The criteria of this check are too unspecific to stop undesired concentration. Direct sanctions are missing. If an intended merger needs a declaration of no objections, but refuses to apply for it and nevertheless continues, it cannot be stopped in time. If foreign companies try to gain influence in the Dutch newspaper market, not even they can be stopped in time. Anyhow, after a quarter of a century of discussions, there is at least some merger regulation and this is better than no regulation at all. Moreover, if this system of self-regulation works, together with a governmental policy concentrated more on supplying stimuli and facilities, the press undoubtedly will have an important helping hand in assessing its own role as a free and diverse medium in this electronic age.

Notes

1 De compensatieregeling voor dagbladen in perspectief, een studie naar de recente ontwikkelingen in de Nederlandse dagbladpers in relatie tot de nieuwe compensatieregeling voor dagbladen (The compensation mechanism for newspapers: A study on the recent developments in the Dutch daily press in relation to the new compensation decree for dailies.) Economisch Instituut Tilburg (EIT), Tilburg 1993.


4 Wired, April 1994.


Free Press and Government: The Ignored Economic Relationships of U.S. Newspapers
Robert G. Picard

Nearly invisible policies

Newspaper executives and scholars in the U.S. regularly promote the idea that to have a free press means that newspapers can have no financial ties to or receive any favors from government. This highly libertarian viewpoint is often promoted by industry associations and publications. It has led to warnings against the development of press policies in the U.S. and to criticism of European governments that have intervened in newspaper markets, especially in the 1960s and 1970s (e.g. Bishop 1970; Brown 1974).

The idea that the United States has had no press policy and that U.S. newspapers have no ties to and receive no favors from government, however, ignores the nation’s newspaper history and the extensive pattern of state involvement in newspaper economics that does exist. The extensive relationships and coordination required between government and economic entities in modern market economics and their influence on the structure and operations of the information economy are significant and cannot be dismissed (Gandy 1992; Garsham 1990; Mosco & Wacquant 1988). In this discussion, however, I wish to move beyond the framework provided by those perspectives to look specifically at economic and financial relations between government entities and newspapers in the U.S.

These relations are generally unseen because the industry does not wish to address the conflict between its idealized philosophy and reality, because it does not wish to justify its special treatment, and because the economic relations generally involve uncoordinated, nearly invisible policies that can easily be ignored. No accounting of the financial value of the policies is available.

European observers often mistake the U.S. rhetoric and lack of easily available data as meaning that state intervention in U.S. newspaper eco-
Press support - but not a system

The U.S. government has had significant economic relations with newspapers since the establishment of the colonial period. In 2001, the U.S. Treasury and the Federal Trade Commission conducted an investigation into the potential for antitrust violations in the newspaper industry. The investigation was initiated in response to concerns that newspaper publishers might be engaging in anticompetitive practices, such as engaging in price fixing or limiting the supply of news content. The investigation found no evidence of antitrust violations, but it did highlight the importance of press freedom and the need for strong regulations to protect the integrity of the press.

As a result of the investigation, the U.S. government has implemented a number of policies to support the press. These policies include providing financial assistance to newspapers, promoting the development of new forms of news media, and protecting the press from government interference. These policies have helped to ensure that the press can continue to provide critical information to the public and to hold those in power accountable.

The U.S. government has also been active in promoting press freedom around the world. The State Department has provided assistance to newspapers in countries facing press freedom issues, and the U.S. government has been a leader in advocating for press freedom at international forums.

However, challenges remain. The digital landscape has created new opportunities for news delivery, but it has also posed new challenges for traditional print media. Online advertising has become a significant source of revenue for newspapers, but it has also put pressure on traditional business models. In addition, the rise of social media and other forms of digital communication has changed the way news is consumed and distributed.

Despite these challenges, the U.S. government remains committed to supporting the press and to ensuring that the press remains free and independent. As President Biden stated in his inaugural address, "The news media is the first among equals in this country, and for that reason, it must be free. We will not tolerate government suppression of the news. We will protect the right of journalists to tell the truth."

These words are echoed by the First Amendment of the U.S. Constitution, which guarantees the freedom of the press. The U.S. government has a long history of supporting the press, and it continues to do so today.

However, in the face of increasing threats to press freedom, it is crucial that individuals and organizations remain vigilant in supporting the press. The press is essential to a functioning democracy, and it is critical that it remains free and independent.

