

P R E S S E M I T T E I L U N G

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Speech held by Mathias Döpfner at the German Newspaper Congress on September 26th in Berlin

On a summer evening in July, as I was driving along the Berlin city highway having just finished work, my telephone rang. The setting sun bathed everything in a mellow light. Helmut Heinen was on the phone. After a few minimalistic phrases of greeting and with the genial buoyancy of his Rhenish timbre, he asked me if I would like to become his successor as President. I took a few deep breaths and then replied, with words to the effect that this was an office that it would be difficult to turn down for anyone who was serious about the battle for the future of journalism. A short time later I consented.

For one single reason: I want journalism to have a future. I would like publishers to continue to play an important socio-political role in the digital world as well. And that is why I will fight to ensure that publishers will also have a healthy and attractive business model in the year 2050. Without a business model there can be no socio-political role. And that is important. Because a democracy needs independent, critically investigative journalists. This is why I am here.

And in this I differ little from my predecessor Helmut Heinen, who has been a member of the association for 26 years until now, and who in future will continue to be a member, and who has been an extraordinarily good president for 16 years – and to whom I would like to express my heartfelt thanks once again today. Dear Mr Heinen, you have achieved a great deal for the association. Your guiding principle was: Demand freedom in order to grant journalists freedom. That is precisely what I want as well. And in doing so I will give everything, together with the new presidium of the BDZV. We are the Association of all newspaper publishers, whether large or small, regional or national, analog or digital publishers. And this is why we also want to effectively represent the interests of all of them. For this, dear members,

we need your support. Because we will only be successful together. And please do not harbor unrealistic expectations of what the new presidium can achieve. We cannot walk on water, because we are only human. But one thing I can tell you: I am looking tremendously forward to this position. What a wonderful job.

Dear Mr Oettinger – thank you very much for being here today. The industry is looking to you. Without your commitment, there would be no antitrust proceedings against Google in Brussels, but rather a search engine monopoly protection law. And without your commitment there would be no plans for the Law which is so vital for us publishers on the Protection of Intellectual Property at a European level. Publishers are fighting for their future prospects in the digital world. And they are doing this in an equally new as well as overpowering competitive environment of digital giants. In order to illustrate the situation somewhat for you, I would like to tell you the publishers' joke of the season.

A new news portal is going to be launched in paradise. A call for tenders has been issued. The first to react is a German newspaper publisher. How much will this all cost, asks Peter following a tour of the new newsroom in the publishing house.

“10 million euros”, says the newspaper publisher. And what you want to do with the money?, Peter asks. “One third is for the best journalists in the country, one third for editing the content on all platforms and one third as profit.”

The second to reply is a German public service TV broadcasting manager who presents extensive plans and asks for 20 million euros for high quality public service work: one third for management, one third for expenses and one third for a pension scheme.

The third candidate, founder of a large social media company, demands 30 million euros. “What? So much for a news portal??? What do you want to use all that money for?” asks Peter looking aghast.

“Quite simple: 10 million are for you, 10 million for me. And for the rest we let the publishers do the work.”

The joke, as you will have noticed, has a small logical flaw. According to the current situation, we would not actually receive a third of the revenues for our work from any social media platform in the world. The reality is much worse. We supply the content for free – the money, and that means almost one hundred percent of it, is earned by others. That is why we should ask

ourselves the question once and for all: Why do we actually still need newspaper journalism or newspaper publishers. We have Facebook and Google and user-generated content? And that ugly term about the 'lying press' is doing the rounds in the population. So who still wants and needs journalists?

At the beginning of August a noteworthy incident took place in Saarbrücken that briefly made the headlines, but then was quickly forgotten. In the city of Saarbrücken, – according to the first reports – a heavily armed man, covered in blood, barricaded himself in a restaurant. There was talk of hostages, of the threat of violence. A huge police operation was triggered, a SWAT team was there, the city center was completely blocked for hours, people had to stay in their homes. Reports came thick and fast. A new act of violence after Munich, Würzburg and Ansbach – panic spread quickly in the heated atmosphere. Breathlessly we followed the live reporting on the Internet. Innumerable updates and ticker reports spread across the websites. Twitter and Facebook portrayed the picture of a city in a state of emergency. The police then entered the building and found to their relief and surprise not an assassin shouting "Allahu Akbar", but rather a man sleeping in the back room. He had no weapon, he was not covered in blood, his injury being a graze. He had never posed a danger.

