COMMONWEALTH OF AUSTRALIA

Copyright Regulations 1969

WARNING

This material has been reproduced and communicated to you by or on behalf of the University of Wollongong pursuant to Part VB of the Copyright Act 1968 (the Act).

The material in this communication may be subject to copyright under the Act. Any further reproduction or communication of this material by you may be the subject of copyright protection under the Act.

Do not remove this notice.

You may print or download ONE copy of this document for the purpose of your own research or study.
CHAPTER SEVEN

Censorship in Capitalist Societies

Democracy and Capitalism: the Two Faces of the American Republic

Outlaws—rebels, freethinkers, pirates, and pornographers—invented the idea of a free press. For them, prisons were “schools of freedom.” Hemlock, not olive branches, inspired Plato’s Apology for Socrates. Milton’s Areopagitica was written to protest a fine levied against him for literary crimes. The pragmatic warrant for free speech forged by the clandestine book merchants of Venice bore the mark of the Inquisitor’s sword. Franklin’s Apology for Printers was a response to a series of harsh encounters with censors in Boston and Philadelphia. Tom Paine wrote parts of The Age of Reason in Robespierre’s prison under sentence for high treason. The British Stamp Act of 1765, which imposed taxes on all printed materials circulated in the American colonies, provided the animus for the illicit birth of the Sons of Liberty.

Covenants forged by outlaws are never dispassionate. They always bear grudges. They are designed to settle old scores. Their theses are anti-theses. Their power-knowledge is contingent: battle-scarred. Only dependents can articulate declarations of independence.

The history of the emergence of concepts of free speech and free press in America has been extensively and effectively recorded by others. I am not prepared to offer a revisionary inter-
pretation of this history. My intentions are more limited. I seek
only to fill some of the blank spaces in the narrative structures
of the classic texts.

A. Freedom and Control
Worms and fires in Washington do not account for these blank spaces.
They were created by semantic organizations of the past that stressed
the ‘from’ of American libertarian concepts more than their ‘to.’ My
own restylization of the past emphasizes the dual, sometimes com-
peting, contingencies which shaped the contexts in which these con-
cepts were articulated. It stresses the fact that libertarian ideals arose
under conditions of colonial repression and matured in consonance
with the maturation of industrial capitalism. The first contingency—
the role British tyranny played in shaping American ideas of liberty—
has been widely chronicled and celebrated by liberal historians.
The second contingency—the role industrial capitalism has played in shap-
ing the institutional framework through which libertarian ideals could
be realized—has not been fully recorded.

This gap in the historical record is not incidental. It is a socially
structured silence produced by the conflation of libertarian and com-
mercial interests in the articulation of American power-knowledge.
Some of the precedents which legitimated this silence can be
identified.

First, by stressing the adversarial role of a free press—its Prom-
ethean spirit—the Revolutionary covenant provided an epistemolog-
ical warrant for historical and cultural studies which would perceive
the subsequent development of U.S. press institutions as well as the
commodities they produced as autonomous expressions: free and
independent in the fullest meanings of those terms. This deflected
attention from institutional analysis. It inhibited the use of totalistic
perspectives which would have seen press practices as embedded
within a holistic network of political, economic, technological, and
social structures, values, and actions. It prepared the way for the
development of the professional code of journalistic objectivity, and
for the emergence of traditions within literary criticism, such as the
New Criticism, Practical Criticism, and Literary Structuralism which
treat texts as wholly independent of the social situations in which
they were written. It allowed editors and publishers to deny the
political and class basis of literary trends, styles, and concepts of
merit. In sum, it separated texts from their contexts.

Censorship in Capitalist Societies
Second, Jefferson entrusted the free press, especially newspapers,
to serve as the “watchdog” of American democracy. But, to his own
later regret, he provided no means for citizens to watch the watch-
dogs. Abuses of press freedom eventually led to movements toward
self-censorship and professionalism within journalism. Journalistic
professionalism succeeded in reducing the visibility of abuses
of the free press. But it also disenfranchised lay criticism by fost-
ering the impression that members of the public lack the expert tech-
nical and managerial knowledge necessary to comprehend and debate
competently issues involving editorial decision-making. This limited
the warrant for press freedom to professionals and secured hierar-
chical principles in the creation and distribution of information in
America. It left professionals free to articulate and enforce their
own limits of permission. It ensured that the only dogs licensed to
watch the press would be guard dogs of professionalism. Citizens re-
tained rights to legal redress in cases of libel or slander; but there
was no redress (beyond refusal to purchase an offensive publica-
tion) if the practices of professionals systematically ignored, discred-
ited, or suppressed minority views. In sum, professionalism in jour-
nalism and publishing placed professionals beyond the scrutiny of lay
criticism.

Third, the unique combination of talents and structures of opportu-
nity in journalism and publishing have made journalists and pub-
lishers both the makers and keepers of the history of press freedom
in America. The resulting record is an insiders’ account or “captive
history” which reflects the interests, priorities, and values of media
professions and institutions and their patrons. It is, in a sense, an
official history. Insider accounts are valuable accounts: authentic ac-
counts. But they are also partial accounts. They do not tell the whole
story. They must be supplemented, enlarged, criticized, and contex-
tualized before a creditable history can be written. The blank spaces
they have left in the historical record result from the fact that insiders
have been in the best position to know and care about the develop-
ment of media institutions in America, and from the fact that
professional historians have shown little interest in this development
and have thereby, in effect, surrendered the territory to the insiders.
The result has been the creation of an historical record which is largely
silent about the business side of media institutions: the ways in which
they have used their power to maximize profit, expand markets, and
circumvent competition. In sum, insider accounts of the history and
practices of media institutions are self-serving: they stress the freedom of the Liberal press from government control but gloss over its subservience to the imperatives of profit.

Fourth, the combined effects of these precedents have sanctioned analogies which equate ‘truth’ and ‘profitability.’ The “free market of ideas” is the best known of these analogies. Using market mechanisms to determine the logic or merit of ideas reduces ideas to commodities. When this happens the circulation of ideas is determined by their sales profiles. The ‘consumer’ is described as voting for the products of the Consciousness Industry\(^2\) with his or her dollars (consumer sovereignty). Such metaphors suggest democracy and freedom of choice. They deflect attention away from the tightly controlled decision-making processes that actually determine what ideas will gain entry into the commodity system. That is, they render the control system of the capitalist consciousness industry invisible and thereby permit subterranean censorship based upon both market and political considerations. In sum, they permit elites to rule but preserve the semiotic of democracy.

The cumulative effect of these socially structured silences is to render the system of control of industrial capitalism extremely resistant to criticism. They permit industrial capitalism to function with impunity—even where it violates the promises of the democratic covenant.

My re-reading of this history indicates that American capitalism has not only been guilty of violating the promises of democracy, but that such violations have become frequent, systemic, and intractable. Contra Liberal histories, which portray democracy as the theory and capitalism (sum ‘free enterprise’) as the practice, my analysis suggests that industrial capitalism routinely abridges free enterprise as well as freedom of the press. It affirms the cogency of Theodore Dreiser’s 1925 diagnosis of “the American tragedy” as an essential conflict between democratic principles and corporate practices. And it asserts that this historic conflict is currently being re-projected onto the world stage in the tragic failure of the Liberal Enlightenment: its collapse into an engine of cultural imperialism.

Established conventions of political discourse in America treat ‘democracy’ and ‘capitalism’ as nearly synonymous. Political speech has been compared to prayer.\(^1\) In the prayers of capitalists, ‘the American way’ is their way, the ‘free world’ is the capitalist world, ‘democracy’ is capitalism. . . . These conventions allow no critical distance and acknowledge no disparities in the two agendas. However, my analysis indicates that these terms are not interchangeable: that they have different historical origins and denote different practices. It further indicates that these practices frequently conflict, and that the basis of the conflict is deeply rooted. It attributes the conflict to the fact that the two systems embody radically different solutions to the problems of social order. The disparities in these solutions are underscored by Bowles and Gintis in the following description of the contrasting priorities of democracy and industrial capitalism:

\(\ldots\text{the central problems of democracy are: insuring the maximal participation of the majority in decision-making; protecting minorities against the prejudices of the majority; and protecting the majority from any undue influence on the part of an unrepresentative minority.}\)

\(\ldots\text{Making U.S. capitalism work involves: insuring the minimal participation in decision-making by the majority (the workers); protecting a single minority (capitalists and managers) against the wills of a majority; and subjecting the majority to the maximal influence of this single unrepresentative minority.}\)

In sum, democracy opposes all arbitrary exercises of power; but capitalism permits arbitrary exercises of power in the pursuit of profit.

Where Liberal historians maintain that the American Revolution is distinguished by the absence of a Thermidorean purge, my analysis suggests that the emergence of corporate capitalism was in a sense the American Thermidor. Corporatism domesticated the radicalism of the American covenant. It eclipsed the Natural Law concepts upon which the Bill of Rights had been secured and reversed much of the egalitarian thrust of the Jacksonian era. In short, it made Americans “citizens of government but subjects of corporations.”\(^5\)

B. The American Thermidor

My re-reading of the history of American press freedom does not attribute the failure of the Liberal project merely to class motives, although I acknowledge that the American Revolution produced its share of war profiteers and that some of those profiteers are now venerated as patriots. Rather I ascribe the failure of the Liberal Enlightenment to the convergence of a number of historical and economic factors. Some of these factors have their genesis in the way the founding fathers conceived the American Republic: in their utilitarian economic philosophy which led them to a facile equation of free expression and free trade; in their radical individualism (‘freedom from’) which easily translates into a warrant for selfishness; in their
implicit acceptance of a double-standard of morality which allowed them to separate public (official) and private (personal and business) conduct; in the explicit patrician elitism of their paternalistic attitudes toward "the people," especially the people without property, education, white skin, Christian ancestry, or male gender; and, in their class and personal economic interests. But the limited vision of the fathers of the Republic only prepared the ground. That ground was cultivated by a series of profound structural transformations in nineteenth- and twentieth-century capitalism.

These transformations allowed industrial capitalism to assert the primacy of its formally totalitarian principles of social organization and quietly to negate much of the emancipatory potential of the democratic covenant. These structural changes made the Panoptic discipline and hierarchical controls of the factory and office the paradigm for all social relations in industrial society including the relation of a citizen to his or her government.

The Consciousness Industry—press, advertising, public relations, mass entertainment, and organized leisure—played a decisive role in securing the new paradigm. It cultivated allegiances to the new order within the authority structures of people-producing agencies: families, schools, churches, and the body politic. For industrialism not only required reorganization of work, it also required resocialization of workers and creation of consumers. Industrial America did not repudiate the democratic covenant, it ideologized it. The terms of the bargain were changed. The free press was not crushed, it was sold. Free speech did not lose its franchise, it lost its resonance. The publics it had once addressed were transformed into audiences (markets) for mass communications. These communications were scripted to sell products and a new social order. The terms of the new bargain were sealed in the vernacular of democracy. The symbols of the Republic were recast as corporate logos: 'Liberty' became an insurance company; 'American,' an airline and an automobile manufacturer; and the 'New Freedom' a beltless sanitary napkin. . . .