U.S. intervention in newspaper economics

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### Table 1: Ranking of nations by weighted score for total intervention in newspaper economics

<table>
<thead>
<tr>
<th>Rank</th>
<th>Nation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sweden</td>
<td>19.2</td>
</tr>
<tr>
<td>2</td>
<td>Italy</td>
<td>17.8</td>
</tr>
<tr>
<td>3</td>
<td>Netherlands</td>
<td>17.8</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>17.6</td>
</tr>
<tr>
<td>5</td>
<td>Norway</td>
<td>16.6</td>
</tr>
<tr>
<td>6</td>
<td>Finland</td>
<td>14.8</td>
</tr>
<tr>
<td>7</td>
<td>Belgium</td>
<td>13.4</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>11.4</td>
</tr>
<tr>
<td>9</td>
<td>Canada</td>
<td>11.0</td>
</tr>
<tr>
<td>10</td>
<td>Austria</td>
<td>10.8</td>
</tr>
<tr>
<td>11</td>
<td>Iceland</td>
<td>10.2</td>
</tr>
<tr>
<td>12</td>
<td>United Kingdom</td>
<td>9.6</td>
</tr>
<tr>
<td>13</td>
<td>Denmark</td>
<td>8.8</td>
</tr>
<tr>
<td>14</td>
<td>United States of America</td>
<td>8.6</td>
</tr>
<tr>
<td>15</td>
<td>Ireland</td>
<td>7.4</td>
</tr>
<tr>
<td>16</td>
<td>Switzerland</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Note: Scores were created by summing the weighted scores for different types of intervention available in each nation. The weights for each type of intervention ranged from \(1 \leq 3\) based on the extent to which they limit or alter competitive situations or the existing structure of the industry (see Picard 1984).

The 3 percent sales tax rate, if it can then be estimated that the tax exemption on advertising sales was worth a minimum of $1 billion and the tax exemption on circulation sales was worth about $250 million to the industry in that year alone.

State and local government funds have been used to finance construction of newspaper offices and printing facilities and to acquire major equipment throughout the nation. States and cities make capital available at extremely low interest rates for the purpose of stimulating investment, improving employment, and maintaining employment in a state or city. The total amount given to the newspaper industry is unknown because there is no central registry of such financing, but its value is extensive.
The effects of state intervention

In recent years, many states have passed laws that require newspapers to provide certain types of information to the public. These laws have been controversial, with some critics arguing that they violate the First Amendment and others arguing that they are necessary to ensure a free press. Despite these debates, the laws have remained on the books and have had a significant impact on the newspaper industry.

Public support for state intervention in the media has been mixed. Some people believe that the government has a role to play in regulating the media, while others argue that such intervention is unnecessary and even harmful to the free press. The debate continues as newspapers continue to face challenges in a rapidly changing media landscape.

Media General Inc., for example, recently filed for bankruptcy in December 2015, becoming the largest bankruptcy in the history of the newspaper industry. The company was unable to pay its debts and was forced to sell most of its newspapers to other companies.

In this article, we will explore the history of state intervention in the media, as well as its impact on the newspaper industry. We will also look at some of the key arguments for and against state intervention in the media and consider the future of the newspaper industry in an era of rapid change.

Effects of state intervention

State intervention in the media has taken many forms, from laws that require newspapers to publish certain types of information to laws that limit the ability of newspapers to report on certain topics. In this section, we will examine some of the key effects of state intervention in the media.

One of the most significant effects of state intervention in the media is the potential for government to influence the content of newspapers. In some cases, governments have used their power to require newspapers to publish certain types of information, such as government-sponsored advertising or reports on government activities. This can lead to censorship and self-censorship, as newspapers may choose to avoid publishing controversial or unpopular reports.

Another effect of state intervention in the media is the potential for government to influence the ownership and control of newspapers. In some cases, governments have used their power to ensure that certain types of newspapers are owned and controlled by specific groups, such as labor unions or political parties. This can lead to a lack of diversity in media ownership and control, as well as a lack of diversity in the voices and perspectives represented in newspapers.

Finally, state intervention in the media can also have a significant impact on the financial stability of newspapers. In some cases, governments have used their power to provide financial support to certain types of newspapers, such as community newspapers or those serving underserved communities. This can lead to a concentration of financial support in certain types of newspapers, which can further exacerbate the already significant challenges faced by the newspaper industry.

