



***“We Have Armageddon”:  
Media Ritual, Moral Panic, and Market Meltdown***

**Christopher Holmes Smith  
USC Annenberg School for Communication  
August 29, 2011**

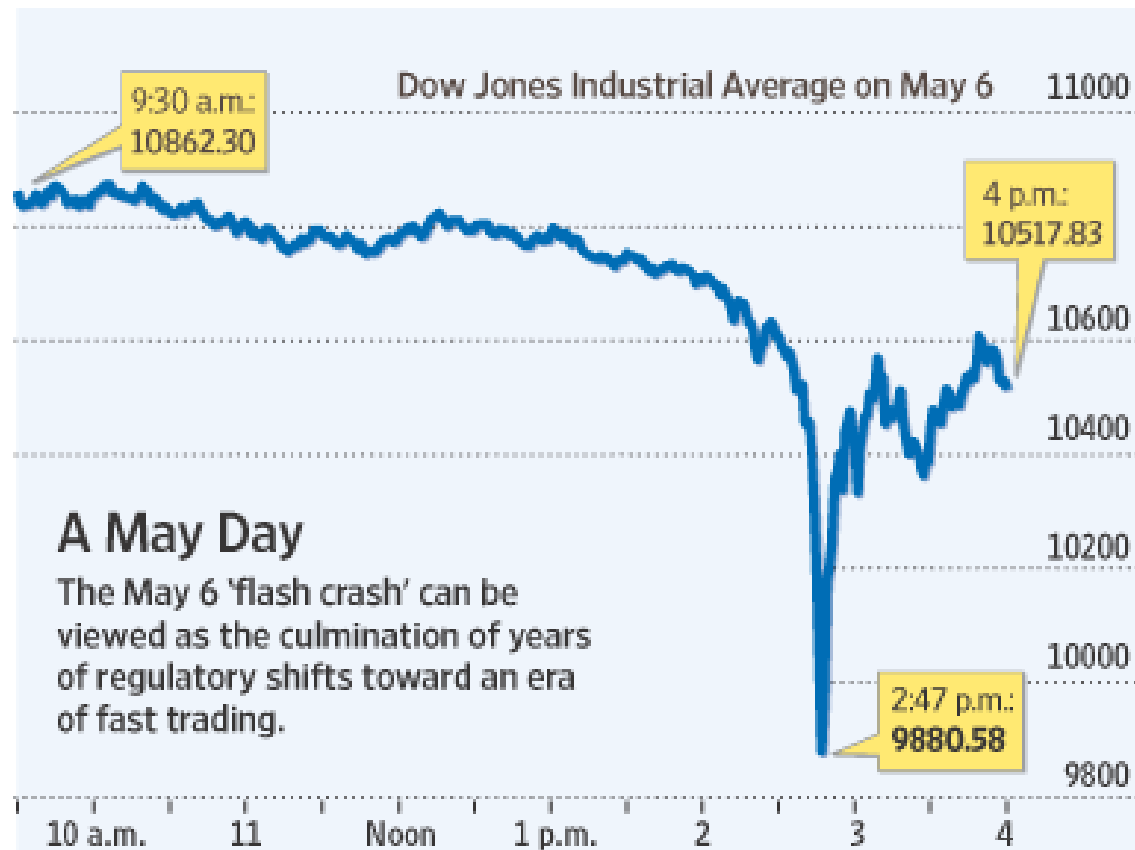


*Network (1976):*

The tragedy of Howard Beale, "Mad Prophet" of the airwaves, and the pursuit of ratings in a time of corporate conglomeration