C. Liberalism and Resistance
My narrative does not deny the emancipatory achievements of libertarian power-knowledge. Even Karl Marx described the American press of his day as the freest press in the world. But my rereading of American history does stress the duality of Liberal power-knowledge: its hidden conservative agenda and system of control. This duality is not a simple charade—a mere lie. Contra conventional Marxist inter-

Censorship in Capitalist Societies

pretations, my analysis suggests that even today Liberal power-knowledge is more than ideology. It is more than a reflection of the interests of capitalists—more than just a smokescreen to cover their dirty deeds. It is also the moral authority which defines and proscribes those deeds as 'dirty': an authority which has sometimes empowered pockets of democracy within corporate structures (e.g. collective bargaining, employee profit-sharing, etc.). Liberal power-knowledge provides the people with the basis for struggle and resistance. When the people protest corporate practices (e.g. when utility companies increase their rates or parent companies shut down a local plant), they invoke principles of equality and fair play. When women and minorities demand redress for their historic exclusions from the rewards of Liberalism and capitalism, they cite the Jeffersonian promise of freedom and justice for all. When Third World liberation movements articulate their resistances, they frequently secure them within natural rights theories derived from the Western Enlightenment. Even within the consciousness industry itself, the dialectic of freedom has not been fully harnessed. Given the broad warrant to create an oligarchy of mind that industrial capitalism has provided the U.S. Consciousness Industry, it is remarkable how many—not how few—journalists have tried to remain faithful to the Jeffersonian trust. Their restraint and integrity are authentic souvenirs of the emancipatory stage of Libertarian power-knowledge. They demonstrate that Liberal ideals still resonate in the margins of corporatist control, but they do not erase the imprimatur of capital from the products of contemporary journalism.

My narrative seeks to empower criticism of corporatist control, not because I believe that either corporations or control can (or necessarily should) be eliminated. But because I believe in democratic control which is open, subject to criticism, and amenable to redress, and I oppose all systems of control which are secured by secrecy. Since the corporation under industrial capitalism has in many respects become "a body politic," I contend it should be brought under the discipline of democratic control. In sum, I support Jefferson's admonition that, "no government ought to be without censors."
Censorship in Capitalist Societies

E. Securing the Capitalist’s Dreams: Demand Management and a Permanent War Economy

Demand management streamlines production. The ‘law’ of supply and demand is repealed: the supplier of commodities now also produces the demand for those commodities. The risk factor that was so characteristic of the entrepreneurial stage of capitalism is removed from the equation when “what the public wants is not felt, until supplied.” Risk is transferred from producer to consumer. The consumer pays for design and production errors and assumes the hazards of a life of counterfeit pleasures.

But management of consumer demand is not the only measure American capitalism relies upon to insulate itself against financial risk. Since 1940 burgeoning military and welfare budgets have also served this function. Government has become the largest single consumer of corporate production. Military spending now plays such an integral role in stabilizing the American economy that some critics assert, “Capitalism leads to war.”

In sum, demand management and a permanent war economy make the productive process more efficient and profitable. Risk no longer disturbs the capitalist’s sleep. He is no longer “surrounded by unknown enemies” who are “driven by want, and prompted by envy, to invade his possessions.”

F. Democracy’s Nightmare: Terms of the New Cosmological Bargain

Realization of the capitalist’s dream is the nightmare of democracy. Freedom of expression is reduced to a caricature by the myth of consumer sovereignty. Demand management places in the corporate trust power that is analogous in scope (though not in kind) to the power that Stalin placed in the hands of his overseer of the arts, Andrei Zhdanov, who created a system for the total administration of mind that was so effective that even Stalin found it stifling.

Such concentrations of power are dangerous in any age. In a nuclear
age when not just citizen or nation but the entire planet is placed in jeopardy, concentrating so much power in so few hands in especially perilous. When those hands are private hands—hired hands—operating outside of the legislative process, it is a grotesque inversion of democratic principles.

The Consciousness Industry has already rendered criticism of its control system impotent by conditioning intellectuals to produce and consume criticism rather than to act upon it. If the new market system succeeds in establishing the dominion of its monolithic power-knowledge, market censorship will not only become more pervasive, it will become even more resistant to criticism. The preconditions for the emergence of authoritarian (or fascist) tendencies within capitalism will then be fulfilled in the U.S. These tendencies are already emergent in many corporate occupied zones in the Third World.

At present, domestic resistance is colonized by consumerism or pressed to the margins and ghettoized. The new market system will significantly enlarge these margins as the principle of capitalist accumulation exercises its imperative: 'The rich will get richer, and the poor will get poorer.' This will produce a formidable challenge for the Consciousness Industry. It will have to convince the new poor that their deprivations are the price that must be paid to secure the new cosmological bargain. If the Consciousness Industry fails to meet this challenge, guns and chains could replace Whoppers and Super Bowls as artifacts of corporate control.

In this chapter I will attempt to fill some of the gaps in the historical record by examining the development of the American press and Consciousness Industry within the holistic perspective of institutional analysis. My remedial effort will (1) review the nexus through which commercial and ideational networks intersect in America, and (2) examine the ways American political, economic, religious, educational, and familial institutions have promoted and resisted the emergence of elite control in America. It will require inquiries into the foundations of American concepts of free speech and free press in the Revolutionary covenant, the role of moral values in securing that covenant, the hidden hierarchical assumptions of the founding fathers, the early emergence of monopolistic tendencies within communications industries, the roles played by advertising and public relations in securing political capitalism, the social stratification of information in the U.S., and the role of electronic media in the cultivation of consent.

Censorship in Capitalist Societies

Like revolutionaries everywhere, the American insurrectionists backed into the future. Their concepts of freedom were forged from the metal of their own immediate experiences of unfreedom. Even Thomas Jefferson acknowledged this. Forty years after the Revolution, he wrote, "In truth the abuses of monarchy had so much filled all the space of political contemplation, that we imagined everything republican which was not monarchy." 15

The early politics of the Republic were anti-politics. Whatever the monarchy had favored, the Republic opposed. Monarchy had controlled the press, the Republic tried to set the press free. Monarchy had censored objectionable reading matter; the Republic allied itself against censorship. Monarchy had supported theocracies; the Republic endorsed religious freedom. Monarchy had been secured by the "tinsel" aristocracy of birth; the Republic celebrated the "natural aristocracy of mind." Monarchy had regulated, taxed, and expropriated the fruits of industry; the Republic declared men "free to regulate their own pursuits of industry and improvement." 15

Because the gravestones of monarchy formed the cornerstones of American democracy, the patriots' campaign to rally popular support for independence greatly exaggerated the tyranny of the crown. The Declaration of Independence was an integral part of this campaign. Historian Clinton Rossiter describes this hallowed document as combining "truth and distortion in amounts calculated to convince the irresolute of the evil designs of the mother country." He maintains that, "This effective piece of propaganda was, like the Revolution itself, the work of a determined minority that could hardly have afforded to be more straightforward and moderate in statement." 15

If the founders of the Republic exaggerated the crimes of the crown, they also exaggerated the universalism of their own libertarian commitments. Their dictions are contra-dictions punctuated with hidden terms and unexamined assumptions. They promised more than they could deliver.
A. Colonial Censorship

Colonial censorship policies were harsh but inconsistent. The Royal Instructions to Governors required licensing and control of all presses. Governor Berkeley of Virginia outlawed printing presses entirely on the grounds that, "learning has brought disobedience and heresy and sects into the world; and printing has divulged them and libels against the government."18 The first colonial newspaper, *Publick Occurrences* (1690), was suppressed after its premiere issue in Boston.

In early America, censorship controversies were centered primarily on the periodical press. Newsletters, newspapers, and pamphlets addressed issues of immediate relevance in an expanding empire. The book industry developed much more slowly and remained an ancillary enterprise. Early American booksellers simply relied upon the mother country to supply their stocks. Consequently, the great battles against censorship and for press freedom in America were waged by publishers and printers of periodical literature. These battles were in many respects rehearsals for the Revolution. They defined, clarified, dramatized, and polarized the antagonisms that would later fracture the British colonial empire in North America. The also forged a fateful alliance between apologists of press freedom and apologists of free trade.

The colonial struggle for press freedom was essentially a struggle against England's monopoly control over public information resources in America. Colonial shippers, merchants, and farmers agitated for the right to have their positions on controversial issues represented in the press. The dispute between colonial entrepreneurs and royalists was also at the heart of the Zenger case. Peter Zenger's *New-York Weekly Journal* was closely aligned with the interests of prosperous colonial factions and opposed to the governor and his council. Newspapers throughout the colonies carried accounts of the Zenger case. Ženger's vindication was a critical victory for colonial entrepreneurial interests and a compelling testament to the power of the press to propagate and agitate for those interests.

This power asserted itself with full force when the British announced the Stamp Act of 1765. At that point the colonial press became an opposition press. So much so that one historian maintains the newspapers declared war on the British more than a decade before the Declaration of Independence!19

The Stamp Act was designed to raise revenue to pay the debts incurred by the crown in the war against the French. It required newspapers to use only paper which had been stamped as duty-paid in order to assure the mother country a monopoly over paper manufacture. It also imposed a stamp tax on all documents, books, playing cards, licenses, and advertisements. The Stamp Act hit printers hardest, extracting most of its revenue directly from their pockets, but it also had a direct impact on lawyers. Newspapers throughout the colonies vilified the impending law not merely as discriminatory, but as an attempt to place shackles on the minds of Americans. When the "fatal black-act" went into effect, some newspapers appeared with black borders and illustrations featuring skulls and crossbones.20 They announced they would cease publication until the Stamp Act was repealed. Other papers continued to publish un stamped. A few even appeared with symbols of Liberty in their logos. But the Sons of Liberty did not extend their commitment to press freedom to the loyalist press. It was regarded as the enemy press. During the Revolution, freedom fighters under the banner of liberty raided the shops of loyalist publishers and printers, smashed their presses, and burned the offending papers.

B. Press Freedom in America: Three Perspectives

The "determined minority" that promoted revolutionary sentiment in America was made up of men who had held prominent positions within the colonial ruling class. It was comprised of a prosperous class of traders, investors, and landholders, as well as a new class of mental workers: lawyers, postmasters, administrators, clerks, professors, and publishers. Both groups championed press freedom in principle and on pragmatic grounds. The emergent commercial class saw abridgment of press freedom as an abridgment of man's Natural Right to free trade and a violation of the property rights of those who owned presses. Their pragmatic interest in press freedom derived from their desire to sway public opinion on issues of commercial policy in directions favorable to their interests.

The second group, publicans or Aeropagites—men who made their livings by reading, writing, calculating, and managing the affairs of others—saw abridgment of press freedom as an abridgment of man's Natural Right to Enlightenment and a barrier to social and scientific Progress. Their pragmatic interest in press freedom was immediate. Their power-knowledge was secured by print. They shared Jefferson's convictions that "Science is progressive," and that "Science had liberated the ideas of those who read and reflect."21 They were readers, thinkers, scientists, literateurs—men of Enlightenment. They be-
lieved that science had liberated them. They considered themselves the vanguard of the new world order: charter members of “the aristocracy of mind.”

