

**The Corporate Sponsors of Fox News**  
**The Political Economy of Character Assassination**

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**By JONATHAN MICHAEL FELDMAN**

“I drew and painted out of protest and tried, through my work, to convince my audience that this world was ugly, sick, and hypocritical.”

Georg Grosz, “Abwicklung,” *Das Kunstblatt*, VIII, No. 2, 1924.

“A child born in the United Kingdom stands a ten times greater chance of being admitted to a mental hospital than to a university, and about one fifth of mental hospital admissions are diagnosed schizophrenic.”

R. D. Laing, *The Politics of Experience*, New York: Pantheon Books, 1967, page 104.

### **The Discourse of Hate and the Psychology of Violence**

The tragic political murders in Arizona have led many to focus on the political culture of violence there. Equally troubling, however, is the larger national political economy and patronage system which supports right-wing media. Bob Herbert at *The New York Times* recently wrote of the U.S. that, “We need to face up to the fact that this is an insanely violent society.” Yet, the mainstreaming of violence is not only caused by the proliferation of gun culture. It’s also supported by the concentration and centralization of right-wing controlled media capital. Who then invests in the entities that sponsor character assassination and legitimate the rhetoric and climate of violence? The voices of hate and right-wing extremism, with epicenter being FOX News, are part of a larger network extending far into mainstream America.

David Brooks argues that accusations “that political actors contributed to the murder of 6 people, including a 9-year-old girl — are extremely grave.” Brooks refutes the idea that the “violent rhetoric of the Tea Party, the anti-immigrant movement and Sarah Palin” are to blame. He says “there was, and is, no evidence that [accused killer] Loughner was part of these movements or a consumer of their literature.” He concludes that “the link between political rhetoric and actual violence is extremely murky.” Even if Brooks were right, his arguments say nothing about the probability of future gratuitous violence tied to or legitimated by right-wing extremism. Moreover, his analysis fails to understand how larger political choices shape the context in which psychologically disturbed individuals are enabled to be violent.

## **Alienation: The Politics behind Psychology**

We can conclude at least that the accused assassin, Jared Lee Loughner, became alienated from society, because of (or independently of) his mental condition. Was it Loughner's mental condition, and not his political environment, that shaped his alienation and alleged actions? We know that persons facing severe mental problems who get help can become less alienated subjectively, in terms of how they think and feel, and thus have the potential to be less alienated from society objectively. This help in turn is dependent on the availability of mental health services or intervention. Such services are in scarce supply in Arizona as Amy Goodman's reporting on Democracy Now (January 11, 2011) makes apparent. So, future violence there becomes more probable.

Where does this lead us? It is the alienation, not one's mental condition per se, that likely triggers terrorist acts; even if in this case the mental state was a necessary condition it was not sufficient. Not all persons with mental problems (even severe ones) become terrorists. Yet, we know that most terrorists (perhaps all) are alienated from society or their milieu. This observation has systematically been applied to Muslims in Europe. Adi Greif, former Guest Scholar at the United States Institute for Peace, writes in the essay, "Double Alienation and Muslim Youth in Europe" (August 2007) the following: "Although many Muslim youth are comfortable as Muslim and European, others feel estranged from society. A tiny minority of these youth are drawn to violence, in part as a solution to their alienation."

Does FOX News facilitate the conditions for such alienation? It has done so on many levels. First, FOX News has been a major champion of free market ideology and policies and the shrinkage of government services, particularly hostile to any forms of comprehensive health care insurance.

Second, FOX News systematically has been associated with the public's misunderstanding regarding the facts behind the Gulf War according to academic studies, Fox thereby helps to legitimate military spending (see Steven Kull et al., "Misperceptions, the Media and the Iraq War," *Political Science Quarterly*, Winter 2003). As the writings of Vincente Navarro, among others, point out such military spending starves health services across the United States.

Third, FOX has been aligned with the elite forces that promote deindustrialization and a weakening of the U.S. economy, thereby promoting the breakup of communities as well as causing severe anguish among citizens on the right (and the left for that matter).

Fourth, FOX has championed Glenn Beck, an opponent of gun control and legislation, this helps alienate the victims of violence in highly un-regulated gun control regimes like those in Arizona.

