



### **FTC Memo Threatens Free Press**

Big Brother, in the form of the FTC, is sticking its nose into Internet news and opinion. The free market, a May 24 draft proposal states, will not produce a "robust and sustainable business model for commercial journalism."

It is far from clear just why the federal government should be involved in the success of particular versions of free press or free speech. The FTC discussion draft carefully notes that the draft "is solely for purposes of discussion, in particular at FTC roundtable discussions to be held on June 15, 2010, at the National Press Club."



Journalism is not within the province of the FTC; the Federal Trade Commission bases its legal authority on its grant of power by Congress to license the finite broadcast spectrum. Though there is no general power to control or to regulate in any fashion the news, the FTC draft notes: "Although many of the issues confronting journalism cut across different news media platforms, such as broadcast television and radio, most of the discussion in this document will use the perspective of newspapers to exemplify the issues facing journalism as a whole. Studies have shown that newspapers typically provide the largest quantity of original news to consumers over any given period of time."

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The First Amendment, which denies Congress any power to limit freedom of the press, would likewise deny any creature of Congress, like the Federal Trade Commission, authority to regulate or to favor the existing newspaper industry at the expense of other media. The highly subjective opinion that newspapers are the most complete source of information to consumers would fly directly into the face of blatant suppression of news or concealment of news that the *New York Times*, as one example, routinely engages in by keeping critical facts out of stories or by placing news stories in awkward places deep in the newspaper.

The draft memorandum then delves into the messy state of the newspaper business today: "Newspapers' revenues from advertising have fallen approximately 45% since 2000. For example, classified advertising accounted for \$19.6 billion in revenue for newspapers in 2000, \$10.2 billion in 2008, and is estimated to be only \$6.0 billion in 2009." Millions of Americans have abandoned the print media, and for a variety of reasons. Some object to the blatant bias of newspapers; others find Internet sources much faster and more convenient. What the report calls "consumers" are actually citizens engaging in their First Amendment right to express and to listen to news from whatever medium they may prefer. If Americans are rejecting newspapers, as they are, that should not concern the federal government.

Yet the thrust of the rest of the memorandum makes it clear that the FTC staffers who prepared the memorandum have concluded that proposals to limit the Fair Use Doctrine in copyright law (which, in this case, means the generation of news stories by news operations based upon a story produced by a



#### Written by **Bruce Walker** on June 7, 2010



newspaper, either in print or online version.) Other proposals include licensing the news. Under this scheme, those who report the news based upon another news organization, might be compelled to pay a fee, much like a radio station that plays a copyrighted musical composition must pay a fee. Other ideas in the memo include the creation of coerced collaboration — not unlike the syndicates of Fascism — so that citizens who want to access certain sites would be required to pay a standard fee.

The implication that runs through the memo is that certain large corporations that have run into the very tough economic reality of inexpensive Internet competition, need to be supported by federal action. Perversely, the small and inexpensive sites that are suggested to have an unfair advantage, actually provide a much greater diversity of opinion and analysis of events than the few giant corporations that once had an effective stranglehold on news reporting. Nothing in the memo suggests that people are running away from the mainstream media because millions of Americans consider it biased, corrupted, and harmful.

Equally troubling are proposals to create federal entities that would provide news to us, as the report reads: "Establish a 'journalism' division of AmeriCorps. AmeriCorps is the federal program that places young people with nonprofits to get training and do public service work." It is hard to see how providing federal support for reporters can make the news media properly distant from those it should be watching.

Another proposal reads: "Increase funding for the CPB [Corporation for Public Broadcasting]. Public radio and television should be substantially reoriented to provide significant local news reporting in every community served by public stations and their Web sites." Again, the danger of increasing government sponsored news to critique government appears, completely, to have missed these FTC staffers.

Government should be as far away from the press, whether the press is in cyberspace or in newsprint, as possible. The inevitable consequence of government "help" is government dependence and ultimately government control. The last thing our country needs is more federal intrusion into the process of free speech and free press in America.





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