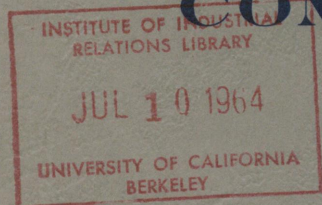


Newspaper industry
(1964 folder)

**FEDERAL
RESPONSIBILITY
FOR A FREE AND
COMPETITIVE
PRESS**

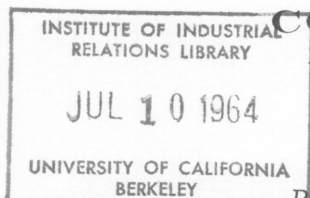


International Typographical Union (AFL-CIO)



Newspaper industry
(1964 folder)

**FEDERAL
RESPONSIBILITY
FOR A FREE AND
COMPETITIVE**



PRESS:

Presented Before the
**ANTITRUST SUBCOMMITTEE
OF THE
HOUSE COMMITTEE ON THE JUDICIARY
INVESTIGATION OF MONOPOLY PRACTICES
IN THE NEWSPAPER INDUSTRY...**

REP. EMANUEL CELLER (D.-N.Y.), Chairman
Washington, D.C., 1963

Presented by

INTERNATIONAL TYPOGRAPHICAL UNION (AFL-CIO)

ELMER BROWN, President
JOHN J. PILCH, Vice-President
A. SANDY BEVIS, Vice-President
JOE BAILEY, Vice-President
WILLIAM R. CLOUD, Secretary-Treasurer

Colorado Springs, Colo., 1963



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I

THE INTERNATIONAL TYPOGRAPHICAL UNION

—Its Role in the Cause of Democracy and a Free Press

With a total membership of 114,000, of whom approximately 59 percent of those actively working at the trade are employed in newspaper plants, the International Typographical Union has a vital interest in the newspaper industry. The ITU has seen owners, mostly absentee, bring an end to healthy newspaper competition. It has seen absentee interests destroy the economic security of newspaper employees and their families through the callous use of professional strikebreakers imported from other states. It has seen absentee interests flout the recommendations of public officials for the ending of industrial strife. It has seen news suppressed, distorted, concealed. Identifying its interests and its future with the perpetuation of a free press, the ITU has spent millions of dollars combatting the forces of monopoly. It has started, or aided in starting, competitive dailies in Colorado Springs; Lima, Ohio; Las Vegas, Nevada; Portland, Oregon, and other cities.

Legacy of Democratic Unionism for More than a Century

Founded in 1852 as the National Typographical Union, the ITU is the oldest national labor organization in the United States. ITU members, from the founding days, have built democracy into their union and have handed down this precious gift from generation to generation. They are vitally interested in the future of the free press, not only

out of enlightened self-interest, but because of their concern as citizens of a democratic nation.

As independent trade unionists, having a hard core of self-sufficiency, ITU members have exercised their right to bargain with their employers over wages, hours, and working conditions and to advance the economic well-being of their families. They play active roles in the civic affairs of more than a thousand communities. They have built the renowned Union Printers Home in Colorado Springs, since 1892 a haven for thousands of disabled and elderly ITU members. Modern hospital and tuberculosis sanatorium facilities have provided relief and medical care and made it possible for a great many ITU members to return to useful employment. Other thousands have spent their final days at the Union Printers Home. Today more than 225 are at the Home, being cared for in their time of need. A pension plan was established in 1907 and has since paid over \$200 million in benefits. A burial fund, in operation more than 70 years, has paid benefits of nearly \$30 million.

The ITU believes that an enlightened membership is the best guarantee for constructive trade unionism. By the same token it believes that an enlightened and intelligent citizenry is democracy's greatest bulwark, and that a free and independent press is indispensable to a healthy democracy.

Through the ITU's famed two-party system and the grass-roots political activity it encourages, there is a constant stimulus to membership interest in the administration of the union. Democratic unionism has been achieved to a degree unmatched by any national union. Each party within the union has its own free press. A constitutional requirement for the election of national and local officers every two years is a further guarantee that the members will review frequently the records of elected officials. It is no accident that students of industrial democracy have concentrated on the ITU, for it is well into its second century of practicing the art of democracy.

*The Need for Remedial Action to Assure a
Free and Competitive Press*

While most ITU members do not write the news, they play a key part in converting the reporter's work or the advertising department's layouts into a form for final reproduction. In the skills, creativity, and knowledge of the composing room force, from typesetters and ad alley men to final proofreaders, here rests crucial responsibility for the ultimate appearance of the paper. Mailer members, whose skills are employed in the complex distribution department, share with their composing room brothers the same pride of performance and interest in the product. Not only are ITU members proud of their performance, they are keenly interested in the content of their newspapers.

A free press, a vigorous, forthright, and enlightened one, is balm to the ITU member's democratic soul, and within his union he guards the principle jealously. He achieves an overlay of satisfaction from his work when he knows that his publisher stands for truth and the ideals of a free and independent press. He is deeply concerned with the accelerating trend toward centralized ownership and the peril it holds for America's heritage of a free press.

The ITU firmly believes that the time has come to halt the corrosive effects of monopoly and centralized absentee ownership in the newspaper industry. Appropriate action should be taken to guarantee competition and freedom of the press. Time is running out as chain ownership and the blight of monopoly overtakes the few remaining cities in which competition exists.

II

ASPECTS OF NEWSPAPER PRODUCTION COSTS

—Cost Increases Versus Ultimate Profit or Loss

A shopworn charge by the American Newspaper Publishers' Association is that high costs of production have brought about mergers and the demise of newspapers. Labor costs are usually alleged to be the prime cause. But a study of wage trends and other labor costs show that newspaper increases have not exceeded the general trends.

No one questions that newspapers have been faced with large cost increases since World War II, as have other industries, but offsetting revenue gains have been very great for most papers. The fairly typical combination of increased circulation, increased sales price, increased advertising volume, and increased advertising rates have resulted in large revenue gains. Many papers have had all these factors working in their favor during the past decade.

Some papers have been unable to adjust to changing economic realities. Refusing to recognize the economic facts of life, they have too often blamed labor for all their problems. Newspapers enjoy no exemption from the laws of sound business management. Like other enterprises, they stand or fall on the strength of their product and their managerial capability.

A Skilled Labor Force

The mechanical production and distribution of a newspaper is achieved with a highly skilled labor force composed mainly of male employees. Due to the low percentage of

unskilled employees, average hourly earnings of newspaper production workers tend to appear higher than in most other manufacturing industries.

The newspaper employee is expected to work efficiently and faithfully under the pressure of deadlines and news breaks. Night work, with its attendant hazards to health and its disruption of family and social life, is required of most who are employed on morning papers and many on large evening papers. Work on Saturdays and Sundays (at straight-time pay) is an accepted way of life for a large number of newspaper workers. Only in recent years has overtime for work performed on holidays—another accepted way of life for many—become an established condition in many cities.

Production schedules are frequently changed, resulting in changes in reporting and quitting times for many. Though the industry is not seasonal in the agricultural sense, advertising peaks in the early and latter parts of the year bring increases in employment followed by curtailment. A good many employees do not enjoy steady full-time work. Automation and other technological advances are having their impact on employment stability. Mergers and consolidations continue to take their heavy toll of newspaper jobs.

Wage Rates Have Lagged; Fringe Costs Are Not Out of Line

Newspaper wage rates have lagged behind advances in other industries. For many years the U. S. Department of Labor has maintained index series of union wage rates in newspaper and book and job printing. Indexes for building trades occupations, motor truck drivers and helpers, and local transit operating employees are also maintained. Detailed figures are included in Appendix A.

Newspaper wage rates increased 42 percent from 1950 to 1961; book and job printing rates increased 48 percent.

In the same period rates of building trades journeymen increased 64 percent.

Rates of motor truck drivers and helpers increased

75 percent; those of local transit operating employees, 62 percent.¹

Similar results follow when the comparison is carried back to the end of World War II.

A direct comparison of union wage rates of newspaper printers and building construction workers in a number of cities in which mergers (or sales) of newspapers have occurred in recent years shows the same falling behind between 1950 and 1961 (Appendix B). Increases in hourly wage rates for newspaper printers and four building trades crafts ranged between the following figures in the ten cities:

Printers	\$.96 - \$1.19
Carpenters	1.25 - 1.88
Plumbers	1.275- 2.08
Electricians	1.36 - 2.15
Bricklayers	1.15 - 1.95

While the comparison has been made with building-construction rates, since they reflect wage rates of skilled male workmen and afford a positive basis of comparison, a check of other typical increases received by skilled workers in the same period confirms that newspaper rates have merely advanced in keeping with general trends and very often have not kept pace with increases in other industries.

Fringe benefit costs in printing and publishing are well within prevailing costs in other industries. The latest study of the United States Chamber of Commerce shows that in 1961 fringe benefit payments in manufacturing constituted 23.6 percent of payroll, compared with 20.1 percent for printing and publishing. On a cents-per-hour basis the average figure for manufacturing of 59.5 cents compares with the 56.4 cents average for printing and publishing.² While the figures include printing as well as publishing, fringe benefits in unionized commercial printing establishments generally equal and often exceed those in newspaper plants.

¹ In the same period newspaper hours decreased 1.1 percent; book and job, 2.6 percent; building trades, 0.4 percent; motor truck drivers and helpers, 6.7 percent; data are not available for local transit employees.

² **Facts for Bargaining** (Bureau of National Affairs, August 17, 1962), p. 47.

Overtime Not Excessive

Some publishers complain about overtime, but a certain amount is inherent in newspaper publishing, just as it is in many other industries. Figures of the Department of Labor show, in any case, that the average amount of overtime worked in the newspaper industry is about the same as in all manufacturing and is less than in most other branches of the printing industry. Data for 1959-61 are shown in the following table.

TABLE 1*Average Monthly Overtime Hours of Production Workers in Manufacturing and Printing and Publishing, 1959-61*

	1959	1960	1961
Manufacturing	2.7	2.4	2.4
Printing, publishing & allied industries.....	2.8	2.9	2.7
Newspaper publishing & printing.....	2.6	2.7	2.4
Periodical publishing & printing.....	3.4	3.6	3.1
Books	3.4	3.7	3.7
Commercial printing	3.2	3.1	2.9
Bookbinding & related industries.....	2.0	2.1	2.1
Other publishing & printing industries.....	2.5	2.6	2.5

Source: 1961 Statistical Supplement — Monthly Labor Review (U. S. Department of Labor, Bureau of Labor Statistics), pp. 45-46.

It is the "news" nature of the industry that accounts for much of the overtime that is worked. A news event like the outcome of a World Series game, the descent of an astronaut, or the result of an election will often cause the holding of crews. Where there is competition between papers, it is certain that each will strive to have as complete coverage as the other. The monopolist paper, of course, has nothing to worry about on this score and might decide to avoid overtime and let the outcome be told on radio and television.

Savings in payroll taxes, where not required above a given level of the regular employee's earnings; avoidance

of contributions to welfare and pension plans in the many cases where payments are not made for overtime hours; and minimizing of bookkeeping costs often combine to make the payment of the overtime rate cheaper than bringing in other employees. The added fact of having employees who are experienced in the firm's equipment and procedures, and who are thus safer and more efficient workers, is a further factor reducing the cost of overtime. In any case, time and one-half is required after forty hours a week under the Fair Labor Standards Act.

Work Practices and Some of the Reasons Behind Them

Another claim of some publishers is that labor costs in the mechanical and distribution end are inflated by reason of work practices. Manning standards are based on safety and the need for adequate manpower to operate the complex presses in the face of deadlines and breakdowns, but pressmen are never welcomed when they ask for more men to man the presses. The same unwelcome treatment is given stereotypers, photo engravers, and mailers when they ask for enough men to keep pace with production schedules. Confronted with congested traffic conditions, newspaper drivers plead for less demanding schedules. Conditions in the editorial and business departments likewise give rise to protective practices. Special work practices are typical of all industries; the newspaper industry is no exception.

The printer is a favorite whipping boy because of the practice of reproduction. Under the usual reproduction clause in ITU agreements the employer agrees to reset any copy originating in a mat, plate, cut, reproduction proof, or type previously used for local ads or other local work in the case of commercial printing. The rule is generally inapplicable to national advertising, syndicated magazines, and other feature material. The deep-rooted nature of the practice is evident from its existence, in different forms, more than three hundred years ago in England. It has existed in the newspaper industry in this country since the turn of the century.

Giving the employee a degree of job protection against indiscriminate use of materials from which printed matter may be produced, reproduction also has a stabilizing influence among employers. In a recent study on this subject by Paul Jacobs of the Ford Foundation's Center for the Study of Democratic Institutions it was stated:

So, too, the union is under continuing pressure from some owners of daily papers to force reproduction payments from the publishers of weekly suburban papers or advertising throwaways. With the development of new photo-printing techniques it is easy for a small publisher to cut up the ad of a supermarket that has appeared in a daily paper and paste it up in a somewhat different way. In this way the weekly paper is able to use the ad without having to pay for typesetting and is able to sell its advertising space at a far lower rate than the daily paper.

Similar difficulties develop among the daily newspapers. Frequently, a company that wants to place an ad in all the dailies in a city will have the original advertisement set at one paper and mats made of the ad for the other papers. Obviously a paper that gets an ad in mat form has lower typesetting costs than the one that sets the type originally, and so publishers often insist that the union enforce the reproduction clause against competitors of this sort.

An amazingly intricate employer-union relationship has grown from reproduction. Officially and publicly the publishers' association denounces it, in bitter language, as "an illegal and exorbitant demand that can only be characterized as extortion." Even though the attempts of some publishers to use reproduction for bettering their own economic interests weakens the charge, their case against reproduction is a strong one. Nevertheless, if reproduction *had* been made optional by the union referendum, how would the industry be policed? When no other force exists to maintain stability in an industry, there is always great pressure on the union to fill the role. To protect the jobs of its members a union frequently must protect employers from each other, as the ITU does by enforcing its reproduction clause.³

³ *Dead Horse and the Featherbird* (Santa Barbara, Calif.: Fund for the Republic, Inc., 1962), pp. 23-24.

The ITU would prefer a system other than reproduction to protect its members and employers from the abuses of indiscriminate use of reproducible printing materials. To date employers have failed to produce a formula that would serve as a satisfactory alternative.

A Complex of Factors Underlies the Financial Condition of a Newspaper

Employing a far greater percentage of skilled workers than most manufacturing industries, the newspaper industry's payroll costs represent a sizeable portion of overall costs. This being the case, it is perhaps natural for publishers of unhealthy papers to blame labor costs, whereas a complex of circumstances, often headed by poor management, is the real cause. In the case of the *Brooklyn Eagle*, arbitrator Willard W. Wirtz, now Secretary of Labor, concluded that the *Eagle* had come upon hard times because it had become an "anachronism." Quoting from his award in the 1959 arbitration between the *Eagle* and the New York Newspaper Guild:

The most sympathetic attention to the depressing chronicle of the last fifteen years of the *Eagle* compels the conclusion that it was the victim of inexorable economic pressures—of which the wage demands of its employees represented only one part . . .

. . . The claims that the Guild's 1954 wage demand was "outrageous" does not consist with the facts that the demand was for the scale being paid by the other metropolitan newspapers, that this comparison had been valid in three previous arbitration cases, that the Publisher was paying all of his employees in the craft bargaining units the "New York rates," and that the Guild offered to arbitrate the issues which were in dispute . . .

The epitaph of the *Brooklyn Eagle* will have to be that it died not at the hand of the Newspaper Guild of New York but rather because it had become an economic anachronism.⁴

⁴ *Labor Arbitration Reports*, Vol. 32, pp. 164-65.

The old *Brooklyn Eagle* died in 1955, but a new one has taken wing in 1962. The partnership publishing the paper also announced plans for another daily, the *Long Island Times*, with publication scheduled for March 15, 1963, in Lynwood.

Costs Are One Thing; Profits Are Another

The cost of newsprint for a paper of 250,000 circulation comes close to equaling total wage and salary costs, including executive. An *Editor & Publisher* study of income and costs for a paper of this size shows that in 1961 total wages and salaries were 30.6 percent of income.⁵ Newsprint costs were 29.7 percent of income. (The paper, unnamed in the study, had a profit in 1961 of \$2,334,338, presumably before taxes.)

Although relatively stable in recent years, the cost of newsprint rose from \$40.00 a ton in 1935 to \$134.40 in 1961, an increase of 236 percent.⁶ In the same period the Bureau of Labor Statistics' index of newspaper wage rates increased 203 percent.⁷ Other cost increases, such as executive salaries and expenses, depreciation, and taxes have had their impact. The capital expense of new equipment is often great, but the savings are frequently large enough to offset the investment in a relatively few years. Wage increases are hardly the sole villain of the piece, as propaganda emanating from some quarters in the industry implies.

Very few newspapers make profit-and-loss and balance-sheet statements available for public scrutiny. Figures of Hearst Consolidated Publications (which holds seven of the eleven Hearst papers) are available with the reported losses of recent years, but it is not possible to tell from the figures which papers are making profits and which are making losses. The Times-Mirror Company (*Los Angeles Times*), the New York Times Company, and the Boston Herald-Traveler Corporation publish financial data that reveal these companies to be regular profit makers. But for

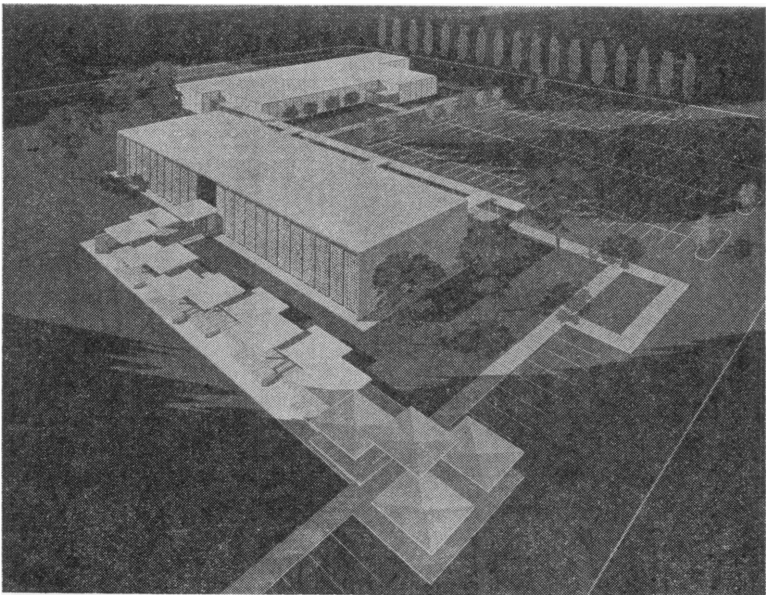
⁵ *Editor & Publisher*, April 21, 1962, pp. 94-96.

⁶ *Statistical Abstract of the United States* (U. S. Department of Commerce, Bureau of the Census), 1956, p. 713; 1961, p. 695.

⁷ *Union Wages and Hours: Printing Industry, July 1, 1961, and Trend 1907-61* (U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 1315), p. 6.

the great bulk of newspapers financial results are tightly curtained. Eager publicists of the other fellow's condition, newspapers are miserly when it comes to disclosing the financial specifics of their own. Disclosure of the information would be a healthy move in the direction of factually grounded collective bargaining and a better public understanding of the industry.

Labor costs, like all others, must be considered in terms of the overall impact of economic forces in the period studied. Finally, the whole spectrum of costs must be evaluated in terms of managerial capability and the end result, profit or loss. Let it be said that the proof of the pudding is not in the increased price of the ingredients but in the profit made from its sale.



**Architect's drawing of ITU Training Center and
Administration Building at Colorado Springs.**

III

TECHNOLOGICAL ADVANCES IN NEWSPAPER PUBLISHING

—Invitation to Further Concentration of Ownership

The ITU is well aware of the values of increased productivity and its by-products of better wages, shorter hours, and improved working conditions achieved through collective bargaining. While the ITU encourages technological advances, it expects cooperation from employers in sharing with employees the resulting gains. The ITU's position on the *quid pro quo* was well stated by the *Press Democrat*, a daily paper in Santa Rosa, California:

... To its credit, the International has not opposed progress. It has always held to the principle that it favored any and all technical developments that increased output and reduced labor. It has also insisted, rightfully, that its members share in the fruits of progress in the form of shorter hours and higher wages as rapidly as new processes made those things economically possible.¹

The ITU Training Center at Colorado Springs is providing instruction in new processes and new skills for thousands of ITU members. The Center also provides employers with assistance in solving production problems; many have used its facilities. The new Center has fifty thousand square feet of floor space and a wide selection of the latest printing equipment. Here the ITU member has the opportunity to keep abreast of the most advanced developments and to sharpen the fine points of his craftsmanship. In the words of President Kennedy:

¹ Quoted in *110 Years Plus of Democratic Unionism; the Story of the International Typographical Union* (Colorado Springs: ITU Executive Council, 1962), p. 11.

... the ITU's new and expanded Training Center ... is one of the finest examples of a trade union's interest and desire to keep its members abreast of changing technology. The services you are rendering to the printing industry and to the country are appreciated and are of invaluable assistance in the continued expansion of our economy.²

The Research and Development Department of the Center is actively engaged in practical lines of experimental research. It has invented the Brewer Keyboard, which facilitates the printer's transition to the operation of tape-perforation equipment. Also developed by the Department is the ITU ruling and scribing table, a major advance in the art of ruling, scribing, and layout. Another invention is an automatic machine for the cleaning of Fotosetter matrices. With a capacity of cleaning and drying 40 matrices a minute, the ITU Wash-a-Mat eliminates the old-fashioned hand method of cleaning. Equipment developed at the Center is available to employers under contract with ITU locals.

In recognition of the ITU's contributions to the progress of the printing industry, W. E. Trevitt, president of Cooper & Beatty, Ltd., said the following in a letter written to the Union in 1962:

... I can think of no other union that has contributed so much to the development of equipment and of skills to supplement and assist in the newer techniques and methods that face the typographic industry.³

Gains in Productivity

Advancing technology, including automation, is having a major impact in reducing unit labor costs in newspaper publishing. Important gains were made prior to World War II in the production of newspapers and periodicals. Department of Labor productivity figures tell the story. But the great gains made in the past decade have not been measured by the Department.⁴

² Ibid.

³ Ibid.

⁴ Letter from Bureau of Labor Statistics, U. S. Department of Labor, Washington, D.C., October 1, 1962.

An inkling of the current trend may be obtained from a glance at the early figures. From 1919 to 1939 unit labor costs in "newspapers and periodicals" decreased 15 percent. In the same period production increased 81 percent, while payrolls increased 54 percent.⁵

In the face of spectacular technological advances in the last decade there is every reason to believe that productivity gains between 1919 and 1939 have been greatly exceeded.

A few of the principal changes in newspaper technology will be considered.

Typesetting Advances

The newspaper composing room is being revolutionized by new applications of tape-controlled typesetting. Based on the electronic principle that tape can be punched and then fed into a typesetting machine faster than an operator can manually set type on a keyboard, the new principle has far-reaching implications. Typesetting by photo methods is another revolutionary change in composing room technology. Its main use by daily newspapers so far is with advertising copy. More suited for use with offset printing, phototypesetting's wider use in the production of daily newspapers is tied in with the extent to which the traditional letterpress production of newspapers prevails over offset.

In announcing its new "completely automated" typesetting machine, Mergenthaler's president recently stated:

The essential reason for tape-controlled linecasting is to take advantage of the full speed potential of the Linotype machine, which in all cases is faster than the human ability to manipulate a keyboard. Tape therefore can be provided and stored so that the speed at which the tape is produced is not a controlling factor over the speed at which the Linotype can produce.⁶

Copy may be set by tape within a single publishing

⁵ Victor Perlo (U. S. Department of Commerce) and Witt Bowden (U. S. Bureau of Labor Statistics), *Unit Labor Cost in 20 Manufacturing Industries, 1919 to 1939* (U. S. Department of Labor, Bureau of Labor Statistics, Serial No. R1142), p. 5.

⁶ "Linotype Presents 15 Line Elektron," *Editor & Publisher*, April 21, 1962, p. 24.

plant to obtain accelerated output from the typesetting machine, or it may be transmitted by wire from one city to another. Wiretape opens the door to a new era of newspaper distribution as well as production. For the newly launched Western Edition, the *New York Times* transmits some ninety-six thousand words daily to its Los Angeles production center. Beginning about 4:00 p.m. in New York, tape is cut by operators, fed into Digitronic Dialoverters, which transmit the copy by wire at the rate of a thousand words a minute. At Los Angeles another set of Dialoverters unscrambles the wired message and activates tape perforators, which punch out the same message punched in New York. The tape is then fed into typecasting machines. The paper is off the press and distributed in time for early morning delivery to major western centers.

Little imagination is required to picture the possibilities for chain newspaper adaptations of this system. Foreign, national, and feature news can be set by a single crew of teletypesetters in a central location and transmitted to a chain of papers scattered across the country. The national daily newspaper also becomes a practical reality.

The use of computer systems for the processing of tape directly from the keyboard of the reporter's typewriter is one of the latest electronic innovations. Editing changes are fed into the computer on a second tape. Justification and hyphenation is automatically performed. Used in only three plants at present, the *Los Angeles Times*, the *Oklahoman-Times* and West Palm Beach papers of the Perry chain, the system is not yet fully proved.

Because of the heavy cost of introduction, the steep rental cost, and the need, seemingly, for a standby unit to protect against the failure of the primary unit, this equipment would most likely be adopted by larger papers. As with other equipment discussed, chain newspapers could undoubtedly integrate the system for use in the transmittal of copy to all units. Again, if the system proves practical, technological advance may be expected to feed the fires of giantism and monopoly.

Transmission of Copy by Facsimile

Dating from Alexander Bain's work in England and his patent secured in 1843, facsimile transmission has intrigued men to the present day. Processes based on the principle are in use in the transmission of photographs, railroad reservations, weather charts, commercial graphic copy, business copy, et cetera. Experiments in the thirties demonstrated that a facsimile newspaper could be transmitted by radio into homes having receivers. Though technically possible, transmission of a full-scale modern newspaper by radio facsimile is far from practical realization and may never prove feasible. Recent electronic developments, such as Bell System's broad-band transmission circuits, augur new approaches to facsimile that will provide faster and cheaper transmittal of copy.

Proving practical and with far-reaching possibilities, facsimile is now being integrated with conventional methods in the production of the *Wall Street Journal's* Pacific Coast Edition. As with typesetting by wiretape, facsimile can be used by chain newspapers or by papers nationally distributed. The system used by the *Wall Street Journal* is known as Pressfax. First introduced in 1956, when copies of an edition of the *New York Times* were distributed at the Republican National Convention in San Francisco, the system has since been installed in the Mainichi and Yomiuri papers in Japan, which transmit pages to plants at remote distances from the main plants.⁸

The *Wall Street Journal* transmits copy from the company's San Francisco plant, where page type is set, to the Riverside (near Los Angeles) plant, some four hundred miles distant. Simultaneously rotating drums at the two points are connected by electronic circuits. At the San Francisco end a page proof of the typeset page is taken. This is placed on the drum and electronically scanned, transmitting to photographic film on the Riverside drum an exact image of the copy picked up by the scanner in San Francisco. Photoengraving processes are then used to

⁸ "Wall St. Journal Will Try Facsimile Printing System," *Editor & Publisher*, June 3, 1961, p. 9.

make printing plates, which are converted into semicylindrical form for use on standard newspaper presses. It takes approximately $4\frac{1}{2}$ minutes to transmit a full page of copy over the combination of coaxial cable and microwave circuits. Successful operation of the system to date gives evidence of its speed and dependability.

With the capability of transmitting all or parts of a daily newspaper to points located at a distance, transmission by wiretape or by facsimile can be used by chains and nationally circulated papers with obvious cost advantages and with obvious potential for further chain ownership and monopoly—not to mention the probable stimulus to production of stereotyped papers with limited local news.

Modern High-Speed Presses

Today's newspaper presses for production of the so-called black and white sections can produce 56-page papers at speeds up to 70,000 copies an hour.⁹ In 1950 45,000-48,000 copies were typical top figures, compared with 40,000 in 1940. This does not mean that all metropolitan newspapers have, or had, presses capable of these speeds, nor do the speeds represent steady operational levels. In practice various operating speeds prevail for the same equipment due to variable factors from one plant to another. The figures are illustrative of general advances in press technology and the generally higher production speeds now realized.

Ballooning out the increased productivity at the higher speeds is the fact they are made with papers of many more pages and with complex color equipment not present on old presses. The traditional black and white newspaper, with comparatively rare color ads, has been supplanted by the modern paper, with many color ads and often with feature photographs in color.

Typical of savings made possible by high-speed presses is the following example of a daily in the 300,000 circulation class. Prior to recent installation of two high-speed presses, the paper ran three presses at speeds of about 32,000 copies

⁹ "\$7 Million Press Order Placed by Chicago Tribune," *Editor & Publisher*, November 24, 1962, p. 70.

an hour. Production is now obtained on the two new presses at speeds in the range of 45,000-55,000, although speeds of 60,000 have been reached. Annual savings in labor costs from cutting off the third press totals close to \$100,000. With papers of larger circulation the cost savings are magnified proportionately. High in initial cost, the investment in new presses is soon amortized from the savings in production costs.

Aside from the obvious cost advantages, the higher-speed presses are a natural inducement for the building of papers of super circulation. In this way a more productive return results on the costly investment in equipment. Another result of higher speeds is to increase the ability of single plants to produce morning, evening, and Sunday papers and the various editions of them that are necessary.

On acquiring the *Oregon Journal* in 1961, during the Portland newspaper strike, chain-newspaper owner Samuel I. Newhouse of New York (who bought Portland's only morning paper, the *Oregonian*, in 1950) promptly discontinued operation of the *Journal's* plant and produced both papers at the *Oregonian* plant. When Hearst left Pittsburgh in 1960, the Scripps-Howard Press contracted to publish Block's *Post-Gazette* in the Scripps-Howard plant. In eighteen cities two papers formerly published in separate plants are now published in one plant. The arrangements are typically accomplished through a jointly owned corporation that handles production, circulation, and advertising, with only the editorial departments remaining with the parent companies. As in the Block, Scripps-Howard case, the arrangement is sometimes handled by contract without a separate corporation. In either case there is a softening of competitive positions because of the community of financial interests—a softening that has ended for some companies in complete consolidation of ownership.

To summarize, high-speed equipment is a natural inducement for the single owner of two papers in a city to consolidate production; for a morning and evening paper to be converted into a single twenty-four hour paper; for two independent papers to amalgamate production facilities; for the production of one paper by another under contract;

for the development of papers of large circulation distributed over a relatively large area: a family of factors associated with concentration of ownership and monopoly.

The Automated Mailroom

Great changes are taking place in the newspaper mailroom, the department that organizes the papers for distribution after they leave the press. Possible because of automation and other technological breakthroughs, the changes are related to the higher press speeds and greater volume handled in most mailrooms (due to increased circulation and more pages per paper). Resulting in major productivity gains per man-hour, mailroom technology also plays a part in consolidation, the emergence of dominant papers with large circulation, and monopoly.

Experts forecast the day when the bulk of mailroom operations will be fully automated. The impact has already been felt. Though not widely installed in complete units as yet, equipment is now available that will transfer papers from presses to delivery vehicles in an unbroken line of automatic processing, with accompanying decimation of the mailroom force. *Editor & Publisher* carried the following description of one manufacturer's report of an automated mailroom:

Conveyors will take the papers from the press folders, they will be automatically counted for any predetermined number in a bundle, then moved to tying machines, and along to conveyors onto trucks. An electric eye will count and control the dispatching of the bundles to their proper route trucks.

The heart of this system would be a console with dials to control the bundle count and loading of trucks. The consoles can be equipped with card readers or tape recorders giving the information for bundle count, truck number, dock position.

At the close of the edition runs, the cards or tapes, serving as a record of the day's shipments, can be taken to the accounting department for processing in accounts receivable and invoice machines.¹⁰

¹⁰ "Automatic Mailroom Near, Mid-Atlantic Group Told; Punch-card Operation to End Great Amount of Manual Labor," *Editor & Publisher*, March 22, 1958, p. 11.

Not specifically described in the above is an adaptation that sees mailing lists produced by computers. Another computer adaptation produces tape for typesetting machines along with tape for mailing lists, in conjunction with data processed for other departments of the paper.¹¹

Electronic counter-stackers installed in recent years have eliminated many mailroom jobs. The papers are automatically counted and stacked on conveyors, the latest equipment automatically inserting a bottom wrapper. Both of these operations have long been performed by hand. Largely doing away with hand-inserting, automatic inserting machines assemble various sections of Sunday papers and sometimes daily papers. In use for more than a decade, the machines have been perfected and are now widely used. Eliminating another job done by hand, jogger machines have been developed for use with inserting machines. The jogger automatically evens up the bundles, a necessary step prior to placing them in the inserter hoppers. Still another man-eliminator is the automatic pusher, used on mailing tables to move bundles to the desired spot. The work formerly done by hand has been taken over by a mechanical arm.