This episode made an impression on me, because it illustrates a number of things: Firstly, when a society suffers shocks such as the attacks in Ansbach and Munich, it projects that suffering into the future. Everything that happens arouses the fear that it will happen again. Every trauma fuels the expectation of its repetition. That is why unexcited journalism, critical research and sober classification is more important than ever in turbulent times.

Secondly, journalists, newspaper journalists among them, are not immune to being infected by hysteria. They also unfortunately sometimes transport rumors, before they have reliably checked their veracity. Yes, also the media – not only social networks – reported during the attack in Munich that several assailants with rifles were on the run. None of this was true – neither the multiple perpetrators, nor the long weapons, nor the flight.

However, thirdly, it is also journalists, who, without being asked, also set the record straight after such errors until it is once again in line with reality. It is journalists who are the fastest and most conscientious when it comes to acknowledging mistakes, occasionally through self-criticism, much more preferably through criticism of their dear, yet unfortunately incompetent colleagues. But this is precisely the salutary corrective of pluralistic journalistic and economic competition. And among other things, this is

exactly why we need journalism. Because where this corrective is missing, our society starts to lose its equilibrium. This is why we need multimedia press instead of digital propaganda or the virtual pillory.

Journalists are fallible – like all other people as well. Sometimes dishonest, sometimes self-righteous. But journalists have an ethos that differs fundamentally from other professions: Their goal is to discover the truth, even if by publishing the truth they make complete fools of themselves. No other profession is as permeated by this ethos as ours. Not doctors, not policemen, not politicians, and not managers.

One example of this is the events of New Year's Eve in Cologne. On this night and over the next few days, journalists and publishers cut a very poor figure. Reporters had not investigated thoroughly enough. And in the name of good intention, editors and editors-in-chief allowed themselves to be carried away by the thermal of political correctness, forgetting the basics of their craft and allowing themselves to be fooled by the police press office. Because that which may not be permitted to happen, cannot have happened. And it could not be permitted, that women are persecuted and sexually harassed by a mob of primarily non-German people, therefore by asylum seekers and immigrants. For this reason the truth was initially neither sought nor found. The revenge of the readers was prompt. And one thing returned very quickly, the battle cry denouncing the lying press. One retired employee even canceled his *Welt* subscription after thirty years because he no longer wanted to read a newspaper that conceals these events. And my conciliatory response was unable to make him change his mind. We should be accountable for such errors. Yes, be ashamed. But this collective error does not make us a lying press by any means. You would have to call us a lying press if we would conceal the error and carry on. Only then, when an error of negligence turns into deliberate falsehood.

Yet the opposite was the case. We journalists, especially the newspapers and public television broadcasters recognized our mistakes, corrected them, and apologized for them publicly. Neither the police nor the politicians have admitted, evaluated, documented and atoned for their errors in Cologne as unsparingly and as quickly as journalists, almost tearing themselves to pieces in a broad and varied discourse. The self-regulatory mechanisms of the competition for insights and opinions have proven themselves and shown their reliability. But we need to take the lessons seriously at a deeper level as well. Credibility also means: to call the unpleasant, perhaps even politically incorrect things by name. Good intentions do not alleviate failings. Phrases and euphemisms do not make problems smaller. Just because we

describe the sun doesn't mean it will stop raining. Newspapers have to write what is.

The basis of our business is not advertisements or subscriptions. They are not the purpose of our business, they are rather only a means to achieve it. We sell ads and subscriptions in order to be able to afford, through critical research, to get closer to the truth. And at the same time to turn a nice profit. We need not be ashamed of our business interest, of our pursuit of profit. On the contrary. It is a wonderful motivation to continuously improve. Profit is not everything. But without profit everything is nothing. And without profit we could no longer afford to search for the truth and to take responsibility. Publishers assume responsibility – first and foremost for the fact that what is published is also true. Responsible dispatching is the principle of newspapers. In a very literal legal sense, but also in a figurative socio-political sense. We publishers accept responsibility through our dispatches. And it is exactly this principle that we also have to defend with the utmost vigor in the digital world.

