money from it. Hauser had to sue his publishers in 1985 to get the rights back.

On the eve of the trial, Hauser's publishers settled. Avon and Harcourt reverted the rights to him and paid him a huge settlement, insisting on confidentiality regarding the amount. Finally a new paperback edition was published by Touchstone—a Simon and Schuster imprint—in 1988. In the meantime the book had been kept out of print for five years by the publisher, including the time the movie was in theaters and then shown on TV (despite the continuing libel suits against the movie, it was broadcast on cable TV and then on CBS in 1985), when it would have found its largest readership.

The State Department officials who sued never sought to stop distribution of the book, and no court ever ordered any such action. Nathaniel Davis retired from the Foreign Service and joined the faculty at Harvey Mudd College in California, where he is now a professor of humanities.

Peter Matthiessen also learned that publishers have trouble standing up to government officials—in his case, the officials he criticized in his magnificent book *In the Spirit of Crazy Horse*. Published by Viking in 1983, it provided a solidly documented account of the events that culminated in a 1975 gun battle on the Pine Ridge Reservation in South Dakota between F.B.I. agents and members of the American Indian Movement (AIM) that left two agents and one Indian dead. Matthiessen is one of America's most acclaimed writers; *The New York Times Book Review* called *In the Spirit of Crazy Horse* "one of those rare books that permanently change one's consciousness." In the trial following the shootout, Leonard Peltier, an Ojibwa-Sioux AIM activist, was convicted of murdering the agents; now 48, he is serving consecutive life sentences at the federal penitentiary in Leavenworth, Kansas. Matthiessen's book presented compelling evidence that Peltier is innocent.

Shortly after the book's publication, South Dakota's Governor, William Janklow, filed a libel suit against Matthiessen and his publisher, Viking Press, seeking $24 million in damages, and an F.B.I. agent involved in the case filed a second suit for $25 million. Viking responded to the lawsuits by destroying the copies of the book it had in its warehouse and taking it out of print for seven years. Matthiessen was "horrified and indignant" over the destruction of his books, his wife said in an interview. "I did not agree to the destruction of my books," Matthiessen himself told me. "I didn't know about it. I felt they never should have withdrawn the book in the first place. It seemed to me overcautious. Martin Garbus, their lawyer, told me he didn't think Viking should have withdrawn the book until they had a judgment against them in court."

Garbus, asked in an interview to comment, said, "The publishers told me they didn't destroy anything." Viking decided to delay publication of the paperback, he said, because under the law the paperback would have been a new edition and thus more vulnerable to the libel suit than the hardcover had been—since the publisher had been informed that facts reported in the hardcover were in dispute.

The libel cases were finally thrown out of court in 1990, and Viking at last reissued the book the following year. In the meantime, the strongest case for Peltier's innocence had been kept from the public for seven years.

In both the Hauser and Matthiessen cases, publishers pursued overly cautious strategies in response to libel suits. Large publishers who can afford libel insurance might in principle be expected to defend their books more vigorously against baseless libel suits than small ones. Yet the companies seem to be motivated more by fear and greed than by a commitment to their readers, their writers or the First Amendment.

Books about organized crime also raise publishers' fears of libel suits—even the biggest publishers, as two *Time* magazine writers discovered. *Connections: American Business and the Mob*, by Roy Rowan and Sandy Smith, was killed in 1990 by Little, Brown & Company, at the time a subsidiary of Time Inc. *Time* had reported back in 1981 that Reagan's Secretary of Labor, Raymond Donovan, was linked to organized crime through a New Jersey firm, Schiavone Construction, of which he had been an executive. The author of the piece was Sandy Smith, one of the country's top mob reporters. Schiavone sued *Time* for libel in 1983. Smith and Rowan then wrote their book on American business and the mob, which included several chapters on Donovan's alleged mob ties, the Schiavone libel suit and the cover-up by the F.B.I. of what Attorney General Edwin Meese described as "the possibility of organized crime ties involving Donovan." *Time* fought the libel suit for five years, and federal district courts dismissed it twice. Then, as the Time Warner merger loomed, *Time* reversed course and paid Schiavone half a million dollars to settle the suit. Sandy Smith was outraged and *Time* execs knew it. Less than a year later, Little, Brown killed the book.

The Rowan-Smith book had been listed in the fall 1989 Little, Brown catalogue as forthcoming that October. It reproduced the jacket and extolled the book's exposé of "the delicately balanced system of 'business arrangements' among criminals, politicians and business leaders in this country." The catalogue also an-

LOST IN THE FOREST NEAR NACOGDOCHES

You're leading the way and I am sighing
behind you. At each wrong turn the dogs
patiently hesitate and I am sighing.
So wait here and rest you say, in charge,
as though you were a huntsman
dressed in coarse brown cloth,
as though you knew the way out

and I am waiting, kept
in a childhood tale of forest
where this is routine and believable:
the perilous path, repeated adversity.
I wait, enclosed by courtly pines
and silence, the dutiful dogs gone on,
imprinted to your shape of the huntsman.

Now all that moves is alive.
Leaf by leaf stirs from its branch
and issues language in its slow drift down
and the wind collaborates to make
a chorus, prompting. I have only to listen
for ~~the~~ one correct word, the word
most hidden and most familiar,

as watery November sun asserts itself
to light at my feet a highway of ants
who know exactly where they are going.
Each parading forager carries a berry
of ecstatic fuchsia hue, a splendor
astonishing on the brown mulched floor.
Little pilgrims, little caravan of the faithful,

I would join in this ancient choreography
and carry a bright precious fruit
as votive offering to reclaim the favor
of heaven. For leaf after leaf
is saying the word *loss, loss*
and the wind is the moan of grieving.
We are lost in the forest near Nacogdoches

and you and the dogs are trying
to look cheerful as you return to me.
Faithful huntsman, there is a way
out of here, we are walking
the procession of centuries and I am holding
a branch heavy with clustered berries
of reddish purple which shine

with an aura. Are they not like
sorrows we have accumulated
in this life, each a luminary
which we must carry with us
more carefully than a guerdon,
more carefully than a piece of luck?

Isabel Nathaniel

nounced "national advertising and promotion/ national author publicity." Howard Kaminsky, formerly a top editor at Random House and currently C.E.O. of William Morrow, told Richard Clurman in regard to this case, "in twenty-three years of publishing, I have never known of a book that was copy edited, advertised in the catalogue, and then withdrawn. It's almost unheard of—and very strange, even suspicious." Between the catalogue and the killing came an unusual four-month legal review; of the book's twenty chapters, Rowan and Smith were questioned only about the four that dealt with the history that culminated in *Time*'s decision to settle with Schiavone.

Why Little, Brown killed the book one month before the Time Warner merger is still hotly debated. "*Time* suddenly sold out," Sandy Smith told *The New York Times*, "as they cleared the decks to merge with Warner." *Time* may have wanted to reassure Warner that it would shy away from tough reporting about corporate ties to organized crime, including problems at Warner. That theory was put forward in the rarest of all publishing events, when two former board members of Time Inc. joined the authors in criticizing the decision to cancel the book and charged that the decision was made not by the publisher but by the parent company.

Little, Brown's chief executive, Kevin Dolan, and Roger Donald, editor of the book, insisted that the decision to cancel the book had been theirs, based on a report from the company's attorney, John Taylor Williams, that the book "contains libelous material." Martin Garbus, who read the same manuscript later when it was submitted to another publisher, told me he saw no libel problems in the book.

When the authors threatened to sue Time Warner for $1.5 million for breach of contract, the company settled, paying the two authors an amount reported by Clurman, a former Time Inc. executive, to be "under $500,000." The book never found another publisher. John Hawkins, the agent who represented the authors, explained that "Little, Brown sat and sat on it, and by the time we were able to take it elsewhere it wouldn't have appeared for another year; in the meantime some of the material had come out in other stories. Some publishers were interested, but at reduced levels of advance."

Roy Rowan today says, "I have very good relations with all the people at Time Warner. I've spent my whole life at that place. These are my very good friends." But things have been different for Sandy Smith. He put his house in Maryland up for sale and moved to Montana. Reached at his new home in Seeley Lake, a tiny town near Glacier National Park, all he would say was, "I just don't want to get into it." Friends say the man who was regarded by many as the premier mob reporter in the country now spends his time hunting and fishing.

The Rowan-Smith book on connections between American business and the mob was "one of those inside stories about how our society really works," Sydney Schanberg wrote. The killing of that book is another one of those stories.

The problem of conglomerate control of publishing was laid out a decade ago by Ben Bagdikian in his book *The Media Monopoly*, published in 1983 by Beacon Press. In a perfect illustration of the problem he was describing, while his book was being edited its publisher received a letter from Simon and Schuster demanding to see a copy of the manuscript before publication, as well as the right to delete anything the company considered defamatory to S&S; they threatened legal action if these demands were not granted. Bagdikian and Beacon of course refused, and took the story to the press. "That was a great boost for the book," said Bagdikian, now dean emeritus of the school of journalism at the University of California, Berkeley—"a powerful publisher trying to censor the book of a small publisher."

What Simon and Schuster wanted to delete was Bagdikian's report that in 1979 the publisher had killed a book called *Corporate Murder* proposed by Mark Dowie, the investigative reporter who discovered that the Ford Motor Company had designed the Pinto car with gas tanks it knew to be dangerous, after having decided that it was cheaper to pay off heirs of those killed in accidents than to spend the few dollars per car that would have made them safer. Bagdikian reported that the editor of the book, Nan Talese, told the author that Simon and Schuster president Richard Snyder "was vehemently opposed to the manuscript because, among other reasons, he felt it made all corporations look bad."

In response to the storm of bad publicity, Simon and Schuster press releases declared it was not true that *Corporate Murder* had been killed because of pressure from Gulf + Western (which changed its name to Paramount Communications in 1989). Bagdikian replied that he had never made such a charge. "The point in my book is quite the opposite," he said. "It is that without any pressure, it is natural and inevitable that important people in a media subsidiary will be conscious of who their owners are. I have never had any reason to believe that Mr. Snyder rejected the book for anything other than sincere personal judgments."

Bagdikian's argument seems irrefutable: "A corporation dependent on public opinion and government policy can call upon its media subsidiaries to help in what the media are clearly able to do—influence public opinion and government policy. At the very least, the corporation can make sure that one subsidiary does no preventable harm to another." It was an unfortunate irony for Mark Dowie that his title—*Corporate Murder*—described his book's fate. Today Dowie continues to work as an investigative reporter [see his "Clean, Green and Guilt-Free Funds," *The Nation*, April 26].

What explains the spate of books killed lately by conglomerate publishers? "The publishing business doesn't have a very high return on your money—6 percent," says Erica Jong, past president of the Authors Guild, whose most recent book, *The Devil at Large*, is about Henry Miller. "If you were investing for maximum return, you wouldn't invest in a publishing house. The reason people invest in publishing houses is to control the word. As long as Robert Maxwell owned the *News* he was 'Cap'n Bob' and they were writing wonderful things about him. When he went over the edge of his ship, he was suddenly discovered to be a crook who had looted the pension fund."

