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**McGill Lecture, University of Georgia**  
**Athens, Georgia**  
**20<sup>th</sup> October 2010**

I'm particularly honored to be delivering a lecture named for Ralph McGill.

We all know of Mr. McGill's courage on the transcendent issue of his time and place—the issue of race.

But there are at least a couple of other reasons why I see Ralph McGill as one of the true journalistic icons.

First, he was an investigative reporter literally from his college days. Indeed, he got suspended from college—and never went back—for writing a column about how Vanderbilt, which he attended, was misusing a bequest from the will of a wealthy professor.

And then Mr. McGill became the Lou Gehrig or Cal Ripken, Jr. of journalism, writing a column every day for more than 30 years—more than 10,000 columns from 1938 until his death in 1969.

This kind of willingness to confront authority, and tirelessness in doing it, helped establish the proudest traditions of the profession in which I've been privileged to spend my own career. All of us who have done so have been walking in the footsteps of Ralph McGill.

I want to talk today about some of the new ethical questions I think the vast changes in our business are posing for journalists. But **before** doing that, I think it's critical to say that while some of the **questions** may be new, the **compass** we should be using to chart our course should be unchanged.

That is, the values that guide us—

a commitment to fairness, to accuracy, to public service in our best work

and to the idea that our work is best seen as a public service,

to using the influence that our publishing platforms give us to especially serve those who have less influence in our society—

those **values** are constant. They are values visibly paramount in the journalism of Ralph McDill.

Yet, while the values endure, the technological revolution in how journalism is distributed and the related revolution in how it is financed, are prompting new ethical questions that I think merit our attention.

There are many such issues, but I would like today to spotlight four.

**First is the increasingly blurred line between the presentation of fact and that of opinion.**

It is one of the wonders of our age that new forms of journalism are everywhere: blogs, Tweets, podcasts, curated links and more. And it is also an unqualifiedly good thing that nearly all of these forms are easily accessible by almost everyone—that almost anyone who wants to be a journalist for a day, or a minute—or for years-- can now be one.

But while we all have opinions, and while our democracy is to some extent premised on the notion that all opinions weigh equally (even if not all are equally persuasive), **facts** are more elusive.

The ability to gather facts is not as widely shared as the ability to share facts once they have been gathered. The skills to sift facts, and stitch them together in patterns, and to verify that they are indeed facts in the first place, are not universal.

They can be taught, and learned, but not everyone has been taught, or wants to learn.

And ultimately, as Senator Daniel Patrick Moynihan once observed, ***“Everyone is entitled to his own opinion, but not his own facts.”***

The ethical questions here can be murky in practice, but I would venture a few thoughts on them. The most basic is that truth in labeling is not just a best practice—it’s an ethical imperative.

If a piece (or an entire blog or other outlet) represents opinion rather than fact-gathering, it’s best to present it as such. The same holds true within an individual story: “Reported opinion,” where fact gathering takes place in service of advocacy, has a strong heritage, and can be very valuable to readers. (The editorial page of my old stomping grounds, The Wall Street Journal, is one leading venue for reported opinion.)

But I would urge writers and editors to be disciplined, and take care, in signaling to those readers whether a particular fact or argument is being presented as established or merely urged.

One of the greatest temptations, of course, to publish more opinion and less fact is that **opinion**—especially vituperative opinion that gives no quarter—has proven to be page-view catnip on the Internet.

It is simply easier to get people to click on an opinion piece—especially one they already agree with, I’m afraid—than it is to get them to volunteer to learn new facts—especially the complicated facts surrounding ambiguous problems.

And this phenomenon leads us directly to the **second set** of ethical challenges I’d like to suggest: **the tension between the quest for audience, for page views and unique visitors, and the societal need for journalism of substance and civic importance.**

The Internet, of course, has sharply exacerbated this problem. Back in the olden days—15 years ago—editors knew little about how many readers read which story, and the little they **did** know usually came from surveys that reported the information long after the newspaper or magazine in question had gone off-sale. As a result, advertising was sold largely on the basis of brand attributes (of both advertiser and publisher), and aggregate circulation data.

As department store magnate John Wanamaker famously said, "***Half the money I spend on advertising is wasted. The trouble is, I don't know which half.***"

Today, we know how many people read each story we publish online, and we know it instantly.

Advertising can be sold to accompany particular stories—or, increasingly, to reach particular sorts of readers. And advertisers can then precisely measure how many times each ad is clicked on, and increasingly are offered data to tell them all kinds of attributes about the clickers.

The result is known as commoditization. That is, the large premiums that certain high quality publications could command in the prices they charged for ads, known as CPMs or cost-per-thousand, have shrunk sharply in most corners of the web.

As Mr. Wanamaker would have relished, the once-familiar per-page-***distributed*** pricing model is rapidly being replaced by the now-familiar per-page-***viewed*** pricing model.