A third group, “the Mechanicks”—small tradesmen, artisans, day laborers, longshoremen, mariners, and printers—were also instrumental in bringing about the Revolution. Their daily bread depended upon the prosperity of the commercial class. The printers were directly affected by the Stamp Act, and they immediately turned the tools of their trade—ink, pulp, and press—into instruments of revolution. More than 400 pamphlets on the Stamp Act were published between 1760 and 1776. Paine’s Common Sense went through twenty-five editions and sold over 100,000 copies in 1776. The pamphlets, posters, and broadsides produced by the mechanicks were so effective in generating populist support for independence that David Ramsay concluded, “In establishing American independence, the pen and the press had a merit equal to that of the sword.”

The alliance of the mechanicks, the businessmen, and publicans was an uneasy one. The mechanicks had neither formal education nor, in most cases, property. They were “The People” celebrated in the abstractions of the Age of Reason; but in flesh-and-blood they proved less malleable. They had minds, interests, and methods of their own. They did not share the businessmen’s respect for property or the publicans’ regard for law, order, and sophistry. Moreover their resentment of British wealth and privilege easily spilled over and soured into resentment of the wealth and privilege of colonial entrepreneurs and publicans. These were ready Sons of Liberty who believed their courage in action entitled them to full voices in articulating the new order. They were the first American unionists, the “mob in the cities,” the “unknown enemies,” the proletariat who would henceforth disturb the slumbers of capitalists and publicans.

The mechanicks’ theory of press freedom was largely derivative. It reflected their dependence upon the emergent commercial class. Their radical egalitarianism was their single addendum. Ben Franklin’s Apology for Printers became the Bible of the Printers’ Union. Franklin’s concept of press freedom as a form of trade freedom concisely defined the parameters of the theory of press freedom endorsed by the commercial class and the mechanicks during the Revolutionary era. Both defined press freedom as a property right. The businessmen saw it as a Natural Right of ownership, a right of investors to receive a fair return on their capital. The mechanicks saw it as the Natural Right of craftsmen to market their labor, skills, and industry at a fair return for time and energy invested. Neither group was willing to surrender or compromise these rights by assenting to the demands of the crown.

At this juncture in American history, businessmen’s and mechanicks’ conceptions of ‘fairness’ were more closely aligned than they are today. Both were living off the accumulated spiritual capital of Calvinism. They viewed commerce in moral terms. They saw ‘industry’ as a great leveller: an enemy of hereditary privilege as well as a prophylaxis against personal vice. Within their vocabulary of motives, industry was a personal attribute or virtue. It denoted “skill, assiduity, perserverance, diligence, not a set of institutional arrangements.” Money, but also integrity, respect, and perhaps even Grace, were regarded as the just rewards of industry. In contrast to the Tories who lived off hereditary wealth, the fortunes of the commercial classes were new: fresh fruits of industry. The link between the businessman’s industry and his prosperity was immediate. Mechanicks were encouraged to believe that they too could forge such links. Ben Franklin, cum Poor Richard, was the proof in the pudding. By trade a mechanick—by industry the founder of the first major newspaper ‘chain,’ the father of modern advertising, scientist, inventor, litterateur, educator, statesman, and revolutionary—Franklin provided a larger than life prototype of the rags-to-riches scenario that would continue to be mythologized by the Horatio Alger parables long after the Protestant ethic had been overpowered by the spirit of capitalism. But on the eve of the Revolution, the two emergent classes of industrialism—capitalists and workers—were briefly united in opposition to the hegemony of the crown. Industry was still an adjective and labor was still a verb, and the founding fathers were still rebellious Sons of Liberty.

C. Publicans’ Theory, Traders’ Practices: Press Freedom as a Property Right

Neither the mechanicks nor their business associates had much interest in exploring the epistemological implications of their warrant for press freedom. They were practical men, manual workers and traders, not philosophers. Nevertheless Franklin did articulate a crude version of the ‘free-market-of-ideas’ thesis in his analysis of the success of Poor Richard’s Almanack. He equated truth with popularity (sales) and professed faith in the judgment of the people (consumer sovereignty). But with a quick sardonic twist of his pursestrings, Franklin also saluted the power of advertising as a means of ensuring
that the judgment of the people and the judgment of the marketeer will be the same (demand management).24

The publicans' defense of press liberty has received extensive coverage in the history books. The traders' interests in advancing the cause of press freedom has received much less attention. Yet institutionalization of press liberty in America was actually more successful in securing the traders' interests than in keeping the publicans' promises. This was already apparent to Tocqueville in 1831 when he wrote, democracy "introduces a trading spirit into literature," and described, in pejorative terms, the commodification of literary and artistic production in America. No egalitarian revolution or publican counter-revolution has removed the trading spirit from the American publishing industry. The Jacksonian revolution removed property requirements for suffrage, but the poll tax on press freedom remains in effect. Press freedom is a property right restricted to owners of presses and their hirelings.

Jefferson and Madison are the most widely celebrated defenders of the publican theory of press freedom. Jefferson's salutary description of the mission of the free press has become a sacred canon of the professional ideology of journalism: "The basis of our government being the opinion of the people, the first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers or newspapers without government, I should not hesitate to prefer the latter." Jefferson, like Milton, Voltaire, and Diderot, assumed the keepers of the opinion of the people would be Areopagites/publicans. But unlike his European counterparts, Jefferson was strongly committed to universal literacy. As a result, he added a singular qualification to his brief for an unrestrained press: "that every man should receive those papers and be capable of reading them." This was a major advance over the elitism of European humanism. But it was far from an endorsement of the egalitarianism of the mechanicks.

Jefferson provides revisionists with an easy target. But he is no strawman! Jefferson's blind spots were the blind spots of his generation and his class, not the narrow prejudices of a mean-spirited hypocrite. It is for this reason that they are significant. Jefferson was a great humanist, rationalist, and democrat. The racist, classist, and sexist shadows at the edges of Jeffersonian Liberalism are not idiosyncratic. These pockmarks in the democratic covenants forged by the Age of Reason mirror the dualism of the hierarchical assumptions taken for granted by eighteenth-century publicans and traders.

This dualism muted expectations for consistency between public and private behaviors. It produced patterns of inconsistency in all the institutions fabricated by publicans and their business partners. The resulting incongruities were integral, not incidental, to the structure of power-knowledge in the American Republic. The principle of inconsistency secured the liberties of publicans and entrepreneurs at the apex of a finely articulated pyramid of denial. Within this pyramid, the freedom of whites was supported by the subjugation of non-whites; the power and prosperity of businessmen and publicans were secured by the political and economic subordination of the mechanicks, strollers, and vagabonds; and the sovereignty of males was assured by the servitude of females.

The conundrums in Jefferson's humanism illustrate the double standard of Enlightened morality. Jefferson agonized over the morality of slave-holding, but of course held his own slaves in bondage throughout his lifetime. Jefferson professed faith in human reason: faith in the universality and perfectibility of man's rational powers. His agrarian ideal celebrated "the people" as "the origins of all just power," but Jefferson dismissed the urban masses as debouched "mobs." He proclaimed the rule of law but advocated placing any white woman who gave birth to a child of mixed race "out of the protection of the laws." Jefferson regarded education as the road to equality, but proposed a two-tier system of education which would ensure that "the laboring classes" are educated to follow and that the "learned classes" (professionals and the independently wealthy) are educated to "share in conducting the affairs of the nation." Jefferson maintained that he was "really mortified" to be told that in the United States of America a civil magistrate could order a book suppressed, and he asserted that it is the "duty" of every patriot "to buy a copy [of the censored book], in vindication of his right to buy, and to read what he pleases." But Jefferson advocated prohibiting females from reading all novels except selected works by Marmontel, Edgeworth, and Gentilis, and he advised severe restrictions on their intake of poetry. He believed that reading would undermine the moral virtues of women, fill their heads full of ideas, and render them unfit for their domestic and maternal duties. Jefferson is a patron saint of press freedom, but when that Freedom was invoked in criticism of President Jefferson's policies, he expressed the conviction that "a few prosecutions of the most eminent offenders would have a wholesome effect in restoring the integrity of the presses."25 The dualism which underwrote Enlightened power-knowledge did not just permit Jef-
ferson to cook the morality books. It required it! The ‘bad’ (double-dealing) Jefferson made the ‘good’ (libertarian) Jefferson possible. Similarly the ‘bad’ (racist, sexist, and classist) angles at the base of the pyramid of Enlightened power-knowledge made the ‘good’ (rationalist, libertarian, and democratic) peaks at its apex possible. The principle of incongruity is a fundamental law of the architecture of Panopticonism. The American Revolution secured this principle, and thereby began the long process of colonizing the hopes and dreams of the repressed—a process that would never fully conquer the resistances of “the people” or entirely silence their cynicism.

III

From Industry to Industrialism

Economists like to use formal models to describe the ‘rules’ of the marketplace. This formalism endows their rhetoric with the authority of science. But it also endows those ‘rules’ with an aura of naturalism and determinism. The ‘rules’ take on a life of their own. They seem to be impersonal, objective, and inevitable.

However, rereading the founding texts—the original articulations of the rules—removes this reifying aura. It restores the human signatures to The Rules. It relocates them within contexts of human history, argument, and decision. It reminds us that they are products of human thinking, social constructions, not laws of nature. It encourages us to recognize that what humans have made, they can unmake or remake. It reaffirms the fact that the men who wrote the social contracts by which we live regarded them as drafts, and that others have rewritten them in stone.

It makes the road to corporate capitalism appear far less immutable than either capitalist or Marxist apologetics asserts. It reminds us that there are no forces of production, only men and women who produce; that there is no law of supply and demand, only men and women who make decisions to produce in large or small lots and to create or relieve scarcity. It reminds us that there are no natural resources: that there is only human resourcefulness to nature, cultivate, conquer, or plunder nature. It reminds us that there are no free markets, only markets controlled by capitalists, kings, communists, or pirates, for

Censorship in Capitalist Societies

markets are complex human organizations which cannot exist without order, hierarchy, power, and control.

In sum, rereading the texts which secured the cosmological bargain under which we now live renders the invisible hand of history visible and accountable. It reminds us that human history is made by humans, not by God, Nature, or Destiny. It purges the ghosts from the machine of historical interpretation and permits us to ask, ‘What if?’ It encourages us to sort through the wastebasket of history: to examine false starts, exhume the remains of defeated arguments, mark radical discontinuities, and visit the graves of lost hopes.

A. Little Republics

Even a casual sorting of the texts of the founders of the Republic makes clear that early American archives are not corporate archives. Suspicion of corporate forms of organization was widespread during the early days of the Republic. Private corporations were illegal before 1807.77 They did not become the established modus operandi of U.S. business until about 1850. The earliest corporations were chartered companies, political, economic, and religious communities founded in the public interest—Congregational parishes, trading companies like the Hudson’s Bay Company, companies founded to provide a public service like the Charles River Bridge Company, and a few early manufacturing companies like the Boston Manufacturing Company which began the textile industry in Lowell, Massachusetts. The fathers of the Republic were profoundly suspicious of corporate charters because they saw them as rival political entities—efforts to conserve or restore aristocratic power and influence.

