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## The Internet and Gutenberg

In history's sweep, it may also rank behind the car, the plane and antibiotics—among others

By Robert J. Samuelson

Newsweek, January 24, 2000

In our self-absorbed age, everything is the new-est New Thing or the biggest Big Thing. This spirit inevitably invests the Internet with transcendent significance. Steve Case of America Online already calls the new century "the Internet Century," and some authorities whisper that the Internet rivals the importance of Gutenberg's invention of the printing press in the 15th century. We suffer from historical amnesia.

Suppose you were born in 1900. You wouldn't yet watch movies (the first big silent hit, "The Great Train Robbery," showed in 1903), let alone imagine global TV. The airplane hadn't been invented, and Henry Ford wouldn't produce the first Model T until 1908. Fewer than 10 percent of U.S. homes had phones, and fewer than 8 percent had electricity. Antibiotics hadn't been discovered. As yet the Internet isn't in the same league with these developments.

Each changed lifestyles and popular beliefs.

The automobile suburbanized America and inaugurated mass travel. Antibiotics, vaccines and public-health advances helped raise life expectancy from 47 in 1900 to 77 today. The explosion of prosperity—a consequence of electricity, other technologies and modern management—shortened working hours and expanded leisure. Movies and TV transformed popular culture.

The Internet is too young for anyone to foretell its ultimate significance—and time might vindicate the brashest prophecies. But some present claims aren't true. It is not true that no major innovation has spread so quickly. In 1990 only a handful of computer buffs used the Internet; by 1999 perhaps 38 percent of households were connected, reports Morgan Stanley Dean Witter. This roughly matches the adoption of the radio (which went from 0 to about 46 percent of households in the 1920s) and lags TV (which went from 9 percent of households in 1950 to 87 percent in 1960).

Of course, the Internet is a work in progress. If nothing else, the America Online-Time Warner merger is a gamble on the next generation of Internet technology. At present most home users have dial-up service through modems and old phone lines. The replacement technology is "broadband," which—through enhanced cable lines, fiber optics, satellites or better phone lines—would sharply raise transmission speeds. A fast phone modem today would allow a 10-megabyte file (equivalent to a 10- to 20-minute movie clip) to be downloaded in 24 minutes, says the Federal Communications Commission. Faster cable lines can do the same job in about a minute.

The Internet, television and the telephone will blend. This, at any rate, is the conventional wisdom. For AOL-Time Warner, the grand strategy is to provide both transmission services (Time Warner owns the second largest cable system) and

## Cover Talk

It was a dizzy week—one of megamergers and mega-millionaires. Internet upstart America Online merged with media giant Time Warner, and Bill Gates stepped down from the top job at Microsoft. What does this all mean to the average consumer? Newsweek senior writer Jared Sandberg discussed last week's events during a Live Talk, Wednesday, January 19, at noon E.S.T. [Read the transcript.](#)

by [George F. Will](#)

"content" (from Internet services to films, TV programs, magazines, music—or something entirely new). Other companies harbor similar ambitions. But we don't know whether this vision, or some other, will materialize.

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Technologies acquire historical weight by reshaping the human condition. Gutenberg's press led to mass literacy, fostered the Protestant Reformation (by undermining the clergy's theological monopoly) and, through the easy exchange of information, enabled the scientific revolution. In the 19th century railroads created a truly national American market that favored mass production and the consumer society. To join this league, the Internet must be more than e-mail or a marketing platform. If you buy a book or car on the Net, the critical part of the transaction is still the book or car. Especially in business-to-business commerce, the Internet may improve efficiency through more price competition and supplier choice. But these are changes of degree, not kind.

Thoughtful Internet enthusiasts offer plausible speculations about its greater meaning. "Over the past 200 years, we have built up industrial economies of mass production... and mass markets," says Esther Dyson, editor of Release 1.0, a newsletter. By providing so much information, the Internet empowers consumers to escape mass markets; by making information so easy to dispense, it enables people to become independent producers. "The major impact is to give individuals more power over their lives," she says, while making it "tougher for governments, businesses—anyone—to operate in secrecy."

Kevin Kelly of Wired magazine, author of "New Rules for the New Economy," argues that the "Internet is actually being underhyped. Of all the people online in 10 years, only a tenth are online today." (Note: in 1999, there were 58 million worldwide connections, says Dataquest.) This could accelerate global commerce and weaken (for good or ill) national governments.

All the large issues remain unsettled. Will the Net enhance individual autonomy—or infringe on privacy? Will it increase people's economic independence—or expand corporate power (America Online-Time Warner would be no pygmy)? Before answers become clear, the Internet will have to attain economic viability. Though booming, it is now largely a capitalist charity. Almost everything on it is being given away or sold at a loss. Retail e-commerce is puny. In 1999 it amounted to less than .5 percent of U.S. consumer spending. Ditto for advertising. In 1999 Internet ads amounted to \$1.8 billion out of total U.S. advertising of \$215 billion, estimates Robert Coen of Universal McCann.

The great Internet fortunes arise mainly from stock speculation or building the infrastructure—supplying computers, software and fiber optics. In 1999 this spending was \$366 billion, says Nortel Networks, a major supplier. Sooner or later, the investment must pay a return, or it will stop. Even if the Internet flourishes, it may remain smaller than earlier Big Things. Our historical amnesia could benefit from the words of a Tennessee farmer at a church meeting in the 1940s. "Brothers and sisters, I want to tell you this," he said. "The greatest thing on earth is to have the love of God in your heart, and the next greatest is to have electricity in your home." Can the Internet really top that?

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