Why is the man explaining this to us, you may be asking yourselves, we know this already. Possibly true. But more and more people are forgetting it. And perhaps even find such reflections in view of the digital reality and the phenomenon of the so-called post-truth society out of fashion. Rumor or news – who knows exactly. And who still wants to know exactly? You can get rumors, but also news today at Google News or through Instant Articles on Facebook or via Snapchat. This is a huge opportunity on the one hand for us publishers; because entirely new distribution channels are emerging. Almost a third of all Germans hear important news first through social media platforms. On the other hand, this is an existential challenge. 43 percent of social media users do not remember the original source of a news report. They simply read it on Facebook. And not in the Ostseezeitung, the Kölner Stadtanzeiger, or the Saarbrücker Zeitung. But we need to focus all our energy to make sure that in the future as well, that it is our brands and not the digital sales partner that is seen as the dispatcher and port of call for trust. "I read it in the Frankfurter Allgemeine Zeitung." That's the sentence that we want to hear. Or: "The editorial in the Stuttgarter Zeitung was so wise." And: "I found the report in the Südkurier so good" – that is what people need to think or say, even if it is Facebook that brought the texts to their screens. The charisma of the brand – that is what it was always about and that is also what it is about in the future. The faster the media landscape is changing, the more we need to strengthen our brands.

Yet how? The publishing manager who received analog training and digital in-service training has just learned that what formerly his colleagues in the sales department did, is today done by so-called SEO experts, the virtuosos of “Search Engine Optimization” – who ensure that the optimal indexing and labeling of texts maximize their penetration, i.e. that the digital circulation is growing. And right away we have to realize: Old School. Websites for Millennials are as old-fashioned as Gameboys for “Pokémon GO” players.

The new mega-trend is: Social Distribution. Or, to put it in the jargon of the newspaper: The press wholesaler is now Facebook. We already have the first media brands which do not have a website at all, and who organize the distribution of their content one hundred percent through social media. This is not a problem but rather a huge opportunity, if Facebook acts as a sales platform and not as a publisher. And above all, if Facebook ensures that we also earn something from Social Distribution. This is not yet the case today. In the case of advertising, thanks to its treasury of data, Facebook makes precise customized offers, the supplier of the content receives mere crumbs.

88 percent of the growth of online advertising revenues in the USA are currently being collected by Google and Facebook. 88 percent. This means only around ten per cent of the growth for Disney, Time Warner, News Corp, New York Times, The Wall Street Journal, USA Today, Huffington Post, BuzzFeed, Vice, Vox Media and all the others. The view of the absolute figures is hardly more reassuring. In the first quarter of 2016, 15.9 billion dollars were spent on digital advertising in the United States. Of which 8.3 billion dollars went to Google and 2.6 billion dollars to Facebook. All the others together had to make do with 4.9 billion. This means: In the first quarter of 2016, Google and Facebook had a joint share of 69 per cent of the market for digital advertising – and 88 percent of growth. In addition: The possibility of being able to sell digital subscriptions via Facebook is still a long way off.

In fairness, it must be mentioned that Facebook seems to have learned from Google's errors. It is carrying out a serious dialog with publishers. The openness to define an ecosystem that also ensures the media companies an economic perspective is great. We should take this openness seriously and acknowledge it. But as yet these are still words, plans, promises. The promises must be followed by binding agreements and successful established practice. To do this is crucial for publishers who are looking forward. Distribution through search engines is barely growing.

Social Distribution is the distribution channel of the future. Establishing this as a business model must become a priority for the BDZV. A prerequisite for

this is that Facebook does not claim responsibility for dispatching. Responsible dispatching is based on the principle of selection. And it is precisely this selection that should not apply to Facebook and Snapchat and Twitter and Pinterest. They can distribute, but not curate and edit. If these quasi-monopolistic technology platforms also take over responsibility for content, the consequences will be severe – for business and for society.