English Common Law explicitly recognized the political nature of corporations; Blackstone had described them as “little republics.” The republican character of the private corporate structure was affirmed by Justice Hornblower in 1834 when he insisted that all stockholders were entitled to an equal vote in corporate decision-making regardless of the size of their holdings.

Paradoxically, the judicial rulings that established the legitimacy of private corporations were decisions designed to curb abuses of power by certain charter corporations which were perceived as failing to act in the public interest. The first decision recognizing the existence of private corporations, Ellis v. Marshall, was a punitive decision which prohibited private corporations from requiring individuals to become members. Chief Justice Taney’s landmark decision empowering competitive capitalism actually sought to limit the monopoly
power of the Charles River Bridge Company by denying it exclusive rights to provide bridge service across the Charles River.

The founding fathers were also deeply concerned about the pernicious effects of hereditary wealth. The patriarchs of the Republic were very wealthy men: George Washington was the richest man in America, Benjamin Franklin had amassed a fortune in excess of $150,000, and Thomas Jefferson had large land- and slave-holdings. Predictably, they strongly opposed property taxes. The sentiments excited by the Stamp Act revolt made such taxes generally suspect. Jefferson regarded property taxes as liens against individual talent and effort. He considered them regressive because he believed they would stifle individual motivation and thereby repress social progress. However, inheritance was also considered a reactionary idea, an artifact of deposed “tinsel” aristocracy. It was regarded as a barrier to the development of an aristocracy of talent. Jefferson proposed abolishing rights of inheritance as a way of raising public revenues and inhibiting the growth of a new aristocracy. If this Jeffersonian idea had been empowered, the landscape of the American Republic would have assumed a radically different topography.

B. Collapse of the Little Republics

The Wealth of Nations was published the same year as the Declaration of Independence. Capitalism took hold much more rapidly in America than in any other nation because there were fewer traditional barriers to be removed. Opposition to the “tinsel aristocracy” of birth led the fathers of the American Republic to adopt attitudes toward property very different from those of their European contemporaries. Common Law had conceived of property as a right of lineage linked to both heredity and personality. It treated property rights and inheritance rights as sacrosanct. Blackstone defined the right of property as “that sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the rights of any other individual in the universe.” The entitlements of aristocrats were extensions of their titles to property.

The American Republic affirmed the importance of property as integral to its vision of civic humanism by securing voting rights in property qualifications. But the republican concept of property was far more fluid than the European version for three reasons. First, a land of immigrants systematically driving native inhabitants from their ancestral lands could not effectively seal property rights in history or lineage. Second, many of the largest landholders in states like Maryland and Virginia were royalists. During the Revolution they were treated as enemies and their properties were subject to pillage or confiscation. After the war they were regarded with contempt. Third, in post-revolutionary America, the privileges of property rights were secured against the egalitarian demands of the people by promising free white men access to property through purchase. This meant property would change hands, titles would be transferred, and new land claims would be staked in the westward movement. In sum, property became a medium of exchange, a commodity, rather than an extension of personality or polity. Property assumed a purely economic character.

This transformation of property relations brought about radical changes in corporate structures. The public sphere of the corporation collapsed. Corporations lost their republican character. The one-man/one-vote concept of stockholders’ rights forfeited its warrant. Ownership, defined in quantitative terms, replaced citizenship as the basis for distribution of power in corporate decision-making. Corporations were no longer required or expected to act in the public interest. The only legitimate interest of the private corporation became the interest it earned on investment. Because the emergence of the private corporation deposed the entrenched powers of the charter corporations, Liberals hailed it as a triumph of democracy.28

C. Industrial Warfare and the Manifest Destiny of Capitalism

The “rationalization” of the power of capital proved to be a hollow victory for opponents of monopoly control. It cleared the way for ambitious entrepreneurs to form new combinations of capital which would permit them to exercise control over major financial markets in America. This control asserted itself in the formation of joint stock companies to capitalize railroad-building; in the patent control, patent-pooling, and patent monopolies that characterized the electronics industry from its inception; in overcapitalization of industries to eliminate competitors; in the development of trade associations which permitted coordination of business policies; and in the consolidation of the power to set the agenda for public opinion through the alliance of Western Union and the Associated Press.29 It was evident in the alliance of entrepreneurs who sponsored the “merger movement,” which sought to restrain and “rationalize” competition because, as James Logan of the U.S. Envelop Company noted in 1901:
Competition is industrial war. Ignorant, unrestricted competition, carried to its logical conclusion, means death to some of the combatants and injury to all. Even the victor does not soon recover from the wounds received in the conflict. Monopoly control was achieved early in communications-related industries—railroad, telegraph, and newspapers—because effective coordination and guidance of industrial growth required "rationalization" of networks for the distribution of information and commodities. This control was not always successful, but it was always purposive. It invariably bore the imprimatur of human designs and human decisions.

There was nothing impersonal about the workings of market "forces" in the era of the "robber barons." The barons had names and faces. They engaged in "conspicuous consumption" and invidious displays of wealth and power. They were not instruments of capital. They were capitalists—self-promoters who attributed their successes to personal character and genius and ascribed their blunders to necessity. While their contemporaries in the university lecture halls embraced laissez-faire doctrines and encoded their accounts of the dynamics of the marketplace in the jargon of Social Darwinism, the barons of big business purposively planned and openly acknowledged their control over the marketplace. They did not follow the rules of the marketplace, they made them.

J.P. Morgan's successful marketing of U.S. gold bonds and railroad stocks in Europe gained him a reputation as a "rescuer of governments." He used this reputation to gain control of U.S. Steel, International Harvester, and AT&T; to arrange financing for Thomas Edison's researches; and to play a leading role in the formation of General Electric. The "King of Wall Street" did not deny his achievements or hide his intentions. He defended the practices of stock-watering and overcapitalization of mergers which destabilized rather than rationalized markets on the grounds that these strategies enhanced his power and profits. He promoted the merger movement for the same reasons. Like Charles Francis Adams, president of the Union-Pacific Railroad, Morgan saw consolidation as expedient. Adams characterized it as a hallmark of modernity: "The modern world does its work through vast aggregations of men and capital." He described consolidation of enterprise as a "sort of latter-day manifest destiny."

Realization of the manifest destiny of industrial capitalism required the barons—Morgan, Adams, John D. Rockefeller, Jay Gould, Russell Sage, William Astor, P.R. Pyne, C.P. Huntington, Chauncey Depew, Henry Flagler, Cyrus Field, A.B. Cornell, John Hay, Charles Schwab, and others—to extend the dominion of their control to politics. Hence, paradoxically, the long-term effect of the "rationalizing" process which pushed politics out the front door of the corporation was to slip them back in through the rear!

The Progressive Era brought the process to fruition. It secured the groundings for what Gabriel Kolko calls political capitalism: "the utilization of political outlets to attain conditions of stability, predictability, and security—to attain rationalization—in the economy." The Progressive Era did not invent business-government alliances. Joint ventures involving business and government, both licit and illicit, had existed since the early days of the Republic. But political capitalism regularized and formalized the union. It made business a senior partner in government operations. After 1900 neither the legislative nor executive branches of the federal government would make any major political or economic decisions without the advice and consent of business leaders.

The "rescuer of governments" saw business-government alliances as mutually advantageous. The Morgan interests advocated federal government intervention and regulation as a means of rationalizing the economy. They reflected the general consensus of business leaders of the period who assumed that federal regulation, unlike state and local regulation, would be both uniform and uniformly responsive to the interests of big business. The advocates of regulation also assumed that Congress would follow the expert advice of the leaders of industry in drafting its regulations. They were not disappointed. Business leaders met little resistance in negotiating the most important alliance of the merger movement: the merger of business and government.

Securing the Logic of the Free Market

Political capitalism did not immediately surrender the direction of the growth of industrialism to the "logic of the free market." Unlike academic theorists who imputed an impersonal logic to markets, the daily practices of Morgan, Rockefeller, and their allies reminded them
that the logic of the marketplace is human logic—the logic of those who control the markets. This logic secured the great fortunes of industrial America. It provided the essential tenets of twentieth-century capitalist power-knowledge. But it was not the logic of the people of the nineteenth century.

Widespread labor violence, ethnic conflicts, urban rioting, and the resistance of certain recalcitrant immigrant groups, particularly the Irish, were distressing reminders of the deep conceptual chasm that still separated the patrons of Progress from the perversities of the people. Concrete historical events, not the immanent unfolding of the laws of capitalism, influenced the decisions of Morgan and associates, events such as: the assassinations of Lincoln, Garfield, and McKinley, the chaos of Reconstruction, the long depression of the 1870s, the great strike of 1873, the Haymarket bombing in 1886, the participation of thousands in demonstrations of the unemployed sponsored by the First International in Chicago and New York during the depression of the 1890s, the Pullman strike of 1894, the Spanish-American War in 1898, the meeting of the “Continental Congress” of the Wobblies in 1905 to emancipate the working class from “the slave bondage of capitalism,” the financial panic of 1907, the popularity of Debs’s socialism, and the events leading to America’s entrance into World War I.

Instead of rethinking the “logic of the marketplace,” apologists for big business decided to remake the people—to purge their perversities and retool their conceptual apparatus to fit the specifications of the Progressive blueprint for the future. In spite of its misleading label, this blueprint had a distinctly conservative agenda. The Progress it secured was progress in advancing the Enlightened self-interest of industrialists.

Schoolbook histories portray the Progressive Era as a period of social reform in which monopolistic tendencies in big business were exposed, checked, and outlawed. My double-reading of the reforms of Progressivism, e.g. trust-busting, regards these reforms as acts of self-censorship which served to mark the new limits of permissions and prohibitions, and secured the credibility of the power-knowledge of political capitalism among the people. The presidential campaign of the “Trust-Buster,” Teddy Roosevelt, was supported by the Morgan interests. Roosevelt assured Wall Street, “I intend to be most conservative, but in the interests of corporations themselves and above all in the interests of the country.” The newly elected president kept his promise to Wall Street by closely relying upon advice and counsel of Mark Hanna, Robert Bacon and George W. Perkins of the House of Morgan, Elihu Root, Nelson Aldrich, and James Stillman of the Rockefeller interests.

The foresight and planning of the industrialists of the Progressive Era was not a conspiracy. It did not involve a plot to repeal the Bill of Rights or hijack the ship of state. Their blueprint simply put forth a set of practical strategies designed to routinize, stabilize, preserve, and extend the newly won privileges of industrial capitalism.

The Progressives saw the diversity of the people as the source of their perversity. For the people were not a people at all. They were many peoples of diverse ethnic, racial, religious, geographical, and economic origins. They were not just butchers, bakers, and candlestick-makers. They were Indian braves and former slaves, anarchists and socialists, polygamists and papists, Shakers, Quakers, and Klaasmen . . . Pluralism is always troublesome and disruptive of social order. Under conditions of mass production, it is also unprofitable.