Replacing the old art of bundle-tying by hand, machines now automatically tie bundles with rope or wire. Refinements in the machines and in operational procedures in recent years have added to their efficiency. Bidding to compete with the present machines is a new machine that accomplishes the same result by applying a paper wrapper instead of rope or wire. A prime use of paper wraps is found in the automatic machines that fold, wrap, and address individual copies of newspapers at the rate of 14,000 an hour. The machines are used for distribution of the Western editions of the *Christian Science Monitor* and the *New York Times*.¹²

Another recent development that will eliminate a mailer is an electronically controlled turntable used in conjunction with conveyors and wire-tying machines. Stacks of untied papers traveling on a conveyor may be diverted in any of

¹¹ *Typographical Journal*, November 1962, p. 201.

¹² "N.Y. Times' Production Success Assured by Pre-Pub 'Dry Runs,'" *Western Printer & Lithographer*, November 1962, p. 57.

three preselected directions. The turntable will accept stacks in a lengthwise position, turn them 90 degrees to right or left and send them on in a new direction. Stacks may enter the turntable lengthwise, be turned endwise, and moved along in the same direction. Improved methods and equipment for handling papers in temporary storage, including electrically driven dollies, have speeded up this phase of mailroom work.

With the advent of electronic technology in the printing and publishing industry, the ITU instituted courses in basic electronics for its printer and mailer members. Thousands have attended classes in various parts of the country, learning the new skills and knowledge demanded by the electronic age. ITU members are meeting the challenge, acquiring the skill and knowledge necessary to handle the new work, despite the loss of jobs to automation.

Made to Order for Chains and Monopolies

Some of the principal changes in newspaper technology have been considered. Other important changes have occurred in the stereotyping and photoengraving departments. There have been changes also in the nonmechanical departments, but they are outside the scope of this study. There results a picture of far-reaching changes that will have a profound effect on newspaper production and ownership.

Despite criticism voiced by many that the industry has failed to devote adequate funds to research in production processes and that it has failed to keep pace with research efforts of other industries, major improvements in basic technology have come to the fore. They have been brought about mainly through efforts of competing manufacturers. Applying the fruits of research in electronics and engineering design, they have steadily opened new horizons since the end of World War II.

As in other industries, technological advances in printing and publishing build upon themselves. The revolutionary advances, coupled with research and development in

other industries, can only mean more major changes in the future. Mark Ethridge, famed newspaperman and chairman of the board of the *Courier-Journal* and *Times* in Louisville, Ky., had the following to say on the subject of technological change, consolidation, and cost savings:

Well, I think we haven't reached the end of technological change in newspapers, nor have we reached the end of the consolidation process. I think a number of papers are going to die; the death rate will continue. Also, newspapers may turn into twenty-four-hour papers for the sake of cutting costs. Such papers will have one editorial page in several editions. There would be a new paper started in the morning, say, and then editions of it would be changed all day long. You would have only one news staff, one editorial staff, one advertising department. It would be a great saving. That is the way some newspapers are going to survive. On the cost side there are technical developments taking place; our own Lisle Baker is one of the leaders in the technical development of the newspaper to improve quality and reduce costs. I figure that Mr. Baker has reduced costs here about \$200,000 a year. We're getting mail-room devices to reduce costs. You may say that this creates unemployment, but not as much as if you killed one of the papers.¹³

The danger is that interests with powerful financial backing will capitalize on the new technology by building super chains; by creating in megalopolis-type areas giant papers with satellites; by extending monopoly and closing the door on any remaining competition. Made to order for the chains and monopolists, the new technology, in the absence of regulation of sales and mergers of newspapers, will further lower the flame that weakly illuminates the remaining areas in which competition exists.

¹³ *The Press*, booklet published by the Center for the Study of Democratic Institutions (Santa Barbara, Calif.: The Fund for the Republic, Inc., 1961), p. 12.



Linofilm operation and maintenance are taught at the ITU Training Center.

IV

A NEW GOLDEN ERA FOR NEWSPAPERS

*—Large Gains in Advertising and Circulation
Are Assured*

Roughly 70 percent of newspaper income is derived from advertising. The ratio of advertising income to circulation income increased from 63.7 percent in 1939 to 71.4 in 1958, the latest year for which data are available. The following Census Bureau figures include weekly, semi-weekly, and triweekly papers.

TABLE 2
Newspaper Receipts, 1939-58
In Millions

Year	Total	Subscrips. and sales	Adver- tising	Ratio adv. to total*
1939	\$ 846	\$306	\$ 539	63.7
1947	1,792	600	1,192	66.5
1954	2,913†	837	2,050	71.0
1958	3,458†	979	2,444	71.4

* Computed after eliminating nonsegregated amounts from 1954 and 1958 totals.

† Includes \$26 million in 1954 and \$35 million in 1958 not distributed between circulation and advertising.

Source: *Statistical Abstract of the United States, 1962* (U. S. Department of Commerce, Bureau of the Census), p. 523.

Figures on newsprint consumption from 1940 to 1961 show that the average daily newspaper has almost doubled its newsprint consumption. Advertising accounts for 82 percent of the increase. The average weekday edition has 59 percent more pages, the Sunday edition 62 percent more. Advertising content went up 195 percent, but editorial con-

tent increased only 29 percent. The 40/60 ratio of advertising to editorial content in 1940 has reversed itself in the 21-year period. The story is told in the following table.

TABLE 3

*Newsprint Consumption and Newspaper Pages
Per Issue, 1940-61*

Year	Newsprint consumption (1,000 tons) *				Pages of newspaper per issue†	
	Total	For advertising content		For editorial content		
		Amt.	Pct.	Amt.	Pct.	
1940	3,507	1,403	40.0	2,104	60.0	27 86
1945	3,237	1,667	51.5	1,570	48.5	22 70
1950	5,521	3,279	59.4	2,242	40.6	36 112
1955	6,173	3,827	62.0	2,346	38.0	40 132
1960	6,819	4,160	61.0	2,659	39.0	43 142
1961	6,860	4,137	60.3	2,723	39.7	43 139

* Based on information of Media Records, Inc. for 52 cities.

† Circulation of 100,000 or more; includes Alaska and Hawaii beginning 1960.

Source: Ibid.

Increase in Advertising Volume and Revenue

Newspapers are by far the largest single medium in point of advertising revenue. In 1961 the \$3.6 billion spent on newspaper advertising was 30.2 percent of total advertising expenditures. Television, with the next biggest share, received 13.9 percent of the \$12 billion expended for all forms of advertising.¹

Newspaper advertising volume, measured by lineage in 52 identical cities, increased 14 percent between 1950 and 1961 and 100 percent between 1945 and 1961. No other volume figures for total industry lineage are available. Since there were fewer papers in the 52 cities in 1961, the average increase would be greater. Many papers had increases that far

¹ Statistical Abstract of the United States, 1962 (U. S. Department of Commerce, Bureau of the Census), p. 851.

exceeded the average. Increased advertising registered by dailies not in the 52 cities, many in fast-growing suburban areas, would also not be reflected. The far greater increase in newspaper advertising expenditures, as shown in Table 4, is due to rates that underwent sharper increases than the gain in volume.

TABLE 4
*Annual Dollar Volume of
Newspaper Advertising, 1945-61
In Millions*

	Total	National	Local
1945	\$ 921.4	\$211.0	\$ 710.4
1950	2,075.6	533.4	1,542.2
1955	3,087.8	788.9	2,344.5
1960	3,702.8	836.1	2,866.7
1961	3,623.1	802.3	2,820.8
Increase:			
1961 over 1950	74.6%	50.4%	82.9%
1961 over 1945	293.2	280.2	297.1

Source: *Guide to Marketing for 1963* (New York: Printers' Ink Publishing Corp., August 31, 1962), p. 385.

Advertising Rates Show Steep Increase

Examples of flat advertising rates in 1950 and 1961 illustrate the magnitude of increases that have taken place. The milline rate (rate for an agate line per million circulation) shows an increase in this period of 40.8 percent on morning papers; 35.8 percent on evening; and 49.8 percent on Sunday papers.² However, the milline rate does not reveal absolute rate increases that have taken place on individual papers.

In Table 5 are shown a number of papers among the

² Editor & Publisher Year Books, 1960, 1962. The Yearbooks for 1951 and 1962 are the source for the subsequent ad rate and circulation.

volume leaders for which flat advertising rates are listed for 1950 and 1962. Increases range as high as 170.6 percent. The papers in this group had increases in circulation, a prime factor in advertising rates; however, as shown later, higher rates also occur where decreases in circulation have taken place.

TABLE 5

*Increase in Flat-Line Advertising Rates, 1950-62**

1962 Rank	Newspaper	Lineage rates		Pct. incr.
		1950	1962	
Morning				
1	Los Angeles Times.....	\$.80	\$1.32	65.0%
2	Miami Herald .....	.40	.90	125.0
6	Phoenix Republic (see comb. below)			
8	Cleveland Plain Dealer.....	.52	.82	57.7
9	San Jose Mercury (see comb. below)			
10	Jacksonville Times-Union .....	.33	.65	97.0
†	St. Petersburg Times.....	.17	.46	170.6
Evening†				
(Morning-evening combination rates where appropriate)				
2	Cleveland Press & News—	Press .60	.95	§
		News .34		
3	Houston Chronicle .....	.43	.65	51.2
8	Phoenix Republic & Gazette (comb.) .....	.32	.63	96.9
9	San Jose Mercury-News (comb.) ....	.23	.51	121.7
10	Dallas Times Herald.....	.37	.55	48.6
†	San Diego Tribune & Union (comb.) .....	.48	.85	77.1
Sunday				
1	Los Angeles Times.....	1.35	2.15	59.3
5	Cleveland Plain Dealer.....	.69	1.12	62.3
7	Baltimore Sun .....	.80	1.10	37.5
9	Miami Herald .....	.43	.95	120.9
10	Boston Globe .....	.85	1.30	52.9

* Papers in top 10 lineage groups first nine months 1962 or 1961 with flat-line rates listed in **Editor & Publisher Year Books**.

† Among top 10 in 1961 but not in 1962.

‡ Top 10 evening papers included three Canadian newspapers not included in this study.

§ News & Press were a single paper in 1962; separate in 1950.

Source: **Editor & Publisher Year Books**, 1951, 1962; **Editor & Publisher**, November 3, 1962, p. 43.

The flat-line rates are for national advertising. Changes from one period to another are generally indicative of changes in a paper's total advertising rate structure.

As indicated, increases in advertising rates normally come with increases in circulation, but they also occur where decreases have taken place. The morning edition of the *Chicago Tribune*, which had a decline of 77,000 in circulation from 1950 to 1961, increased its minimum rate for general (national) advertising from \$1.40 to \$1.716 and its maximum rate from \$1.60 to \$2.20. Sunday circulation decreased 331,000, but the general rates increased from \$1.90 to \$2.34 on the minimum and from \$2.35 to \$3.00 on the maximum. The *Times* and *Star* of Kansas City, both under the same ownership, showed a combined circulation loss of 53,000 in the 1950-61 period, but the flat-line combination rate increased from 90 cents to \$1.20. The Sunday rate increased from 60 cents to 85 cents despite a circulation drop of 14,000.

Applied to the large gains in advertising volume that many papers had in the 1950-61 period, the increased rates had a pronounced effect on income. The *Miami Herald*, for example, carried 13 million more lines in its daily issue in 1961 than in 1950. The *Cleveland Plain Dealer* had a gain of 11.4 million lines, the daily issue of the *Los Angeles Times* a gain of 20.6 million lines. Among papers not shown in Table 5, the *New York Times* had a gain of 10.1 million, the *Washington Post* a gain of 17.4 million, the *San Francisco Examiner* 9.6 million (all three figures for the daily issues). While all of these papers had big increases, many others, large and small, showed even greater percentage increases.

Where ownership is without competition, or where it is weak, the rate structure is subject to what the traffic will bear. In the words of Louis C. Wagner, professor of marketing at the University of Washington's College of Business Administration:

It appears likely that some West Coast dailies are charging what the traffic will bear in markets in which they dominate or have no competition, reasoning that

relatively high national rates will not lose much outside revenue.³

Authorities Foresee Large Growth in Newspaper Advertising

The newspaper enjoys unique advantages as an advertising medium. Having withstood in the past thirty years the onslaughts of two major competing media, radio and television, the industry now stands in a secure and enviable position. J. Warren McClure, president of the Newspaper Advertising Executives Association and publisher of the *Burlington* (Vt.) *Free Press*, believes that the decade of the sixties "will see the greatest boom in newspaper advertising in all newspaper history." This quotation and the following are from *Editor & Publisher's* story on his speech before the NAEA in 1962:

Mr. McClure told the more than 250 NAEA delegates... that by 1965 the U. S. population will have grown by 25,000,000 people and will, for the first time in America's history, climb toward the 200,000,000 mark...

"The more population, the more newspaper circulation," Mr. McClure said. "Newspaper circulation is headed for all-time highs..."

He pointed out that the Census Bureau predicts the U. S. population may reach 220,000,000 by 1970, and added that this could mean 40,000,000 more consumers, an increase of 25%.

"It is predicted," Mr. McClure said, "that U.S. advertising expenditures, by 1970, may well top 20 billion dollars. With newspapers already the recipients of approximately a third of all advertising dollars, this means that newspaper advertising may well reach its tidal peak in the next eight years."⁴

Speaking before the same association of advertising executives in 1957, agency owner Hal Stebbins was emphatic in his appraisal of the industry's great advantages and its success:

³ "Rate Differentials on Advertising in West Coast Dailies," *Pacific Northwest Business* (College of Business Administration, University of Washington), November 1956, p. 26.

⁴ Robert B. McIntyre, "Newspapers' Biggest Boom Due This Decade: McClure," *Editor & Publisher*, July 14, 1962, p. 9.

"If today's newspaper is suffering from anything, it is from an embarrassment of riches," he declared. "You have so much to offer in the newspaper that you don't know where to begin.

* * * * *

"Certainly, the newspaper needs no hymn of praise from me. It is rooted deep in its own rock-ribbed success. It has long since come of age in advertising. It has weathered the measles and the mumps, depressions and the dumps. In 1920 it went 'under ether' and emerged healthy as ever. Radios blossomed all over America — but so did newspapers. In 1946 television moved in. Today, 10 years later, we have color TV. If color-TV can work sales wonders, so can ROP color in newspapers."

* * * * *

"It seems to me that, through its long and dramatic history, the newspaper has proved its necessity and versatility. It still stands head and shoulders above any other method of mass communication. It has flexibility, visibility, believability. People want more than flash news. They want definition. They want elaboration. They want interpretation. They want pictorial presentation. And they get it — in the newspaper."⁵

In 1955 J. D. Gortatowsky, chairman of the board of Hearst Consolidated Publications, Inc., saw the coming years as the "best ones" for papers that keep abreast of the times:

That the coming years will be the best ones for newspaper men and for those newspapers that keep step with the times, is the prediction and conviction of J. D. Gortatowsky, chairman of the board of Hearst Consolidated Publications, Inc., who relinquished his other duties as general manager of the Hearst Newspapers on March 1.

Mr. Gortatowsky foresees that newspapers, "the best advertising medium in existence," will overcome all obstacles and continue to grow. He points out that people swear by newspapers — not by broadcasting companies or billboards.⁶

Norman Strouse, the former president of J. Walter

⁵ As quoted in "Papers 'Embarrassed' by Wealth of Riches," *Editor & Publisher*, January 26, 1957, p. 10.

⁶ Ray Erwin, "Hearst's Gortatowsky Sees Press's Best Years Ahead; Says 'Best Advertising Medium in Existence' Will Overcome Obstacles," *Editor & Publisher*, March 5, 1955.

Thompson Company, major advertising agency, was reported as seeing a 50 percent increase in newspaper advertising and a total outlay of \$15 billion by 1965:

Advertisers' "Splurging adjustment" to TV is over. Now the upsurge can be contained to properly effective uses within budgets and according to product needs.

The potential growth of all advertising media is on an equal footing, dependent upon promotional efforts and the wisest possible selections by advertising agency experts.

There's a 50% "growth opportunity" for newspaper advertising within the next nine years.

Thus all is bright-hued above the horizon of the advertising picture painted this week by Norman H. Strouse, president of J. Walter Thompson Company, Inc. The agency is handling more than 100 accounts with annual billings of \$260 million.

* * * * *

Mr. Strouse said, "... As for advertising, we have nowhere near reached the saturation point. Just realize that advertising has increased four and a half times since 1940, when the total was \$2.1 billion a year. In the last six years we have added twice as much as the total of 1940, until last year it reached an estimated \$10 billion. By 1965 the total volume by conservative estimate should be \$15 billion." ⁷

In 1961 *Printers' Ink*, advertising trade journal, carried the following summary of market research carried out by the Minnesota & Ontario Paper Company, which indicates that "total advertising expenditures will more than double in the next 15 years" and that newspaper advertising revenue "should grow even larger in the years ahead."

Paper-industry economists looking at the future predict that total advertising expenditures will more than double in the next 15 years.

The economists, staff members of the commercial research department of Minnesota & Ontario Paper Co., Minneapolis, estimate that expenditures will reach \$16.5-billion by 1965, \$22.4-billion by 1970 and \$26.2-billion by

⁷ Philip N. Schuyler, "Agency Chief Sees Papers Gaining; TV Adjustment Over," *Editor & Publisher*, January 26, 1957, pp. 12-13.

1975. All these figures are expressed in constant 1957 dollars, to eliminate inflation from the forecasting.

This is the way the paper company sees the future for specific media:

* * * * *

Television. Revenue from television advertisers also should show substantial increases over the next 15 years, but TV may have a growth rate slower than all advertising combined. The forecast: \$1.9-billion by 1965, \$2.2-billion by 1970, \$2.5-billion by 1975.

Newspapers. The largest of all media in ad revenue should grow even larger in the years ahead. Ad volume should climb to \$4.4-billion by 1965, \$5.6-billion by 1970 and \$6.4-billion by 1975.⁸

Translating future advertising growth into its effect on large newspapers, a national advertising representative for many big papers sees the 100-million-line daily in the near future:

A prediction that within the next decade at least five of the "top 10" U. S. newspapers in total advertising lineage will reach the 100,000,000 mark was made at the 8th annual conference of advertising directors of newspapers represented nationally by Cresmer & Woodward, Inc.

These predictions were made in the light of projects extending to 1970, covering population increase, circulation growth and advertising volume, based on past performances and taking into consideration the population explosion expected in the Sixties.

"Metropolitan newspapers are going to continue to grow larger," said Del J. Worthington, executive vice-president of C&W. "There will be a mortality as has been the case among newspapers during the last 25 years. But big papers will get bigger."

He cited the *Los Angeles Times*, represented by C&W, pointing out the *Times* led the nation last year with over 77,000,000 lines of total advertising and could well exceed 100,000,000 lines by 1968. Another five papers might well reach the same mark by 1970, he added.

⁸ "Long-Range Study Sees Rosy Future for Media," *Printers' Ink*, January 20, 1961, p. 13.

ROP color will amount to at least 25% of the total advertising and editorial content by 1970, he asserted, adding that metropolitan area papers are destined to grow at not less than the same rate they have been expanding during the past decade. Indications are their circulation will respond to the quickening pace of the reading population increase by 1970, he said.⁹

A New Period of Sustained Circulation Growth

In 1909-10 there were 2,202 daily newspapers with a circulation of 22.4 million, compared with 1,761 papers and a morning and evening circulation of 59.3 million in 1961. Sunday circulation totaled 48.2 million. Average circulation per paper rose from 10,184 in 1909-10 to 33,652 in 1961.¹⁰

As with advertising, future circulation growth of major dimensions is assured. An analysis of circulation trends and forecasts for the future has been made by Irving W. Reynolds, director of economic research for Copley Press. Linking his projection to population trends and predictions and making allowance for the growth in newspaper circulation in the 18- to 65-year-old groups, Mr. Reynolds sees a steady growth in total circulation to an estimated 81.6 million in 1980. The study takes note of the popular and misleading view that circulation failed to keep pace with increased population from 1950 to 1960:

The fact that newspaper circulation rose by only 9.4% over the 10-year period, as compared to an increase of 18.5% in total population, has been cited as "proof" of the "declining" position of the American press.

Actually, newspaper circulation increased about one-third more than population in the 18 to 65-year-old age groups. The circulation figures in this period suffered from low birth rates of the depression years. High birth rates of the postwar years will not be reflected in circulation figures until the middle 1960's.¹¹

⁹ "100-Million-Line Papers Predicted," *Editor & Publisher*, January 23, 1960, p. 20.

¹⁰ Raymond B. Nixon and Jean Ward, "Trends in Newspaper Ownership and Inter-Media Competition," *Journalism Quarterly*, Vol. 38 (Winter 1961), p. 5; for 1961 circulation and number of dailies, *Editor & Publisher Year Book*, 1962, p. 15.

¹¹ "Economic Forecast: 51% Gain by 1980," *Editor & Publisher*, December 15, 1962, p. 48.

Circulation accounts for some 30 percent of the income of most papers. Unlike the day of the one- or two-cent paper, with much smaller circulation than today, circulation income is now a vital factor. While there are still many five-cent papers, the seven- and ten-cent paper is commonplace. Newspapers sometimes complain that street sale prices are difficult to adjust, but the fact is that adjustments have been made. The "two-bit" Sunday paper is a far cry from its 10-cent predecessor. Monthly subscription rates have also moved upward, sometimes drastically. For a paper in the 300,000 circulation class an increase of 25 cents in monthly subscriptions (assuming they represent 75 percent of circulation, an approximate ratio that holds for many papers) will yield \$675,000 added yearly revenue. Where large circulation increases have been combined with rate increases, the income gains can be very great.

Backlogged for the future with firm prospects of increased circulation, the advertising potential of the industry takes on an alluring glow indeed. With cost curbing through technological advances and the art of budget control riding high, is there any wonder that chain builders are busy adding links—especially in monopoly cities or cities where dominance is assured? The observation of Morris L. Ernst in 1946 is equally valid today:

Many newspapers were consolidated and bought up by chains, not because they were economically unsound but rather because they were exceedingly valuable properties. To remove all possible competition was deemed worthy of large investments in return for future hopes of profits.¹²

The profit potential is not reserved for the large and medium-sized papers. It is there for most of the small ones that dominate a market, either as a monopoly in a small city or as a suburban daily. Buttressed by the comforting knowledge that few competitive papers will be started, newspaper owners can take a great deal of pleasure out of contemplating the future.

¹² Morris L. Ernst, *The First Freedom* (New York: The Macmillan Co., 1946), pp. 62-63.

V

GROWTH OF MONOPOLY AND CONCENTRATED OWNERSHIP

— *Trend Forecasts Further Reduction in Competition*

Canadian Roy Thomson, master of meticulous budgeting, has disproved the old belief that a natural barrier prevents successful operation of more than about 20 papers. Thomson's companies now own some 95 papers, 72 magazines, and a number of radio and television stations in a chain linking seven countries on three continents.

In the United States Thomson recently acquired the *Lafayette Daily Advertiser* in Louisiana and two affiliated weeklies. He also owns dailies in St. Petersburg, Florida; Austin, Minnesota; Laurel, Mississippi; and Petersburg, Virginia; and five weeklies in Florida. Pulling out of St. Petersburg in 1962, Thomson sold the *Independent* to the *Times*. This left his former competitor a monopoly, the same condition Thomson enjoys in Lafayette, Austin, Laurel, and Petersburg. Aside from being a testimonial to the present or potential profitability that Thomson sees in small as well as large newspapers, the acquisitions are reported to be the beginning of a stepped-up move to obtain properties in the United States, particularly in cities of less than 100,000 population. It is said that Thomson expects to double his far-flung holdings in the next decade.¹

The chain paper, with wire services, "canned" features and editorials, and a modicum of local news, can be man-

¹ Francis Williams, "Roy Thomson Invades America," *Harpers*, February 1962, p. 70; also "Austin, Minn. Herald Sold to Thomson," *Editor & Publisher*, April 7, 1962, p. 10, and "Thomson Buys Louisiana Daily," *Editor & Publisher*, October 6, 1962, p. 14.

aged like a chain store or hotel. (Thomson calls himself a "chain store publisher.") Not many years ago it was gospel that a successful hotel required the touch of local ownership; the Hilton interests now operate fifty widely dispersed units. The Thomsons, Newhouses, et al., will go on acquiring papers as long as conditions are ripe for purchase and as long as there are no restraints against the sale of newspapers on the open market without regard to public interest. As matters now stand, nothing would prevent two or more chains from merging into a super chain. Merger of multi-unit groups is a well-established pattern in other industries.

Framework of Monopoly and Reduced Competition

Contraction of ownership and competition in the daily newspaper industry is evident in a number of forms:

- *Sale and merger.* An established paper purchased by another; may be discontinued, operated under its own name, or operated with its name added to that of the purchasing paper, in the familiar hyphenated form. The hyphenated result may also occur where there is a straight merger of the papers.
- *Local monopoly.* A single ownership in a city, whether one paper or more.
- *Joint ownership.* Two papers in a city combined and published by a jointly owned company, with two parent companies remaining as entities. (Hearst and Scripps-Howard formed the equally owned Apex Corporation to publish the *San Francisco News-Call Bulletin* from 1959 to 1962. The *News* and *Call-Bulletin* were formerly competitors.)
- *Joint operation.* Two newspapers in a city forming a third, jointly owned company for the printing of both papers. The third company may also distribute the papers, handle advertising and business functions, and carry out all operations except editorial. Or one paper performing all of these functions for another on an agency or other basis without the formality of a third corporation.

- *Reduction of competition by agreement.* A market carved up for the benefit of the participants. Each eliminates or reduces competition in given phases of its operations, reserving a dominant sphere of largely noncompetitive circulation.
- *Area domination.* A single paper serving several small cities where separate papers were formerly published.
- *Chain ownership.* May be limited to a local or regional geographic area or dispersed widely; may be made up of large or small papers or a combination thereof.
- *Satellite chain.* A dominant paper owning nearby satellite papers; especially suited to papers located in a megalopolis, such as Southern California.
- *Group combinations.* Space for national or regional advertising offered by a group of papers on a standard or discount-price basis. The papers, located in a given region, may be under common ownership, independent, or both. Important for what it may portend for the future in the way of outright chain ownership rather than common pricing formulas.

Aspects of monopolistic practices also include the holding of feature rights in a city, even though they may be used barely enough to keep the privilege alive. To prevent their use by competition, actual or potential, they are kept in a state of quasi cold storage.

The established paper has a variety of weapons for use against a new paper. Among them are special advertising and circulation inducements and, in large cities, exclusive contracts with news vendors. While newspapers in a city often have arrangements for the joint sale of their papers by vendors, the new paper is not welcomed into the closed setup. The newcomer must go it alone in the hard and costly battle to acquire favorable points of distribution. Operating from an entrenched position, the established paper or papers can bring their whole arsenal to bear, often with fatal results for the newcomer.

Not considered in the above summary is the ownership of radio and television stations by newspaper interests. While this is an important factor in the control of mass communications, especially when linked with a local news-

paper monopoly, the prime scope of this study is the daily newspaper.

The Continued Growth of Large and Small Chains

Continuing studies of the concentration of newspaper ownership have been made by Raymond B. Nixon, professor of journalism at the University of Minnesota and editor of *Journalism Quarterly*. The latest general survey, which brought the results up to 1960, led Dr. Nixon and his collaborator, Jean Ward, to renew earlier conclusions that concentration of ownership is "becoming more intensive and less extensive."²

"Intensive" concentration is defined in the study as applying to group or chain units that are fairly close together; "extensive" concentration refers to the typical large chain, extending over a wide geographic area. In either case, intensive or extensive, the growth of concentrated ownership and monopoly is evident. The Nixon study does not reflect the many additions to chain groups of all types and sizes since the study was made. Newhouse, for example, has acquired six additional papers, in whole or in part, in widely scattered parts of the country. Very much on the extensive move, Newhouse and other chains are steadily on the prowl for more papers.

Chains concentrating on smaller dailies are also on the extensive move. Natural plums in areas where population growth is under way and monopoly conditions prevail, the small dailies understandably attract chain-minded operators. Southwestern Publishing Company of Fort Smith, Arkansas, with three dailies in 1940, now has 14 in a chain extending into Oklahoma, Texas, Nevada, and Alaska. Four of Nevada's eight dailies are owned by Southwestern, along with the biweekly *Fallon Eagle-Standard* and the weekly *Tahoe-Carson City Chronicle*. The Arkansas-based chain owns the only daily in Alaska's capital city of Juneau.

In 1950 Lee Newspapers had 10 dailies in Iowa, Wis-

² Raymond B. Nixon and Jean Ward, "Trends in Newspaper Ownership and Inter-Media Competition," *Journalism Quarterly*, Vol. 38 (Winter 1961), pp. 4-5.

consin, Missouri, Illinois, and Nebraska. Today the chain has an additional five in Montana for a total of 15. Scripps League in 1950 had five papers in Utah, Idaho, and Oregon. They now have 16 properties, with California, Arizona, and Montana added to their geographic domain. Robert S. Howard, of Naples, Florida, too recent to be listed among group owners, has added the *Hammond Times* in Indiana to his holdings of three dailies in Wyoming and Montana.

In sum, growth is found in all types of chains and in absentee ownership. Distance is no longer a limitation, air travel having reduced this factor to a common denominator. There is a steady ferment of changing ownership, with control of America's daily newspapers falling into the hands of fewer and fewer companies.

(Not included in this study is the brisk traffic in weekly, biweekly, and triweekly newspapers in which chains specializing in small papers are heavily represented.)

Number of Independent Ownerships Steadily Decreasing

The steady foreclosing on competition in daily newspaper publishing is fully evident. The decreasing number of independent ownerships, as more and more papers fall to absentee chain ownership, is matched by a decline in the number of cities in which competition exists. Figures from the Nixon-Ward study³ show the following results between 1920 and 1960:

- Total circulation more than doubled, increasing from 27.8 million to 58.9 million (112 percent increase).
- Cities with daily newspapers increased from 1,295 to 1,461 (13 percent increase).
- The number of dailies decreased from 2,042 to 1,763 (14 percent decrease).⁴
- Cities with competing dailies decreased from 552 to 61 (89 percent decrease). There has been a further reduction to 55 in 1962.⁵

³ *Ibid.*, p. 5.

⁴ On an adjusted basis, not comparable with the earlier data, the figure for 1960 is 1,733. See source note to Appendix C.

⁵ *Congressional Record*, October 2, 1962, p. A7233.

- Cities with only one daily increased from 716, or 55 percent of the total, to 1,222, 84 percent of the total (71 percent increase).
- One-combination cities (two or more papers in the same city—usually morning, evening, Sunday—under one ownership and with no competition) increased from 27 to 160 (493 percent increase).
- Cities in which papers under separate ownership were produced jointly except for editorial departments (and other departments in some cases) grew from none in 1920 to 18 in 1960.
- Cities with no competitive papers increased from 743, or 57 percent of the total cities with daily newspapers, to 1,400, 96 percent of the total (88 percent increase).

The Nixon-Ward study contains an adjusted circulation figure of 58.1 million for 1960, along with the figure of 58.9 million above quoted. For the number of daily newspapers, the study shows an adjusted figure of 1,733 in addition to the figure of 1,763 that has been used. Since figures for years prior to 1953-54 have not been adjusted in the study, the unadjusted figures have been used to assure comparable data.

Detailed figures extracted from the Nixon-Ward study are found in Appendix C. They reveal the increase in circulation, the decrease in the number of daily papers, and the decline in competition since 1920, a period in which population of the United States (including Alaska and Hawaii) increased from 106.0 million to 179.3 million. From these foreboding figures it is clear that the free and independent press guaranteed by the First Amendment stands to be forfeited to monopolists and absentee owners unless remedial measures are taken.

Chains: Their Growth in Numbers And in Share of Circulation

In a later study, published in 1962, Nixon lists 118 chain ownerships, an increase of nine over the 1960 number.⁶ The number of chain papers rose in the two-year period from 552 to 579. Chains now represent almost one-third of the

⁶ Raymond B. Nixon, "118 Owner Groups; 4.9 Average Holds," *Editor & Publisher*, April 21, 1962, p. 86. Index numbers computed.

total U. S. dailies. Figures in Table 6 show the trend since 1910, with index numbers reflecting increases of more than 800 percent.

TABLE 6
*Newspaper Chains and the Number of
Daily Newspapers They Included, 1910-62*
(1910 = 100)

	Chains		Newspapers	
	Number	Index	Number	Index
1910	13	100.0	62	100.0
1923*	31	238.5	153	246.8
1930	55	423.1	311	501.6
1935	59	453.8	329	530.6
1940	60	461.5	319	514.5
1945	76	584.6	368	593.5
1953*	95	730.8	485	782.3
1960	109	838.5	552	890.3
1962†	118	907.7	579	933.9

* The off-pattern years are as shown in source.

† As of January 1.

Source: Raymond B. Nixon, "118 Owner Groups; 4.9 Average Holds,"
Editor & Publisher, April 21, 1962, p. 86.

Figures computed from data in the 1961 Nixon study show that chains controlled 7.5 percent of all dailies in 1920, 17.0 percent in 1940, and 32.3 percent in 1960, based on Nixon's adjusted total of 1,733 papers, and 31.8 percent on the unadjusted number of 1,763.

In his 1962 study Nixon provides figures on the percentage of newspaper circulation represented by chains.

TABLE 7
*Percentage of Total Daily Circulation
Held by Chains, 1930-62*

	Daily	Sunday
1930	43.4%	54.1%
1935	41.6	52.4
1945	42.0	53.8
1953	45.3	53.9
1960	46.1	54.2
1962*	46.9	53.7

* Circulation as of September 30, 1961; chain data as of January 1, 1962.
Source: *Ibid.*, p. 92.