To continue with this topic, I have to tell you an incredible story, which, however requires me to make an exception and break the general duty of confidentiality with regard to the content of Supervisory Board meetings. On 8 September, an annual routinely organized training session took place during a Supervisory Board meeting of the Axel Springer Publishing House. This year we had chosen “Social Distribution” as the topic and Bild.de editor-in-chief Julian Reichelt was to be giving a talk about this. He showed me his manuscript a few days earlier. I was particularly impressed by the following passage:

“We are finding that research is becoming criminalized. We are finding that it is now becoming the norm to sneer at the publication of news photos. A photo such as the girl in Vietnam burned by Napalm would no longer be published by many media channels today for fear of angering their readers and users. The photo may have changed the world and ended a war, but the girl was naked, underage, her sexual characteristics were visible and her parents were not asked before publication (because they were presumably dead).”

Reichelt continued:

“To put it bluntly: This trend is absolutely life-threatening for our industry, but also for our society and for all that we believe in. If we do not confront this tyranny of hostility against the media and ultimately also against freedom every single day – in the digital world every minute –, if we do not continually make it clear through good arguments and good journalism that we are an imposition, yet an added value for society, if we shirk the dialog with our sharpest, partially intolerable critics, then we will at some point appear superfluous to the people.”

When Reichelt recited this passage at the Supervisory Board meeting, he showed this picture. The one half, as this iconographic example of powerful press photography which looked as it did when it was taken, the other half pixelated, as it is might perhaps be conceivable today. The example provoked strong emotions and the feeling: Well, he’s exaggerating somewhat, this young man. Of course it will be permitted to show this legendary photo always and everywhere. Reichelt’s talk, the manuscript for

which he had delivered on 4 September, was delivered on 8 September at 11:30 am. On the same day at 09:33 pm, the message came through the ticker that Facebook had censored and blocked exactly this photo of the Vietcong girl running from the napalm bombs. A coincidence. Reichelt was naturally unaware of this when he wrote and held his talk. He couldn't know it. But he had captured a mood in which something like this might be possible. Reality then overtook fiction. On the very same day things turned out even worse than his concerned talk could have imagined. From a general concern a specific case had emerged. The virtually monopolistic distribution platform Facebook had prohibited and suppressed a historical press photo that had helped to put an end to the Vietnam War. Aftenposten editor-in-chief Espen Egil Hansen did the only reasonable thing he could: he wrote an open letter to Mark Zuckerberg and forbade the interference. "Listen Mark, this is serious, I think you are abusing your power", he wrote in his letter. After a wave of indignation broke over Facebook, Facebook removed the censorship again on 9 September. In its statement it says: "*The value of permitting sharing outweighs the value of protecting the Facebook community.*" This makes it clear: It is only a matter of time until Facebook intervenes again. Facebook wants and will continue to censor in other cases, if clear rules are not created here.

The napalm girl is not an isolated case. At Facebook, Gustave Courbet's 1866 painting "L'Origine du monde" was already previously listed as pornography, even though the picture is considered one of the most important reference points in art history. In February, a Paris court granted permission for the action by a French Facebook user against this censorship before the French courts and declared French law to be applicable – a novelty. In another case, Facebook censored the writer Liao Yiwu who emigrated to Germany. He had posted pictures of a fellow activist who had run naked through the streets of Stockholm to protest against the regime in China. The communist leadership in China subsequently applauded Facebook. In Turkey, Facebook blocked a page with pictures of the Prophet Mohammed after the attack on the editors of the satirical magazine "Charlie Hebdo". Also those who post photos with Kurdish symbols risk being blocked.

The cases show how important it is that Facebook or Snapchat or Pinterest do not operate and are not perceived as a medium, as digital superpublishers, or as responsible dispatchers. But rather as what they are and by their own account want to be and always should be: – a technology-driven communications platform. This is also why the whole debate about hate speech on Facebook and other politically well-intentioned appeals to Facebook's responsibility for content were completely misplaced. If we

ascribe – or as has often happened even actively call for! – this role to Facebook, then we are digging the publishers their own grave. Selection and responsible dispatching is our task. And not the task of digital distribution platforms. Facebook and its ilk should be observed and regulated like telecommunications companies. They are also not held responsible for the stupid or dangerous things people say on the telephone.

The same should apply for Facebook as for wholesalers. Clear violations of the law are to be excluded from traffic. Other content is not however subject to any control. Wholesalers are not final editors. Facebook should not be either. The press wholesaler may not deliver a Nazi magazine with a swastika, “Sieg Heil” and sedition of Jews on the cover due to its sales responsibility. “Clear” means: identifiable at first glance. Legally weighing up every line in the magazine is not its task. Such a service was performed in the German Empire, under the Nazis and in the GDR by censors. Fortunately we do not have them.