The fathers of the Republic had regarded American diversity as an essential anchor of liberty. James Madison maintained that the spread of factions would keep tyranny from taking root in America by preventing any single interest from amassing too much power. The epic poet of American democracy, Walt Whitman, believed that American diversity would produce a new species of humankind: “the Eidolons,” a people of unprecedented creativity who would not only cherish liberty but exercise it with wisdom. But the fathers of American industrialism considered the Civil War as decisive testament to the folly of such idealism. They believed that it conclusively demonstrated the dangers of factionalism. The war, which is remembered today largely for the Emancipation Proclamation, was, of course, a war over competing economic interests and technologies of production, not primarily a war for racial justice. The root cause was resistance to the expansion of industrialism by Southern factions. Resistance to industrialism was not just a Southern perversity. Subsequent launderings of history have obscured the fact that resistance to industrial capitalism was widespread in nineteenth-century America. This resistance created a deep tension in the structure of American social life which periodically erupted into episodes of violent conflict.

A. Changing Minds: The Public School Movement

Early industrialists had undertaken sporadic campaigns to eliminate this tension. The public school movement was their most ambitious effort. Sponsored by prominent citizens who sent their own children
to private schools, the public schools in the great population centers of the nineteenth century—New York, Philadelphia, Boston, and Chicago—were given a broad franchise. They were expected to "civilize" the children of the laboring classes: to reorientize them to fit the demands of industrial production. In the words of a report of the Boston School Committee, they were expected to take "children at random from a great city, undisciplined, un instructed, often with invertebrate forwardness and obstinacy, and with the inherent stupidity of centuries of ignorant ancestors; forming them from animals into intellectual beings..." The early urban schools re-embled prisons and were surrounded by high walls to keep their inmates from escaping. The clock dictated the routines of the school day with the same rigid precision with which it controlled coordination of machine production. Schooling was made compulsory in the cities because many lower-class parents refused to send their children to public schools. Some of these "ignorant ancestors" complained that the schools were being used to teach their children "alien" (WASP) social, economic, and religious values.

Business interests not only organized and directed the operations of the early urban public schools, they also shaped their curricula. The Lancasterian system represented an extreme expression of these efforts; the Lancasterian approach was a nineteenth-century pedagogy which actually organized the physical layout of the classroom and instructional processes to simulate production of commodities within a modern factory. In 1828 the Boston School Committee described the workings of the Lancasterian "manufactories": their "effects on the habits, character, and intelligence of youth are highly beneficial; disposing their minds to industry, to readiness of attention, and to subordination thereby creating in early life a love of order, [and] preparation for business." Standardization, a basic feature of mass production also became a central feature of schooling in the nineteenth century. Testing, grading, separation of pupils by age, credentialing, and mass-produced textbooks acted as quality controls ensuring the uniformity of the schooling process. Standardization was initially introduced by mining companies which developed uniform curricula for schools in mining towns so that employees and their families could be readily relocated. Similarly, vocational education was introduced into American high schools, and standardized curricula for programs in business and manual arts were developed under the sponsorship of the American Association of Manufacturers. In sum, the educational tracking system sanctioned by Jefferson was formalized and given a corporate imprimatur by the public school movement. Children of the privileged classes were educated in private academies so as to assume positions of leadership in American business and government. Children of the laboring classes were educated in public schools to reproduce the labor power of their parents.

8. The Press as an Arbiter of Manners and Morals in Industrial Society

Socialization for industry was not confined to schooling. The nineteenth-century press also played a critical role in articulating the industrial reconstruction of American social realities and in selling the new order to the people. In spite of the egalitarian thrust of the Mechanicks' movement, the American press was an elitist press until about 1830. Early newspapers were addressed primarily to the partisan political interests of publicans—businessmen and Aeropagites. However, after 1830 both the format and audience for newspapers changed radically. Prices were lowered. The so-called penny press, which was overtly less political and placed more emphasis on news, timeliness, and sensation, became the wave of the future. It was heavily subsidized by advertising and had a much larger circulation than earlier papers. Building on the precedents established by Ben Franklin in the Poor Richard series and in the anonymous "Silence Dogood" columns which Franklin wrote for the New England Courant, the penny presses acted as guardians of the moral authority of industrialism. The penny papers informed readers of new products arriving in the marketplace and advised them on money matters. The most widely respected feature of the New York Herald, the bestknown penny press of the pre-Civil War era, was its Wall Street Report. But the penny presses also counseled readers on manners and morals. They filled the void left by the decline of ecclesiastical and governmental authorities. They told readers how to live their lives: how to behave in new or novel social situations, how to deal with ethical dilemmas, how to order their domestic arrangements, how to advance in their jobs, etc. For example, the leading female journalist of the day, Sarah Josepha Hale, advised middle-class women—the displaced persons of the industrial revolution—that industrialism had freed them from their economic role in production so that they would be able to pursue their true calling as "God's appointed agents of morality." Hale urged them to embrace "The Cult of True Womanhood" by making their homes places of order and moral uplift which would refine man's "human affections and
Censorship in Capitalist Societies

by secularization. Some factory owners required their employees to attend church on Sunday and Bible studies during the week. This was designed not only to encourage regular habits on the part of employees but also to keep factories free of papists and Jews and their foreign ideas. Many companies, large and small, sponsored in-house educational programs for their employees which went beyond training in the skills necessary to do their jobs and often included education in morality, religion, citizenship, diction, nutrition, personal hygiene, and physical education. A pioneer of the industrial education movement, Gertrude Becks, warned that "the so-called democratic idea should be avoided" in such programs because it poses a threat to order in the factory.43

The reading habits and popular entertainments of the laboring classes were also placed under close scrutiny. The clergy displayed little concern over the infection of erotica until it began to spread beyond the elites to the laboring classes. Similarly, civil laws against obscenity were uncommon until the nineteenth century, when increased literacy and lower prices made bawdy novels available to the lower classes. Bourgeois aesthetics could tolerate erotic pictures in museums but not on postcards. Books were confiscated and theaters were raided to protect or correct the morals of the people. The development of electronic communications ultimately enfranchised a formal system of censorship in America. The marriage of theology and capitalism permitted development of a censorial system that was ostensibly designed to protect the morals of the people, but which also protected the property of the capitalists. The Hays Office, which censored motion pictures, came into existence during the depression of the 1930s after a series of gangster movies had been produced to a formula which implied that "crime pays." Broadcast Standards and Practices have monitored the listening/viewing of American radio and television users on the grounds of good taste. The power-knowledge mediating the aesthetics of good taste has, of course, been the power-knowledge of the industrial education movement.44

Jefferson may have been "really mortified" by censorship in America. Warren Harding was not! President Harding served as honorary chairman of Comstock's New York Vice Society. The same money that supported the great museums and educational institutions of New York—the old money of the déclassé Federalists and the new money of Wall Street—also funded the Vice Society.45 Comstockery was only the crude visible edge of a pervasive and pernicious attempt to inscribe The Message to Garcia within the souls of the people.

C. The Ethic of Capitalism

Alliances between Protestant clergy and capitalists continued to prosper even though the moral authority of religion was being undermined elevate his moral feelings,"40 In short, she told women to keep their husbands sober and to get them to work on time.

The periodical press also advised immigrants of the errors of their regressive foreign ways. Newspapers became the primary vehicles of the "Americanization movement." They counseled foreign-born readers about the rewards of Anglo-conformity: told them how to dress, talk, eat, think, pray, and smell like real Americans. They told them how and where to shop, and what products they must buy to bring about the metamorphosis. Editorials, comics, literary serials, didactic columns, and letters to the editor ridiculed "greenhorns" who were too ignorant or undisciplined to adopt American ways. The Society pages made it clear that Poles, Italians, Jews, and Afro-Americans never gave a memorable party or had a proper wedding. The obituaries implied that only WASPS died of natural causes, or scheduled funerals. And, if these lessons did not take, the copy of the crime reporters demonstrated that resistance to assimilation was not just unpatriotic and unprofitable, it was also dangerous. For "in the papers," crime and its victims seldom had real American names.41

Press participation in the Americanization process was not confined to mainstream, large circulation, WASP-controlled newspapers. Foreign-language presses were also recruited to the effort through the American Association of Foreign Language Newspapers, an advertising agency formed by a group of large corporations (including Standard Oil, American Tobacco Company, and others) and some members of the Republican National Committee. The AAFLN used its control of advertising revenues to influence and direct the editorial policies of foreign language papers in the U.S. It purged these papers of regressive pre-industrial values and disruptive anti-capitalist sentiments and transformed them into agents of Americanization. It monitored them to ensure that they would not support behaviors or values "so different from our own" as to constitute a threat of "action that is inimical to our national purposes, or that interferes with our social machinery."42 However, AAFLN did not fully succeed in bringing all foreign language presses under the discipline of the Americanization movement, and socialist, anarchist, and communist ideas continued to have some circulation in the German, Polish, and Hungarian-American newspapers until World War I.
D. Progress: Mass Culture as Class Culture

The Progressive younger sons of Poor Richard Improved took the lessons of Franklin, Calvin, Barnum, Morgan, Pinkerton, Hearst, and the Chautauqua circuit to Madison Avenue. They used the prescriptive controls of advertising, public relations, and scientific management to try to convince the people that the corporate way is the American way. In 1929 John Dewey observed, the publicity agent is perhaps the most significant symbol of our present social life.” Publicity—“information with news value issued as a means of gaining public attention or support” (Webster’s New Collegiate Dictionary)—created the language of twentieth-century business, politics, sport, and entertainment. For industrial progress not only provided the auspices for mass production of commodities, it also made possible mass production of images, ideologies, and constructions of social reality.

The same asymmetrical (undemocratic) organization of the productive process that is used to produce locomotives, light bulbs, and laxatives is also used in the manufacture of the products of the Consciousness Industry: news, advertising, scripts, programs, comics, etc. Both forms of production are structured to assure minimal participation in decision-making by workers, to insulate managers against the wills of workers, and to subject workers to the discipline of managers.

Managers of the Consciousness Industry are further insulated against the wills of workers and consumers by advertising, since advertisers, not audiences or subscribers, provide the profits of electronic media, newspapers, and magazines. Advertising thereby removes the element of risk from the productive process in these segments of the Consciousness Industry. It even insulates managers against the mythical “power of the box-office.”

In contemporary America, mass communications are therefore corporate communications. Messages, and the social constructions of reality in which these messages are embedded, flow down and out from the company to the people. Mass culture is created for the people, not by the people. Like the curriculum of the public schools or the platform of the New York Vice Society, mass entertainments are manufactured to the specifications of elites who go elsewhere for their own pleasures. In short, mass culture is a class culture. It is a counterfeit but technically superb rendering of social reality which celebrates and legitimates the hierarchical power-knowledge of the “tinsel” aristocracy of industrial capitalism: officials, investors, managers, experts, and the princes and princesses of consumerism—stars, celebrities, and other big spenders. It is Schmidt’s and Fritos supplied by devotees of Campari and Häagen-Dazs! Like the pedagogy of “public” schools, the pedagogy of mass culture is a pedagogy of psychic oppression. Both forms of instruction use the language of democracy to secure and reproduce hidden curriculums of hierarchical control, and thereby reduce the people’s power to resist. Resistance does not resonate because, as Max Horkheimer noted, “The patterns of thought and action that people accept ready-made from the agencies of mass culture act in their turn to influence mass culture as though they were the ideas of the people themselves.”

