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Audit D.C. Notes: Kurtz Conflicted, Citizens United Reconsidered, Privatization Debated

By Holly Yeager

Howard Kurtz's dual roles as *Washington Post* media writer and CNN host have come under plenty of scrutiny before.

But in his *Post* column today, singing the praises of Time magazine, Kurtz comes up way short in disclosing his conflict.

Here's the lede, about the magazine's managing editor:

> Rick Stengel may have his shoulder in a sling, but when it comes to the newsmagazine wars, he's the last man standing.

Later, Kurtz writes that a Time "cover story still has an impact," and notes that the magazine's website has seen its traffic skyrocket.

There's more good Time news, and then this conclusion:

> Buoyed by Time's recent success, Stengel uses a word not generally associated with plain old journalism: "We have the nirvana that people are looking for. We have a product that people actually like and are willing to pay for."

How nice for them. But shouldn't Kurtz make crystal clear that he and Stengel are corporate cousins?

As usual, at the very end of his column (following items about *USA Today* layoffs and Dana Milbank's move to the *Post*'s op-ed page), there's this note:

> Howard Kurtz also works for CNN and hosts its weekly media program, "Reliable Sources."

OK. But how 'bout something higher up, acknowledging that he's writing about a media outlet that is also controlled by one of his employers?

Glenn Greenwald got it right:

> While an astute reader can piece together this conflict by connecting several clues from today's column — in the course of trumpeting Time's recent hiring of CNN's Fareed Zakaria, Kurtz mentions that CNN is a "unit of Time Warner," and then a line appears at the end of the column stating that Kurtz "works for CNN" — a conflict this huge requires, at the very least, direct, unambiguous, prominent disclosure: *Time Magazine is owned by Time Warner, Inc., which also employs Kurtz.*

—National Journal's Eliza Newlin Carney brings some interesting perspective to the brouhaha over political spending by Target and Best Buy in Minnesota.

As she writes, "Target has borne the brunt of public outrage over six-figure contributions that both retailers made to a Minnesota political group backing an anti-gay gubernatorial candidate." But the episode may carry a lesson for companies far and wide.

Following the Supreme Court's big ruling in Citizens United, which lifted the ban on direct corporate spending on elections, many predicted a flood of new cash to campaigns. Maybe. But, as Target now knows, there could be danger in them hills!

> But public outrage over Citizens United and heightened media scrutiny of corporate money flowing through associations such as the U.S. Chamber of Commerce have made some corporate political spending radioactive.

It's worth noting that the Minnesota spending came to light because of the state's strong disclosure laws.

It's a smart piece, and it points to lots more stories to come, as companies weight their strategies and activists push for more disclosure. Well done.

—Andrew Biggs, a scholar at the American Enterprise Institute, hits some of his fellow conservatives right where they live, arguing at National Review that personal accounts aren't the ticket to fixing what ails Social Security.

It's a clear explanation of many of the policy choices at hand, and of the limits of privatization:

> The only way personal accounts could fix Social Security on their own is if accountholders gave up traditional benefits far in excess of the taxes they put into accounts. For instance, individuals might put half their taxes into an account but give up all their traditional benefits. This would fix Social Security, but it's not clear that most (or even many) workers would take the deal. You might come out ahead if you got solid investment returns, but you could also fall far short. This is just asking accounts to do more than they reasonably can.

The piece from Biggs is a reply to a post earlier this month from Michael Tanner of the CATO Institute (and Biggs's former boss), who argued that privatizing is the way to go. Tanner replies to Biggs here (and Biggs promises another reply here.)

As Tanner writes:

> Finally, there is a reason why economists make lousy politicians. Democrats are already making it clear that they will not accept any benefit cuts, even in the absence of personal accounts. They will argue that all we need do is raise taxes on the rich and Social Security will be fine "for decades to come." That leaves Republicans to argue either the Biggs approach (we need to slash benefits — eat your spinach) or the Tanner approach (we will cut benefits, but give you personal accounts as a reward — eat your spinach, but you get ice cream for desert).

I like spinach. But even if you don't, it's an interesting, informative exchange.