E.L. Doctorow explained the situation when he testified on behalf of PEN before the Senate Antitrust and Monopoly Subcommittee in 1980. "Apart from the good motives or the honor or the seriousness of purpose of any particular publisher or editor," he said, "the concentration into fewer and fewer hands of the production and distribution of literary work is by its nature constricting to free speech and the effective exchange of ideas and the diversity of opinion." While journalism, television and the film industry have long since been dominated by a few giant corporations, book publishing until recently remained "a cottage industry . . . spread among many hands, the decision-making process dispersed into thousands of independent and unconnected hands." That is what has changed.

The media conglomerates call what they are doing "synergy"—getting all the parts of the company to work together to promote a single product: the movie, the book tie-in, the soundtrack album, the magazine features, the TV show appearances, the cable broadcasts, the videocassette, the mass-market paperback. "You can call that synergy," Erica Jong says, "or you can call it fixing the press. We're looking at a cynical attempt to control information. That's all it is. It's a desperate situation." □

ONE WORD

From my couch, the room a grainery before,
the attic window a good distance away,
I watch the trees sway in a howling wind.
There's a live broadcast of Schütz's music
whose harmony and frank appeal
to sanctity I've always loved, tones of
recognition, of resigned acceptance,
as the trees before the wind, as man on
his knees in supplication, obedience
to what is so much greater than
he is, but is also his. As though as an
aside, yet given the nature of
the music, an addition, appropriate as if
their reality were a part of it, I hear
the sweetest twitterings of birds, from
probably within the denseness of the trees.
Considering the byways of my life I've had
to retrace, I would wish to welcome the one word
by all I now hear and see conveyed with
reverence, from deep within, one word,
an assent felt, inaudibly expressed: yes, yes!

Arthur Gregor

FILMS.

STUART KLAWANS

Much Ado About Nothing
Man Bites Dog

To answer the most important question right off the bat: Yes, Kenneth Branagh and Emma Thompson are everything you could hope for in *Much Ado About Nothing*.

Thompson, with her hot-chocolate eyes and perpetually furrowed brow, was born to play Shakespeare's Beatrice—either that, or second base. She's as rangy and quick as Ryne Sandberg, and as full of loose-limbed power. Onrushing opponents don't intimidate her, even when flashing their spikes; and when she lets loose the throw, it generally comes whizzing right at your head. Your best bet is to hit the dirt.

At first base, in the role of Benedick, is Branagh. Though physically no bigger than Thompson, he seems weightier, as people do when they're dependable by trade. He expects the throw to come to him and never dreams he'd bobble it. Here, as in the past, Branagh seems like the most down-to-earth of men. If he plays a king, as in *Henry V*, it's a regular guy kind of king. If he plays a Nazi, as in the recent *Swing Kids*, it's the kind of Nazi who feels he's just helping people. From what I've seen of his acting, Branagh falters only when his character is flighty or irresolute, just as Thompson is wasted when cut down to timidity. (See, if you must, *Peter's Friends*.) But of course, in *Much Ado*, Benedick always knows his own mind, however quickly it changes, while Beatrice, with her swaggering, delights and scandalizes all the world. ("O that I were a man!" she cries—and on the Elizabethan stage, she was.) Maybe someday we'll see Branagh and Thompson in *Hamlet*, the one looking like he's going to pull Claudius aside for a talk, the other striding around as if wanting to give the prince a good lesson in country matters. Well, maybe not. They'd probably be brilliant. But till then, I'd like to think they're in their natural positions, playing in *Much Ado*.

The initial run-in of Beatrice and Benedick? It's harsh, under Branagh's direction. Beatrice doesn't flirt; she jeers, her wit barely covering up a heated contempt, while Benedick, almost brutal in

TOO BIG OR NOT TOO BIG?

A merger and a divestiture stir the debate over the right size of all things

By HOWARD CHUA-EOAN

THE CHINESE, WHO HAVE SEEN THEIR SHARE OF HISTORICAL cycles, say there is a visible momentum governing human affairs. Their epic novel *Three Kingdoms* begins by declaring that empires rise and then fall into chaotic fragments; but from those many small kingdoms, powers coalesce to form new empires to restore order to the cosmos. A grandiloquent way of saying, Sometimes you're up, sometimes you're down, sometimes you're big, sometimes you're small. For those who believe in such chronic convulsions, the business world last week provided the spectacle of two cycles reaching opposite apogees at once, of simultaneous expansion and fragmentation. But here is the twist on the ancient adage: one corporation divides, the better to thrive; two companies, meanwhile, join for astonishing cash flow—but in so doing step into new uncertainties.

"I'm tired of being little all the time," Ted Turner crowed last week. "I want to see what it's like to be big for a while." But when it comes to running a conglomerate, is bigger better? Or is less more? Americans could be forgiven if they were confused by last week's economics lesson. First they witnessed the

three-way breakup of AT&T, and then, just 48 hours later, the rebirth of Time Warner as the world's largest media company with its agreement to buy Turner Broadcasting. To the old but continuing question, "What's happening to the big old phone company I grew up with?" is added, "Will I now get all my news and entertainment from only a couple of media behemoths?" And both are thrown into the debate over proportions and perspectives. When is an organization too big for the good of its members, its customers, its citizens? And does the loss of human scale have a lot to do with America's crisis of confidence about its institutions?

"Big" and "small" may be elementary concepts, but defining them can be complex and contentious. Thus, is a company downsizing or rightsizing when it lays off employees? America's two-party system is decrepit, but what kind of chaos would a third and fourth party bring? The Federal Government is too big, but if it devolves its responsibilities to the states, local governments may not be big enough to take up the burden. The questions devolve to everyday life: I owe too much money, but if I didn't, I'd never live anything close to the American Dream, which only seems to clutter itself up with a wider range of requirements each day.

American business has been dreaming big dreams for the past several years. Acquisitors from Disney to Chemical Bank continue to gobble up firm after firm. So far this year, there have been more than $270 billion worth of such expansions. Yet the corporate divorce rate runs high, as companies spin off partners they once bought with great fanfare. In fact, Wall Street investors are scouting bargains among once acquisitive companies that are now dubbed "tangerines" because they seem ripe to be taken apart in segments. Meanwhile, the celebrated corporate restructurings of the past decade may be most remembered for the resulting layoffs by the thousands as employees were spat out like fruit seeds.

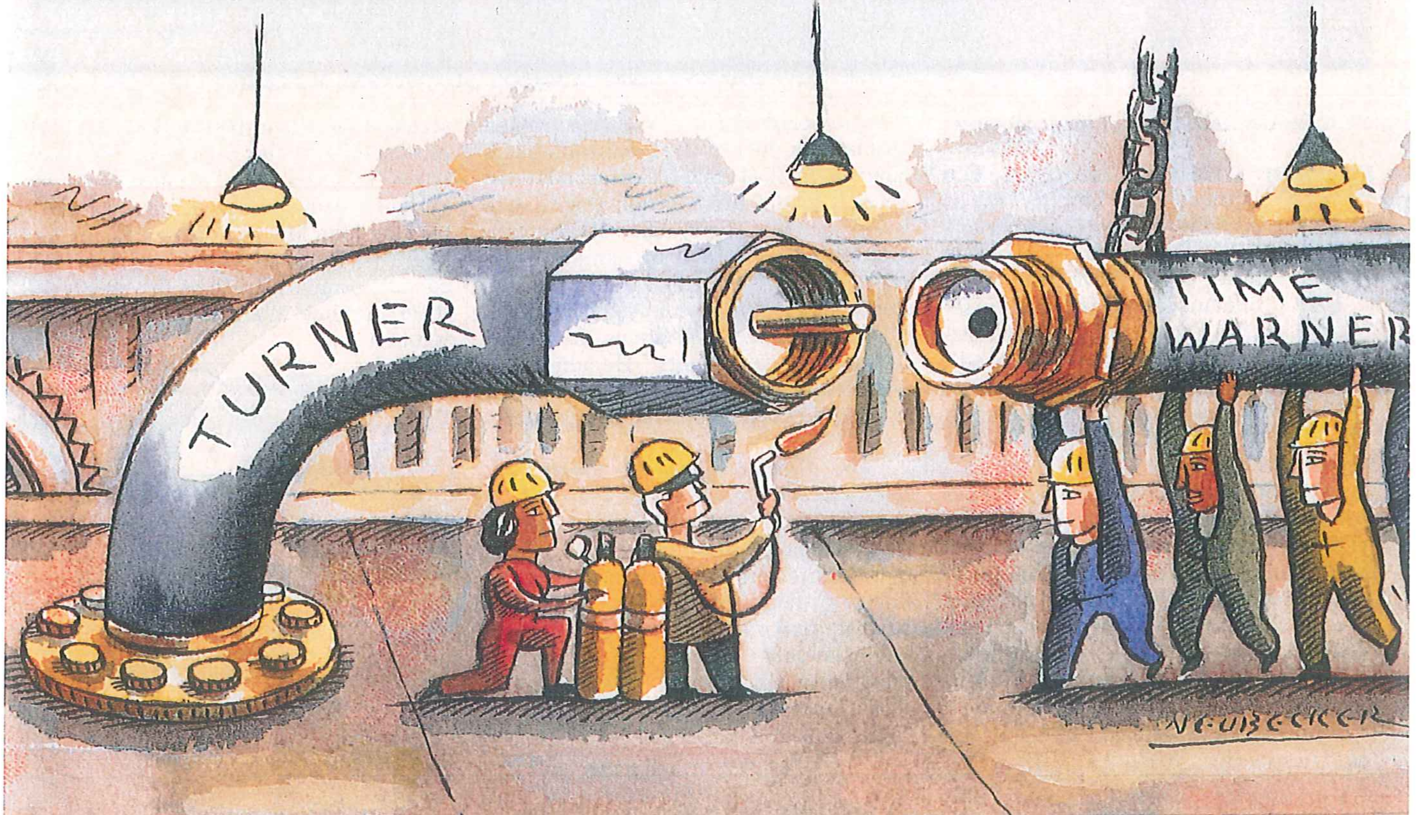
Can both strategies—to engulf and to disgorge—actually be reconciled in today's business world? Richard D'Aveni, a professor of corporate strategy at Dartmouth's Amos Tuck School of Business, sees plenty of room for deals along the lines of both the Time Warner merger and the AT&T breakup. (Businessman Donald Perkins and former U.S. Trade Representative Carla Hills sit on both boards, which voted for conflicting goals.) D'Aveni discerns an intrinsic cycle: poorly conceived mergers turning into spin-offs. The aim is to dominate a market, as Microsoft rules software, Delta dominates the Atlanta airport and Chrysler is the king of minivans. A likely lesson: if sprawl and diversity get in the way of market dominance, break up the company. A likely corollary: if all that stands between you and market dominance is a rival, buy up the competition. Such bold moves impress Wall Street. Such bold moves impress Wall Street.

