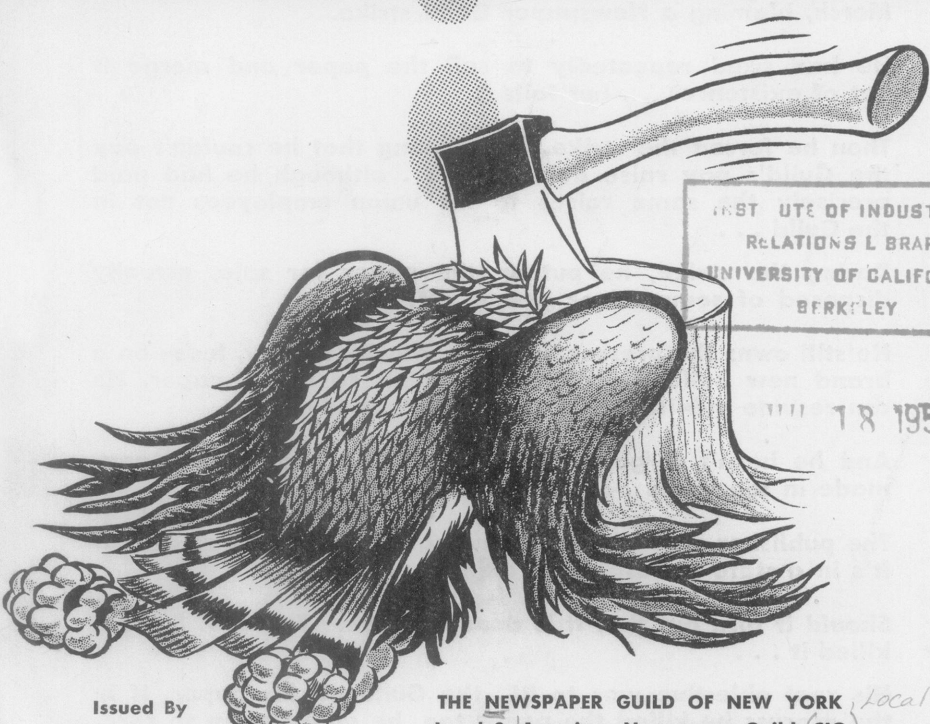
Newspaper Industry
(1955?)

WHO KILLED THE BROOKLYN EAGLE



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JUN 1 8 1955

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THE NEWSPAPER GUILD OF NEW YORK, Local 3,
Local 3, American Newspaper Guild, (CIO)

MURDER ON NEWSPAPER ROW

Murder Facts, In Brief

Publisher Frank D. Schroth "folded" the Brooklyn Eagle last March, blaming a Newspaper Guild strike.

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He had tried repeatedly to sell the paper and merge it out of existence . . . but failed.

• • •

Then he forced the strike, complaining that he couldn't pay the Guild's pay raise demands . . . although he had paid precisely the same raises to his union employees not in the Guild . . .

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During the strike, he put up the paper for sale, actually disposed of some minor assets. BUT —

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He still owns the presses, name, goodwill, library, lease on a brand new building, all the essentials to run a paper. He can resume publication whenever he's ready.

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And he hasn't forgotten the $2,000,000 profits the paper made in ten years . . .

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The publisher says the Brooklyn Eagle is dead, but as of now it's in a state of suspended animation . . .

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Should it turn out that it is dead, publisher Frank D. Schroth killed it . . .

• • •

His real objective was to kill the Guild on his paper. If in the process he killed the paper too, he didn't seem to care.

MURDER ON NEWSPAPER ROW

OR

WHO KILLED THE BROOKLYN EAGLE?

(Brooklyn EAGLE, 114 years old, closed down January 29, 1955, when 315 Newspaper Guild members struck for standard citywide pay and contract conditions, and 323 craft union members honored their picketlines. On March 16, the publisher, Frank D. Schroth, announced that he would never again publish the paper. The strike continued. Tentative moves to buy and re-start the paper met with strange resistance. In mid-May, some — not all — Eagle assets were sold at auction, new Eagle building was completed. Maybe a new Eagle will arise, but the general view is that The Eagle is dead.)

• • •

For years to come, no doubt, it will be said that a Guild strike killed the Brooklyn Eagle. Newspapers will say it in editorials and some newspaper workers, knowing no better, will parrot the story or, at any rate, believe it.

