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Comm. 181
Prof. Schiller
Dec. 1st, 1980

Final Examination

Business and government are not only compatible but to
such a degree that it is often difficult to distinguish be-
tween the two. Some would have us believe the opposite is
true. Harold Agnew (advisor to Ronald Reagan) would have us
believe that anti-trust and conflict-of-interest laws are an
example of an "'almost adversarial' relationship between in-
dustry and government." The problem with this view is that
business and government have worked hand in hand on almost
every major technological development that can be imagined.

The advancement of technology has seen the government
and business engaged in a sort of mutually parasitic relation-
ship. When the government wanted advanced technologies for
defense communications or weapons all they needed was a de-
fense contract with a private corporation. This corporation
would develop such technologies and once they are made use-
ful the corporation owns the rights toward manufacturing
these products for retail sales. Thus, the government has
the newest and most advanced technologies at its disposal.
On the other hand the business carries the manufacturing and
dispersing rights with the blessing of government.

Why is it that the business and government people so
ready to pursue such helpful policies toward on another? The
main surge toward such policies comes from the Advisors which
presidents surround themselves with. These advisors are
pulled out of a big business "mini-government in waiting."

This becomes most visible in the change of presidentical administrations. Drake Lundell Jr. sketches the movements between the board of directors at International Business Machines Corporation (IBM) and the cabinets of the last four presidents in his article in the November 10 issue of Computerworld magazine. It is not hard for one to predict what policies will come from a president that has advisors such as an oil company executive, a nuclear physicist and a former Commander of the Air Force Systems Command. We can expect the new administration to (as already pledged) let loose the American oil companies to search and develop new resources in oil. We can expect a greater emphasis toward dependency on nuclear energy and (as already pledged) quicker licensing of nuclear power plants. Finally, we can expect (as already pledged) a move toward a greater build-up in arms for "defensive" purposes. It is most important to realize, I feel, that these advisors are utilized to find ways to impliment the new technologies and not necessarily to search for the possible consequences of such policy.

> "Progress is dirty business, we are
> taught the smell of the reward."
>   Hugh Prather

Technology puts up a (almost) perfect veil of neutrality. When something goes wrong at a nuclear power plant the blame is most often put on human error. The reason for this is that Americans have (for so many years) been bombarded with new technology. So much has been made available to them that they believe each new technology is being made to help

them. This veil of neutrality covers the fact that corporations will develop new technology for the simple reason that they want to make money with the product. Too often the social consequences are not discussed or never even researched. It is enough for an average American to know that their automobile is saving time and allowing long distance travel. They do not have to worry about the negative affects this might have on their environment. Thus, technology is neutral of its true reason for existence (i.e., profit). And after we have been taught the "smell of the reward" it is quite difficult for the average American to question the consequences of technology. It is easier to push such a question aside with the hope that some new technology will "clean up the act" of another.

We can see how technology has been useful. What is not seen is the fact that some new technologies are simply useless to many people. There are two ways in which technology can become useless. People very often can not afford the newest technology. Such items as microwave ovens and System III televisions do not come cheap. Further many (if not all) people have no need for such "improvements." Though most people cannot afford or do not need these advancements, they buy them anyway. This, of course, comes from the fact that we live in a consumer society with plenty of systemic incentives to help us buy. This makes it hard to argue that these people do not need or cannot afford such technologies. But it is not hard to see how the "need" for nuclear power can exist apart from the social and environmental consequences.

The reason Americans have this "technology is good" attitude is that we have been taught the usefulness of these products by their inventors— the experts. Experts can (and are) relied upon to make technology decisions because they know how much life will be "improved" by their new technology. The problem with relying upon these people is that they suffer from the "tunnel vision" mentioned above. What is more is the forgotten idea of alternate solutions which might prove better in the long run. Furthur, these experts are out to improve their own financial situations which helps to legitimate (for the expert) a push toward corporate advancement. Even in the non-expert decision making ranks the experts are caught up in corporate and technological improvement (i.e., Abscam).

Throughout the history of broadcasting the leading decision makers have been the corporate entities which have either invented, developed or paid for the use of broadcasting. The decision to develop communications technology like the Radio and Television was made in the government. They needed better communications for defense purposes. The development of these communications devices was actually done by private corporations. With the blessing of the government these corporations were left with the ability to manufacture these products. Corporations like Westinghouse, General Electric and Western Electric (American Telephone and Telegraph) had been making the first of these technologies, Radio ,for years before it became a dominant form of transmitting information to mass audiences.