Will whole industries then be dominated by single overlords and smaller niches ruled by barons who brook no competition? Perhaps not. Arrogance will alienate. The alleged philosophy for the agribusiness giant Archer Daniels Midland, uttered on tape by the chairman's son, was supposedly, "The competitor is our friend, and the customer is our enemy." Such attitudes will not trickle down well.

In fact, tolerance for the expansive visions of business may be coming to an end. According to the Sept. 8 issue of the *American Political Report,* published by trend spotter Kevin Phillips, there have been four probusiness cycles in the U.S. since 1850: the post–Civil War "Gilded Age" ending in the 1880s; the Roaring Twenties; the post–World War II expansion from 1950 to the mid-'60s; and the current cycle, which began in the late '70s and has seen the merger mania of the '80s extend into the present. All previous cycles lasted about 12 to 20 years and ended in periods of heavy regulation. There are now signs, says the *Report,* that "strategic overreaching is already provoking a new countertide." Among the symptoms: public opinion worried about the ruling party in Congress favoring business and the rich; and popular outcry against the influence of corporate and industry lobbyists in Washington. Herewith a variation on the ancient cycle: corporate empires rise and fall, and sometimes the government intervenes.

Until then, of course, the captains and the kings will exult. Said Turner, now the biggest individual shareholder in the world's largest media company: "You know, it's just a chance to see the world from a different place. Instead of from the basement, from the penthouse." **—Reported by Tom Curry/New York**

ILLUSTRATION FOR TIME BY ROBERT NEUBECKER



HANDS ACROSS THE

The inside story of how media titans overcame competitors and egos to creat

BOB STRONG—SIPA

CLASP HANDS, HERE COMES TED: After a long mating dance, Turner and Levin clinch their marriage

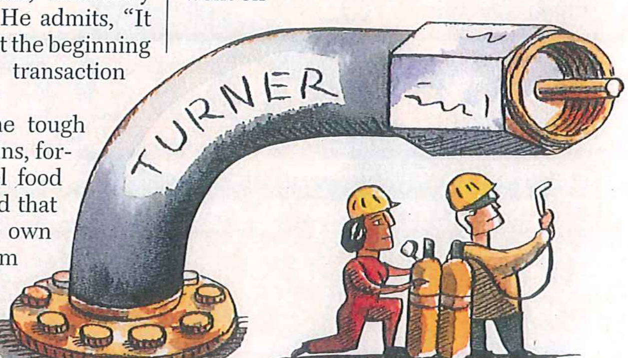
By JOHN GREENWALD and JOHN MOODY

THE PRIZE UP FOR GRABS, TED Turner's cable empire, was so enviable that two of America's most fearsome bosses tried to make pre-emptive bids for it. Both made their proposals in secret. First came General Electric's Jack Welch, who pitched a dramatic cost-cutting plan. Then, at almost the last minute, came Fox chief Rupert Murdoch, who offered Turner the chance to write his own ticket.

The courting finally produced a winner last week when the most ardent suitor, Time Warner, prevailed after five weeks of dealmaking. But not before two simultaneous and highly contentious board meetings took place in New York City, one at Time Warner headquarters, the other at Turner's law firm, each ending quite differently—one in shouts, the other in murmurs.

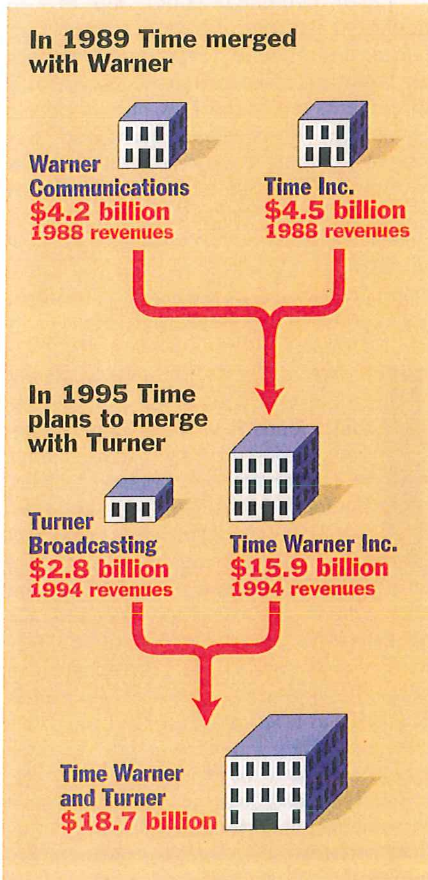
The board of Time Warner convened on the 29th floor of the company's headquarters in Rockefeller Center, attended not only by the directors but, according to board member Henry Luce III, by "uncountable lawyers and investment bankers" as well. Chairman Gerald Levin, says Luce, "very much was taking the initiative. There were many questions, incredibly difficult technical points." He admits, "It wasn't clear, at least to me, at the beginning of the meeting that the transaction would be approved."

The director asking the tough questions was Donald Perkins, former chairman of the Jewel food store company, who insisted that outside directors hire their own lawyer to help protect them against potential shareholder lawsuits. That irritated Levin, who seemed to feel that the outside directors were exhaustively scrutinizing his presentation of the facts, according to a board member. The biggest issue for Perkins was the uncertain influence of cable king John Malone, whose 21% holding in Turner Broadcasting would be converted via a complex structure to a nearly 9% stake in Time Warner. The discussions went on



CABLE

) billion giant



over three days, at times breaking into separate groups of inside and independent directors to discuss the minutiae of power and control. At the end, all 15 directors murmured either "aye" or "yes." Then, with little ceremony, they adjourned. Says Luce: "We had nothing further to say to each other."

The Turner Broadcasting board meeting, across town in the offices of the company's law firm, Skadden, Arps, Slate, Meagher & Flom, was anything but calm. "It was full of drama," says Robert Shaye, chairman of New Line Cinema and a member of the board. "The kind of stuff," he adds, "that good boardroom TV movies are made of." At one point, Brian Roberts of Comcast Corp. and Timothy Neher of Continental Cablevision, both directors of Turner with stakes in the company, walked out of the talks because they felt they didn't have the leverage to get the same kind of concessions in the deal as their competitor Malone. "After a lot of soul searching and caucusing, they determined that they were too conflicted to actually take part," says one of their colleagues. No, it was not true that they stormed out, says an executive who watched their departure, "but they weren't wasting any time in leaving."

At more than one point, Ted Turner made impassioned pleas to his board to keep the faith and vote positively on the deal. As the talks dragged on into Thursday night, gourmet Chinese food was served. But by 9 p.m. the directors needed a break. Reconvening at 7 a.m. on Friday, they finally moved to a vote after 8 a.m., little more than an hour before Wall Street opened for business. By a vote of 6 to 0 (nine abstained) the deal was approved. TBS would allow itself to be purchased by Time Warner. At that, Turner jumped up from his chair and exchanged high-fives with several directors, and the boardroom broke into spontaneous applause.

Once the news spread, so did a lot of other people. When the acquisition is complete, Time Warner will regain its rank as the world's largest media company, ahead of the newly combined Walt Disney and Capital Cities/ABC. "This is far and away the dream deal," boasts Levin, who called the merger with Turner "a sublime combination." The deal brings together a vast collection of brand names in Time Warner's movie, music and publishing divisions (including TIME magazine) and Turner's cable and TV news operations.

But the enterprise is fraught with peril. While the combined company will possess a legendary treasure trove, it also must deal with several crowned heads and princelings whose egos and territorial rights must be either respected or dealt with before they can cause trouble. The very size of the venture is likely to focus the regulatory eye of government on the transaction. And many wonder whether the growth Levin and Turner promised from the combined companies' assets can really be achieved.

The first immediate product of the merger was the spectacle of the irrepressible Turner at play on a larger, more conservative stage. Standing in the glare of TV lights, he conceded that the price of Time Warner stock had been languishing. "Just because you're flat for a while doesn't mean that you can't take off," he retorted. "I mean, look at the shuttle program. Every now and then one blows up. But they keep on going, Bubba. We might have a bad year or two. But overall it's going to be up and away, like Superman."

The obstacles will require some bounding over. Levin has incurred the legal wrath of financial partner U S West. The Colorado-based Baby Bell, which owns a 25.5% stake in Time Warner's film and cable holdings, filed a lawsuit in Delaware chancery court last week to block the merger. The phone company, which paid $2.5 billion for its partnership interest in 1993, has for months been in stalled talks with Time Warner, which wants to restructure the terms in order to split the cable from the content companies. U S West claims it has veto power over the merger with Turner, a position that Levin dismissed last week as groundless. In a flash of irritation, the Time Warner chairman declared, "Like the weather in Denver, the negotiations [with U S West] have gotten a little frosty."

Other potential opponents include Washington regulators. Consumers Union said it would ask federal regulators to review the deal because it could raise cable prices and restrict programming. Officials at the Justice Department and Federal Communications Commission are likely to scrutinize Malone's stake in Time Warner; as president of Tele-Communications Inc., he already controls the No. 1 operator of cable TV systems in the country; Time Warner's cable unit ranks as No. 2.

And then there are the internal power struggles. A concerned director says the internecine bickering at Time Warner is already turning the company into "a case of trophies without a team on the field." The executive most dislocated by the emerging new power structure is Michael Fuchs, the head of HBO and Warner Music, who is credited with helping defuse the furor over gangsta-rap lyrics that besieged the company earlier this year. Last week Levin indicated that Turner, who will become Time Warner's vice chairman, will also assume responsibility for overseeing HBO.

Levin, who has eschewed the old buzz word "synergy" for a new one, "teamwork," also indicated that he would have

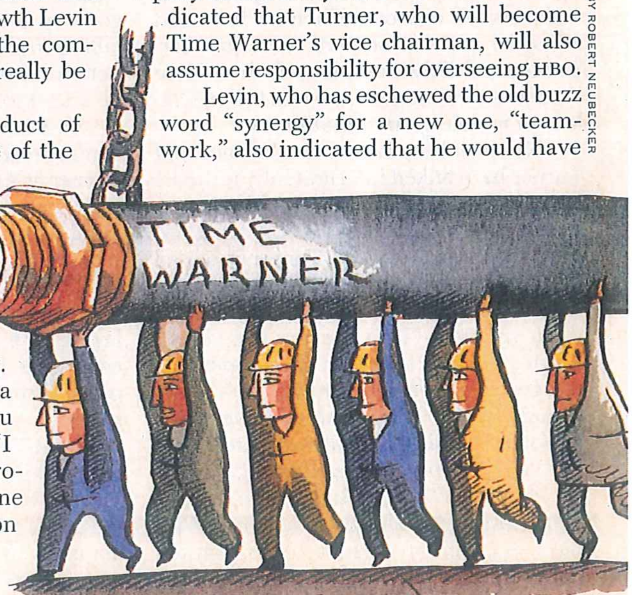


ILLUSTRATION FOR TIME BY ROBERT NEUBECKER no patience for prima donnas. And Fuchs had been acting like one lately, leaking to the press his unhappiness with any potential loss of turf in the new company. Fuchs' public petulance during the negotiation of the deal became such a problem that Levin took him to lunch during the week after Labor Day and told Fuchs to start talking the company line or get out. At a separate meeting with board members, Levin told them that if the Turner merger had not been the main topic on the agenda this week, he would have wanted to discuss with them what to do about Fuchs.

