

Industry still recession-proof, books show

"I ALWAYS LIKED the newspaper business," Robert Marbut, president of Harte-Hanks Communications told the New York Times last year, recalling his undergraduate days as an architectural and engineering student. "But I never thought you could make a living at it."

In his ten years as Harte-Hanks president, Marbut has "laid his doubts to rest," the Times said.

He should have. Marbut earned more than \$1 million last year in salary, fees, bonuses, benefits and con-

The text of this and accompanying material on Pages 4 and 5 is excerpted from the Industry Section of the Officers' Report to TNG's 1981 Convention. Prepared by TNG's Research & Information Dept., the section analyzes the business performance of the newspaper and magazine industries in the United States and Canada.

tingent compensation.

And, as the Times reported, Harte-Hanks—whose after-tax profits of \$22.7 million in 1980 were up 16.8 percent over 1979—has been called "a small, rapidly growing version of

Gannett"—which, for its part, this spring recorded its 54th consecutive quarter of record earnings.

Of course, not every newspaper or newspaper chain is a Harte-Hanks, much less a Gannett. But, as the Na-

tional Conference of Editorial Writers said in a special report on the newspaper business last fall in its publication, The Masthead:

"You don't need much more than a cursory knowledge of decimals and percentages to look at your business, the newspaper business, and realize the prime rate at which newspapers are making money."

Indeed, the newspaper industry came through the recession of 1980—described by one observer as the year (Continued on Page 4)

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PAUL SIMON/Wire Service Guild, Los Angeles AP Branch

Next at AP, the real thing?

Screen Actors' Guild member Ed Asner, center, city editor of the "Los Angeles Tribune" in the Lou Grant TV series, joins Wire Service Guild informational picket line at Associated Press bureau in Los Angeles June 1. It was one of about five dozen in as many cities. Guild

contract expired Dec. 31. Members have voted strike-call authority to bargain. The United Telegraph Workers, bargaining jointly with the Guild, has taken a no contract-no work position and was conducting a strike vote. Its contract runs out June 16. [Story, Page 8.]

Reagan encourages secrecy, Hill conferees told

Washington—Efforts to restrict press access to information about the government are being encouraged under the Reagan administration, participants in a press-freedom panel told members of the Guild, Typographical and Graphic Arts unions here June 8.

To accommodate "a public that has bought the concept of getting the government off our backs," the administration has begun to try to "pull a curtain of secrecy" around government, said Richard M. Schmidt, Jr., general counsel to the American Society of Newspaper Editors.

"If we can't see what govern-

ment is doing, it won't be on our backs," he said.

Schmidt and the other panelists—Jack Landau, director of the Reporters Committee for Freedom of the Press, and Anthony Lewis, a New York Times columnist—spoke on the opening day of a three-day conference sponsored jointly by the three international unions and the AFL-CIO's Industrial Union Dept.

After meeting together for two days, members of the three news-

paper unions joined a larger gathering of more than a dozen other unions affiliated with the IUD. Participants from the three newspaper unions totalled 53, with 21 from the Guild, 26 from the Graphic Arts Union and six from the Typographical Union.

Schmidt told the newspaper unions' conference that legislative proposals that would make it a crime to publish the names of intelligence agents have been revived in bills that are before committees of both the House and the Senate.

And the Freedom of Information Act is under attack from

both the Justice Dept.—the agency charged with administering it—and other agencies that are seeking exemption from its provisions, both Schmidt and Landau said.

(Continued on Page 2)

Settlements at N.Y. Post, Sunpapers

The Washington-Baltimore and New York Guilds reached settlements June 10 and 11 with the Sunpapers and the New York Post respectively in bargaining conducted while clocks were stopped on strike deadlines, the locals reported.

The Sunpapers Guild unit voted its approval of that settlement 23 hours after the Guild agreed to extend talks for 24 hours. It generally provides increases of 8 percent for each of three years and adds \$115 to the reporter top minimum, taking it to \$600 a week, the local reported.

The tentative settlement with the Post was announced at 5 p.m. June 11, two hours after a strike deadline there.