CHART 1
*Cities with Daily Newspapers
And Cities with Competitive Dailies
1920-60*

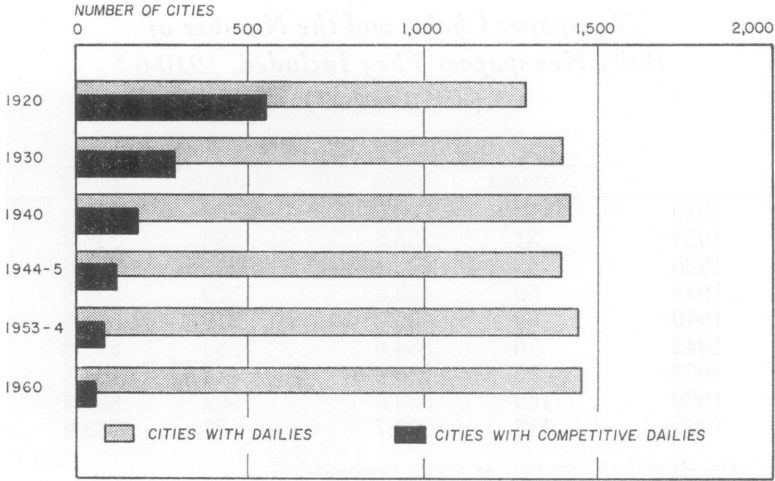
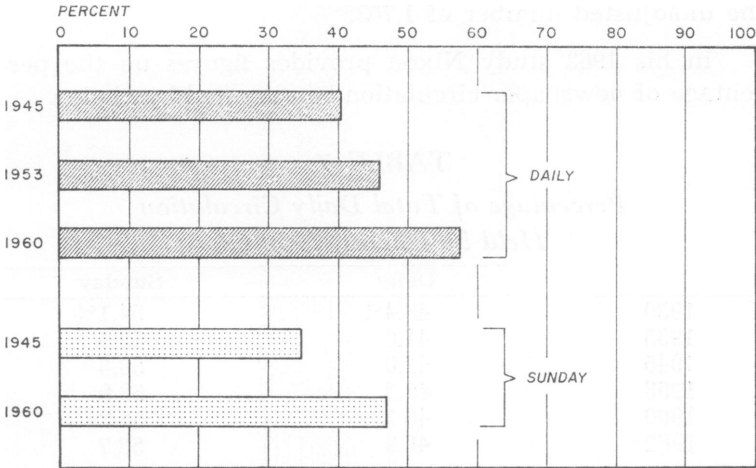


CHART 2
*Percentage Noncompetitive Newspaper Circulation
Daily and Sunday
1945-60*



Data for Charts 1 and 2 are from Appendix C and Table 7.

CHART 3
*Daily Newspapers and
 Cities with Only One Daily Newspaper
 1920-60*

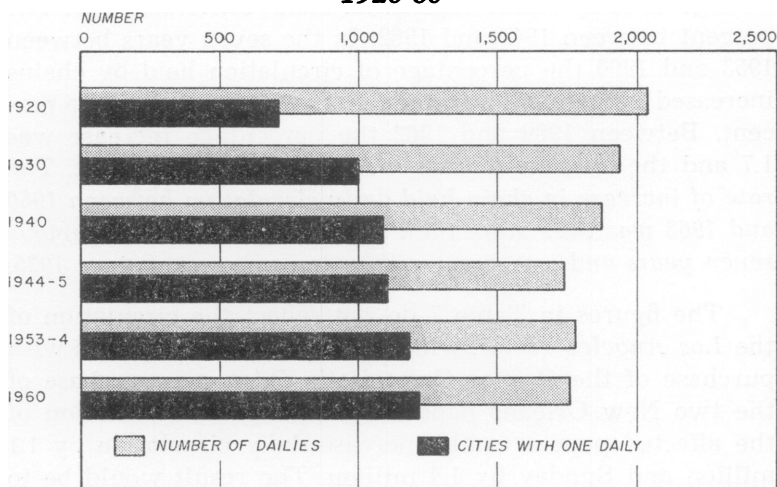
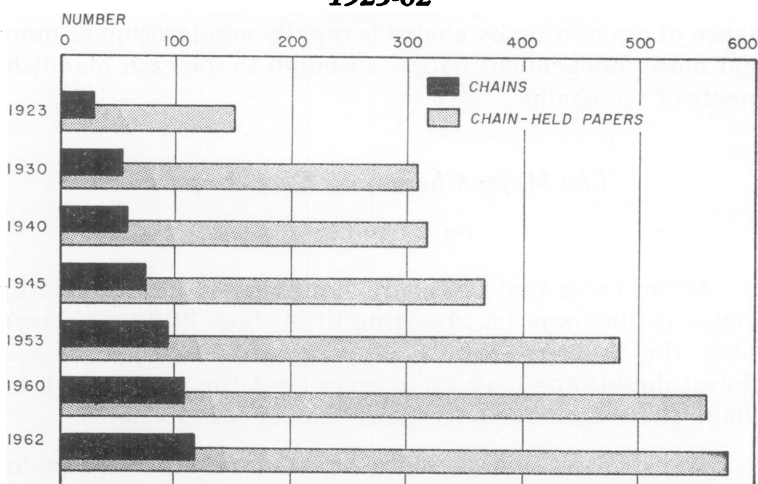


CHART 4
*Newspaper Chains and
 Chain-Held Daily Papers
 1923-62*



Data for Chart 3 are from Appendix C. Data for Chart 4 are from Table 6.

Chain circulation of daily newspapers has steadily increased since 1935, despite the decrease in the number of papers owned by Hearst, Scripps-Howard, and Gannett. The significant fact is the accelerated rate of growth. The percentage of daily circulation under chain ownership rose 11.7 percent between 1945 and 1962. In the seven years between 1953 and 1960 the percentage of circulation held by chains increased 1.8 percent, an annual average increase of 0.25 percent. Between 1960 and 1962 the percentage increase was 1.7 and the average annual increase was 0.87 percent. *The rate of increase in chain-held daily circulation between 1960 and 1962 was thus more than triple the rate in the previous seven years and was greater than for any period since 1935.*

The figures in Table 7 do not reflect the circulation of the *Los Angeles Times*, which became a chain in 1962 with purchase of the *Orange Coast Daily Pilot*, nor purchase of the two New Orleans papers by Newhouse. Circulation of the affected papers would increase daily circulation by 1.1 million and Sunday by 1.4 million. The result would be to increase the daily circulation held by chains to more than 48 percent and Sunday circulation to more than 55 percent.

The rate of chain circulation growth was thus sharply greater than above noted, when extended beyond the date of January 1, 1962, used in Table 7. It is clear that the dominance of circulation by chains is rapidly accelerating as more and more independent papers succumb to the cash blandishments of the chains.

The Major Chains and Their Impact on Circulation

Nixon notes that the average number of papers held by chains in 1962 was 4.9, changing little since 1910.⁷ As shown later, the average number of papers of leading chains is almost double the over-all average, and their share of total chain circulation far outweighs that of lesser chains.

The over-all averages are heavily weighted by an increasing number of small chains. The figures in Table 8

⁷ Ibid.

show the large increase in the number of two- and three-unit ownerships.

TABLE 8
Number of Two- and Three-Paper Chains
1945-62

	Two- paper chains	Three- paper chains
1945	26	11
1954	27	15
1962	42	20

Source: Nixon, "Concentration and Absenteeism in Daily Newspaper Ownership," *Journalism Quarterly*, Vol. 22 (June 1945), p. 109; "Trends in Daily Newspaper Ownership since 1945," *Journalism Quarterly*, Vol. 31 (Winter 1954), p. 11; "118 Owner Groups; 4.9 Average Holds," *Editor & Publisher*, April 21, 1962, pp. 86, 88.

Illustrating the spawning of small chains, the figures also reflect their increased weight in the over-all average. The effect is to depress the average and obscure the growth of larger chains.

Figures for the predominant chains differ strikingly from those for all chains. In Appendix D are listed the top 25 chains in 1962, ranked according to 1961 daily circulation (with exceptions noted). Included are three Newhouse papers and one Ridder paper in which minority interest is held. Average number of papers held by each chain was 9.4, almost twice the over-all average of 4.9.

The 234 daily papers included in the 25 chains represented approximately 40 percent of the papers owned by all chains in 1962 (Nixon's figures adjusted for known changes). Based on their daily circulation of 24.4 million, the 25 chains accounted for 85.9 percent of the daily circulation of all chains (28.4 million). Sunday circulation of 24.1 million was 93.8 percent of the Sunday circulation of all chains (25.7 million). Of the total circulation of all daily papers, the 25 chains accounted for 41.2 percent of the daily circulation (59.2 million) and 50.1 percent of the Sunday (48.2 million).⁸

⁸ For daily and Sunday circulation of the chains, Nixon's figures from *Editor & Publisher* of April 21, 1962, were used (pp. 86, 88), with adjustments for known changes in ownership. For circulation of all daily papers, *Editor & Publisher Year Book*, 1962, was used.

Out of the 16 chains having ownership interest in 10 or more papers in Nixon's 1962 study, 15 were operating as chains in 1950 and in 1940.⁹ They are shown in Appendix E, with the number of papers held in these years. Of the 15, all but four (Ogden, Scripps League, Southern, and Southwestern) are among the top 25 chains in circulation listed in Appendix D. The 15 had 146 papers in 1940, 161 in 1950, and 212 in 1962. The 1962 figure is an increase of 45.2 percent over 1940 and 31.7 percent over 1950. Between 1940 and 1950 the increase was 10.3 percent. The average annual increment of papers between 1940 and 1950 was 1.5 compared with 4.2 from 1950 to 1962. The same growth picture is shown by the average number of papers held by each chain: 9.7 in 1940, 10.7 in 1950, and 14.1 in 1962.

The Hearst, Scripps-Howard, and Gannett chains all had their peak numbers of papers prior to 1940: today's 11 Hearst papers compare with the pre-1940 total of 25 and 17 in 1940; Scripps-Howard's 19 today with 26 pre-1940 and 19 in 1940; Gannett's 15 today with 19 pre-1940 and 16 in 1940.¹⁰ Future Hearst growth is not to be ruled out. The announcement was made by the corporation in 1962 that more properties would be acquired "in the near future."¹¹

The growth of the 15 chains as a group has taken place notwithstanding the Hearst decline since 1940 and the relative stabilization of Scripps-Howard and Gannett. Continued growth of long-established chains and the further concentration of ownership is evident even though there has been a marked shrinkage in the total number of dailies. Since 1940 the number of daily papers decreased from 1,878 to 1,761 at January 1, 1962,¹² while daily circulation rose from 41.1 million in 1940 to 59.3 million in 1961,¹³ a gain of 44.3 percent. Average circulation per paper rose from 21,902 in 1940 to 33,652, an increase of 53.6 percent.

⁹ Figures for 1950 and 1940 have been developed from *Editor & Publisher Year Book* for 1951 and 1941.

¹⁰ For pre-1940 figures, the 1962 Nixon study (Footnote 6); other figures from Appendix E.

¹¹ "New Hearst Moves for Anniversary," *Editor & Publisher*, March 10, 1962, p. 67.

¹² The figure for 1940 is from Nixon's 1961 study (Footnote 2); for 1962, *Editor & Publisher Year Book*, 1962.

¹³ *Editor & Publisher Year Book* for 1941 and 1962.

The Big Twelve of Concentrated Ownership

In the leading 25 chains are 11 of the 12 major circulation giants of the American press. The twelfth is Triangle Publications, with headquarters in Philadelphia. Though not classed as a chain, it might be argued that Triangle belongs with them, since it owns two Philadelphia papers, the *Inquirer* and *News*, as well as the *New York Telegraph*. The latter carries some news and features in addition to racing information, but it is not considered a general-interest paper. For the Philadelphia papers only, Triangle's circulation on September 30, 1962, was 895,000 for Monday-Friday and 1,004,000 for Sunday. Including Triangle Publications, the Big Twelve is made up of:

Hearst	Ridder
Chicago Tribune chain	Cox
Scripps-Howard	Gannett
Newhouse	Chandler (Times-Mirror)
Knight	Ochs Estate (N.Y. Times)
Cowles	Triangle

Circulation figures for all of the Big Twelve except Triangle are given in Appendix D.

Giving effect to the circulation of the *Los Angeles Herald-Examiner* and *Los Angeles Times* after the Hearst-Chandler pact in January 1962, but otherwise using 1961 circulation data, the impact of the Big Twelve on total circulation may be measured:

- Total daily circulation of the Big Twelve amounted to 20.4 million, or 34.4 percent of the total circulation of all daily newspapers.
- Sunday circulation of the Big Twelve totaled 21.8 million, or 45.2 percent of all Sunday circulation.

If the minority interests of Newhouse in the Springfield, Massachusetts, papers and the *Denver Post* are eliminated, along with Ridder's minority interest in the *Seattle Times*, the Big Twelve still have outright control of 33.3 percent of daily circulation and 43.7 percent of Sunday circulation.

*Nearly Sixty Percent of Circulation
Noncompetitive*

According to the 1961 Nixon study, nearly 60 percent of daily newspaper circulation in 1960 was noncompetitive. This is the latest year for which such information is available. In the eight years 1945 to 1953 noncompetitive circulation increased 14.9 percent. In the seven years 1953 to 1960 the increase was 25.1 percent.

TABLE 9
*Percentage Distribution of
Noncompetitive and Competitive
Daily Circulation, 1945-60*

	1945	1953	1960
Noncompetitive	40.2%	46.2%	57.8%
Competitive	59.8	53.8	42.2

Source: Nixon and Ward, "Trends in Newspaper Ownership and Inter-Media Competition," *Journalism Quarterly*, Vol. 38 (Winter 1961), p. 6.

Again the evidence points to accelerated deterioration. For daily circulation the average annual rate of increase in the eight years 1945 to 1953 was 1.86 percent, compared with 3.59 percent for the seven years 1953 to 1960. The rate in the latter period was almost double that of the earlier period.

In the same study Nixon states that 34.9 percent of Sunday circulation was noncompetitive in 1945 and 47.3 percent in 1960. This was an increase of 35.5 percent.

*Twenty-one States and Fourteen Hundred
Cities Without Competitive Dailies*

According to the 1961 Nixon study,¹⁴ in 1960 there were 22 states that had no competitive dailies. (It is to be noted that Nixon has not treated jointly produced papers as com-

¹⁴ P. 8 of source in Footnote 2.

petitive.) In Arizona one competitive paper, the *Arizona Journal*, was started in 1962, leaving the following 21 states without any competitive dailies:

Alabama	New Mexico
Delaware	North Carolina
Georgia	North Dakota
Idaho	Oklahoma
Kansas	Rhode Island
Louisiana	South Carolina
Maine	Utah
Minnesota	Virginia
Montana	West Virginia
Nebraska	Wyoming
New Hampshire	

Twelve additional states had only one city with competitive dailies in 1960:

Alaska	Nevada
Hawaii	Oregon
Iowa	South Dakota
Kentucky	Tennessee
Maryland	Vermont
Michigan	Wisconsin

As previously noted, there were 1,461 cities with daily newspapers in 1960, but 1,400 of them were noncompetitive. This left a meager 61 cities with competitive dailies in 1960, a figure that has since declined to 55.

The Monopolist's Ideal:

One-Combination Cities

In a one-combination city the papers are under single ownership. Newhouse typifies this form of monopoly in Syracuse and New Orleans. He would also have it in Portland, Oregon, where he acquired both major dailies, except for the strike of printing trades unions against the two papers, now in its fourth year. The *Portland Reporter*, strike-born to combat Newhouse, now has more than 50,000 circulation and prevents Newhouse from enjoying a complete monopoly.

Under the typical morning, evening, and Sunday combination, monopoly has been substituted for two formerly

independent papers. It is under this condition that the monopolist, whether as a chain or localized in a city, finds the full flowering of profit potential. According to an estimate by William Randolph Hearst, Jr., when monopoly is substituted for two formerly competitive papers, the profit is two and a half times the total profit under independent operation of the two papers. *Time* magazine reports on this subject:

... Frequently, the stronger of two papers in a big city buys the weaker one out — a device that Newhouse has used many times. William Randolph Hearst, Jr., editor in chief of the Hearst papers, has estimated that if a competitive morning and evening paper each clears \$100,000 in annual profit, under the same management they net not \$200,000 but \$500,000. Hearst is presently testing this formula in San Francisco, where his morning paper, the *Examiner*, last June bought out Scripps-Howard's interest in the city's only evening paper, the *News-Call Bulletin*.¹⁵

In his 1961 study Nixon reported the existence of the one-combination form of monopoly in 160 cities,¹⁶ or 11 percent of the 1,461 cities in which daily papers are published.

Joint Operation as a Factor In Weakening Competition

Other factors serve to weaken competition. In 18 cities two separately owned papers are joined together for common operating purposes.¹⁶ A third company may be jointly established by them to handle production and distribution. In some cases advertising and business office functions are also handled, with only the editorial departments remaining separate. The same effect may be achieved through an agency arrangement, whereby one paper undertakes to perform certain functions for the other. The 18 cities in which joint arrangements are found include such cities as Pittsburgh, St. Louis, Nashville, and Salt Lake City. Scripps-Howard, Newhouse, and Block, among the chains, are parties to consolidated operations. In 1940, the earliest year data

¹⁵ "The Newspaper Collector," *Time*, July 27, 1962, p. 56.

¹⁶ P. 5 of source in Footnote 2.

are available, there were four such consolidated operations.¹⁶

On the old theory that propinquity breeds familiarity, vigorous competition is not to be expected between the joint venturers. The semimerger carries the prospect of ultimate merger in the complete sense, as happened in Tucson, Arizona. The separately owned *Citizen* and *Arizona Star* went through a period of joint handling of all functions except editorial through Tucson Newspapers, Inc., which they jointly owned. *Editor & Publisher Yearbook, 1962*, now shows Tucson Newspapers, Inc., as the sole owner.

Continued growth of the joint operation system may be anticipated. The heavy capital outlays required for most newspaper equipment is an inducement for spreading of the system. Furthermore, the high productive capacity of modern equipment, as previously discussed, lends itself to joint operation.

The Intercity Daily as a Factor in Reduced Competition

The intercity daily serves two or more nonmetropolitan cities. This form of newspaper operation is usually found as a monopoly of the daily newspaper business of the two or more cities involved. The *Southern Illinoisan* of Carbondale, Illinois, is an example. It also serves nearby Herrin and Murphysboro, cities that formerly had independent papers. Ownership of the papers was consolidated and production centered at Carbondale. Operations of the *Southern Illinoisan* are described in *Editor & Publisher*, April 21, 1962, pp. 23 ff.

The growth of this form of monopoly is evidenced by the increase from 20 such dailies in 1945 to 68 in 1960.¹⁶ Another factor in the reduction of competition, growth of the intercity daily may be expected to lower the number of independent newspaper ownerships.

¹⁶ P. 5 of source in Footnote 2.

Group-Rate Combinations

Under a group-rate combination a number of dailies in a given area combine to offer the same rate or the same discount for national or regional advertising. The system is said to have developed as an offset to regional and national television and radio rates. The papers may be under common ownership or independent. Price competition is largely eliminated within the framework of the combination; some reservations exist within the industry about its legality.¹⁷

The system finds encouragement from important segments of the advertising industry. Some, indeed, appear to be encouraging the formation of "network" group-rate combinations. Quoted in the April 14, 1962, issue of *Editor & Publisher*, Bern Kanner, media director of Benton & Bowles, said:

We feel that the formation of these groups can be beneficial to many advertisers. We believe, however, that these groups represent an in-between movement. That is, newspapers must evidence greater cohesiveness, among other things, if they wish to secure additional revenue from national advertisers. It seems inescapable that one day soon we must have a newspaper network with the one-order, one-bill feature.¹⁸

A group-rate combination is symptomatic of the priority given to advertising revenue and the willingness of papers to jeopardize their status as completely independent enterprises. It is equally clear that the advertising industry would prefer broad combinations of papers that would offer package prices for space in an area, just as it does for space in a single city. The growth of chain newspapers is clearly in this direction.

Again the newspaper's primary role in the dispensing of news is subverted to what should be its secondary role as a distributor of advertising. The primary role requires independence and competition. The secondary role thrives where competition is nonexistent. This fundamental cleavage gives rise to the overwhelming number of papers with split per-

¹⁷ "Price Fixing Fear Haunts Ad Discounts," *Editor & Publisher*, June 3, 1961, p. 24.

¹⁸ "Newspaper Groups Stir Wide Interest," p. 26.

sonalities and with serious shortcomings in the gathering and dissemination of news and opinion.

Monopoly by Agreement:

Carving Up an Empire

Back in 1925 Los Angeles had six daily newspapers serving a population of one million. Top morning circulation rested with the morning *Examiner*, with 167,935 on the daily and 370,689 on the Sunday edition. Hearst's other paper, the evening *Herald*, had a circulation of 181,785. In third position was the Chandler paper, the morning *Times*, with a circulation of 129,417 daily and 185,934 Sunday.

The *Express*, an evening paper, had a circulation of 91,565; the *Record*, another evening paper, had 53,466; and the morning *Illustrated News* had 106,358 daily and 90,970 Sunday. The *Examiner*, *Herald*, *Illustrated News*, and *Record* were listed in *Editor & Publisher Year Book*, 1926, as "independent"; the *Times* was listed as "independent-Republican." The circulation figures were taken from the same *Year Book* and are as of September 30, 1925.

Through competition between the papers, the people of Los Angeles in this period enjoyed a diversity of locally oriented news and opinion that is lacking today. The era of vigorous competition diminished with the merger of the *Herald* and *Express* under the sole ownership of Hearst, and the demise of the *Record*. In 1948 the Chandlers started the evening *Mirror*. The evening *Daily News*, successor to the *Illustrated News*, was purchased by the Chandlers and merged with the *Mirror* into the *Mirror-News* in 1955.

The coup de grace to direct competition in the morning and evening fields was delivered in January 1962, when the Chandler and Hearst interests killed the *Mirror-News* and the *Examiner*, respectively. Remaining are the morning *Times* and the evening *Herald-Examiner*, created by Hearst out of the evening *Herald-Express* and the morning *Examiner*. Sunday papers are published by both companies. Circulation for the *Times* on September 30, 1962, was 757,100 daily and 1,093,000 Sunday. On the same date the *Herald-*

Examiner had daily circulation of 694,500 and Sunday circulation of 708,036. The arrangement assures each party a dominant and unchallengeable position in its respective morning and evening spheres. Distribution is made by both papers in the 200-mile megalopolis extending from Santa Barbara, 100 miles to the north, to San Diego, an equal distance to the south. The Los Angeles-Long Beach Metropolitan Area alone had a population of 6.7 million in 1960.¹⁹

With its recent acquisition of the *Orange Coast Daily Pilot* at Costa Mesa, some 40 miles to the south of downtown Los Angeles, and the triweekly *Newport Harbor News-Press*, the Times-Mirror Company has started a satellite system that will give it even greater dominance of the huge market. Talks are reported to have taken place for the purchase of other papers in Southern California.

The Chandler-Hearst arrangement presents the issue whether two powers, one indigenous, the other absentee, should have the unlimited right to carve up a vital public service on purely self-interest grounds. The power is too great and the danger too clear.

Newspapers Plus Radio and Television Ownership

A form of frosting on the cake is found in the ownership of radio and television stations by newspaper companies or by corporations holding newspaper properties, such as Hearst. In 1960 newspaper-affiliated broadcasting stations were 12.2 percent of the total AM stations (429 out of 3,506) and 19.2 percent of FM stations (145 out of 753). Newspaper-affiliated television stations represented 31.1 percent of the total (175 out of 553). In 76 of the 1,461 daily newspaper cities in which a monopoly existed, broadcasting facilities were under the same ownership.²⁰

¹⁹ *Statistical Abstract of the United States, 1962* (U. S. Department of Commerce, Bureau of the Census), p. 15.

²⁰ P. 12 of source in Footnote 2.

Newspapers no longer decry competition of radio and television with the same conviction of earlier years. Paradoxically, when it comes to their radio and television holdings, they seem to find living under Federal regulation to be tolerable. The highly profitable nature of television, in particular, has undoubtedly assuaged any negative feelings they may have had on this score.

The Need for Effective Remedies

For many years the facts have pointed to a trend toward monopoly and the death of competition in the publication of daily newspapers. On the theory that correction was a greater danger than the recognized evil, the main stream of monopoly has been permitted to flow without challenge. It has widened increasingly as one citadel of independent ownership after another has fallen to the monopolists and absentee owners.

The appalling concentration of ownership of daily papers and the capture of a vast segment of the country's newspaper circulation by a handful of owners is clear and sufficient proof that we are now at a critical crossroad. Action is needed to guide America's press in a direction that will best serve the Nation.

VI

THE BUSINESS GIANTS OF NEWSPAPER PUBLISHING

— *Publishers Vs. Empire Builders*

A number of powerful corporate giants are found in the newspaper industry. They do not confine themselves to publishing papers, but engage in expansionist activities that carry them into other industries. In some cases, such as Hearst, the Chicago Tribune companies, and the Chandler interests, the activities may entail acquisition of sources of supply, such as timber lands, paper mills, and power plants for the operation of mills. It may involve acquisition of other communications media, such as magazines, radio, television, paperbacks, and legal and other technical publications.

The giants are used to dealing in big money and seem to have unlimited banking resources. Newhouse had \$45 million available to make an offer for the Omaha papers not long after buying both papers in New Orleans for nearly the same amount. Hearst buys a half interest in a Pittsburgh television station for \$10.6 million.¹ Since 1960 the Chandlers have bought a series of companies in the printing and publishing field. One deal, acquisition of Signet and Mentor paperbacks, involved the transfer of Times-Mirror stock worth more than \$23 million.² We may well wonder whether such magnates were in the collective mind's eye of those who fathered the First Amendment.

The Chandler, Hearst, and Newhouse empires will be

¹ "Hearst to Purchase Pittsburgh TV Station," *Editor & Publisher*, July 14, 1962, p. 61.

² "Otis Chandler Is Named Publisher of L.A. Times; Father Will Direct Diversified Times-Mirror Co. Enterprises," *Editor & Publisher*, April 16, 1960, p. 9.

considered. Typified by them are the Chicago Tribune-owned companies, the Scripps-Howard, Cowles, and similar communications empires.

It is basic that the responsible operation of a large newspaper property requires a high level of professional and managerial dedication. Equally desirable is a freedom from entangling ownerships and associations that might effect editorial judgment and independence. The Chandler family's holding in extensive oil and agricultural lands in Southern California might well influence the editorial judgment of the *Times* on tax depletion allowances and agricultural legislation. The Chandler empire is a good case in point.

The Chandler Empire: Newspaper for a Cornerstone

The Times-Mirror Company was incorporated in 1884, in the midst of a Los Angeles land boom, to engage in newspaper production and commercial printing on the side. The two basic activities continue to this day, each a large-scale operation. Financial interests of the Chandler family still stem from these enterprises, but today they penetrate into a multitude of industrial, agricultural, and financial activities.

Norman Chandler, chairman and president of the Times-Mirror Company, is the family's leading figure. Harrison Chandler, a brother, and Otis Chandler, son of Norman Chandler, are officers in the corporation, as is Dorothy Chandler, wife of Norman Chandler. Otis Chandler is now publisher of the *Times*.

Where the *Los Angeles Times* begins and Chandler financial interests end is academic. From the days of Harry Chandler, who married the daughter of General Harrison Gray Otis, founder of the Times-Mirror Company, the Chandlers have long been a power in California industrial, financial, and political life. Harry Chandler acquired huge parcels of land and steered the enterprises in the direction of economic and political power.

Today Norman Chandler sits at the pinnacle of the enterprises. Chairman and president of the Times-Mirror Company, he is also president of Publishers' Paper Company, a newsprint manufacturing subsidiary; vice-president of Tejon Ranch Company, with 282,000 acres in Kern and Los Angeles Counties on which there are 20 master oil leases covering 60,000 acres and large-scale agricultural activities. In addition Chandler is president, treasurer, and director of Chandis Securities Company and first vice-president and director of Emmett & Chandler. He is also vice-president and director of Chandler Sherman Corporation and a director of Dresser Industries, the Santa Fe Railway Company, Kaiser Steel Corporation, Pan-American World Airways, Safeway Stores, Security First National Bank, and Buffum's department stores.³

Publication of the *Times*, the country's fourth largest daily paper and number one in advertising lineage, is the prime activity of the Times-Mirror Company. The Times-Mirror Building, situated in the political heart of the city, is an impressive structure in the midst of impressive city, county, and state buildings. Its somewhat monolithic lines suggest that the *Times* is the Rock of Gibraltar on which the Chandler power and fortune are based. Subsidiaries of the parent Times-Mirror Company include:⁴

- Publishers' Paper Co., Oregon City, Ore. (newsprint manufacturing)—67 percent owned.
- KTTV, Inc., Los Angeles.⁵
- Cardoza Bookbinding Co., San Francisco, Calif.
- H. M. Gousha, San Jose, Calif. (roadmaps).
- Jeppeson & Co., Denver, Colo. (airway manuals).
- Buehner Lumber Co., Tillamook, Ore.
- New American Library of World Literature, Inc. (Signet and Mentor paperbacks).

³ *Moody's Industrial Manual*, 1962.

⁴ *Moody's Industrial Manual*, 1962; "Times-Mirror Buys Old Law Book Firm," *Editor & Publisher*, August 18, 1962, p. 52.

⁵ Sale of KTTV for \$10 million was announced January 1, 1963. The sale is subject to approval of the Federal Communications Commission. (*New York Times*, Western Edition, January 15, 1963.)

- New English Library and New American Library of Canada — 51 percent control acquired through New American Library of World Literature.
- Orange County Publishing Co., publisher of a daily newspaper, the *Orange Coast Daily Pilot*, with separate editions for Newport Harbor, Costa Mesa, and Huntington Beach. Also publishes a free shopper, the *Orange Coast Mailer*.
- *Newport Harbor News-Press*, which publishes tri-weekly in Newport Harbor, Corona del Mar, and Costa Mesa — acquired through Orange County Publishing Co.
- Ace Books, Ltd. (British paperbacks) — 51 percent owned.⁶
- Four Square Books, Ltd. (British paperbacks) — 51 percent owned.⁶
- Mathew Bender & Co., Inc., and two affiliated companies (law and technical books).

All of the above interests, except Publishers' Paper Company and KTTV, have been acquired since 1960, according to *Moody's Industrials*. Times Mirror Press, a subsidiary, has been formed to handle commercial printing activities.

While the chain operations of Hearst, Scripps-Howard, Newhouse, and Ridder extend over wide geographic areas, the Chandler interests are heavily concentrated in Southern California. However, the Times-Mirror Company is not altogether provincial. In 1960 it linked arms with Triangle Publications of Philadelphia, another giant, to form the Times-Mirror-Triangle Company to engage in graphic arts and related ventures.⁷ Triangle publishes the *Philadelphia Inquirer* and the *Philadelphia Daily News*, the *New York Telegraph*, *TV Guide*, *Daily Racing Form*, and *Seventeen*. It owns television and radio stations and operates job printing and rotogravure plants. Times-Mirror-Triangle owns Cal-Roto Company as a fully controlled subsidiary. In another transcontinental move Times-Mirror joined with the *Washington Post* in 1962 to form a news syndicate.

⁶ Godfrey Phillips, Ltd., a British tobacco company, retains 49 percent.

⁷ "2 Publishers Form New Calif. Firm," *Editor & Publisher*, August 27, 1960, p. 10.

At its peak of power and wealth, the company is now moving rapidly into a widened sphere of newspaper ownership. Although disposing of its television property in Los Angeles, it has greatly expanded its ownership in printing and publishing outside the newspaper field. Its dynamic acquisition pace of the past few years, coupled with the lesson to be taken from its 1962 closure pact with Hearst, augurs clearly that this giant will consume a number of independent dailies before its appetite is satisfied.

*The Hearst Conglomerate:
Empires Within an Empire*

The Hearst Corporation oversees a family of subsidiaries with some 18,000 employees. Included in the corporation's assets are an assortment of newspaper, magazine, radio, and television operations, as well as valuable mining and timber properties, large real estate holdings, and other valuable assets that were the personal property of William Randolph Hearst. (A separate division of the corporation handles the art objects.) There are three Canadian companies engaged in the manufacture of pulp and newsprint, and a power company in Maine that leases power and dam sites to the corporation's Pejepscot Paper Division at Brunswick, Maine. Stock of the Hearst Corporation is held by a number of trustees for Hearst Foundation, Inc., and the William Randolph Hearst Foundation, both classed as charitable, educational, and civic-oriented foundations.

Financial data for the corporation are not published. In the nationally broadcast television program after closure of two Los Angeles papers by Hearst and Chandler, a statement was made about alleged losses of the Hearst Corporation. There was an immediate denial by Hearst spokesmen, who stated that the corporation had never failed to make a profit. In 1955 *Advertising Age* estimated that it had netted more than \$10 million annually.⁸ It is well known from the publicized figures on the subsidiary, Hearst Consolidated Publications, which has its own subsidiary, Hearst Publishing Company, Inc., that this division has shown a loss

⁸ "Inside the World's Largest Communications Empire," *Advertising Age*, April 4, 1955.

for a number of years. There are no published financial data for individual papers.