The louvered shutters in the tower of the Panopticon are replaced with one-way mirrors which not only conceal the controllers from view but also the tower itself.

The pedagogy of mass culture denies, deflects, and defuses resistance. “Public opinion [sic]” manufactured by the instruments of publicity—news, advertising, and press agents—is substituted for democratic dialogues and decisions by the people. Political consensus is reduced to political consent. Elites set the agenda for public opinion, define the permissible alternatives, and confine expression of the people’s political vision to the parameters of a multiple-choice question.

In Advertising: The Uneasy Persuasion, Michael Schudson suggests that advertising is capitalism’s equivalent to Socialist Realism. Like Socialist Realist art, advertising simplifies and typifies: “It does not claim to picture reality as it is but reality as it should be—life and lives worth emulating.” Schudson maintains that both Socialist Realism and Capitalist Realism present simplified social messages which picture people as representatives of larger social categories, and both forms of realism repress criticism of the system in which their respective messages are embedded. Capitalist Realism is Political Capitalism’s celebration of itself: a celebration in which the Party-mindedness of soiropicalism is replaced by consumer-mindedness, and the positive collectivist hero is recast in the costume of the Marlboro Man.

Under political capitalism the theory of mass marketing replaces classic theories of democracy. When Philo Farnsworth demonstrated his prototype for the modern television system in 1927, he presented it with a dollar sign on the screen. The symbolism was prophetic. The social organization of television production in America marked a decisive advance in the power-knowledge of political capitalism.
Television not only used publicity as a means of marketing commodities and marshalling support for industrial capitalism, it turned publicity itself into a highly marketable commodity. The television business is organized to "produce audiences and sell them to advertisers of consumer goods and services, political candidates, and groups interested in controversial public issues."

Television producers manage this skin-trade with extraordinary technical and aesthetic agility. They are the gatekeepers and shamans of contemporary American culture. Their single-minded commitment to produce audiences and sell them to advertisers skew the language, storytelling routines, images, values, dreams, and hopes that make up the common American culture. It transforms the American landscape into a 'mediascape.'

In capitalist economies the organizational structure of television production, like other forms of production, is formally totalitarian. It is under the hierarchical control of a corporate elite. This organizational structure inverts the classic democratic principle which prescribes undue influence on the part of an unrepresentative minority. According to Ben Bagdikian, the unrepresentative minority who own major U.S. media "have a narrow, common outlook not out of a conspiracy but because corporations of this size and power by their nature have common goals and outlooks, particularly in economics, in politics, and in sustaining the status quo." Like other individuals and institutions, media owners and media corporations have self-interests, but they have more power to pursue their self-interests because they control access to the mediascape.

Television writers, the galley slaves of the system, typically earn in excess of $200,000 per year. Producers earn much more. Nearly all are white male college graduates. This "tight" aristocracy creates dreams of consumption, mediates vicarious access to unknown (often forbidden) worlds, cultivates images of wealth and power, patterns of language, and social values for the people: the kid in Spanish Harlem, the unemployed steel worker in Lackawanna, the Hasidic Jew, the resident of the nursing home, the born-again Christian, and the typical American worker who earns somewhere between $12,000 and $16,000 per year depending upon his/her sex. In the dreams—the culture—produced by television these people are "symbolically annihilated." They are invisible. The fictional world of television is a homogeneous world. It is a world in which white males, in the prime of life exercise nearly all of the power. It is a world largely purged of racial and ethnic minorities, women over thirty-five, the aged, and physically infirm. It is not a mirror of American society. It is a mirror of the distribution of political and economic power in American society. Significantly, those who are heavy viewers of television are more likely to endorse totalitarian solutions to social problems than people who watch less television. In sum, no hyperbole is involved in the assertion that television is "the cultural arm" of corporate America.

I am not suggesting that corporate control of media precisely parallels state control of media. It does not. Heterodox messages do penetrate the net of corporate control just as they penetrate church and state control. Aesop continues to exercise his wiles. The dialectic of human freedom is not entirely silenced. Even within a tightly controlled production system like network television, creative people sometimes do manage to turn the tables and make monkeys out of the moguls. Moreover, cynical decodings of corporate encodings cannot be fully policed. So that the boy in the barrio or the girl in the ghetto may read the corporate communications of television programming with his or her own crooked smile! S/he may re-create and reconstitute the corporate communications of mass culture into authentic codes of resistance through negation, parody, or other forms of linguistic therapy, rapping or "jiving the man." Moreover, because novelty keeps the commodities moving in a consumer society, corporate control may even allow more to "get through" than religious or state censorship. Or at least it may create the impression that it is letting more through. But as George Gerbner points out, corporate production of novelty may involve sleight of hand. It may provide an illusion of the new—an illusion of change, choice, and diversity—which keeps real alternatives from being communicated.

Political capitalism may also permit more to get through because the corporations that control mass media are part of a plurality of elites. Their interests do sometimes compete and conflict with the interests of other corporations. CBS may find that exposing the nuclear industry's abuses of safety regulations attracts audiences. In this case, CBS's profits are made at the expense of the nuclear industry. CBS is not acting at the 'behest' of the nuclear industry but it is acting in 'behalf' of the capitalistic system of profit. What gets through the opening created by this structural contradiction is still under capitalist control. It does sustain residual opportunities for heterodoxy. But these opportunities are only residual. The adversarial relations that arise when conglomerates fight over which one will bank the biggest bucks do not provide a reliable or principled warrant for press free-
dom. What gets through this structural contradiction is still dependent on the power of the dollar. The Golden Rule of capitalist power-knowledge remains, 'He who has the Gold, makes the Rules.'

Nevertheless these rules do socially stratify access to mass communication in ways that permit those near the top of the pyramid of power-knowledge significant freedom. So that there is more than an element of truth in Liberalism's assertion that intellectuals in capitalist societies are freer to express dissident views publicly than their counterparts in socialist societies. This artifact of elite pluralism enhances public impressions of the credibility of mass media in capitalist societies. But it is not much solace to the boy in the barrio or the girl in the ghetto. The relative freedom of Publicans, cum professionals, and their business partners, is still secured by circumscribing the freedom of the people, cum masses.

In the U.S., mass media have always been closely scrutinized. The organizational charts of American film, radio, and television corporations routinely include offices for epistemological policemen: 'censors' or bureaus of 'standards and practices.' Writers frequently complain about the arbitrary and tyrannical decisions that emanate from these offices.

Yet even the most perceptive critics of American television are hesitant to use the term 'censorship' to describe the totalitarian structure of television production or the skewed images of social reality cultivated by the fictional worlds of television programming. Rose Goldsen came close. She pointed out that, "A political system that offers only these alternatives for making the public will known is called totalitarian." Goldsen noted:

The term oligopoly has been suggested; and it is indeed suitable for the economic arrangements that exist in television. It is unpleasant to the ear, however, and not as widely understood as totalitarian. When this country was founded and none of these terms was in current use, the term established—as in established religion—was used to describe a system which offered the populace an officially approved ideology.26

Gerbner follows a similar line of reasoning by comparing the structures of corporate control under capitalism to the structure of control that the orthodoxy of medieval religion exercised over the faithful. Significantly, he also sees a similar structure of hierarchical control operating in industrialized nations under socialism.27 Dallas Smythe, however, bites the bullet and asserts directly:

Censorship in Capitalist Societies

The act of modern censorship is essentially a decision as to what is to be mass produced in the cultural area. So long as current cultural production is in the hands of privately owned giant corporations, they must also make decisions as to what is to be mass produced in the cultural area and what will not be produced. Because in monopoly capitalism, privately owned giant corporations are regarded as legal persons, we are accustomed to yield them the same privileges to which natural persons are entitled. It is as accurate therefore to refer to corporate decision making in the cultural area as being censorship as it is to refer to government decision making by that pejorative term.28

Smythe does not confine his indictment to television production, but rather he sees corporate censorship as a pervasive feature of all operations of the culture industry. In my judgment, television production offers the most compelling documentation of his thesis.

When I assert that material censorship is at work in the U.S. Consciousness Industry, I am not suggesting that this censorship is absolute. I am not suggesting that it is always successful, that it is enforced with uniform rigidity, or that it produces a "one-dimensional society." Similarly, when I use the concept 'political capitalism' I am not endorsing the claim of Marx and Engels that "the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie." To the contrary, I acknowledge that even under advanced capitalism, residual pluralism, the "plurality of economic elites" remains. In spite of the designs of Morgan and Company, competition has not been eliminated, it has simply been "rationalized" to eliminate most of the wild cards from the game. Eltie pluralism has replaced democratic pluralism, but competition among elites still permits some slippage in the system of corporate censorship. Nevertheless I affirm, with qualifications, Ralph Miliband's assertion that "'elite pluralism' does not, however, prevent the separate elites in capitalist society from constituting a dominant economic class, possessed of a high degree of cohesion and solidarity, with common interests and common purposes which far transcend their specific differences and disagreements."29 Like Miliband, I acknowledge the reality of the cohesion of corporate elites, but I argue that competition among these elites renders that cohesion far more tenuous than Marxist formulations imply. I believe that this competition places the cohesion of elites in constant jeopardy. And that as a result, specters of "unknown enemies" must continually be raised by these elites to re-create and reinforce their own class solidarity as
well as to justify their control of the consciousness industry. These specters, in turn, weld the alliance of state and capital.

The specter of communism has been an especially potent force for generating solidarity among American elites as well as for assuring the continuity of political capitalism. If Karl Marx had not existed, capitalist elites would have had to invent him. In 1789 an enraged proletariat raised the Red Flag in Paris. Enraged capitalists have been seeing red ever since. Capitalist hardliners regarded Abraham Lincoln as being soft on communism. And as early as the 1870s the specter of communism was invoked to justify the use of military and law enforcement agencies in repressing trade-unionism. Since then, it has provided a ready excuse for government intervention on behalf of capital. The Palmer Raids (1919–21), a violent series of raids on the headquarters of dissident groups, led by U.S. Attorney General A. Mitchell Palmer, were, in part, aftershocks of the Russian Revolution. They were also morality plays. Subsequently the repressive character of the Soviet regime under Stalin provided political capitalists with the perfect enemy: in Foucault's terms, it provided them with a symmetrical inversion of the godhead of 'Jeffersonian democracy,' a monster regime which could be invoked, at will, to justify realization of the 'manifest destiny' of the world-system of capitalism.

But the system of control used to secure the power-knowledge of anti-Stalinism in the U.S. after World War II bears the scars of its troubled birth. Stalin's fanaticism provided political capitalists with a warrant for constricting free expression in the U.S. Under the auspices of the House Un-American Activities Committee, the Truman Doctrine, the F.B.I., the Subversive Activities Control Board, the Internal Security Act of 1950, the Smith Act, a system of loyalty oaths, and other quasi-legal devices, political capitalism created its own monster. The peril of the Red Menace was invoked to purge the U.S. Consciousness Industry of its own cosmological mess-makers, communists, former-communists, fellow-travelers, socialists, left-liberals, revisionists, and fifth-columnists of every imaginable and imagined stripe. Political capitalism purged—smeared, blacklisted, and in some cases tried—thousands of writers, journalists, printers, linotype operators, actors, producers, scientists, educators, and trade-unionists. Some were Stalinist sympathizers. A few were probably Soviet agents. But most of those targeted by this inquisition were not enemies of the principles of Jeffersonian democracy. They were, however, enemies—critics—of the practices of political capitalism. The sanctions against these dissidents were primarily economic. They were far less lethal than the political sanctions invoked by Stalin. Nevertheless they were very effective in silencing domestic opposition to political capitalism’s international adventures.