New York—Top minimum for reporters, photographers, display advertising salespersons and circulation district managers at the New York Times goes to \$766.97 a week, an increase of \$150.90, under a new three-year contract ratified by Guild members at the paper on June 4.

Top minimum for the same jobs at the Daily News goes to \$722.26 a week, up \$143.45, under the new agreement ratified the next day by members of the New York Guild's Daily News unit.

The minimums are the highest for the jobs in any current Guild newspaper, wire service or magazine contract.

The contracts were reached during a six-hour strike against the Times on May 7.

Retroactive to March 31, the pacts also call for cost-of-living increases in the second and third years if the Consumer Price Index for May of those years is more than 6 percent higher than it was for May of the previous year.

The \$150.90 increase in the key top minimum at the Times come in increments of \$62.04, \$43.81 and \$45.05 at the start of each of the agreement's three years.

Annual increases at the key top minimum under the News contract are: \$59, \$41.65 and \$42.80, on the same dates.

The settlements also eliminate lower minimum structures for

employees hired after Jan. 1, 1979, that had been established in the prior contract, with the salaries of employees who had been paid on the lower schedules adjusted immediately.

All employees receive annual raises either under the minimums schedules or under general-increase schedules that range from \$55.28 to \$165.97 over the three-year term.

Buspersons in the Times restaurant are in the wage group covered by the \$55.28 general increase. It comes in increments of \$22.73, \$16.05 and \$16.50.

Among Times employees covered by the \$165.97 general increase (in increments of \$68.24, \$48.18 and \$49.55) are columnists, editorial writers, editors, systems specialists and the chief librarian.

The general increase for key jobs at the Times and the News is the same as the minimum increase.

Minimums in the contracts' lower eight wage groups are not increased in the first year of the agreements. They are raised by half the applicable general increase and cost-of-living adjustment in the second and third years.

The full general increase and any cost-of-living adjustments are applied to minimums in the agreements' higher wage groups, including the key classifications.

The parties also agreed to withdraw from a wage arbitration flowing from the prior settlement in which the arbitrator was empowered to adjust minimums to reflect salary levels for comparable jobs in the New York area.

An additional \$6 per employee per week is available at the start of the contracts' second years for fringe benefit improvements.

A joint committee composed of Guild and management repre-

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Prosnitz is 9th to run for at-large VP — 3 . . . CP tops up by \$111 — 8 . . . Antitrust chief asks Seattle hearings — 7

Telecommunications bill poses threats to industry, legislative conference told

Washington — Pending legislation in Congress could open the door to telephone companies entering the electronic newspaper business and "poses serious threats" to the nation's newspapers, participants in a joint Guild-Typographical Union-Graphic Arts Union legislative-political conference were warned June 9.

The warning came from Pamela J. Riley, staff counsel for the American Newspaper Publishers' Assn.

Stating that while the newspaper industry "accepts the challenge" of increased competition in the information industry, Riley said it is seeking legislative "safeguards to ensure fair access and open entry" into the emerging electronic markets.

A telecommunications deregulation bill before the Senate Com-

merce Committee is intended to keep the giant American Telephone & Telegraph Co. out of the broadcasting, cable television and electronic publishing fields. But the bill contains what the ANPA sees as "substantial loopholes," she said.

These, she said, are centered in the bill's permitting telephone companies to provide electronically such services as directory advertising, sports information and other information services it currently offers in its printed directory or telephonically, she explained.

The boundaries of these exemptions "are unclear," Riley warned.

Permitting the same companies that hold government-granted monopolies over telephone lines—currently the "most efficient means" for transmitting the

emerging electronic newspaper—to also control the information travelling over those lines, would give those companies an unfair advantage over competitors, Riley said.

"Monopoly revenues" could enable telephone companies to undercut competitors' pricing, while control over transmission lines could bring the companies to "favor their own services over that of their competitors," she said.

She was echoing the cautions of Robert G. Marbut, chairman of the ANPA's telecommunications committee, to the organization's May convention.

Marbut pointed out that even an AT&T representative has admitted that what constitutes directory or "Yellow Pages" advertising is "rather hard to define."

