

JOURNALISTS AND AUTO WORKERS

For probably perverse reasons, this was my favorite moment in Obama's speech to the Radio and TV Correspondents Dinner.

Of course, most of my attention has been focused here back home. As you know, we've been working around the clock to repair our major financial institutions and our auto companies. But you probably wouldn't understand the concept of troubled industries, working as you do in the radio and television.

AUDIENCE: Oooh!

THE PRESIDENT: Oh – we don't joke about that, huh? (Laughter.) That's not funny. (Laughter.)

The similarity between the failed American auto industry and the failing American newspaper and news entertainment industries is really apt. It's a comparison I made—without getting booed—at a couple of panels a few weeks ago. But it's a comparison that the elite in the journalism world are not yet ready to face.

The way I see it, both the auto and journalism industries are facing radical structural changes in their industry. For autos, it's globalization and the need to compete against newer, partly subsidized transplant auto companies. For the journalism industry, it's the challenge of digital culture, both the rise of Internet competitors and the ability to copy content with little cost.

And both industries want to pretend that's all that's going on in their industry—it's all the fault of these radical changes, the industries themselves are not to blame for their declining fortunes.

Yet, as everyone outside of a few zip codes in MI taunts, it's actually the really stupid management decisions that have sunk the auto industry. Those taunts are correct, in large part (though the taunters usually have no clue about the structural reasons for those crappy management decisions, and so have no idea how to fix them).

Whereas Athenae—and those of us who read her religiously—seem to be the only ones who want to talk about the chronic, predictable, greedy, absolutely boneheaded decisions of the news industry's management.

There's a lot more to be said about the parallels between the dying US auto industry and the dying news industry, not least the arrogance of refusing to listen to your customers' expressed desire for a quality product.

But back to the President's flopped joke.

There's one big difference between the auto industry and the news industry right now.

Aside from some arrogant CEO's before Congress—only the successful one of whom still has his job—we're pretty ready to admit that the auto industry needs to change to stay viable.

The news industry, though, is about where the auto industry was a decade ago, sucking the last bit of profitability out of the company rather than investing in the change that needs to come, all the while denying that its own choices and actions are hastening its decline.

This flopped joke is the sound a still too arrogant industry makes when confronted with the unpleasant reality of its own failures.

About the only difference is this arrogant industry dresses up a bit fancier.