

Rejuvenating American Journalism: Some Tentative Policy Proposals

Robert W. McChesney
Gutgsell Endowed Professor
Department of Communication
University of Illinois at Urbana-Champaign

Presentation to
Workshop on Journalism
Federal Trade Commission
Washington, D.C.
March 10, 2010

I wish first to thank FTC Chairman Jon Leibowitz, and Susan DeSanti from his staff, for inviting me to participate in this workshop, a

story and it does not undermine my consumption if you do so, or increases the producer's costs. That is unlike a traditional private good, like a hamburger or a pair of socks. If I have a hamburger, you cannot consume the same hamburger without my losing my satisfaction in consuming said hamburger. With

would never countenance a commercial monopoly over a community's newsrooms; we should see that there are competitive newsrooms in the nonprofit broadcasting sector. Competition and pluralism are good everywhere when it comes to news media.

Second, we are in the process of losing an entire generation to journalism. I can speak from personal experience as a college professor and after travel

thousands, of small publications ranging from *The Nation*, *The Progressive*, *In These Times* and *Harper's* on the left to *Reason*, *Human Events*, *National Review* and *The American Conservative* on the right, and many more in between, depend upon lower postal rates. They are all in jeopardy, and with them the breadth and depth of our discourse.

Ironically, the emergence of the Internet makes the survival of these publications even more important. As a forthcoming *Columbia Journalism Review* research report of the web activities of 665 publications demonstrates, significant amount of the original journalism and political material posted online comes from the websites associated with print publications. It provides much of the gist for the blogosphere. When these publications go down or cut back, the amount of original material online is reduced, to all our detriments. Consider my co-author John Nichols, who posts hundreds of original pieces on the Internet annually as part of his job as a staff writer for *The Nation*. These pieces are available for free to all comers, get reposted on numerous other large websites and get ample commentary. If *The Nation* ever closes its “old media” doors, Nichols will be out of a job and his blogging output will be cut back dramatically. There are thousands of similar stories online, and they all depend to some extent of the solvency of the “old media” that employ them. It is serendipitous but no less sublime that Washington's, Madison's and Jefferson's beloved postal subsidies are generating so much valuable free material in the digital realm.

It is imperative that we craft lower postal rates –and soon— for small circulation publications with limited amounts of advertising. It is nonnegotiable that these publications, and American political culture, have this lifeline to make a healthy transition from the analog world to our digital future.

Having done all of the above, we still must face the hard truth that even non-profit or locally owned daily newspapers, not to mention periodicals with low-postage, do not have a credible business model that will allow them to employ the legions of working journalists a Fourth Estate requires. They produce a public good. Some may prosper, but if we want them to actually do journalism in significant amounts, subsidies will remain necessary.

Here we turn to a tax credit proposal by the late, great, and deeply missed Professor C. Edwin Baker of the University of Pennsylvania Law School, the dominant First Amendment expert concerning freedom of the press for the past generation, and a passionate visionary with regard to journalism. Baker thought the government should, in effect, pay one-half the salary of any employed journalist up to \$45,000 per reporter per year. The idea was to dramatically lower the costs of journalism. Ed was convinced fraud could be minimized, although I suspect it would need a great deal of work to make it functional.

Ed Baker and I disagreed on one key point. In his view, this journalist tax credit plan should apply to all news media, commercial or otherwise. I prefer the idea of leaving the commercial news media unsubsidized, except for the postal subsidy, and having the

Baker tax credit go to non-profit media. A similar debate emanates from the “Write for America” program I suggest above—should this program subsidize labor for commercial concerns? This is the type of policy debate we need to have, and where we need more study. If it proves effective, something like the Ed Baker proposal could go a long way toward giving resources to America’s newsrooms without having the hand of government influence content.

All of these measures start with existing structures and institutions and attempt to make them workable in the transition to the coming digital era. They would go a long way toward filling cyberspace with a deep and rich layer of journalism, far greater than exists at present. This would be tremendous grist for citizen journalists and bloggers to work with as they critique and develop news stories. They are a necessary start, and well-funded they could do wonders for our journalism, but they really do not get to the heart of the matter: capitalizing upon the democratic and revolutionary potential of digital technologies for journalism, and democracy.

A great deal of innovation and promise remains unfulfilled. Digital journalism has a wealth of talented people and brilliant ideas and a poverty of resources. Even our best reporters and writers are having a hard time making a living online, and those that are able to get by must continually please funders and advertisers. There is no reason to expect this to change in the foreseeable future.

Ultimately I believe we need to meet the tectonic shift in media with a similarly bold policy approach to the creation of journalism. We need a funding mechanism to spawn viable independent Internet journalism, one that can provide the basis for a stable industry. The trick is to provide ample funding but not to have the government control the allocation of the funds or create a bureaucracy that doles out funds to its preferred media. We need a system that is competitive, accountable and open to innovation. Advertisers and foundations are not up to the job, and the idea of converting computers into vending machines is unappealing and impractical.

So what policy solution is there?

The strongest proposal we have seen has been developed by the economist Dean Baker and his brother Randy Baker over the past decade. (What is it with guys named Baker, anyway?) My proposal embellishes their core concept. For sake of discussion I will call it the “Citizenship News Voucher.” The idea is simple: every American adult gets a \$200 voucher she can use to donate government money to any nonprofit news medium of her choice. She will indicate her choice on her tax return. If she does not file a tax return, a simple form will be available to use. She can split her \$200 among several different qualifying nonprofit media. This program would be purely voluntary, like the tax-form check-offs for funding elections or protecting wildlife. A government agency, possibly

and administration for the program, but it will not require a large regulatory body like the FCC.

This proposal borrows from the libertarian movement, in its recognition that vouchers can be used to give greater control over the expenditure of public tax dollars. Its genius, I believe, is to be found in a healthy combination of hostility to government control over news content and a belief in the power of individuals to make their own choices with a recognition of the public good nature of journalism.

This funding mechanism should apply to public, community and all other nonprofit broadcasters as well as Internet upstarts. For a medium that is not a nonprofit broadcaster

For this program to be accepted it will require two conditions that will be hard pills for some to swallow. First, people will have to accept that some of the vouchers are going to go to media that they may detest. The program requires that Americans embrace dissent in reality and not just rhetoric. Here I cannot help but recall the passionate commitment Jefferson and Madison had to promoting a diverse journalism, even when they often deplored its contents. At the same time Jefferson advocated massive postal and printing subsidies, and basked in the dissenting nature of American newspapers compared to those found elsewhere, he memorably stated, “The man who reads nothing at all is better educated than the man who reads nothing but newspapers.”

Second, the program may not develop exactly the type of journalism our greatest thinkers believe is necessary. The plan requires that there be faith in the judgment of the American people. Like my libertarian friends, this is a risk I am willing to take. My sense is that once people’s choices are direct and not filtered by advertising, good things will happen.

This idea is not set in stone. Yale Law Sc

At the same time, we should not get hung up on the point of “paying as we go.” When a nation is under military attack, it does whatever is necessary to defend itself. It does not appoint a commission to study whether the nation can afford a military defense and ask the commission to report back in five to ten years time. We need to approach the crisis of journalism with the same sense of urgency because the stakes are exactly the same: whether or not this great American experiment in self-government will survive to another generation. The good news is that if we respond with the same vision and dedication as our founders, we can create the greatest and most diverse journalism our nation or the world has ever seen. History has placed the ball directly in our court.

Thank you very much for your time and consideration.