In concrete terms this means: To combat ‘hate speech’, the state must take action against the authors of the statements and not the sales platform. This is more painstaking, but correct. And if we demand this, we are not protecting the digital platform. Rather we are protecting ourselves – the press. The protection of the freedom of the press can only be enjoyed by those who also bear its responsibility. Those who demand that Facebook take responsibility for the content of every sentence, ennoble the company – incidentally against their will – to a media company. And makes the technology group into a global superpublisher. With all the consequences also for business with ads and subscriptions.

We publishers espouse what we show and write. “ViSdP” are the proudest five letters in our world: Verantwortlich im Sinne des Presserechts (*Responsible according to the German Press Law*). Responsible is the first and the most important word. If we write something wrong, we have to correct it. If someone suffers damage as a result, we have to pay compensation where appropriate. This is not pleasant, but correct. The principle of newspaper is the principle of responsibility. And among other things this is what we want to be paid for.

Even if you can ask why it is a matter of course that the role of the mass media and information carriers in future still falls to us, the publishers. Why should only we have the right to practice journalism? Mesut Özil has 31 million fans on Facebook. That is 55 times as many as the Süddeutsche Zeitung (the SZ has 560,000 fans). Why shouldn’t Özil, with his enormous penetration, hire an editorial team to interview Angela Merkel? Why should

Özil only employ player's agents and not editors-in-chief? Bayern Munich has almost 39 million fans on Facebook. That's 27 million more than the New York Times. Why should Bayern Munich still comply with our rules? If politicians suddenly reach more people through their profiles than we do, why should they still feel obliged to answer our questions? If content no longer needs us and our brands to get to readers, then why should anyone have to endure the annoying questions of professional journalists?

There is only one good reason: We are only needed if, and as long as our readers *want* to read what we write. Because they find our type of presentation attractive and our selection relevant. Because they find our facts reliable, our research tenacious, our opinion inspiring and our attitude fair. Our social *raison d'être* – and thus also our economic livelihood – does not derive from the fact that *we* find ourselves important and indispensable. But rather the simple fact that our *audience* finds us important, that our readers feel we are indispensable. If we are not relevant and not there, where the people are, we will lose our readers. He who does not move with the times, will be removed over time. We are not a law of nature. We have to convince readers anew at any moment. By seeing and saying what is important. And by gaining and keeping trust through responsibility. We should accept this challenge cheerfully and passionately. No readers have yet been won back by whining. Our focus must lie on that which has always been decisive for success in our industry and will in the future be even more decisive for success: the quality of the content. And secondly, on the fact that a fair as well as a modern regulatory framework gives us the chance to establish sustainable business models in the digital world as well.

A few years ago, the President of the Bundestag, Norbert Lammert, spoke here at the Newspaper Congress. In his address, he referred to newspaper publishers as "systemically relevant". That pleased the publisher spirit. And was certainly meant nicely. What he meant was: The disappearance of newspapers would have disastrous consequences for our democratic order. However: What you also associate with the words systemically relevant is: systemically relevant banks, "too big to fail", "bail-out" or in German: state support. In this sense we would never want to be systemically relevant. But there has long been this seemingly well-intentioned concept. I remember being at a hearing with a few other colleagues from the German publishing industry before the German Bundestag, during which a media professor – after we publishers had described our concerns – very eloquently explained that in the long-term, quality journalism could only be saved through a foundation representing all parties and funded by tax money.

And also the SPD Secretary of State for the Arts and Media Marc Jan Eumann called a few years ago for a publicly funded foundation for the promotion of local journalism, which would finance editorial articles and even editors. Surely with the best of intentions, but in practice disastrous. Because that would mean: A declaration of publishers' bankruptcy.

In its final development stage this would mean nothing other than a state press or public service newspaper. For me that would be the ultimate vision of horror. Not only because it would mean a total failure, but especially because it would also represent a regulatory nightmare. A triangle of state press, state television and an Internet monopoly has more to do with George Orwell and North Korea than with a living democracy.

To do everything possible to ensure that this scenario never comes about, is one of my main motivators as BDZV President.

