

THE RISE OF THE MASS MEDIA

H. A. Innis, the Canadian historian, believed that changes in communication media provide the key to analysis of culture change and problems of the competition and monopoly of knowledge--problems which he judged to be seldom more pressing than in the chaotic mid-twentieth century in which he lived.¹

According to Innis, communication, religion and the state are the three vital factors in political organization seeking control over time and space (duration and extent). Thus, the Roman Empire's decline of control over territorial space in the face of barbarian invasion led to an emphasis on monopoly over time through control of religion and communication. A monopoly over time was built up through dependence on a limited body of scriptural writings in Latin, a strengthening of the Church's hierarchical organization by development of ritual and the idea of the supremacy of the Papacy, a concern with monasticism and celibacy, the emergence of Gothic architecture, and a rigid control over knowledge that ultimately issued in the Inquisition.

However, in the competitive strife which followed the spread of the use of paper and the recognition of new sources of learning, notably Greek science and philosophy, the monopoly over time was gradually destroyed. The invention of printing and increasing supplies of cheap paper supported the Reformation and the growth of a literature of the vernacular, with both emerging as important determinants of political boundaries.²

The modern state, with political boundaries thus influenced by the paper and printing industries, was, according to Innis, "profoundly affected by the industrial revolution and the application of steam power to . . . [those industries], especially in the latter part of the nineteenth century."³ Technological advances and freedom of the press provided support for the growth of monopolies of knowledge which emphasized--like the politics of imperialism--control over space. In the new "industrial democracies," the problem of control over time was "generally neglected, if not obliterated."⁴

Thus, Innis saw Western culture as beginning with temporal organization and ending with spatial organization. Between these lay a series of major

¹See Innis, Bias of Communication; Toronto: University of Toronto Press, 1951, and "Monopoly and Communications" in Explorations Three, August, 1954, pp. 89-95.

²Innis, "Monopoly and Communication," p. 94.

³Ibid.

⁴Ibid.

technological innovations, each giving rise to a new medium of communication; and each, in turn, resulting in a monopoly of knowledge (which destroyed the conditions suited to creative thought) and being displaced by a medium with its peculiar type of monopoly of knowledge.⁵

According to Innis, the tyranny of the contemporary monopoly over space, with its emphasis on change and instability (contrasted with the medieval monopoly over time with its emphasis on stability and duration) has become a serious threat to continuity and stable political relations.⁶ Throughout his work, Innis reiterated the close connection between culture and time, warning against its neglect. In his opinion, the "tragedy of modern culture" has arisen as inventions in commercialism have destroyed a sense of time. The dilemma of our age is revealed in the paradox that, as each new medium of communication has appeared, the effectiveness of communication is reduced because of the spatial "bias" of our communication system. There is a narrowing of the range from which knowledge is distributed and a widening of the range of reception. Large numbers receive but are unable to make any direct response. The dilemma is worsened by the increasing dependence on the mass media for knowledge, as the communication complex (which unites an individual with the world and people around him) is reduced to a mechanical reiteration of statements extended in space, but increasingly ephemeral and meaningless.

Innis' theory of the role of communication in culture change is not offered here as a general model for our analysis of the historical development of the mass media. Our analysis has this much connection with his theory: what are here called the mass media arose during that period in which the spatial bias of our communication complex developed most rapidly and, indeed, were the means by which that bias was made possible. But our account of the rise of the mass media is written from a different angle of vision. We are concerned to show how they are related to specific sociological phenomena and to changes in intellectual climate. Innis' theory is presented only to dramatize the critical position which many observers believe the mass media hold relative to the future of modern civilization⁷ and thus to stress the importance of our subsequent analysis.

Three major sociological trends have shaped the character and ordered the rise of the mass media in America.⁸ The first has been the rise of mass democracy. The second is the economic and technological revolution which

⁵See Walter Kenyon, et al., "Innis and Communication," in Explorations Three, p. 97.

⁶Innis, "Monopoly and Communication," p. 94.

⁷For example, see Paul F. Lazarsfeld and Robert K. Merton, "Mass Communication, Popular Taste and Organized Social Action," in Mass Communications, ed. by Wilbur Schramm; Urbana: University of Illinois Press, 1949, pp. 459-80; and Joseph T. Klapper, "Mass Media and the Engineering of Consent," in American Scholar, Autumn, 1948, pp. 419-29.

⁸See Ralph Casey, "Communication Channels," in Propaganda Communication, and Public Opinion, ed. by Bruce Smith, Harold Lasswell, and Casey; Princeton: Princeton University Press, 1946, pp. 4-30.

produced our modern industrial culture. The third is the on going urbanization of American life and thought.

In addition, two concomitant and primarily economic phenomena are deserving of special comment: the development of "markets" for mass consumption and of modern advertising for their exploitation. Both the concept of the market and the exploitative techniques of advertising derived from democratization, industrialization and urbanization, but now have a special significance of their own and are useful "keys" to an understanding of American culture in general, and of the mass media in particular.

How these three major sociological trends and two concomitant phenomena have largely determined the character of our mass communication system is a question this and succeeding chapters will try to answer.⁹

The popular press, network broadcasting and the Hollywood film are important determinants of American culture, but they also are reflections of its development and present character. Ours is an industrial and mass culture, the forms and values of which are largely dominated by a broad middle class which, on the word of its self-styled members, comprises the vast majority of the population. Although ultimate power resides, as it does in every society, in a relatively small elite at the upper limits of the social hierarchy, its exercise is effectively inhibited by the demands and interests of the broad middle class. Just as our politics and economy are shaped by the "mass" character of our industrial culture, so are the content, the range and the objectives of the mass media. The rationale of the press, broadcasting and the film is at once a product of the Weltanschauung of Classical Liberalism (and, as the sequel will show, of a latterday Neo-Liberalism) and of sociological transformations here described as democratization, industrialization and urbanization.

The beginnings of the rise of mass democracy usually are traced in America to the presidency of Andrew Jackson. When the common man won the ballot without property qualifications and the free public school was created, forces were set in motion that revolutionized the press during the succeeding century, just as they changed the character of the larger institutional order.

The key to an understanding of the term "mass democracy" is the enfranchisement of the adult white male (and eventually the female and non-white) population, together with the establishment of a system of free and universal

⁹In its widest sense, mass communication refers to any mediated form of communication whereby large numbers of people may be made aware of the manifold aspects of the world in which they live. Thus, a painting, if viewed by a great many persons, would be a form of mass communication. However, for our purposes, attention will be directed only to the mechanical media of mass communication, i.e., the popular press, network broadcasting and the Hollywood film. These are chosen not merely for reasons of economy, but more importantly because of the ability of these "mass media" to reach large numbers of persons more or less simultaneously and our belief that they are the forms of mass communication most decisive in the determination of individual behavior and the character of American culture.

education. Stated briefly, the rise of mass democracy in America was the accession of large numbers to effective social power.¹⁰

The enfranchisement of new classes and the enlargement of a literate public were at once effective causes and means of "rule by the masses," and they stamped Liberal democracy with a new and revolutionary character. According to H. J. Muller, until recent times "the masses had no real power in any civilization except the Greco-Roman," and there democracy was "steadily on the decline after the fall of Athens."¹¹ The Roman Republic was essentially a timocracy, which in diplomacy and conquest supported local oligarchies everywhere. According to Ortega, the history of the Roman Empire is "also the history of the uprising of the Empire of the Masses."¹² And there is much truth in his depiction: the Empire was, in fact, after Augustus a succession of tyrannies based on indulgence of the masses (and bribery of the army). But, as Muller reminds us, from the standpoint of Liberal theory, the Roman Empire could not be called democratic. Although it granted a kind of equality before the law, it granted "no rights whatever in the making of the law."¹³ Moreover, indulgence of the masses was an instrument for maintaining tyrannical power, not a factor which inhibited it. As for Socialism, it was neither demanded by the masses nor established for their benefit; it was designed to aid imperial government, and "merely sealed . . . [their] slavery to the State."¹⁴

However, with the common man's acquisition of both letters and political power where the influence of the Weltanschauung of Classical Liberalism was decisive, virtually the entire population became "a genuine citizenry, with a voice in selecting its rulers and deciding its destiny."¹⁵

¹⁰Parallel "quantitative" definitions abound in modern life: mass production may be defined as the extensive production of commodities in large numbers, mass consumption as the purchase of commodities by large numbers, mass culture as the control and enjoyment of cultural values and products by large numbers, and mass communication as the reception of mechanically transmitted symbols by large numbers. Similarly, the so-called "mass man" may be defined as an individual abstraction of large numbers in mass formation. As Ortega y Gasset has said, the mass man is the "average man"--and he is everywhere. And thus, what was "mere quantity--the multitude--is converted into a qualitative determination: it becomes the common social quality, man as undifferentiated from other men, but as repeating in himself a generic type." Ortega y Gasset, Revolt of the Masses, p. 14. The same may be said, also, regarding the quality of mass-produced and mass-consumed commodities, of cultural values and products, and of the symbols of mass communication.

¹¹Muller, Uses of the Past, p. 228.

¹²Ortega y Gasset, Revolt of the Masses, p. 21.

¹³Muller, Uses of the Past, p. 228.

¹⁴Ibid.

¹⁵Ibid.

The accession of the masses to social power is--as Ortega said of it in connection with the public life of Europe--"the formidable fact of our times." It is, he writes, "entirely new in the history of our modern civilisation."¹⁶

By the 1830's, the American prototype of the mass man was emerging. From the first issue of the Globe in the spring of 1830, "a militant gospel of hoi polloi democracy was trumpeted the length and breadth of the land."¹⁷ A decade later, this stereotype had sunk so deep into the American mind that "even the latter-day John Adamses had to cloak their proaristoi efforts under the veil of democratic rhetoric."¹⁸ Appropriating the populist symbols and slogans of Jacksonian democracy and abandoning the older Federalist formula of "stability," the party of Clay and Webster and Biddle proclaimed the virtues of William Henry Harrison, "the simple, homespun, military man who, in contrast to the luxury-loving, aristocratic Van Buren, passed his days unostentatiously, far from the haunts of wealth and decadence, in a lowly log cabin on the frontier."¹⁹

In the first, or what Carl Friedrich calls the "rationalist," stage of the rise of the masses, the belief in the common man rested upon contrasting him with decrepit princes and aristocrats. He is essentially a petit bourgeois.

¹⁶Ortega y Gasset, Revolt of the Masses, p. 21. Ortega does not conceal his horror of this development. Significantly, he refers to the uprising of the masses as La Rebellion--the usurpation of functions hitherto reserved to minorities. He acknowledges that the rule of the masses does present "a favourable aspect, inasmuch as it signifies an all-around rise in the historical level, and reveals that average existence today moves on a higher altitude than that of yesterday." (Ibid., p. 31) But the situation is fraught with peril for even the democratic nations. When the masses triumph, violence triumphs and is made "the one ratio, the one doctrine." (Ibid., p. 128) And the greatest danger to civilization in these circumstances is the tendency of the mass-man to demand that the State intervene and undertake the solution of all problems with its "immense and unassailable resources." (Ibid., p. 132) "The result of this tendency," warns Ortega, "will be fatal." The machinery of the State will be put to work "on whatsoever pretext, to crush beneath it any creative minority which disturbs it--disturbs it in any order of things: in politics, in ideas, in industry." (Ibid., p. 133) The whole of life is inevitably "bureaucratized" and brings about its "absolute decay in all orders." The State, in order to attend to the increasing demands of the masses, "forces on still more the bureaucratisation of human existence" and thus begins the "militarisation of society." (Ibid.) That Ortega's prophecy of the coincidence of the mass-man and the new Leviathan State was well founded is shown by the rise in recent times of alliances of political and military elites with the masses in various forms of totalitarianism.

¹⁷Edwin Mims, Jr., The Majority of the People; New York: Modern Age Books, 1941, p. 246.

¹⁸Ibid.

¹⁹Ibid.