After World War 1 these companies had to shutdown production because communication devices were no longer needed to sup-

port the war effort. Then Westinghouse came up with a great idea. If they supplied the general public with something to listen to, there was a possiblility that they could sell their military communications devices to private individuals. Thus it was the need to sell radios which ignited the broadcasting industry around 1920.

From there the beginnings of sponsored programming came about with "brand name" programs as the "Browning King Orchestra." After ATT's decision to start shat they called "Toll Broadcasting" in 1922 such programs became the order of the day. They were merely shows, paid for by a store or company, and carried the name of the sponsoring firm. There was never any mention of products. What ATT was to call "Radiotelephone" became (for ATT) an extension of their telephone facilities. The first Washington Radio Conference was to call it "ether advertising." The development of radio programming centered around the industry's willingness to allow indirect and later direct advertising.

With the formation of the Radio Corporation of America (RCA), consolidation and cooperation within the industry itself was achieved. Western Electric was "allowed" to control the manufacturing of transmitters while General Electric and Westinghouse would control the production and distribution of Radios, "all sold under the RCA trademark." These companies began to build up their own transmitting stations all over America thus controlling both ends of the broadcasting industry— production of recievers and the production/transmission of programming.

There have been many attempts to put non-commercial broadcasting on the air but in general these attempts have been stopped. This is caused by the economic infeasability of non-commercial broadcasting and most importantly by the economic boom insighted by sponsored programming. One such attempt at non-commercial programming was the Wagner-Hatfield proposal under President Roosevelt's new Federal Communications Act. This was an attempt to give one-forth of all radio channels to public (non-commercial) broadcasters. This attempt, like so many others, was defeated.

And then there was television...and it was good...no, better!

Following the Second World War we saw the rise of television as the major medium for sponsored programming. Spurred on by still more military (war inspired) technological improvements the broadcasting industry stepped into a new era of sponsorship. This "improvement" made possible a greater number of more effective forms of advertisements. If it was not a hundred bucks for showing potato chips in a party scene it was the "good feeling" we get towards a corporation which sponsored some form of "cultured" program. Still furthur is the yet uknown affects of hypnotising "subliminal" advertising. Like DuPont's "Clavacade of America," in radio's heydey Alcoa gave us "See It Now." Institutional advertising gave these corporations the "good guy" image and provided many non-commercial stations with money to produce programs.

This "corporate culture" exists because of the extreme costs involved in producing documenteries, not to mention an average entertainment program. After Alcoa took away its

sponsorship of See It Now, CBS was hard pressed to afford producing a $90,000.00 one-hour program. They soon stopped it all together. Most "educational" programming has to subsidised by corporations because of this high cost. If the corporations don't want to sponsor them we don't get them. What is more important is that of the ones they do decide to sponsor most are chosen under corporate criteria. There is some governmental subsidation of this type of programming but this influence can be considered inadequate at best. Thus, content decisions have been made, throughout broadcasting history by The Sponsor.

Bertram Gross sees the selectivity of public information (in the hands of corporations) as the major control device in the possibly "imminent friendly fascism." T.V. is seen by Gross as a device used to mute and channel the thoughts of individuals. Used as a manipulative device "TV is the indespensible magic stroke performed in order to accustom the people to a mechanical, quasi-ritualistic activity until it becomes second nature (Gross pg. 258). Content decisions (created issues and covered up issues) are made by program editors in order to produce the "best" program which will give the largest audience and thus the most advertising revenue for both the network and the sponsor. In a friendly fascist society Daniel Boorstin's "pseudo-event" will become so pervasive as to appear objective and be "all the news that is fit to print." We will think that life's actualities are being presented to us when in reality it will be the part of life which "they want us to see. Gross explains:

In George Orwell's 1984 Winston Smith

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> and his fellow bureaucrats in the Minis-
> try of Truth labored dilegently to re-
> write past history. Under friendly fas-
> cism, in contrast, skillful technicians
> and artists at scattered points in the
> information complex will create current
> history through highly selective and slan-
> ted reporting of current events.
>
> (Gross pg. 262)

The "truth" we will get will merely be a highly technologi-

cal fabrication which will appear to tell us the whole story.

