
Book Review

Viacom: A Case Study Of The Media Cartel

by Donald Phau

A Passion To Win

by Sumner Redstone

New York: Simon and Schuster, 2001

332 pages, hardbound, \$26

Have you ever wondered why Lyndon H. LaRouche, Jr. receives extensive, positive coverage in the news media of Russia, China, Ibero-America, the Muslim world, and other regions—yet almost zero in the United States? This autobiography of Sumner Redstone, chairman of the media conglomerate Viacom, provides insight into the cabal that has taken over the U.S. media, and runs it on behalf of the Anglo-American financier oligarchy. These are the people who decide what Americans hear about, and what they don't. They make "Big Brother," of George Orwell's novel *1984*, look like a wimp.

As *EIR* documented in a Jan. 17, 1997 cover story, control of the media is not new to the British oligarchy and their Wall Street cousins. London's Tavistock Institute emerged from World War II as a center for mass propaganda brainwashing, through its work with the Psychological Warfare Directorate of the British Army. Tavistock created a cadre force of what its director called "psychological shock troops" and "cultural warriors," who became highly influential in determining the design and content of the mass media of the Western world. In the United States, starting in the 1920s, Walter Lippmann played a crucial role in defining the means for manipulation of "public opinion" through the press.

But beginning in the mid-1980s, the top-down control of the media underwent a phase-shift, with the consolidation of media control into the hands of only a few people. Before that, the media, which included network TV and radio stations, the growing cable TV and movie video sale and rental markets, movie studio and film production and distribution, and book and magazine publishing, were under diverse ownership. The creation of tightly run media conglomerates, through mergers and acquisitions, permitted a select few to determine the cultural life of the general population. This process was acceler-

ated in 1996, when the U.S. Congress passed a telecommunications bill that removed the last remaining legal obstacles to media cartelization. As a result, a few media giants—AOL Time-Warner, which owns CNN; Disney-Capital Cities, which owns ABC, and GE-NBC; and Viacom, which owns CBS—now dominate the world's media. Viacom was one of the first, dating to 1986.

Redstone And The Media 'Trust'

It is a striking irony of the book, that Redstone's area of specialization as a lawyer, was "anti-trust" law. What better training, for a man who would proceed to build one of the biggest trusts in American history?

In tandem with the deregulation of the U.S. communications industry, anti-trust laws were changed, allowing for "vertical integration." This permitted one company to control nearly every facet of the media market. The same company could direct you to which book to read, which movie to see, at which theater, or which TV or radio show to watch or listen to, and whether it would be via cable or network TV. The same company also controlled the advertising. Redstone's Viacom today, for example, includes CBS, Paramount Studios, MTV, Blockbuster Video, and Simon and Schuster publishers, just to name a few.

Behind Redstone's "success" was a conspiracy of Wall Street banks, law firms, and the political help of such men as former Vice President Al Gore and Wall Street "fixer" Felix Rohatyn. Redstone was chosen to do their bidding. He was smart, and he did it well.

Redstone was the son of Jewish immigrants, and his father was a linoleum salesman. Born in 1923, he graduated first in his class at Georgetown University and in the top of his class at Harvard Law School. He also knew Japanese. When the war with Japan broke out, he was recruited into a special Army Intelligence unit, whose job was to crack the Japanese secret codes, which he helped do. After the war he became a lawyer and went into the U.S. Justice Department, where he became a special assistant to the U.S. Attorney General. His "mentor and friend," he writes, was Archibald Cox, the former "Watergate" special prosecutor.

In 1950, Redstone became a partner in the law firm of Ford Bergson Adams Borkland and Redstone. Payton Ford had been the Deputy United States Attorney General and Herbert Bergson was the head of the Department of Justice's anti-trust division.

Some of Redstone's other "friends" were on the seedier side. He writes that one day, "I found myself in Las Vegas representing a group that was building the Dunes Hotel." There he met Benjamin "Bugsy" Siegel, the West Coast boss of the Meyer Lansky organized crime syndicate. Redstone writes: "Notwithstanding who they were, Bugsy and his guys maintained an air of respectability. Bugsy himself seemed very smooth, no rough edges. I didn't hear anything that sounded like my impression of a mobster. He and everyone