What does this mean? One thing it means is that where critics of publishers used to complain that particular stories were published “to sell newspapers,” in fact, for most of my 40 years in the newspaper business, very few stories—apart from tabloid

headline pieces and magazine cover efforts-- actually were. Newspapers were sold mainly by subscription, not by individual copy

Today on the web, I'm afraid that the old saw is *true*—that many items are published almost solely to draw page views, to keep the “M's” -- the thousands of readers -- flowing in the CPM model, to offset the decline in the C's, the cost or price that publishers can charge.

That's what brings us photos of sexy celebrities on news aggregation sites and pointless exotica as a come-on for international or national news. That's what brings us many photo slideshows. That's also what brings us the increased pressure to be first to publish, that can lead to atrocities like the misinterpreting of an old video of the Department of Agriculture's Shirley Sherrod, that briefly got her fired as a racist when a true understanding of the video showed she was exactly the opposite.

Of even greater concern, the mania for page views is what brings us increasing sensationalism and exaggeration and pandering, Hollywood trivia not only alongside public policy, but sometimes crowding it out.

There is also increasingly in video as well as text the crowding out of fact by opinion because opinion draws more page views (and is cheaper to produce).

Consider the following list of online stories and videos compiled by Washington Post reporter Paul Farhi (FAHR-hi) in the American Journalism Review this summer (and by the way, all three of these sites also produce some excellent journalism):

From CBSnews.com's recommended list, "Miss Transvestite South America," "Smoking Baby is Real," "Fired for being Too Sexy," and "Alligator Feeding Frenzy Caught on Tape."

From ABCnews.com, "How to Guide Your Dreams," "Sharks Scare East Coast Swimmers," "Lindsay Lohan Heads to Rehab," and "Lady Gaga's Vagina Monologues."

And from HuffingtonPost.com, "Kardashian Visits Cowboys," "Killer Bat Fungus," "World's Worst Urinal," and "Naked Lady Gaga Talks Drugs and Celibacy."

Now, I have nothing against Lady Gaga. I have attended one of her concerts and would happily go to another. I also understand that content businesses need to be financed. I live professionally these days in the non-profit world, and yet I remain a great believer in the power of the profit motive to help spur innovation and to drive innovation to scale.

Still, there is an important ethical issue here: If we create business models that depend largely on page views, we should not be surprised if they drive publishers to favor content with a high prospect of "going viral" over content that is primarily thought-provoking, or challenging, or discomfiting, or even educational.

Civic discourse and web posts that go viral are not mutually exclusive, but the overlap between them is limited and must be carefully calibrated if the goal of viralness is to be prevented from totally subsuming the goal of seriousness.

Sometimes the two can work together. This year, ProPublica reporters Jesse Eisinger and Jake Bernstein have produced two parts of an ongoing investigative series into how the geniuses in our financial industry kept alive the arcane business of packaging exotic, mortgage-linked securities even as the market for the actual mortgages was drying up.

The result, Jesse and Jake demonstrated, was huge bonuses and profits for the bankers, packagers, and hedge-fund managers but a crash that ultimately was far larger and more dangerous for everyone, including ordinary wage-earners, than otherwise would have been the case.

With each story, our brilliant partners at NPR contrived to produce brief musical videos -- one of them by the Gregory Brothers, masters of the strange alchemy called auto tuning -- that highlighted the message of the stories in hilariously visceral form, exploded on the web, and drew enormous traffic both to the compelling stories on public radio and to the comprehensive text versions on our site.

We and NPR have the comfort of being non-profits. In the for-profit space, the impulse may be to go for the catchy video and ditch the expensive, in-depth reporting to put behind it. The impulse needs to be resisted, at least part of the time.

A **third set** of ethical issues I'd like to raise also revolve around the business challenges our industry is facing. Simply put, as almost every editor of an established news organization has experienced, newsrooms have been in **cost-cutting** mode for at least five years now. Staffs have been reduced, salaries frozen or cut (either directly or through the obfuscation of furloughs), benefits curtailed, pensions underfunded.

From the point of view of readers, sections and beats have been eliminated, pages trimmed in size and the number of them reduced. Circulation has been cut back in areas peripheral to a publication's core, and also in low-revenue venues such as hotels and doctors' waiting rooms.

I am not suggesting that this cost-cutting, in the aggregate, could have been avoided. It could not have been-- and more is likely ahead as the national recovery, even in its current modest form, seems not to extend to print advertising, and also as quite a few publishing companies begin to emerge from bankruptcy, a process that can often lead to a new round of layoffs.

But cost-cutting does raise ethical issues of its own. Some of these are the ethical questions any employer faces in a downturn: the importance of behaving in a humane way when people must be laid off, the imperative not to raid pension plans to prop up earnings, the importance of telling the truth to workers.

Beyond this, however, are the ethics of cost-cutting vis a vis readers. Here, I would argue, ethics requires that hard choices be made rather than finessed.

If we believe in the public service mission of the press, for instance, preserving the ability of publications to serve that public is critical. If that means that unpleasant decisions about underperforming personnel must be accelerated, or that union contracts appropriate to a quieter and more prosperous time must be reformed, so be it. It is simply not ethical to degrade everything—quality and quantity of output “across the board” (as the saying goes)—in order to minimize disruption in the newsroom.

