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Opinions

A New Paradigm for U.S. Media: More Government Subsidies?

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Posted by [Neal Leavitt](#) on January 22nd, 2011 at 10:00 pm

Five years ago I could pick up the classified section of my local paper, the *San Diego Union-Tribune*, and actually feel some substance to it.

Today, even the Sunday classifieds are silicon wafer thin.

It's nothing new to report – the Internet has wreaked havoc with media budgets nationwide.

Community newspapers, for instance, used to derive about 10 percent of their annual revenue from public notices. Today, cash-starved state and local governments simply go online and publish themselves, effectively cutting out the community newspaper as 'middleman.'

And the media continues to be directly/indirectly impacted from other government funding sources – the Nieman Journalism Lab reported that postal subsidies were worth \$1.97 billion in the mid-1960s (in 2009 dollars). Today they have shrunk by more than 75 percent to \$288 million. A postal fee hike last year, for example, cost *The Nation* more than \$500,000 in mailing costs last year – not exactly good news when the magazine reportedly bled more than \$300,000 in red ink.

Is there a solution? Most would agree that free speech and free press are sacrosanct and also essential to a healthy U.S. economy. Lee Bollinger, president of Columbia University, postulated one interesting scenario – enhanced public funding for journalism.

It's not a new concept – public broadcasting, according to the Nieman Journalism Lab, is, in the aggregate, funded 40 percent by various government entities. In fact, Bollinger reported that both the Federal Communications Commission and the Federal Trade Commission have initiated studies of ways to ensure that the economic pickle facing newspapers and broadcast news doesn't deprive Americans of important information they need as citizens.

Bollinger said Americans already depend to some extent on publicly funded foreign news media for a lot of international news – “especially through broadcasts of the BBC and BBC World Service on PBS and NPR.

Such news comes to us courtesy of British citizens who pay a TV license fee to support the BBC and taxes to support the World Service.”

He added that this type of state support hasn't resulted in official control – “the reliable public funding structure, as well as a set of professional norms that protect editorial freedom, has yielded a highly respected and globally powerful journalistic institution.”

Bollinger believes top priority should be given to strengthening America's public broadcasting role globally. The federal government's two international broadcasters, Voice of America and Radio Free Europe, for instance, can't even broadcast within the U.S. – an anachronistic Cold War policy.

The solution? Bollinger recommends creating an American World Service that can compete with outfits like the BBC, China's CCTV and Xinhua News Agency, even Qatar's Al Jazeera.

“The goal would be an American broadcasting system with full journalistic independence that can provide the news we need,” Bollinger said.

Sounds good to me.

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1.  Pierluigi says:
[January 24, 2011 at 1:00 AM](#)

Personally I do not see how the creation of a government agency would help the crisis afflicting the newspapers and how the 2 can be related.

I agree with the idea expressed by Bollinger. It is a bit odd that a country like the US does not have a news agency capable of competing at a global level with the likes of the BBC. It is definitely something important and to a certain extent necessary.

A boost to the public broadcasting would also be beneficial in obtaining news that is not driven by the reasons of business; as long as we manage to keep the power of politics away from influencing how the news is portrayed.

But all this is not going to save the newspapers; nor anything else will. As older generations 'fade' away, less and less people will rely on paper news anyway; so there will not really be a need for them. But the need for news is not going away - just the media used to bring them to us is changing. Hence the question in my opinion should be posed in a different way: will the public be willing to pay for Internet news? BBC offers them free; the WSJ is attempting to charge for them. Maybe a sound mix of both will be the solution eventually. And as in every other industry, there will be a remix of players, some will go, some will strive, and at some point the industry will settle again and find a way to make money and still bring us news that are worth of our time and money.

I am optimistic, as you can see, that things will be fine. But the Internet is shaking the industry and some traditional papers are being "rocked" because they are not adapting quickly enough to the times.

Eventually, the big winners in all this will be the trees! How many will we save by reading news online only?

Pierluigi.

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2.  *LukeJohn* says:
[January 24, 2011 at 9:17 PM](#)

If I had to choose, I would rather have a news service that IS driven by the needs of business than one driven by the needs of the self-styled political "elite".

Business news is really interested in getting the facts, good or bad and then helping people make decisions accordingly.

Political news os more interested in manipulating facts and events to promote the agenda of the day.

Simplistic? Sure, but there's more than a grain of truth there.

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3.  *JFX* says:
[January 25, 2011 at 2:56 PM](#)

Using taxpayer dollars to prop up the rotting carcass of old media ignores the fact that newspapers haven't merely dropped off due to the rise of new technologies - they've suffered from a serious collapse in the quality of news coverage, as evidenced during the last presidential campaign, when serious questions from reporters were virtually nonexistent. People (readers) noticed.

And when people stop trusting what they're reading in the news media, whether in print or online, they begin to look elsewhere for their information. Now that readers have options, newspapers are feeling the

heat, so they want a bailout from the government in the name of "protecting the people's right to know." That's rich.

Here's a thought: let nature run its course. Corporations--even media companies--that provide a useful, information-based product will prosper. Those that don't will perish. Fair enough? Media companies that suckle at the scabby teat of bloated government aren't enhancing their credibility with anyone. Let's say our good-byes and move on, while we still have some fond memories of them.

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