Yet it isn't true.

The details show and the fact is that Guild or Guild strike did not kill the Eagle. Its publisher did.

• • •

The Brooklyn Eagle was born in 1841. It made a great name for itself but toward the end became swamped in a morass of economic troubles, some real, some pretended.

Its death by violence—if it has indeed died—was not the first, only the latest in a series of newspaper murders, in Brooklyn. While the Eagle flourished, there had also flourished, at various times, such competing papers as the Brooklyn Standard, the Union (then the Standard-Union), the Brooklyn Times (Brooklyn Times-Union) and Citizen.

Of these, the insignificant Citizen breathed its last when the owner, in wartime, sold his newsprint contract at a fancy profit and walked away. All the others went out, one by one, by the sale-and-merger route . . . the three-ply-merged Times-Union merging (and promptly vanishing) into the Eagle in 1937. All this before, or without, a Guild.

• • •

He Came From Scranton

Frank Schroth, the publisher who killed the Eagle, came to Brooklyn in 1938. He had recently sold the Scranton (Pa.) Tribune. Before that he was part-owner of the Trenton (N.J.) Times, which he sold at a shrewd price, leaving the employees to shift for themselves.

He arrived on the Brooklyn scene six months after that first long Brooklyn Eagle strike of 1937. Milked and squeezed dry by a series of changing owners, that once-prosperous daily had staggered through 14 weeks of strike. The settlement left reporter pay still at $25 a week and the then publisher still deep in debt . . . The story is that Schroth paid $35,000 and moved in . . .

I. W. Killam, fabulously wealthy figure in the Mersey Paper Company of Nova Scotia, moved in with him, formed a Schroth-Killam company, bought the Eagle at a bankruptcy sale for $100,000. The two became, and when the strike of 1955 broke still were, joint equal owners. Schroth, in the intervening years, was the operator, Killam the mystery money man behind the scenes.

• • •

The Schroth era lasted less than 17 years, and somewhere in that period what amounts to a death plot was hatched. Recognized best way to kill a paper—if that's what you want to do—is to sell and merge it. You get the best price that way from a prosperous competitor, who can use the goodwill, circulation lists and any physical assets.

Again and again, in the first Schroth decade, rumors cropped up of sales . . . A sale to the New York Post, which would come out with a Brooklyn Eagle section and then no section . . . Or to S. I. Newhouse, who boasted he would buy the Eagle one of these days at his own low price. Then, in mid-1953, came a new rumor that was confirmed. The sale was virtually completed. The price, $3,300,000. The Eagle's fate: To be published from the Trib's plant in Manhattan, at first as a section, later . . . you know what happens to sections.

The sale was called off because—the Eagle publisher himself has said—the Guild objected to the scheduled loss of many jobs, and the prospective buyer was frightened away. Or (some people have it) the Herald Tribune wouldn't agree, facing a dangerous Guild quarrel, to cozy long-term executive jobs for the two Schroth sons . . . At any rate the jobs of 315 Guildpeople and a similar number of others were saved, by the Guild, for another year and a half . . .

• • •

He Planned It That Way

So another scheme to kill the Eagle and damage the Guild was devised. This death plot began to unfold, slowly, during negotiations last fall. Throughout these contract talks, which dragged on for four months, the publisher never put in a personal appearance. His two sons and an advertising official represented him.

They offered only pay rates far below standard or, as an alternative, the whole contract, including union and individual protections long held, to be thrown into a weird arbitration hopper from which almost

"Milked . . . by a series of changing owners . . ."

anything might emerge — "ANPA arbitration," invented by the publishers' strike-breaking Special Standing Committee.

The Guild was thus confronted with a double danger. It could accept either offer and be left a beaten union, with a substandard contract. Or, which it also did not want, it could strike for its union aims. To avoid one danger it was mouse-trapped—or forced—into the strike.

To the publisher, however, it meant a double opportunity. If the Guild went along and he got a cheap (substandard) contract, he could make a profitable sale, perhaps to a competitor who would then swallow and easily digest Brooklyn's only newspaper. This is the McKinnon Method, employed only recently in Los Angeles, where a publisher thus disposed of his paper after his Guild employees compromised and even raised a fund of $25,000 to keep him in business. The paper promptly folded and died. **The $25,000 went down the drain along with their jobs.**

Or, if the Guild struck, he would collect $350,000 in strike insurance and run away with $750,000 severance pay owed the employees. In addition, the publisher would have the fine satisfaction of blaming the Guild, which he called a "malignant problem", for what he had done. . . . Later, maybe, he would re-open, with a weak Guild or none.