"The specter of unleashing

AT&T as an electronic information provider in markets where it is sole gatekeeper and exclusive owner of the distribution system," combined with the difficulty of establishing rules about what should and should not be permitted of a common carrier in the electronic information field, led the ANPA to urge "revision of the Communications Act to exclude AT&T from being an information provider in those markets where it controls the transmission lines," Marbut said.

He noted that AT&T "has monopoly control over a two-way distribution system that reaches 80 percent of this country's homes."

ITU 1st Vice President Robert S. McMichen told the conference that the ITU Executive Council is backing the legislation proposed by the ANPA.



PAMELA J. RILEY
ANPA staff counsel.

Administration encouraging secrecy, panelists say

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Calling the attack on the information act "very real," Schmidt also pointed to revocation of "demonstrable harm" guidelines by the attorney general.

Under the guidelines, initiated under the Carter administration, federal agencies were to comply with all requests under the act unless it could be established that release of the material would be "demonstrably harmful."

The Reagan administration also plans to seek to "reform" the information act by tightening restrictions on its use and expanding time limits on furnishing requested materials.

In addition, the CIA is preparing to seek legislation that would prevent court review of refusal by the agency to release information, even though a CIA refusal on grounds that it would jeopardize national security has never been overturned in the law's 15-year history, Landau reported.

He said that the FBI, meanwhile, wants to exempt its records from disclosure entirely for their first 10 years and wants the right to destroy them then.

The courts, too, are having a "chilling effect" on press freedoms, panel members said, pointing to punitive damages awarded in libel cases that are "wholly out of line" and a narrowing of the concept of a "public figure."

Such awards make the press more hesitant about what it reports, Schmidt pointed out.

Lewis, however, warned that the press can "endanger itself by



TNG PRESIDENT PERLIK, RIGHT, SPEAKS TO JOINT TWO-DAY TNG-ITU-GAIU LEGISLATIVE CONFERENCE
Newspaper union members joined those of 12 other industrial unions for a third day's session.

demanding special treatment," saying that it should not expect "complete immunity" from libel suits.

He said that the press has been more successful in winning protections when it sought rights for broad-based groups, rather than arguing narrowly.

He pointed to the bill passed last year that bans warrant-backed surprise searches. As enacted its protections go to authors and academics as well as reporters and others writing for publication.

The Guild and other press-connected organizations had backed legislation that would have extended the protection to all.

1,000 black unionists join chorus against Reagan economic policies

By JOYCE WALKER-TYSON
Detroit Guild

Washington — Representatives from 67 international unions added their voices to the growing chorus in opposition to President Reagan's proposed economic program as the Coalition of Black Trade Unionists (CBTU) held its 10th annual convention over the Memorial Day weekend.

In a 15-page position paper, unanimously adopted by the more than 1,000 delegates to the May 22-25 convention, the CBTU vigorously attacked "Reaganomics" and the so-called supply side economic theory that serves as its foundation.

"We know that the strides towards social and economic justice that blacks and other minorities have made over the last 50 years are being threatened," the paper said. "We fear that such gains may be eradicated by the disparity between theory and reality."

Adoption of the paper culminated four days of strategy sessions aimed at countering the impact of the Reagan administration's proposed budget cuts.

For the first time in CBTU history, a workshop of the whole dealt with the specific problems of black women in the labor force.

Walker-Tyson, an at-large TNG vice president, represented TNG at the convention of the Coalition of Black Trade Unionists May 22-25. There also were two delegates from the Washington-Baltimore Guild: Ernie Mercer, of its Washington Post unit, and Elma Morrison, of its Bureau of National Affairs unit.

"We all know that in any set of statistics addressing low pay and substandard working conditions, black women will be at the very bottom of the ladder," said CBTU President William Lucy, secretary-treasurer of the State, County & Municipal Employees.

Other full-session workshops dealt with forming community coalitions for political action and social education.

CBTU's position paper, in line with the stance taken by the AFL-CIO earlier this year, called the Reagan proposals an attack on all poor and working people.

"We must be very clear that Reagan has merely proposed a budget shift—a shift from human needs and social service programs to increased military spending," the paper said.