Finally, as has been widely noted, FOX News helps facilitate a culture based on hostility to Democrats, liberals, the left, government and more civil approaches to politics.

FOX alienates those prone to violence from getting help, promotes anguish by contributing to the deterioration of the economic and physical health of the United States, and promotes alienation among the victims of violent crimes. FOX has also launched an attack on the welfare state which has created further difficulties related to these problems.

### **Ethics in a Globalized World**

In the era of competitive capitalism and before the rise of monopoly capital, one could more easily patronize cultural institutions of one's choosing. Organizations were somewhat independent from one another. One can think of semi-autonomous concert halls, bookstores and perhaps the local radio station as examples of media or cultural institutions that were once *relatively* free from mega-corporation domination. The rise of Hollywood, television networks and global financiers and other transnational corporations—together with the decay of media regulation, anti-trust and stand alone businesses—have devalued the moral foundations associated with one simple principle: associate with good people and stay away from bad ones. Granted slavery and serfdom chained some of our ancestors to bad persons. Upper class elites have long organized cultural institutions to serve their interests. Yet, the globalized era now makes it similarly more difficult to keep to good company. This creates something of an ethical crisis given the spread of right-wing hate speech that provides a fertile climate for violence, stupidity and cultural decay. Can we easily de-link from the organizations that have sponsored this?

An article by Steve Rendall of Fairness and Accuracy in Reporting, "Fox News: The No. 1 Name in Murder Fantasies," notes various instances in which FOX News has promoted the culture of hatred and the lack of civility. Sarah Palin's now famous gun sites political advertisement was not the exception to the rule. Bill O'Reilly told a "'joke' about decapitating *Washington Post* columnist Dana Milbank." During the coverage of the 2008 election, Liz Trotta, under the cloak of "humor" "linked Osama bin Laden to Barack Obama." Mike Huckabee, the former presidential candidate, addressed "a gathering of the National Rifle Association" and "joked that a loud thud heard backstage during his address was Barack Obama diving to the floor to avoid gun shots." Some months later "Huckabee was given his own Fox News show." Glenn Beck has discussed "killing filmmaker Michael Moore with his bare hands and hoping out loud that Rep. Dennis Kucinich (D-Ohio) would burn to death." In one skit Beck "portrayed himself poisoning Democratic House Speaker Nancy Pelosi." Rendall cites journalist John Hamilton's report that Beck attacked the Tides Foundation in "29 separate FOX News shows in the 18 months leading up to" a failed plot by a would-be assassin on his way to the Tides Foundation's offices. It's hard to imagine that there's no connection between the act and Beck's rants.

### **The Backlash**

Some corporations have fled from Beck or FOX News. The attempt to put economic pressure on Beck's program has been somewhat successful. A report

(<http://www.huffingtonpost.com/2009/08/17/gmac-financial-services-c n 261148.html>) in *The Huffington Post* on August 17, 2009 stated that: “Walmart, Best Buy, CVS, and GMAC are among eight major advertisers that have confirmed pulling their advertising from Fox News’ ‘Glenn Beck’ program in light of his comments that President Obama is a racist.” Howard Kurtz in *The Washington Post* wrote on March 15<sup>th</sup> of last year that: “More than 200 companies have joined a boycott of Beck’s program, making it difficult for FOX to sell ads.” Yet, Kurtz noted that some companies no longer saw Beck as the only problem: “A handful of advertisers, such as Apple, have abandoned FOX altogether.”

Among the actions against FOX News include: a general boycott (<http://foxnewsboycott.com>), a boycott of advertisers (<http://www.democrats.com/boycott-fox-news-advertisers>), and a specific campaign aimed at Glenn Beck (<http://www.colorofchange.org/beck/>).

### **Ideology and Economics**

The motto of “Deep Throat” of Watergate fame was “follow the money.” How can we understand the discourse of hate in economic terms? Essentially, there are three critical questions. First, is right-wing character assassination profitable? Second, who invests in it? Finally, how are these investments recycled into the political and cultural system so that the larger media corporation that sponsors such violent speech appears banal?