In the second, or "emotional," stage, the belief "flowed from the boundless enthusiasm and optimism of pioneering America."²⁰ The "common man" is a farmer or a worker. And in this stage, as Friedrich says, although he took possession in fact before he became generally accepted in theory, "the triumph of the common man was so complete in America that eventually even the intelligentsia became infected with his spirit."²¹

In the third and present stage, the belief rests upon an "unquestioning acceptance" of the rise of the masses to social supremacy.²² The rural citizen has been largely urbanized in his life and thought, and the images of the small shopkeeper and craftsman have gradually shifted in an industrial age to those of the professional "manager" and the "union man." The common man is Everyman, wearing a white collar. And Everyman is Ortega's mass-man to whom political forms and the cultural order are consciously attuned.

How the rise of mass democracy, together with industrialization and urbanization, shaped the essential character of the mass media may be shown by the case of the newspaper.

After the colonists had won their independence, American newspapers grew rapidly in numbers and increased the frequency of their publication. In the mid 1780's, some 60 new papers were started. And in 1784, the first successful daily, the Pennsylvania Packet and Advertiser, began publication for more than a half-century under various names and owners.²³

The period from 1790 to 1850 was one of continental expansion. Moving implacably westward, the American frontier pushed from the Atlantic seaboard into the fertile Mississippi Valley, beyond to the Great Plains and, in the 1840's, to the Pacific Coast. Farms dotted the wilderness; towns and trading centers sprang up along travel routes. And where people went, the newspaper went. Presses were relatively portable, and equipment was cheap. As Tocqueville observed as late as 1835, "Nothing is easier than to set up

²⁰Carl Friedrich, The New Image of the Common Man; Boston: The Beacon Press, 1950, p. 7.

²¹Ibid., pp. 15-16.

²²Ibid., p. 7.

²³Edwin Emery and Henry L. Smith, The Press and America; New York: Prentice-Hall, Inc., 1954, pp. 173ff. Frank L. Mott identifies the first American daily as Benjamin Towne's Pennsylvania Evening Post, established in 1783. But Towne's Post was short-lived, lasting only a month after John Dunlap began publication of the successful Packet. See Mott, American Journalism, rev. ed.; New York: The Macmillan Co., 1950, p. 115.

a newspaper, as a small number of subscribers suffices to defray expenses."²⁴

From 1800 to 1833 was a time of bitter political controversy. Two rival political groups--the Hamiltonians and the Jeffersonians--struggled for control of national policy. Each party had its newspapers, which it openly subsidized.²⁵ These political organs were numerous and were scattered throughout the country; but (mainly on the East Coast) there was another and older type of newspaper: the mercantile or commercial paper, edited for readers of the business and professional classes, which had its beginnings in colonial times. These two types of newspapers comprised virtually the whole of the American press until the third decade of the nineteenth century.²⁶

America in the 1830's was still largely rural. But the ultimate consequences of industrial revolution, enfranchisement, and free public schools were already being felt. On the whole, the prototype of the mass man who emerged during the establishment of Jackson's "Coonskin Democracy" was at first inarticulate. The press became "more and more counted upon to supply information, inspiration, agitation, and education" to meet the demands of a society founded on the rule of opinion.²⁷

Despite generations of literary dependence on the Old World, by 1820 more than 50,000 titles, including books, magazines and newspapers, were listed as American. Sale of such products increased by more than a million dollars in the decade beginning in 1820, when publication grossed about \$2.5 million.²⁸

²⁴Alexis de Tocqueville, Democracy in America, ed. by Phillips Bradley; New York: Vintage Books, 1954, Vol. I, p. 193. George B. de Huszar, a political scientist, attacks the so-called "Golden Age" theory of the press, according to which newspapers could easily be started in the early days of American journalism because presses and paper were cheap. He maintains, "The facts indicate that the costs and difficulties in starting a newspaper were no less in the 1790's than they are today . . ." (Huszar, et al., Introduction to Political Science; New York: Thomas Y. Crowell Co., 1950, p. 527.) Although the statement may be valid in terms of the relative value of the dollar in the purchase of limited kinds and amounts of equipment, what Huszar apparently ignores is the tremendous intervening increase in capital requirements owing to the rationalization and mechanization of a mass production industry.

²⁵See Emery and Smith, Press and America, pp. 135-48. Also, Claude G. Bowers, Jefferson and Hamilton: the Struggle for Democracy in America; Boston: Houghton Mifflin Co., 1925, and Jefferson in Power; Houghton Mifflin, 1936. Bowers uses newspaper sources heavily in his account of the political struggle between the two great political parties.

²⁶See Emery and Smith, Press and America, pp. 173-74, 250-51. Also, Mott, American Journalism, rev. ed., pp. 167-208.

²⁷Emery and Smith, Press and America, p. 192. Cf. Carl R. Fish, The Rise of the Common Man, 1930-50; New York: The Macmillan Co., 1929, passim.

²⁸Merle Curti, The Growth of American Thought; New York: Harper & Bros., 1943, p. 215.

The press was an important factor in fashioning the mass democracy which issued from the Jacksonian Revolution. Newspapers not only helped to crystallize public opinion responsible for the democratic revolution; for the first time they began to take notice of a new type of citizen, the urban laborer.²⁹

Meanwhile, technological developments were making possible newspapers of larger circulations. In 1813, the printing press operated by a hand lever was displacing the screw-type press of Gutenberg's day. In 1825, the steam-driven cylinder press capable of turning out 2,000 copies an hour began replacing the hand-lever press and, in 1832, the double-cylinder press made possible 4,000 copies an hour. The growth of ink manufacturing plants, type foundries and paper mills also contributed to newspapers of relatively wide circulation. By 1833 there were three times as many newspapers in the United States as in England and France.³⁰ All the ingredients were available for the production of a cheap paper that the masses could afford to buy. The time was ripe.

Although two attempts to establish one-cent papers failed,³¹ the third attempt in September, 1833, was to bring such a significant change to American journalism as to warrant the description "revolutionary."

The standard press of the period, edited for people of means and a conservative turn of mind, was likely to be contemptuous of the fruits of the budding mass democracy. But, as Emery and Smith observe, "Whenever a mass of people has been neglected too long by the established organs of communication, agencies eventually have been devised to supply that want."³²

²⁹Indeed, some newspapers were published solely in the interest of the neglected laboring class. The first labor paper--the Journeyman Mechanics' Advocate of Philadelphia--appeared in 1827. Two months before Jackson's election, the first working man's party was organized, and in the same year the Mechanics' Free Press was established and lasted until the depression of 1837 killed it. Emery and Smith, Press and America, p. 202.

³⁰Mott, American Journalism, rev. ed., pp. 203-04, 216.

³¹In 1830, a short-lived penny paper, The Cent, was published in Philadelphia. A nearly successful attempt, the New York Morning Post, was made in January, 1833, by Horace Greeley in partnership with a dentist, Dr. H. D. Shepard. But a "violent snow storm kept so many citizens indoors the first few days of its appearance that the promoters had to give up the venture." (Emery and Smith, Press and America, p. 211.) Mott denies that a snow storm killed the Post, attributing its failure to Shepard's inadequacy as an editor. (Mott, American Journalism, rev. ed., p. 220.)

³²Emery and Smith, Press and America, p. 213.

The contents of such media generally have been elemental and emotional.³³ This was true of the New York Sun, founded by Benjamin H. Day who, under the pressure of impending bankruptcy, decided to publish a penny paper to shore up his declining job-printing business.

Although both political and mercantile papers continued to thrive for some time, the "popular press" patterned after the New York Sun became the dominant type after 1833.³⁴

Edited for the masses, the popular press emphasized local news, "domestic tragicomedy," crime and sex, and "human interest" copy. They stood in remarkable contrast to the "respectable" six-cent dailies which filled their columns with political and factional controversy and were, generally speaking, "beyond or outside the interest, understanding and means of the great mass of a growing population."³⁵ As the penny papers published tales about boys who whistled in their sleep, stories about murder and suicide, and hoaxes about men and buffalo on the moon, circulation climbed by the thousand.³⁶

New York was the center of the penny papers, but Boston and Philadelphia also had them. By 1835, the popular press was firmly established. And in that year still another important development took shape: the rise of the newspaper as an "independent" purveyor of news. James Gordon Bennett, founder of the New York Herald and self-proclaimed "genius of the newspaper press,"³⁷ publicly declared his paper free from the support of every political clique or faction. Then what has been called in the history of American journalism the viewpaper became in Bennett's Herald, a newspaper,³⁸ although the development he began was less a movement toward the modern ideal of "objectivity" in news coverage than it was a shift away from unabashed

³³In 1620, as in 1833, and again in the 1890's and in 1920, attempts to tap a new, much neglected, but large, public started with a wave of sensationalism. Ibid., p. 214.

³⁴The appearance of Day's Sun did not at first give the impression that it would eventually outshine all rivals in circulation. However, by 1837 it was printing 30,000 copies a day, which was more than the total of all New York dailies combined when it began publication. Ibid., p. 215.

³⁵Casey, "Communications Channels," p. 4.

³⁶For a description of the content of the penny papers, and especially an account of the famous "moon hoax" of Sun reporter Richard Locke, see Mott, American Journalism, rev. ed., pp. 225-26.

³⁷Ibid., p. 229.

³⁸Emery and Smith, Press and America, p. 221. See also Willard G. Bleyer, Main Currents in the History of American Journalism; Boston: Houghton Mifflin Co., 1927. Bleyer apparently was the first to coin the term "viewpaper."

political partisanship.³⁹

Until the appearance of Greeley on the New York publishing scene, there is not much evidence that editors of the popular press were motivated in their "new journalism" by anything other than profits and demands of their egos, although it has been said of Bennett that his philosophy of journalism was not entirely sheer opportunism, but "half humanitarian idealism."⁴⁰

Editors of the penny papers appear to have been convinced that the masses were more interested in "news" than in "views," and they concentrated on its supply in readable form. News--delivered in a simple, but sprightly and provocative, manner became a profitable commodity in a rapidly expanding reader market. Shortly, even the stuffy commercial papers were copying the style of the penny papers in their own column.⁴¹

Impressed by rising circulations, advertisers began to take a special interest in the new press edited for the masses. Large circulation made it feasible to advertise articles for sale that formerly would not have warranted the expense. And the advent of advertising as an important source of revenue in newspaper publishing made it possible for editors and publishers to experiment with new types of news and new methods of news-gathering, and to improve their production facilities--thus making possible still greater circulation and advertising support.⁴²

³⁹As Emery and Smith note, the penny press did not entirely avoid partisanship. "Papers like the Herald took up issues every day, and often fought them as violently as in the old partisan-press days. But that was not the purpose of these papers, as it had been when papers reflected factions and parties." (Emery and Smith, Press and America, n., p. 221.) ". . . almost without exception the penny papers published paragraphs from time to time setting forth their creed, which may be summarized as follows: (1) The great common people should have a realistic view of the contemporary scene, and this in spite of taboos; (2) abuses in churches, courts, banks, stock markets, etc., should be exposed; (3) the newspaper's first duty is to give its readers the news, and not to support a party or a mercantile class; and (4) local and human-interest news is important. To these doctrines Horace Greeley later added . . . the ideal of social amelioration." (Mott, American Journalism, rev. ed., pp. 242-43.)

⁴⁰Mott, American Journalism, rev. ed., p. 232. Mott describes Bennett as a thoroughgoing democrat who "sincerely believed in the doctrine vox populi vox dei" and "translated it into newspaper policy." (Ibid.) He adds, however, that whether Bennett saved any souls by his stories of crime, "he certainly made money by them." (Ibid., p. 233.)

⁴¹Emery and Smith, Press and America, p. 218.

⁴²The increased value of news in terms of circulation and advertising revenue meant that editors now were willing to invest heavily in means for obtaining, processing and printing it. And this, of course, explains why the cost of starting a newspaper went up so amazingly by the 1850's. "Bennett started his paper on \$500. Six years later, Greeley needed \$3,000 to begin publication of a daily. Ten years later Raymond and his associates had to put up \$100,000 to get the Times under way." Ibid., p. 247.