We do not want to be systemically relevant, but only relevant for the system. And we are relevant for the system in that we criticize it. To make it even better. We do not want to be rescued like the banks. And I am sure that we do not need to be rescued. Rescue creates dependency and costs freedom. A rescued press is no longer a press. We also do not want any subsidies. We want to meet the challenges of change with our own resources.

The role of the state is here limited to three things:

1. To protect the intellectual property of authors and publishers,
2. To allow for free trade and competition through fair framework conditions and
3. To refrain from attacks on the content of the press.

This sounds little but it is a lot. Every country in which the State restricts itself to these three things is happy. All of our specific media policy objectives are committed to these three principles. The BDZV is continuously dealing with the small and large media policy issues: From data protection, to the minimum wage for postal workers, copyright contract law, the Directive on Audiovisual Media Services, value-added tax, right up to the antitrust law which is urgently in need of reform. All of these issues and many more are important and we will also continue to take a firm stand on them in the future. This morning I have discussed some topics in greater detail.

Against the background of the changes in the media landscape that I have presented, on the one hand through the role of digital technology platforms,

and on the other hand under the impression of initial calls for state foundations to rescue the newspaper, it seems to me that continuous dealing with detailed issues is not enough. Because the situation is indeed almost cynical: On the one hand politics keeps throwing a spanner in the works, such as constant further restrictions and prohibitions on advertising, currently for example in the case of energy-consuming products. Or take the minimum wage, which makes delivery by the publishers at least 250 million more expensive. On the other hand, it offers us state aid to solve the problems and thereby dependence. It is as if someone systematically drains liquid from a person in order to then generously offer them a bottle of water shortly before they die of thirst. This absurd situation makes it quite clear: We need a new media policy, a deeper political awareness of the digital challenges and a modern, internationally established regulatory framework.

To illustrate this need, I would like to emphasize only two media-political topics here today. The plans for a European Publishers' Right and the role of public service television.

On the first point. The reform of European copyright law is the basis for everything. If the protection of intellectual property is not ensured, then publishers have no perspective in the digital future. And anyone who says otherwise and casually calls on publishers to be more creative and to develop new business models is either lying or distracting. Of course we can organize auctions for garden furniture or sell dog food in the future and thereby finance journalism. That would be subsidization however. And would not last long. What is decisive is that journalism itself is a profitable business model. And that the product itself remains the property of the producer. This would be the case in any other industry as well. Nobody would want to be a baker in a country in which people steal bread from the shops.

But it is still the case that other companies on the Internet can copy articles, photos and videos and are able to sell and market them on their own account without paying anything to the publishers. This applies to snippets of articles – see Google News –, entire articles – see Instapaper – or even high resolution photos – see Pinterest. Despite all claims to the contrary, the prevailing law, even with the German ancillary copyright, does not provide adequate means to receive fair financial compensation for these services. The film industry or the music industry have had this right for a long time, without which they would have ceased to exist decades ago. In the analog world this played no role for newspaper publishers however, because nobody came up with the idea of duplicating a newspaper 100,000 times on a photocopier in order to sell the copies. In the digital world you no longer need

a copier; a mouse click is sufficient and you can successfully market content that others have created – without having to invest a cent. And this is exactly what many search engines, aggregators and websites are doing. Here are the fools, that create sophisticated content for a lot of money. Here the clever ones, who copy the content from others and offer it for free in order to commercialize it through advertising.

It is the duty of the state to put an end to the everyday expropriation of publishers. The German ancillary copyright has been de facto circumvented by Google's market power. One group has made the German legislature look a fool. That is why we need a European solution that goes beyond German law. Mr Oettinger, I know that you believe in the robust protection of the plurality of the press and diversity of expression including its economic foundations. I am also aware that you have to face considerable resistance. You can be assured of our support. The press publishers – I know I am in agreement here with the Association of German Magazine Publishers and our colleagues in other European Member States and the representatives of the German Content Alliance – will make every effort to achieve this goal.