"No real dollars will be saved. We are witnessing the robbing of Peter to pay Paul."

The coalition specifically attacked administration proposals that would cut \$2.3 billion from Social Security benefits, provide 44 percent of tax cut dollars to 4 percent of the nation's tax payers, and business tax cuts that would give 75 percent of the saving to major corporations.

"It is pure lunacy to think that budget cuts will reduce tax burdens and improve standards of living at the same time," Lucy said.

"We will confront the challenges [of the nation's conservative swing] by aggressive and concrete programs . . . and we will continue to coalesce with other organizations and groups on issues that are common to all."

"Right now, the thing that is and will be bringing us together is Reagan."

Perlik: Session giant step for unity

Washington—Calling the joint TNG-ITU-Graphic Arts Union legislative-political conference a "truly unique" and "probably unprecedented" activity, TNG President Charles A. Perlik, Jr., pledged on its opening day to see that "this kind of gathering repeats itself time after time until we . . . can live together."

Joint meetings of newspaper employees' unions are "not a substitute for the way things ought to be, but until that becomes possible this is an adequate and acceptable alternative" to merger, Perlik said.

ITU 1st Vice President Robert McMichen called the conference a direct "fruit . . . of our merger talks." The ITU "can no longer go it alone." It recognizes the need for cooperation with other industry unions whether in the form of merger, joint bargaining or joint discussions, he said.

Kenneth J. Brown, president of the GAIU called the gathering "historic" and expressed the hope that industry unions will continue to "identify matters where we have a community of interest."

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Tacoma phone sales upgraded by \$52.50

Tacoma—Classified telephone salespersons are upgraded under a new three-year agreement between the Pacific Northwest Guild and the Tacoma News Tribune, cutting \$57.75 off the gap between their weekly top minimum and that for outside salespersons. The gap had been \$110.25 a week.

The upgrading raises the top minimum for inside salespersons by \$195.75 a week over the contract's term, to \$535.10.

The top minimum for outside salespersons, reporters, photographers, artists and librarians is increased by \$138, to \$587.60 a week.

The \$195.75 increase in the top minimum for inside salespersons comes in four steps, with \$40.75 retroactive to Oct. 1, \$64 Oct. 1, 1981, and again on Oct. 1, 1982.

The \$138 increase in the key top minimum comes in three increments, with \$47 retroactive to Oct. 1, and \$45.50 on next Oct. 1 and Oct. 1, 1982.

Another upgrading puts assistant city editors in the same pay group as the copy desk chief, with the flat minimum going to \$618.60 a week—a \$161 increase for assistant city editors and a \$138 increase for the desk chief.

The top minimum for junior

advertising clerks and copypersons is also upgraded, going up by \$93.90, to \$313.50 a week.

The health insurance plan was improved by doubling the limit on major medical coverage to \$1 million, increasing reimbursement for hospital room and board by \$20, to \$120 a day and dropping a 60-day waiting period for new employees.

Psychiatric benefits under the major medical plan were also increased, and reimbursement for optometric charges was raised by \$2.50, to \$28.

A general increase for employees paid above the top minimum for their job ranges up to \$138 for employees whose weekly salary had been \$449.60 or more.

Other increases include:

Voluntary ad takers—Up by \$83.75, to \$337.85 a week, in increments of \$25.75, \$27.50 and \$30.50.

Makeup advertising clerks, retail office representatives, advertising copy and layout persons—Up by \$117.50, to \$467.60 a week, in increments of \$36.50, \$38.50 and \$42.50.



TOM LaPOINT/Albany Guild

Solidarity—Albany to Wilkes-Barre

Members of the Albany Guild visit the picket line at the Wilkes-Barre Times Leader where the Guild, Typographical, Pressmen's and Stereotypers unions have been on strike for more than 2½ years. The delegation spent May 23 touring the strikers' interim daily, the Citizens' Voice, and talking with members of the four

striking unions. From left: Robin Hotaling, Albany; R. Victor Stewart, Albany Guild president; Glenda Wallace, Albany executive board member; Jim Delaney of the striking Stereotypers; Jack Wallace, Wilkes-Barre Guild president, and Ralph Ockenholt, first vice president of the Albany Guild.