Bennett, in particular, made the most of the opportunities. The Herald was full of advertising and, year by year, its content was broadened to gather in new readers. He appealed to the business class by developing "the best financial section of any standard journal" and putting his best staff men on the Wall Street beat. He built up a "letters" column and helped to develop the critical review and society news. "Long before other editors recognized the appeal of the subject, Bennett was offering sports news."⁴³

Accused in 1840 of blasphemy in his columns and faced by a boycott of the Herald by rival publishers,⁴⁴ Bennett defeated his opponents in characteristic manner: recognizing in the protest against him the existence of a neglected public worth cultivating, he sent his best reporters to cover all the church beats and religious meetings of any consequence. By full and able coverage of the city's religious life, he soon had won over his erstwhile enemies.⁴⁵

The Herald was thus a forerunner of the modern "omnibus" newspaper, which--like the media of broadcasting and film--appeals to a broadly based market and tries to provide "something for everybody." There was, however, no abatement in the flood of sex, sin and crime that had won Bennett his initial success. His objective plainly was to continue to attract the masses; but he aimed also at the more prosperous and educated reader, formerly the target of papers edited along "class" lines.⁴⁶

But, despite Bennett's success and as readers of the penny papers multiplied, there developed a reaction against the sensational journalism of the popular press generally. Complaints were made that the advertisements and editorial content of the penny papers were unfit for family reading. Dissatisfaction of this sort no doubt contributed to the success of Horace Greeley's New York Tribune which, after 1841, carried on the transition from the sensational penny papers to the general newspapers of mass circulation today. Greeley, who was perhaps the earliest example in American journalism of the "socially responsible" editor; possessed an uncommon faith that the masses could be attracted by reason as well as by emotionalism. The first issue of his Tribune, selling for one cent in competition with the penny papers, was intended to attract mass readership. It was devoted mainly to serious discussion and reporting, but he did not insult the common man by trying to "write down" to him. The Tribune subsequently offered its readers stories "just as sensational as those of its rivals, but that type of journalism was not its hallmark."⁴⁷

⁴³Ibid., pp. 222-23.

⁴⁴The attempt to ostracize Bennett, carefully organized by committees in which many prominent citizens were active, spread to Boston, Philadelphia, Baltimore and other cities. "All excoriated Bennett as a disgrace to journalism." Mott, American Journalism, rev. ed., p. 236.

⁴⁵Emery and Smith, Press and America, p. 224.

⁴⁶Cf. Oliver Carlson, The Man Who Made News: New York: Duell, Sloan & Pearce, 1942, a biography of Bennett.

⁴⁷Emery and Smith, Press and America, p. 230.

The secret of Greeley's personal popularity and of the success of his paper has been identified as his consciousness of responsibility to the reader. "He changed the press of the masses from the vulgar level of sensationalism to a promoter of culture and stimulating ideas, and made it pay dividends."⁴⁸ He eschewed police news, the avowed political neutrality of Bennett's Herald (he thought a paper should avoid excessive partisanship, but did believe a paper should support one political party) and, although the Tribune was full of advertising, he would not accept advertisements he considered objectionable. Midwestern farmers, who had no sympathy with many of Greeley's ideas on industrial society, read his paper "next to the Bible."⁴⁹ Even business men who loathed his "radicalism" and "sideshow reformism" read his paper and "respected the editor who wore no man's collar."⁵⁰

Greeley proved that a publisher could reach a mass readership without resorting primarily to sensationalism. Tribune circulation rose from 5,500 at the end of three weeks to 11,000 at the end of seven, and to more than 200,000 by 1860.⁵¹

Even the Sun and Herald--in order to keep pace with the growing literacy and expanding interests of their readers--offered more substantial material as time went on. By the Civil War, the popular press had left much of the semiliterate public behind, and two more waves of sensational journalism (Hearst's "yellow journalism" of the 1890's and the tabloids of the 1920's) appeared to take up the slack.

The anti-slavery controversy and the eventual war between North and South again split the press on the issues involved. Partisan journalism, on the wane, was revived. The war also had some other clear effects. It brought military correspondence to its highest development. It accustomed newspapers to huge expenditures in the gathering, transmission and presentation of news. It made mechanical and technological improvements a necessity, if papers were to fill the demand for copies. It established the Sunday newspaper. It introduced war-time censorship to the United States for the first time. And it begat a generation addicted to regular newspaper reading.⁵²

After the war, many of the newspapers were still closely allied with the major political parties. But the trend was continuing toward a press

⁴⁸Ibid., p. 234. Cf. Henry L. Stoddard, Horace Greeley: Printer, Editor, Crusader; New York: G. P. Putnam's Sons, 1946, and William H. Hale, Horace Greeley: Voice of the People; New York: Harper & Bros., 1950.

⁴⁹Emery and Smith, Press and America, p. 234. According to Ralph Waldo Emerson, Greeley did "all their thinking and theory" for midwestern farmers "at two dollars a year." (C. E. Norton, ed., Correspondence Between Thomas Carlyle and Ralph Waldo Emerson; Boston: 1883, Vol. II; quoted in Mott, American Journalism, rev. ed., p. 277.)

⁵⁰Emery and Smith, Press and America, pp. 232, 234.

⁵¹Ibid., p. 228.

⁵²Ibid., pp. 263 ff. Cf. Mott, American Journalism, rev. ed., 329 ff.

independent of political affiliations. Henry Raymond of the New York Times, for example, believed a newspaper's aim should be the good of the community. A paper should be partisan only if supporting a party advanced the good of the community.

The contribution of Raymond, who left a reputation as one of the great journalists of the century, was a conscious attempt to develop "objective" reporting--still the basic editorial formula of the newspaper he founded in 1851 with a former colleague in the business office of Greeley's Tribune. There was a minimum of personal invective in the Times; it "seldom printed issues in the black and white patterns favored by Greeley," and it "substituted accuracy for wishful thinking, even when Raymond was deep in politics." Although a power in Republican circles, Raymond curiously stood for an objective non-partisanship in his paper. "It was as though the man had two completely different personalities."⁵³

Another famous editor of the period, Samuel Bowles of the Springfield (Mass.) Republican, also took a stand for political independence: "The independent press of the country is supplanting the merely partisan press . . . A merely party organ is now a thing despised . . . and can never rank as a first class journal."⁵⁴

By 1872, the year of Horace Greeley's death, the day of the party organs was over. "By 1880 one-fourth of the newspapers were listed in the directories as 'independent,' 'neutral,' or merely 'local;' and by 1890 the proportion had reached one-third."⁵⁵ This development did not mean that newspapers generally were non-partisan in their editorial pages any more than they are today. The notable change came in the freeing of newspapers from domination by political parties, and their being put more and more in the hands of reporters and editors. And this development was the beginning of the divorcement of news and editorial opinion which is typical of the modern, omnibus newspaper.⁵⁶

Between the end of the war between North and South and 1900, the United States passed through a period of tremendous change affecting nearly every

⁵³Emery and Smith, Press and America, p. 238. Cf. Augustus Maverick, Henry J. Raymond and the New York Press; Hartford, Conn.: A. S. Hale & Co., 1870, and Francis Brown, Raymond of the Times; New York: W. W. Norton & Co., 1951.

⁵⁴George S. Merriam, Life and Times of Samuel Bowles; New York: The Century Co., 1885, Vol. I, p. 104.

⁵⁵Mott, American Journalism, rev. ed., p. 412.

⁵⁶Mott comments that "contempt for the party yoke" probably was encouraged by "the growing realization that the most successful papers--those belonging to the New Journalism--were, in the main, papers which flouted partisan control." He cites the opinion of Horace White of the Chicago Tribune that "business prosperity has increased with all papers in the proportion that they have maintained their independence and their freedom." Ibid., p. 413.

facet of the national scene. Mechanization, industrialization and urbanization brought great cultural, political and social changes that were reflected in the nation's press.

Manufacturing production in the United States increased sevenfold between 1865 and 1900. As mass production techniques were introduced into other fields, publishers applied the same principles to newspaper operations. Mass production techniques were necessary if newspapers were to reach their ever-increasing audience. For mass production and mass distribution meant increased advertising revenues, which had become the lifeblood of newspaper publishing, and papers needed large circulations if they were to get advertising accounts. Moreover, the potential circulation was awaiting them. "Between 1870 and 1900, the United States doubled its population and tripled the number of its urban residents." During the same period, "the number of weekly publications tripled, increasing from approximately 4,000 to more than 12,000," serving mainly the small towns and rural areas but also the suburbs and sections of cities. "Both in numbers and in total circulation the daily newspaper was rising even more rapidly than the city which spawned it." English-language, general circulation newspapers increased from less than 500 in 1870 to more than 2,000 in 1900, and circulation totals for all daily publications reached 15 million by the turn of the century.⁵⁷

Forces of social and economic interdependence were important in the transformation of American newspapers from their factional and "class" orientation of the early days into a press for the masses.

With the growth of great cities, their peoples increasingly turned to the daily newspapers for contact with the manners and values of urban life. The newspaper of the late nineteenth century, while more a literal record of daily events than the mercantile and partisan press of an earlier day, also became increasingly symbolic of the cultural order. Selected incidents began to be treated symbolically, "for their human interest rather than their individual and personal significance." Thus, news ceased to be wholly personal and assumed the form of art. It became less "the record of the doings of individual men and women" than "an impersonal account of manners and life."⁵⁸

Moreover, as Malcolm Willey has maintained, one of the important functions of the modern newspaper became that of providing "primary group experiences to people who live in groups where the majority of their contacts are secondary in nature."⁵⁹

The daily newspaper more and more became a cohesive force among urban readers commingled in conglomerate cultural units. At the same time, the

⁵⁷Emery and Smith, Press and America, pp. 345-46.

⁵⁸Robert E. Park, "The Natural History of the Newspaper," in Park, Burgess and McKenzie, The City; quoted by Casey, "Communications Channels," p. 14.

⁵⁹Willey, "The Influence of Social Change on Newspaper Style," in Sociology and Social Research, September-October, 1928; quoted in Casey, "Communications Channels," p. 14.

nation as a whole was rapidly being unified by the extension of economic interdependence and a parallel improvement in communication facilities. The American newspaper became the chronicler of the national scene and the interpreter of the new environment.⁶⁰

Meanwhile, the educational system was expanding. The result of a general thirst for knowledge and a better life in a free and mobile society, the growth of the educational system was particularly important to the expansion of the press and to the rise of the mass media in general. Between 1870 and 1900, illiteracy declined from 20 to 10.7 percent of the population as school attendance jumped from 57 percent to 72 percent. The number of high schools increased from approximately 100 in 1860 to 800 in 1880, then leaped to 6,000 by 1900.⁶¹

Colleges were springing up. Federal subsidies encouraged the growth of state universities, particularly in the Middle West and West. Private colleges, financed by America's new men of wealth, gained in number and influence with the founding of Cornell, Johns Hopkins, Leland Stanford and the University of Chicago.⁶²

The growing newspaper public looked mainly to the nation's press for information and opinion to help itself understand and adjust to a rapidly developing industrial society. Not only did the successful newspaper of the period emphasize "news" rather than "views;" when they were partisan and outspoken, they usually were independent and active crusaders in what they considered to be the public interest.

An important factor which helped to shape the character and the role of the press in national life was the ideological environment of the late nineteenth century. On the one hand, the radical individualism of Liberal ideologists served to buttress the right of individual press freedom; on the other, the progenitors of contemporary Neo-Liberalism presented the new press for the masses with the challenge of social responsibility. From the ideological struggle of this period and its resolution in the twentieth century was formed the rationale of the modern newspaper.

⁶⁰In the language of Innis, it was during the post Civil War period, which witnessed the nationalization of American life, that the "spatial bias" of our communications system began to develop fully. Later, in the twentieth century, the rise of the Hollywood film and network broadcasting made possible the cultural conquest of the remotest rural areas. The American press, accordingly, became an arbiter of values and a distributor of symbols in a single, primary cultural order--national in extent and urban in style--that embraced a multiplicity of secondary cultural units.

⁶¹Emery and Smith, Press in America, p. 346.

⁶²Significantly, women--a primary target of the mass media in the twentieth century--were not ignored in the expansion of education: state universities became coeducational and, partly as a result of the woman suffrage movement, Smith College was founded in 1875, to be followed shortly by Bryn Mawr and Radcliffe. Ibid., p. 347.

Nineteenth-century individualism, deriving from the Weltanschauung of Classical Liberalism and appealing strongly to the captains of American industry, demanded that government not interfere in any way with individual economic enterprise, including newspaper publishing.⁶³ Newspaper editors, such as Charles Dana, E. L. Godkin and Whitelaw Reid, were ardent advocates of a negative theory of individualism that was powerfully supported by the vogue of "Spencerian Liberalism" and the "Social Darwinism" of William Graham Sumner.⁶⁴

However, by the 1880's there were also editors who decried the negativism of such a radically individualistic philosophy and supported the principles of social cooperation and the use of governmental power to regulate economic life.