We must make choices. We need to decide what to forgo, and we need also to aim for excellence in what we continue to produce.

**Fourth and last** on my brief list of new ethical concerns are the obligations of **transparency** that a host of forces in our society are now imposing on journalists and publishers.

“Transparency” is one of those words that gets thrown around these days, and taken to mean a lot of different things. Let me spell out what I think it means for journalism:

I think we have an obligation to be as transparent as possible about the sourcing for our work. Where possible, I think we should share key documents, data and other source material with readers.

There is an increasing expectation of transparency about the **process** of our work as well. Subject to the need to protect vulnerable whistle-blowers and other key sources, we should be willing to describe this when asked, and to volunteer info when it could spur effective work by others.

Transparency should extend also to the business side of our operations. It’s hard to explain these days why we should decline to disclose information about our **own** operations that we want those whom we cover to disclose about theirs.

For non-profits, the IRS mandates a high level of transparency about revenues, expenses, and governance, but disclosure of most of this seems to me **also** in order for those on the for-profit side of our business, especially those constantly calling for greater openness on the part of government and business.

The industry's own Audit Bureau of Circulation, which once served as a watchdog to make sure newspapers weren't inflating the number of copy sales they reported, has gotten so tangled up in dealing with online as well as print circulation that the result is, it seems to me, more confusing than clarifying. Its new statistical regime strikes me as misguided, ironic and, well, wrong.

In concluding, I'd like to make one final point. It is not as if these ethical issues are entirely new to the news industry. When I was a kid reporter at the LA Times in the 1960s, some of the veteran photographers and reporters regaled me with tales of how they used to sit in their cars with motors running, radios tuned to the police band, so they could be first on the scene of a gangland slaying or a spouse-stabbing, the bloodier the better.

There weren't one or two papers competing for audience, but six or seven, and the more lurid the page-one photo, the hotter the per-copy sales, which were the lifeblood of circulation in those days.

There was serious stuff in the papers, too, like Korea and the Cold War and polio vaccine, but much of that was available to everyone and left to the wires to report. The premium, then as now, was on speed. The operative slogan, attributed to the old United Press news service, was "Get it first, but get it right. But get it first." (Sounds like a message for today's web sites, doesn't it?)

Decades earlier, names like Hearst and Pulitzer signaled not quality journalism, as they do today, but war-mongering opinion masquerading as news, as in the infamous Remember the Maine headlines. While the strategies built fortunes that lasted generations, no one could seriously claim that they gave citizens the best possible guide to their exercise of democracy.

Today, the internet and digital technology provide enormously powerful tools for remaking journalism. The business models of the last 40 years of the 20th Century showered metro newspapers with monopoly profits and allowed their owners to provide high-quality journalism that actually contributed to those monopolies. Those models are irreparably broken. There is no going back to them.

In building our new models, we will need to sustain the ethical learnings that we built up in that period and carry them into a new environment of generally far tighter margins, with for-profit, non-profit and other paradigms standing side-by-side. It's a challenge we will have to work hard to meet.

One final point. For 41 years, nearly my entire career, I worked for profit-making or at least profit-seeking newspapers, the Los Angeles Times and the Wall Street Journal. For the past three, I have had the honor to lead the launch of ProPublica, a nonpartisan, non-profit newsroom that seeks to spotlight abuse of power and failure to uphold the public interest, and by so doing give the public the means to induce change.

Why move now? Do I think journalism can no longer earn a profit?

No I don't. But something very dramatic has happened. In the previous four decades, in city after city across our country, the leading morning newspaper was a near-monopoly. Profits were huge. One of the things that contributed to these profits, that served as a barrier to entry by potential competitors, was the commitment of these papers to investigative reporting, international reporting and other forms of public service journalism.

Advertisers wanted to be in the most admired publication in their community, and thus would submit to yearly increases in advertising rates.

The web changed all that. It removed all barriers to entry into the publishing business. So while many aspects of the journalistic mission still lend themselves to profitable pursuit, investigative reporting – the most expensive kind of reporting – does not. Not when a single story can cost \$200k, \$300k, even \$500k to produce. Some news organizations will be able to keep investigative reporting in their mix, but many more will not, or will have much less, as they shrink their staffs to cope with shrunken revenues.

To sustain this kind of reporting as part of the fundamental underpinnings of our democracy, we need to nudge the sources of philanthropy in our society – ordinary citizens, foundations, and wealthy donors alike – to widen their view just a bit and see investigative reporting as a public service just as worthy of aid as museums, orchestras, ballet companies, clinics and private universities.

I think the message is being heard. Last year, ProPublica raised \$1 million from sources other than its founding supporters, Herb and Marion Sandler. This year we are on track to raising

close to \$4 million from such sources. This is very much a positive sign.

And I think it is in keeping with the ethos of Ralph McGill, who like fellow Southern reporters and editors Jack Nelson, Gene Roberts, and many others, used their typewriters to confront racism and other evils first at home and then, in many cases, around the country and around the world. He and they served as a noble goad for journalists everywhere to expose injustice and by so doing defeat it. I am honored to be speaking in his name.