Reliance upon ideological alchemy to produce solidarity within the capitalist class has global consequences. It produces a siege mentality that makes elites in capitalist societies vulnerable to fascist temptations. Moreover it excuses political capitalists who succumb to these temptations by translating their actions into the vocabulary of patriotism. In short, it does not just permit cultural imperialism, it mandates it. Consequently neither the domestic repressions committed by cold warriors nor the foreign ventures undertaken by the hot warriors of twentieth-century American capitalism can be seen as temporary aberrations. They are systemic products of elite pluralism. As a result, censorship enfranchised under the cover of "national security" has become an integral part of the normal functioning of state and corporate control in America. And violations of civil and human rights have become routine practices in policing "the free world."

\v

\textbf{‘Information-Capitalism’: The New Economics of Market Censorship}

Classic Liberal models of democracy were premised upon the assumption that knowledge is a social resource, a public utility, or a collective good. For this reason, free public libraries have been regarded as cornerstones of democracy. Even the much criticized Utilitarian image of "a free-market of ideas" protects the belief that access to knowledge is a right rather than a privilege; it assumes free entry of diverse ideas into a public marketplace which is open to all citizens/shoppers who seek knowledge. As we have seen, the Liberal ideal of free and open access to knowledge has never been fully realized in practice. What Toqueville characterized as "the spirit of trade" had already entered the American marketplace of ideas by the 1830s. Artifacts of the spirit of trade like copyrights and patents are abridgments of free-flows of information designed to protect capital investments and thereby ensure
reliable supplies of commodities and profits. As a result of Liberalism's compromises with the comforts of capitalism, the institutional structures of Liberal societies have never been as pure as their ideological structures.

Under industrial capitalism, human labor has been the source of 'added' or 'surplus value.' That is, the basic source of conflict between owners and wage-laborers has revolved around the distribution of profits earned from the commodities produced by the muscle and sweat of human labor. Capitalism, however, is currently undergoing a profound structural realignment in which the terms of the equation are being radically altered. Daniel Bell and others see this realignment as signaling the end of industrialism and the beginning of a "post-industrial" socioeconomic system.61 The "information society" is a buzzword used to describe transformation to the new system of production. Under "information-capitalism," access to control over knowledge becomes a source of surplus value as well as a potential site of social conflict.62

Within this new order, knowledge is no longer simply a means or resource used in the production of commodities, it also becomes a commodity. It becomes "cultural capital." As a result, the source of profit is not "the theft of alien labour time" but rather the private appropriation of "accumulated social knowledge."64 In sum, under information-capitalism, the marketplace of ideas is no longer a public utility which serves all who seek its goods. Increasingly it becomes a private enterprise which serves only those who can afford to pay a price for the commodities it markets to citizen/shoppers.

Under this new system of capitalism, the production of knowledge becomes a basic industry like the production of oil, steel, and transportation.65 The shift in economic activity from the production of material goods to the commodity production of knowledge occurs in three ways. First, through automation, especially robotics and other forms of computer-assisted manufacturing which redirect the efforts of the human workforce to research, planning, design, and development of knowledge that is applied in manufacturing of material goods. Second, through the emergence of 'hi-tech' enterprises which specialize in the production and sale of what Tessa Morris-Suzuki calls "commodified 'producer information'" (i.e. design, software, databases, etc.)—information resources which are used by other firms in the productive process. Third, through expansion of the production and marketing of "consumer information" goods such as computers, VCRs, videos, books, magazines, television programs, etc.66

The transformation to information capitalism cannot take place without transforming the relationship of the citizen/shopper to knowledge. Unlike oil, steel, or streetcars, knowledge is not consumed. It may be censored, lost, or forgotten, but it does not deplete itself, rust, or wear out. Moreover, once it is produced, knowledge can be copied, pirated, or plagiarized. This creates a problem for producers of commodified knowledge. A specter haunts them. For, at least in theory, a free-market of ideas conceives of knowledge as communal property not as private property. Consequently a free-market of ideas cannot turn a profit. Knowledge can only become a profitable commodity if this specter is removed, that is, if access to knowledge is restricted by: (1) removing it from the public sphere and (2) limiting the channels available for its distribution.

Transferring production of knowledge from the public to the private sphere requires a close alignment of the knowledge-producing facilities of business and government. It requires "privatization of information" because the new information brokers have a vested interest in keeping information secret.67 As a result, they put pressure on government to stop giving away the goods: to cease producing and distributing information gratis (or at cost) through government publications, the Library of Congress, government statistical services, census reports, etc. Since 1980, U.S. government information policy has been responsive to these pressures. It has reduced its information-related responsibilities in the following ways: (1) through "deregulation" which has eliminated much of private industry's responsibility to report its activities to government agencies; (2) by narrowing the federal government's production and distribution of knowledge so that information that was previously gathered and analyzed by the federal government for local governments is no longer provided; (3) through restricting access to previously available information by expanding the range of information protected by government classification; (4) by sharply increasing the price of information available through the Freedom of Information Act; (5) by significantly reducing the number and volume of publications available through the Government Printing Office, and by making future government publication decisions contingent on profitability; (6) by subjecting the writings and speeches of more than 120,000 current or former officials to prior censorship; (7) by restricting access to non-strategic scientific and technological information produced in universities under government contracts and grants; and (8) by reducing the operating budget of the Library of Congress and thereby reducing the services.
it provides users. Privatization of information means that information that was once available as part of a citizen’s right to know is now available only at a price. And, as Herbert Schiller has pointed out, under information-capitalism, information that does not generate a profit will not be produced. Thus, for example, in Britain the self-interest of Margaret Thatcher’s government has combined with its responsiveness to market forces in a way that has gradually resulted in the disappearance of poverty statistics.

The deregulation movement has also promoted a shift to information-capitalism by accelerating historical trends toward concentration of ownership within information industries: electronics, telecommunications, publishing, etc. And, this concentration has, in turn, exerted structural pressures toward concentration within those sectors of the economy which have exchanges with information industries: suppliers of raw materials, distributors, and retailers. Ben Bagdikian points out that in 1984 forty-four corporations controlled half of all mass media outlets in the U.S. The historical trend toward concentration is dramatically displayed by changes in ownership of newspapers. In 1900, Bagdikian reports, there were 2,042 daily papers with 2,023 different owners. However, by 1982 there were 760 owners but twenty of these were large corporations which conducted more than half of the business. By 1984 mergers and acquisitions had reduced the number of major corporate chains from twenty to fourteen. Moreover, concentration of ownership has almost completely eliminated competitiveness in the newspaper industry at the local level.

As a result, 98 percent of American cities now have only one daily newspaper. In television, ownership is concentrated in the hands of three networks which control most of the programming and access to national audiences. However, ownership of local stations has been restricted by laws designed to protect “the public interest,” but deregulation will lift these restrictions and bring ownership of local television stations in major-market cities under the control of a half-dozen giant corporations including the three networks. Similar patterns of concentration are also present in magazine and book publishing. Fewer than twenty companies conduct most of the business in the magazine industry, and of the 2,500 companies that publish one or more books a year, eleven account for most of the annual sales of two billion books. Moreover, the largest retail outlet for books, Waldenbooks, is owned by Kmart, and the second largest outlet, B. Dalton, recently tried to sell itself to Sears. In sum, while there has been an enormous increase in the volume of production by the Consciousness Industry in recent years, there has also been a corresponding decline in the number of companies that control significant market shares. With that reduction, Bagdikian and others claim, there has also been a decline in the diversity of the views represented in media content. As a result, the goods available within the marketplace of ideas increasingly resemble the standardized commodities produced by an “assembly line.”

The transformations in information-specific sectors of the economy are dramatic indicators of the shift to information capitalism, but the current structural realignments of capitalism penetrate the entire economy. The shift from industrial to information capitalism has been characterized by four economy-wide trends since World War II: (1) concentration and monopolization; (2) centralization; (3) internationalization of production; and (4) deindustrialization of particular sectors. Information industries have been in the vanguard of these trends. They have played pivotal roles not only in internationalizing production but also internationalizing American culture. They have facilitated rapid worldwide transfers of capital, and promoted feminization of the labor force, especially in the Third World. J.W. Freiberg predicts these trends in global capitalism will produce the following structural changes in the organization of production in information industries: (1) further concentration and monopolization; (2) increased control by owners over content and organizational aspects of information production; (3) decreases in the use of labor and massive ‘de-skilling’ of the workforce as a result of automation; (4) disappearance of traditional crafts like journalism and printing and emergence of new categories of information ‘specialists’; and (5) reduced effectiveness of information workers in organizing unions.

This pessimistic assessment defies the predictions of apologists of the information society who claim new information technologies will eliminate exploitation of labor and usher in a New Periclean Age.

In my judgment, the shift to information-capitalism does not signal the end of capitalism or the advent of the post-industrial society. It marks a transition to a new stage of capitalism in which information as well as muscle and sweat generate surplus value. It may also mark the beginning of a post-Liberal society. If this transformation is successful, it will complete the project set in motion by political capitalism during the Progressive Era: the movement away from a model of governance that involves people in society as political citizens of nation-states, and towards an economic model which involves people as consumption units in a corporate world. In short, the rival
corporate republics that so worried the founders of the American Republic will at last secure complete hegemony.

Neither Liberal nor Marxist critiques of censorship adequately explain, or provide recipes for resisting, the new system of market censorship that operates under information-capitalism. New models are needed. These models must be able to identify, explain, and critique the following: (1) the mechanisms whereby public knowledge is privatized; (2) the new structures of inequality produced by stratification of the global economy into information-rich and information-poor countries, regions, groups, classes, genders, or races; (3) the implications of the strategic placement of knowledge workers in information-capitalism; (4) the structural position of communications as an arena of ideological and social conflict; and (5) the epistemological foundations of the system of power-knowledge created by information-capitalism including the socially structured silences it secures.  

vi

Censorship and the Power-Knowledge of the World System of Political Capitalism

Market censorship has been so effectively “rationalized” in the U.S. that it resembles the dramaturgy of “an authorless theatre.”  Very few stage directions are required to ensure that the show will go on. In contrast, the market censorship American political capitalism exports to the Third World cannot be sustained without repressive intervention. Packaged for export, political capitalism can no longer affect an appearance of neutrality. It cannot manage a convincing performance as an impersonal, immanent “rationalizing” principle. Removed from the contexts of American values, history, and ideology, political capitalism is an emperor without clothes. The American Way may be welcomed or rejected but it is not perceived as the only way. As a result, the siege mentality that silences domestic opposition to political capitalism does not translate well to an international stage. The specter of “Godless Communism” can only create “congregation through segregation” when a people share a common god, common property values, and a common tradition and mythos of persecution.