Now to the public service broadcasters. First of all: The BDZV gives its fundamental support to the dual system in Germany, one of the world's best media systems. And we understand that public broadcasters also need to adjust to face the digital challenges. But it should go without saying that this should not be used as a pretext to introduce public service newspaper publishers through the back door. With their online text services which are perceived as free, broadcasters are undermining every attempt by the publishers to establish a functioning digital business model. The newspapers have been filing complaints against ARD and NDR for five years, in order at least to enforce the already very broad limits to press-like offerings on the Internet. Nothing has changed. Take a look at the apps of the Tagesschau or even some of the regional stations: Few videos. Instead: Texts, photos, texts, texts. This is and remains a public service free press. At the same time we publishers are astonished to hear of the call to launch yet another 24h news channel on public television and on the Internet, or to develop tagesschau24 to become such a channel, because current news offerings are insufficient. This is absurd. And a trick, because in the future every topic can be digitally edited orally and in writing, with the argument of reference to the broadcast.

The provision of news by public service broadcasters is absolutely sufficient. More than 60 radio stations and more than 20 TV channels from ARD and ZDF with a budget of around 8 billion euros from license fees have long

exceeded what is necessary. The number of channels should be reduced, not extended. But we heard some very conciliatory signals here in our discussions with the ARD directors a few weeks ago. No further channels are planned. And the press-like services are to be dismantled. I hope this time that the words are really followed by action. Otherwise massive legal steps must follow our words. If a system stubbornly refuses to accept reforms, somewhere the question needs to be asked as to whether the system of license fees still has a legitimate basis in the current competitive situation. But I very much hope that will be the case. In any case the examples show: We need a new, modern media policy in Europe.

Where is our industry headed and in which direction is our Association developing? All of you sitting in this hall are entrepreneurs. Whether as owners or employees – we all feel an obligation to leave our company in good condition for our successors and for their successors. For this reason I am looking for a moment not at the year 2020 or 2025. There has already been a lot of talk and advice about these years. I am looking at 2050. Let us ask ourselves: What should our publishing houses and our association be in 35 years time – when our children and grandchildren are standing here in our place? The goal is easily described: There should continue to be a free press, multimedia newspapers, independent of the state and economically sound. Access to readers must not be determined by digital distribution monopolies, who seize the added value for themselves and decide arbitrarily who gets access to the audience and who doesn't and which content reaches the audience and which doesn't.

How can we achieve this? By understanding digitization and resolutely exploiting its major opportunities. This means two things: We need to offer readers excellent newspaper journalism not only on paper, but also on electronic paper, i.e. on all kinds of screens. And we must make and successfully enforce the claim for our due share of added value. Tradition, especially the tradition of a family company, is not an obstacle in this process of change, but often an opportunity. Let us take the example of the Japanese company Nintendo, founded almost 130 years ago. The company was the market leader for traditional playing cards in the 19th century. In the 1980s, the Japanese established themselves as an electronic entertainment provider with legendary video consoles and games. Over the last few months, the company has caused a sensation with "Pokémon GO". And with that it still simply remains what it was 130 years ago: a developer and manufacturer of games. Because it has always been clear what its business really was. Games. Not cards.

And what is our business? Printing news on paper? We do this. And still do so with great success. And this will also continue to generate profitable returns on investment than many pessimists have predicted in recent years. But this analog business will no longer grow apart from a very few exceptions. So what is our business? I think: newspaper journalism. Independent critical research and relevant information as well as good entertainment. Responsible dispatching. And perhaps this business still has its best times ahead in the digital world.

Coachbuilders at the end of the 19th century, who believed that their business model was the production of horse-drawn carriages, had a bleak future. Especially those who followed Kaiser Wilhelm II and his legendary remark: "I believe in the horse. The automobile is just a temporary phenomenon." Actually however, the business model of the coachbuilder was transport. So those coachbuilders who understood at the beginning of the 20th century that transport was their business and joined the automotive industry, had a golden age ahead of them. Such as Wilhelm Karmann, for example, who owned a successful coachbuilding factory in Osnabrück, and as early as 1902 began with the supply of body structures to automobile manufacturers. After the Second World War, he successfully produced cars for several major brands, for example the so-called "Housewives' Porsche" Karmann Ghia or Golf and Beetle cabriolets for VW.

What this means for us newspaper publishers: If we want to hand over healthy and successful companies to our children and grandchildren in 2050, and ensure that as an association we represent an industry with a future, then our real historic task is the following: We have to succeed in emancipating the idea of the newspaper from paper. Establishing the digital newspaper, the digital media brands as responsible dispatchers, so that they are socially relevant and economically successful – that, no more and no less, is our task. And I firmly believe: That is possible.