VDTs for OSHA reporters first

Washington—Guild-covered employees who write and edit the Occupational Safety and Health Reporter, a publication of the Bureau of National Affairs, will be the first BNA employees to begin working on video display terminals when installation of electronic equipment begins this summer.

The Washington-Baltimore Guild's BNA unit reported that the company has promised to provide special desks and chairs for the comfort of terminal operators, "if necessary," and has agreed to engage a lighting consultant to assess lighting requirements after the system is installed.

Washington—Seven Guild locals—five in the United States and two in Canada—have been selected by TNG in consultation with the Mount Sinai School of Medicine in New York City to participate in a wide-ranging study of possible health effects of operating video display terminals.

The locals are: Memphis, where Guild-covered employees at the Commercial Appeal and Press-Scimitar will be involved; St. Louis, involving employees at the Post-Dispatch and Globe Democrat; Vancouver-New Westminster, involving employees at the Sun, the Province and Pacific Press; Southern Ontario, involving employees at the Toronto Star and the Globe and Mail.

Also, Hawaii, involving employees at the Star-Bulletin, the Advertiser and the Hawaii Newspaper Agency; New York, involving employees at the Daily News, and the U.S. Wire Service Guild, involving employees at the Asso-

ciated Press New York bureau.

In all, about 4,300 employees in the seven locals' jurisdictions are eligible for participation in the study, approximately two-thirds of them as VDT operators, the rest as nonoperator controls.

Representatives of the locals will meet during TNG's 1980 Convention in Memphis June 29-

July 3 for a briefing by Mount Sinai's Dr. Arthur Frank.

The study, announced jointly by TNG and Mount Sinai Feb. 4, is to include ophthalmological examinations, radiation tests, a questionnaire and, if the questionnaire results appear to justify them, full-scale medical examinations.

Pilot surveys, to test the study's questionnaires, are underway in the Los Angeles and Vancouver-New Westminster Guilds.

The study is to be co-ordinated with a broader investigation by Mount Sinai and the Workers Institute for Safety and Health (WISH) of the effects of non-ionizing radiation.

Seven locals tapped in Mt. Sinai VDT probe

VDT-safety bill author pledges to try again

Augusta, Me.—The sponsor of an unsuccessful VDT-safety bill in the Maine legislature says she'll reintroduce the measure in the next session and expects to see similar efforts in other states as well.

Rep. Edith S. Beaulieu (D-Portland), a member of the Portland Guild, also says that while her bill lost this year (Guild Reporter, May 22), "I believe that I may have legislated without leg-

islation" because of the nationwide attention "that associated itself with the mere filing of the bill."

She said she received calls from newspapers in 30 states, radio stations in 14, computer publications and business chains—"all calling for information and data" on the issue of VDT health and safety.

IBM employee groups in 14 states sought copies of the original and amended bills, she said.

She predicted that "collective bargaining in this area will definitely increase" and that "in five to ten years these problems will become a workers' compensation issue."

The Maine House voted by 89 to 47 on May 18 to indefinitely postpone action on an amended version of Beaulieu's bill.

It would have required employers to inform employees of hazards associated with working on VDTs and precautions that could minimize them.

It also would have required twice yearly terminal maintenance, annual eye exams for operators, limited "steady" work on the machines to eight hours in a day and required 15-minute periods off the machines after each two hours' continuous work on them.

Prosnitz of Providence joining VP race

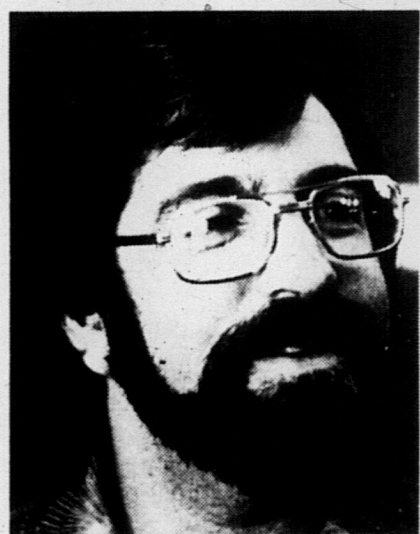
Providence, R.I.—Frank Prosnitz, four-term president of the Providence Guild, announced June 4 that he will be a candidate for one of TNG's six at-large vice presidencies in this summer's regular biennial TNG elections.