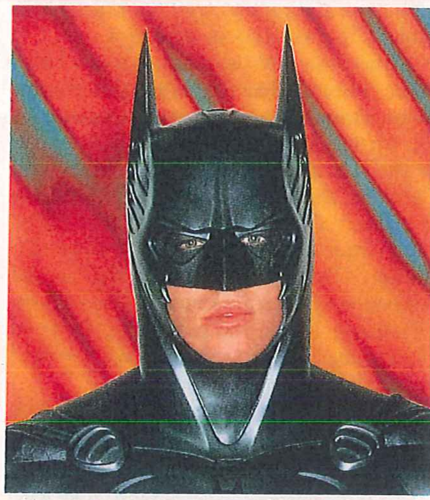
To make the merger work, Levin says he has adopted a new management philosophy that he hopes will bring greater cooperation among the princes of his realm. Says he: "With Time and Warner, I thought we'd get more mileage out of running businesses separately. But with the Turner transaction, things have changed dramatically. We'll make things happen together. Ted didn't win the America's Cup without being a team player." Turner, whose personal fortune is estimated at $1.7 billion, will be handsomely rewarded by his new employer. In addition to receiving options for 1 million shares of Time Warner stock when the deal closes, he will receive the same base pay as Levin gets, plus an amount equal to 90% of the chairman's annual bonus. (Levin earned $1.05 million in salary and $4 million as a bonus last year.)

Levin's relationship with Captain Outrageous has improved since 1985. At that time, Turner's grab for the MGM film library left him desperately short of cash. To the rescue rode Malone's TCI and Time Inc. (which later merged with Warner to form the current company). The stakes Turner gave them in return for the bailout, however—18% for Time Warner and 21% for TCI—left him beholden to the companies and unable to make major moves without their consent. When Levin vetoed a Turner plan to acquire NBC last year, Turner publicly complained that Time Warner's treatment of him was the equivalent of female genital mutilation.

Nevertheless, both Time Warner and Turner have talked intermittently for years about a closer alliance that would bring together such brand names as HBO and CNN. In an interview last week, Turner disclosed that he himself had initiated merger talks with Levin several years ago, only to have them spurned. "I do it every five years," Turner said. "I take him the proposal to merge, but he wasn't interested then." Responds Levin: "Circumstances were different, and philosophically we were different." Levin even considered selling some or all of Time Warner's interest in Turner Broadcasting to help pay down Time Warner's $15 billion in debt. Levin wanted between $1.8 billion and $2 billion for the stake, but when Turner and Malone proposed a smaller amount that did not satisfy Levin, a frustrated Turner resorted to goading Levin about the prospect of CNN's falling into the hands of a powerful competitor. "Don't you care where CNN goes?" he is said to have asked.

JOE SCAVO—SIPA

STAR TURNERS: The TBS talent pool includes CNN talk-show host Larry King



R. NELSON—WARNER BROS.

BIG-TIME WARNER: Among Levin's longtime assets is the *Batman* franchise

Late last summer, the threat was becoming real. GE chairman Welch met with Turner at Atlanta's Ritz Carlton Buckhead Hotel to propose a deal. He laid out his proposal for buying TBS and concentrated his pitch on the combination of NBC with CNN. Welch predicted consolidation would save the companies $200 million, in part by laying off hundreds of people. Turner told colleagues he hated the idea, largely because shrinkage and layoffs are against his nature.

At about the same time, Levin was deciding that the stake in Turner Broadcasting was too precious to part with and that what he really wanted was Turner's whole company. Levin popped the question on Aug. 19 after inviting himself and his wife Barbara to lunch at Turner and Jane Fonda's Montana ranch, saying only that he had a proposition to discuss. "Once he told me what he had in mind," Turner remembers, "I was shocked, and it took a while to sink in, but basically it didn't take me long. I accepted on the spot." Adds Levin: "When he gave me a hug, I knew things were going to be different around here."

Levin's opening gambit led to five weeks of shuttle diplomacy involving Turner and Malone. "What took time was the technical requirements to unravel old agreements and put a new one in place," Levin says. News reports portrayed Malone as stringing out the deal with endless demands. The TCI chairman dismisses those stories as "bullshit." The days and weeks stretched out, he says, only because all sides were consumed with the humdrum intricacies of meshing operations, not because of any real sore points.

IN THE MIDST OF ALL THIS, A MEDIA mogul was feeling left out. Turner told friends that News Corp. chairman Rupert Murdoch sent an offer to Turner through Michael Milken, the former junk-bond king and convicted felon. Murdoch's proposal was that Turner and Murdoch would merge and share power. Turner would keep control of all TBS enterprises and take control of Fox TV and the Fox studio. Murdoch would run all his print-journalism properties and other chunks of his empire. The price at least matched Time Warner's offer, and when Turner resisted, Murdoch told him to name his own conditions. Turner finally turned down the offer because of Murdoch's mania for control. Given Murdoch's nature, says a source close to the negotiations, "[Ted] thought he would be swallowed whole." (Through a spokesman, Murdoch denies he made such an offer via Milken but acknowledges telling Malone, "If the deal falls through, I'm in the wings.")

Yet it was Malone who created the most anxiety among Time Warner board members, primarily because of the idea that he might try to launch a takeover attempt from within by teaming up with Turner and another major stockholder, Edgar Bronfman Jr. of Seagram, who will control about 8% of the merged company. But Levin reassured the directors, at one point comparing Malone with Warren Buffett, the billionaire investor whose huge holdings of companies such as the Washington *Post* have made them raider proof. By the time the deal was done, directors seemed more sanguine about Malone's role. Says director J. Richard Munro, a former Time Inc. CEO: "I hope John will not be a passive investor. In an industry of very smart folks, he's proved himself to be the smartest. Over the past 20 years, he has more than often beaten us to the punch and done things we wish we had done. On top of that, he's a very decent guy."

In the six to nine months it may take to complete the deal, Time Warner will face the difficult task of structuring its parts so that they work together. There was some initial nervousness about redundancies and possible job losses. But Levin indicated that cost cutting was not his primary objective, arguing that the merger will instead speed the growth of all of Time Warner's businesses.

One of the most tantalizing prospects involves meshing the online capabilities of Time Warner and Turner. Another is the pooling of already dominant brands. In cartoons, for example, Turner's library of *The Flintstones* programs and other Hanna-Barbera hits can run alongside Time Warner's *Bugs Bunny and Friends* on Turner's 24-hour Cartoon Network. Also united will be Turner's library of more than 3,000 films (including *Casablanca* and *Gone With the Wind*) with Time Warner's stable of 3,000—all of which can be shown on the Turner channels.

And then there are the Time Warner stockholders. Shares of Time Warner have dropped some 6% since the merger talks became known, as investors worried that the 178 million shares that Time Warner plans to issue for Turner Broadcasting will dilute the value of their holdings. But because the merger will bring Time Warner $2.8 billion in new revenues and $600 million in fresh cash flow, some analysts view the deal as a net plus and expect the new company's ratio of debt to cash flow to improve. That view seemed to prevail on Wall Street, where Time Warner closed ⅛ higher last Friday, at $40⅝, after the merger was announced.

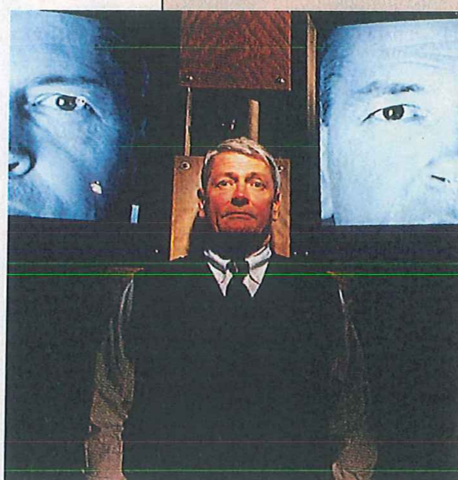
One shareholder who expresses little worry is Malone; he insists the benefits of the merger could push the price of Time Warner to $80 a share. He claims to be patient about that, though skeptics think he could become restless and demanding if the trend does not materialize. Turner last week was entertaining no such second thoughts. "Now I'm Ted Time Warner," he declared. "Hey, let's get the cash flow up, the stock price up, and live together happily ever after." Wall Street, however, will have the final word. *—Reported by Suneel Ratan/Washington, Barbara Rudolph/New York and Richard Woodbury/Denver*

The Third Man: John Malone

By ERIC POOLEY

JOHN MALONE HATES IT THAT SOME PEOPLE THINK OF HIM AS A BOARDroom bandit. The country's most powerful cable operator—whose 21% stake in Turner Broadcasting gave him potential veto power over last week's big merger—has been variously described as Darth Vader, Andrew Carnegie and Genghis Khan. Such comparisons, says Malone, have him all wrong. He's shocked, shocked by reports that he held up the merger—first by insisting that Time Warner do away with its "poison pill" takeover defense, then by demanding seats on the board—until he had squeezed all the juice he could from the deal. "The speculation is laughable," he says. Malone still came up with a great package: He'll swap TBS stock for Time Warner stock (his share of the total: about 9%) at a higher exchange rate than most other investors and sign a new "carriage agreement" with Time Warner that locks in discount programming for his cable system through 2015.

Malone a treacherous negotiator? Don't be silly, he says. Equally ridiculous, he adds, is the idea that he plans to make trouble for Levin down the road—even, as some lurid scenarists would have it, helping Ted Turner move against Levin to wrest control of the company. "I know Ted very well," Malone says. "His life-style is such that he doesn't want to be in there running anything. Jerry is king. We're giving him the power to be a really strong CEO." Because Malone controls a huge cable system, FCC rules bar him from controlling more than 5% of the voting stock of another system—Time Warner's. (The rule has been struck down in one court, but Malone is abiding by it anyway). In a move some analysts consider the most dramatic part of the deal, he gave control of his shares to Levin. Malone says this will help Levin enforce his will over the fractious Time Warner family. "It was a little like old England, when the king was a titular head and the barons could topple him whenever they wanted," Malone says. "By strengthening the king, you get a more orderly arrangement. Jerry has our votes. I think you'll be amazed at how much better Time Warner works."



JEFFREY LOWE—ONYX

Cable king Malone squeezed maximum juice from the deal

Was this a vote of confidence or something darker? "What John Malone giveth, John Malone can taketh away," says Porter Bibb, a media-investment banker at Ladenburg, Thalmann who has been a frequent critic of Levin's. Bibb believes that Malone saw the merger as an avenue to power. "Levin is now a puppet on Malone's strings. Malone is never going to be CEO of Time Warner. He'll probably never sit on the board. But he wanted to control Levin, and now he does." A scenario even has Malone divesting some cable interests, getting back his voting stock and making an all-out run for Time Warner.