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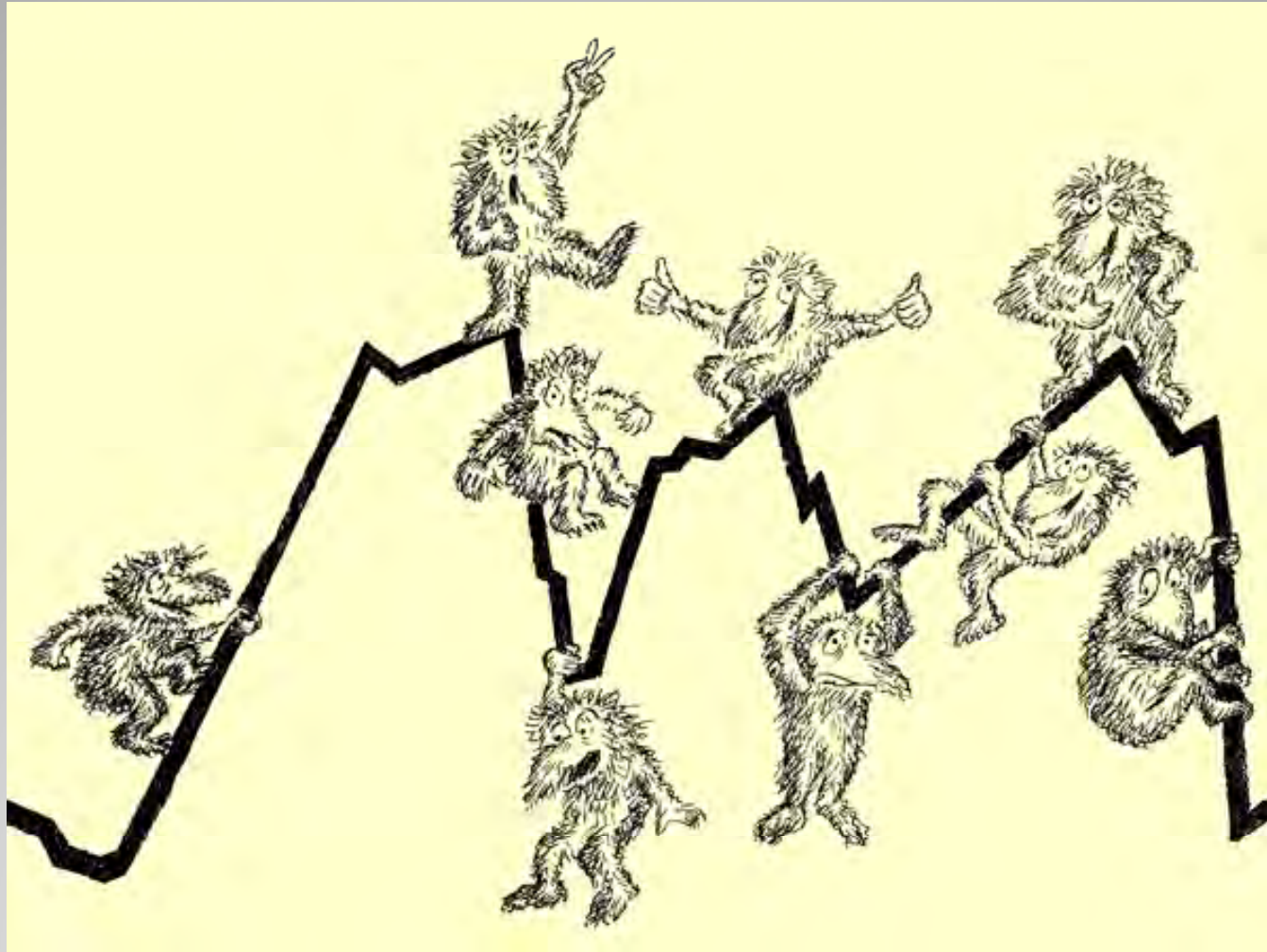
### A May Day

The May 6 'flash crash' can be viewed as the culmination of years of regulatory shifts toward an era of fast trading.

Source: WSJ Market Data Group



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**Rick Santelli**



**Jim Cramer**



**Dylan Ratigan**



**Jon Stewart**

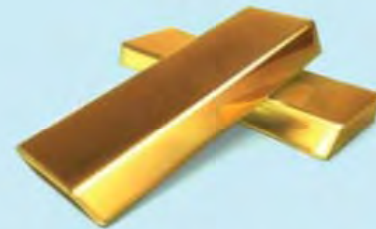
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**Walter Russell Mead**

"A serious rethinking of how we study and write modern history—  
and of how the West pursues its relationship with the Rest."  
—*The Washington Post Book World*

**GOD**  
AND



**GOLD**

Britain, America, and the Making  
of the Modern World

**Walter Russell Mead**

*Author of Power, Terror, Peace, and War*

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- “The financial infrastructure that the Anglo-Americans have built over the last three centuries helped Britain and America win wars and transform the economic and political landscape of the world. It also fostered development in the English-speaking world that helped it make a deeper cultural and social impact on the world than any culture since the dawn of history.” (144)