What men like Joseph Pulitzer and E. W. Scripps represented in the field of journalism was only "an expression of a larger movement in American thought and life." Henry George's Progress and Poverty appeared in 1879. Henry Demarest Lloyd's Wealth Against Commonwealth was published in 1894, and Thorstein Veblen's Theory of the Leisure Class followed five years later. Meanwhile, the sociologist, Lester Ward, and an economist, Richard T. Ely, emerged as two forceful spokesmen of the reaction against the unrestricted exercise of individual will who regarded government as a positive force for social improvement.⁶⁵

The nineteenth-century democratization of journalism produced many popular, well-balanced and sober newspapers. But, especially in the great cities, it also led in its extreme form to the exploitation of a reader segment previously unsought even by the penny papers. "The 'yellow journals' of Hearst and Pulitzer reached down in the 'nineties to a substratum of readers." And again, in the Twenties, the "jazz journalism" of the tabloids "tapped lower levels of taste and intelligence than other papers cared to reach."⁶⁶

But, as Walter Lippman has pointed out, while the press for the masses reached its nadir in these periods of extreme sensationalism, there were editorial practices to which Demos would not eternally respond. Both the "yellows" and the "tabs" were eventually compelled to modify their editorial

⁶³According to Emery and Smith, the "influence of this socio-economic doctrine became so strong, particularly in the rendering of Supreme Court decisions nullifying reform legislation, that Justice Oliver Wendell Holmes was led to protest that Spencer's Social Statics was not part of the Constitution. Ibid., p. 348.

⁶⁴See Hofstadter, Social Darwinism, pp. 18-51.

⁶⁵Emery and Smith, Press and America, pp. 348-49.

⁶⁶Casey, "Communication Channels," pp. 6-7. See also, Emery and Smith, Press and America, pp. 414-45, 621-33.

methods; and even during the heyday of sensationalism, both in the 1890's and the 1920's, there were always sober and intelligent newspapers.⁶⁷

The technological and economic revolution of the nineteenth century was influential, too, in changing the fundamental pattern, content and influence of the newspaper. It increased the scope, range and speed of the newspaper's "distribution of symbols," improved its efficiency and greatly expanded the contacts between individuals and groups." Also, it brought into being within the last half century the motion picture, radio and television.⁶⁸

Technology not only provided the physical means which enabled the press to become "mass" in character; it also led to industrial changes which pre-shaped the character of twentieth-century broadcasting and motion pictures.

"The past fifty years have been marked by the organization of huge units of production and distribution to facilitate mass manufacture of commodities and to ensure the widest dissemination of machine-made, standardized products."⁶⁹ The growth of large scale enterprise, mass production and mass marketing in an increasingly consumption-oriented economy has been one of the most striking characteristics of the modern era. And, as private business enterprises, newspapers, magazines and the newer media of mass communication have not been immune from this general economic development.

Backing up the mechanical plant of a metropolitan daily newspaper is the "technology" of news production and distribution--the arteries of electrical transmission which carry "the blood of the news into the heart of the printing press."⁷⁰ Huge sums are spent on gathering, writing and processing its news and features. A variety of reading matter--news, comment, interpretation, instruction and sheer entertainment--is provided to appeal to every taste and interest.⁷¹ Even the small city daily and the suburban and country weeklies have become "omnibus" newspapers, within the limits of their markets as "mass" in character as their big metropolitan brothers.

The machine age greatly increased production costs and counterparts of the newspaper's elaborate organization and expensive plant are to be found in the apparatus of network broadcasting and motion picture production and distribution. Standardization inevitably developed as a counterweight in fixing the prices of commodities for masses of consumers. And standardization in the economy generally was matched in the mass media by the standardized

⁶⁷Lippmann, "Two Revolutions in the American Press," in Yale Review, March, 1931, pp. 433-41; cited in Casey, "Communication Channels," p. 6.

⁶⁸Casey, "Communication Channels," pp. 7-8.

⁶⁹Ibid.

⁷⁰Ibid., p. 9.

⁷¹An historically recent innovation designed to increase the "salability" of news as a commodity is the technique of packaging it as entertainment. An outstanding example of this development is Time, the weekly newsmagazine. Parallels may be found in the news programs of radio and television.

motion picture, radio and television program, syndicated feature and press association news report.⁷²

Concomitants of the technological and industrial revolution which gave birth to the modern omnibus newspaper were the development of modern advertising as an industry and its exploitation of media audiences as "markets."

In the latter half of the nineteenth century, the United States changed from an agricultural to an urban, industrial nation. Factories grew in size and number; the average manufacturing plant, in the sixty years between 1850 and 1910, increased its capital more than thirty-nine times, its number of wage earners seven times, the value of its output more than nineteen times. Railroads had begun to bind the nation together, and a system of free rural delivery was ending the isolation of the farmer.⁷³

Meanwhile, the marketing system changed radically and advertising came to play an increasingly important part in it. At once the result of the rise of a system of mass production and mass distribution and a contributing force to it, advertising now became the major source of revenue for the twentieth-century newspaper and magazine. For commercial radio and television it was the only source of direct income; in the motion picture industry budgets for promotion and publicity approached and sometimes exceeded production costs.

Media audiences came to be regarded as markets for advertising's products of persuasion; potential consumers of manufactured products were more and more reached by indirect means. Moreover, before America felt the full impact of the industrial revolution, manufacturers had produced for regional and local markets. But, as the century turned, they began producing for national distribution. Advertisers, since the rise of the popular press, had been exploiting the concentrated, but relatively restricted, market reached by the newspaper. But now they wanted to reach simultaneously the scattered millions of consumers throughout the country. Thus, magazines in the last years of the nineteenth century, and broadcasting in the twentieth, developed into important media of national advertising.⁷⁴

⁷²The "star system" and "formula writing" in motion pictures, radio and television are familiar means of standardization. And most observers would agree with Oswald Garrison Villard when he wrote that as ". . . one travels through the country on a Sunday on a fast train and buys successively Buffalo, Cleveland, Chicago, Indianapolis, Toledo, and St. Louis Sunday papers it is hardly possible to tell which city is represented in a given mass of printed pages without careful scanning of the page headings." Villard, "The Press Today," in The Nation, June 1930, pp. 646-67.

⁷³Emery and Smith, Press and America, p. 338.

⁷⁴The growing importance of national advertising is indicated by the amounts spent for it in the media. In 1915 newspapers and magazines carried about \$83,000,000 in national advertising. Together with radio they carried in 1929 about \$476,000,000. By 1954, with the full development of television, newspapers, magazines and the broadcasting media carried altogether nearly \$1.5 billion of national advertising. The following year, the figure reached well over two billion. Statistical Abstract of the United States, 1956; Washington, D. C.: U. S. Government Printing Office, 1956, p. 878.

Social changes which accompanied the technological and industrial revolution also affected the press and helped to create a cultural order appropriate to the development of network broadcasting and the Hollywood film. Most important was the sheer increase in population and its relative concentration in urban areas. Significant, too, was the redistribution of income which, in the twentieth century, narrowed extremes in purchasing power and widened the middle class.

One result of these developments was an increasing public utilization of the media of mass communication. The increase in urban populations, which brought together large numbers of persons in a relatively small area, made possible the huge circulations of daily newspapers and the vast audiences of radio and television stations. The redistribution of income increased the market for advertisers' goods and services, and favored the growth of advertising as an industry in itself.

Because of these and other forces, the traditional media--newspapers, magazines and books--no longer appealed primarily to the upper social classes; they reached deep into the population. The transformation of the newspaper has already been described. It began to find a widened audience in the 1830's and succeeded so well that by midcentury virtually every literate adult in the United States read at least one newspaper a day. Daily circulation stood at more than 54 million, an all-time record.⁷⁵

Although magazines have been published in the United States since 1741, the early magazines were small in circulation, short on revenue, and short in life-span. The large circulation magazine edited for a mass rather than a class reader-group arrived almost coincidentally with the birth of the twentieth century, when the national magazines of popular appeal discovered a whole new audience. In the 1890's, Frank Munsey, S. S. McClure and Cyrus Curtis, attuning their periodicals to mass tastes and interests, began to publish magazines within the means of the common man. What they lost by selling their magazines at less than cost they found coming back--with profit--from the huge volume of advertising that a large circulation could command.⁷⁶

Since 1900, the number of magazines with circulations of a million or more has increased steadily. Only one magazine, the Ladies' Home Journal, had more than a million circulation in 1900. By 1950, at least forty general and farm magazines had circulations of at least a million. Since 1923, Time, Inc., has become one of the most profitable publishing companies in the United

⁷⁵T. J. Kreps, "The Newspaper Industry," in W. Adams, ed., The Structure of American Industry; New York: The Macmillan Co., 1954, p. 486.

⁷⁶Theodore B. Peterson, Magazines in the Twentieth Century; Urbana: University of Illinois Press, 1956, pp. 1-12, 18-20. When Munsey's Magazine appeared as one of the first of the low-priced monthlies in 1893, Munsey estimated that there were 250,000 magazine purchasers in the United States. The ten-cent magazine, he further estimated, had raised the number to 750,000 by 1899. By the middle of the twentieth century, surveys showed, there were 32,000,000 magazine-reading families in the nation. Ibid., pp. 40-41.

States. The circulation of Time in 1950 was 1,593,000; that of Life, its companion picture weekly, 5,340,000. Reader's Digest, the first of at least a score of pocket-size and digest-type magazines, succeeded solely on circulation revenues. Starting with a first issue circulation of 5,000 in 1922, by 1955 its world circulation was 17,697,000, of which more than 10 million was concentrated in the United States.⁷⁷

The book also became a vehicle of popular culture in the twentieth century. In 1900, the United States had only 210 libraries, including those of schools and professional societies. At midcentury, there were some 7,500 public libraries spending more than \$10 million per year for trade books alone.⁷⁸ After 1926, the book club, based on subscription methods developed by the mass magazine, facilitated the distribution of books to the broadened middle class.⁷⁹ Today, book clubs serve an increasing number of general and specialized interests: there are executives' book clubs, "classics" book clubs, history book clubs, children's book clubs, science book clubs, and so on.

In the later 1930's, publishers began making the book nearly as ubiquitous and as inexpensive as the magazine. Cheap paper-bound editions of books--good and bad--bid for the reader's small change at drug stores, newsstands, and even supermarkets. In a little more than a decade, the number of "paper backs" distributed was about the same as the number of hard-bound general or trade books sold: more than 175 million copies.⁸⁰ Although lagging far behind magazines, they were in 1953 ahead of hard-bound books by some 50 million copies annually and accounted for fully a third of the output of copies of books of all kinds. About a dozen publishers of paper-backs at midcentury kept on their current lists some 4,000 titles, most of which were reprints of original books.⁸¹

Meanwhile, the new media--the movies, radio and television--grew up with no tradition of class appeal. They appeared when the democratic movement was running at full tide, and they rapidly attracted mass audiences. By mid-

⁷⁷Ibid., pp. 218, 223-30, 298-302.

⁷⁸William Miller, The Book Industry; New York: Columbia University Press, 1949, p. 121.

⁷⁹See Harold K. Guinzburg, Robert W. Frase and Theodore Waller, Books and the Mass Market; Urbana: University of Illinois Press, 1953, p. 31.

⁸⁰Ibid., p. 34.

⁸¹According to Robert W. Frase, it is not likely that paper-backs will ever take over the field of original publishing, even of fiction, for "they would almost certainly become more expensive." But, no matter their future, the paper-bound book has already been "the most dynamic element" in the industry in recent years and "has undoubtedly introduced books to millions who never read them before." Ibid., p. 38.

century, Americans were spending more than \$1 billion to buy an average of 45,000,000 movie tickets a week.⁸²

Radio, from its beginnings in the Twenties, was available to anyone with a few dollars for a set. Television grew so fast, especially after 1948, that statistics about the industry were out of date by the time they reached print.⁸³ Like radio, it rapidly was becoming an almost universal medium. In 1946, there were a mere 10,000 sets in use. By 1949, there were 1,000,000; by 1952, 15,800,000; by 1954, 36,900,000; and by July of 1956, more than 39,000,000.⁸⁴

As a result of the social and technological forces described above, the structure of the mass communication system began in the twentieth century to resemble that of other industrial sectors of the American economy. The dramatic increase in population, the development of immense urban and then national markets, and the increased public utilization of the media did not lead, as one might have expected, to a relative increase in the number of communication units and a diffusion of their control. On the contrary, economic and technological factors resulted generally in a disproportionate number of units and a concentration of control. At midcentury, the mass communication system was characterized by bigness, costliness and fewness.