"There are whole cadres of conspiracy theorists who latch onto this notion of Malone and Turner overthrowing Levin," says Jeffrey Sonnenfeld, a professor at Emory Business School. "I don't see it. With support from Turner and Malone, Levin has a lot of new strength." Still, Malone and Levin must co-exist—and that may not be easy. Where Levin's style is subtle and elliptical, Malone's is famously brusque and blunt. Where Levin is slight and professorial, Malone has the square-jawed mien of the off-duty general—and the tactics to match. An executive who knows the parties well predicts that Malone and Turner will keep heavy pressure on Levin to produce. Not even Malone disputes that. He vows to remain "absolutely passive" but promises "to sell out if we don't like the way it's going."

Like Turner, Malone loves boats—and he has a seaman's loyalty for Turner. "Malone didn't stand in the way of this because Turner wanted to do it," says Barry Diller. "John has made a lot of money with Ted." Malone will behave as long as Turner stays happy. If either of them stops smiling, so does Levin. *—Reported by John Moody and Barbara Rudolph/New York and Richard Woodbury/Denver*

Senators Leading Challengers 3 to 1 In PAC Donations

Commerce Panel Chair Pressler Heads List With $1.1 Million

9/21/96

By Guy Gugliotta
Washington Post Staff Writer

In the spring of 1995, Sen. Larry Pressler (R-S.D.) took a trip to five western cities and Chicago to collect information and campaign contributions from the telecommunications industry.

As the new chairman of the Commerce, Science and Transportation Committee, Pressler was a prime mover in Congress's efforts to overhaul telecommunications. Stakes in the telecom bill were enormous, affecting telephone and computer companies, movies and television and high-tech firms of every description.

In his minority party years, Pressler had been all but ignored by the industry. Indeed, from 1984 to 1993, telecommunications industry political action committees (PACs) gave him only $110,400, the least of any commerce committee member, according to the public interest lobbying group Common Cause.

But now he is chairman. On his western trip Pressler gave speeches, schmoozed with executives, visited plants and talked about his legislation. He also held at least six fund-raisers for his 1996 reelection campaign, most of them with telecommunications leaders.

Pressler's ability to wrest campaign money from the industry he is supposed to regulate is hardly unique. Despite periodic feints toward campaign finance reform, Congress continues to use a set of laws and regulations permissive enough so that any lawmaker—especially a senior incumbent—can parlay his official position into campaign cash.

Pressler said in a brief interview this week that his office scrupulously obeys the finance laws and has retained "a law firm and an accounting firm" to help navigate any hazards. "We follow all the rules really carefully," he said.

But that's not the point, said Ellen Miller, executive director of the nonpartisan Center for Responsive Politics, which studies election law. "It's not a question of what's illegal, but of what's legal and sanctified by practice," she said. "It is systemic abuse by both parties at all levels of candidates. In campaign finance, everybody is running red lights."

See PRESSLER, A6, Col. 1

PRESSLER, From A1

A Washington Post review of this year's Senate races showed that incumbents on June 30 had $31.3 million in campaign cash on hand, while challengers had $10.8 million, about one-third as much. Sen. Phil Gramm (R-Tex.) led all Senate incumbents, with $3.6 million. Massachusetts Gov. William F. Weld (R) was the leading challenger, with $3.4 million, but the next highest challenger, Democrat Harvey Gantt of North Carolina, ranked 17th overall, with $947,648.

In PAC money, the disparity was even greater. Federal Election Commission figures showed incumbents by June 30 had outraised challengers $12.7 million to $2.4 million, a factor of more than five. The top 10 PAC recipients were incumbents.

No one used the system better than Pressler, 54, South Dakota's three-term senior senator, who is facing a tough reelection race. In cash on hand, he stood eighth among 20 incumbent candidates, with $1.76 million, but everyone ahead of him is from a state with at least four times South Dakota's 730,000 population. Pressler's opponent, Rep. Tim Johnson (D), had $499,849 in the bank.

In PAC money Pressler was without peer. By the end of 1995, according to Common Cause, Pressler had collected $107,985 from telecom PACs, tops in the Senate. And by June 30, his $1.1 million in overall PAC contributions led everyone in Congress—Senate or House. Johnson was the leading recipient of PAC money among challengers, with $515,700.

By law, candidates must comply with a vague blend of Senate and House rules, FEC guidelines and federal statutes. Using published records—especially those of the FEC—it is relatively easy to identify who contributed to a campaign and how much.

But the manner in which money was obtained—whether through fund-raisers, direct mail solicitations, unsolicited contributions or phone calls by either the candidate or professional fund-raisers—is difficult and sometimes impossible to ascertain.

Under federal law, no congressional employee can solicit or receive a campaign contribution in a federal building, a measure that bars Capitol Hill lawmakers from conducting fund-raising activities in congressional offices.

To cope with this restriction, lawmakers open political offices to coordinate campaign activities, hire full- or part-time campaign staff, or detach their congressional staff to do campaigning.

FEC records show that Pressler did none of these things. Until November 1995, he had no campaign headquarters, no campaign staff and, according to his office, no paid professional fund-raisers. Nevertheless, FEC records show that Pressler raised $1,017,342 in the first half of 1995. His only out-of-pocket staff expenses, FEC records show, were $1,339.08 paid to three people, all full-time Pressler Senate office employees working for the campaign in their spare time.

Pressler campaign manager Karen Dvorak explained in a letter that "as to fund-raising, Senator Pressler has many supporters who raise money for him and engage in all kinds of political activities in both South Dakota and throughout the nation. Volunteer steering committees and others have been utilized."

As a member of the minority party, Pressler had often bragged about his mediocre fund-raising ability and advocated campaign finance reform. He said this week he still he finds fund-raising "very painful," and "cannot defend the system." But, he added, "it is the system we have, and I follow the rules as they are."

And under the current system, noted Pressler lawyer Ben Ginsberg, "It is a fact of life that people who are in the majority and chairman of the Commerce Committee . . . are likely to have a fairly easy time raising funds."

The GOP took over the Senate in January 1995, and Pressler became chairman of the committee charged with writing the telecommunications bill. That month, the industry publication Broadcasting & Cable reported Pressler "leaning heavily" on telecom executives for financial support and described a $1,000-a-plate fund-raiser attended by 200 industry lobbyists "only weeks" after the election.

On April 7, 1995, Pressler flew from Washington to Sioux Falls, S.D., the first stop on a 17-day trip that would also take him to Las Vegas, San Diego, Los Angeles, San Jose, Calif., Denver, Chicago and Peoria, Ill.

FEC records for Pressler show that he received perhaps $32,000 from individuals in the western cities he visited, among them telecom executives from Walt Disney Co., Ameritech, Sony Pictures, Fox TV, MGM and QWest Communications.

Phone calls to some of the contributors confirmed that Pressler attended fund-raisers in the cities, and Pressler's office produced a travel schedule that set aside time for "campaign events." Pressler was not required by law to describe the events, and there is no clear indication who sponsored an event, who paid for it or how much it cost.

The trip was a "mixture between office and campaign," Ginsberg said, a distinction critical in both congressional record-keeping and in ensuring the accuracy of FEC reports.

Law recognizes that officeholders live three lives: public official, private citizen, and political candidate. Congressional rules and FEC guidelines do not allow commingling of the funds lawmakers use to finance their separate roles.

Thus, a senator cannot use campaign funds to pay his mortgage, buy himself a week at a health spa or pay salaries to his office staff. In the same fashion, the senator may not use his office account to cater a fund-raiser, call contributors, launder shirts or pay a staff member to send out begging letters.

To abuse these rules risks prosecution under federal statutes. Making false statements to the government, either on FEC reports or in periodic accounts filed with the Secretary of the Senate, carries a fine and up to five years in prison. Breaking the rules would also earn colleagues' disapproval, anything from a nasty letter to expulsion from the Senate.

A trip like Pressler's in April 1995 shows how official and campaign business can overlap. The law does not prevent an officeholder from conducting official business and fund-raisers in the same town, on the same day and with the same people, as long as the activities are paid for from different accounts.

Difficulties arise, however, over travel costs, hotels and other expenses that cover both official and campaign activities. "You use common sense," said one retired senator who asked not to be named. "In my view you couldn't go down to Miami for two hours of official business, spend two days and bill the office."

Senate records show that Pressler spent $4,132.99 in public funds during the April trip. This sum paid for three days of constituent business in South Dakota, a speech in Las Vegas before the National Association of Broadcasters, official business meetings with telecom executives in San Jose and Denver and a plant visit in Peoria.

In the same period, Pressler's campaign spent $4,372.88, according to FEC records interpreted by Ginsberg. FEC records do not always require breakdowns of expenses event by event. Ginsberg said these entries referred to particular campaign expenses of the April trip.

Pressler's records show that the commerce committee paid $505 for his April 9 flight from Sioux Falls to Las Vegas, and for one day's hotel stay while he spoke to the broadcasters. Pressler stayed two more days in Las Vegas and held two fund-raisers, one of them a luncheon at the Barbary Coast resort, attended by gaming industry executives and local business people.

Meetings like this one, after which Pressler picked up at least $7,000 in individual contributions, according to FEC records, are the bedrock of campaign fund-raising, short visits with strangers put together wherever a senator happens to be.