Hearst Corporation, the holding company, and its subsidiaries include the following operations:

THE HEARST CORPORATION⁹

A. Direct Operations

Newspapers and Services: Albany Times-Union, Albany Knickerbocker News, New York Mirror, Boston Record-American, King Features Syndicate, United Press International Wire Service (50 percent owned). *Radio and TV:* WBAL, Baltimore (AM, FM, TV); WISN, Milwaukee (AM, FM, TV). *Magazines:* Good Housekeeping, House Beautiful, Cosmopolitan, Town & Country, Sports Afield, Harper's Bazaar, American Druggist, Motor Boating, Motor. *National Magazine Company, Ltd., London*—Publishes for sale in Great Britain: Good Housekeeping, Harper's Bazaar, Vanity Fair, Connoisseur, She. A subsidiary of this company, *National Magazine Company (Pty.), Ltd.*, is sales agent in Australia for Hearst magazines published in England. Another subsidiary of National Magazine, *Grosvenor Press, Ltd.*, publishes books. *Other:* International Art Studio Division, Hearst Realities (New York property), Sunical Land & Livestock Division (western timber and ranch lands), Hearst Metrotone News (equally owned with Loew's), Periodical Publishers' Service Bureau, Willson Realty Corporation (New York real estate).

B. Subsidiary: Hearst Consolidated Publications

(Entire stock owned by Hearst Corporation)

Newspapers: Baltimore News-Post, New York Journal-American, San Antonio Light. *Radio and TV:* WCAE, Pittsburgh, WTAE-TV, Pittsburgh. *Other:* Hearst Advertising Service, Androscoggin Water Power Company, Consolidated Clearing Corporation, Halifax Power & Pulp Company, Ltd., Hearst Enterprises, Inc. (75 percent owned), Quebec Newsprint Company.

C. Subsidiary of Hearst Consolidated:

Hearst Publishing Company, Inc.

Newspapers: The American Weekly, Puck—The Comic Week-

⁹ Moody's Industrial Manual, 1962; "Inside the World's Largest Communications Empire," Advertising Age, April 4, 1955.

ly, Los Angeles Herald-Examiner, San Francisco Examiner, San Francisco News-Call Bulletin, Seattle Post-Intelligencer. Other: Pejepscot Paper Division, San Francisco Realties.

The country's largest daily newspaper circulation of more than three and a half million thus emanates from a conglomerate of enterprises and empires within empires. The Hearst organization no longer has the central driving force and inspiration that William Randolph Hearst gave it at its peak. Some of the problems of its newspaper operations have been described by Albert Bermel, a former Hearst editor and graduate of the London School of Economics:

Why the rash of sales, closures, and mergers? Berlin's treatment for whatever ails his publications has been, apparently, to slice off the unhealthy members. [Berlin is president of Hearst Corporation.] "Dick Berlin," said an advertising executive, "ought to swap his pruning knife for a tuning fork. What the papers need is new ideas." But Berlin undoubtedly thought he had those ideas when he took over the top post, instead of the heir apparent, Bill Hearst.

* * * * *

After every sale of a Hearst publication, great numbers of people have been thrown out on the job market. When the *Detroit Times* went in 1960, for instance, fourteen hundred people were dismissed. Many of them received telegrams and phone calls at 3:00 A.M. telling them not to report for work that morning. The sale of the *Times* brought in \$10 million. But not one of its employees was offered a job with another Hearst paper at the time. Six months later many of them were still out of work.

Hearst, for most of its employees, is a faceless company. Even at headquarters in New York the top people are seldom visible. The average employee may read about W. R. Hearst, Jr., in his paper (if it is a Hearst publication), or sneak a look at a memorandum on an executive desk...; but he will see the brass in person only if he attends the annual dinner-dance or catches a glimpse of Berlin and Hearst entering or leaving their Cadillacs...

To date, neither Berlin nor Deems [magazine division] has come up with constructive editorial ideas that have changed the Hearst pattern of sales.* Bill Hearst,

however, has tried to rescue the newspapers. "We are trying to do away with the oldish elements that have crept into our operations," he announced ten years ago. He asked Hearst editors to publish more local stories and straight news. "Our news and campaigns," he said, "should not be extreme, unfair, or one-sided." Brave words, and very different in spirit from his father's celebrated "must run" editorials. But only words. Since 1951, the papers have changed little editorially. They remain plinths for such columnists as Westbrook Pegler, Fulton Lewis, Jr., and, lately, Barry Goldwater.

*They have, however, bought *Sports Afield*, *Science Digest*, *Popular Mechanics*, and Avon Books. After the *Sports Afield* transaction in 1953, Berlin said: "This is the first of a series of acquisitions by the Hearst Corporation and part of a long-term expansion program." The Corporation then passed up *TV Guide*, the most successful postwar magazine, twice in a row, once for \$75,000, the second time for \$2 million. *TV Guide* was sold shortly after for \$7 million, and is now worth considerably more.¹⁰

Perhaps the miracle of William Randolph Hearst is that the domain held together at all after his death.

Newhouse: It Could Have Been Shoes

As though afflicted by the Hearst mania for ownership, Samuel I. Newhouse has acquired rich holdings in magazines, radio, and television to top off 19 newspapers, 16 of which are controlled. Holdings in Condé Nast magazines now amount to about two-thirds of outstanding common stock. Estimates of the value of Newhouse assets range up to \$250 million. Newhouse activities in the communications field include the following properties:

Newspapers

Staten Island Advance, Long Island Press, Newark Star-Ledger, Long Island Star-Journal, Syracuse Herald-Journal, Syracuse Post-Standard, Jersey Journal, Harrisburg Patriot, Harrisburg News, St. Louis Globe-Democrat, Birmingham News, Huntsville Times, Denver Post,

¹⁰ Albert Bermel, "The Picture of the Hearst Empire," *Harper's Magazine*, January 1962, pp. 43, 47.

Springfield Union, Springfield News, Portland Oregonian, Portland Journal, New Orleans Times-Picayune, New Orleans States-Item.

Magazines

Glamour with Charm, Vogue, Vogue Pattern Book, Bride's Magazine, Mademoiselle, Living for Young Homemakers, All Sports, Astounding Science, Air Progress, American Modeler.

Radio and TV

WSYR, Syracuse (AM, FM, TV); WPTA, Harrisburg (TV); WAPI, Birmingham (AM, FM, TV); KOIN, Portland, Ore. (AM, FM, TV) — 50 percent owned; KTVI, St. Louis (TV) — 25 percent owned.¹¹

Quoting Philip Hochstein, a Newhouse managing editor, and Ted Newhouse, a brother, *Time* magazine reported:

"Sam Newhouse never pretended to be a public benefactor," says Phil Hochstein. "He doesn't claim to be with the people. He's a capitalist." Brother Ted has said that Newhouse's business could just as easily have been shoe factories, and in confessional moments Sam agrees.¹²

* * * * *

Fellow publishers seldom speak cordially of Sam. "All he's interested in," says a Chicago colleague, "is the cash register. I don't think he gives a damn about the papers; he just treats them like so many hardware stores. For any publisher you respect, any of those who deeply love journalism, Sam Newhouse would be the last person to sell a paper to." To Eugene Pulliam, who owns newspapers in Indiana and Arizona (the Indianapolis *Star and News*, Phoenix *Arizona Republic*), making money in newspapering is "secondary." Says Pulliam: "There's a spiritual quality to journalism. I still believe a publisher ought to run his paper personally and stand up and have his say. If you just want to make money, you ought to be in the bond business." Pulliam has his conservative say, and his papers also earn a liberal profit.¹³

¹¹ *Editor & Publisher Year Book, 1962; Broadcasting Yearbook, 1962; "The Newspaper Collector," Time, July 27, 1962, pp. 54-57.*

¹² *"The Newspaper Collector," Time, July 27, 1962, p. 58.*

¹³ *Ibid., p. 57.*

Sitting on top of a pile of newspaper, magazine, and broadcasting properties, Sam Newhouse presides wizard-like over the intricate family of corporations created for tax and other legal purposes. Fortified by his faith in the First Amendment and an ample supply of cash, he is scanning the horizon from his vantage point for other properties to acquire. The serious limitations of the Newhouse kind of absentee ownership are detailed at length in the following chapters.

*The Luxury of Laissez Faire
Can No Longer Be Afforded*

As long as newspapers are treated like ordinary business enterprises, bigness and diversification can extend in virtually any direction and to any depth. Only in their ownership of broadcasting licenses, where the Federal regulatory power is exercised, is there any limitation. But newspapers are unique instruments of public necessity. It is clear that the public interest is not served by giant communications empires with cannibalistic appetites that cause them to feed on independent newspapers, with side dishes of magazines, broadcasting stations, and assorted enterprises.

In their passion for bigness and profits, for domination and control, for monopoly and absentee ownership, the giant communications companies are a clear threat to a free and responsible press. The First Amendment was never intended to give newspaper owners a vested right to limit competition and acquire excessive dominion over the press. The luxury of laissez faire is no longer warranted by a society that is making an all-out struggle to keep the winds of freedom blowing.

VII

THE TACTICS OF A NEWSPAPER TYCOON

— *Operation Portland: An Owner in Absentia*

The destruction of competition and an absentee owner's attempt to control a prime newspaper market is classically illustrated in Portland. One of the two independent newspapers was bought by the Newhouse chain; the second was progressively weakened by a strike for which the chain was primarily responsible; the independent paper was then purchased by the chain after it could no longer hold out under strike conditions. The Portland story is worth telling in greater detail. It offers a forceful example why a thorough investigation of the sale and merger of newspaper properties is needed to protect the public interest.

Owner of the morning *Oregonian* and the evening *Oregon Journal*, Newhouse would have a monopoly except for the strike-born *Portland Reporter*.¹ A few months after the *Oregonian* was acquired in 1950 for \$5,250,000 he purchased its radio affiliate, KGW, for \$350,000. With the sale of the highly respected *Oregonian* to Newhouse, the heirs of the two families who were the principal owners ended 100 years of continuous local ownership of the paper. Newhouse later sold KGW as a preliminary to acquiring a 50 percent interest in KOIN: AM-FM-TV.

Purchase of the *Journal* in 1961 for \$8 million was a by-product of the strike. The charge was made by union spokesmen at the outset, and denied by Newhouse repre-

¹ Peak circulation of the *Oregonian* was reached in 1959 (the strike started in November of that year); morning circulation was 242,000 and Sunday 306,000. The *Journal's* top circulation of 195,000 for its Monday-Friday issues and 214,000 for Sunday was reached in 1954; the 1959 pre-strike figures were 189,000 and 207,000. Newhouse merged the Sunday editions of the *Oregonian* and *Journal*. On September 30, 1962, the *Oregonian's* circulation was down to 214,000, the *Journal's* circulation had dropped to 130,000, and the combined Sunday edition stood at 351,000.

sentatives, that the strike was instigated by Newhouse with the object of gaining control of the *Journal*. The sale ended the 57-year history of a paper conceived to bring an end to the *Oregonian's* monopoly. Dedicated to serving the common man, the paper had a notable record as a vigorous and independent voice.

Roadblock to the Newhouse

Plan for Monopoly

Though Newhouse succeeded in swallowing the *Journal*, his plan for a complete monopoly in Portland is not a reality because the ITU and many other unions in and out of the printing industry, as well as thousands of Oregon citizens, were not willing to play dead for the distant czar in New York. Fighting back, after it became clear Newhouse was not interested in settling the strike, 83 unions combined to launch the Rose City Development Company and publish a competitive paper. A building was acquired and remodeled. Equipment was obtained from the ITU and other unions, and a paper was launched.

First published weekly, then triweekly, and finally daily, the *Portland Reporter* now has more than 8,000 stockholders and a circulation of 55,000, verified by the industry's own Audit Bureau of Circulation. Adjacent property was recently acquired that will permit doubling of floor space. The *Reporter* is now a community effort, with a Board of Advisors made up of three college professors, two businessmen, one leader of the Oregon State Grange, one minister, and one representative of Portland's Labor Council. By arrangement with the *New York Post* it offers a variety of national columnists, bringing to Portland new voices of opinion. The *Reporter* is keeping alive the flame that Sam Jackson lit in 1902, when he came out of Eastern Oregon to head the *Journal* and give the *Oregonian* a run for its money.

The Loss of Local Identity

Under Absentee Control

In Portland Newhouse has built an exhibit of the evils inherent in his kind of absentee ownership. Having no personal identification with employees (except for a few exec-

utives), no local roots in the community, no intuitive feeling for its heritage, no loyalties to its business, labor, political, religious, and educational institutions and leaders, he has shown a detached and cavalier attitude. He has made it clear that Sam Newhouse is not a servant of Portland but that Portland must serve his ends.

The relationship of Newhouse to Portland fits the description of Justice William O. Douglas of the loss of local identity under absentee control:

The growth of bigness has had crippling effects. A nation of independent business men has become a nation of clerks. Those who owned and ran the lumber mill had a community function to perform, as well as a business function. They were alive to community needs and they contributed to the solution of community problems. When that lumber company was swallowed up by a giant, control over it was transferred to an office in a skyscraper in New York City. The town that was dependent on the lumber mill became only a statistic, not a congregation of people. In the totality of the corporate empire it might be better to close the mill. People will parade and protest; but the men in the faraway skyscraper do not hear them.²

The Many Faces of Samuel I. Newhouse

Newhouse is enough of a living legend to require no undue detailing. Lawyer, newspaper publisher, magazine and paperback owner, radio and television collector, et cetera, Newhouse is noted for his habit of acquiring established enterprises. Creatively, his accomplishments seem limited mainly to the building of a \$200 million-plus empire out of building blocks fashioned by others. All of the newspapers and other properties in his empire were going enterprises before he acquired ownership interest.

Largely disinterested in editorial policy, his prime concern is with operating statements and balance sheets. He finds it not irreconcilable to have his papers endorsing Re-

² Lecture at Earl Warren Institute of Ethics and Human Relations, auspices of University of Judaism, Los Angeles, California, July 1, 1962.

publican and Democratic candidates at the same time, or to have one paper for and another against segregation. He appears to share the view of Roy Thomson that if a paper is a going concern and making a profit, it is *ipso facto* an asset to society.

Avid monopolist, Newhouse owns the only dailies in Syracuse, Harrisburg, Huntsville, New Orleans, Staten Island, and Jersey City. In 1967 he is due to expand his minority interest in the Springfield, Massachusetts, papers to controlling interest. As noted, his plan for a monopoly in Portland is thwarted by the *Portland Reporter*. Adding to his flair for news monopoly is his interest in radio and television stations in Syracuse, Birmingham, Harrisburg, St. Louis, and Portland.

On most of his properties Sam Newhouse is an occasional voice on the other end of the phone. In Springfield he is the intruder trying to take over a paper started in 1824. In Syracuse he is monopoly personified, controlling both papers, one radio broadcasting station, and one television station. In New Orleans and Omaha he is the man from New York who laid \$42 million and \$41 million on the line for monopoly rights, winning them in New Orleans, losing in Omaha. (Wealthy contractor, Peter Kiewit, topped Newhouse's offer for the two Omaha papers because he wanted his home city's papers to remain locally owned.) And so on. With nineteen newspapers in nine states (including the several in which minority interest is held), ten magazines, three radio and five television stations, Newhouse is still on the march, still looking for owners of the right kind of papers who are willing to abdicate for a price; tired, embattled, or disinterested heirs; ingrown management; owners with loss of entrepreneurial interest.

Newhouse, who is said to have visited Portland only rarely since 1950, has afflicted the city's industrial relations and civic pride with festering sores. There he is symbolized by the four-year strike of some 850 citizens of the Portland area, most of them heads of families, many of them with more than 25 years of service with the papers. Pickets steadfastly patrol the sidewalks in front of the building in which the *Oregonian* and *Journal* are published. But to them it

isn't the *Oregonian* nor the *Journal* they are picketing, it's Sam Newhouse in New York. He is also the symbol of gross flouting of the pleas of public officials, clergymen, and others to explore means of settling the strike. In Portland Newhouse symbolizes reduction of the *Journal*, once a vital competitor, to little more than a name on a masthead.

Newhouse can be a gentle persuader when making multi-million-dollar offers to buy newspapers, but in Portland he was tough and intransigent in the face of the economic disaster his policies meant for his employees and their families. He was aloof over the strife, turmoil, suspicion, and chaos that his policies engendered in a community that had never before experienced more than small skirmishes in the way of newspaper work stoppages. Newhouse has proved that the dollar talks and that a man—any man—with plenty of them can build a newspaper empire while the devil takes the hindmost.

Other Newhouse Fronts

The hand of Newhouse is not limited to strike fronts. In Springfield, Massachusetts, he is in court in an effort to unseat the present management of the Republican Publishing Company, publisher of the morning *Union*, the evening *News*, and the Sunday *Republican*. As indicated, Newhouse now owns a minority interest in the company and has an option to acquire a controlling interest in 1967. In Syracuse, where he owns both papers, one radio and one television station, the fight is with the many citizens who rebel against the two "glorified handbills"³ that have replaced the three independent papers. Leading the opposition in Syracuse is lawyer Rolland B. Marvin, formerly mayor of the city for twelve years.

In Denver the line of battle is drawn against Newhouse by majority stockholders, who have vowed that Newhouse will not be permitted to extend his present minority interest in the *Denver Post*. Here Palmer Hoyt, long the outstanding editor of the *Oregonian* before its acquisition by Newhouse and now editor and publisher of the *Denver Post*, leads the

³ *Portland Reporter*, special undated issue following sale of *Journal* on August 11, 1961, containing reprint of article from *Pride* magazine, Syracuse.

majority stockholders in defense of independent home ownership. Mr. Hoyt had the following to say:

"We have made this move to keep the Denver Post a home-owned newspaper because we feel that local ownership and management are best for Denver and for the Rocky Mountain Empire the Post serves," Mr. Hoyt said. He continued:

"A community of the tradition and promise of Denver deserves its own vital newspaper. The Denver Post has been such a newspaper for 65 years. Our objective has been and will continue to be the strengthened independence of a great newspaper which is dedicated to constant improvement."⁴

But Sam Newhouse knows that the dollar talks and that chinks have a habit of developing in the armor of stockholders when they are faced with a tempting offer. Very likely he figures that given a little time — something Sam and his brothers and sons have plenty of — the name of Newhouse will stand for the *Denver Post*.

⁴ "To Keep It Home-Owned: Denver Post Buys Stock from Hospital," *Editor & Publisher*, July 16, 1960, p. 59.

VIII

PORTLAND'S HERITAGE OF COMPETITIVE NEWSPAPERS

A. The Loss of Sam and Maria Jackson's Legacy

It was 1876 and Sam Jackson was sixteen years old when he came home to Deltaville, Virginia, from the Philadelphia Centennial with a small printing press. Bought with fifteen dollars his father gave him, it was his first investment in printing equipment, a sort of down payment that bore fruit in Sam's later ownership of a flourishing metropolitan daily with a statewide circulation.

In 1880 Sam was tall and fit and ready to try his luck in the West. Leaving Virginia, he arrived in San Francisco the same year. From there it was on to Portland by boat and finally to Pendleton and the wide open wheat and cattle lands of eastern Oregon. There, with the *East Oregonian*, he got his first taste of working on a newspaper and becoming an owner. In an early editorial of the "E.O." the Lincoln-esque Jackson gave expression to his philosophy:

This paper is imbued with nothing if not with love of country and confidence in the people — the plain people — the vast army of the American people who do the work and bear the burdens of this land. It recognizes their rights before it even thinks of the privileges of those who feed and fatten upon them. . . . The *East Oregonian* frequently finds itself on the side of the poor, the weak and depressed as well as always on the side of the worker and producer, fighting against the strong, the entrenched in power, the privileged and the plutocratic. . . . If the *East Oregonian* believed less sincerely than as here stated, it would possess more malice and show more chagrin in defeat, and more of the strut of

the rooster and bray of the jackass when victory came to it and the men and causes it supported.

Meanwhile Portland was under the editorial domination of the *Oregonian* and its offshoot, the *Evening Telegram*, started by the *Oregonian* in 1877.¹ Various attempts to establish competing dailies had been made since the founding of the *Oregonian* in 1850. All had failed. Another attempt was made when a group of Portland men backed the *Evening Journal*. The paper made its bow in early 1902 and was soon running in the red and headed for liquidation. Then lawyer Joseph Teal pleaded with his fellow backers that Sam Jackson of Pendleton was the man to put the paper on its feet. Jackson took up the challenge.

In the reorganization that followed, Jackson acquired controlling interest. Changing the name to the *Oregon Daily Journal*, he lost no time in spelling out the principles that would guide the new paper. On July 23, 1902, the first day of publication, he wrote in his forthright way:

The Journal in head and heart will stand for the people, be truly democratic and free from political entanglements and machinations, believing in the principles that promise the greatest good to the greatest number—to ALL MEN, regardless of race, creed or previous condition of servitude.

Exuberant assurances are cheap and empty. I wish to make none. Performance is better than promise; action more fruitful than words. The columns of The Journal from day to day will better reflect the spirit behind the paper. It shall be a FAIR newspaper and not a dull and selfish sheet. In short, an honest, sincere attempt will be made to build up and maintain a newspaper property in Portland that will be a credit to "Where rolls the Oregon" country and the multitude of people who are interested in its development and advancement.

No-Holds-Barred Competitors

Then Jackson took right out after the *Oregonian*. In

¹ The *Telegram* was sold in 1914. Sold again in 1927, it was finally purchased by Scripps interests in 1931 and merged with the *News*, the latter having started in 1908. The *News-Telegram* went out of business in 1939. Only the *Oregonian* and the *Journal* were in the field until the *Portland Reporter* appeared in 1960.

reply to a charge by the *Oregonian* that the upstart was engaging in "plutocratic and monopolistic endeavor," while "The *Oregonian* and *Evening Telegram* are wholly devoted to journalism," the *Journal* asked:

Is this so? Why then did the editor of the *Oregonian* embark in politics and use both his papers to "boost his game"? Why did these papers ally themselves with the gamblers and whiskey rings and push their causes with all of their vigor? "Wholly devoted to journalism" indeed!

This was the first of countless parries between the two that launched an era of challenging competition. As late as the fall of 1957 the *Journal* voiced its editorial contempt of the Newhouse *Oregonian*. Heading a long, double-columned editorial "Oregonian Twists, Distorts," the *Journal* led with the following paragraph:

Smarting under its abject failure for 18 months to force the conviction of innocent persons in the current vice probe, despite prodigious and reprehensible efforts to do so, the *Oregonian* now editorially (September 25) seeks to cast the blame for its own inadequacies upon the *Journal*.

Referring to the "Eastern-owned newspaper," the *Journal* castigated the *Oregonian* for its attempt to pressure the State's attorney general, causing the latter to call upon the *Oregonian* to "stop trying to dictate the course of the . . . investigation."

A perusal of the editorials of the two papers during this period shows that competition gave the public a spirited discussion of the issues. It is foregone that the *Journal* under Newhouse will never be found declaring that the *Oregonian* "twists, distorts," that it is guilty of "reprehensible efforts" to "force the conviction of innocent persons."

A Story of "Betrayal"

News of the sale of the *Journal* to Newhouse in the second year of the strike was first announced on a television

newscast on August 10, 1961. The story was carried in depth by the *Reporter* the following day. Publishers of the *Oregonian* and *Journal* denied the sale until the late afternoon of the same day, when it was belatedly announced.

The *Reporter* quoted excerpts from the will of Maria C. Jackson, widow of Sam Jackson: If the *Journal* were to be sold, preference should be given to local interests; if possible, employees should be given first preference. The wish was also expressed that the trustees dispose of the stock in a manner that would perpetuate the standards carried out by the *Journal* since its founding. Calling it a story of "betrayal," the *Reporter* condemned the sale of the *Journal* as:

. . . the ruthless disregard of a woman's pride and devotion, the coup de grace thrust to a long and abiding kinship, the destruction of human trust by the single stroke of a pen.

In defense of the trustees' action, the *Oregonian* had quoted the following from Mrs. Jackson's will of January 7, 1948, made prior to Newhouse's purchase of the *Oregonian* in 1950 (there was no reference to the all-important codicil of July 8, 1953):

I express the wish, which shall not be construed to be mandatory or binding upon the trustees, that if any stock of Journal Publishing Co. shall be included in assets of the trust, the trustees shall not sell or dispose of any such stock except in the manner consistent with provisions contained [in the following].

. . . the trustees shall, in any disposition of such stock, endeavor to do so in a manner as to perpetuate the Oregon Journal as a newspaper which conforms generally to the standards of that newspaper since the founding thereof by my late husband, Charles Samuel Jackson.

If it may be done without jeopardy to the standing of said newspaper, the trustees shall endeavor to favor and give preference to persons actually in the employ of Journal Publishing Co. and engaged in the publication and operation of the newspaper.

The *Reporter* replied, "All true. But the quotations are from a will executed long before Samuel I. Newhouse, new owner of the *Journal*, had appeared on the scene." The *Reporter* went on to point out that Mrs. Jackson wanted her employees to have the opportunity of perpetuating the *Journal* as a home-owned newspaper. To implement her desire she amended her will on July 8, 1953, three and a half years after Newhouse bought the *Oregonian*.

Since the basic will was made out two years prior to the Newhouse acquisition, it is unlikely that Mrs. Jackson would have amended the will on the subject of local ownership and preference to employees unless she had Newhouse specifically in mind. This conclusion is all the more compelling in view of Sam and Maria Jackson's dedicated fight against the traditional adversary, the *Oregonian*. For the *Journal* to fall into the same hands that held the *Oregonian* would be the grossest twist of an ironic fate that could happen to Sam and Maria Jackson's beloved *Journal*.

The *Reporter* quoted the following excerpts from the codicil to the will:

"... I specifically *direct* that when and if my executors or trustees, or my executors and trustees, as the case may be, shall in their sole discretion deem it to the best interest of the Oregon Journal as a continuing local newspaper of the character described in . . . my . . . will and testament or to the best interests of the trust estate to make such sale of any stock of Journal Publishing Co., they shall exercise their discretion to make such sale in such manner that, if possible, the ownership and control of Journal Publishing Co. and the newspaper which it operates shall be retained on a local basis, preferably in the hands of persons who are then in the actual employ of Journal Publishing Co. or who are associated with the management and operation of the paper;

"And I *direct*, that in any disposition of such stock the purpose herein stated shall be carried out even though the amount which may be realized through such sales may be very substantially less than might be obtained if such stock or the paper owned by said Journal Publishing Co. were to be sold in a different manner or to other purchasers." [Deletions and emphasis by the *Reporter*.]

The *Journal's* own account of its first fifty years underscored Maria Jackson's fervid desire to see the paper continued in the tradition of Sam Jackson.²

In her eyes the *Journal* was a monument to her husband and his ideals for the *Journal's* independence. The book's author, Marshall N. Dana, who was long in charge of the *Journal's* editorial page, made it clear she wanted her husband's ideals perpetuated. She was equally determined, Dana pointed out, that the paper must not be allowed to become the property of persons interested only in profits. And Sam never minced any words on how he felt about the independent status of his paper: "If the time ever comes when the *Journal* cannot be independent, I will throw it into the river."³

Taking into account the whole history of the *Journal*, the pride and character and purpose of Sam and Maria Jackson, and the plain provisions of Maria Jackson's will, it is evident the trustees were more impressed by the dollars of Newhouse than they were by the wishes of the Jacksons and the public interest. A wish was betrayed, and Portland lost the legacy Sam and Maria Jackson had bequeathed: an independent paper of the people, to be owned and managed by local interests and, if possible, by the employees.

Aside from the clear private interest of Sam and Maria Jackson, where did the public interest lie? Are the people of Portland and Oregon—the real principals in the final analysis—better off with Newhouse ownership of the *Journal*, or would local ownership have been of greater public benefit? As long as newspapers are sold on the open market without protective governmental ground rules, the public interest stands to be trumped by the highest bidder. In some cases sale to the highest bidder may be in the public interest. In others, it clearly will not.

² Marshall N. Dana, *The First 50 Years of the Oregon Journal; 1902-1952* (Portland, Ore.: The Oregon Journal, 1951), pp. 147 and 150.

³ "Independent Journal Got Up Off Its Back," *Editor & Publisher*, August 12, 1961, p. 11.

B. — Monopolist at Work:

Dismantling the Journal

Newhouse lost little time showing why he paid \$8 million for the *Journal*. Aside from the obvious gain in removing the paper as a competitive factor in advertising, there were other great advantages. Operations were consolidated in the *Oregonian* plant, the *Sunday Journal* was discontinued, and the valuable *Journal* property was on hand to be sold.

The very great reduction in operating costs by these moves was accompanied by actions that markedly increased revenue. Price of the *Sunday* paper was increased from 15 to 20 cents. Its flat-line advertising rate was boosted 29.4 percent. Circulation of the *Sunday Oregonian* increased from 306,000 in 1959 to 351,000 in 1962. Though a far cry from the combined *Oregonian* and *Journal* pre-strike *Sunday* circulation of 513,000, the new operation is vastly more profitable.

Advertising rates for the daily issues of the *Oregonian* were increased 14 to 17 percent in August 1962, despite a strike-caused loss of 30,000 circulation. The monthly subscription price was raised from \$1.95 to \$2.20. The *Journal's* huge drop in daily circulation from a pre-strike figure of 189,000 to 131,000 in 1962 apparently precluded any increases in *Journal* advertising rates. Besides there was the afternoon competition of the *Reporter*, daily becoming a bigger fly in the Newhouse ointment as its circulation steadily increases.

There has been little editorial change in the *Journal* since its purchase by Newhouse. In some instances both Newhouse papers have covered the same event with one reporter or photographer. On the whole, local and state news is reported more superficially than before. Both papers endorsed the same candidates in the 1962 election, but the *Journal's* coverage was more lopsided and less objective than the *Oregonian's*.

From the record to date it appears that the *Journal* was purchased to secure the advertising market for the

dominant *Oregonian*. The maintenance of separate editorial departments is a nominal gesture to the "independence" of the papers. The probability is that even this fiction is slated for oblivion. If there were no *Reporter*, it is likely that the *Journal's* role would merely be that of holding down the afternoon field to prevent the entry of competition.

Out With the Employees and Community Tradition

When publication of the *Journal* was discontinued in its own plant, shortly after the Newhouse purchase, most of the employees—including the remaining strikebreakers—lost their jobs. Except for a few, the axe was not spared on managerial personnel whose employment antedated the strike any more than it was on faithful employees of long service who went on strike.

Shortly after acquiring the *Oregonian* in 1950 Newhouse said:

A newspaper is more than a press and rolls of print. It must have continuity of tradition and service. Such continuity is best achieved by retaining and aiding the men and women who give the newspaper its character.⁴

Gone are most of those who gave the paper its character. All that remains of Sam Jackson's *Oregon Journal* is a name and a "separate" editorial department in the *Oregonian* building. From this retreat the *Journal* is engaging in the Newhouse brand of foam-rubber competition with the *Oregonian*.

Local tradition and a community's heritage can be of little concern to an absentee owner. This was shown when Newhouse roped in Sam Jackson's Round-up Special. The famous Pendleton Round-up was started in 1911. Jackson promptly conceived the idea of an annual expedition by train from Portland. It would be good promotion for the paper, a fine breather for a lot of Portlanders, and a way to keep alive his loyal affection for Pendleton. Over the

⁴ Jerry Walker, "Samuel I. Newhouse Buys *Oregonian* in \$5,250,000 Cash Transaction," *Editor & Publisher*, December 16, 1960, p. 6.

years thousands made the trip along the beautiful Columbia to the exciting days of the Round-up. After fifty consecutive years of the special, finis was written by Newhouse in 1962. Columnist Harry Dutton of the *Reporter* wrote on September 12, 1962:

It departs, as have others since the Journal lost its roots in our state's journalistic past, to become a grafted limb on a new kind of publishing business, a business that seems to have little use for traditions and ghostly sentiments.

The Pendleton paper charitably explained it this way to its home town readers: "Several changes were made at the Journal when S. I. Newhouse bought the newspaper and the Oregon Journal Special was caught in the retrenchment process . . ." In Portland, the death of Sam Jackson's "Round-Up Special" has been permitted to occur even more quietly. I was just thinking, now that Mr. Newhouse's Portland business office, in "retrenchment," has cast off this final sentimental link with the past, it might have been a nice gesture if the trustees of the Jackson Foundation would have picked it up (didn't they pick up \$8,000,000 from Mr. Newhouse for the Journal last year?) . . . but no . . . I'm just being sentimental. On the other hand, if Sam Jackson were around today, do you suppose he would have stood still for a minute, for the abandonment of the Oregon Journal Special, regardless of how "big" his operation had become? Ask those who knew Sam Jackson for a fast answer to that question.

Unfinished Business

A change that was obviously called for, when Newhouse took over the *Journal*, was removal of the words "Home Owned." This change was made. But still prominently displayed on the masthead are the words Sam Jackson put there, "An Independent Newspaper." Other words that Sam Jackson picked for the paper's motto are still under the outspread wings of the masthead eagle: "She Flies with Her Own Wings." The least Sam Newhouse should do is to show the eagle with its wings clipped.

IX

HOW TO INSTIGATE AND NOT SETTLE A STRIKE

And Acquire a Former Competitor in the Process

For more than fifty years, printing trades unions bargained with Portland newspapers and settled their differences by negotiation and arbitration, with only a few minor skirmishes in the nature of work stoppages. In 1959 a hard-line bargaining policy by the Newhouse-dominated papers was apparent from the outset of contract negotiations. Maintained, it was inevitable a strike would result. An understanding of the strike is essential for an evaluation of Newhouse journalism in Portland and the relationship of the absentee czar to the distant empire outpost. The full story of the strike would require a volume; only highlights can be covered.