In conclusion, state intervention in the media has the potential to have a significant impact on the content, ownership, and financial stability of newspapers. As such, it is important for policymakers to carefully consider the potential consequences of state intervention in the media before implementing any new laws or regulations.
Figure 2: Costs affected by different types of state support for newspapers

<table>
<thead>
<tr>
<th>Variable Costs</th>
<th>Fixed Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution expenses</td>
<td>Operating subsidies for production</td>
</tr>
<tr>
<td>Editorial expenses</td>
<td>Tax incentives for production</td>
</tr>
<tr>
<td>Production expenses</td>
<td></td>
</tr>
<tr>
<td>Loan guarantees</td>
<td></td>
</tr>
</tbody>
</table>

The costs are divided into variable and fixed costs. Variable costs include distribution and editorial expenses, while fixed costs include operating subsidies, tax incentives, and loan guarantees. The table shows the impact of state support on the profitability of newspapers.
Economic difficulties in the newspaper industry have increased in recent years and are resulting in new studies and calls for action in a number of countries. The economic challenges have been highlighted in various studies and reports, which have called for various solutions to address the critical economic and marketing issues that have challenged the industry for several years.

First, government policies and means of intervention should be their focus. Researchers have pointed out that for the past several years, such policies have been used in the past to change structural or operational factors that create competitive disadvantages for newspapers. Support can be effective in the short run; however, if lower cost capital is not provided, it may not be effective in the long run. Support for the continuation of traditional newspaper media is provided only if lower cost capital is provided; otherwise, it may not be effective in the long run.

Second, the existence of support measures cannot ensure the overall purpose of such policies. In the end, it is the population that will benefit the most from the policies. Such policies have been used to change structural or operational factors that create competitive disadvantages for newspapers. Support can be effective in the short run; however, if lower cost capital is not provided, it may not be effective in the long run. Support for the continuation of traditional newspaper media is provided only if lower cost capital is provided; otherwise, it may not be effective in the long run.

In the U.S., for example, the cost reductions achieved by a few competitors, such as Gannett and USA Today, have not been able to reduce operating expenses and their help has increased the overall operating income of the company. Similarly, capital costs are increasing and the cost of the company, revenue of the company, and increasing income are the profits of the company.

Another difficulty with intervention is that different support may not be effective in different regions. For example, a number of newspapers in the U.S. may be able to change their marketing strategies and expand their marketing in the traditional manner. However, the cost of such strategies might not be feasible in other markets, where the newspaper industry is still facing a challenging time.

In the U.S., newspapers are being challenged by digital competitors, and the need for innovative strategies to remain competitive is evident. The challenges faced by the newspaper industry in the U.S. are similar to those faced by newspapers in other countries, and the solutions proposed in the context of the U.S. can be applied to other markets as well.

In conclusion, the need for innovation and the implementation of effective strategies are crucial for the survival of newspapers in the U.S. and other countries. The newspaper industry is facing a variety of challenges, and the need for innovative strategies to remain competitive is evident. The solutions proposed in the context of the U.S. can be applied to other markets as well.

### Table 2: State aid and the newspaper operating statement

<table>
<thead>
<tr>
<th>Operating statement item</th>
<th>Type of aid</th>
<th>Direct subsidies</th>
<th>Economic advantages and regulatory exemptions</th>
<th>Loans, grants, and guarantees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Operating expenses</td>
<td>FIrst</td>
<td>Direct subsidies</td>
<td>Economic advantages and regulatory exemptions</td>
<td>Loans, grants, and guarantees</td>
</tr>
<tr>
<td>2. Taxes</td>
<td></td>
<td></td>
<td>Economic advantages and regulatory exemptions</td>
<td>Loans, grants, and guarantees</td>
</tr>
<tr>
<td>3. Interest expenses</td>
<td></td>
<td></td>
<td>Economic advantages and regulatory exemptions</td>
<td>Loans, grants, and guarantees</td>
</tr>
<tr>
<td>4. Other adjustments</td>
<td></td>
<td></td>
<td>Economic advantages and regulatory exemptions</td>
<td>Loans, grants, and guarantees</td>
</tr>
<tr>
<td>5. Net income</td>
<td></td>
<td></td>
<td>Economic advantages and regulatory exemptions</td>
<td>Loans, grants, and guarantees</td>
</tr>
</tbody>
</table>
This is especially true in the case of support schemes such as fiscal advantages for the production of support services. In such cases, to avoid the costs of support, the support itself is often provided to those who require it directly, such as advertising or political campaigns. In some cases, these are the largest and most profitable newspapers who also have the least need for support. It should be considered that support is not available to those who require it directly, but it is available to those who require it indirectly, such as advertising or political campaigns. In some cases, these are the largest and most profitable newspapers who also have the least need for support.

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