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- “Bit by bit and piece by piece in an ongoing process, the modern framework of securities law, shareholder rights, disclosure requirements, and the regulation of securities markets has been gradually and painfully established. New financial techniques were introduced and found unexpected uses; new abuses prompted new reforms.” (136)

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- “From these humble beginnings would grow the American system of home finance, a system which has generated substantial wealth for ordinary American families, provided most Americans with the largest and most valuable asset they own, underwritten the development of America’s capital markets as a sophisticated secondary market in mortgage-backed securities took shape, helped scores of millions of Americans move to the suburbs, and helped define the American dream.” (141)

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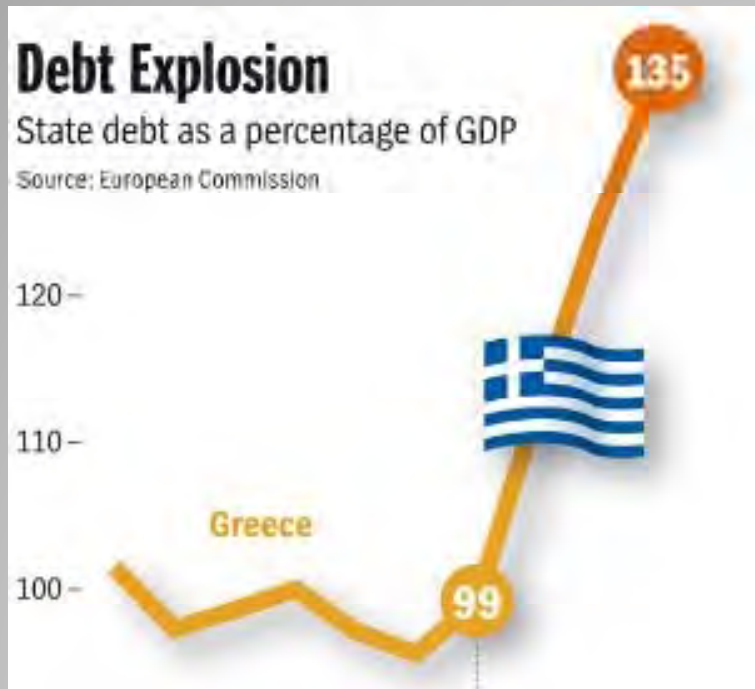
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LEHMAN BROTHERS



BEAR  
STEARNS

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Sovereign debt crisis threatens the Eurozone

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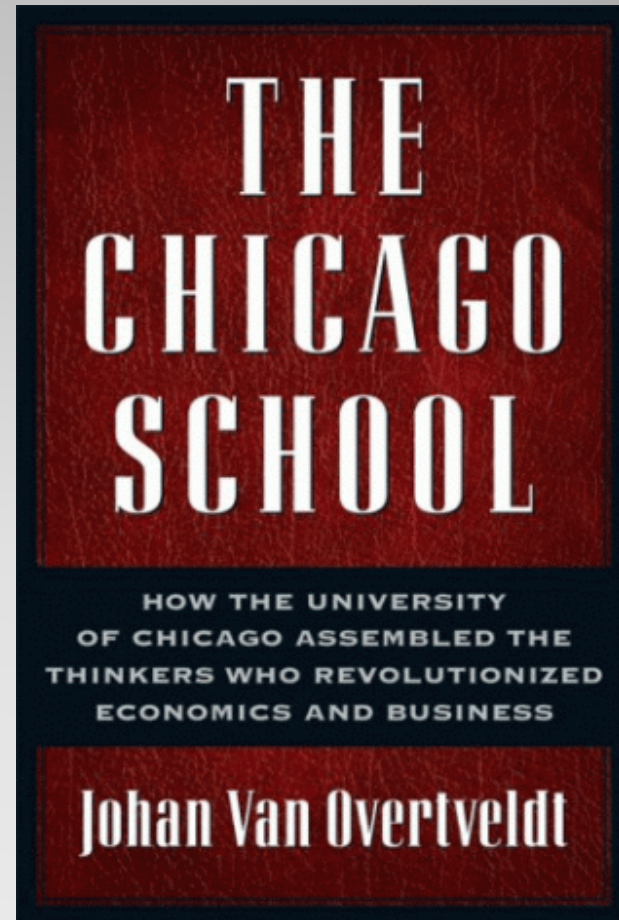


The stock market crash of 1929 exposed fundamental fault-lines in the American Dream.