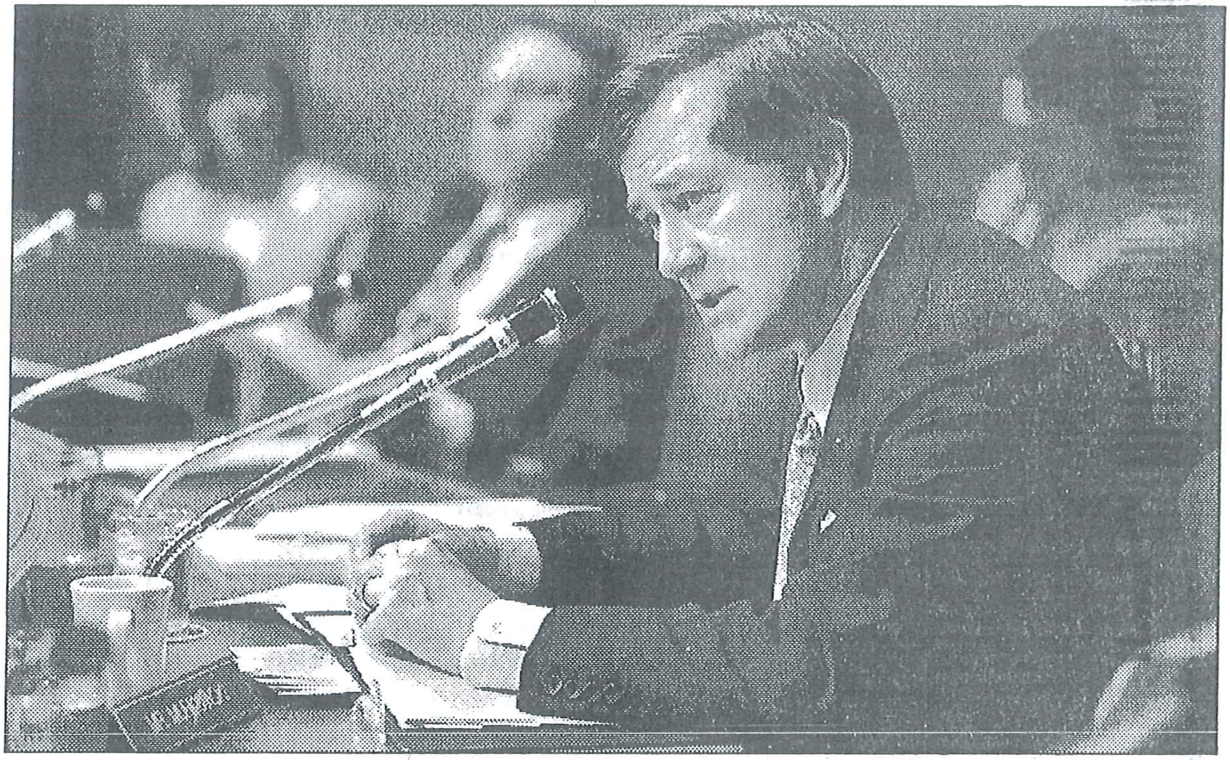
"They always try to piggyback on something," said Las Vegas contractor Tito Tiberti, who gave $1,000 to Pressler after the Barbary Coast luncheon. "Most of these guys come here for a few hours, then leave, but I think he [Pressler] flew out here for something else [the broadcasters' convention]."

For the next few days, ending Easter Sunday, Pressler was in Los Angeles and San Diego for visits paid for by the campaign, according to FEC records interpreted by Ginsberg. These included two fund-raisers in Los Angeles, a lab visit and unspecified "campaign meetings" in San Diego.

It was the April 13 cocktail party at the Paramount Pictures Commissary in Hollywood that produced a flier listing Ted Turner and Rupert Murdoch among media and entertainment industry co-sponsors. " . . . Senator Pressler plays a unique role in setting the broadcasting, cable television, telephone and other telecommunications policies that will shape America's communications infrastructure into the next century," the flier said.

Admission cost $500, the flier advised, and "checks should be made payable to 'Friends of Larry Pressler,' " Pressler's campaign account. Walt Disney Co. chairman Michael Eisner gave $1,000. Eisner, Turner and Murdoch, who held a New York fund-raiser for Pressler later in the year, all had a fundamental interest in the telecom bill.

From San Diego, Pressler flew to San Jose for meetings with computer executives, then to Denver, where he made two plant visits, lunched with telecommunications executives and held two fund-raisers. Pressler's re-



FILE PHOTO BY RAY LUSTIG—THE WASHINGTON POST

Chairman Larry Pressler (R-S.D.) presides at a session of the Commerce, Science and Transportation Committee.

cords show that Senate funds paid $522 in air fare. The campaign picked up the hotel and catering costs, according to FEC records interpreted by Ginsberg.

The Denver fund-raisers, like the luncheon and the other official events, were attended predominantly by telecommunications executives, many of them from QWest Communications, most of whom contributed $1,000 apiece.

"My interest was his involvement in telecommunications legislation," said QWest executive Peter Geddes, who contributed $1,000 after an April 19 luncheon at a Denver restaurant. "I wanted to tell him my views, for whatever they were worth."

Pressler said he designed his 1995 trips primarily to win support for the telecom bill from industry companies. He said he had little to do with the fund-raisers. "Very seldom did I take the initiative," he said. "I've built up a cadre of supporters, and everything was pulled together without any initiative from me."

In Chicago the next day—funded by the campaign, Ginsberg said—Pressler met with telephone company executives to talk about the telecom bill over lunch, then attended a fund-raising dinner. The PAC of the regional telephone company, Ameritech, gave Pressler $3,000 two days before the visit.

"There were about 30 to 40 people there," said retiree Robert Mazer, who contributed $1,000 to Pressler at the April 20 dinner at which Ameritech and United Air Lines executives spoke. "We're friends of Larry Pressler, and we wanted to do whatever we could to contribute."

Staff writer Helen Dewar contributed to this report.

FOR MORE INFORMATION

To read FEC filings on Pressler's campaign, click on the above symbol on the front page of The Post's site on the World Wide Web at http://www.washingtonpost.com

BY J. DAVID AKE—REUTER

OFF THE TRAIL

GOP presidential nominee Robert J. Dole is greeted by staff here on return for break from campaign. On Sunday he is scheduled to resume his quest.

The New Reform School

5/12/97

Disillusioned Journalists Crusade for Change

BY TYLER MALLORY FOR THE WASHINGTON POST

Tom Rosenstiel: Not so long ago, "most journalists thought [the profession] didn't need fixing."

BY BILL O'LEARY—THE WASHINGTON POST

Deborah Potter: "I went through a period of real disillusionment, thinking it was just terrible."

By Howard Kurtz
Washington Post Staff Writer

Tom Rosenstiel says he left because "it wasn't the same business I got into."

Bill Kovach says he left because "I could not conduct the kind of journalism which was the only reason to be in journalism."

Deborah Potter says she left because "it's a business that grinds people up and doesn't hug back."

Paul Taylor says he left because "it was clear to me there was something dysfunctional in this whole arena."

Editors and reporters have always quit the news business in mid-career, often to pursue bigger paychecks in public relations or academia. But never before have so many high-powered, high-profile journalists abandoned the field to become reformers, proselytizing about the sins of their former craft.

Fueled by nonprofit and charitable foundation cash, these media refugees are beginning to coalesce into a tangible movement. Their audacious goal is nothing less than improving the nature of journalism in the era of Disney, Microsoft, Westinghouse and General Electric snapping up networks.

The defections suggest the degree to which the news business is racked by self-doubt. Multiple crises—sensationalism, downsizing, profit pressures, deceptive tactics, racial tensions, dwindling audiences—have filled many newsrooms with angst. Journalists have plummeted in public esteem in the past decade. Polls show growing frus-

See REFORMERS, B4, Col. 1

BY DAYNA SMITH—THE WASHINGTON POST

Ed Fouhy, a former TV executive producer, got a $50,000 grant to study the fledgling civic journalism.

REFORMERS, From B1

tration in increasingly middle-aged newsrooms.

The cause of reform, long championed by a few universities and journalism reviews, is now attracting ex-practitioners groping for a way out of this morass. They hope to agree on a blueprint for core values, minimum standards, better training and forging a greater connection to readers and viewers.

Rosenstiel, 41, a longtime media writer for the Los Angeles Times and congressional correspondent for Newsweek, is trying to fashion the critics into a loose alliance. His new Project for Excellence in Journalism expects to be underwritten by the Pew Charitable Trusts, a Philadelphia-based foundation, to the tune of $4.8 million over the next three years—a breathtaking budget for a former daily hack.

"Ten years ago, if someone had asked me to create a think tank to improve journalism, I would have laughed at them," he says in his spacious corner office on I Street NW.

"It's mutated into a virus that's begun to destroy journalism."

—William Kovach

"Most journalists thought it didn't need fixing. It would've been tilting at windmills." Now, he says, "I'm amazed at the people who are calling me up and asking if they can be involved, some of them for free."

Rosenstiel's likely partners include author David Halberstam, New York Times Managing Editor Eugene Roberts, former Washington Post ombudsman Richard Harwood, Harvard's highly regarded Nieman Foundation for mid-career journalists, Columbia University's famed journalism school and the Poynter Institute for Media Studies, a St. Petersburg, Fla., organization known for its training programs.

The danger, of course, is that journalists will eloquently dissect the problems and nothing will change. Another Chicago newscast will hire tabloid ringmaster Jerry Springer to do commentary; breathless reporters will falsely accuse the next Richard Jewell; television newsmagazine shows will keep blowing up trucks for ratings. The sinners will read the scriptures and keep on sinning.

Rosenstiel is acutely aware of the pitfalls. In a briefing paper for a research project on local television news, he writes: "Maybe there isn't enough quality out there to sustain this project. Indeed, we might prove the very notion we'd like to fight—that blood and guts sells."

While Rosenstiel doesn't claim to have all the solutions, he says, "I discovered there was a remarkable consensus about what the problems are."

There is also a consensus among those who walked away from prestigious jobs that the thrill was gone.

Potter, 45, joined the Poynter Institute after 16 years as a reporter for CBS and CNN. She took the leap, with a stop at American University, when her last three-year contract expired.

"At a certain point in my career, I was wondering what would keep me fresh," she says. "I was reporting a minute and a half, a minute 45, two-minute stories on a daily basis. I was fresh out of great ideas. When you get in a rut, you also lose the vision.

"I went through a period of real disillusionment, thinking it was just terrible and getting worse. I was really down on it. How could I teach it if I was so unhappy? But now I see a lot of very good work being done."

Potter has co-authored a handbook on election coverage and helps train journalists at a half-dozen Florida retreats each year. "It's wonderful work," she says. "I get a real sense of fulfillment out of being able to share what I know."

Taylor, 48, found it hard to pull the plug after a quarter-century of political reporting at The Washington Post and Philadelphia Inquirer. But after a tour of duty in South Africa, he says, "I knew in my bones I was ready to try something different."

His gripe is with the superficial, attack-dog nature of politics and political coverage. "The political industry has been in decline in this country," he says. "Political reporters, while not the cause of the decline, are part of it. I couldn't write my way out of that particular box."

Taylor says it was hard to leave The Post—"It's roughly equivalent to giving up tenure"—and that some of his bosses felt "that I'd gone a little batty." Nonetheless, he launched the Free TV for Straight Talk Coalition, funded by Pew through the Annenberg Public Policy Center, to lobby for free air time for presidential candidates.

As a newly minted crusader who had to learn how to raise money, Taylor tried to pressure the major networks into giving away air time as an alternative to 30-second attack ads and shrinking sound bites. He joined forces with Walter Cronkite, enjoyed modest success during the 1996 campaign and recently won the endorsement of President Clinton. But the most powerful metaphor was Taylor's abandonment of a career in which he became renowned as the first reporter to ask Gary Hart flat-out whether he had committed adultery.

"The story line was, reporter leaves mid-career because he's fed up with the system and tries to reform it. I didn't have to pump that story line out. Everyone wanted to write it."

Departures from the journalistic priesthood are not always voluntary. Kovach, a former New York Times Washington bureau chief, resigned in 1988 as editor of the Atlanta Journal-Constitution after repeated clashes with Cox Newspapers executives. He became curator of the Nieman Foundation, which selects two dozen journalists each year for an academic sabbatical in Cambridge, Mass.