Fictitious Offer to Arbitrate

After eighteen futile bargaining sessions the small Stereotypers' Union concluded the papers had no intention of reaching an agreement. The more they negotiated, the deeper grew the impasse over the many issues raised by both parties. The publishers proposed arbitration of all matters in dispute. To the union this was the same as arbitrating the whole contract and risking the loss of conditions long in effect. The practice in labor arbitration is to reach agreement on as many issues as possible and hold to a minimum the points to be arbitrated. Sophisticated in newspaper collective bargaining, the publishers' representatives were well aware their "offer" could not be accepted.

An offer of arbitration was a necessary condition if the papers were to receive strike benefits from the insurance plan of the American Newspaper Publishers' Association. Under this plan a struck paper receives no benefits the first seven days; thereafter, daily benefits up to ten thousand dollars for a maximum of fifty days are paid. Application to register this plan with the Insurance Department of New York State was denied on the grounds it was contrary to public policy. Arrangements were then made to establish the plan in Canada. Newhouse interests have long been identified as active in its promotion and operation.¹

Strike insurance, hardly an inducement to good-faith collective bargaining, was ideally designed for the Portland papers. Thus fortified, and having made the required offer to arbitrate, the papers were primed and ready for the strike of the Stereotypers.

Meantime Multnomah Typographical Union No. 58, whose contract had expired September 15, 1959, had been negotiating with the papers. Thirteen sessions found the publishers unwilling to discuss seriously any issues but the ones they had created. Again the papers knew their demands could not be accepted because of their gross departures from long-established contract conditions and basic principles of the International Typographical Union. ITU Mailers' Union No. 13, whose contract expired November 15, 1959, also accomplished nothing in the several negotiating sessions held prior to the strike.

Compromise offers of the Stereotypers and Printers were fruitless. Both offered to settle on the basis of the recently concluded Seattle negotiations. Failing in this move, the Stereotypers struck on November 10. Members of all other unions having contracts with the papers were ultimately involved in the strike directly or indirectly. By union action or action of individuals, all but a handful of employees observed the Stereotypers' picket line in the traditional trade-union manner.

¹ Senator Morse presented to the Senate an article on strike insurance. Details of the ANPA plan are set forth in the *Congressional Record*, 86th Congress, 2d Session, March 21, 1960, p. 6127.

No Intention of Settling the Strike

After the strike started, the papers enlarged their demands to include, among other things, an open shop and an increase of five hours a week with no increase in pay. That the papers had no intention of reaching a settlement was clear from the outset. Ten years before—and a year prior to the Newhouse purchase of the *Oregonian*—when there was a strike of brief duration by one of the unions, both papers notified their employees in writing of the need to suspend operations. The following is from the *Journal's* letter of February 12, 1949, over the signature of publisher P. L. Jackson. (A nearly identical letter was sent on the same date to *Oregonian* employees.)

This letter should in no sense be considered as notice of termination of your employment relationship with us, but should only be considered as notice of a period during which, under your employment relationship with us, there is no work to be performed. We regret exceedingly that this situation has arisen.²

Absence of a similar letter when the Stereotypers struck may now be taken as one of the indications that the papers had no intention of reaching a settlement.

Condemning the papers for not bargaining in good faith, Senator Morse stated:

I have arbitrated many major labor cases in my professional career, over a good many years. Although it is important to make one's final judgment based entirely upon the record of evidence which is before him, it is perfectly obvious, as we read what has happened thus far procedurally on the part of the newspaper owners in this case, that they have not participated in good faith bargaining. The evidence of the strategy that they have used from session to session convinces me that their desire has not been to bargain collectively with the employees but to put the employees in a position whereby they will be compelled to surrender to the employer's terms and demands. No wonder there has been stirred up among the newspaper workers in Portland the attitude "We will dig in for as long as

² *Oregon Labor Press*, January 22, 1960.

necessary to protect the precious rights for which labor has sacrificed so much over the years to win for itself."³

*Claim that Newhouse Instigated Strike
to Acquire Journal*

The two papers had bargained jointly with the unions for a good many years, but in the several years prior to the strike the dominant position of the *Oregonian* was apparent on many occasions. The generally good relationship between the unions and the *Journal* contrasted with a continuing series of issues with the *Oregonian* that began early in the Newhouse ownership. Union leaders became increasingly convinced the *Oregonian* was calling the shots and that Newhouse would move to acquire the *Journal* when the time was right. This could well be in the course of a long strike that the financially pressed *Journal* was ill prepared to weather.

As long as Maria Jackson and her son Philip, the last of Sam Jackson's line, were alive, Newhouse was persona non grata as a possible owner of the *Journal*. Phil Jackson, publisher until his death, said more than once he would not sell to Newhouse. (Phil Jackson died in 1953, his mother in 1956.)⁴

A week after the strike started, state legislative representative Edward J. Whelan, also executive secretary of the Multnomah County Labor Council, stated before the Council:

The Stereotypers and other newspaper unions were deliberately pushed into this strike to help the *Oregonian* carry out a plot to take over the *Oregon Journal*. Newhouse would like to buy the *Journal*, print both newspapers in one building, and set up a complete newspaper monopoly in Oregon's largest city . . .⁵

Claiming it was malicious, false, and libelous, the two publishers in effect threatened the *Oregon Labor Press*

³ *Congressional Record*, 86th Congress, 2d Session, January 20, 1960, p. 898.

⁴ Sam and Maria Jackson had two sons. Francis Jackson died in the sinking of a ship in 1919. Philip Jackson's son, C. S. Jackson II, who was being groomed to become publisher, was killed in a helicopter crash in 1947.

⁵ *Oregon Labor Press*, November 20, 1959.

editor with a libel suit if the statement were printed. *Oregon Labor Press* took up the challenge; there was no suit.

Twenty-one months later, with the *Journal* suffering a 40,000 loss in circulation, Newhouse got the *Journal*. It was widely reported that a local group, headed for former Oregon Governor Elmo Smith, bid \$4 million, with radio KPOJ included in the deal, whereas Newhouse's offer was \$8 million for the newspaper alone.

Professional Strikebreakers Imported

Out-of-state strikebreakers were in Portland within hours after the strike started. A few were later reported to have been on hand before the strike. They were put to work at the *Oregonian* plant, where operations were consolidated by the two papers for a period of four months while the *Oregonian-Journal* was produced. When they entered and left the plant, the strikebreakers ("scabs") were bait for violence as they were paraded before the picketing employees in the publishers' grim game. The surprising thing is that so little violence occurred.

The immediate appearance of the \$200-a-week-plus-expenses strikebreakers made it clear the papers had organized well for the strike they had instigated. Strikebreakers encountered in Reno the summer before told a Portland resident they would be in Portland "by the fall."⁶

Later, as the unions continued to charge that professional strikebreakers had been used, the most the *Oregonian* would concede was that:

The majority of these new workmen were skilled printing tradesmen loaned to us by other newspapers for the purpose of instructing trainees. There did not then exist in the state of Oregon enough trained craftsmen in these fields to have replaced the men on strike, had they been available, which they were not.⁷

Included in those definitely identified were many old pros of the infamous Schleppey-Klein agency, in the business

⁶ *Ibid.*, special undated issue, April 1960.

⁷ February 11, 1961.

of supplying strikebreakers at a fee to struck papers.⁸ Testifying before an interim committee of the Oregon Legislature about his former career as a strikebreaker, an ex-Schleppey-Klein affiliate identified the photos of five Portland strikebreakers and picked out the names of another ten he had worked with in other strikes. He testified that his top earnings were \$627, made in one week during the newspaper strike in Zanesville, Ohio.⁹

The *Oregonian* never hedged in describing the strikebreakers as "good people," although many of them were later embroiled with the law in cases ranging from carrying concealed weapons to armed robbery, wife beating, and rape. The *Oregonian* couldn't bring itself to acknowledge in stories on the cases that the persons involved were or had been strikebreaking employees. The names and details of some twenty cases of involvement with the law by strikebreakers were set forth in a leaflet by the two ITU locals in answer to the "good people" claim. Tongue-in-cheek journalism is one of the obvious Newhouse gifts to Portland.

Turning Back the Pages of Labor History

By importing strikebreakers the papers invited violence. Senator Morse said:

Newhouse turned back the pages of labor history by importing strikebreakers into Portland. These strikebreaking services are used by backward-looking newspaper publishers who seek to crush the efforts of their employees to improve wages, hours, and working conditions.

Newspaper publishers such as Newhouse and other publishers who are willing and eager to pit traveling, irresponsible strikebreakers against hard-working, reliable newspaper workers should be called to a public accounting. Most of the newspaper strikers who are thrown out of jobs by imported strikebreakers are the heads of families, and comprise an important segment of the respected people who make up our American homes and communities.

⁸ Bloor Schleppey pleaded nolo contendere and was fined when arrested in Pennsylvania in 1960 for violating that state's law against the importation of strikebreakers by a person not involved in a labor dispute.

⁹ *Oregon Labor Press*, January 15, 1960.

Newhouse and like-minded anti-labor newspaper publishers wholly ignore the social consequences of their strikebreaking activities. They disregard the legitimate rights of the laboring man. They know that imported strikebreakers function as labor mercenaries. They know that strikebreaking mercenaries increase the danger of violence in a strike situation. Yet such newspaper publishers as Newhouse are willing to create a labor-trouble situation which leaves scars on a community for a long time.¹⁰

Commenting on the bombing of *Oregonian* trucks, for which a single union member was held responsible, Senator Morse said:

. . . Human frailties being what they are, when a newspaper publisher such as Mr. Newhouse resorts to importing mercenaries to scab on workers in a plant, too frequently violence does break out. That does not justify the violence.

It does, Mr. President, in part explain it, human beings being what they are.

There is no question about the fact that the vast majority of strikers deplore any violence.¹¹

The papers terminated services of the Pinkerton agency, because they were not permitted to carry arms, and arranged for a police force headed by a former state policeman. In the face of strong protests to city officials made by the unions and others, the papers backed away from the plan to arm some fifty of these men, and limited the armed guards to a few sensitive areas in the plants. The original plan undoubtedly would have generated violence instead of preventing it. As it was, early in 1962 the program backfired in the *Journal* plant, with the shooting of one armed guard by a former guard who used the gun of a third guard.

Attempts to Mediate: Papers Not Interested

Efforts by public officials to settle the strike were rejected by the papers. Speaking before the 1960 convention

¹⁰ *Congressional Record*, 86th Congress, 2d Session, February 15, 1960, pp. 2496-97.

¹¹ *Ibid.*, p. 2497.

of the Oregon State AFL-CIO, Governor Mark Hatfield told of his efforts to get the publishers to agree to meet with the unions and himself. The Governor said:

I have received nothing but a negative response from one side in spite of the fact that this dispute involves much more than the two newspapers. This is a strike of nationwide significance, and its continuance does not paint a happy picture of Portland and Oregon . . . since we no longer can point with pride to the harmonious labor-management relations which were a tradition in our state.¹²

Portland's mayor, Terry Schrunk, attempted to bring the publishers to the bargaining table. Failing at the local level, he flew East in February 1960 to plead with Newhouse, without results.¹³

Leaders of the Oregon Council of Churches proposed that the parties appear before a public fact-finding board. In his letter to Governor Hatfield urging continued efforts in this direction, Harold Glen Brown, president of the Council, wrote:

More is involved in the strike than human need, economic issues, and strife. The fate of a community newspaper may very well be at stake. We do not feel that the press can rightly assume that the strike is their private business. Newspapers are more than private enterprise; they are a public trust. Their policies and destinies are a community concern.¹⁴

Both Senator Morse and Senator Richard Neuberger made proposals for the setting up of fact-finding boards. Senator Morse urged that a board made up of deans and faculty members of several schools of journalism be appointed to investigate the dispute and make recommendations. The Senator stated:

If such a fact-finding board had been put to work on this case, I am very strongly of the opinion that their recommendations, if implemented by the pressure of public opinion, would have constituted the basis for

¹² *Oregon Labor Press*, August 12, 1960.

¹³ *Ibid.*, March 4, 1960.

¹⁴ *Congressional Record*, 86th Congress, 2d Session, January 20, 1960, p. 918.

a fair settlement of the strike. However, the *Oregonian-Journal* did not accede to this suggestion, thereby revealing that these newspapers are more interested in strikebreaking than in the settlement of the labor dispute.¹⁵

When the president of the Stereotypers' local made a further request for mediation or fact-finding through the offices of Governor Hatfield after Vice President Nixon helped settle the steel strike, the papers on January 11, 1960, summarized their reasons for refusing:

- The Governor would be no more effective than the Federal Mediation & Conciliation Service had been. (Only a determination not to settle could prompt spurning the new avenue of approach, since the FMCS had made no progress.)
- The Stereotypers had filed unfair labor practice charges with the NLRB. The Board would go fully into the facts and there was no need for further fact-finding. (The NLRB would be concerned with legal aspects, not trying to reach a settlement.)
- The steel strike was different; the papers were operating. "Our readers, our advertisers and the interest of the Commonwealth are being served. Any adverse economic interests have been largely obviated." (Presumably this was intended to cover the economic interests of the 850 employees and their families who were out of jobs in the dead of winter.)
- "The proposal appears, as before, an effort to project the dispute into the political arena. We do not believe that political intervention, at union behest, is indicated, nor do we believe it would be helpful." (Why quibble, if it offers a chance of settlement?)

Nine days later the *Oregonian-Journal*¹⁶ dipped into nursery rhymes to conclude its statement of position in a strange and undisguised note of triumph:

In the stereotypers' strike and the walkout of the unions Humpty-Dumpty had a great fall. It remains to be seen whether Humpty-Dumpty can be put back together again.

¹⁵ *Ibid.*, February 15, 1960, p. 2497.

¹⁶ The *Oregonian* and *Journal* did not resume separate publication until April 18, 1960; the strike started November 10, 1959.

Obviously Newhouse was not interested in a settlement. Other efforts to bring about a resumption of negotiations collapsed. Repeated attempts by the Federal Mediation & Conciliation Service to find a solution during the early period of the strike failed, as did various invitations by the unions for the papers to resume negotiations after the Federal agency gave up in early 1960. The absentee owner and the captive *Journal* were a law unto themselves.

X

FROM THE PRESSES OF THE OREGONIAN

—*Products of an Absentee Owner's School of Journalism*

The low state of Newhouse journalism in Portland is demonstrated by a few examples. Labor is a favorite target, but the public at large suffers the lack of adequate and responsible news treatment. A review of certain aspects of the strike is first required.

The charge that four of the Stereotypers' collective bargaining demands were illegal was mainly relied upon by the two papers as moral justification of their refusal to enter into a contract. The *Oregonian* stated:

The choice open to these newspapers was, therefore, whether we should submit to the clearly illegal demands of the unions, close down and throw many other loyal employees out of work while the papers bled mortally, or attempt to operate with such help as was available.¹

Though there were subsidiary charges, the principal issues between the parties that gave rise to the claim of "clearly illegal demands" were the following:

- The contract to incorporate by reference certain provisions of the union's by-laws to the extent not in conflict with Federal law.
- A new stereotyping machine being installed by the *Oregonian* to be manned by four men.
- Right of employees to take time off without approval of the foreman, provided the employee furnish a competent substitute.

¹ February 11, 1961.

- Foremen of the stereotyping departments to be members of the union.

Manning, the second item, has long been recognized as a legal subject for collective bargaining on the part of Portland newspapers and others throughout the country, including other Newhouse papers. The other three conditions had been in effect for many years on the Portland papers, as they are today in most large papers, including those of Newhouse.

Unfair labor practice charges against the Stereotypers were filed by the papers with the National Labor Relations Board.² On June 25, 1962 the Board, by refusing to sustain the charges, ruled against the papers on three of the allegedly illegal demands.³ On the fourth, the foreman issue, the Board held that the union was in violation of the National Labor Relations Act "by demanding and striking for a contract clause requiring a foreman to be a union member covered by the contract."

Defeated on three counts, the papers were saved on the fourth only by a decision in which the United States Supreme Court was split equally. In the *Haverhill Gazette* case the Court's split decision on the foreman issue left in effect the decision of a circuit court holding that a strike to require union membership of foremen was illegal.⁴ However, at the time of the strike the Supreme Court had not ruled on this matter. The Court's decision in the *Haverhill Gazette* case was not made until April 17, 1961. Thus, when the strike started in November 1959 the question had not been finally decided. The papers came within an ace of losing on all counts. It might be said that a remnant of their legal position was salvaged only because of the split decision. Both parties appealed the NLRB decision to the courts; decisions have not as yet been rendered.

Though losing on three out of the four main points,

² The skill with which the papers played their cards is evidenced by the failure of the Stereotypers, Pressmen, and Newspaper Guild to prosecute successfully any of the unfair labor practice and other charges they filed against the papers. The employer who knowledgeably performs unfair labor practices, aware of what the law requires, is often beyond the range of successful prosecution of charges by unions.

³ Portland Stereotypers' & Electrotypers' Union No. 48 and International Stereotypers & Electrotypers' Union of North America, AFL-CIO, and Journal Publishing Co. and Oregonian Publishing Co., NLRB Case No. 36-CB-244.

⁴ International Typographical Union, AFL-CIO v. NLRB, 365 US 705.

the two papers treated the decision as a victory. In its June 27th issue the *Oregonian* gave the story bold headline treatment on page one: **NLRB RULES STEREO STRIKE ILLEGAL**. The double-column story was headed, "Board Decides Portland Men Used Coercion."

The strong victory note was sounded in spite of the papers' protest over the decision, as evidenced by their appeal on the various points they lost. As used, "coercion" conveyed the impression that the Board found acts of coercion by the Stereotypers other than the strike itself. All it meant was that the Board ruled it was illegal to strike over the foreman issue.

Despite the widespread public interest in the strike, the *Oregonian* and *Journal* did not see fit to publish the decision. The *Reporter* published it in full. Depth reporting, including comment by lawyers on both sides and other interested parties, would have brought the decision into full context with the strike and its background, informing the public fully and fairly. Certainly the public was entitled to know that it was not illegal for the papers to enter voluntarily, as they had in the past, into an agreement requiring foreman membership in the union.

In manufacturing victory out of the loss of three of the main charges, the *Oregonian* dished up for its readers the self-serving and biased statement of a protagonist. But this is typical of the journalistic gifts Newhouse has presented his Portland readers.

Other Examples: Why Competition Is Needed

A few years before the strike the *Oregonian* won a Pulitzer prize for a vice exposé, but the two reporters cited are no longer with the paper. Such losses, caused by the strike, understandably cause a decline in editorial quality. But this does not account for deliberate withholding and distorting of news, misrepresentation, and irresponsibility. Without the *Reporter*, the *Oregonian's* policy might well be more derelict than it is. A few further examples show the kind of journalism Newhouse is giving Portland.

In the absence of competition the public often suffers a blackout of important news and is deprived of vital public discussion. How this can happen was shown in the treatment of Idaho Power Company's move for a rate increase early in 1962. Only the *Reporter*, vigorously competitive with the *Oregonian* and *Journal*, covered the story. No other daily papers in Oregon—all of them monopolies except in Eugene—considered it newsworthy despite the great public interest in the earlier controversy whether Idaho Power, an eastern company, should be permitted to construct a series of low dams in Hell's Canyon on the Snake River. Those advocating Federal development of power and reclamation dams on the Columbia and its main tributaries urged construction of a high multipurpose dam instead.

Associated Press on April 4 carried the story that the power company was seeking an average rate increase of 13.6 percent to gain added revenue of nearly \$4 million from Idaho, Nevada, and Oregon users. But apparently this wasn't considered news by other papers. The *Reporter* asks on April 18:

Is it news that this big increase is sought soon after the company got its first two low Hell's Canyon dams into production? Is it news that a private utility is after a big increase at a time when public power distributors are lowering rates?

Thus the news is insidiously shaped by concealment, by what is not printed. It is also shaped by page position and headlines. When a sewer district in nearby Clackamas County won a long-pending suit against a construction firm, it was page-one news in the *Reporter* of May 1, 1962, with a headline "Three Points in Suit Won by Sewer District." In the *Oregonian* of May 2 the story was on page 14 under the head "Damages Given in Sewer Case." The Clackamas County reader, not to mention others, got little help from the *Oregonian* in locating the buried story, nor could he tell from the headline who won the case.

The vital importance of competition in assuring the public of adequate access to news and opinion is afforded by other examples of *Oregonian* and *Reporter* treatment.

How a story is handled by the writer and by those who are responsible for its final form can be crucial to the reader's understanding of the news. Portland's cantankerous problem with Rose City Transit Company was given vastly different treatment in the *Oregonian* and *Reporter* stories on the views of a city commissioner. The following headings and first paragraph illustrate the divergent treatment of the two stories:

Reporter, May 7, 1962

(4-col. head over 4-col. story)

**BOWES RAPS RCT
'CAPRICIOUSNESS'**

By Wayne Scott

City Commissioner William A. Bowes attacked the "capricious and arbitrary" record of Rose City Transit Company in a speech before the Portland chamber of commerce Monday.

Oregonian, May 8, 1962

(1-col. head over 4-col. story)

**RCT STAND REJECTED
BY BOWES**

(No by-line)

Company 'Whim' Under
Attack by Commissioner

There is no difference between public or private operation of a mass transit system in Portland, City Commissioner William A. Bowes told the Chamber of Commerce members' forum Monday. The issue is on the standby authority promised by municipal ballot measure No. 55, he said.

The need for more than one editorial voice—for competitive papers—was sharply drawn in the two papers' editorial handling of the 1962 steel-price crisis. The *Oregonian* on April 14 devoted a lengthy editorial to defense of the steel companies. The President's action was deplored; political motivations were charged. In an equally lengthy column of April 13 the *Reporter* took the opposite view, but in a scholarly way. It led off by noting the respective charges of the *Los Angeles Times*, the *Oklahoma City Oklahoman*, and columnist David Lawrence. The charges included demagoguery, the claim Kennedy had delivered a blow against the system of private capitalism, and that the right of management in a free economy had been denied. The *Reporter* then showed the other side of the story through

excerpts from the *New York Times* and the *Baltimore Sun*. A careful analysis was made of the economic issues, followed by the conclusion that the President's act was justified.

For the serious investigator of the facts, for the reader seeking enlightenment in order to form his own conclusion, the viewpoints of both papers were necessary. While the *Reporter* made a better factual presentation and displayed a higher standard of journalism than the *Newhouse* paper, both views were essential. Through competition the public has the best opportunity for a fair and four-corner presentation of news and a full airing of opposing viewpoints.

The "Lost" Column

The syndicated column of William S. White is regularly used by the *Oregonian*, subject, apparently, to censorship when Mr. White praises Oregon's Democratic senators. The story of the "lost" column is described in the February 10, 1961, issue of the *Oregon Labor Press*:

On this page we reprint a column about two Oregon senators. It was sent to us by a reader of the *Chicago Sun-Times*. It was written by William S. White, whose Washington columns are syndicated to newspapers throughout the country. The *Oregonian* buys White's columns and uses them regularly. But the *Oregonian* did not publish this column—even though it tells a story never told before about an Oregon senator, the late Richard Neuberger, and his widow, Senator Maurine Neuberger. Apparently the *Oregonian* decided that this column would not be interesting to Oregon readers.

Dozens of newspapers in other parts of the country—including Chicago, Washington, Denver, Minneapolis, New York and Boston—published the column. But the *Oregonian*... just can't find room for a column about two senators from Oregon.

After several Oregon citizens had received clippings of the column from relatives in far-off cities, an *Oregonian* editor was asked why the column was not published here. He claimed, after much fumbling, that the column had been "lost"—that he had never received it from the syndicate that distributes William S. White's columns. So a copy was sent to him. He returned it, explaining that he "would hesitate to use it so long after

Congress went into session and the committee assignments were announced."

We will leave it to our readers to decide whether there is anything out of date about the column today — or next week. In our opinion, the *Oregonian's* failure to publish this column, written by one of its regular columnists, can only be attributed to incompetence or malice. In the *Oregonian* you can read about Laos and Lamumba. And if you're lucky, your relatives in Chicago or Denver will send you a clipping when an *Oregonian* columnist writes about an Oregon senator.

The *Oregon Labor Press* then printed in full the "lost" column. It tells, first, how Senator Maurine Neuberger had:

...just succeeded to the seat held by her late husband...from a state which at the same time went Republican in the presidential race...has been given the best committee assignments...of all the senators so newly arrived [in Washington] — best for her, best for her state and best for her continued prospects in politics.

She has at the very outset reached peaks rarely attained by a freshman senator — places on not one but two genuinely important Senate committees...

The column then reveals how her obtaining one of the two important committee seats was due to her husband's cooperation with majority leadership prior to his death.

Column dropping or cutting is a practice not reserved to the *Oregonian*. But the instance is a flagrant example of a paper's failure to meet the cardinal test of being willing to publish editorial matter that is distasteful to the paper but of wide public interest.

How the Oregonian Washes Senator Morse Out of Its Hair

The journalistic art of devious suppression was further practiced by the *Oregonian* in its handling of a picture showing Senator Morse with Secretary of Commerce Luther Hodges; Draper Daniels, the Department's national export co-ordinator; and Julian Cheatham, a vice-president of

Georgia-Pacific Corporation, giant forest products firm. The occasion was the awarding of a presidential "E-for-Export" flag to the corporation. The picture was sent by Associated Press from Washington on August 21, 1962, under the caption:

Julian Cheatham, 2d from left, vice-president of Georgia-Pacific Corp., a forest products firm of Portland, Ore., poses with an "E-for-Export" presidential award presented at the commerce department. Taking part in the ceremony are, from left, Sen. Wayne L. Morse, D-Ore., Cheatham, Draper Daniels, national export co-ordinator, and Commerce Sec. Luther Hodges.

On page 105 is the picture transmitted by Associated Press and the doctored picture used by the *Oregonian*.

It took the *Portland Reporter* to set the record straight. In its issue of August 28, 1962, columnist Harry Dutton pointed out the origin of the picture and observed:

All trace of Sen. Morse's visage had "flown" from the AP picture. If Sig Unander [Republican candidate for the Senate, running against Sen. Morse] were only numbered among my Six Club I would suggest he discuss with Sam Newhouse's Oregon troops the formula for making Sen. Morse disappear so completely. At best it is wishful thinking.

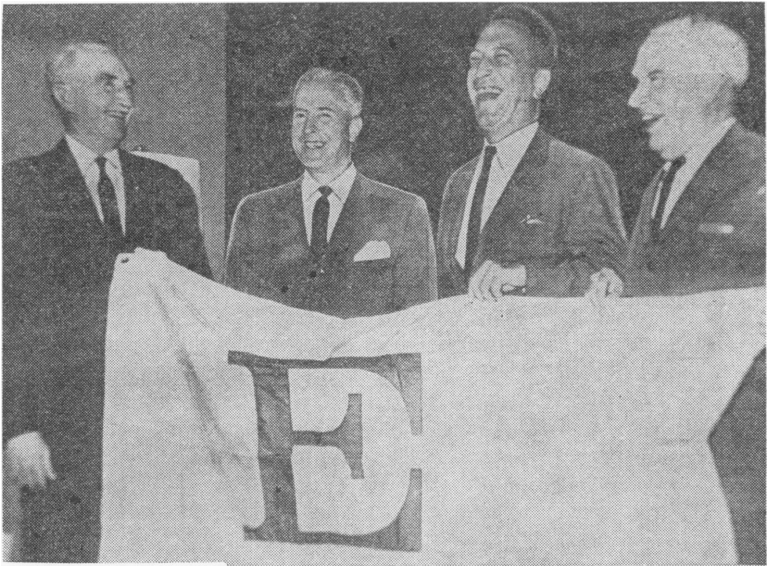
In this day of shaping "images" for the public, the local Newhouse guiding hands (in matters of policy) perhaps agree that a picture of Sen. Morse, smiling out from the same picture with Georgia-Pacific's Julian Cheatham, is not a proper impression to spread among Oregon's "independent Republican" readers.

Thus Sen. Morse became the man who wasn't there.

Just for laughs, do you suppose if Sig Unander had been the man there, instead of Sen. Morse, that the AP photo would have been sent to editorial surgery for the same political hanky-panky?

Not Me, But Thee

Readers of the *Oregonian* got a fine bit of editorial Jekyll and Hydism in 1962 when Governor Hatfield tried to mediate the Northwest Iron Workers' strike. When the union



The
Associated
Press
picture.



What
the
Oregonian
readers
saw.



representatives declined the Governor's invitation (the dispute also involved the State of Washington), but responded to a call from Washington, D.C., the *Oregonian* on July 17, 1962, fumed in an editorial ironically headed "Contempt For Public":

The refusal of the Iron Workers negotiating committee to join contractors' representatives and the federal mediator for a strike settlement session in Gov. Hatfield's office is typical of the public-be-damned attitude of this union in its 50 days of strike.

* * * * *

The governor's obligation to do what he could to end the strike stems not only from concern for the basic economy of Oregon, but for public works, including highways, state buildings, school buildings, hospitals, all slowed down or stopped by the dispute. We hope the Iron Workers' leaders are ready to explain to their members, who are paying for their trips to Washington, D.C., and to other idled union workers — if not to the public — why they couldn't settle the issues in Salem or Olympia just as well as in the national capital.

Quick to exhort others to take the short forty-five mile trip to the Governor's chambers in Salem in the cause of the public interest, the *Oregonian* would have no truck with the Governor when he attempted to arrange a mediation meeting of the two papers and the unions in 1960.

The Iron Workers' strike was an acute irritant to the *Oregonian*. Though it was the first strike in forty years by the Iron Workers in Oregon, the paper was incensed that construction had been halted for part of several recent summers by strikes.⁵ Laying the blame on "bull-headed unionism,"⁶ the *Oregonian* did not offer the possibility of bull-headed employerism. It was the same employer group in each dispute, but three different unions were involved.

Irresponsible Editorial Incitement

In the July 13 editorial the paper ranted against the building trades unions with a lead sentence: "Radical unionists have always insisted that labor and management have nothing in common and it must be war all the time." The plain implication was that "radical" leadership was at the head of the building trades unions.

Pointing out how the *Oregonian* and the *Oregon Journal*

⁵ Though originating in strikes, there was a strong factor of lockout present. The contractors' association closed down operations that had not been struck.

⁶ Editorial, July 13, 1962.

were published despite the strike, the editorial ended with an undisguised recommendation for labor-management warfare in the construction industry:

There is machinery for settlement of the iron workers strike. The union rejects it. If it is to be war instead of a working partnership in the building industry, we suggest contractors start doing something about getting along without union contracts.

What about the machinery for settling the newspaper strike? Generated from the fixed premise the unions alone were responsible for the stoppages, the lines were an incitement to industrial strife and use of strikebreakers, with the predictable violence that would follow. Is this the true role of a newspaper in a society that guarantees the right of collective bargaining by law?

Only a few weeks after the editorial Purdy Brush Company of Portland applied the strikebreaking formula used by the papers. The gauntlet was flung down to the Paint & Brush Makers' Union, and strikebreakers from as far off as Boston appeared on the scene. In September Western Wirebound Box Company followed the same tactic after a local of the International Woodworkers of America had been on strike several months. Ads for strikebreakers were placed in the *Oregonian*. Cars with license plates from California, Kentucky, Wisconsin, and Vermont were driven through the picket line. The inevitable violence resulted in both strikes.

It cannot be said that the *Oregonian* editorial was the sole cause of the strikebreaking activities of the two companies. It is in order to surmise that the editorial, along with the Newhouse pattern in the Portland newspaper strike, was a contributing factor.

Bias, Self-Interest, and Misrepresentation in Command

There was a time when the *Oregonian* was a highly regarded newspaper. It was such a paper that was handed over to Newhouse when it was sold to him in 1950. The usual Newhouse assurances were made at the time, and well

publicized, that the editorial policy would be continued without change. In the most charitable light it is not possible to find in the paper's journalistic performance under Newhouse grounds for respect. Bias, concealment, and bald misrepresentation are in command under the peculiar canons of the Newhouse school of journalism.

XI

NEWSPAPERS ARE STILL THE BASIC MEDIUM

— *Unique Role in a Free Society*

During the 1962 newspaper strike in Minneapolis, street-corner thefts of newspapers published in St. Paul, Minnesota, were averaging nearly 1,500 every Sunday morning. Petty crooks picked them up during the early hours, then sold them in nearby Minneapolis. In Minneapolis itself an advertising man named Maurice McCaffrey made arrangements with a printing company, set up a skeleton staff of reporters, stitched together a circulation network, then started issuing — with no wire service at all — a paper he called the *Minneapolis Daily Herald*. Minneapolis residents paid premium prices for the contraband St. Paul papers and bought the makeshift *Herald* in such numbers that it quickly reached a circulation of more than 140,000.

The clamor for almost anything resembling a newspaper during this period was dramatic refutation of the relatively new and somewhat cynical notion that we are now so submerged in information from the mass media (newspapers, magazines, radio, and television) that the absence of any one medium would scarcely be missed and might even be a relief.