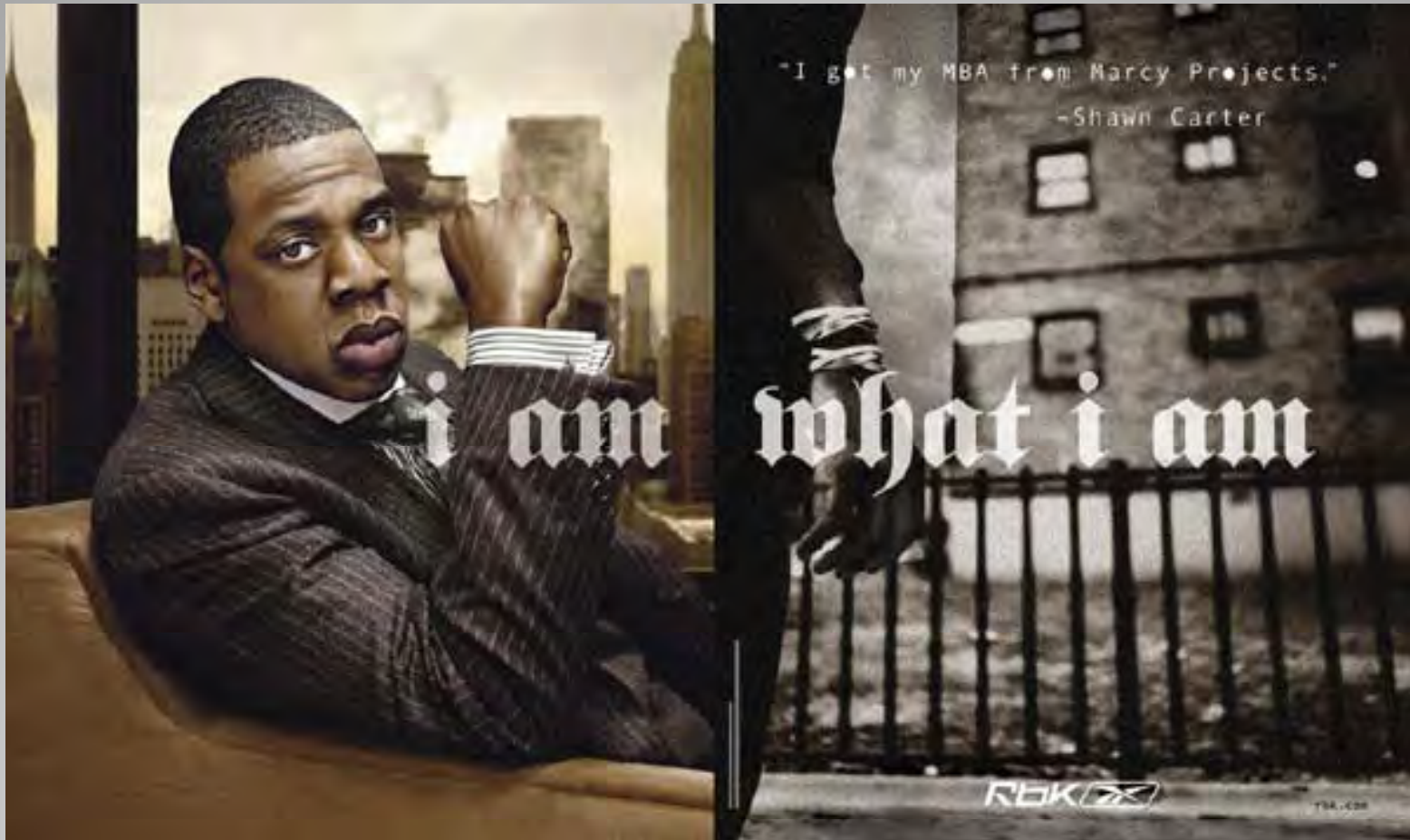
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- “Chicago School” economics
- Rational market theory
  - Modern portfolio theory
  - Efficient market hypothesis
  - Black-Scholes-Merton option pricing model



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The representational politics of the “Mogul Aesthetic”