"I didn't leave the newsroom because I wanted to," says Kovach, 64. "I left because I had to. There was not a lot of beating down the doors by other news organizations to get me inside."

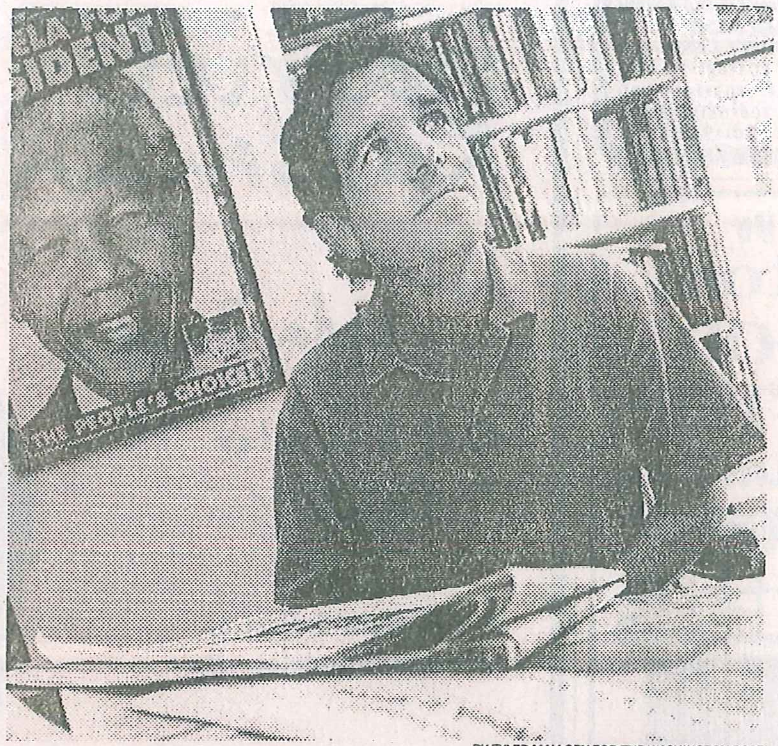
Kovach sees the new breed of reformers as a sign of the times. "We bitch all the time, but the working journalist feels more and more frustrated that these complaints aren't going anywhere," he says. "There's a rising level of concern about the degree to which work in the newsroom is pressured and shaped and interfered with by the pressures of marketplace. It's mutated into a virus that's begun to destroy journalism." Kovach, who took on the Atlanta business establishment as an editor, has assailed the networks for bowing to legal pressure from tobacco companies and other corporate interests.

Ed Fouhy also felt he had played out the string. A former Washington bureau chief for ABC, Fouhy was running an NBC newsmagazine show when his doubts began to intensify.

"When you're the executive producer of a network prime-time show, you become keenly aware of how intense the market pressures are," says Fouhy, 62. "You're competing against entertainment shows and you've got to have numbers in the same league, or you're judged a failure. You find yourself very discouraged. You start to censor yourself. You start to pull your punches on what kind of stories you do." He says producers shy away from, say, the strife in Zaire in favor of more viewer-grabbing segments.

NBC canceled the program, "1986," and Fouhy began producing some PBS shows. He later became executive director of the 1992 presidential debates, an experience that convinced him the public was "hungering" for more solid information than the media were providing.

At a seminar the following year, Fouhy met up with Rebecca Rimel, Pew's president. She wound up giving him a $50,000 grant to study civic journalism, a fledgling movement contending that news organiza-



BY TYLER MALLORY FOR THE WASHINGTON POST

"I knew in my bones I was ready to try something different," says former Post reporter Paul Taylor, who launched the Free TV for Straight Talk Coalition.

tions need to reconnect with their communities by involving citizens in decision-making and focusing on solutions. (The Charlotte Observer held inner-city town meetings in a "Taking Back Our Neighborhoods" campaign; the Huntington [W.Va.] Herald-Dispatch helped solicit volunteers on economic development and sponsored a lobbying visit to the state legislature.)

The idea resonated with Fouhy, who couldn't even join the local PTA when he worked for CBS. "We were much too isolated," he says. "It's preposterous for us to be so detached from the community."

Fouhy created the Pew Center for Civic Journalism, which has funneled grant money to the Boston Globe, Miami Herald, Charlotte Observer and about 30 other news organizations for consultants, polling and other pulse-taking efforts. The Pew trusts have also awarded $490,000 to National Public Radio. All told, Pew has committed nearly $11 million to civic journalism, a fraction of the nearly $200 million it gives away each year but a publicity windfall for the little-known foundation.

Civic journalism has stirred heated opposition, particularly from big-name editors in New York and Washington who see it pushing news outlets into the dangerous role of advocates. "The culture is very, very difficult to change," Fouhy says. "It's ironic, because it's a culture that likes to think of itself as young and vital and vibrant."

All this posed a stiff challenge for Rosenstiel when he left Newsweek last fall. "I felt at Newsweek we were less interested in covering the essence of the Republican revolution than in the divorce rates of the freshman class," he says.

He knew the problems intimately from his years of media coverage and participation in the endless panels and seminars at which journalists bemoaned the fate of their craft. But this sort of self-flagellation had clearly fallen short.

"There's a limit to what a media critic can say within the confines of being a staffer for any particular news organization," he says. "There are ultimately things you can't say. If you are a writer for a daily newspaper, there's a limited amount of time and resources you can apply to a given piece. There's a level to which you cannot go. . . . Newsrooms changed. People started talking about productivity and saying we can't give you that much time and we can't give you that much space."

Rosenstiel's solution is a big-tent approach in which everyone from celebrity journalists to small-town beat reporters to J-school deans will be asked to devise some "core values." He says he needs "marquee names" to draw attention—former journalists always know how to press those buttons—but wants to avoid elitist edicts from a "college of cardinals."

Rosenstiel's antidote mainly involves peer pressure. He plans an unprecedented survey of local television news, examining 100 stations in 25 markets each year and assigning them letter grades for journalistic enterprise. He and Kovach also expect to hold eight conferences around the country; a confab in Boulder, for instance, might focus on coverage of the JonBenet Ramsey murder case.

The center also plans an 18-part series on the state of newspapers, to be edited by Gene Roberts, who is expected to retire from the New York Times later this year. Rosenstiel says he will pay top-dollar rates to attract such star journalists as Richard Ben Cramer for the 15,000-word pieces, which will be published as a book.

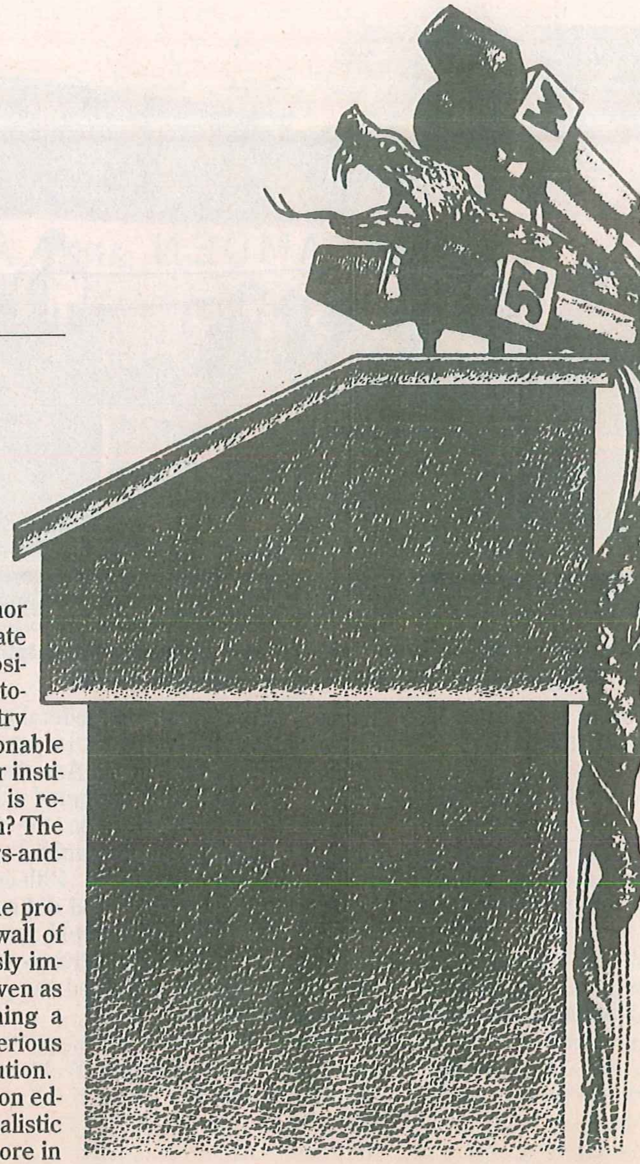
Even Pew isn't certain how all this will play out. "It could have a lot of impact, or it could not," says Don Kimelman, a Pew executive who recently left the Philadelphia Inquirer. "We don't know. Some editors tend to be hostile to foundation people telling them what to do."

The reformers haven't completed severed their ties to the media marketplace. Rosenstiel does commentary for MSNBC. Potter is hosting a PBS show. Taylor just wrote a piece for the New Republic on campaign finance reform. They are in the strange posture of trying to make news by assailing their once and perhaps future profession, even as they call on their former colleagues to clean up their act.

"I'll miss the newsroom till the day I die," Kovach says. "It's the nearest thing I have to a religion. But this is the next best thing."

Clip

The Follies Of the Fourth Estate


JACKET ILLUSTRATION BY MIRKO ILIC FROM "BREAKING THE NEWS"

BREAKING THE NEWS
How the Media Undermine American Democracy
By James Fallows
Pantheon. 296 pp. $23

By Marvin Kalb

JAMES FALLOWS is not the first to write a scathing indictment of American journalism, nor is he likely to be the last. Since the Watergate scandal, the press has been propelled into a position of power and glamour unprecedented in the history of the Republic. At the same time, a cottage industry of press criticism has erupted around the questionable premise that the press, more perhaps than any other institution involved in the fashioning of public policy, is responsible for most of the nation's problems. Vietnam? The press lost it. Iran-Contra? The press blew it. Savings-and-loan? The press missed it.

If at one time the press considered itself to be the protector of the public interest, an objective fly on the wall of history, it has now come to be seen as an enormously important and influential player—by some observers even as *the* player—in the complicated process of governing a fractious democracy. It deserves careful and serious study, and *Breaking the News* is a very solid contribution.

Fallows, who is a thoughtful writer and Washington editor of the Atlantic Monthly, has surveyed the journalistic landscape over the last few years and concluded, more in sorrow than in anger, that journalists are fast losing the public trust by indulging in "self-aggrandizing behavior" that "undermines" the very foundation of democracy. His book, lucidly written and well researched, is divided into essentially three parts:

First, a savage but justifiable critique of the elite corps of Washington reporters and commentators—their journey from muckrakers to what he calls "buckrakers."

