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Trouble In Paradise: Hawaii's Newspaper Crisis

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Media ownership concentration and diversity have long been concerns of both academics and practicing journalists. It is interesting, then, to see how an unusually complex ownership crisis has attracted so little attention outside of its home territory. The US state of Hawaii, otherwise an idyllic tourist haven, has played host to a curious battle over the fate of its two major daily newspapers.

For decades, The Honolulu Advertiser has fought a circulation war with its principal rival, the Honolulu Star-Bulletin. Both papers are circulated mainly on the island of Oahu, the most populated and developed of the Hawaiian islands that contains the state capital and most of Hawaii's tourist hotels. Examining both of these newspapers reveals a format that is typical of American regional dailies: halfway between a tabloid and a broadsheet in their size, design and editorial approach. The papers contain a mixture of local news generated by their own news staff combined with international news from agency feeds and syndicated columns from sources in the continental USA. The similarities between the papers are so great that neither seems to have any appeal to specific demographic or special-interest groups.

Apart from these two local dailies, Oahu's news interests are also served by local television and the cornucopia of pan-American and global network television services. The only other newspaper that seems to enjoy widespread distribution is USA Today, a colourful, graphic-rich publication that has been derided as "McPaper" for its shallow content.

At the time of writing, the Honolulu Advertiser was owned by the Gannett consortium, a vast publishing empire that also owns USA Today. The Star-Bulletin was owned by Liberty Newspapers, a smaller publishing group also based in the continental USA. In a trend that is typical of cities almost anywhere in the world, rivalries between these two papers reached a climax in late 1999, when it was announced that the Star-Bulletin would cease publication. Under a deal between the two rivals, the owners...
of the *Star-Bulletin* would receive a substantial cash payout from the owners of the *Advertiser* and would terminate publication of this paper on October 30, 1999. Buyouts and shutdowns at the expense of market diversity are hardly a new phenomenon, but the Hawaiian incident quickly became unusual when Hawai'i's state Attorney-General sought an injunction to prevent the deal from going ahead. The Attorney-General cited concerns over the civic impact of a loss of local media diversity. Adding to this unprecedented development, on October 13, a US federal judge granted the injunction, throwing a carefully developed business plan into chaos.

Such an injunction is unusual for any nation, but is especially strange for the USA. America's much-cherished principles of free enterprise and free speech collided in a way that few spectators expected. Owners of both papers immediately launched an appeal against the injunction, claiming that ordering a paper to remain in publication was itself unconstitutional. Gannett also claimed that the *Star-Bulletin* lost millions of dollars every year and asked that the state post a bond to cover any losses arising from the injunction. The eleventh-hour decision fuelled headlines in both papers for days and disrupted morale at the *Star-Bulletin*. Staff who had been promised jobs at their former rival found themselves facing an uncertain future, while others prepared to leave for jobs elsewhere.

As both papers remarked, similar incidents have occurred across the USA without attracting the attention of lawmakers. What, then, made the shutdown of the *Star-Bulletin* so different? No external observer can answer this question precisely without gaining intimate access to the minds of government officials, but the shutdown does appear to have stumbled on a technicality. A major difference between this incident and comparable ones is the fact that no attempt was made to sell the *Star-Bulletin*. Had the owners made at least a token effort to find a buyer before entering into an agreement with Gannett, it is possible that the incident would have attracted little attention. Concerns have also been raised about Hawai'i's geographic isolation. Suggestions have been made that the loss of media diversity caused by a shutdown elsewhere in the USA is eased by the sudden influx of publications from nearby geographical regions, keen to fill the sudden market vacuum. In Hawai'i, which is more distant from a continent than any other island group on the planet, material goods of almost any sort must be transported from the mainland. This results in not only shipping delays but excessive costs. Furthermore, Hawai'i's physical isolation suggests that regional news from the closest US state (California) would have no relevance to local life at all.
The attempted shutdown of the Star-Bulletin also highlights some curious legal and commercial arrangements that governed both these papers. Despite their apparent rivalries, both the Advertiser and the Star-Bulletin were almost like hydra heads emerging from the same beast. The two newspapers shared much of their infrastructure, using the same printing plants, advertising staff and administrative branches. However, the papers claim to have drawn Chinese walls between their editorial departments. Both papers have been operating in this fashion since 1962, when the deal was made to save the Honolulu Advertiser from termination.

This so-called Joint Operations Agreement may seem strange, but the move was actually a precedent for almost identical actions that spread around the USA. Fearing negative consequences from similar potential shutdowns around America, the US Congress passed the Newspaper Preservation Act in 1970. This Act exempts combined business operations from anti-trust laws, thus allowing cities to be served by more than a single newspaper.

The future of the Star-Bulletin remained unresolved for several turbulent weeks, as an appeal against the injunction was lodged. Both papers managed to publish regular issues that outwardly gave no evidence of the turbulence within their ranks, except when the newspaper crisis itself was the story. Articles written about feelings within the Star-Bulletin referred to working on "death row", as journalists and other staff pondered their future. The original deadline for the termination of this paper passed, yet the Star-Bulletin remained in circulation. Finally, on November 15, a US Circuit Court of Appeals upheld the injunction against the paper's termination, sending an already unusual situation into further uncertainty.

The decision means that the Star-Bulletin will continue to be published in the short term. In fact, sources at the both the Star-Bulletin and the Advertiser have claimed that the Star-Bulletin will probably remain in publication until September 2000, when a trial concerning its closure is due to take place. Beyond this, it is difficult to say how the combined forces of law, politics and economics will affect the fate of this newspaper. The Joint Operations Agreement between the Advertiser and the Star-Bulletin was scheduled to run out in December 1999. At the time of writing, it was not clear how this event would influence attempts to shut down the Star-Bulletin. It is possible that Gannett could decide to keep the paper alive, possibly with a much-reduced operations budget. Alternatively, the unusual nature of the case could lead to permission to finally terminate the Star-Bulletin. The most unpredictable variable of all is probably the mentality of America's
judges, who have already navigated this case along an unusual path.

The exact fate of these papers is difficult to predict, but the fulcrum of concerns is clearly the matter of civic service through diversity. If the Star-Bulletin dies, will Hawaii lose strength in its fourth estate? After reading both newspapers for a week, it is difficult to say if one paper was truly acting as a watchdog against the other, or notice any substantial differences between them at all. Possibly the most encouraging sign that either paper would be capable of functioning objectively lies in the coverage of the shutdown crisis itself. Both newspapers reported on the progress of the incident in an almost identical and highly objective fashion. The papers cited each other's statements, as well as clearly outlining the cases raised for and against the injunction. In the meantime, neither failed to cover other local events.

Archival material and updates on this case can be found on the Internet at the Web sites of the newspapers themselves. Visit the Honolulu Advertiser at www.honoluluadvertiser.com and the Honolulu Star-Bulletin at www.starbulletin.com. New developments in this bizarre episode of media history will be posted to these sites as they appear.

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