#### *Beck as Capital’s Punishment*

Turning to the first question, we want to know if Beck and his ilk are supported for ideological reasons despite the economic pressures he helps trigger against FOX. Or, is Beck a profitable investment as well? Despite, the backlash against Beck, FOX profits from character assassination. Howard Kurtz explains that FOX executives say they believe they could charge higher rates if the host were more widely acceptable to advertisers. Yet, Beck is extremely useful for profit making at FOX. Kurtz quoted Andre Tyndall, a television analyst as follows: “The significance of Beck to FOX’s bottom line cannot be underestimated...Getting an audience that size at 5 p.m. is absolutely unheard of.”

A study by Pew Research in September 12, 2010 (<http://pewresearch.org/pubs/1725/where-people-get-news-print-online-readership-cable-news-viewers>) said that 39% of Americans said that they regularly received news from a cable channel. Yet, “the proportions saying they regularly watch CNN, MSNBC and CNBC...slipped substantially from [the period] during the presidential election.” In contrast, “only Fox News...maintained its audience size, and this is because of the increasing number of Republicans who regularly get news there.” In fact 40% of Republicans claimed that they regularly watched FOX News, an increase from 36% in 2008 and just 18% in 2000. Only “12% of Republicans regularly watch CNN, and just 6% regularly watch MSNBC.” The Pew study said Tea Party movement listeners and National Rifle Association supporters comprised

“disproportionately large proportions of the audiences for [Rush] Limbaugh’s radio show and FOX News opinion programs.”

A review of the News Corporation’s annual report for 2010 reveals how profoundly important that cable television programming really is. In 2010, the News Corporation reported that it generated \$32.8 billion in revenues and about \$2.5 billion in profits. In 2010, cable television programming represented 21% of total revenues but 57% *percent of operating income* (in 2009 the proportion was 46%). The report states: “For Fiscal Year ended June 30, 2010, FOX News’ revenues increased 23% as compared to fiscal 2009, primarily due to higher net affiliate and advertising revenues...Advertising revenues increased 9% as compared to fiscal 2009, primarily due to higher pricing. As of June 30, 2010, FOX News reached over 98 million Nielsen households.” That’s a considerable slice of the U.S. populace.

Fox is helping to shape public opinion among millions of voters. According to the Pew Research Center only 22% of Fox News viewers turn to it mostly for “in depth reporting” and “views and opinions” as opposed to 44% mostly for getting the “latest headlines.” Nevertheless, for Sean Hannity the proportions are 60% (reporting, views and opinions) and 14% (headlines), for Beck 56% (reporting, views and opinions) and 10% (headlines), for the O’Reilly Factor 64% (reporting, views and opinions) and 11% (headlines), and for Rush Limbaugh 52% (reporting, views and opinions) and 10% (headlines)

Collectively the Pew Research Center Report polling data, the News Corporation’s accounting documents and academic studies like those by Steven Kull and his colleagues, reveal a distinct pattern: right-wing media makes profits by cashing in on growing right-wing audiences which are simultaneously generated by such media.

The News Corporation has not always been the best investment, however. An analysis by Andy Obermueller (<http://www.streetauthority.com/a/two-holdings-harvard-should-increase-1262>) on April 14, 2010 in the *Street Authority* webpage found that “Rupert Murdoch’s media empire has about \$30 billion a year in annual revenue, but its run of robust profits came to an end in 2009 when it posted a \$5.6 billion loss.” Obermueller concludes that “even those earlier profits haven’t done much for the stock, which has achieved an annualized gain of +0.7% in the past five years and an appalling -10.7% annualized loss during the past three years.” Another constraint on the FOX juggernaut is that for key personalities, the audience share is considerably older in contrast to the rather younger (and generally more progressive) audiences watching the Daily Show and Colbert Report.

### *Hate Speech Portfolio*

Addressing the question of who invests in the discourse of hate, we learn that there are many players. The News Corporation’s 20<sup>th</sup> Century FOX released *Avatar*, which some rightly see as a pro-environmental, anti-militarist and anti-technocratic parable. Yet, profits from my rental of the film indirectly served the coffers of the News Corporation, which is Glen Beck’s

patron. American-as-apple pie fare like National Geographic and American Idol are also part of the media empire's portfolio as well as numerous newspapers and television stations.