A few weeks ago I met the owner and CEO of Hermès. He spoke about the success of his company, which was founded in the year 1837 and became increasingly successful over 6 generations. It all began with harnesses and bridles, followed by saddles, then suitcases and travel bags, handbags, then watches, fashion and perfume. Almost 5 billion euros in sales in 2015, over 12,000 employees, operating profit in excess of 1.5 billion euros. The motto: "Chez Hermès tout change, rien ne change". Everything changes, nothing changes. Exactly this could also be our motto. Everything changes, because in ever shorter innovation cycles, the manufacture, distribution and marketing of our product, namely excellent journalism, are being turned on their heads.

What was valid yesterday, is no longer valid today, and what is correct today, is wrong tomorrow. And at the same time, we note: Nothing changes. Because the role and task of good journalism in society, is as constitutive of democracy today in the same way as it was four hundred years ago in Strasbourg when the first newspaper was printed – incidentally mostly with user-generated content and subject to massive copyright violations, but that is just by the by. “Tout change, rien ne change”. Or in other words: A good story is a good story is a good story. A clear position is a clear position. Surprising news is surprising news. And a good point is a good point. Irrespective of whether it is analog or digital.

The more dramatically change takes place, the more fundamentally innovation occurs, the more important it is to define: What remains? What remains is: The excellence of the language, the research, the idea. Content quality. It is even more important in the digital world than in the analog, because the other distinguishing criteria and competitive advantages are eliminated. Previously, a publisher could distinguish himself from his competitors through better print quality, better paper or more distribution points. Today all the screens are the same. It is only a question of content. And the question: Do our readers find what we publish important and interesting? And can they find what we are publishing? I believe: This is good news for every journalist, for every genuine publisher. And excellent opportunities are available especially for small publishing houses with special interest offerings and for regional newspapers. Because the more specific or more regional the content, the harder it is to replace it with other content.

Let us work to ensure that our children and our children's children will find healthy publishers and thriving businesses in 2050. For this, entrepreneurial courage, creativity and self-confidence is required. And it requires a strong, united association.

Do you know what this T-shirt is? Nearly thirty years ago, to be exact: in the summer of 1988, in San Francisco at the San Francisco Examiner when I was doing an internship, nobody less than the owner, William Randolph Hearst III, the grandson of the legendary newspaper czar, gave me this shirt. It was an advertising medium. And showed the motif of the current advertising campaign. As it had for decades, it targeted its arch-rival, the San Francisco Chronicle. They were associated with each other through a cooperation agreement, but divided by deep hatred. “In the afternoon give the morning paper to somebody who can use it.” The picture shows a dog. We all found that pretty funny at the time. Not today. The advertising motif for me has become a symbol of what happens if you do not focus on the market and the

reader, but on the competition, if in place of defining common interests, you badmouth your industry with destructive energy. The Examiner today is an irrelevant advertising rag, the Chronicle no longer arouses any dog from the fire. The message from San Francisco is: When we are against each other we make ourselves weak. Together we are strong.

Today, Germany is the largest newspaper market in Europe, the fifth largest in the world. We are reducing our print circulation. But with our digital penetration we have more readers than ever. With print and digital together we currently reach almost 86 percent of the population over the age of 14. That's about 60 million people every day. It must now be up to us to adequately monetize this enormous digital penetration. For this the BZDV must become a competence center for digitization. And it must – self-critically and self-confidently – be a powerful voice to policy makers, in order to assert our interests at a time when the long-term course for our industry is being set. Are we going to be like the coachbuilders of yesterday or the car makers of tomorrow? This must surely be no question. At most, a matter of honor. Particularly as we build something even more important than cars. Newspaper journalism is a vehicle of democracy. And I am convinced: Digital newspaper journalism can be used even better and economically more successfully in fair competitive conditions than its analog predecessor.

It is in your hands. I ask of you: Make a contribution so that our successors in the year 2050 are proud of a modern multimedia publishers' association and can say: Our industry has never had it so good. This will succeed, if you make the right decisions for the future when you are back home in your publishing houses. And if you become involved in this association, do so that we may speak with one voice and our voice carries weight. I have committed myself to this task. I am looking forward to it. We can only succeed together.