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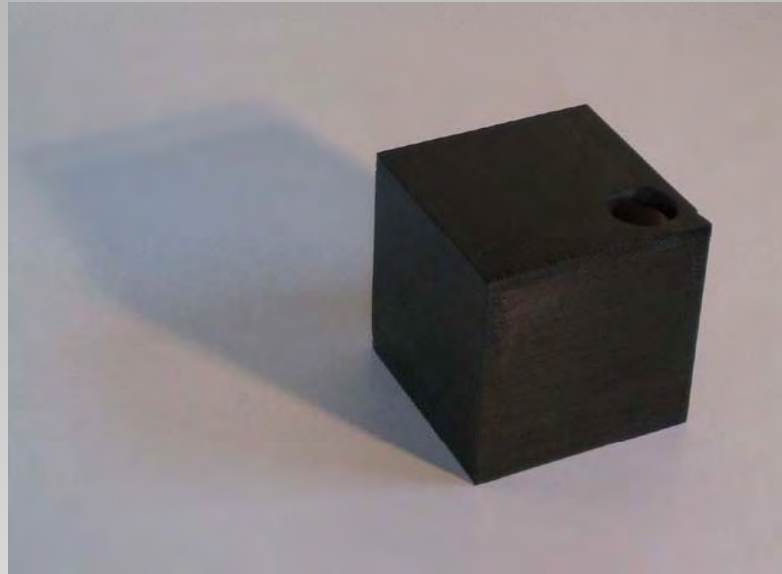
The **fistful of dollars** as a perennial performative gesture

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In science and engineering, black boxes are devices, systems organizations, or objects that are opaque to outsiders, often because their contents are regarded as “technical.” Therefore, their contents can (and sometimes can only) be viewed solely in terms of their input, output and transfer characteristics without any knowledge of their internal workings. The opposite of a black box is a system where the inner components or logic are available for inspection...

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**“What is it to be powerful?...It is to sit on top of black boxes...The macro actors of social life are micro actors grown large through their capacities to mobilize and command black boxes.”**

**-- Michel Callon and Bruno Latour, “Unscrewing the Big Leviathan...” (1981)**

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## Finance's Black Boxes (a sample)

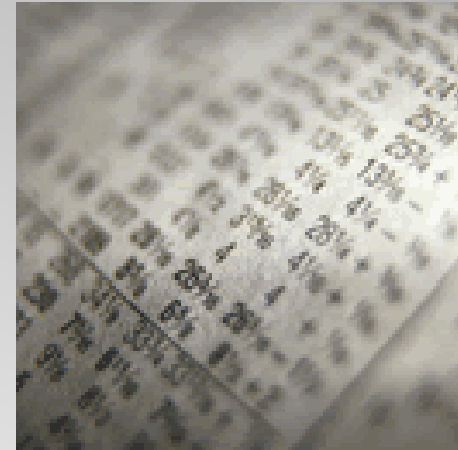
1. **Rational Market Theory**
  - Option Pricing Model; Efficient Market Hypothesis; Modern Portfolio Theory
2. **Derivatives**
  - Speculative capital; “money culture”; “culture of trading”; “circulation/circulatory regime”
3. **Arbitrage**
  - The exploitation of price discrepancies in the global securities market; networked computing power; LTCM & relative value hedge funds
3. **Ethnography of accounting practices**
  - Enron; mark-to-market accounting
4. **The Regulation of Financial Markets**
  - SEC; Treasury; Consumer protection.
5. **FRB Strategic Communication**
  - FOMC; Monetary policy transparency

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Maria Bartiromo, CNBC

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## **The Citizen-Investor:**

Financial capitalism and the regulation of the body politic

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- A definitive aspect of contemporary experience concerns the propensity for certain **“high-profile media events** [to] periodically crash through normal news agendas, generate extensive and intensive forms of media coverage, and invariably embed or seek to elicit collective identities and a subjunctive view of how society should or could be.”

Cottle, S., “‘Mediatized Rituals’: a Reply to Couldry and Rothenbuhler,”  
*Media, Culture & Society*, Vol. 30(1): 135-140 (2008)

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Mediatized Ritual #1: Celebratory Media Events

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Mediatized Ritual #2: Conflicted Media Events

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Carrie Prejean



Perez Hilton

Mediatized Ritual #2: Conflicted Media Events

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Mediatized Ritual #3: Media Disasters

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Mediatized Ritual #3: Media Disasters

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**EDWARDS WITH LOVE CHILD**  
 The photos everyone's been waiting for >>>>

**W**ASHINGTON (AP) — John Edwards' mistress, Elizabeth, is holding a 2-year-old boy in a blue shirt in a photo that is the most revealing yet of the affair. The boy, who is the son of Edwards and Elizabeth, is the first photo of the couple's love child to be published. The photo, which is the first of a series of photos, shows Edwards and Elizabeth with the boy in a room that appears to be a bedroom. The photo is the first of a series of photos that are being published by the magazine Enquirer. The photos are the first of a series of photos that are being published by the magazine Enquirer. The photos are the first of a series of photos that are being published by the magazine Enquirer.