He is the ninth person to announce for one of the six positions.

Earlier, five of the incumbents—William T. Davis of San Jose, Robert C. Holt, Jr., of St. Louis, David M. Mulcahy of New York, Floyd Tucker of San Francisco-Oakland and Joyce Walker-Tyson of Detroit—said they will seek re-election, while Richard J. Roth of Buffalo, Dianne M. Martino of Manchester and R. Emmett Murray of Pacific Northwest said they also will seek election.

Prosnitz, a reporter for the Journal-Bulletin, will be making his third run for an at-large vice presidency. He also ran in 1977 and 1979.

Elected without opposition to his fourth term as Providence



FRANK PROSNITZ
9th candidate for at-large VP

president the week after announcing his candidacy for international office, Prosnitz also is secretary-treasurer of the New England District Council and has been elected president of the Conference of Councils at its annual meetings just prior to TNG conventions each of the last three years.

He has been a delegate to the last seven TNG conventions and has also represented his local on the Providence Central Federated Labor Council and at conventions of the Rhode Island AFL-CIO. He was in charge of preparations for TNG's 1979 convention, hosted by the Providence Guild.

Under TNG's Constitution, candidates for international office are nominated at convention with any contests decided by membership referendum late in the summer, except when more than two persons are nominated for any office—more than 12 for at-large vice presidencies—votes by convention delegates pare the field to two nominees for each.

Earlier announcements also set up prospective contests for at least two of the seven vice presidencies elected from geographic regions [Guild Reporters, May 8 and May 22.]

Anna M. Padia of Pacific Northwest is challenging incumbent Vice President Carla W. Beck of Great Falls for the seat from Region 4, the U.S. West.

Richard M. Peery, former president and longtime leader of the Cleveland Guild, is challenging TNG Vice President John B. Mitchell of Gary for the seat from Region 3, the Midwest.

The Cleveland Guild's executive Board on May 26 voted its unanimous endorsement of Peery's candidacy [Among Ourselves, Page 6].

And the Washington-Baltimore Guild's executive council voted its endorsement of the candidacy of the local's president, Carlos J. Sutton, for a second term as TNG vice president from Region 2, the South. Sutton, who announced for re-election during the International Executive Board's spring meeting the end of April, has no announced opposition. Two council members—Ernie Mercer and Jane Huffman of the Post Unit—voted against the endorsement.

In addition, the New England-Servicing-Organizing Program's directors unanimously have endorsed Martino's candidacy for an at-large vice presidency.

Guild is certified for group of 71

Montreal—The Montreal Guild was certified May 29 as the bargaining representative for the 71 employees of the Montreal Gazette's inside circulation department.

The addition of inside circulation employees brings the number of Gazette employees covered by the local to 256.

It also represents editorial, outside circulation and maintenance department employees.

Contracts covering those departments expire June 30.

The local had filed application with the Quebec Labour Relations Board for certification as bargaining representative for the new group in October.

Newspapers still recession-proof, books show

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"the bottom fell out of classified"—in good shape, and is moving even more strongly into 1981.

In 1980, advertising revenues in both the United States and Canada once again hit record highs, up 7.7 percent in the U.S. and 8.1 percent in Canada.

Overall revenues of 12 major U.S. publicly held newspaper companies tracked by industry analyst John Morton rose by an average of 16 percent, and after-tax profits increased by an average of more than 7 percent. After-tax profits for all U.S. corporate industries declined by 2.7 percent.

The after-tax profit margin on revenues of 19 public publishers survived by TNG, including several Canadian publishers and Time Inc. as well as Morton's twelve, averaged over 8 percent. The after-tax margin for all U.S. manufacturers averaged less than 5 percent.