Second, a look at the debilitating impact of journalism's "overripe, fin-de-siecle mood" on the public's widening "disconnect" and disenchantment with their elected leaders—a section in which Fallows, caught up in the current climate of anti-press criticism, tends to exaggerate the role of the press in policymaking.

And, finally and least satisfying, the argument that journalism can find its way back to public confidence by embracing the essentials of a new movement in the field called "public" or "civic" journalism, which stresses the rising value of citizen-inspired reporting, rather than the self-centered horserace-over-substance style of today's reporting.

"Buckraking" may be one reason "why we hate the media," the title of his opening chapter and a major theme throughout the book, but Fallows details many others, none with such devastating force as the rise of the political talk show on television. In Fallows's judgment, this "bog of mud" is nothing more than an exercise in "competitive glibness," where pundits dominate reporters, even elected politicians, "harrumphingly" push the values of "entertainment" over "information" and thereby "flatten" and "coarsen" political dialogue and contribute to the increasing cynicism of the public.

On these shows the "Pundit McNuggets" affect an "all purpose sneer" that dismays pros such as Tom Brokaw. "Reporters used to cover policy not cover each other . . . yelling at each other and making Philistine judgments," the NBC news anchor told Fallows. "It makes me cringe." Indeed, it seems to make the entire nation cringe, as many people watch the elite in the Washington press corp become television celebrities, commanding, in one case involving Cokie Roberts, as much as $35,000 (her asking price for a one-day trip to Florida to speak at a Junior League fundraiser).

Marvin Kalb is Murrow Professor at Harvard and director of the Shorenstein Center on the Press, Politics and Public Policy.

Why is this so much of a problem? Fallows believes that by succumbing to the lure of television, money and status, journalists are eroding their credibility, losing the public's trust and—most important—undercutting their capacity to nourish democracy. On this point, Fallows is less persuasive in his argumentation. He cites many examples of sloppy journalism producing sloppy public policy, focusing especially on the health care debate of 1994. He condemns the press for hyping and botching the coverage and thus demolishing the Clinton administration's historic opportunity to change the nation's ailing system of health care. The evidence strongly suggests that the blame should more properly be placed at Hillary Rodham Clinton's doorstep. The press is important in every major debate, but, in this case at least, Fallows vastly overstates its role and power.

FALLOWS concludes his otherwise valuable critique of the press by wholeheartedly throwing his support to "public journalism" as the way to save not only journalism in its current sorry state but also democracy, which depends so vitally on a healthy relationship between the people and the politicians. "Public journalism" aims to "make people feel reconnected to the public life of their community" and does so by taking the wishes of the people into account. To the extent that such journalism can inspire and nurture better community reporting, it is serving a very positive role. To the extent that "public journalism" places the reporter at the head of the parade, along with the mayor, the banker and the school principal, it is running a serious risk of coopting the independence, the skepticism and courage of the press to do its job.

Fallows is clearly aware of these conflicting issues but still raises what he regards as the key question: "Do journalists want merely to entertain the public or to engage it?" It is not a matter of one or the other. Journalism is a complicated enough responsibility, yet the best journalists do entertain as well as engage and inform the public. In *Breaking the News*, Fallows himself performs the journalistic hat trick of entertaining, engaging and informing his readers. ■

Tuning in The Sound And the Fury

HOT AIR
All Talk, All the Time
By Howard Kurtz
Times Books. 407 pp. $25

By Deborah Tannen

THIS BOOK will scare the hell out of you. If you don't listen to right-wing talk radio, it will give you an idea of what it sounds like and the power it can wield. If you watch televised political talk shows, it will articulate the changes you've noticed: There's more confrontation, more polarization, less information, less interchange of ideas. There is a chapter on "Daytime Dysfunction" television, but author Howard Kurtz, a Washington Post media reporter, is really interested in politics: the national television political talk shows and politically oriented call-in radio.

To television network owners, news and information are simply entertainment, and shows get better ratings if participants create conflict, shout at each other and play "get the guest." Nothing can be discussed that is subtle, complex or nuanced. Everything must be oversimplified and polarized. Viewers are more interested in personalities than in issues, and the proliferation of talk shows creates an "echo chamber": Kurtz shows that the same commentators appear on show after show repeating the same sound bites, often in the form of predictions, regardless of whether those predictions have any basis in expertise or fact. Radio, on the other hand, is under pressure not to compress time but to fill it. In an effort to provoke callers, radio hosts spread unsubstantiated rumors, outright lies and venom. Hate sells, and it is virtually impossible to correct the misinformation and distortions that are so easily disseminated.

Although references to the "liberal media" abound on such shows, Kurtz demonstrates that the range of political opinions heard on the airwaves is from middle to far right, with the far right predominating. There are many more right-wingers included ("conservative" doesn't accurately describe many of them) and no true left-wingers in sight. (When was the last time you saw Noam Chomsky on national television?) Republicans and right-wing enthusiasts defend their side at all costs, while Democrats and "liberals" are on the defensive and frequently criticize Clinton.

Hot Air illustrates an array of scary phenomena spawned by the talk show culture. One is the easy back and forth between politicians and talk show regulars, so that talk shows provide unfair media exposure for politicians' campaigns. Each time Pat Buchanan decides to run for office, for example, he draws on his "pundit" account for free campaign air time.

Another troubling phenomenon is that journalists who appear regularly on television become media stars, commanding large lecture fees from corporations and other interest groups. Ironically, although they see conflicts of interest in every move made by politicians, these journalists insist that their being paid by interest groups creates only a "perception" or "appearance" problem.

Kurtz deftly demonstrates the power and influence of talk radio. When Rush Limbaugh embellished a groundless rumor that White House lawyer Vincent Foster was murdered, "stocks, bonds, and the dollar all took a beating." Even more troubling: A bill that would have limited politicians' ability to accept lavish gifts from lobbyists and that required lobbyists to disclose their activities passed the House and swept the Senate by a vote of 95-2. Newt Gingrich, then House Republican whip, faxed Limbaugh a misleading statement claiming that the bill would force civic groups to disclose the names and addresses of their volunteers or face huge *—Continued on page 5*

Deborah Tannen, University Professor and professor of linguistics at Georgetown University, is the author of "Talking From 9 to 5" and "You Just Don't Understand."

fines. Limbaugh read the fax on his show, calling the bill "unconstitutional" and "anti-American"; others, including talk show hosts Pat Robertson and Paul Weyrich, joined in. Congressional offices were flooded with calls. Senate opponents filibustered. Forty-four senators changed their votes, and the bill was defeated.

The power of radio call-in demagogues to provoke a rash of listener action is one of the most frightening aspects of the rise of talk radio. Kurtz tells, for example, of a Snohomish, Wash., woman who "sent a letter to USA Today criticizing talk radio for stirring up hatred." As a result, she "was assailed by Michael Reagan, the former president's son, on his Los Angeles show. 'I was swamped by hate calls, including six that were actual, violent threats,' she says." Kurtz found himself the recipient of similar calls when Limbaugh lambasted him on the air because he thought Kurtz had criticized him in a Washington Post article.

Though *Hot Air* provides an invaluable service by calling attention to developments many have sensed but no one has documented so thoroughly, it is not without weaknesses. The book reads at times like a series of columns, each following a stereotypical structure that begins with a sudden plunge into a new scene ("It is 8:17 p.m., and Skip Smith, the CNN makeup man, is applying a coat of powder to Larry King's face"). It is at times jumpy and repetitious. There is an impressive and useful accretion of examples, but they often cry out for more explanation, analysis or commentary.

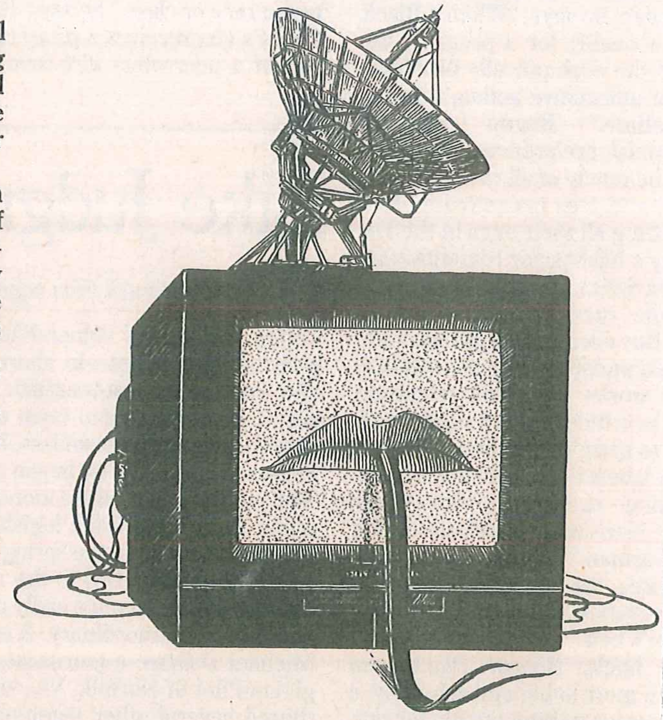


ILLUSTRATION BY CHRISTOPHER BING FOR THE WASHINGTON POST

In place of this, we get quotes from others—often without being told where the quotes come from. Over and over we read that someone said something, but not when, to whom, or in what context. Did Kurtz conduct an interview? Did he find the remark in print? How does Kurtz know what David Gergen said to Barbara Bush at a Christmas party at the vice presidential mansion? How does he know that Michael Kinsley "drove his friends crazy with his neurotic hand-wringing" when he was "racked with indecision" about whether to leave "Crossfire" to accept the editorship of New York Magazine? And why the snide tone?

It is difficult to resist the suspicion that the vitriolic tone of anti-government rhetoric on talk radio has played a role in recent anti-government terrorism, but Kurtz stops short of making this claim. He notes the destructiveness of talk shows' negativity—it's far easier and more entertaining to attack something than to discuss its complex rationale and operation—but repeatedly reaffirms his belief that there must be no controls to limit the ability of extremists to broadcast whatever lies, verbal toxins and incitement to violence they like. After noting that, following the Oklahoma City bombing, a Washington Post poll found that 4 in 10 respondents "called for greater restrictions on what people may say on the radio," Kurtz dismisses this sizeable minority opinion by calling it "a troubling sign for those who believe in the First Amendment" and leaves it at that. I'm not sure he's wrong, but the issue merits more thoughtful discussion.

Kurtz sneers at journalists who join the talk show culture even though they see its weaknesses, but reveals that he himself is a frequent talk show guest and even had his own call-in radio show for 6 months. Yet he offers only a single (though compelling) paragraph explaining why he does it (more people hear you, your mother is impressed, your mechanic recognizes you). I am not inclined to fault him as he faults others, but he owes us more explanation and discussion—and perhaps he owes his colleagues a little more indulgence.

But these and other complaints aside, *Hot Air* is a vital account of an explosive and corrosive force in our society. I'm glad Howard Kurtz wrote it, and I hope everyone is listening. ■

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