The forces which created the modern omnibus newspaper made for less individuality and more standardization of the product; by creating mass markets that only large and costly units could efficiently service, they also led inevitably to a contraction of ownership in many cities and towns and the development of newspaper chains. The high point in numbers of newspapers published in the United States came in the year 1909, when the figure stood at 2,600 daily publications of all types, of which 2,200 were English-language newspapers of general circulation. Thereafter, consolidation became the dominant theme of American journalism.⁸⁵ As circulation soared to new heights, there was a striking trend toward elimination of competitive situations, especially in cities of fewer than 50,000 residents.⁸⁶ From 1910 through 1948, the number of dailies declined almost steadily as a result of suspensions, mergers, and changes from daily to less frequent publication. More than 2,000 new daily newspapers (including those changing

⁸²W. F. Hellmuth, "The Motion Picture Industry," in The Structure of American Industry, p. 360.

⁸³In 1948, there were only 50 television stations operating in the United States--at a reported loss of \$14.9 million. Two years later there were more than one hundred in operation and, by 1955, there were 437 showing profits of more than \$150 million. Television Factbook, No. 23; Washington, D. C.: Radio News Bureau, 1956, p. 28.

⁸⁴Ibid., p. 24.

⁸⁵Cf. Emery and Smith, Press in America, p. 514.

⁸⁶See Raymond B. Nixon, "The Problem of Newspaper Monopoly," in Wilbur Schramm, ed., Mass Communications, p. 158.

from weekly to daily) were started during the period, but 1,947 suspended publication or became weeklies, 547 disappeared through merger or consolidation, and at least 302 local combinations took place. Meanwhile, the number of newspaper chains increased from three, publishing 62 newspapers in 1909, to 70, publishing 386 in 1949, with more than two-fifths of the daily circulation and one-half of the Sunday circulation.⁸⁷ In 1951, only 117 cities had competing daily newspapers and nearly 92 percent of American cities with daily newspapers were one-publisher, or monopoly, towns as compared with 57 percent in 1920. In 10 states there was not a single city with competing daily newspapers. In 22 states not a single city enjoyed competing Sunday newspapers. Altogether, 40 percent of daily newspaper circulation was non-competitive.⁸⁸

Consolidation of newspapers is not, according to Mott, a strictly recent tendency; it can be found in all periods of the history of American journalism.⁸⁹ But, since 1914, the skyrocketing cost of newspaper publication has been a strong influence in the acceleration of the tendency. Typesetting machines, high-speed presses, engraving plants, and other expanded mechanical facilities meant not only constantly enlarged investment, but increased operating costs.⁹⁰

Another factor which encouraged concentration of the daily newspaper was the standardization of the product. As Emery and Smith point out, "Competition for the mass market discouraged individuality; the newspaper which appealed to a specialized group of readers by the distinctive nature of its news or editorial policy often found it had lost the race to a mass appeal newspaper whose circulation attracted an increasing volume of advertising revenue."⁹¹ Loss of individuality had the effect of discouraging readership of more than one newspaper by most persons. Newspapers which relied too heavily on syndicated material and press association copy, "at the expense of their own staff enterprise and local news initiative," jeopardized reader support in competitive situations.⁹²

⁸⁷See Kreps, "The Newspaper Industry," p. 486. Also, Royal H. Ray, Concentration of Ownership and Control in the American Daily Newspaper Industry; New York: Columbia University Microfilms, pp. 401-08.

⁸⁸Ibid.

⁸⁹See Mott, "History of the American Newspaper," in Freedom of the Press; Newspaper-Radio Committee, 1942.

⁹⁰Melville E. Stone established the Chicago Daily News in 1876 with a few thousand dollars capital, and Adolph S. Ochs was able to take over the New York Times twenty years later for only \$100,000. But, after the turn of the century, prices on daily newspaper properties rose to million-dollar levels. Stone's Daily News sold for \$13 million in 1925. Emery and Smith, Press in America, p. 518.

⁹¹Ibid., p. 519.

⁹²Ibid.

Also, in the typical American town more newspaper publishing ventures were attempted than its economy could support. Some newspapers--for example, those founded solely as voices of political parties or other interest groups--went out of business simply because they could not win general community support. Others were founded by men who went into the business apparently on the assumption that to make money it was only necessary to "buy newsprint white and sell it black." But they soon discovered that, aside from the problems of editing a mass medium, such factors as the rigidity of advertising and circulation rates made newspaper publishing a dubious enterprise at best.⁹³

The modern magazine succeeded as a mass medium because of certain editorial advantages over other media and its original role as "an adjunct of the marketing system."⁹⁴ The magazine, like the newspaper, was able over the years to appeal to an expanding range of tastes and interests. But, unlike other media, most magazines were designed for homogeneous audiences or special interest groups. And, in contrast to the newspaper, their circulation was nationwide. "If a publisher found a sufficient number of persons with interests in common, especially persons whom advertisers would pay to reach, he felt justified in bringing out a magazine for them."⁹⁵ Some publishers, notably those of pulps and digests, derived their income from a small unit profit on a high turnover of copies instead of from advertising, and still others relied on trade associations, fraternal organizations and professional groups to make up any deficit. But with the rise of national advertising, the great majority--both in numbers and circulations--became closely bound to the marketing system. "In essence, magazine publishing came to consist of the publisher's deciding on a consumer group which

⁹³According to Emery and Smith, "Newspapers traditionally have lagged in setting advertising and circulation rates which realistically reflect current business conditions. Too often newspaper rates have been changed only after the business has gone into the red ink because of a sudden fluctuation in general economic conditions--or they have been set so low that in a period of inflation the publisher is unable to adjust rates to meet a new level of costs." Ibid., pp. 520-21.

⁹⁴Peterson, Magazines in the Twentieth Century, p. 387. Peterson points out some of the advantages of the magazine: it was "put together with less haste and more care than the newspaper or radio program, yet was more timely than the book. Its available space and the reading habits of its audience enabled it to give fairly lengthy treatment to the subjects it covered. It was not as transient as the radio program, as soon discarded as the newspaper." Ibid., pp. 387-88.

⁹⁵Ibid., p. 49.

advertisers wished to reach, devising an editorial formula to attract and hold it, and then selling advertisers access to it."⁹⁶

Although today a relatively few circulation leaders dominate the industry, the 6,000 consumer magazines in the United States reflect virtually every shade of thought and opinion, virtually every interest of U. S. readers. And despite the fierce competition and the uncertainties, magazine publishing on a small scale is perhaps the communication field still most easy of access to the new investor. What counts most is the "Big Idea." If the entrepreneur has a fresh idea for a magazine, there are likely to be persons willing to finance it; and if he can sustain his magazine while seeking its acceptance by readers and advertisers, there is always some chance that he will achieve a modest success and a remote chance that he will wind up in company with the giants.⁹⁷

The ease of entry into the magazine industry as compared with opportunities in newspaper publishing, broadcasting, and motion pictures explains why the industry today is dotted with relatively small units, with small staffs, little equipment, and modest offices. The magazine publisher ordinarily does not invest in presses and equipment, but instead lets out his printing on contract. According to Peterson, a publisher who does not wish to compete with the large-circulation leaders can still launch a successful magazine on an investment of a few thousand dollars.⁹⁸

Although size does not greatly hinder the newcomer or affect his day-to-day operations, a few large publishers account for a high percentage of total magazine circulation and of the money advertisers spend in magazines. According to Peterson, there were in 1947 some 4,600 periodicals with a

⁹⁶Ibid., p. 64. The omnibus newspaper and network broadcasting seek to deliver mass audiences to the advertiser and, like the magazine, they are manifestly adjuncts of the marketing system. But the relationship of magazines generally to their audiences is--from the standpoint of originating a market for the advertiser--quite different from that of the other media. Some magazine publishers have first developed a magazine and then let its audience and advertisers seek it. But the typical magazine devises an editorial formula that will enable the publisher to develop a homogeneous and relatively small special-interest reader group, then assembles advertisers who want to address that particular audience. Ibid., pp. 65-66.

⁹⁷Ibid., p. 63.

⁹⁸Ibid., p. 69. But, adds Peterson, "Although access to the magazine industry . . . [is] relatively easy, survival is quite another matter." Factors which make it easy for one publisher to enter the industry make it easy for competitors to enter. Even if the publisher devises a brilliantly successful magazine, he cannot entirely hide the formula for its success, since he is "forced by the nature of publishing to exhibit his best ideas in public;" and a successful magazine invariably breeds imitators. Then, too, readers are fickle and it requires a peculiar genius to anticipate changes in tastes and interests before they are reflected in declining circulation. Ibid., p. 71.

combined per-issue circulation of nearly 400 million. That same year, forty magazines with circulations of at least a million had combined sales of about 90 million copies an issue. Thus, those forty magazines accounted for about 23 percent of the aggregate circulation of the more than 4,600 periodicals. And the gross advertising revenues of but three companies--Crowell-Collier, Curtis, and Time, Inc.--in 1954 were about half of the total which national advertisers spent in consumer magazines.⁹⁹ Time, Inc., in a little more than thirty years after its inconspicuous founding in 1923, grew into a business grossing some \$178,156,000 a year, with net income in 1954 estimated at \$8,000,000--some \$3,540,000 more than the net of Curtis Publishing Company, the traditional leader. Alone, Time, Inc., enterprises took in more than one-fourth of total revenues from national advertising in magazines.¹⁰⁰

In the large circulation field, costliness is as characteristic of magazine publishing as it is of newspaper publishing, broadcasting and motion picture production.¹⁰¹

The giants which dominate circulation and advertising in the magazine industry are vast, complex organizations, some of them with extensive foreign operations. Curtis Publishing Company employs about 10,770 persons. It owns forests and paper mills, printing and engraving plants, a subdivision for conducting market surveys and statistical studies, and agencies for soliciting subscriptions and for distributing its own and other magazines.¹⁰² Time, Inc., employs about 3,500 persons. It moved its main offices from the Chrysler Building to its own Time and Life Building in Rockefeller Center in the spring of 1938, and by the end of World War II it had expanded into other cities and other New York offices. Its own news-gathering organization, third largest in the world, ranks just below the Associated Press and United Press in size; and the company has a special division to operate its activities in foreign countries. "In addition to its magazines, Time, Inc., in 1955 owned real estate; radio and television stations in Denver, Salt Lake City

⁹⁹Ibid., pp. 78-82. Circulation of Curtis Publishing Company's Saturday Evening Post, purchased in 1897 for \$1,000 with a down payment of \$100, shot from 2,231 in that year to nearly two million in 1912. By 1950, its circulation was 4,033,950, its gross advertising revenues \$63,233,358. Its Ladies' Home Journal in 1955 led all other women's magazines with a circulation of 4,970,000; in 1947, its peak year, it grossed \$25,627,000 in advertising, more than the combined grosses of its competitors Good Housekeeping and McCall's. In 1955, the Journal's advertising revenues had fallen to \$23,538,000, but this was still some \$8,000,000 more than the combined grosses of Good Housekeeping and McCall's. Ibid., pp. 176-78.

¹⁰⁰One of its magazines, Life, in 1955 led all American magazines in gross advertising revenues with \$121,003,000; another, Time, was third with \$37,892,000. Ibid., pp. 78-82, 233.

¹⁰¹An authority estimated in 1949 that a new publisher of a mass circulation magazine needed between \$7,500,000 and \$15,000,000 to finance a general weekly magazine, with the odds at three to one against success.