**EXCLUSIVE ENQUIRER PHOTO**

**FROUD PAPA** — John Edwards' mistress, Elizabeth, is holding a 2-year-old boy in a blue shirt in a photo that is the most revealing yet of the affair. The boy, who is the son of Edwards and Elizabeth, is the first photo of the couple's love child to be published. The photo, which is the first of a series of photos, shows Edwards and Elizabeth with the boy in a room that appears to be a bedroom. The photo is the first of a series of photos that are being published by the magazine Enquirer. The photos are the first of a series of photos that are being published by the magazine Enquirer.

**John Edwards COVERUP EXPLODES**

Big blowup with mistress • Spy photo of love child • The man with the money • Home where mistress lived



Mediatized Ritual #4: Media Scandals

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Mediatized Ritual #5: Public Crises

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Mediatized Ritual #6: Moral Panics

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**Rick Santelli**



**Jim Cramer**



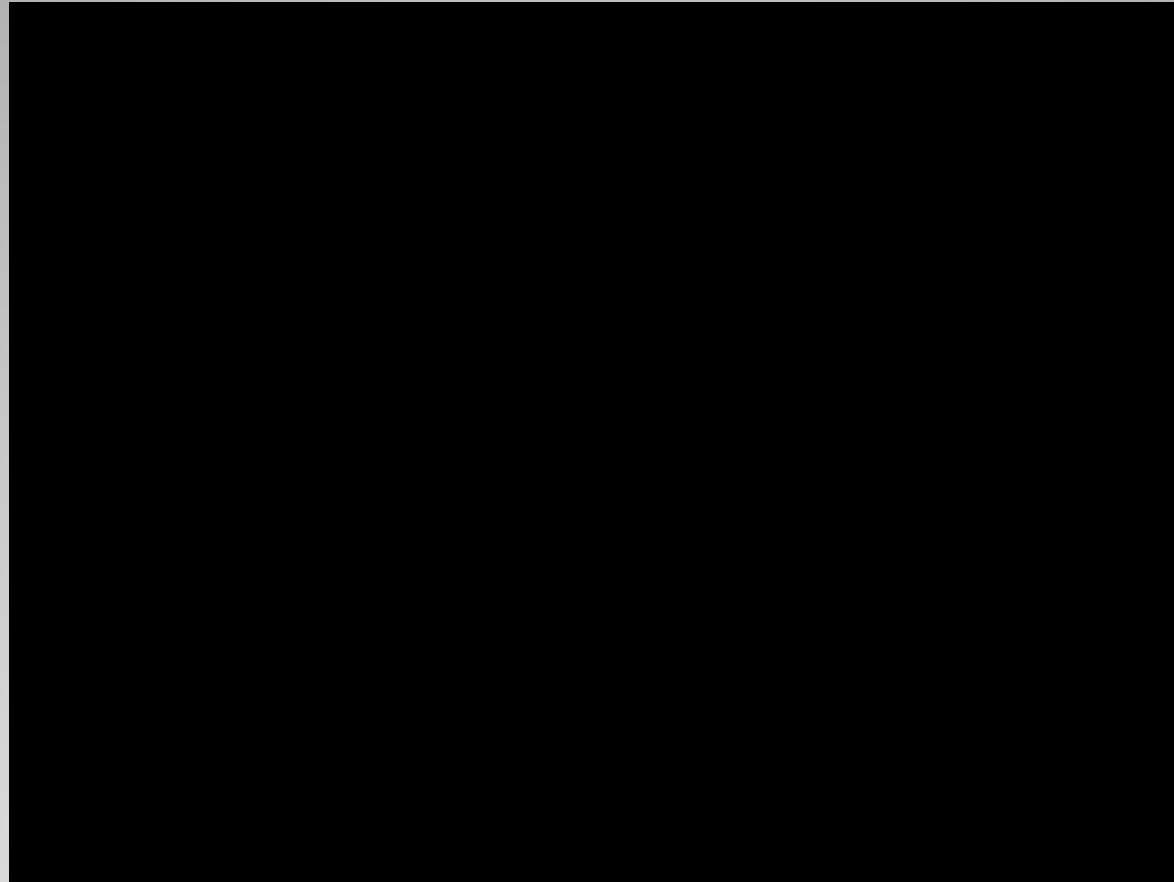
**Dylan Ratigan**



**Jon Stewart**

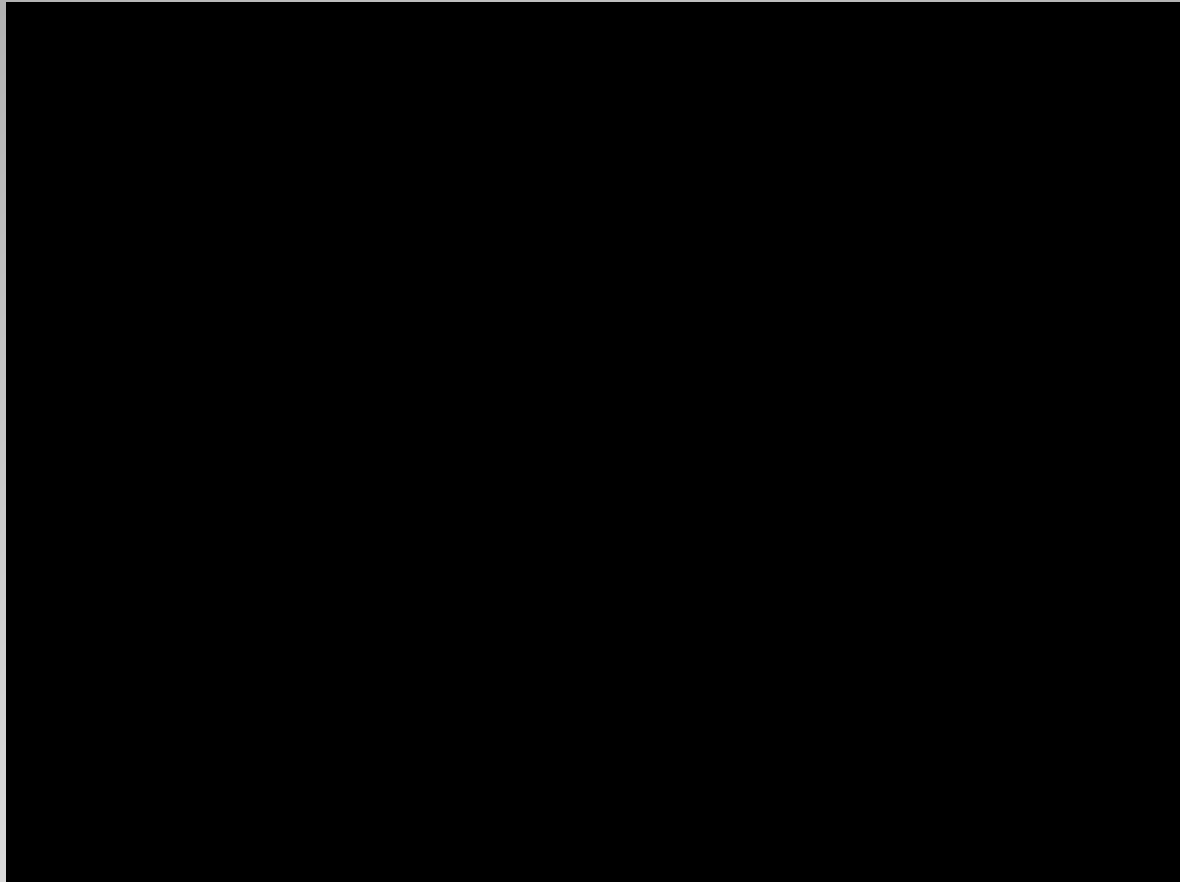
Financial Moral Panics” as Mediatized Ritual

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CNBC's Jim Cramer w/Erin Burnett, August 3, 2007

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Rick Santelli rant on CNBC "Squawk Box", February 19, 2009

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CNBC's Jim Cramer (*Mad Money*) vs. Comedy Central's Jon Stewart (*The Daily Show*)

March 12, 2009

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MSNBC's Dylan Ratigan

August 9, 2011

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