The mass media in the United States do seem to envelop us in a bewildering complex: more than 1,700 daily newspapers, 4,500 radio stations, 600 commercial and educational television stations, and 5,800 general periodicals, plus countless industrial and trade journals (including house organs), not to mention thousands of small papers published less frequently than daily.¹ Most of them compete with

¹ Figures for daily newspapers from *Congressional Record*, October 2, 1962, p. A7233; figures for radio and television stations from 1962 *Broadcasting Year Book*; figures for magazines from George L. Bird, *Article Writing and Marketing* (New York: Rinehart & Co., Inc., 1948), *passim*.

each other for advertising dollars, and there is overlapping and duplication in their informational functions. It has now become clear, however, that the different media have taken on the varying roles dictated by their differences in offering the serious reporting by which democracy lives and flourishes.

Comparison With Other News Media

It may be stated in a general way that radio and television may be identified as primarily useful, as *information* media, in reporting spot events — supplying the awakening alerts. Radio and television signalize events. Periodic newscasts, most of which are repetitive in varying degrees throughout a single day, cannot expand the news in full detail and place it in a context that gives it meaning. Instead, the nature of most newscasts requires that announcers skim along the top of the news, working with the headlines, the leads, and the bulletins. Radio and television newsmen do, of course, work in the entirely different context of news analysis and documentary programming. There they provide a focus in depth, but it is a focus on a single great event, or, at most, a single cluster of related events. To try to imagine any radio or television station duplicating a responsible newspaper in reporting a hundred stories, many of them at great length — and especially to imagine a mass audience with the time to listen at this range and depth — is to grapple with fantasy.

Eric Sevareid, the respected CBS commentator, suggested another dimension of difference not long after he began writing a syndicated newspaper column. In an interview with a reporter for *Editor & Publisher*, Sevareid noted:

Writing a column is serious business because six months later you have your statements staring you in the face in a black-and-white record. Listeners forget what you said on radio and TV.²

As for magazines, one can recognize that they are pub-

² Ray Erwin, "Eric Sevareid Finds Print Lasts Longer," *Editor & Publisher*, February 3, 1962, p. 58.

lished in infinite variety and yet generalize confidently about those that are centrally concerned with public affairs and personalities. They are almost entirely limited to a few presentations that run at length, in depth, or both. Even the news magazines, which attempt to cover a wide range of subject matter in some depth, never publish as much information in a week's issue as can be found in a single day's issue of a large metropolitan newspaper. (And a single Sunday issue of the *New York Times* carries more than the combined output of a month's issues of the three leading news magazines.) To compete, magazines must seek out the unreported, ignoring matters that have been broadcast and printed — or seek to fashion articles that lend color and flavor to events that have been shown only in silhouette. Imagining a magazine that competes directly with the faster media is simply imagining a magazine that is issued at least daily — a newspaper in bound format.

The American newspaper has some of the virtues and some of the handicaps of radio, television, and magazine journalism. It cannot compete with radio and television for rapid transmission, and few newspapers afford their reporters the leisure for the continuing investigation and graceful writing found in the pages of some magazines. But the newspaper is available at any time, often with a startling range of information, sometimes with reporting in depth. The better papers are quick to respond to fast-breaking events and occasionally feature the literature-in-a-hurry that is characteristic of the best journalism. The role of the newspaper was probably best expressed by a New Yorker who was interviewed during a newspaper strike:

I don't have the details now, I just have the result. It's almost like reading the headlines of the newspaper without following up the story. I miss the detail and explanation of events leading up to the news.³

It should be no surprise that demand for American newspapers in the aggregate is steadily rising, a fact that is indicated by a total circulation of all daily newspapers in the United States that almost certainly will exceed sixty

³ Quoted in Bernard Berelson, "What 'Missing the Newspaper' Means" in *The Process and Effects of Mass Communication* (Urbana: University of Illinois Press, 1960), p. 40.

million in 1963. The hard facts of the public's attention to the daily press in the so-called Age of Television have been spelled out in the most extensive survey of readership ever undertaken, a nationwide study completed in 1961 by Audits & Surveys Company in consultation with the Advertising Research Foundation.⁴ A breakdown of the statistics reveals:

- 86.6 percent of all United States households buy or borrow at least one daily newspaper on the average every day.
- Newspaper readership is spread across the Nation, with the highest readership in the North Central States (88.7 percent of all households), followed by the Middle Atlantic States (85.4 percent), and the Pacific States (85.2 percent).
- 80.5 percent of all American men and 79 percent of all American women read a newspaper every day.
- In the course of a five-day period 88 percent of all adults read a newspaper on one or more days.
- 72 percent of the 13 million Americans between the ages of 15 and 20 read a newspaper on any given weekday.
- Significantly, newspaper readers are not content with a single paper. The average reader reads 1.4 newspapers a day.

These figures offer compelling evidence of the interest of the American people in the press. The last figure is especially noteworthy. Despite the growth of television and the distressing lack of availability of more than one newspaper in many American cities, the public wants more than one paper.

***The Newspaper Has Always Been Needed; It Is Deep
in the Roots of Democracy***

Nothing is simpler than demonstrating that our attention to the press goes to the roots of the American tradition; the words of the framers of the Constitution are unmistak-

⁴ *Congressional Record*, January 31, 1962, p. A723.

able. Perhaps the strongest statement in support of untrammelled access to information was made by James Madison:

Knowledge will forever govern ignorance. And a people who mean to be their own governors, must arm themselves with the power knowledge gives. A popular government without popular information or the means of acquiring it, is but a prologue to a farce, or a tragedy, or perhaps both.⁵

Thomas Jefferson was no less convinced. Referring to Shay's Rebellion, which seemed to him, and to many another observer of the time, to be the consequence of ignorance, Jefferson wrote:

The way to prevent these irregular interpositions of the people, is to give them full information of their affairs through the channels of the public papers, and to contrive that these papers penetrate the whole mass of the people. The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate a moment to prefer the latter.⁶

Quotations from other framers of the Constitution can be multiplied, but it will suffice to add one from Patrick Henry's addresses. On other matters Henry was often in disagreement with Madison and Jefferson, but his thoughts on the necessity for an informed public opinion strike the same chord:

The liberties of the people never were, or never will be, secure, when the transactions of their rulers may be concealed from them. . . . I am not an advocate of divulging indiscriminately all the operations of government, though the practices of our ancestors, in some degree, justifies it. Such transactions as relate to military operations or affairs of great consequence, the immediate promulgation of which might defeat the interests of the

⁵ Gaillard Hunt (ed.), *The Writings of James Madison*, VI (New York: G. P. Putnam's Sons, 1900-1910), 398.

⁶ Paul L. Ford (ed.), *The Writings of Thomas Jefferson*, II (New York: G. P. Putnam's Sons, 1892-99), p. 69. Jefferson later became incensed at the vicious personal journalism of the period and said of the newspaper: "Truth itself becomes suspicious by being put in that polluted vehicle." But by 1823 he had reverted to his earlier opinion: "The only security of all is in a free press."

community, I would not wish to be published, till the end which required their secrecy should have been effected. But to cover with the veil of secrecy the common routine of business, is an abomination in the eyes of every intelligent man. . . .⁷

The Newspaper's Historical Role as a Practical Instrument of Government

Those who established the firm footing of the United States in its earliest years were concerned with the power of the press not only in the abstract, nor only idealistically. Some early statesmen, including the most revered, were eminently practical in their use of the press. The stern figure of George Washington becomes much less austere viewed through the prism of his worried statement to Alexander Hamilton regarding the Farewell Address:

The doubt that occurs at first view is the length of it for a News Paper publication. . . . All the columns of a large Gazette would scarcely, I conceive, contain the present draught.⁸

Both Jefferson and Washington revealed their essential practicality — and their awareness of the need for a diversity of opinion to be presented through the press — while Jefferson was serving in Washington's cabinet. Alexander Hamilton had already established *The Gazette of the United States* in Philadelphia, which was the capital of that period. It trumpeted the cause of Federalism. Eager to develop an editorial voice for Anti-Federalism, Jefferson tried to enlist Philip Freneau, a talented journalist who had become famous as "The Poet of the Revolution."

Freneau declined Jefferson's first offer. Lamenting the rejection, Jefferson revealed in a letter to Madison how much favoritism he was ready to bestow on a right-thinking editor:

I should have given him the perusal of all my letters

⁷ William W. Henry (ed.), *Patrick Henry: Life, Correspondence and Speeches*, III (New York: Charles Scribner's Sons, 1891), 496.

⁸ James E. Pollard, *The Presidents and the Press* (New York: MacMillan Company, 1947), p. 23. The materials that follow on the activities of Washington, Jefferson, and Freneau are taken from the same source.

of foreign intelligence and all foreign newspapers; the publication of all proclamations & other public notices within my department, & the printing of all laws...⁹

Later, the itch for a newspaper that would speak for him led Jefferson to woo Freneau again by letter:

The clerkship for foreign languages in my office is vacant; the salary, indeed, is very low, being but two hundred and fifty dollars a year; but it also gives so little to do as not to interfere with any other office one may chuse...¹⁰

The sinecure lured him. Freneau moved to Philadelphia and established *The National Gazette*, which soon became the loudest Anti-Federalist voice. It was also the leading critic of President Washington. The attacks were "outrages on common decency," the President protested. He questioned Jefferson closely regarding Freneau's reason for coming to Philadelphia. Jefferson replied that he had simply lost his translating clerk and had hired Freneau to replace him. "I cannot recollect," Jefferson told Washington, "whether it was at that time, or afterwards, that I was told he had a thought of setting up a newspaper." In any case, Jefferson pointed out, he could control his employee only in the clerkship; Freneau was a free agent while he was editing *The National Gazette*.

Washington did not ask that Freneau be fired, but he could not control his anger. Jefferson described one scene that took place at a cabinet meeting held shortly after Freneau had published a scalding satire on Washington:

The President was much inflamed, got into one of those passions when he cannot command himself, ran on so much on the personal abuse which had been bestowed on him, defied any man on earth to produce one single act of his since he had been in the government which was not done on the purest motives, that he had not repented but once the having slipped the moment of resigning his office, and that was every moment since... That *that rascal Freneau* sent him three of his papers every day as if he thought he would become the distributor of his papers.¹¹

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid., p. 15.

When Jefferson himself was elected president, he found that none of the Washington and New York newspapers had sent reporters to chronicle the movement of the Capital from Philadelphia to Washington. He persuaded a young printer named Samuel Harrison Smith to set up shop on the mudflats of the Potomac by luring him with printing-contract patronage. Smith's *National Intelligencer* was the pre-eminent newspaper for more than a decade, and it served Jefferson well.¹²

When Andrew Jackson became president, he established the *Washington Globe*. Its editor, Amos Kendall, was so significant a member of the famed Kitchen Cabinet that a Congressman of the time declared: "He was the President's thinking machine, his writing machine — aye, and his lying machine." Jackson was not content, however, to have only a single organ grinding his tune. At one point, fifty-seven journalists were reported to have been on the government payroll.¹³

At least in part because of the growth of large Washington bureaus for independent newspapers that had become strong in other cities, newspapers gradually began to lose their links with the officials who had helped establish the political press in Washington. The growth of the Associated Press, which pioneered in "straight" reporting, also contributed greatly to fostering independence.

Government officials still recognize, however, that the press has a crucial role. This was emphasized by President Eisenhower in his February 25, 1959, news conference, when he was asked about the "ten or a dozen" Republicans he had suggested earlier might have his support in the 1960 presidential election.

Reporter. Only two men are now talked about seriously for the Republican nomination. Do you think these, any of these twelve that you talked about, will emerge, surface, so to speak? Would you encourage them to emerge?

The President. Well, I don't know of anyone that can do the job better than you people here.

¹² Douglass Cater, *The Fourth Branch of Government* (Boston: Houghton Mifflin, 1959), p. 76.

¹³ *Ibid.*, p. 77.

Newspapers Inform Government Officials

The Nation's leaders do not depend upon the press only to inform the people; they are themselves informed by it. This was made clear by former Senator H. Alexander Smith of New Jersey. In an analytical article he listed thirteen different sources of information on which members of Congress rely. But the mass media, Senator Smith wrote:

...are basic, and form the general groundwork upon which the Congressman builds his knowledge of current events. The other sources . . . are all supplements to these more basic media.¹⁴

It is not much different in the executive departments and agencies. Many of the executive departments have built intricate reporting machinery of their own, but their reliance on the press is extensive. During one New York newspaper strike an official of the far-flung State Department complained to Walter Lippmann that without the papers he could not keep up with what his own department was doing.¹⁵

President Kennedy had a somewhat similar frustration during the spring of his first year in office. The editors of the *New York Times* informed him, eleven days before the invasion of Cuba, that he had been shepherding so quietly, that they had got on to that explosive secret and planned to publish a detailed report. The President persuaded them to withhold it, but during his discussions with the *Times* editors and reporters he picked up some information about the mounting of the invasion. Then in April 1962, by order of President Kennedy, agents of the Federal Bureau of Investigation called on three reporters who had covered a meeting of the stockholders of the Bethlehem Steel Corporation. Their object was to determine exactly what Bethlehem President Edmund A. Martin had said about raising steel prices so that it could be used by the Administration in oppo-

¹⁴ H. Alexander Smith, "Information and Intelligence for Congress," *The Annals of the American Academy of Political and Social Science*, Vol. 289 (September, 1953), p. 116.

¹⁵ Interview by William L. Rivers of Stanford University with Walter Lippmann on May 22, 1959.

sition to the steel price increase. Only the reporters could supply the information.¹⁶

The foregoing discussion suggests the need for a full range of information and opinion through competitive newspapers. The indispensable role that a dynamic and public-spirited press must play in government and in a free society is stifled by monopoly. It is in a setting of vigorous competition that the press most effectively fulfills its true role. The unabated growth of monopoly indicates that all is not well with the press in this Age of Merger and Monopoly.

¹⁶ "The FBI's Midnight Knock on the Door," *Editor & Publisher*, May 19, 1962, p. 7.

XII

NEAR-TOTAL RELIANCE ON THE MASS MEDIA

— *In Our Quest for the Truth*

No one, not even the President of the United States, can learn very much at firsthand. There are too few hours in any day, and there is too little opportunity to range about for information. What most of us think we know is not known at all in the sense of knowledge derived from observation and experience. In the rush of modern life we get only occasional glimpses of our world; we add secondhand reports from friends and acquaintances who are similarly limited. The expanse of our knowledge of contemporary affairs must come from the mass media. There simply are no practical alternatives.

Secondhand knowledge or synthetic knowledge — call it what you will — is all any of us can have except within the very small circles in which we move and live. And since we are so limited, it must be axiomatic that the maximum range of information and opinion is essential. One reader of newspapers said:

I like to analyze for myself why things do happen, and after getting the writers' opinions of it from the various newspapers, in which each one portrays the story in a different manner, I have a broader view and a more detailed view when I formulate my own opinion.¹

In a sense this is a faint echo of the famous statement of John Milton:

And though all the winds of doctrine were let loose

¹ Bernard Berelson, "What 'Missing the Newspaper' Means," *The Process and Effects of Mass Communication* (Urbana: University of Illinois Press, 1960), pp. 40-41.

to play upon the earth, so Truth be in the field, we do injuriously, by licensing and prohibiting, to misdoubt her strength. Let her and Falsehood grapple; who ever knew Truth put to the worse in a free and open encounter?

It is well to test the strength of Milton's words by considering some occasions when Truth was not in the field and there was no opportunity for a free and open encounter. There was the occasion, for example, of the Republican National Committee's breakfast in Chicago on July 27, 1960, when President Eisenhower excoriated Sweden, saying that socialism had been the root of a national decline. But on July 29, 1962, Eisenhower visited Stockholm. He said to the Swedes who greeted him at the railroad station:

Before anybody gets the chance to ask, I want to make clear that the remark about Sweden which I made in Chicago some years ago was based on what I had then recently read in an American magazine. Since then, I have had many friends who have returned from Sweden and have told me that I was wrong. I admit it and apologize for my error.²

Clearly, Truth had not been in the field of President Eisenhower's reading on this subject.

Varying Newspaper Treatment of the Nixon Fund in 1952

In many papers the truth was hard to find in the reporting of the notorious "Nixon Fund," which was a vital issue in the presidential campaign of 1952. Arthur Rowse, a copy editor on the *Boston Traveler*, subsequently examined the reporting and display of news of the fund in thirty-one U. S. dailies. *Slanted News*, the book that grew out of his study, suggests the results. It may also suggest that a broad range of newspaper availability is vital.

As Rowse points out, the Nixon Fund story was voted by Associated Press editors at the end of the year as one of the top ten news stories of 1952. Yet it got some strange

² Associated Press dispatch, July 29, 1962.

play from many proud papers in its early days. Rowse comments:

Any review of the way thirteen evening papers displayed the Nixon story makes it clear that editors were in no hurry to get the news into the paper. They were even less enthusiastic about getting it onto the front page. Of the thirteen evening papers studied, only four put the story on the front page at the first opportunity on Thursday afternoon. . . . The four papers using the report on the front page included only one pro-Eisenhower paper, the *Chicago Daily News*, which spotted the newsworthiness of [Peter] Edson's column and played it up with a three-column headline on the first page. . . . Three other evening papers used the story the first day but buried it inside the paper. . . . Five evening papers apparently did not use the Nixon story in their editions of record until the next day. . . . One paper, the *New York Journal American*, could not find room on the front page for the story until Sunday, the fourth day the news was available.

Of the eighteen morning papers studied — all pro-Eisenhower on their editorial pages — only eight allowed the Nixon affair on the front page of Friday editions of record. Of the remaining ten morning papers, seven used the story somewhere in their editions of record on Friday. But three omitted it entirely from the issues studied.³

Newspapers that were "giving their readers the first glimpse of the story," Rowse points out, "should have included more than just three or four words to describe the cause for all the disturbance." But, he adds, some readers undoubtedly "got such a one-sided picture from the first few stories that they might have wondered what all the defensive statements were about." Rowse points out that readers of the record edition of the *Chicago Herald American* were confronted by the headline "Nixon Defended by Eisenhower." Rowse concludes, "The natural reaction of readers might be 'Why not?' as they passed on to another story."⁴

³ Arthur E. Rowse, *Slanted News* (Boston: Beacon Press, 1957), p. 124.

⁴ *Ibid.*

Is Everything Really Up to Date in Kansas City?

It should be obvious from the foregoing that New York and Chicago readers, among others who were blessed because they were living in cities with competitive newspapers during the 1952 campaign, at least had an opportunity to learn about the Nixon Fund at the beginning. There was enough variation in the treatment of the story in competitive cities to promote diversity of information. But what of Kansas City readers? They are subject to the editorial whims of the Kansas City Publishing Company, which issues both the *Star* and the *Times*, and which is not always eager to have everything up to date in Kansas City.

Rowse found that the *Star* was one of those papers that passed up the chance to carry the Nixon Fund story the first day. Moreover, the *Star* on the following day published a story that was devoted almost entirely to explanations by Nixon, interspersed with charges of "smear" and blasts at what the *Star* called "the Alger Hiss crowd." This was characteristic of the *Star's* treatment of a news story that *Editor & Publisher* assessed as "the biggest news break in the 1952 election campaign." Considering the lagtime in getting the story into the paper at all, the conclusion is inescapable that had not the story become so important—at least in part because of investigative pressures brought by competitive newspapers elsewhere—many of the readers of the *Kansas City Star* might never have heard of the Nixon Fund.⁵

Newspaper Content and the Interpretation Trend

Ironically, the restrictions on diverse information and opinion imposed by monopoly are abetted by a relatively new form of reporting that some leading journalists consider one of the brightest hallmarks of modern journalism: interpretation. Interpretive (or "interpretative") reporting has been defined variously, and it is capable of being explained complexly, but for the present purposes this explanation may suffice: Whereas so-called objective reporting requires the presentation of facts alone, interpretive report-

⁵ *Ibid.*

ing calls for an explanation of the meaning of facts placed in perspective.⁶

It seems obvious that most of the leading U. S. newspapers have adopted interpretive reporting. There is no question, for example, that the *New York Times*, the *Christian Science Monitor*, the *New York Herald Tribune* and the *St. Louis Post-Dispatch* allow their seasoned writers to interpret the news.

There are critics of interpretation among the leading journalists, however, and one of the most caustic is James S. Pope, former executive editor of the respected *Louisville Courier-Journal*. Those long-time readers of newspapers who complain that there has been a decline in the quality of newspaper content have an ally in Pope. He has written of the state of newspaper reporting of recent years:

The basic news-editorial quality sought by good newspapers for decades began to fade. News now gets considerable interpretation before you know what it is. And reporters bred to this base practice think they are saving the world.

...Let us report the news—clearly, thoroughly, fairly—that every reader can become his own interpreter.⁷

One need not take sides in this dispute about interpretive reporting to recognize that in the hands of a biased reporter for a monopolistic newspaper it can be a smashing weapon. If interpretive reporting is to continue its march across even more of the nation's news columns, it is essential

⁶ Definitions of interpretive reporting include those by:

Marquis Childs: "The interpretive reporter" expands the horizon of the news. He explains, he amplifies, he clarifies. . . ."

Lester Markel: "Interpretation, as I see it, is the deeper sense of the news. It places a particular event in the larger flow of events. It is the color, the atmosphere, the human element that give meaning to a fact. It is, in short, setting, sequence and, above all, significance."

"There is a vast difference between interpretation and opinion. And the distinction is of the utmost importance. Three elements, not two, are involved in this debate: first, news; second, interpretation; third, opinion. To take a primitive example:

"To say that Senator McThing is investigating the teaching of Patagonian in the schools is news."

"To explain why Senator McThing is carrying on this investigation is interpretation."

"To remark that Senator McThing should be ashamed of himself is opinion." Childs and Markel are quoted in Curtis MacDougall, *Interpretative Reporting* (New York: MacMillan, 1958), pp. 26 and 14.

⁷ James S. Pope, "Interpretation—or Shabby Reporting?" *Columbia Journalism Review*, Pilot Issue (Fall 1961), pp. 20-22.

that a full range of interpreted news be made available through competing newspapers. Here, for example, is the first paragraph of a straight news dispatch from the Associated Press February 18, 1962, and beside it a freely interpreted report of the same news event by a writer for the *Dallas News*:

**STUDENT PICKETS
MARCH IN CAPITAL**

WASHINGTON (AP) — Students picketing for peace marched four abreast in spring-like weather to Arlington National Cemetery Saturday, demonstrating their hopes for disarmament and an end to nuclear testing.

**STUDENT MARCH
ON CAPITAL TINGED
BY BEARDED BEATNIKS**

By Robert E. Baskin
Washington Bureau
of the News

WASHINGTON — Left-wing student peace marchers — with a definite beatnik tinge—marched through the streets of the capital Saturday on a pilgrimage to the Tomb of the Unknown Soldier in Arlington National Cemetery.

The Associated Press account appeared in several Texas newspapers, but the *News* used only the report of its correspondent. Since the *Dallas News* is the second largest and, by general consent, the most powerful paper in Texas, the effect of its reporting-by-point-of-view is inestimable.

The necessity for readers to be given more than one account of important events reported by the *Dallas News* is indicated by a bit of "interpretation" that got its start in November 1961. An enterprising *News* reporter discovered that the United States had been selling Air Force planes to Yugoslavia and was then training Yugoslav airmen at Perrin Air Force Base in Sherman, Texas. The *News* played the story heavily (as it probably deserved), and most other U. S. newspapers followed with front-page banners. The Kennedy Administration was damned during a number of indignation rallies, and the *News* egged on the indignant with front-page stories of their protests and approving editorials.

Several days later, however, the *Washington Post* disclosed that the Eisenhower Administration had also been

involved in the Yugoslav planes-and-pilots deal. It was a bad situation for the *News*, which had been a strong supporter of Eisenhower and yet had done so much to whip up public indignation over the aid to Yugoslavia. Eisenhower held a press conference. The Associated Press report of the conference appears on the left; the *News* report of the same conference appears on the right:

IKE HAILS JETS SALES TO SLAVS

NEWARK, N. J. (AP) — Former President Dwight D. Eisenhower said Tuesday that he believed the sale of 135 Sabre Jet planes to Yugoslavia "is in the best interest of the United States."

Eisenhower referred to the transaction at a news conference here and in a supplementary statement afterward.

The sale was disclosed by the State Department last Friday and drew sharp criticism. The deal includes training eight Yugoslav air force pilots at Perrin Air Force Base, Tex.

Eisenhower said that on December 14, 1960, the Defense Department told the State Department that it had no objection to the sale of the fighter planes, because they were obsolete and headed for a scrap heap.

The State Department approved the sale Jan. 16, the former president said. A release order was issued by the Defense Department Jan. 23, 1961, three days after he left office, Eisenhower said, and the sale was consummated March 10.

In Washington, Administration sources said Monday that Eisenhower left a memo with President Kennedy outlining reasons for the sale of the jets to Yugoslavia.

IKE DENIES GIVING OK FOR JETS' SALE

By Robert E. Baskin

Washington Bureau of the News

WASHINGTON—Who was to blame for the sale of 130 Sabre Jet planes to Communist Yugoslavia — Dwight D. Eisenhower or John F. Kennedy?

A controversy over this question mounted in Washington today.

Former President Eisenhower, at a press conference in Newark, N. J., asserted flatly Tuesday that the decision to sell the planes was made after he left office.

He conceded that the sale was discussed by the State and Defense Departments before Kennedy assumed the Presidency, but the final decision was left to the new chief executive.

"I did not brief Kennedy," Eisenhower said, according to a United Press International dispatch.

His denial came on the heels of a story obviously leaked by Kennedy Administration sources saying that Eisenhower had assured Kennedy "that the shipment of surplus F86D Sabre Jets to Yugoslavia was in the national interest."

The Washington Post in its Monday edition quoted an unnamed source as saying that the decision to ship the planes to Marshal Tito was "explained to the incoming President by the outgoing President."

The Post said that Eisenhower had a memo prepared on this and other decisions reached in the final stages of his administration.

Tuesday afternoon, Presidential Press Secretary Pierre Salinger stepped into the controversy.

He told reporters he saw no conflict between the Eisenhower statement and what Kennedy Administration officials have said since the row began last week.

He said that the United States started its policy of selling non-critical military equipment to Yugoslavia in 1958.

No one, Salinger said, had ever reported that Eisenhower had briefed Kennedy on the Yugoslav transaction. Observers noted that this did not clear up the language used in the *Washington Post* story, which could have come only from Kennedy Administration sources.

Salinger said that more than 500 military aircraft were given or sold to Yugoslavia during the Eisenhower Administration...

If the more than 220,000 subscribers to the *Dallas News* had no other source of information on the Eisenhower press conference (the *News* did not publish the AP dispatch), they undoubtedly thought that all their indignation should be directed at the Kennedy Administration.

Interpretation of sorts was also implicit in a *San Diego Union* story that ran during the 1960 election campaign. The editor of the *Union*, Herbert Klein, was on loan to Richard Nixon at the time, but the tone of the story indicates that Klein need not have worried that his staff would fail to interpret Republican possibilities:

ANY VOTER IS ELIGIBLE TO CAST NIXON BALLOT

Any registered voter may cast his ballot for Richard Nixon.

Registered Democrats and independents can vote for Nixon as well as registered Republicans.

Responsible election officials pointed this out yesterday to clarify possible misunderstandings resulting from misinformation about California's election laws being circulated before the election.

Voters cast their ballots in secret and how each one votes is known only to himself, the election official pointed out.

Republicans, Democrats and independents alike may vote for Nixon.⁸

Newspaper Content and News Personnel

Bias is not the sole determinant of the availability of

⁸ Quoted in *The Californian*, March 1961, p. 28.

news. The decline in spirited competition and the growth of monopoly has been accompanied by a decline in attractiveness of the newspaper industry to top graduates of schools of journalism. There are other causes, to be sure, but run-of-the-mill, noncompetitive papers are not tempting bait. Heavily saturated with advertising content and "canned" wire-service copy, they do not offer a worth-while challenge to inspired and creative young journalists. As a result there is plenty of room for the suspicion that sheer ineptitude is often at work in the newsrooms.

This condition is reflected by the many recent complaints of newspaper editors and publishers that newspaper reporting is being shunned by the best prospects among beginning newsmen in favor of television, radio, advertising, and public relations. The complaints are borne out by a survey of forty-one journalism schools conducted in the summer of 1962. It revealed that jobs available per journalism graduate ranged as high as fifteen to one, and no school had more journalism graduates than there were jobs available.⁹

In consequence, the inept have been hired by American newspapers. And they work not only as reporters but also as editors. This is a serious situation. According to Dr. Wilbur Schramm, director of the Institute for Communication Research of Stanford University:

The gatekeeper, saying "yes" or "no" to messages that come to him along the chain, obviously plays one of the most important roles in social communication. . . . In the news chains, the news agency and the telegraph editor are especially important, because they are responsible for the greatest number of decisions as to whether news should or should not be passed along the chain.¹⁰

Inept gatekeepers were fully apparent in a study of sixteen Wisconsin telegraph editors. Walter Gieber reported in *Journalism Quarterly*:

Wire Editor E was frustrated because the telegraph

⁹ Paul S. Swenson, "Job Opportunities for Journalism Graduates," Unpublished Report, October 9, 1962.

¹⁰ Wilbur Schramm (ed.), *Mass Communications* (Urbana: University of Illinois Press, 1960), p. 177.

desk seemed an enforced condition for employment as sports editor. Wire Editor G regarded his job as a stepping-stone to a better one. An older deskman, Wire Editor B, appeared to no longer have a spark of interest in his work. . . . Wire Editors B and M said they knew nothing about their readers and could only "guess." Wire Editor A was blunt: "I don't give a damn for the public." ¹¹

¹¹ Walter Gieber, "Across the Desk: A Study of Sixteen Telegraph Editors," *Journalism Quarterly*, Vol. 33 (Fall 1956), pp. 427, 431.

XIII

THE VALUE OF COMPETITION IN NEWSPAPER PUBLISHING

— *A Prime Ingredient for Quality*

The value of competition can be shown strikingly by examining competitive and noncompetitive newspapers. Consider these lists of the leading U. S. dailies:¹

A

THE TEN "GREAT" NEWSPAPERS (LIVING UP TO THE IDEALS OF PULITZER, OCHS, AND THOMAS GIBSON) DETERMINED BY A POLL OF 311 PUBLISHERS (1960)

1. New York Times
2. St. Louis Post-Dispatch
3. Christian Science Monitor
4. Washington Post
5. Louisville Courier-Journal
6. Milwaukee Journal
7. Kansas City Star
8. Chicago Daily News
9. Los Angeles Times
10. New York Herald Tribune

B

"MOST SUPERIOR NEWSPAPERS FOR NEWS COVERAGE, INTEGRITY, AND PUBLIC SERVICE" DETERMINED BY A POLL OF 335 EDITORS (1960)

1. New York Times
2. Christian Science Monitor
3. Milwaukee Journal
4. St. Louis Post-Dispatch
5. Washington Post
6. Louisville Courier-Journal
7. Wall Street Journal
8. Atlanta Constitution
9. Chicago Tribune
10. Des Moines Register

¹ See Footnote 2 on next page for the sources of the lists.

C

NEWSPAPERS CONSIDERED BEST ALL AROUND IN A POLL OF JOURNALISM TEACHERS (1961)

1. New York Times
2. Christian Science Monitor
3. Wall Street Journal
4. St. Louis Post-Dispatch
5. Milwaukee Journal
6. Washington Post
7. New York Herald Tribune
8. Louisville Courier-Journal
9. Chicago Tribune
10. Chicago Daily News

D

NEWSPAPERS JUDGED "FAIREST AND MOST RELIABLE" IN POLL OF WASHINGTON CORRESPONDENTS (1959)

1. New York Times
2. Washington Star
3. Baltimore Sun
4. Christian Science Monitor
5. St. Louis Post-Dispatch
6. Wall Street Journal
7. Washington Post
8. New York Herald Tribune
9. Milwaukee Journal
10. Louisville Courier-Journal

E

THE TOP TEN NEWSPAPERS IN ADVERTISING LINEAGE IN 1961

- | | |
|----------------------|------------------------------------|
| 1. Los Angeles Times | 6. Cleveland Plain Dealer |
| 2. New York Times | 7. Washington Post |
| 3. Chicago Tribune | 8. Phoenix Republic |
| 4. Miami Herald | 9. New Orleans Times-Picayune |
| 5. Milwaukee Journal | 10. Houston Chronicle ² |

A few papers appear on all the lists, but the most striking aspect is the near-absence of monopoly papers and the fact that the few monopolies that do appear are well down on most of the lists. This is even more attention-compelling in view of the fact that 95 percent of American cities are without competition. Only 55 cities in the United States now have competing daily newspapers.³ (Since the lists were compiled, Milwaukee has become a monopoly city and Phoenix has become competitive, both in 1962.) Equally striking is the absence of the big chains.

² List A was compiled by Edward A. Bernays and appeared in *Editor & Publisher*, June 11, 1960 (unpaged, between pp. 27 and 28); List B is from *Practical English*, quoted in *Editor & Publisher*, loc. cit.; List C was compiled by *Saturday Review*, May 13, 1961, p. 60; List D was compiled by William L. Rivers, "The Correspondents After 25 Years," *Columbia Journalism Review*, Spring 1962, p. 8; List E appeared in *Editor & Publisher*, April 7, 1962, pp. 56-59.

³ *Congressional Record*, October 2, 1962, p. A7233.