¹⁰²Peterson, Magazines in the Twentieth Century, pp. 88-90.

and Albuquerque; a large export business in magazines; an organization selling technical developments to the printing and allied trades; and sizable investments in paper-manufacturing concerns."¹⁰³

According to Peterson, cross-media ownership--illustrated by the example of Time, Inc.--existed in the magazine industry even before the national magazine emerged. In the nineteenth century, several leading magazines were offshoots of book publishing houses. In the twentieth century, magazine publishers owned book publishing firms, newspapers, newspaper syndicates, radio and television stations, motion picture studios, and even book clubs.¹⁰⁴

This tendency, although not pronounced in the magazine industry today, is characteristic of the mass communications system as a whole. Competition for mass markets and for advertising revenues which compelled large capital expenditures, consolidation of control, and diversification of means is the usual explanation of the phenomenon in the mass media generally. But in the magazine industry, the struggle for existence was intensified by the "external paradox" inherent in the system of magazine support. Peterson writes:

A publisher needed a large circulation to make a profit, yet this same large circulation could conceivably ruin him financially . . . Nearly all publishers depended on advertising for most of their income . . . As a carrier of advertising, the magazine was sensitive to changes in business conditions. Yet when advertising volume dropped suddenly, when production costs rose suddenly, the publisher had to continue publishing a magazine of essentially the same size and quality as ever, if only in the hope of regaining the advertising lineage he had lost. A publisher could rarely trim operating costs rapidly enough to compensate for losses in advertising. In fact, his production costs sometimes rose when advertising declined, for then he had to pay for editorial material to fill the space formerly occupied by advertising. Even when advertising volume was high, as in the decade after World War II, production costs often outran revenue.¹⁰⁵

Yet magazine publishers over the years generally have been interested primarily in magazines. "With very few exceptions, even those who owned other communications media regarded them as sidelines and gave their major attention to magazines." Not many were interested in building communications

¹⁰³Ibid., p. 233.

¹⁰⁴Ibid., pp. 82-83.

¹⁰⁵Ibid., pp. 72-73. To a less critical degree, this paradox is endemic also in newspaper publishing.

empires resting on ownership of different kinds of media; "if anything, magazine publishers were interested in building magazine empires."¹⁰⁶

The rise of radio as a big and costly purveyor of news and entertainment, and as an adjunct to the marketing system, began in 1920 with the broadcasting by station KDKA of the results of the presidential election of that year.¹⁰⁷ Broadcasting was at that time a literal "free for all." There was no effective regulation of the industry, the powers of government being limited to those of a 1912 act concerned only with radio telegraphy.¹⁰⁸ For more than seven years chaos reigned. Governmental regulation, finally requested by the industry itself, was slow in coming because of government reluctance to interfere. The economic objective of the industry during this period was not revenues from broadcasting, but profits from the sale of receiving acts. Many groups pioneered in broadcasting, but "with no clear idea how they were to cover costs."¹⁰⁹

Not until the potentialities of broadcasting as an adjunct of the marketing system were recognized did the radio industry begin to flourish. "Sponsored programs were first broadcast experimentally in 1922 on station WEAJ and developed rapidly, though not without outcries from the public."¹¹⁰

¹⁰⁶Ibid., p. 83. Peterson points out that "the two publishers who built up vast communications empires, Frank Munsey and William Randolph Hearst, both hit their stride in publishing at a time when consolidations, trusts, and concentrations of economic power were an outstanding characteristic of American economic life." (Ibid.) In comparison with these two empire builders, "the cross-media holdings of other publishers between 1900 and 1955 were modest." And the successors to Hearst and Munsey have come generally from the newspaper field and, lately, from the motion picture industry. Ibid., p. 84.

¹⁰⁷"Though it is unlikely (because of the dearth of receiving sets then available) that more than a handful of listeners actually heard this broadcast, the event fired the imagination of the public, and there followed one of the most astonishing booms in the nation's history." Charles A. Siepmann, Radio, Television and Society; New York: Oxford University Press, 1950, pp. 4-5.

¹⁰⁸Ibid., p. 7.

¹⁰⁹Ibid., p. 8. David Sarnoff, now Chairman of the Board of Radio Corporation of America, has been quoted as arguing at the time that radio deserved endowment "similar to that enjoyed by libraries, museums, and educational institutions." He believed that "philanthropists would eventually come to the rescue of a hard pressed industry." Gleason Archer, Big Business and Radio; New York: American Historical Society, 1939; quoted in Siepmann, Ibid.

¹¹⁰Ibid., p. 10. The then Secretary of Commerce Herbert Hoover, at the first Annual Radio Conference in Washington, declared, "It is inconceivable that we should allow so great a possibility for service . . . to be drowned in advertising matter." Ibid.

Congress finally recognized the emergency resulting from the confusion over the use and allocation of wave lengths and passed the Radio Act of 1927. The broadcasting industry thereafter began to develop its four main contemporary characteristics: (1) its legal and administrative control by a system of federal licensing; (2) its social function of "mass" communication; (3) its role as an adjunct of the marketing system; and (4) its concentration of operational control in network organization.

Three million radio sets were available to listeners who tuned in radio's coverage of the 1924 presidential election. But the newspaper's fear of radio as a competitor for mass markets seemed unjustified, despite radio's spectacular advance as an advertising medium. In 1929, newspapers carried a record \$160 million worth of advertising as compared to radio's \$40 million. But, with the depression of the Thirties and the impact of World War II, radio's percentage of total advertising volume steadily rose from 3.9 percent to a peak 15.7 percent at war's end. Meanwhile, that of newspapers fell from 33.1 percent to 30.9 percent. Magazines, too, suffered heavy cuts in cash revenues, as their dollar volume of advertising declined.¹¹¹

With the collapse of the newspaper's organized efforts to curtail news broadcasting in 1935,¹¹² radio was entering its mature stage. Sets in use increased from 13 million in 1930 to 30 million in 1935 and to 51 million in 1940. The number of stations jumped from 605 in 1935 to 815 in 1940, as total advertising revenues nearly doubled; then, to 1,025 in 1945, to 2,229 in 1950, and to more than 2,500 in 1955, as its advertising volume climbed to more than one-half billion dollars.¹¹³

Standardization of product, consolidation of means, bigness and costliness became characteristic of broadcasting as they had of newspaper and magazine publishing. As Emery and Smith observe, "Those who complained about a sameness in their newspapers and their mass circulated magazines fared little better when they turned to radio and television."¹¹⁴ And standardiza-

¹¹¹See Emery and Smith, Press and America, pp. 661-62. With the full development of television in 1949, all other media suffered as the new medium captured 5.8 percent of total advertising volume by 1951 and held more than 10 percent in 1955. Television Factbook, No. 23, p. 24.

¹¹²Radio, unable to get the news from the press associations, undertook the job of gathering news itself. The Press-Radio Bureau, established in Washington in 1934, had 245 subscribers. Five new services quickly jumped into the field and, in 1935, the United Press and International News Service obtained permission from the American Newspaper Publishers' Association to sell full news reports to stations. The Associated Press finally joined the competition in 1940 and eventually made radio stations eligible for associate membership. Emery and Smith, Press and America, pp. 662, 664.

¹¹³See Ibid., p. 664; Television Factbook, No. 23, pp. 24, 28.

¹¹⁴Emery and Smith, Press and America, p. 680.

tion of product was not confined to simultaneous broadcasting of programs over a national network of outlets; as in publishing and the Hollywood film, it was manifested in the standardized format and story-line, and in band-wagon imitation of successful program "innovations" that seldom were more than conventional fare with the names changed or, in the case of television, with video added.

The history of radio (and of television) illustrates both the trend toward concentration in the mass media generally and its persistence despite traditional antitrust sentiment. The Radio Act of 1927 and the Communications Act of 1934 gave power to the government to protect against monopoly. And, as Siepmann says, "Subsequent history seemed to justify this step, for within less than twenty years of its birth broadcasting was to show disquieting signs of the growth of monopolistic practices."¹¹⁵ The Federal Communications Commission's Report on Chain Broadcasting, made public in 1941, revealed in stark detail the extent of the controlling interests of the two major network companies¹¹⁶ and the restrictive nature of the contractual arrangements of the networks and their affiliates. Although the FCC ordered the dissolution of the RCA empire and the Blue network was sold and became the American Broadcasting Company, the major radio networks continued to grow steadily. In 1953, four networks had 1,334 station affiliates. Of this total, 217 were CBS outlets, 204 were NBC affiliates, 353 were in the ABC network, and 560 were loosely affiliated in the Mutual network. Together the national network organization constituted nearly 60 percent of all radio stations. Behind the national networks lay several regional chains.¹¹⁷ And, as television stations were built after World War II, their owners scrambled to affiliate with the four major national networks which dominated the industry. By the summer of 1955, there were 432 television stations, including 13 non-commercial educational stations. More than half of them were served by only three networks--ABC, CBS, and NBC. And, in September of that year, control was further concentrated as the fourth major network, Du Mont, ceased operations.¹¹⁸

¹¹⁵Siepmann, Radio, Television and Society, p. 27.

¹¹⁶Namely, National Broadcasting Company, an arm of the giant, industrial octopus, Radio Corporation of America, and the Columbia Broadcasting System. Four operating networks existed at the time. Two of these--the Blue and the Red networks of NBC--were owned and controlled by RCA.

¹¹⁷See Emery and Smith, Press and America, p. 680.

¹¹⁸According to Frieda B. Hennock, a former FCC commissioner, the major networks "maintain a life and death control over TV." Quoting the president of Crosley Corporation, she warned that networks "seem increasingly inclined to consider individual stations as push-button operations, automatic outlets which cater to programming networks' desires." She called for an "immediate, vigorous network investigation" by Congress "to get at the monopolistic grip" exercised over stations, advertisers, programming and talent "owing to the monopoly of scarcity created by the networks." (Letter, to Sen. Warren G. Magnuson, chairman, Senate Committee on Interstate and Foreign Commerce, dated April, 1955, mimeo., Office of Frieda B. Hennock, commissioner, Federal Communications Commission.)

Although many individual radio and television stations are relatively small businesses, and a few have no network affiliation, the major companies which originate the bulk of current programming are mammoth enterprises. CBS, for example, employed about 11,600 persons in 1954, and its net revenues in 1953 were \$236,971,540.¹¹⁹ As the conquest by air of the nation's mass markets brought television programs into most American homes, the costs of broadcasting became enormous. To get even the smallest television station on the air in 1955, one need to invest about \$250,000 in building and equipment, and a medium-sized station might represent an investment of more than \$1,000,000. The costs of programming were also impressive. In 1955, an advertiser sponsoring a half-hour television show once a week for a year over a major network, could count on spending roughly \$2,000,000 on time and talent. But in the case of television especially, costs have been more than covered by its share of the nation's advertising dollar. Although television required development of new and costly advertising techniques, the growth of the TV advertising dollar has been spectacular from the outset. In 1946, no advertising was carried by the six television stations then existing. But, despite the temporary FCC "freeze" on the processing of license applications in 1948, by January, 1950, the number of stations reached 98, there were more than 4,000,000 receiving sets in American homes, and the volume of advertising exceeded \$170 million.¹²⁰ The following year, TV's advertising volume nearly doubled. By 1954 it had topped \$809,100,000 or 10 percent of all-media expenditure, and in 1955 it passed the \$1 billion mark, as 437 stations reported net earnings of \$150,000,000 and, with ABC in the black for the first time, the three giant networks more than \$35 million.¹²¹ In December, 1954, Frank Folsom, RCA president, predicted an increase for TV advertising in 1956 to nearly \$2 billion, or an estimated 20 percent of all-media expenditure--and without suggesting that this might be the end of its spectacular climb.¹²²

Like the typical mass circulation magazine and to a lesser degree the omnibus newspaper, radio and television are almost entirely dependent on the patronage of advertisers for survival. Network broadcasting as an adjunct of the marketing system essentially involves the ability to put a desired number of station outlets and their audiences at the disposal of a national advertiser. And, in the competition among the media for mass audiences and the advertiser's dollar, the advent of television has led to an acceleration of cross-media ownership. In 1949, 53 ownership groups linked both daily newspapers and radio stations, and there were only 17 all-newspaper chains and 30 all-radio chains. Putting all three groups together, it was found that 100 chain ownerships controlled 386 newspapers, 281 AM radio stations, 108 FM radio stations, and 24 television stations. In percentages, this represented 21.6 percent of all dailies, 13.2 percent of all AM stations, 14.9 percent of all FM stations, and 40 percent of the television stations.¹²³

¹¹⁹Television Factbook No. 21, p. 27.