• • •

The 'Poverty' That Wasn't

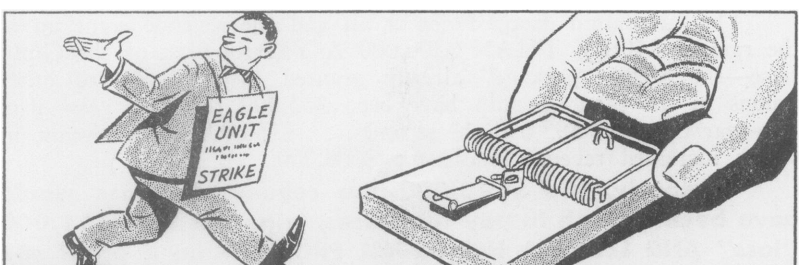
In the 1954-55 negotiations, he pleaded poverty, to be sure, but he never proved or tried to prove it.

He said—and stood his ground—that there was no money for the standard $5.80 two-year pay raise package for the Guild, *even though he had agreed to pay that same $5.80 to all other unions in his plant.*

More than that. He agreed to pay all unions but the Guild, whatever pay raise was negotiated—*before he knew what it would be.*

For instance, he wrote to the President of the New York Typographical Union that:

"The Brooklyn Eagle will, in the future, observe the contract finally concluded between your Union and the Publishers' Association of New York City."



"Mouse-trapped — or forced — into a strike . . ."

That letter, to President Francis C. Barrett of Big Six, was written October 11, 1954—long before the union and the Publishers' Association had agreed on a pay raise, long before the $5.80 package had emerged. Had it turned out to be a package twice or three times as large, the Eagle publisher readily agreed, in advance, to pay it. No poverty stood in the way . . .

This publisher could have settled by submitting the Guild money demands and his poverty plea to an impartial arbitrator, as the Guild proposed. But he wouldn't.

He could have settled via a number of other formulas suggested to him by the mediators to lighten his money burden. But he refused.

• • •

He forced the Guild strike instead—why?

Was it because, maybe, he couldn't help himself — because he really was unable to pay?

Was this a case of dire Schroth poverty which the hard-headed Guild chose to ignore? *Didn't* he have the money?

The evidence on that is now pretty complete and entirely clear. It comes in two parts.

• • •

PART ONE — *Pre-Strike Evidence*

Before the strike began, these were facts the Guild knew: The Publisher said (but never attempted to prove) that he had sustained "losses" in 1954, and they were once mentioned as totaling $111,000. Assuming these to be real losses—not a paper drop from last year's profits—they did not spell poverty or inability to pay.

As a matter of fact the Guild learned they were *not operating losses at all*—but costs of getting a new building. In other words, investment, not loss.

In any case, even while negotiations were going on with the Guild, the Publisher had taken steps to wipe out the loss, or whatever it was. He simply boosted the price of the Sunday paper by a nickel—adding a net 4 cents per copy to the paper's revenue.

The circulation dropped not at all and the revenue went up at the rate of MORE THAN $300,000 A YEAR! Cost of the Guild raise—the $5.80 "package" already granted to employees of other unions in the plant—would have been $55,000 the first year of a two-year contract, $95,000 the second . . . $150,000 in two years, in which increased revenue would top $600,000.

Obviously, the $300,000-plus revenue increase would have been enough to pay the raises, wipe out the $111,000 "loss" AND LEAVE A HANDSOME PROFIT—and a profit still there even if you double the Guild raise cost to include the already-granted raises to the craft union workers.

PART TWO — *Post-Strike Evidence*

This evidence comes from inside management itself. It comes more especially in a prospectus put forth by a group of former Eagle executives who would like to start publishing a Brooklyn newspaper on their own. This group is headed by a man who was Eagle business manager and secretary-treasurer from 1940 until he resigned in January, 1954. He asks the supposititious question, in re a Brooklyn newspaper: "Why if they (the Eagle owners) could not make a go of it, could any one else?" And he replies in these words:

"The answers are that *they did succeed from 1940 to 1953, producing fine profits, increasing net worth by several hundred percent* and paying large taxes and excess profits taxes to the Government."