Since the early days of American independence, the U.S. has engaged in sporadic political and economic adventurism in Latin America. But such interventions were not integral to the routine functioning of the American political or economic systems. However, since World War II, American political capitalism has become a world system.

Instead of dismantling its military system as it had done at the conclusion of previous wars, after World War II the U.S. continued to maintain military bases throughout the world. It assumed responsibility for the global defenses of the “free” (non-communist) world. Under the visionary umbrella of the the Universal Rights of Man, U.S. policy and publicity celebrated bonds of global friendship. At the same time, however, U.S.-based corporations began to colonize Third World nations recently abandoned by, or liberated from, their former European colonial masters. U.S. companies took over the old trade routes and reproduced the colonial pattern of North-South dependence. Sometimes these routes were used to provide U.S. government-financed humanitarian aid to Third World nations ravaged by hunger, disease, and natural disasters. But more routinely they facilitated corporate expansion. They allowed American companies to “buy cheap and sell dear”: to import raw materials from the ‘periphery’ (underdeveloped nations) to the ‘core’ (U.S. and Western Europe), and export manufactured goods from the core to the periphery. In this exchange, American-made goods became tokens, souvenirs, and publicity agents for America. As “teaching machines,” they also became, de facto, agents of cultural imperialism. They laid the foundations for the American Consciousness Industry to become a global industry. Thus Jeremy Tunstall’s assertion that “The Media are American” describes quite literally the architecture of the World Information Order in the postwar period.

In addition to facilitating rebuilding of the old colonial networks, the U.S. military also underwrote development of a new paradigm for American business operations abroad. Occupied Japan became a test case and role model for corporate development of underdevelopment in the Third World. The Japanese model appeared to offer Third World nations a shortcut to “modernization.” It allowed U.S. companies to purchase Third World labor at a fraction of the amount American workers are paid. Managers of American subsidiaries abroad formed alliances with local leadership cadres who condoned this wage slavery in exchange for U.S. corporate and military pro-
tection. These leaders usually exercised censorship over local media. Because their privileges were underwritten by American political capitalism, they developed deeply entrenched interests in maintaining the status quo—a status quo that frequently involved caste-like social and economic inequalities between the elites and the people and between management and labor. As a result, political capitalism has increasingly aligned itself with reactionary governments in the Third World. So much so that some critics of U.S. foreign policy charge there is a "structural commitment" by the United States to counter-insurgency, that is, one that inevitably follows from the pattern of interests and relationships that joins the United States to the Third World and that expresses itself in the form of a permanent war against the various manifestations of revolutionary nationalism." The U.S. decision in 1984 to withdraw from UNESCO might be seen as an escalation of this permanent war.

The polarization of the world into two hostile camps after World War II facilitated corporate colonization of the Third World. The excuse of an evil empire excused the evils of cultural imperialism as regrettable but necessary steps to stop Soviet "aggression." The alibi of a nasty world quickly made it nastier. The humanistic elements in American plans for rebuilding a "war-torn world" were soon over-powered by crasser interests as hungry corporations replaced hungry children in the calculus of international defenses. And 'modernization'—once an optimistic island for American policy researchers—became an empty promise, a code-word for corporate domination of domestic politics in the Third World.

Why did this happen? How was America the liberator transformed into America the conqueror? What role did Liberalism play in the transmutation?

My answers to these questions are not pleasant. They disturb my dreams of democracy and visions of an egalitarian future. Moreover, they seriously challenge the legitimacy of the tactics and strategies which currently secure the power-knowledge of Liberal societies. I offer these answers in the hope that they will also disturb, distress, and challenge the reader, so that together we may begin to engage in dialogues on freedom and control which can disturb, challenge, and interrupt the monologue of political capitalism.

My answers suggest that the levy political capitalism imposed on freedom after World War II was too high. It subjected the Third World to "the test of the marketplace." Small nations struggling to define themselves as independent, self-governing states were pitted against the interests of gigantic corporations which frequently had larger populations (more employees) and invariably had larger budgets and operating resources. Predictably, the corporations prevailed, and Progress (cum modernization) once more translated economic power into political power. The international triumph of political capitalism during the postwar period transformed the Third World into the foundation of the pyramid of American corporate power-knowledge. Wage-slavery in the Third World permitted American multinational corporations to realize unprecedented profits. It also permitted the American population at large, the people, to enjoy a higher standard of material well-being than ever before. Some of the new corporate profits did "filter down" to the people. In neo-Keynesian fashion, the capital imported from the Third World did fuel expansion of consumerism in the U.S. so that the American Dream of an air-conditioned home in suburbia was partially underwritten by the nightmare of the sweatshops of the Third World.

This restructuring of the world order was undertaken without publicity. It was not debated in the United Nations, although U.S. domination of the U.N. in the postwar years facilitated it. It was not openly reviewed in the U.S. Congress, although Congress passed laws which expedited it. It was never put before the people of America or Nigeria or Taiwan or Honduras or any other nation for referendum.

The withdrawal of the U.S. from UNESCO in 1984 signaled a callous indifference to the dramaturgy of debate and the rituals of multilateralism, and marked an escalation of the U.S. war against defenders of Third World political and cultural autonomy. With this move, U.S. political capitalism freed itself from the inconvenience of engaging in legitimating dialogues with those who advocate a New International Economic Order or a New International Information Order.

Nevertheless it is not useful to think of this purposive restructuring as a plot or conspiracy against the people. The men who implemented this democratic counter-revolution were no more personally unprincipled or malevolent than the men who planned and staged the first American Revolution. Both eighteenth-century and twentieth-century American revolutionaries were motivated by patriotic and personal interests. There were undoubtedly many decent men in each group: men who cared about the future, went to church regularly, loved their families, were kind to their dogs, and genuinely suffered when they saw a hungry child, whether in Boston, New York, Washington, Calcutta, Seoul, or São Paulo. However, the men who drafted
the U.S. Constitution were living off of the accumulated moral capital of the Judeo-Christian tradition. The men who drafted the new world system of political capitalism were living off of the accumulated capital of Morgan, Rockefeller, Becks, Pinkerton, Taylor, Barnum, Hearst, et al.: their "rationalized" world-view recognized no logic except the logic of profit, no principles save the principles of accounting.

Simply by acting in concert to protect their interests abroad, American corporate managers succeeded in empowering the new order. In the words of George Ball, former Under-Secretary of State in the Kennedy and Johnson administrations and partner in the international investment-banking firm Lehman Brothers: "Working through great corporations that straddle the earth men are able for the first time to utilize world resources with an efficiency dictated by the objective logic of profit." Peter Drucker has described the new world system as a "global shopping center." Cees Hamelink characterized it as a "corporate village."

Richard Barnet and Ronald Muller maintain that the rise of the U.S.-dominated "global enterprise" is producing an organizational revolution as profound in its implications for modern man as the Industrial Revolution and the rise of the nation-state." They predict that 200 to 300 multinationals will soon control 80 percent of all the productive assets in the non-communist world. This organizational revolution has been secured by the communications revolution which permits instantaneous international transfers of information and capital.

American corporations and the American people rode the crest of the wave of profits produced by this revolution for almost three decades. However, in the mid-1970s global corporations increasingly became multinational corporations. Germany, France, Britain, and other developed nations began to claim larger pieces of what had become, de facto, the American Pie. The Japanese model exceeded its warranty, but it remained an effective teaching machine for both the 'haves' and the 'have-nots.' Japan's spectacular success as an independent international trading partner signaled the dawn of a new era in world capitalism. Newly developing nations would no longer be content to settle for leftovers. And the oil-rich nations, which had supplied the cheap fuel that kept the American pyramid of privilege warm, realized the wisdom of Morgan's principle of combination and became the OPEC nations. Third World delegations to the United Nations also discovered the power of combination. These developments reintroduced the wild cards into the world of big business that the architects of political capitalism had largely purged from the operations of business-as-usual in America during the Progressive Era.

As a result American domination of the world system of capitalism became increasingly fragile. The gray days were over. American business tightened its belt. As always, the poor felt it first. Domestically, the accountants declared the Keynesian experiment a failure. International policies were also restructured to fit the dictates of more austere times. Detente and Human Rights advocacy, policies always less noble in practice than in theory, were pronounced "soft on communism." These policies were replaced by a program of crackpot realism that openly identified the U.S. interest as an interest in conserving, by military force if necessary, all anti-Soviet regimes in the Third World. It did not matter if these regimes were totalitarian (cum authoritarian). If they were pro-American (now conflated to pro-capitalism), they passed the new litmus test. U.S. withdrawal from UNESCO used material censorship—the censorship of the high security deposit—to muffle the new voices of heterodoxy. Once more, the excuse of an evil enemy was invoked to justify the repeal of American democratic principles. In sum, it supported a policy of cutting the losses of multinationalism and preserving a healthy profit margin. An accounting decision, not a moral decision—a decision responsive to the power-knowledge of political capitalism but wholly alien to the power-knowledge of the democratic covenants drafted by the Age of Reason.

The power-knowledge of the world system of American political capitalism is as deeply implicated in the graves at Dimbaza and the prisons in Chile as the power-knowledge of Marxist-Leninism is implicated in building the camps of the Gulag Archipelago. The primary difference is that U.S. political capitalism exports its most heinous atrocities.

Goethe once expressed the hope that America might build a more humane society because it lacked Europe's long history of brutality and repression. He regarded America as an innocent. America is no longer an innocent. Nevertheless the power-knowledge of political capitalism allows Americans to affect innocence. It keeps us from readily recognizing the tragic dimensions of America's failure of moral leadership in the postwar years. It is not just nationalism, racism, or overt and covert press censorship that obscure America's collective vision—although they contribute to it. America's blindness has deeper roots. It is a systemic defect of the U.S. democratic heritage.
It does not reflect only the moral bankruptcy of political capitalism. It also reflects the failure of the moral vision of the founding fathers; the failure of the moral imagination of the Liberalism of the Age of Reason which legitimized separation of public and private morality. The same dualism which allowed Thomas Jefferson to cook the morality books also allows contemporary men and women to separate personal morality from business morality. It encourages responsible and decent human beings to divorce their personal commitments to religious or secular ethics from their professional and political lives! This allows them to engage in "business-as-usual" without reflecting upon the ethical or moral consequences of their actions.

The Declaration of Independence and the Constitution provided the moral authority for the creation of the American nation-state. The rules of discourse which made these democratic covenants possible were at least formally democratic and egalitarian. They empowered a legislative process to create and repeal America's collective commitments. They commissioned an independent, diverse, adversarial press to monitor and censor the abuses of power-holders.

Political capitalism established its control by circumventing these rules of discourse. Therefore, according to the rules of a dialogically based democratic theory, the power-knowledge of political capitalism is neither rational nor consistent. It does not require the most powerful citizens of the corporate state—private property owners—to legitimize their power.

Just as communism insulates the power of Party leaders against the test of dialogue, political capitalism insulates the power of its leaders against the demands of reflexive public criticism. The power structures of political capitalism operate outside the legislative process. In sum, like the institutional structures created by Party orthodoxies, they increasingly pose a "threat to freedom, equality, toleration—all the great values of the Enlightenment."