¹²⁰Siepmann, Radio, Television and Society, p. 318.

¹²¹Television Factbook No. 23, p. 29.

¹²²Television Magazine, December, 1954, p. 9.

¹²³Warren K. Agee, "Cross-Channel Ownership of Communications Media," in Journalism Quarterly, December, 1949, p. 410.

Not taken into account in these figures were situations where one newspaper owned one radio station. According to listings in Broadcasting Yearbook, Television Yearbook and Editor and Publisher International Year Book, the number of newspaper affiliated AM stations rose from 226 in 1939 to 426 in 1949. There were 281 out of 724 FM stations affiliated with newspapers, and individual newspapers owned 28 of the first 60 television stations, or 46.6 percent.¹²⁴

The Hearst organization, in 1953, led in cross-media ownership with 16 dailies, four AM stations, two FM stations, two TV stations, 10 magazines, a press association, a photo service, a feature syndicate, and a newsreel company. The Scripps-Howard chain had 18 dailies, four AM, three FM, and three TV stations, as well as its press association and photo and feature syndicates. The Gardner Cowles group owned four stations as well as Look magazine, the Copley newspaper chain owned four AM stations, and the Cox and Knight groups three. The Cox, Ridder and McCormick-Patterson chains each had two television stations and, among magazine publishers, Meredith Publishing Company owned three.¹²⁵

The motion picture industry, on account of its relationship to the mass markets of an industrial culture, has developed most of the familiar characteristics of newspaper and magazine publishing and of network broadcasting. Its techniques and products are standardized, its policies are mass-oriented, and it is characterized by bigness, costliness and concentration of facilities both vertically and horizontally. But in two important respects the Hollywood film industry may be differentiated from its rivals in the contest for American mass markets. First, like book publishing and some notable exceptions in magazine publishing, it is distinguished by its detachment from advertising for direct support, although depending greatly upon marketing techniques to insure a profitable volume of sales and admissions.¹²⁶

¹²⁴See Emery and Smith, Press and America, p. 681.

¹²⁵See Emery and Smith, Press and America, pp. 681-82. That such impressive communications empires probably would not be discouraged from further growth is indicated by current FCC policy, according to which one ownership is restricted to no more than eight AM stations, six FM stations, and five TV stations. If in the future the trend toward bigger communications empires should be reversed, it more likely will result from economic causes than from governmental regulation of cross-media ownership.

¹²⁶The marketing activities associated with the Hollywood film are familiar to most Americans. But the advent of "marketers" in the book industry is a comparatively little known development. Long before the book industry began seriously to exploit the mass market, R. L. Duffus warned that the book must be adjusted to its reader market and adjusted on the surer basis of marketing methods used by advertisers, advertising agencies, newspapers and magazines. R. L. Duffus, Books; Their Place in a Democracy; Boston: Houghton-Mifflin Co., 1930, p. 219. By 1949, William Miller, a student of the industry, was saying, "What is new in trade publishing is not that in selecting and editing books the publishers are keeping both eyes on what appear to be the biggest and surest markets, but that the marketers are beginning to select and to censor books for the publisher." Miller, The Book Industry, pp. 30-31.

Second, although newspapers, consumer magazines, commercial broadcasting and the motion picture industry alike are manufacturers of communication products designed to appeal to mass markets, the Hollywood film is not, in the same way the other media are, an adjunct of the marketing system. Its policies are determined largely by marketing considerations and the industry makes extensive use of the marketing apparatus to merchandise its products, but the Hollywood film is not a component of the marketing system in the sense that it "sells" products other than its own to consumers.¹²⁷

The first motion picture exhibited in the United States was shown on April 23, 1896, in New York City. Thomas Edison, after perfecting the earlier peep show, or kinetoscope, abandoned his original plan to exploit the commercial possibilities of movie exhibition, because he believed that exhibition on a large screen to many persons simultaneously would too quickly exhaust the market to be profitable. But the success of the first movies changed motion pictures from a novelty to a business, and aggressive businessmen replaced the inventors to seek maximum profits. Almost immediately production, distribution and exhibition practices were introduced which "still characterize the industry a half-century later."¹²⁸

Today, motion pictures are geared to a mass market; bigness and costliness have become typical of the industry. In time, however, a single feature-length film came to represent an investment of anywhere from half a million to several million dollars. In 1954, the industry as a whole represented investments of \$135,000,000 in production, \$25,000,000 in distribution, and \$2,500,000,000 in theaters and equipment.¹²⁹ Mack Sennett has recalled how easy it was for the newcomer to become a producer early in the century. In 1912, he and his staff began producing their first movie in Los Angeles thirty minutes after they stepped off the train. They thought a passing Shriner's parade too good a free spectacle to pass up, so they improvised a story which enabled them to work it into a film. Sennett made 140 movies in his first year in Los Angeles. His Keystone Comedies cost \$50,000 each and usually brought him a return of \$75,000 to \$80,000 apiece.¹³⁰ With the coming of sound, the cost of the average film had risen by 1929 to more than \$200,000, as compared with \$40,000 to \$80,000 a decade earlier. Less than 25 years later, the average cost of 324 features produced in Hollywood was \$900,000, and merchandising and distribution costs added another \$500,000 to that sum. To recover production-distribution costs of \$1,400,000, the average feature

¹²⁷It should be noted in passing, however, that the Hollywood film, like the products of the mass media generally, does function as a cultural arm of American industry. But this is another subject. How reinforcement of the cultural order by the mass media sustains American industry will be discussed in a later chapter.

¹²⁸W. F. Hellmuth, "The Motion Picture Industry," in Walter Adams, ed., The Structure of American Industry, p. 361.

¹²⁹Ibid., p. 368.

¹³⁰Mack Sennett, King of Comedy as told to Cameron Shipp, Garden City, N. Y.; Doubleday & Co., 1954, pp. 86-87, 91, 114.

in 1952 had to attract 7.2 million paying customers.¹³¹ In contrast, a publishing house, in 1947, could profit from 7,000 copies of a book, and many newspapers and magazines could operate profitably with 100,000 circulation. Moreover, unlike radio, television, newspapers and magazines, the motion picture industry receives no revenues from advertising and must incur enormous advertising expenses in marketing its products.¹³²

Another factor in the economics of the motion picture industry which contributes to its size and costliness, and further differentiates it from broadcasting and publishing generally, is its dependence on foreign markets. In 1952, foreign markets accounted for more than 42 percent of the total receipts of American film companies.¹³³ At midcentury, there were 76,000 movie theaters and an estimated weekly audience of 200 million outside the United States, with Hollywood production filling 74 percent of the world's screen time.¹³⁴ Hellmuth notes that a rule-of-thumb in the industry "has been to budget a picture with the expectation of recovering all costs of production and domestic distribution from showings in the United States, leaving most receipts from exhibition abroad as profits."¹³⁵

For the first dozen years of the motion picture industry, almost perfect competition prevailed among numerous small companies. Since demand for equipment depended on the popularity of the pictures shown, movie equipment manufacturers began to produce films to attract large audiences. Exhibitors began to cultivate the industrial workers in large cities. Ten-cent tickets fitted wage-earners' pocketbooks and visual appeal overcame immigrants' language difficulties. Profits depended on quick turnover of customers which, in turn, relied on short programs with frequent changes in pictures. The demand for films was so increased that the production of movies became the most important branch of the industry. Edison, Biograph, and Vitagraph, the leading equipment manufacturers as well as producers, joined in an effort to monopolize production through their control of U. S. patents.¹³⁶ But the monopolization efforts of the equipment manufacturers were unsuccessful, because entry was too easy for new entrepreneurs. Cameras were legally available from abroad and illegally at home. And "the prospect of large profits was so alluring" that it "overwhelmed the fear of lawsuits over patent rights."¹³⁷

¹³¹Hellmuth, "Motion Picture Industry," pp. 368, 377-78.

¹³²Leo Rosten, "Movies and Propaganda," in Annals, Nov. 1947, pp. 121-23.

¹³³Motion Picture Producers' Association, 1952 Annual Report, p. 11.

¹³⁴M.P.P.A., 1951 Annual Report, p. 30.

¹³⁵Hellmuth, "Motion Picture Industry," p. 381.

¹³⁶Ibid., pp. 361, 363. In contrast to the publishing industry, in which manufacturers did not enter the newspaper and magazine fields in order to increase sales of their equipment, both the motion picture and broadcasting industries have been marked by efforts at monopolization through control of patents. See F. L. Vaughan, The Economics of Our Patent System; New York: The Macmillan Co., 1926.

¹³⁷Hellmuth, "Motion Picture Industry," p. 361.

With the lifting of restrictions on equipment, distribution and marketing problems became more important. By 1908, the movies had become a serious competitor of the stage, churches, newspapers, and saloons for the leisure time and money of the public.¹³⁸ Demand for better films forced increases in production costs. These, in turn, required more effective distribution to increase the return on films. More effective distribution was made possible at first by national organizations of independent distributors, but later the major producers assumed distribution of their own products. Thus, horizontal consolidation of exhibition took place immediately after the reorientation of the industry to the mass market, and this was followed in the "battle royal" for control of the industry before and after World War I by vertical integration of the industry as a whole.¹³⁹

In 1909, the ten leading domestic and foreign producers of film and equipment combined in the Motion Picture Patents Company to maximize profits from their pooled patents. The patents trust organized its own nationwide distribution system, the first vertical integration in the industry, which absorbed or forced out all other distributors except William Fox.¹⁴⁰ But, like the previous efforts of Edison, Biograph, and Vitagraph to monopolize production, the patents trust's attempt to monopolize both production and distribution failed. The independents were far from extirpated, even after several years of bitter competition. To counter the trust's low-cost productions, they sought to raise the quality of their films by "technical" improvements and to enhance their saleability by introduction of the "star system."¹⁴¹

As the independents sought to avoid attacks--both legal and physical--by the Patents Company, the production center shifted from New York to Los Angeles.¹⁴²

¹³⁸Ibid., p. 363.

¹³⁹See Mac D. Huettig, Economic Control of the Motion Picture Industry; Philadelphia: University of Pennsylvania Press, 1944, pp. 8-9.

¹⁴⁰Hellmuth, "Motion Picture Industry," p. 364.

¹⁴¹With the introduction of the star system as a merchandising technique, actor's salaries rose spectacularly. Charlie Chaplin received only \$100 per week in 1913; two years later, he was given a contract calling for \$10,000 a week plus a \$150,000 bonus for signing. Fan mail, gossip columns, and movie magazines appeared; the public rated stars on the basis of salaries and the "making" of stars became a critical element of the motion picture business. Even today, as Hellmuth remarks, Hollywood "uses salaries and picture budgets as yardsticks of quality." Ibid., p. 364.

¹⁴²Hellmuth points out that the immediate advantage to independents of the Los Angeles area was its accessibility to Mexico if a quick getaway was necessary. Scenery, weather, cheap labor (until the 1930's), and ready cooperation of local business groups were also long-run advantages and helped to keep production in the Hollywood area. Ibid., p. 364.

The independents also countered the Patents Company with production of feature, or long-story, pictures. The first multi-reel films shown in the United States were foreign importations, but their immediate success led independents to produce feature films while the trust continued to produce one-reelers. The long-story film gained prestige for the independents' movies, appealed to the upper classes and made higher admissions feasible. By 1914, there was only a minor market for one-reel films. Thereafter, the Patents Company was unimportant, being displaced by an increasing number of independents who reverted to the behavior of those they had overthrown by engaging in a battle for control of exhibition as well as production and distribution.¹⁴³

With the introduction of the star system and the feature film, production now necessitated large capital investment; and to make large investment profitable, production had to be continuous. This meant exhibition facilities had to be increased in order to consume the products of continuous production. Producers, seeking to acquire distribution and exhibition facilities, started a wave of theater building that continued unabated until the depression of the 1930's.