The support system for FOX extends to specific McDonald's franchises according to reports published on an anti-FOX website (<http://FOXnewsboycott.com/>) and Buzzflash (<http://blog.buzzflash.com/analysis/346>): "McDonalds restaurants, in some areas including Missouri and Kansas" (with similar reports from Florida) "have agreed to place large TVs in their restaurants with the proviso that they broadcast FOX News and only FOX News." The News Corporation also owns My Space, thereby organizing a supporting internet web involving millions of users.

### *Bestowing Legitimacy for a Price*

Some academics or universities and a number of politicians have given the News Corporation legitimacy—and by extension FOX News—through organizational or financial ties.

Turning first to academia, the News Corporation's Board of Directors includes not only Rupert Murdoch (on the Board of Overseers of the Weill Cornell Medical College, Cornell University) but also Viet Dinh (a Professor of Law at Georgetown University) and John L. Thornton (a Professor at Tsinghua University in Beijing). Harvard University, the U.S. leader in endowment funds, is or has been an investor in the News Corporation, according to the 2010 report by Andy Obermueller cited above. According to a study by the National Association of College and University Business Officers and the Commonfund Institute, Harvard had about \$25.7 billion in total endowment investments in 2009. Such universities could put pressure on the News Corporation *if* they wanted to.

Turning to the News Corporation's (political) investments, we learn from the Center for Responsive Politics that both top Democrats and Republicans have received thousands of dollars in campaign donations from Murdoch's company or its political action committee (<http://www.opensecrets.org/orgs/recips.php?cycle=2010&id=D000000227>). Among the major recipients include: Barbara Boxer (D), Henry A. Waxman (D), Howard L. Berman (D), Charles E. Schumer (D), Harry Reid (D), Mary Bono Mack (R), Carolyn B. Maloney (D), Patrick Leahy (D), Nancy Pelosi (D), and Roy Blunt (R). An April 22, 2009 article by Tina Daunt in *The Los Angeles Times* (<http://articles.latimes.com/2009/apr/22/entertainment/et-cause22>) said that in 2003, Haim Saban "gave the Democratic National Committee \$7 million, one of the largest donations ever received by a U.S. political party." The Center for Responsive Politics data shows that from 1990 to 2010 Haim and Cheryl Saban donated \$1,865,876 to Democrats through the News Corporation's Political Action Committee.

Obviously not all these recipients buy into Glen Beck's agenda. Harry Reid was not even endorsed by the NRA when he ran to keep his Senate seat last year. Nevertheless, these recipients of News Corporation monies have legitimized the corporate network sponsoring Glenn Beck and his fellow character assassins and thereby indirectly their continued operations. Saban is closely tied to the News Corporation, even though he opposed some Bush policies.

## **Balancing Accumulation and Legitimacy**

In *The Fiscal Crisis of the State*, James O'Connor explained that the state must balance two objectives: support for accumulation (profits and growth) and legitimacy (popular support of the public). Why do politicians and academia (through their News Corporation ties) then sanction FOX News by legitimating its corporate sponsor? Common interests, desperation for cash, and denial about what they are doing are likely answers. The decentralized division of labor that stitches all this together allows some to rationalize that the News Corporation has good sides and bad. Decentralization (via multiple organizational entities) is one key way bureaucracies help displace their accountability for wrong doing. And the outrageous character of FOX News can always be balanced against the News Corporation's recent "green" global energy initiative (<http://gei.newscorp.com/what/business/corporate-news-america-inc/>).

While the News Corporation is politically aligned with the Republican Party, the company's investments make it largely a bipartisan affair. And many of us are formally or informally part of the flows of investment, consumption or voting that reproduce the News Corporation as a major patron of character assassination. The political economy of character assassination is tied to mainstream America. The conclusion I draw is that it's imperative to broaden support for the divestment movement directed against FOX News and its sponsor the News Corporation. We must politicize the choices of institutional investors who fail to diversify into more critical if not socially responsible media. Politicians, universities, corporations and other actors who legitimate Fox News should hear from the public. One useful resource in indentifying the News Corporation's links is the Responsible Endowments Coalition (<http://www.endowmentethics.org/>).

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