From other sources comes word that the profits averaged $200,000 a year for at least ten years . . . or $2,000,000.

Whatever, therefore, the reason why the Eagle publisher did not go along with pay raises granted to all other newspaper workers including the craft union people in his plant, IT WAS NOT INABILITY TO PAY.

• • •

They 'Folded' — Without the Guild

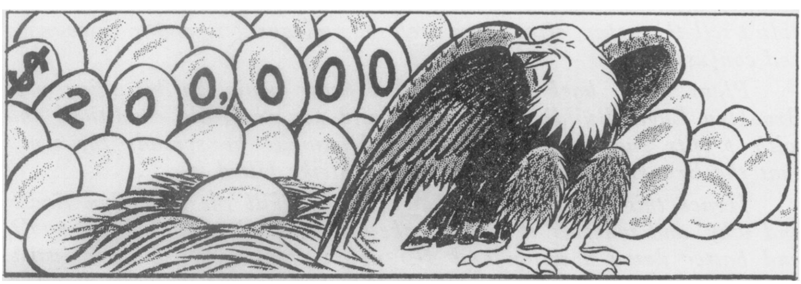
From time to time newspapers—and other business properties—are killed, yes. But not by the Guild, not by unions.

Publishers, however, are in the business of making money, and long ago they learned, or certain types of publisher learned, that under given conditions they could make more money by folding than publishing. And they haven't hesitated to fold.

It didn't matter how old a paper was, how fine a reputation it had established, how well received it was by its reading community. If a good money deal could be made, merged the paper was into extinction. . . .

Thus in the New York area alone, within the memory of men now living, a host of papers with national and international reputations went down the merger drain—were folded by their owners and vanished. Here is an incomplete list:

Item, the world-famed New York World, merged with the old Evening Telegram.



"Profits averaged $200,000 a year for . . . 10 years . . ."

Item, the Evening World, ditto.

Item, the old Morning Sun, merged with the Evening Sun into The Sun.

Item, The Sun, knocked on the head and merged with the World-Telegram into the World-Telegram and Sun.

Item, the New York American, killed and merged into the Journal-American.

Item, the famed old New York Herald, merged with the Tribune into the Herald Tribune . . .

• • •

There were others, but these will do, as examples. All of them folded and died without the "malignant" Guild's force or influence.

The World, the Evening World, the Morning Sun, the Herald all went down the folding drain before a Guild was born.

The American bowed out in 1937—a Guild was being formed in New York, but it had no contract, no wage scales, no anything with the American. All fired employees got two weeks' "severance pay" and a friendly goodbye.

The Sun went down during the Guild era, yes—but it was the one non-Guild general-circulation daily left in the city. It had no Guild contract, its employees no Guild protection . . . It, too, could not have been—and wasn't—a Guild victim.

• • •

Who killed the World, the Evening World, the two Suns, the American, the Herald . . . ? The Guild, of course didn't—and couldn't be blamed for the murders.

And the Brooklyn Eagle? The Guild didn't either—but now there was a Guild and it could be blamed.

In each case, the answer would seem to be the same . . . That the owner-publishers found it easier, more profitable, to kill than to publish . . . and killed.

Like the others, the Brooklyn Eagle was put to death by its publisher, for his own purposes whatever they were.

• • •

(As of now, early in June, the Newspaper Guild believes, and the strikers believe, that the Brooklyn Eagle is not dead but sleepeth. . . . That the publisher may still have secret plans to go back into business after a "folding" that didn't finally fold, after a "sale" that didn't sell the paper, after other such shenanigans designed to discourage and confuse . . .

Plans to go back and publish a paper again, in his shiny new Brooklyn Eagle Building, without Guild pay or Guild conditions and with profits enormously increased. Meanwhile he spreads the word that the Brooklyn Eagle is dead, that a strike killed it . . .

Hence this document, to show who did kill the Brooklyn Eagle, and why, and whether it was a make-believe slaying to fool the public and batter down a union and 315 union employees. . . . Or just a strike which still continues, which the strikers and their Newspaper Guild are determined to win.)