In 1917, Paramount (the leading distributor) and Famous Players-Lasky (the leading major producer), and twelve lesser producers combined under Adolph Zukor to monopolize talent under the star system and to dictate terms to exhibitors. "Block-booking," not a new trade practice, was ruthlessly used by Zukor to guarantee sales of the combine's less spectacular merchandise. Meanwhile, the First National Exhibition Circuit was created to act as purchasing agent for 26 of the largest first-run exhibitors in the country. This development not only threatened Zukor's control of the star system, but the combine's domination of production. The giant rivals, Zukor and First National, were not the only menaces to small independent exhibitors. By 1923, Loew's and Fox also had expanded their holdings considerably; the independently owned first-run theater was rapidly becoming extinct through absorption either by major producer-distributors or by unaffiliated circuits.¹⁴⁴ By the 1930's, the so-called Big Five (Paramount, Loew's Warner Brothers, Twentieth Century-Fox, and Radio-Keith-Orpheum) dominated production, distribution and exhibition, and remained in oligopical control of the industry until after World

¹⁴³See Huettig, Economic Control, p. 31.

¹⁴⁴See Ibid., pp. 38-39.

War II.¹⁴⁵ Below them in importance were the Little Three: Universal, Columbia, and United Artists, the last a distributing company only.¹⁴⁶

During the period of vertical integration of the industry by the Big Five, competition for expensive exhibition palaces, the spiralling costs of the star system, the burdens of publicity and other marketing mechanisms, and the high cost of sound equipment required producers to turn to Wall Street for financial backing.¹⁴⁷

The financiers, to oversee the use of funds with the objective of maximizing profits, installed their representatives in important positions throughout the industry. In 1939, Lewis Jacobs, a historian of the film industry, was moved to remark, "The peak figures in American finance, Morgan and Rockefeller, either indirectly through sound equipment control or directly by financial control or backing, now own the motion picture industry."¹⁴⁸

¹⁴⁵The introduction of sound equipment, which resurrected the problem of patents in the industry, was responsible for the emergence of Warners and R.K.O. as major companies. In 1926, a subsidiary of the American Telephone & Telegraph Co., offered sound reproduction to the major movie companies, of whom all rejected it. But Warner Bros., a minor company at the time, gambled on sound equipment and released "The Jazz Singer," the first feature-length picture with sound accompaniment, in 1927. Public response was so enthusiastic that the majors were forced to switch to production of sound films. But Warners head start enabled it to expand its assets from \$16 million in 1928 to \$230 million two years later; and, as the 1930's began, it was second only to Paramount as an exhibitor with 500 theaters. Meanwhile, RCA appeared with sound reproduction and entered the motion picture field. To create a market for its equipment, it founded RKO, a fully integrated motion picture company; and, with RKO's theaters as a wedge, RCA charged A.T. & T. with unlawful restraint of trade. In 1935, an agreement was reached out of court which opened the sound equipment market; by 1943, RCA was supplying 60 percent of all sound equipment. See Hellmuth, "Motion Picture Industry," p. 367.

¹⁴⁶At midcentury, the Big Five and the Little Three were producing 95 percent of the motion pictures which brought an average rental to producers of more than \$1,500. Those same eight companies also distributed about 95 percent of total film rentals and controlled, after World War II, about 70 percent of the first-run theaters in cities with populations of more than 100,000 and nearly 60 percent of those in cities with populations between 25,000 and 100,000. See Huettig, Economic Control, pp. 143-44; Hellmuth, "Motion Picture Industry," pp. 371-73.

¹⁴⁷All the major companies established alliances with leading banks and investment houses; e.g., Loew's with Liberty National Bank and General Motors; Paramount with Kuhn, Loeb & Co.; Twentieth Century-Fox (in the 1930's) with Chase National Bank. By the mid-1930's, the largest financial interests in the country--Morgan through A.T. & T., and Rockefeller through General Electric and RCA--held powerful positions in the industry. See Hellmuth, "Motion Picture Industry," pp. 367-78.

¹⁴⁸Lewis Jacobs, The Rise of the American Film; New York: Harcourt, Brace & Co., 1939, p. 421.

Entering the field when the production cost of the average feature was approaching the half million-dollar mark, as against less than one-fifth of that amount for the same length film a few years before, the financiers quickly established a policy of maximizing profits to the full extent. Every picture was to be a money-maker. Advertising budgets were increased enormously. The public was encouraged to demand star personalities, mammoth and expensive sets, stories based on famous books or plays, and well known directors. And producers and directors were instructed to produce pictures to meet these specifications, sacrificing initiative and originality to the demands of the market place.¹⁴⁹ Thus, despite the presence of producing facilities in Hollywood, the nerve center of the industry became New York City, and it so remains today. There may be some truth in the statement of the late Will Hays, former guardian of the public morals and apologist for the film industry, that making movies is an art rather than a business. But even artistic commodities require a financial and marketing apparatus when they are produced for mass consumption. The Hollywood end-product is exhibited in theaters, but the basic character of the product and its packaging is determined by the chief executives in New York.¹⁵⁰

Although recent years have seen a resurgence of independent producers (established stars, directors and producers) acting as their own bankers, and an old independent such as Cecil B. DeMille is still able to survive the motion picture oligopoly, the major producer-banker combines continue to dominate the industry. Competition among the large companies takes place in the production of pictures, the purchase of stories and the development of new stars, but not for the services of established stars who are "loaned" within the group on mutually satisfactory terms.¹⁵¹ A trade association of major producers runs a central casting agency to serve only its members; small producers are sources of low-cost pictures for double-feature programs in exhibition houses owned by the majors; and the United States is carved up into distribution areas serviced by film exchange centers operated by the majors.¹⁵²

A result of the majors' oligopoly in distribution, which was the prime target of the government's antitrust case in 1938, is that independent

¹⁴⁹See Hellmuth, "Motion Picture Industry," pp. 368-69.

¹⁵⁰See Lillian Ross, Picture; New York: Rinehart & Co., 1952, p. 247; "Paramount; an Oscar for Profits," in Fortune, June 1947, p. 90; and Huettig, Economic Control, pp. 66-74.

¹⁵¹Cf. Temporary National Economic Committee, The Motion Picture Industry--a Pattern of Control; Monograph No. 43, pp. 13-14.

¹⁵²The first film exchange was set up in 1902 by Harry J. Miles, a San Francisco exhibitor, who purchased film from producers and leased them to other exhibitors for a week at a time at half the original price. See Howard T. Lewis, The Motion Picture Industry; New York: D. Van Nostrand Co., 1939, p. 4. The majors moved into the distribution field in force to preclude this sort of piracy, and in recent years a distributor arrangement with a major company has become a prerequisite for bank loans to independent producers. See Hellmuth, "Motion Picture Industry," p. 371.

exhibitors exist largely by "the whim of the integrated companies or under the sometimes inadequate protection of the courts."¹⁵³

In July, 1938, the Department of Justice filed suits against eight film companies on the charge that they were engaged in monopolistic practices and in illegal restraint of trade in producing, distributing and exhibiting motion pictures.¹⁵⁴ After about a week of opening skirmishes, the trial was adjourned to permit negotiation between the Department of Justice and the defendants for settlement by decree. Five companies reached an agreement with the Department in 1940, but three refused to be parties to the decree. After eight more years of irregular testimony, intermittent negotiation, two lower court decisions and one appeal, the Supreme Court held that the five fully integrated companies were parties to a combination which had monopolization of exhibition in larger cities as its goal. There was no finding of monopoly or illegal practices in the production of films.

RKO and Paramount, apparently tired of the effort, expense and uncertainty of continued negotiations, began negotiations for a consent decree. The Department of Justice insisted on divorcement of theaters from production and distribution interests, and early in 1949 Paramount and RKO agreed to the terms of the decree. Loew's, Twentieth Century-Fox and Warner Brothers strongly disapproved; but after the Supreme Court upheld a district court's divorcement of theater holdings from the business of production-distribution of the three remaining majors, Warners and Twentieth Century-Fox in 1951 and Loew's in 1952 entered into consent judgments similar to those of RKO and Paramount.¹⁵⁵

Today, more competition exists at the exhibition level, divestiture having brought competition to more than 300 communities in which one of the Big Five formerly had a monopoly. Much of this competition has returned

¹⁵³Variety reported in 1949 that easily 80 percent of the profits of the integrated companies were derived from control over distribution and exhibition. See Hellmuth, "Motion Picture Industry," pp. 372-73.

¹⁵⁴The motion picture industry was founded six years after passage of the Sherman Anti-Trust Act; but despite the statute the major companies have uninterruptedly pursued a policy of restraining competition with monopolization and maximizing profits as their goals. Many factors facilitate monopolistic practices in the movie industry; for example, the intangible nature of picture properties, the star system, and the fact that individual theaters are limited to offering one or two pictures on a single bill. Such factors are inherent in the industry and not subject to control. However, ownership and trade practices are subject to control, and the industry had had occasional brushes with the Sherman Act as a result of which certain obvious monopolistic practices were enjoined. But it was not until 1938 that the long-run trend toward concentration in the industry was in any significant way retarded by legal action. See Hellmuth, "Motion Picture Industry," p. 383; Huettig, Economic Control, p. 139.

¹⁵⁵See Hellmuth, "Motion Picture Industry," p. 385.

at the important and profitable first-run level in cities, and no producer-distributor is supposed to own any domestic theaters after 1957.¹⁵⁶

The small independents still fear the economic power of the large exhibition circuits, even though no circuit is any longer directly affiliated with a distributor. The "community of interest" among the major units and their great combined financial resources are still strong factors working toward concentration of control in the industry. At the time of the final consent decree in 1949, Professor Robert A. Brady, an economist, described the movie industry as a "small coterie of vertically integrated, horizontally co-ordinated, and monopolistically inclined corporations which are compacted by a complicated series of interconcern contracts, agreements, and understandings of one sort or another which are given a degree of internal consistency by common submission to a trade association (MPPA) that possesses cartel-like powers over various activities of its constituent membership."¹⁵⁷

According to Brady, members compete with one another in much the same way that the main branches of General Motors do. He wrote that its closest historical analogy is the I. G. Farbenindustrie, born in 1925 out of "a corporate formalization of a community of interests of six dominating chemical concerns."¹⁵⁸ Industry policy and operations "are governed by a co-optatively selected management group largely responsible to banking and real estate powers whose interests, in turn, are interwoven with a complicated network of other monopoly or semi-monopoly groupings having little to do with the movie industry directly."¹⁵⁹

Characterized in the language of Brady, it will be seen that among the other media the structure of network broadcasting is most nearly comparable to that of the Hollywood film industry. Only to a much lesser degree is the structure of newspaper and magazine publishing comparable. The arenas of competition in the latter industries with few exceptions are "local" or "specialized" in character, and do not so forcibly compel formalization of community interests to the extent it exists in the motion picture industry. All of the media, of course, are marked by instances of both vertical and horizontal integration; but the concentration of control which accompanies integration in the movie industry is much more closely knit than in publishing and broadcasting.

According to Hellmuth, since the "initial outburst of enthusiasm which greeted the decrees, delays and backsliding which may emasculate the effectiveness of the anti-trust decrees in the long run have developed."¹⁶⁰ The back-

¹⁵⁶Ibid., pp. 385-86.

¹⁵⁷Robert A. Brady, "The Problem of Monopoly in Motion Pictures," in Mass Communications, ed. by Wilbur Schramm, pp. 177-78.

¹⁵⁸Brady, "Problem of Monopoly," p. 178.

¹⁵⁹Ibid., p. 185.

¹⁶⁰Hellmuth, "Motion Picture Industry," p. 391.

sliding has occurred on three fronts: stockholders in divorced theater groups have maintained stock interests in production-distribution units, exhibitors have moved into the production end of the business, and producer-distributor units have begun to collaborate with their enemy, the television industry, substituting television stations for the traditional exhibition houses.¹⁶¹

Other evidences of the aggressiveness of the motion picture industry are subscription, or pay-as-you-see, TV; theater TV, which appeals to exhibitors as well as producers; and direct affiliation of movie interests with television organizations.¹⁶² After a period of consternation and uncertainty five years ago, when competition from television was almost wholly blamed for the decline of movie attendance, the motion picture industry is moving vigorously to counteract the influence of the new medium.

¹⁶¹Ibid., pp. 395-97.

¹⁶²As Hellmuth points out, "The 1953 merger of United Paramount Theaters, the largest theater company, with ABC, the third largest radio-television network, into American Broadcasting-Paramount Theaters (A.B.-P.T.) is only the most spectacular affiliation." Ibid., p. 398.