Only two papers on List A, the *Louisville Courier-Journal* and *Kansas City Star*, have no local competition. Only three on list B, the *Courier-Journal*, *Atlanta Constitution*, and *Des Moines Register*, have no local competition. On Lists C and D, the *Courier-Journal* is the only monopoly paper.⁴ Even on List E — and one might expect the monopolies to dominate the leadership in advertising — there is only one monopoly, the ninth-place *New Orleans Times-Picayune*.

It seems futile to argue that factors other than competition are primarily responsible for the eminence of so many competitive papers — factors such as journalistic tradition, commerce, and the character and history of the cities that support these papers. The cities and the newspapers vary so widely that only the fact of competition is meaningful. The evidence clearly indicates that in these cases competition has stimulated leadership.

Much the same conclusion emerges from an examination of the findings of a study of the 1960 presidential campaign. Drs. Wayne Danielson and John Adams of the University of North Carolina examined ninety U. S. newspapers, checking for completeness of campaign coverage. Their aim was only to discover how much attention the papers had given twenty-three randomly selected campaign events. Nonetheless, their study reveals that in completeness of coverage the competitive papers were better than the monopoly papers. The five highest-ranking papers were competitive. All of the lowest-ranking papers were monopolies.⁵

⁴ As widely respected as it is, the *Courier-Journal* illustrates the dangers of monopoly to some degree. With its sister paper, the *Louisville Times*, it dominates a large part of Kentucky. Responsible journalism is the hallmark of both papers, but there is some validity to the complaints of many conservatives that there is no conservative editorial voice of any power in the Louisville area. It would be ridiculous for the *Courier-Journal* or *Times* to try to become one simply to provide the facade of a range of opinion. Against its inclinations, the *Courier-Journal* now publishes the columns of David Lawrence, but that is no substitute for a conservatively oriented newspaper, conservative Kentuckians say. At the same time, many of them admit that the *Courier-Journal* makes extraordinary efforts to avoid subtle persuasion in its news columns. An editor's note — a typical one — over a recently published interpretive report emphasizes the point: "What follows is a commentary and not a news story."

⁵ Wayne A. Danielson and John B. Adams, "Completeness of Press Coverage of the 1960 Campaign," *Journalism Quarterly*, Vol. 38 (Autumn 1961), pp. 450-451. Completeness of coverage was considered in two categories, at length and in brief. The in-brief category enabled the smaller papers to compete with the large metropolitans. The general judgment continued to obtain, however. The competitive papers covered the campaigns much more thoroughly than did the monopoly papers. The *New York Times* and the *St. Louis Post-Dispatch* were the leaders in both categories.

The Comfort That Comes When Newspapers Merge

Many publishers, of course, prefer the comfort of running a monopoly, even though many newspapers without the vaguest pretensions to excellence are affected positively by competition. For years the *Clarion-Ledger* in Jackson, Mississippi, battled the *Jackson Daily News*. Then, unaccountably, the papers went under single ownership in 1954. Both continued publication, but it was a relaxed arrangement that engendered a controlled dissemination of news and opinion. Jackson businessmen were so incensed that twenty of them decided to start a new paper. They raised a million dollars from nearly nine hundred people and started the *Jackson State-Times*.

During the seven-year lifetime of the *State-Times* the opposition combination, the *Clarion-Ledger* and the *News*, were by general agreement much better than they had been before. But the *Clarion-Ledger* and the *News* offered combined advertising at a cut rate. In January, 1962, the *State-Times* went out of business. Ben Bagdikian, a newspaperman who was then studying the economics of newspapers as a Guggenheim Fellow, investigated the death of the young Jackson paper. He described the front page of the *Daily News* a week after the competitor had disappeared:

Lead story, a bank robbery in a town fifty miles away; second lead, the editor's standing column of jokes and promotion; next to it, "Neighbor Boy Admits Slew Mother, Tot," a UPI story from Denver with no local significance; next to that "Stomps Baby to Death," a UPI story from Chicago with no local significance; dominating the top of the page a four-column photograph of a trapped robber in Los Angeles with no local significance; still above the fold, "Bare-Breasted Belles Debated," an AP story from Malaya about "brown-skinned women in their normal state of seminudity," the most prominent foreign news displayed.⁶

Another fairly typical consequence of the death of competition was described by William L. Rivers in an interview. Dr. Rivers is an associate professor in Stanford University's Department of Communications:

⁶ Ben Bagdikian, "Why Dailies Die," *The New Republic*, April 16, 1962, p. 20.

I was working on two sister papers in Baton Rouge, Louisiana, during the early 1950's the *State-Times* and the *Morning Advocate*. We didn't have much competition — the opposition *Baton Rouge Journal* was flimsy — but the local government reporter for the *Journal*, Richard Munson, was a good man. We had to compete with him; otherwise, he'd beat us every day. Then the *Journal* folded. One night not long after that, the city editor of the *Advocate* was surprised to see the reporter who was supposed to be covering a local government meeting lounging in the office. "Aren't you supposed to be over at the meeting?" the city editor asked him. "Oh," he said, "it's all right. Woody promised to call me if anything happened." Woody was one of the commissioners. *That's* how comfortable you can get without competition.

Too many comfortable newspapers are waiting for the news to come to them, a fact that is emphasized by Professor Scott Cutlip of the University of Wisconsin. A teacher of public relations and a widely known booster of public relations education and practice, Professor Cutlip is nonetheless concerned "as a citizen" because so much newspaper copy "is coming, in many cases unprocessed, from the public relations man." He states further:

... I have made a few pilot studies that would indicate that some 35 per cent of the content of today's newspapers comes from public relations practitioners. The news media, more and more, are abdicating their job....⁷

The malaise on many newspapers is traceable to the top. Mark Ethridge, chairman of the board of the *Louisville Courier-Journal* and *Times*, said in an interview not long ago that he had stopped going to conventions of the American Newspaper Publishers Association because too many publishers, looking on their papers as profit-and-loss activities, talk only about the business aspects. Ethridge holds:

I think the responsibility of the newspapers — more than ever before in my life — is to explain what the issues in the world are. And yet at the same time there seems to be a trend for the newspapers to become only

⁷ Scott M. Cutlip, "Third of Newspapers' Content PR-Inspired," *Editor & Publisher*, May 26, 1962, p. 68.

commercial enterprises. There are exceptions, of course, but I think some publishers think that it doesn't make much difference what a paper says as long as the balance sheet is all right. . . . Another thing is that with rising costs—and there are rising costs all the time—and with the increased competition for advertising dollars from the television industry, there is a tendency on the part of a good many papers to cut their costs rather than improve their quality. This is distressing to me because I think that if newspapers are going to survive they're going to survive because they are vital factors in the life of our society and in the lives of their readers.⁸

Shrinking Competition, Shrinking Information

The steady slide downward in competition affects every aspect of newspaper readership. It should be especially felt by conservatives in Congress. Just before the *Washington Times-Herald* died in 1954, it was publishing five political columnists: Westbrook Pegler, Victor Riesel, George Sokolsky, George Dixon, and Walter Trohan. The *Washington Post* took on the columns of Sokolsky and Dixon; the others disappeared from Washington journalism, perhaps giving rise to the frequent complaints among conservatives that there is no longer a firmly conservative editorial voice in Washington.

The decline in newspaper competition, from 552 cities with competing dailies 40 years ago to only 55 today,⁹ may not seem to have been hastened with the double newspaper merger in Los Angeles in January, 1962. The two remaining papers are still in competition, although the *Times* is published in the morning and the *Herald-Examiner* in the afternoon. Certainly, however, the simultaneous deaths of two newspapers with a combined circulation of more than two-thirds of a million has serious implications for the future of meaningful competition. Dr. Jack Lyle of the University of California has spelled them out:

It may seem somewhat specious to speak of lack of competition in a metropolitan community which sup-

⁸ Quoted in *The Press*, booklet published by the Center for the Study of Democratic Institutions (Santa Barbara, Calif.: The Fund for the Republic, Inc., 1961), pp. 2-3.

⁹ *Congressional Record*, October, 1962, p. A7233.

ports 29 (or more, depending on where one draws the boundary line) community dailies. Some commentators on the press discount the withering of the metropolitan press as being more than offset by the growth of these neighborhood papers, but from 1960 to 1961 the combined community daily circulation increased 4.3% (from 687,882 to 717,220) while the combined metropolitan circulation increased by 4.8% (from 1,521,473 to 1,593,766). There is also the interesting question of the salience of "neighborhood" news in an area where 25% of all families change their residence during the year.

This is not meant to dispute the great potential for community papers, a potential attested to by the fact that the Times-Mirror Company has begun acquisition of "satellite" community dailies in the greater Los Angeles market [e.g., the Orange and Costa Mesa papers].

But most community papers are no less conservative in their politics than the metropolitans.¹⁰

It may be that the coming of the Western Edition of the *New York Times* in October, 1962, is providing the kind of competition that Los Angeles journalism must have if the range of information and opinion is not to be restricted even more. The consequences of most mergers are apparent in the findings of a large-scale study by Dr. Bryant Kearl of the University of Wisconsin:

The study does not support a general hypothesis that "absence of competition by making additional press services more easily available and providing greater income stability, increases the variety of non-local news sources in the community." If such a hypothesis were sound, a reduction in competition would generally be followed by an increase in the number of press services reaching the community. In only 9.5% of the larger communities and 2.5% of the smaller ones in which competition declined... was there a corresponding increase in press service resources. In contrast, an actual decrease occurred in 33.3% of the larger communities and 43.9% of the smaller ones in the group.¹¹

The anomaly of an afternoon and morning paper in the

¹⁰ Jack Lyle, "Audience Impact of a Double Newspaper Merger," *Journalism Quarterly*, Vol. 39 (Spring 1962), p. 150.

¹¹ Bryant Kearl, "Effects of Newspaper Competition on Press Service Resources," *Journalism Quarterly*, Vol. 35 (Winter 1958), p. 64.

same city, under common ownership, published in the same plant and offering combination advertising rates, but enjoying separate editorial departments, is a familiar monopoly device. Carl E. Lindstrom, Distinguished Service Member of the Society of American Newspaper Editors,¹² describes this form of captive enterprise as a sort of hostage to ward off new competition for the advertiser's dollar. Such combinations now exist in some 162 cities. Lindstrom states:

The honesty of publishers would be more apparent if they were to explain their policies where they own a morning and an afternoon paper in the same city. In some places one of the papers is strong and vigorous and wealthy; the other is deliberately kept in a moribund state merely to hold down the spot against competition. No money is spent on the lightweight paper; its staff is a corporal's guard; there is no dynamism in the circulation department; neither *esprit de corps* nor pride in any department. The paper is merely garrisoned. At any time the publisher can revitalize the second paper but he knows he has little fear of an interloping competitor as long as the nominal masthead appears.

The claim that the two staffs compete is hollow. What self-respecting newspaperman could reconcile himself to working on a garrison newspaper, if he had anywhere else to go? Or, what ambitious journalism graduate could be happy helping to hold down a neglected fort against the remote possibility of a new competitor?¹³

Lindstrom notes exceptions to the rule that monopoly usually breeds mediocrity and tells of the "distinguished" manner in which the Cowles-owned papers serve their communities. Research and experimentation, he observes, "are usually the liveliest where there is vigorous competition":

Nor do all non-competitive newspapers serve their communities inadequately. The manner in which the single-ownership *Register* and *Tribune* serve not only Des Moines but the state of Iowa is distinguished. Oddly, or perhaps not so oddly, since they are both Cowles papers, the *Star* and *Tribune* do a similar but not identical job for Minneapolis and its larger environs,

¹² Mr. Lindstrom was formerly editor of the *Hartford Times* and is now professor of journalism at the University of Michigan.

¹³ Carl E. Lindstrom, *The Fading American Newspaper* (Garden City, New York: Doubleday & Company, Inc., 1960), p. 122.

with sturdy competition as near as the crossing of the river to St. Paul. Thus monopoly serves if it will; competition serves if it will. There is only the matter of conscience, an attribute over which there is not likely soon to be a monopoly.

It is also worth noting that where monopoly is associated with enterprise and imagination, as in Des Moines and Minneapolis, there exists also the will and incentive for research and experimentation, both of which are usually the liveliest where there is vigorous competition.¹⁴

Defenders of the monopoly faith see little or no evil in its presence, but many industry voices are raised in genuine concern over its growth. Still it goes on, with some owners becoming "reluctant monopolists," as did Nelson Poynter, who now owns both the *Times* and *Independent* in St. Petersburg. Roy Thomson offered him the *Independent* for a song in 1962, when Thomson decided to call it quits in the Florida city. Though Poynter believes in a competitive press, he couldn't turn the offer down.¹⁵

Lindstrom points to monopoly's tidal wave of mediocre papers:

The tidal wave toward newspaper mediocrity through monopoly is so strong that anyone attempting to breast it is not only conspicuous but is stamped as one of the enemies of the press that publishers and editors are forever seeing under the bed. The worst crime of these enemies seems to be that they are enemies of standard practice.¹⁶

Answering the promonopoly arguments, journalist Ted Le Berthon writes from the inside vantage point of an experienced newspaperman:

There are still some sensational dailies which increase rather than decrease crime and juvenile delinquency by their febrile news coverage; but in these times of one-daily monopolies, there are fewer sensational and far more pallid newspapers. And thus the argument has been advanced by publishers of non-

¹⁴ *Ibid.*, p. 12.

¹⁵ "Reluctant Monopolist," *Newsweek*, July 16, 1962, p. 75.

¹⁶ *Op. cit.*, p. 125.

competitive dailies that monopoly enables them to raise the standard of journalism. Their claim is that the most ethical dailies in America are those which have no competition in a given city or area. They reason that the daily which doesn't have to sweat hard for circulation against a competitor can better resist temptations to sensationalize news or to go in for flashy headlines or premature reporting. A monopoly, these publishers say, makes for a greater sense of public responsibility on their part.

Their assumption is steeped in self-deception. A monopoly daily may forego sensationalism. It may even go through the motions of presenting both or many sides of public questions. But, editorially, it is virtually certain to come out on only one side. In fact, as we have seen, an overwhelming majority of these dailies editorially favor the Republican party. In most monopoly dailies I've read, at least twice as much news and photographic coverage has been given at election times to candidates of the party the publisher favored.

In almost any management-labor dispute, an overwhelming majority of American dailies subtly or otherwise favor management. They may give both sides equal news space, but a publisher's heart is usually where his treasure is. And the publisher of a successful and likely-to-survive daily is almost bound to be a big businessman himself. In most cities, he has a finger in many pies, as a part-owner or board member of other business and industrial firms or of a bank. Being neither a saint nor an angel, he is normally on the side of big business. And if his is a one-paper monopoly, he need not worry over-much what his readers — including those who are labor union members — think. They have no other local daily, and virtually all Americans are as habituated to reading a local daily as some are to alcohol or tranquilizers.

Theoretically, the "letters to the editor" columns afford readers an opportunity to praise or blame a daily for its over-all policy or its stands on various public questions. Recently, however, I analyzed the letters columns of three monopoly dailies. I found that a most impressive eighty-five per cent of such letters, over a period of a month, were sympathetic to these dailies' public positions. But as a matter of fact no daily agrees or claims to publish any and every letter received. Having been employed on the editorial staffs of dailies for about a quarter of a century in the course of my working life, I have found letters-to-the-editor almost

invariably carefully screened. Most which disapprove a daily's stand on public issues never get into print.

An even more common deceit of dailies is slanted coverage of politico-economic news. This is most often done by news or telegraph editors through "judicious" cutting of wire service dispatches. Associated Press or United Press International coverage of any story anywhere is about as thorough and detached as is possible, and it will usually be quite exhaustive. But a daily's editor is under no obligation to use all of it, and generally doesn't. Unfortunately, what he deletes often contains facts which alone make the story fully understandable. What he decides to use from this coverage may *not* depict anything like the whole truth.¹⁷

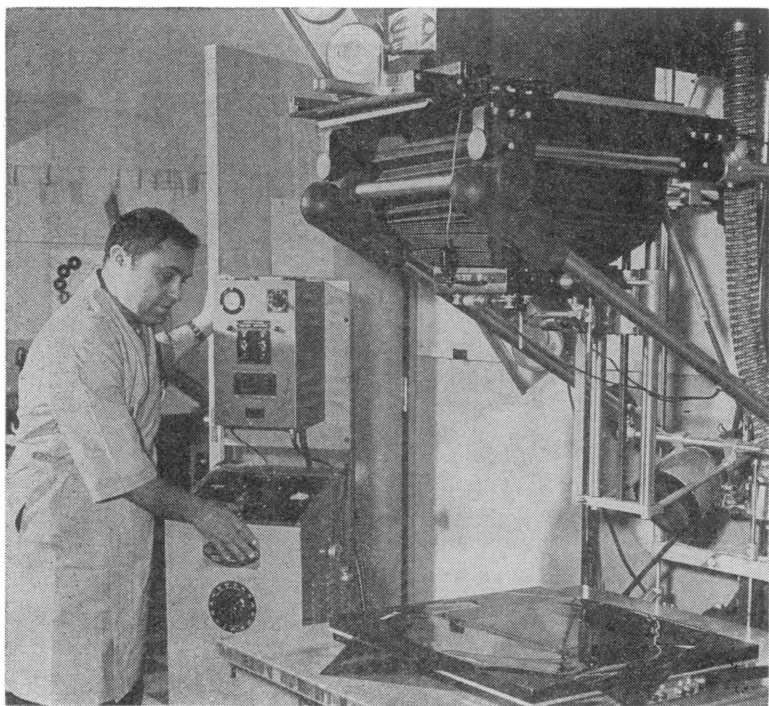
San Francisco: Competition in Action

With healthy competition the public is the assured winner of a greater variety of coverage, features, and depth. A current and persuasive example is the strong battle for circulation leadership being waged between the locally owned *San Francisco Chronicle* and the Hearst-owned *San Francisco Examiner*, both morning papers.

The struggle between the two in recent years finds both papers presenting their readers an enriched bill of editorial fare and a far better buy than is offered by Hearst's evening paper, the *News-Call Bulletin*, which is untroubled by the same direct competition. The difference in content of the two competitive papers and the one non-competitive paper is so extreme as to leave no doubt of the virtues of competition. It is not difficult to imagine that the editors of both competitive papers pray for the continued life of both papers and more of the same energetic competition. Only thus, it may be suspected, will there be a continued willingness of the two managements to allot healthy budgets to their editorial departments.

This much is certain: Competition, not monopoly, is the strength of the newspaper.

¹⁷ Ted Le Berthon, "Disappearing Dailies," *The Commonweal*, November 6, 1959, p. 180.



**One of the many large cameras
at the ITU Training Center.**

XIV

THE DECLINE IN MEANINGFUL NEWS CONTENT

—Competition Is the Best Antidote

A common frustration for readers of many newspapers is the familiar letdown after wading through advertising looking in vain for solid and varied news. Too often the sum total of the editorial department's output for an issue amounts to a news famine. Little solace is found in editorials that discourse briefly on inconsequentials. What happened to the meaty editorial writers of yesteryear, the reader wonders as he turns to one or several vapid columns.

Dismayed at the lean newsbits tucked in with the ads, and a little fed up with having paid for what might better have been an advertising throwaway, the reader finds a few moments' escape in the sports page and gossip columnists. Far too prevalent is the paper that yields a rich display of the advertising department's efforts and a this-is-tossed-in-too production for the editorial department. Thin in the absence of news and comment that should have been provided, and thin in the treatment of news that has been included, the product is a frequent Exhibit "A" in the chamber of horrors of many schools of journalism. This skeletal kind of paper is common under monopoly and chain conditions; it is found less often where vigorous competition is present. The typical reduction in significant news content in the absence of competition has been touched upon. In this chapter the subject is considered further in the light of authoritative comment and specific examples.

Factors Underlying Inadequate News Coverage

The paper that is sparsely garbed with news and badly over-dressed in a conspicuous display of advertising is a caricature, for the newspaper's true role is that of informing

in an educational way. Carl E. Lindstrom has much to say on the modern newspaper's failure to fulfill its role of supplying news. Because of his eminent qualifications as an editor, professor of journalism, and Distinguished Service Member of the Society of American Newspaper Editors, he is quoted at some length in the following pages. Lindstrom states:

Most of the ills and failures of modern journalism can be attributed to the fading consciousness of the newspaper function. This is, of course, to supply news. In no other capacity can the newspaper presume to be an educational medium. The power of the press is not to regulate, to reform, to win elections (its persuasive prowess has been greatly vitiated), its power today is simply the very great power of information. To the degree that it washes over into unrelated areas of mass appeal at the expense of news dissemination does it dissipate its influence and betray its reason for being.

The press enjoys its freedom under constitutional guarantee. Its second class mailing privilege is tantamount to a subsidy—a subsidy based on the concept that it is an educational medium. To lose sight, then, of its responsibilities as a fourth estate is a grave matter.¹

A tight budget for the editorial department; undue reliance on canned wire services for fill; excessive use of rewritten stories that appeared in earlier issues: these and related factors can affect the quantity, quality, and depth of news. Too frequently the editorial department is pared to a bare-bone level, with the staff hard put to make a decent showing in the way of fresh and vital stories about significant events in the community.

Where there is vigorous competition, the editorial budget is more likely to be the kind that will enable the department to make a strong professional showing. In any case, where the paper's owners and managers are forward-looking and dedicated, their ideal of what the paper should be probably will result in depth and quality of reporting. They are

¹ Carl E. Lindstrom, *The Fading American Newspaper* (Garden City, N.Y.: Doubleday & Company, Inc., 1960), pp. 143 ff.

not apt to come within the scope of Lindstrom's statement on superficial reporting:

Newspapers have thrown away their best opportunities by superficial reporting; by losing details in the rush, failing to follow up, and straining for a new lead; by asking too few questions at source and answering too few that the reader wants to ask. They are rushing through ripe wheatfields grabbing handfuls of grain — and leaving the big harvest for the gleaners.²

Nor do the wire services provide a constant flow of full-bodied news. Editing decisions are continually made by the services, along with key decisions whether a news item is to be used at all. Parts of important statements and speeches may be deleted or transmitted in digest form. At the level of the member paper the dispatches are subject to ultimate editing judgments. Vital information, such as the full platforms of the two major parties, may end up unused. Quoting Lindstrom:

William L. Beale, chief of bureau for the Associated Press in Washington, has written:

There have been occasions when we have filed a complete text of a presidential news conference — for instance, his second term announcement. But more often we file excerpts selected on the basis of news merits. For example: presidential remarks on his own health, or the Middle East crisis, might be lifted out of transcript and filed textually. At other times, if the news content of the conference is thin and repetitious, we file nothing textually.³

This thinking casts its image in editorial offices. Of the seventy-three editors polled in thirty-seven states, only forty-five said they used presidential texts "with some degree of regularity" or used them "when they were deemed sufficiently important." (If any President of the United States opens his mouth and has nothing of importance to say that in itself is a fact worth the reflection of the reading public! If his actual words are vacuous, the news is that there is vacuity in the White House.) Twenty-one said of gubernatorial messages that

² *Ibid.*, p. 26.

³ *Bulletin* (American Society of Newspaper Editors), June 1957.

they never used texts at all, while thirty-six used them from "sometimes" to "often." I remember the day when a mayor's message was something to print in full.

* * * * *

...During the 1956 presidential campaign, when every newspaper assigned considerable space to election surveys and predictions, the Connecticut bureau of the Associated Press reported that not one paper in the state had asked for or printed the texts of the Republican and Democratic platforms although they were available.

We are concerned not only with full texts in state documents. Traditionally newspapers once printed verbatim Question and Answer reports of important trials and congressional hearings but this, too, has largely gone by the board.⁴

Pointing out how the newspaper reader is entitled to more than mere digests of important news events, Arthur Laro, former managing editor of the *Houston Post* stated:

We believe in printing texts for the significant minority of readers who look for them. The publishing of texts adds depth to news coverage. We believe readers are not satisfied with sketchy news coverage. They get the gist of the news through radio and television and look to the newspapers for complete coverage.⁵

Columnists likewise get the editorial scissors, causing another thinning out of news and comment. Luce Clipping Service ran a survey of one week's use of 31 syndicated columns by 307 papers. In 25 percent of the papers the columns were run one day during the week; 16 percent ran them two days; 16 percent, three days; 16 percent, four days; 18 percent, five days, nine percent, six days. The company's Newsletter also reported that credits, paragraphs, and sections were often deleted by editors when a column was printed.⁶

The study also noted the survey by *Editor & Publisher* of 26 members of the National Conference of Editorial Writers. In handling syndicated columns that were politi-

⁴ Lindstrom, *op. cit.*, pp. 143 ff.

⁵ Quoted in *ibid.*

⁶ "Many Columns Are Left Out a Great Deal," *Editor & Publisher*, October 7, 1961, p. 54.

cally partisan, half of the editors were for making changes in the column. Only seven believed no changes should be made. The remainder had varying views on cutting for space requirements, et cetera.

The backbone of a sound newspaper is constructed out of the "full and fair" presentation of "hard" news. Lindstrom comments, after quoting from John Cowles and Kenneth MacDonald, the latter editor of the Cowles *Register and Tribune* of Des Moines:

Commenting on a circulation loss of three million by eleven of the nation's largest Sunday papers between 1947 and 1954, John Cowles . . . told a Sigma Delta Chi meeting in Columbus, Ohio:

With a single exception, those newspapers that have had the heaviest circulation losses are *not* newspapers that regard full and fair news presentation as their primary function and reason for existence. Ten of the eleven have depended primarily upon entertainment features or sex and crime sensationalism, or are papers that frequently editorialize in and slant their news columns to present their publishers' prejudices and opinions.

The editor of the same paper, Kenneth MacDonald, in a lecture at the University of Michigan, said that newspapers were not printing enough hard news:

I use the adjective "hard" to mean all categories of news except entertainment, amusement and trivia. . . . This criticism usually prompts two defensive reactions. The first is that most newspapers have necessarily to appeal to masses of people, and you can't hold masses with hard news. The other is that editors do not have a sufficient amount of space available to them because of the high cost of newsprint.

MacDonald was not very much impressed by either argument because of the implication that a newspaper cannot print a high proportion of hard news without its circulation totals and profit margins declining. "*Hard news is the most salable commodity a newspaper has,*" he said.⁷ [Emphasis supplied]

⁷ Lindstrom, *loc. cit.*

*Chains' Average-City Formula as a Factor in
Decline of Meaningful Content*

Modern chains can operate large numbers of papers, but they are seldom fully attuned to the local community. Cities have great as well as subtle differences that do not fit neatly into the average-city concepts that chains employ. Though tolerated, the chain is usually suspect because of absentee ownership. To expect it to have the same rapport with a city that local ownership comes by naturally is to ask for the impossible. Lindstrom describes this problem:

As to chain ownership, one insoluble problem is the distinction in character between cities. A single owner or editor can, if he is diligent, succeed in attuning himself to a community. He must do so if he is to be successful and if he is to serve the news needs of the city understandingly.

But to presume to own many newspapers in widely scattered and differentiated cities is perforce to adopt a pattern sufficiently neutral and nondescript to somehow suit all of them. This is the policy of the average; these communities cannot be averaged, but the publisher will reckon they can be and then see to it that they become so according to his own lights.⁸

Averaging can mean the loss of news vital to a community's needs. It can mean the imposition of news and other editorial matter not tailored to the given community. The effect of averaging in the Scripps-Howard chain is described by *Time*:

... Its canned editorials not only relieve the editors of reaching their own conclusions about national and international affairs, but also often fall on deaf or mystified ears. "They write editorials about national stories that haven't even appeared in the paper," laments a housewife from Albuquerque, where the chain operates the evening Tribune. Because many Scripps-Howard papers use only the chain-owned U.P.I. wire service, they are often scooped by other newspapers with full wire coverage.⁹

⁸ *Ibid.*, p. 107.

⁹ "The Chain Scripps Forged," *Time*, October 19, 1962, p. 48.

Quite possibly the local radio stations use the same wire service, with various announcers grinding out the identical news items that the paper carries, word for word, to bored reader-listeners who have been fed the same diet over and over again all day.

Averaging by chains can also mean the stifling of independent and diverse editorial thinking. Some chains claim they leave editorial matter to local judgment. Hearst, with the largest chain circulation, still blankets its papers with editorial matter. On the subject of the Foreign Aid Bill in 1962 the Hearst papers carried the following as the final paragraph of a lengthy editorial:

Therefore the Examiner and other Hearst newspapers suggest that a proviso be written into the final aid bill requiring the President, in the event he wants to continue aid to Poland and Yugoslavia, to give a detailed public accounting to Congress and the American people each time he considers such aid necessary.¹⁰

Averaging by the chains can result in even more extreme measures having an impact on news and editorial comment. Some can bring soul-searching problems to those officials of associated newspapers who are sensitive to editorial integrity.

Arthur Hays Sulzberger, chairman of the board of the *New York Times*, discussed the dilemma that arose when his paper and the *Chattanooga Times*, both of which are controlled by the Ochs estate, wished to endorse different presidential candidates. Addressing the American Society of Newspaper Editors, he said:

...as the responsible parties for policy of both newspapers, we couldn't support a Republican in the North and a Democrat in the South.

I realize that there are those who would argue that the judgment of the editor and his associate in Chattanooga should have prevailed, and that true editorial independence would permit no other course. *My answer is that such a solution turns a newspaper into another business in which ownership is concerned solely with*

¹⁰ San Francisco Examiner, September 30, 1962.

profits. I have a different conception. The man who has the final responsibility of keeping a newspaper running must do more than stoke the boiler. He has to steer as well and in most cases he can do so without in any way lessening the sense of responsibility of the crew.

We solved our particular situation by giving the editor and his assistant in Chattanooga six months' leave of absence with pay. We announced the fact and the reasons in the columns of the affected paper—and both newspapers supported Willkie. Personally, I didn't like the solution but it was the one which rang truest in my ears and I like it better than anything short of not owning newspapers in two communities.¹¹ [Emphasis supplied]

The Newhouse school, on the other hand, is not concerned with violently opposed stands taken by papers in the chain. Segregationist and desegregationist papers are operated without a blush on the Newhouse face; the crucial criterion is whether the paper is a moneymaker, not the sanctity of its editorial soul.

Losing Touch with the Community

Scripps-Howard, the oldest chain, and a consistently profitable one (an estimated \$10-\$12 million net in 1962) is far from being the dynamic voice it long was. *Time* describes its biggest paper, the *New York World-Telegram & Sun* as "a pale and lackluster product of three mergers that fails to give the chain an effective New York voice," and the *Houston Press* as "seriously ill," having "lost touch with its community."¹²

Another Scripps-Howard paper that lost touch with its community was the *San Francisco News*. Started in 1903, the paper had a flourishing history until the fifties. While other factors were undoubtedly present, it did not help that attempts were made to preserve the paper by reducing editorial content. A liberal and strong editorial policy was replaced with one that was lukewarm and at times conservative. After an era of desultory and impotent competition between the *News* and Hearst's *Call-Bulletin*, with neither

¹¹ Quoted in Lindstrom, *op. cit.*, pp. 98 ff.

¹² *Op. cit.*, pp. 45-46.

paper thriving, the two absentee-run chains decided to combine the papers. In 1959 they formed Apex Corporation, each owning fifty percent, and published the *News-Call Bulletin* in Hearst's former *Call-Bulletin* plant. The Scripps-Howard plant was no longer operated. In 1962 the short-lived marriage was ended; Scripps-Howard departed from San Francisco and the West Coast, and the *News-Call Bulletin* became the sole property of Hearst. Supposedly this consummated the alleged understanding of the two chains for their respective withdrawals from San Francisco and Pittsburgh and the elimination of competition between them in the two cities.

Founder E. W. Scripps had a crusader's view of labor and the underdog. Louis Stark described this facet of the famous Scripps:

One of those who made a major contribution to the fairer reporting of labor news was E. W. Scripps, the vital figure who was outstanding in the establishment of the Scripps-McRae League of newspapers in the early nineties, forerunner of the Scripps-Howard papers. Scripps championed the cause of labor unreservedly. Other papers, he held, served the classes, and his publications would serve the masses. He called labor "the 95 per cent." Fighting militantly in his papers for the right of labor to organize, Scripps advocated higher wages, better working conditions, the eight-hour day, legislative reform to help the laborer and his family, restriction of child labor, and workmen's compensation for accidents.

Scripps opposed the movement to establish the open shop and the "American Plan" which were then advocated by some employers to combat the growth of trade unions. The "American Plan," in effect, meant that the individual workman gave up the right to join a union. In advocating the closed shop Scripps based his argument on man's instinct for herding, and the natural inclination of merchants, farmers, doctors, and lawyers to get together in their own associations. He saw no reason why workmen should not do the same thing.¹³

During its flourishing years the *San Francisco News*

¹³ Louis Stark, "The Press and Labor News," *The Annals of the American Academy of Political and Social Science*, Vol. 278 (January 1942), pp. 108-109.

reflected this policy. In a city of liberal sentiment, well known as a "union town" since the turn of the century, the paper had a large natural following. A beacon light in the symbolic Scripps sense, the paper was noted for being a vigorous and liberal paper and for its outstanding editorial department and fresh approaches. But a year before its merger with the *Call-Bulletin* there was little to distinguish it, editorially, from the latter.

The demise of the *News* is worth examining in some detail. Why did a successful paper suffer a sharp drop in circulation in the fifties? What was the impact of television? What steps were taken by management to impart vigor and life into a paper that was slowly dying? To what extent did increased costs of production affect its survival? Was there indeed a deal between Hearst and Scripps-Howard to withdraw respectively from Pittsburgh and San Francisco to eliminate competition?