TABLE 1

'Vertical Integration' Of Media Cartels

AOL Time Warner owns:	Walt Disney Co. owns:
American Online, Inc.	ABC, Inc.
Cable News Network (CNN)	Walt Disney Parks and Resorts
AOL Time Warner Interactive Video	Walt Disney Studio Entertainment
Columbia House Co.	Walt Disney Internet Group
New Line Cinema, Inc.	Euro Disney S.C.A.
Time, Inc.	Anaheim Angels Baseball Club, Inc.
Time Warner Entertainment Co. LP	Mighty Ducks of Anaheim
Time Warner Telecom, Inc.	Viacom owns:
Time Warner Trade Publishing	Black Entertainment Network
Turner Broadcasting System, Inc.	Blockbuster
Warner Music Group	CBS Television Network
Westinghouse/GE-NBC owns:	Hollywood Media Group
A&E Telecom Network	Infinity Broadcasting Co.
MSNBC Interactive News LLC	MTV Network
NBC Internet	Paramount Entertainment
Paxson Communications Group	Showtime Network
	Simon and Schuster, Inc.
	United Paramount
	Marketwatch.com, Inc.

Source: Hoover's Handbook of American Business 2001.

else conducted themselves as businessmen with an issue to discuss." The "issue" that Bugsy wanted to discuss, was hiring Redstone—an offer Redstone says he declined, because "money wasn't my vice"; but he did tell Bugsy, "I'll help you as a lawyer any way I can."

An example of the backing that Redstone received, was how he gained control of Paramount Communications. It was as if the banks were standing in line to give him money. One of those who helped him was the man who turned New York City over to banker control, Felix Rohatyn. Paramount included motion picture and television studios; the largest educational publisher in the world, Prentice Hall; the publisher Simon and Schuster; Madison Square Garden; the New York sports teams the Knicks and the Rangers; seven TV stations; and major cable TV stations. Redstone's initial offer for Paramount was \$10.1 billion. First Bank of America was going to loan him the money, but when the price got too high, Rohatyn's friends at New Citibank stepped in with a better offer.

Redstone had a competitor for Paramount, a company called QVC, but here was where his legal and political connections paid off. He filed an anti-trust lawsuit claiming that QVC, a cable-TV company, would have a "monopoly" if it owned Paramount (as if Viacom wouldn't!). Redstone met with the Federal Trade Commission and then-Vice President Al Gore, who he said "was sympathetic." The fact that Gore publicly called QVC the "Cable Cosa Nostra," couldn't have

hurt Redstone's chances for success. Viacom won the case, and the personal congratulations of Gore.

After devouring Paramount, Redstone went on to purchase CBS for \$37.3 billion, announcing on Sept. 7, 1999, in the *New York Times*, "We will be the global leader in every facet of the wonderful, diverse media and entertainment industry"—and sounding every bit like Enron's Jeffrey Skilling at that same time. He then flew to Germany and made a deal with Europe's media-giant Bertelsmann, to broadcast Viacom's programs.

From The Cradle To The Grave

In building his media empire, Redstone particularly targeted teens, buying up the television station MTV, which pioneered the "rock" and "rap" music video, with its glorification of the drug culture. He writes: "Young people twelve to twenty were going to become adults of thirty to forty, then forty to fifty. If we attracted them early, we could keep them forever. . . ."

"MTV Networks has now lived long enough to have taken viewers from childhood into middle age. We start with children watching Nickelodeon, enjoying the programs and learning the lessons. They become MTV viewers, rocking in their teens and twenties, then graduate to VH1, where they are a solid middle-age audience. And now we have CBS for older audiences. . . . We never have to lose people who have grown up with us. It's a great advantage. And sooner or later these kids will have kids of their own and the continuum will start all over again."

Redstone brags how Viacom is able to dominate the daily "popular" cultural life of masses of people:

"The crossover benefits among Viacom divisions are endless. We can take the number-one children's brand in the television world, Nickelodeon, and bring our viewers to the Paramount movie studio, supported and promoted by every other division in our company. We can show those movies on thousands of screens around the world, including our own. We can turn our books into movies, our movies into television shows, our television shows into movies, and we can sell, air, and syndicate those television shows on our stations as well as others. We can publish the music on the sound tracks and advertise and merchandise it all over the globe. We can cross-sell . . . we can cross-promote . . . we can be the best place for advertisers since we have the best platforms in outdoor advertising, radio, cable and television. We are the only company that can reach every demographic group. We are already the number-one creator and seller of television programming to the networks, cable, and syndication."

Redstone's book is entitled *Passion To Win*, but it should really be *Passion For Power*. "There's nothing wrong with power," he demurs, as long as it's used "responsibly." That power, is to control what you, the reader, think. But you have an alternative: What better reason is there to support and read the publication you now have in your hand?