But, as Gross said, "'straight talk' must never be recorded in

any form, and, if recorded, must be promptly destroyed."

Daniel Bell discusses the utilization and control of know-

ledge and information in three areas:

> 1. Expansion of the techniques of sur-
> veillance.
> 2. Concentration of the technology of
> record keeping.
> 2. Control of access to strategic in-
> formation by monopoly or government im-
> position of secrecy.

These areas of possible control, insists Bell, all depend upon

the social system in which one lives. Bell states, "It is not

in the technology per se but in the social and political sys-

tem in which that technology is embedded." All four of the

authors (Bell, Schiller, Smythe and Barnouw) suggest the pos-

sibility of social control which new technology in information

present. Bell says it merely "widens all kinds of possibilit-

ies." Yet Bell steps back from this and sits behind the veil

of Democracy which will allow the people to decide in which way

these technologies will be used. He feels that "competative

use of the various technologies is one of the best means of

breaking up monopolies, public or private." "Don't worry"
he says, "it will all work out for the best."

Smythe, Barnouw and Schiller take a decidedly different
view on the matter. "Sure," these men might say, "it will
work out for the best, but whose definition for best are we
talking about?"

Barnouw's chilling sketch on the history of sponsored
programming leads him to suggest that with each "good" use a
technology might have the "possible benefits were always eas-
ier to evisage than misuses and corruptions." He asks whether,
contrary to Bell's anti-monopolistic belief in competition,
each new technology brings us "back to 'square one' —in mon-
opolistic terms?" Barnouw feels that control of the infor-
mation system lies in the hands of the sponsor and will stay
there unless something is done to provide an alternate voice
in the media. Until the "unimagined question and the unwel-
come answer" is allowed to come out from the "fringe" of so-
ciety we are stuck in a perpetual life of channeled and pack-
aged information.

Shifts in economy

Schiller feels that, because of the decreasing potency of
some American industries, the communication technology indust-
ry is being "assigned a priority role in maintaining American
world economic hegemony." Thus the industry is in the fore-
front to advancement among all US industries. Because of the
importance of maintaining the world economic hegemony this in-
dustry must (according to American economic tradition) be con-
trolled to a large extent. This is done of course by the mon-
opolistic tradition of technological advancement. And this
is done as usual by a minority of companies; in this case the

Intenational Business Machines Corporation (IBM). Thus, Schiller takes Barnouw's monopolistic scenario to the world. Still Schiller, like Bell, leaves some hope for the world of individuals. The room for improvement comes, according to Schiller, because "the rate of technical change remains rapid and altough this is by no means a guarentee of satisfactory outcomes, it does prevent patterns of control from being fro- zen."

Smythe's view on the control of information and the "con- sciousness industry" is also systemic. He too feels that this system is controlled in order to perpetuate its existence and the media is the most important tool in this control. Smythe, however, takes the interesting angle that advertisement being an added feature to the monopoly capitalism discussed by Marx- ist and Marx himself. Thus, he goes along with Bell in say- ing the new technology (and particularily in advertising) adds some new dimensions to the possiblity of control. However, Smythe does not think it is just another problem to be worked out. Instead, says Smythe, advertising has become the impor- tant missing link (so to speak) in monopoly capitalism that Marx never bargained for. This argument centers around adver- tising improvements and innovations. He says that the current monopoly capitalist society makes the masses into a "commodity" which can be bought, sold, tormented and otherwise alienated by advertisers. This, perhaps is the icing that Marx never put on his capitalist cake.

signed,

Brad Lakritz

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The Gross book was: excellent; scary; insightful; almost
spine tingling; informative; useful; has great quotes!; and
is I think one of the most important books I've ever read.

Thank you for commenting.

Brad — your exam is well done!
However, you really could have been more pointed — critical
in your discussion of the Bell's question. The issues raised
here between the pluralist-developmentalist and the critical
perspectives are key to many of the ongoing debates today.
It is crucial to recognize certain blatant & subtle differences
in these perspectives as they arise again & again & in other
areas of interest as well.

Also, your discussion of "corporate culture" could have been
more involved — what effects this type of programming has on
our whole notion of what "culture" is — how it is produced —
that fact that it is the result of human effort becomes
an astounding realization — no!

In general, you have done very well — H —