The answers to these questions are not within the scope of this study. However, issues of the paper in 1938 and in 1958, a year before its merger with the *Call-Bulletin*, reveal striking differences in news content, political viewpoint, and general quality. There is a strong indication that cost-cutting was ranked ahead of content and quality. In the fight for badly needed circulation, reliance was placed in the usual promotion gimmicks, but no attempt was made to experiment with solid upgrading of content or a return to earlier editorial policies.

The issues for Tuesday, August 16, 1938, and Tuesday, August 19, 1958, provide an illuminating comparison. Other issues during the two weeks were also examined to confirm validity of the two days studied in detail. The chief quantitative difference in the two issues was in the amount of space given to news. Where the 1938 edition had between six and seven pages of news, excluding the editorial page, the later issue had approximately half that amount. The 1938 issue was noteworthy for its coverage of big issues of the day. Its first page and another page and a half were devoted largely to labor issues. A full page dealt entirely with international news. In 1938 at least twice the space was given to actions of city and county supervisors and to national political

events as was given in 1958. Labor news in 1958 rated only abbreviated treatment; coverage of international news was scant. Most of the news seemed of wire-service or rewrite origin with little local reporting and hardly any of it in depth.

The *News* of the earlier period had distinguished editorial writers, who gave the paper pre-eminent standing in this department. Almost three columns of editorial comment appeared in 1938; the 1958 paper had less than two. The editorial writers of 1938 named Earl Warren as their paper's candidate for State attorney general and spelled out the reasons for the choice. Witch-hunting, then current in Hollywood, was criticized. A bond issue was called for to save the five-cent municipal railway fare, and a paragraph was written in praise of William Saroyan. In contrast, the 1958 editorials were brief, uninspired, superficial, and not without a conservative tinge that was not present in 1938.

In 1938 the "Pulse of the Public" (letters to the editor) showed a more complete communication between the *News* and its readers. The earlier letters had at least twice as much content; the 1958 letters were condensed and sounded as if written by the same person. Larger type and heavier leading in 1958 reduced the actual space allotted to this feature.

A further decline in quality and content is apparent in a comparison of columnists. Those carried in 1938 comprised the brilliant — if not all admired — galaxy of Heywood Broun, Hugh Johnson, Westbrook Pegler, Raymond Clapper, and Eleanor Roosevelt. Here was an array of opinion that fed both the liberal and conservative. All of the columnists were carried six days a week. In 1958 Robert Ruark, Marquis Childs, and William S. White appeared three days a week; only Eleanor Roosevelt was carried five days. Scripps-Howard staff writers Henry N. Taylor and Fred W. Perkins were each carried one day a week. Local columnists were carried in 1938 who presented stimulating political, philosophical, and cultural concepts related to the news of the day. In 1958 more space was given to local and syndicated columnists to provide gossip, entertainment, or fill-in between advertisements. In its treatment of the arts — even

sports—the 1938 papers had more coverage of distinctly higher quality.

In all editorial respects studied, the earlier paper had a superior level of content. Here, in a *prima-facie* way, lies the evidence that explains in large measure the demise of the *San Francisco News*: A decline in meaningful news and comment and a falling out of tune with the news pulse of a community.

The need is for more news and opinion that is significant, informative, and keyed to the needs of readers in a world of exciting frontiers and decisive issues. Quoting Lindstrom:

Those editors who justify content on mass appeal forget that the “masses” are not today on the same level as they were fifty years ago. The American masses today have at least some opinion, even though prejudicial, about foreign affairs; they once were blissfully isolationist and geographically ignorant. Scores of thousands, if not millions, had never heard a symphony orchestra; today the key-signatures and melodies of the symphonies of Brahms, Mozart, and Tschaikowsky are common knowledge among the school-age young. In science, sports, politics, literature, and perhaps in religion, there is a mass sophistication, or at least an exposure, which it would be a gross error to underestimate. Even obscurantist modern furnishings of extreme design, and advanced architecture, are accepted over a popular base; obscurantist abstractions in painting arouse fewer jeers and less puzzlement. The press has done exactly what it warned itself against: Do not underestimate the reader’s intelligence, nor overestimate his information.¹⁴

Papers that effectively serve the public interest will capitalize on the new intellectual appetites by the constructive and imaginative expansion of editorial content. Such papers are more apt to be found where vigorous competition is present under local ownership that is fully attuned to the community as well as to the world at large.

¹⁴ *Op. cit.*, pp. 143 ff.

XV ADVERTISING'S IMPACT ON MONOPOLY AND EDITORIAL POLICY

—Mounting Pressures in the Face of Traditional Industry Denials

The advertiser's preference for one-rate-package coverage has been touched upon previously. Combination morning and evening, or morning, evening and Sunday rates offered by newspapers — usually monopolies — reflect a response by newspapers to advertising's desires. Regional group-rate combinations have appeared, the product of newspapers' acting in concert on the rate front. Advertising spokesmen have indicated that even broader "network" rates are desired. Lindstrom points to the role of the advertiser in the tacit encouragement of monopoly ownership:

Among newspaper people, two things learned, as at a mother's knee, are the dictum that advertisers do not influence the newsroom and that there is no economic waste in advertising.

Let us see where the advertiser comes in with regard to monopoly. In a competitive city of, say, three newspapers, the local advertiser is likely to divide his budget, though in uneven assignments. That, for one thing, gives him bargaining power apart from sales return. He can allot a little less or a little more to space in one paper or another, depending on how each of the papers is behaving itself with regard to the advertiser's interests. . . . If one of the papers absorbs the laggard among the three, his advertising budget is still split only two ways, but he is now spending less and getting more for his money because it is paying to cover the whole field, he thinks. Let us now suppose that the two remaining papers were to merge. The saving is potentially sub-

stantial; there should be still more money for the merchant's other purposes: commercials, renovation, profits.

The moral is: There is some reason for the merchant to like monopoly. He welcomes it, though tacitly. Even if it is accepted that advertisers do not affect policy, it is nevertheless fairly obvious that in the long run they get what they want.¹

It has been said that the natural bias of most newspaper owners toward business makes it unnecessary for the advertiser to bring pressure to bear for the influencing of editorial content. The claim that papers are responsive to advertising pressure is traditionally denied by the newspaper industry. But it is unlikely that newspapers are completely impervious to such pressure, even though the manner of response may be subtle. That the pressure, or the threat of it, is more than academic would seem undeniable.

A Plea for Advertising Pressure from Within the Newspaper Industry

Strangely, a plea for using advertising dollars as a pressure lever comes from within the newspaper industry itself. The following words of Donald I. Rogers, business and financial editor of the *New York Herald Tribune*, are from a talk introduced into the *Congressional Record* by Senator Barry Goldwater. Mr. Rogers' remarks were made before a group known as the Washington Roundtable in New York City May 23, 1962. Because it is an open admission from a prominent figure in the newspaper industry that advertising should be used to influence a newspaper, Mr. Rogers' talk is presented at some length:

If I don't sound off about Mr. Kennedy and his group today, it is not because I have changed my views or the President has changed his policies, but because in having the opportunity to talk to you, I want to take advantage of the chance to discuss something which I hold to be of even transcending importance.

I want to discuss with you, off the record, your own

¹ Carl E. Lindstrom, *The Fading American Newspaper* (Garden City, N.Y.: Doubleday & Company, Inc., 1960), pp. 120-21.

policies whereby you are voluntarily paying hundreds of millions of dollars in support of your most vicious and most effective enemies.

* * * * *

I imagine you, yourselves, have no idea how much American business is paying voluntarily to finance attacks upon the very principles most of you believe to be vital for the successful functioning of your business. I have only a vague idea, but it is many millions each year.

You do it through your advertising budgets.

Let's consider the newspapers in our Nation's Capital. There are three daily newspapers in Washington — two of them conservative and sympathetic with the business point of view. These are the old and respected Washington Star, and the Scripps-Howard afternoon paper, the Daily News.

The third paper, the Washington Post, is the journalistic flagship of the New Frontier. It rallies behind everything that is advocated or even suggested by Kennedy, Schlesinger or Heller. It is all out for increased government spending. It is in favor of Federal urban renewal. It has fought effectively for Federal aid to education for years. It has trumpeted and pleaded for the President's medicare program tied in with social security. It endorsed with praise the President's tax bill, and urged immediate passage.

Think of anything, anything at all, in the way of legislative proposals that you fellows have opposed and have urged the NAM to block, and you will find that the Post is trying to get it enacted.

So, when business men place their advertising in Washington, where do they place it?

They place 600,000 more lines per month with the liberal, welfare-state-loving Post than in the Star, and the poor old conservative News runs a poor — a very poor — third.

The latest figures in Editor and Publisher, the newspaper trade journal, show that business men even increased their support of the Post this year over last year, as though in indorsement of the Post's militant support of the liberals, and, just to make sure there's

no mistaking the point, they decreased their support of the Star. The increase for the Post amounted in a single month to more than 200,000 lines.

I know of one company, headed by a most conservative management, that last year placed one-third more advertising in the leftwing Post than it did in the conservative Star.

The picture is no different here in New York. We find that the greatest amount of advertising placed by business men goes into the liberal Times, which supports most of the welfare-state programs and at most only gently chides the administration from time to time.

The influential conservative New York papers, the Herald Tribune and the World-Telegram and Sun get very sparse pickings indeed from the American business community which they support so effectively in their editorial policies.

In some other cities, we find the same kind of situation — as in St. Louis, where the liberal — sometimes wildly liberal — Post-Dispatch gets businessmen's dollars in much more plentiful quantities than does the conservative pro business Globe-Democrat.

* * * * *

First, let me tell you what I would not do if I were head of a corporation. I would not try to influence the policy of newspapers, radio stations and TV networks. They have a right to pursue the policies their managements choose. Business men would be guilty of flagrant abuse of their positions as advertisers if they tried to buy changes of policies with their advertising budgets ... if we have any freedom left it is because we have a free press, and it must be preserved.

But there is nothing unethical — indeed I think the practice is most ethical — in making sure that your company's dollars don't go to undermine your company and all other companies operating within the framework of the free enterprise system.

* * * * *

If I were a top executive of a company, I would quietly lay down the policy that prohibited advertising in any publication or upon any TV show which had a predominantly leftish tinge to it.

Only a few newspapers would have to be eliminated, and other newspapers in the same cities are perfectly capable of doing the advertising job required.²

In a similar vein Clarence E. Eldridge, who was then executive vice-president of Campbell Soup Company, addressed the Advertising Federation of America in 1955. His concern was over newspapers and other media whose editorial positions might place business or the economic system in an unfavorable light. He saw no reason why such media should benefit from the advertising dollars of businessmen and urged that agencies channel expenditures to the acceptable voices. It was his view that on self-interest grounds the advertiser had the right to be selective in the choice of media. *Advertising Age* for June 13, 1955, carried the story and excerpts from Mr. Eldridge's talk.

A recent example of direct withholding of advertising by a large company was Macy's refusal to place ads with the *New York Post* after the paper withdrew from the publishers' bargaining front in the New York newspaper strike and resumed publication. Admittedly the circumstances differed from the usual run of causes that might influence an advertiser negatively toward a given paper. The fact remains that advertising was withheld because of an action by the paper that did not please the advertiser.

The Concentrated Power of National Advertisers

The concentrated power of the purchasers of advertising is evident from the expenditures for newspaper space by leading national advertisers. In 1961 the top 10 companies spent \$128.5 million, or 17.1 percent of the total expenditure of \$750.5 million for national newspaper advertising. The top 25 companies spent \$199 million, accounting for 26.5 percent of the total.³

With a decline in the number of newspaper owners, as chains spread, the power of the large national advertisers is matched by the corresponding concentration of newspaper

² *Congressional Record*, 87th Congress, 2d Session, July 5, 1962, pp. 11855-57.

³ Computed from data in "National Advertising Investments in Newspapers 1961-1960," *Editor & Publisher*, April 21, 1962, p. 25.

control. Thus the line of communication between the two is more direct than under widely diversified ownership; the potential for rapport between the two, as well as for pressure, is enhanced. The increasing use of implanted political messages in advertising makes the double-barreled concentration an even greater threat.

Local advertising, though not as concentrated, is a larger factor in the total advertising income of newspapers. Large merchandising firms, a prime source of local advertising revenue, have an effective potential for pressure-directed advertising expenditures. Many are operated as regional units of national firms. Macy's and other chain department stores are in this category.

The advertiser is of course dependent on newspapers. However, it is not an abject dependence, since the advertiser has flexibility in the control of the advertising budget. As Lindstrom points out, expenditures can be reduced when the paper has incurred the advertiser's displeasure. This does not mean that all advertising is cut off, but it can mean the difference between a highly satisfactory account for the newspaper and one that may do little better than break even. The advertiser will maintain contact with the paper's subscribers through outlays that are basically sufficient, but the choice spreads may be withheld. Lucrative color advertising may be dispensed with or placed in heavier amounts with competitive papers. Even where a monopoly exists, the advertiser is not without power to regulate expenditures in a way that lets the paper know that the advertiser is not satisfied with its performance. Pressure may also be applied on the recalcitrant paper by the advertising agency through more favorable allotments to other media. While the advertiser may not control editorial policy, he may have a decided influence on the shaping of it.

How Pressure Is Applied to the Small Newspaper

Survival of the small newspaper may depend on its ability to obtain a share of national advertising. Though the amount carried may be relatively small, it can be the difference between profit and loss at the end of the year.

The manner in which pressure on editorial policy is felt by small newspapers is described by newspaperman Ted La Berthon:

What reporter of any length of experience has not heard some big business executive amiably or angrily inform him that he is totally indifferent to any newspaper's political policies, and is solely concerned with its circulation? Yet this claim is considerably less than even a half truth. As an example, a friend of mine, long associated with a leading daily of a coast-to-coast chain as a top reporter, was "tired of it all" and sought to purchase a semi-weekly in a small city. The owner, an elderly man, wanted to retire. But when my friend informed him he wished to make the paper, already Democratic in its politics, into a more lively Democratic, pro-labor organ, the owner dissuaded him. This was the gist of his argument:

"You'd lose your shirt. Several big city dailies are widely read here. They're all Republican. Our local merchants don't advertise with them; they do advertise in our little semi-weekly. But if you think you can survive on the small ads our local dry goods stores, corner grocers and druggists can afford to run, you're crazy. Your only hope is to get some of that 'good will' advertising from the big agencies. And don't forget, they don't *need* to advertise in little sheets like this. They already reach our people through the big dailies. But they'll play ball with you on *their* terms. Mind you, they'll never tell you what your political policy should be. If you support measures and candidates they don't like, they'll never let on. But when it comes time to renew the advertising contracts, you'll get brief, terse letters explaining that, due to certain retrenchments, this or that client of theirs has not included you in its coming year's advertising budget. I know. I've been trying to run this as a liberal Democratic paper. That's why I'm washed up and getting out. You'd have soon found that out if I hadn't told you."

My friend, almost needless to say, is still toiling for the same chain daily.⁴

From the evidence it would appear that publishers protest too much in their vehement denials that advertisers exert influence on editorial policy. The growth of chain

⁴ Ted Le Berthon, "Disappearing Dailies," *The Commonweal*, November 6, 1959, pp. 180-81.

newspapers and consolidated ownership, along with concentrated national advertising, creates a tighter line of communication for the application of pressure and of response to it. The increase in radical conservatism, much of it business-oriented, suggests that attempts to influence newspaper editorial policy may be expected from this quarter.

Our best line of defense lies in a wide diversity of dedicated newspaper ownership, more newspapers, high standards of journalistic ethics, and constant vigilance of the role of advertising in relation to freedom of the press.

XVI

CONCLUSION:

CONGRESSIONAL RESPONSIBILITY AND THE FIRST AMENDMENT

— A Free Press Is the Condition of a Free Society

Our need is for newspapers that meet the five basic needs defined by the Commission on Freedom of the Press:¹

- A truthful, comprehensive, and intelligent account of the day's events in a context that gives them meaning.
- A forum for the exchange of comment and criticism.
- A means of projecting to one another the opinions and attitudes of groups in the society.
- A method of presenting and clarifying the goals and values of the society.
- A way of reaching every member of the society with the currents of information, thought, and feeling that the press supplies.²

In addition to its recommendations for positive steps to encourage competition and improve quality, the Commission looked to the press and to the people for correctives. From neither quarter have tangible results appeared. The

¹ The Commission was established under grants to the University of Chicago by Time, Inc., and Encyclopedia Britannica, Inc. The donors had no jurisdiction over the Commission, which was composed of independent representatives of the public. There were no representatives of the communications industries on the Commission. Chairman was Robert M. Hutchins. Other members were Zechariah Chafee, Jr., John M. Clark, John Dickinson, William E. Hocking, Harold D. Lasswell, Archibald MacLeish, Charles E. Merriam, Reinhold Niebuhr, Robert Redfield, Beardsley Ruml, Arthur M. Schlesinger, and George N. Shuster. Reports of the Commission were published in 1946 and 1947.

² Quoted in *The Press*, booklet published by the Center for the Study of Democratic Institutions (Santa Barbara, Calif.: The Fund for the Republic, Inc., 1961), pp. 22-23.

industry has not developed a positive system for elevating and policing journalistic standards and ethics.³ The good fight to preserve local ownership and competition has been made in a few isolated cases, sometimes with success, but on the whole the public has not supplied the stimulus needed.

The tide has run the other way. Papers have declined in number, chain ownership has increased, competition has decreased, monopoly has broadened its base. A few papers of high quality have continued to serve the public far beyond the run-of-the-mill performance of the great majority of papers. Some papers have shown improvement; more have slipped deeper into mediocrity.

There is little evidence of improvement in the conditions found by the Commission in the mid-forties, but there is ample evidence of increasing dominance of forces that are capturing newspapers because they are valuable business properties, not because of a zeal for journalism. While this goes on, the newspaper industry does nothing to curb the growth of monopoly, absentee ownership, and restricted competition. With command of many papers given to men whose orientation is that of business men rather than dedicated journalists, there is little likelihood that anything will be done. Quoting Mark Ethridge:

... Another part goes back to the fact that a great many of these publishers came out of the business office. I wish every newspaper in the United States had a publisher who had been a writer, even an editorial writer, before he becomes a publisher.⁴

Commenting on the current state of the press, Justice William O. Douglas describes the "money-makers" who dominate the press and the resulting failure of the newspapers to give an accurate portrayal of forces at work in the world:

³ The Swedish press has long had an effective code of conduct that provides strict rules of fair play and equal treatment in the handling of news. The code is self-imposed and enforced by members of the press. A fair practices commission represents editorial people and owners. A judge presides over the commission; complaints may be made by persons who believe themselves unfairly treated by the press.

⁴ *The Press*, booklet published by the Center for the Study of Democratic Institutions (Santa Barbara, Calif.: The Fund for the Republic, Inc., 1961), p. 21.

A survey of newspapers from coast-to-coast shows the low estate of dialogue on domestic as well as foreign issues. Money-makers have taken over the press. They want readers and advertisers; and so they cater to the low common denominator in the populace. To that fact must be added the further one that the owners are largely conservative. The result is a press which with few exceptions gives no true account of forces at work in the world. Those who live in the average American town have no chance of getting an accurate measure of the world problem.⁵

Newspapers Are Not Immune Under the First Amendment

The evil here faced is the restriction on freedom of speech and press caused by economic concentration in the newspaper industry. Newspaper owners cannot hide behind a claim of immunity based on freedom of the press. As Judge Learned Hand said in the Associated Press case:

. . . neither exclusively, nor even primarily, are the interests of the newspaper industry conclusive; for that industry serves one of the most vital of all interests: the dissemination of news from as many different facets and sources as is possible. That interest is closely akin to, if indeed it is not the same as, the interests protected by the First Amendment; it presupposes that right conclusions are more likely to be gathered out of a multitude of tongues, than through any kind of authoritarian selection.⁶

In the main majority opinion of the United States Supreme Court in the Associated Press case, Justice Black emphasized the power of the Federal Government to protect freedom of the press:

Finally, the argument is made that to apply the Sherman Act to this association of publishers constitutes an abridgement of the freedom of the press guaranteed by the First Amendment. . . . It would be strange indeed, however, if the grave concern for freedom of the press which prompted adoption of the First Amendment should be read as a command that the government

⁵ Lecture at Earl Warren Institute of Ethics and Human Relations, auspices of University of Judaism, Los Angeles, Calif., July 1, 1962.

⁶ *U.S. v. Associated Press* (1943), 52 F. Supp. 362.

was without power to protect that freedom. *The First Amendment, far from providing an argument against application of the Sherman Act, here provides powerful reasons to the contrary. That Amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public, that a free press is a condition of a free society.* Surely a command that the government itself shall not impede the free flow of ideas does not afford nongovernmental combinations a refuge if they impose restraints upon that constitutionally guaranteed freedom. Freedom to publish means freedom for all and not for some. Freedom to publish is guaranteed by the Constitution, but freedom to combine to keep others from publishing is not. *Freedom of the press from governmental interference under the First Amendment does not sanction repression of that freedom by private interests.* The First Amendment affords not the slightest support for the contention that a combination to restrain trade in news and views has any constitutional immunity.⁷ [Emphasis supplied]

In a separate majority opinion in the same case, Justice Frankfurter pointed out the unique and "indispensable" role of a free press to a democratic society:

... But in addition to being a commercial enterprise, it [Associated Press] has a relation to the public interest unlike that of any other enterprise pursued for profit. A free press is indispensable to the workings of our democratic society. The business of the press, and therefore the business of the Associated Press, is the promotion of truth regarding public matters by furnishing the basis for an understanding of them. Truth and understanding are not wares like peanuts or potatoes. And so, the incidence of restraints upon the promotion of truth through denial of access to the basis for understanding calls into play considerations very different from comparable restraints in a cooperative enterprise having merely a commercial aspect . . .⁸

A committee of the United States Senate, after an investigation of monopoly in the press, firmly stated its view of the role of the press and the Congressional responsibility:

⁷ U. S. v. Associated Press, 326 U. S. 1.

⁸ Ibid

If the large units of the press and their spokesmen are prepared to accept common-carrier status, with regulation of their economic affairs, they will continue their shortsighted opposition to efforts to save competition and freedom of entry in the publishing industry. It is naive to believe that such status would necessarily violate the First Amendment. It would be equally naive for believers in a free press to look forward to such status with anything but repugnance.

* * * * *

The premises from which it is argued that Congress should not and cannot make efforts to keep the small press alive, vigorous and growing are faulty. It is not too farfetched an interpretation of the First Amendment to say that Congress has an obligation to maintain a diversely controlled newspaper industry. This, as other industries, operates under the laws made by Congress. The Supreme Court has held that labor and other laws apply to it, as to all other businesses. Congress must be sure that the effect of its tax laws, labor laws, antitrust laws, patent laws, communication laws, tariffs, reciprocal trade treaties, postal regulations, and Federal financing statutes is to effectually strengthen the diversity of ownership, stimulating competition, and encouraging a constant growth of new ventures.⁹

Federal responsibility for a free and competitive press is thus recognized as a matter of law and as a defined area of Congressional interest. Difficulties may be inherent in the framing of remedial legislation, but to do nothing is tantamount to legislating a continuation of the present restrictions arising out of monopoly and declining competition.

⁹ *Survival of Free, Competitive Press, Small Newspaper, Democracy's Grass Roots, Report of Chairman to Members of Committee (Senate Special Committee to Study Problems of American Small Business, 80th Congress, 1st Session, January 2, 1947), p. 63.*

APPENDIX A

Indexes of Union Hourly Wage Scales Various Trades, United States, 1950-61

(Printing Trades: January 2, 1948 - July 1, 1949 = 100)
(Others: 1947-49 = 100)

	1950	1955	1960	1961	Increase 1961 over 1950
Printing trades					
Total	107.9	130.7	152.6	157.5	46.0%
Book and job..	108.2	131.4	154.8	160.1	48.0
Newspaper	107.4	128.9	148.3	152.5	42.0
Building trades					
Total	110.7	141.2	177.3	184.3	66.5
Journeymen	110.5	140.0	174.6	181.2	64.0
Helpers and laborers	112.2	148.5	194.3	203.6	81.5
Motortruck drivers and helpers	111.9	148.2	188.3	195.4	74.6
Local-transit Operating employees	110.9	140.4	173.7	180.2	62.5

Source: **Union Wages and Hours** for Printing Industry, Building Trades, Motortruck Drivers and Helpers, and Local-Transit Operating Employees (U. S. Department of Labor, Bureau of Labor Statistics, Bulletin Nos. 1315, 1316, 1314, 1313, respectively).

APPENDIX B

Comparison of Union Hourly Wage Rates for Day Work Newspaper Machine Operators and Typical Skilled Building Tradesmen

Ten U. S. Cities in Which Newspaper Mergers, Sales, or Closures Have Occurred July 1, 1950, and July 1, 1961

	Newspaper Machine Operators			Carpenters			Plumbers			Electricians (Inside Wiremen)			Bricklayers		
	1950	1961	Incr.	1950	1961	Incr.	1950	1961	Incr.	1950	1961	Incr.	1950	1961	Incr.
Chicago	\$2.634	\$3.738	\$1.104	\$2.550	\$4.080	\$1.530	\$2.450	\$4.200	\$1.750	\$2.525	\$4.500	\$1.975	\$2.550	\$4.400	\$1.850
Cincinnati	2.613	3.507	.894	2.250	3.950	1.700	2.350	3.975	1.625	2.550	4.090	1.540	2.700	4.125	1.425
Cleveland	2.528	3.487	.959	2.700	4.110	1.410	2.700	4.060	1.360	2.700	4.170	1.470	2.700	4.085	1.385
Detroit	2.740	3.714	.974	2.500	3.750	1.250	2.625	3.900	1.275	2.750	4.110	1.360	2.750	4.090	1.340
Los Angeles	2.480	3.670	1.190	2.120	4.000	1.880	2.500	4.580	2.080	2.500	4.650	2.150	2.750	4.350	1.600
Milwaukee	2.480	3.520	1.040	2.400	3.710	1.310	2.450	3.820	1.370	2.300	3.730	1.430	2.650	3.960	1.310
New York City	2.731	3.697	.966	3.000	4.750	1.750	3.000	4.450	1.450	3.000	4.400	1.400	3.250	5.200	1.950
Pittsburgh	2.533	3.566	1.033	2.650	4.225	1.575	2.750	4.300	1.550	2.800	4.600	1.800	3.000	4.600	1.600
San Francisco	2.635	3.824	1.189	2.225	3.950	1.725	2.500	4.570	2.070	2.625	4.224	1.599	3.000	4.400	1.400
Wash't'n, D.C.	2.643	3.771	1.128	2.500	3.850	1.350	2.500	4.350	1.850	2.700	4.550	1.850	3.000	4.300	1.300

Source: **Union Wages and Hours: Printing Industry and Union Wages and Hours: Building Trades** (U. S. Department of Labor, Bureau of Statistics, Bulletin Nos. 1062 and 1315, and 1051 and 1316, respectively).

APPENDIX C

Trends in Ownership of English-Language Dailies of General Circulation and Content in the United States, 1920-60

	Circulation (thousands)	Total dailies	Total daily cities	One-daily cities			Joint printing cities	Total noncomp. cities		Cities with competing dailies
				No.	Pct. Total	One- combination cities		No.	Pct. Total	
1920	27,791	2,042	1,295	716	55.3	27	---	743	57.4	552
1930	39,589	1,942	1,402	1,002	71.5	112	---	1,114	79.4	288
1940	41,132	1,878	1,426	1,092	76.6	149	4	1,245	87.3	181
1944-45*	45,955	1,744	1,396	1,107	77.3	161	11	1,279	91.6	117
1953-54*	54,472	1,785	1,448	1,188	82.0	154	19	1,361	94.0	87
	54,140†	1,760†								
1960	58,881	1,763	1,461	1,222	83.6	160	18	1,400	95.8	61
	58,080†	1,733†								

* Years are as shown in original source.

† Adjusted as indicated below.

Source: Raymond B. Nixon and Jean Ward, "Trends in Newspaper Ownership and Inter-Media Competition," *Journalism Quarterly*, Winter 1961, p. 5. The title of the table is that of Nixon and Ward, though adjusted for the years covered; their data go back to 1880. The following source note is from their table: "For 1960, figures are based upon records of American Newspaper Publishers' Association as of December 31, 1960, with unadjusted figures for number of dailies and total daily circulation as of September 30, 1960, taken from 'Ready Reckoner' in 1961 Editor & Publisher International Year Book. 'Adjusted figures' for 1954 and 1960 represent these same totals less the figures for non-general dailies, duplicates of 'all-day' papers (which Editor & Publisher counts twice) and papers which suspended or merged in 1960 after the Editor & Publisher list was compiled. For detailed sources of figures for earlier years, see Raymond B. Nixon, 'Trends in Daily Newspaper Ownership since 1945,' *Journalism Quarterly*, 31:7 (Winter 1954)."

APPENDIX D

Twenty-Five Largest U. S. Newspaper Chains, 1962

Ranked in Order of 1961 Daily Circulation

*Including Papers in Which Minority Interest Held**

(Circulation in Thousands)

Chain	Number of dailies			Daily circ. 1961	No. of Sun.	Sunday circ. 1961
	In state	Out of state	Total			
1. Hearst Newspapers†	4	7	11	3,890	9	3,967
2. Chicago Tribune-Owned Newspapers	2	1	3	3,303	3	4,852
3. Scripps-Howard Newsps.....	1	18	19	3,142	8	1,687
4. Newhouse Newspapers	7	12	19	2,828	12	2,934
5. Knight Newspapers	1	4	5	1,256	4	1,327
6. Cowles Newspapers	4	2	6	937	2	1,176
7. Ridder Publications .....	..	14	14	932	8	904
8. James M. Cox Newsps.....	4	3	7	892	4	850
9. Gannett Newspapers	11	4	15	816	7	593
10. Chandler Newspapers (Times-Mirror Co.)†	2	..	2	773	1	1,093
11. Ochs Estate Newspapers....	1	1	2	733	2	1,388
12. Central Newspapers	7	2	9	671	5	587
13. Block Newspapers	3	..	3	502	1	181
14. Booth Newspapers	8	..	8	477	6	369
15. Copley Press, Inc.....	5	9	14	471	5	367
16. Bryan Estate Newsps.....	2	2	4	448	2	347
17. Harte-Hanks Newsp. Gp... 11	..	..	11	393	9	319
18. Lee Newspapers	5	11	16	344	7	234
19. McClatchy Newspapers	3	..	3	317	3	350
20. Brush-Moore Newspapers ..	6	4	10	276	2	127
21. Freedom Newspapers	3	9	12	241	9	218
22. John H. Perry Newsps.....	13	1	14	216	9	160
23. Stauffer Publications	7	6	13	211	4	118
24. Ingersoll Newspapers	2	2	4	179	..	.....
25. Westchester-Rockland County Newspapers	10	..	10	177	..	.....
	122	112	234	24,425	122	24,148
Average	4.9	4.5	9.4	977	4.9	966

*Newhouse: *Denver Post* and the three papers in Springfield, Mass. Ridder: *Seattle Times*.

† Circulation as of September 30, 1961, except for *Los Angeles Herald-Examiner*, which is September 30, 1962.

‡ Circulation for *Los Angeles Times* as of September 30, 1962; for *Orange Coast Daily Pilot* as of September 30, 1961.

Source: Raymond B. Nixon, "118 Owner Groups; 4.9 Average Holds," *Editor & Publisher*, April 21, 1962, p. 92. Nixon's data has been updated for 1962 ownership status where known changes have occurred. Chandler (*L.A. Times*) became a chain in 1962. Circulation data other than from Nixon's study are from *Editor & Publisher Year Book*, 1962, or publishers' statements.

APPENDIX E

Fifteen U. S. Chains with Ten or More Daily Papers in 1962 Their Growth Since 1940

(Including Papers in Which Minority Interest Held)

	Number of chain dailies owned		
	1940	1950	1962
Copley Press	13	14	14
Freedom Papers (Hoiles)	4	7	12
Gannett Newspapers	16	17	15
Harte-Hanks*	10	11	11
Hearst Newspapers†	17	16	11
Lee Newspapers	10	10	16
Newhouse Newspapers	5	10	19
H. C. Ogden Newspapers.....	15	12	13
John H. Perry Newspapers‡.....	4	12	15
Ridder Publications	7	7	14
Scripps-Howard Newspapers§	19	19	19
Scripps League	8	5	16
Southwestern Publishing Co.	3	5	14
Stauffer Publications	7	7	13
Westchester-Rockland County Newspapers	8	9	10
	146	161	212
Average papers per chain.....	9.7	10.7	14.1

* 1945 and 1954 instead of 1940 and 1950.

† 1950 figure is after discontinuance of **Oakland Post-Enquirer**.

‡ 1954 instead of 1950.

§ Changes in ownership occurred, but the numbers reported remained the same.

Source: **Editor & Publisher Year Book**, 1941, 1951, 1962. Raymond B. Nixon, "Concentration and Absenteeism in Daily Newspaper Ownership," **Journalism Quarterly**, June 1945, p. 109; "Trends in Daily Newspaper Ownership since 1945," **Journalism Quarterly**, Winter 1954, pp. 11-12; "118 Owner Groups; 4.9 Average Holds," **Editor & Publisher**, April 21, 1962, pp. 86-88 and 92.