After-tax profits of several public newspapers increased by more than 16 percent—Harte-Hanks up 16.8 percent, Thomson up 16.6 percent and Torstar up 16.8 percent—and revenues increased by as much as 55.6 percent—Thomson up 55.6, Torstar up 27.4 percent, Harte-Hanks up 24.1 percent, Multimedia up 22.5 percent and Dow Jones up 20.4 percent.

In short, 1980 provided once again that the newspaper industry is well insulated against recession.

As for 1981, analyst Morton of John Muir & Co.—encouraged by a first-quarter performance he called "a pleasant surprise"—has predicted that the newspaper industry will have average earnings growth of 15 percent or more this year.

The earnings acceleration appears already to have begun.

U.S. daily newspapers' advertising revenue was up 14.6 percent in March (12.7 percent in the first quarter), including an 11.1-percent increase in classified.

And Morton reported that, in the first quarter, his roster of 12 public publishers reported earnings increases averaging 12.5 percent over the first quarter of 1980.

In his analysis of the 1980 financial performance of 12 major publicly owned U.S. newspaper companies, Morton found that although the year was difficult for some, "overall the group posted respectable earnings growth and finished... with relatively strong balance sheets."

Specifically, Morton reported that revenues of the 12 companies rose by an average of 16.2 percent and after-tax profits by an average of 7.3 percent. (Included in these averages were

three companies that had declines in after-tax profits, Morton noted: the Washington Post, off 20.1 percent, Times Mirror, a 5-percent decline, and Lee Enterprises, a 1.9-percent decline.)

In contrast, as the U.S. Commerce Department reported, overall corporate after-tax profits declined by 2.7 percent in 1980.

Morton also reported that the combined earnings of the 12 companies analyzed rose by 5.3 percent, compared to a 3.6-percent increase in the combined earnings of the Fortune 500 which, Fortune said, were inflated by oil refinery earnings.

Magazines published in the United States produced revenues of \$9 billion in 1980, up 11 percent, according to the Commerce Department, which forecast another increase of 11 percent in 1981 and annual increases ranging from 10 to 13 percent into the mid-80's. It reported a 12-percent increase in advertising revenues, to \$5.2 billion, in 1980 despite a decline in advertising pages.

Advertising Age reported that in the first quarter of 1981 magazines had a 4-percent increase in advertising revenues, to \$678 million, although the number of advertising pages was down by 1.2 percent.

McCann-Erickson's industry analyst, Robert Coen, predicts that advertising volume may rebound in 1981's second half, reversing last year's pattern.

Despite a decline in classified-advertising lineage, caused by a generally slumping economy, overall daily newspaper revenue in 1980 was up 8.5 percent, to \$17.5 billion, the U.S. Commerce Department reported.

In 1981, the department said, newspaper publishers "can expect their business to flourish," with a predicted increase in revenue of 10 percent, to \$19.3 billion. An annual average increase of between 9 and 10 percent can be expected through 1985, it said, bringing total dollar receipts to between \$27 billion and \$28 billion.

Again in 1980 daily newspapers received more advertising dollars than any other single medium and, in the U.S., more than radio and television combined.

Daily newspapers in the U.S. received 28.5 percent of all advertising dollars, while television received 20.7 percent and radio 6.7 percent. Magazines received 5.9 percent.

Canadian dailies received 26.2 percent of all advertising expenditures, television 17.0 percent, radio 11.0 percent and magazines, 4.1 percent.

U.S. daily newspapers had total advertising revenue of \$15.6 billion in 1980, an increase of 7.7 percent from 1979, according to data from McCann-Erickson.

Canadian daily newspapers had advertising revenue totaling \$924 million in 1980, up 8.1 percent from 1979. Revenue from national ads was up 13.2 percent, to \$172 million; local ad revenue was up 9.1 percent, to \$506 million, and classified ad revenue was up 2.9 percent, to \$246 million, the ANPA reported.

The National Advertising Bureau estimated that revenue from national advertising in U.S. daily newspapers for 1980 was up 12.7 percent, to \$2.3 billion; that retail ad revenue was up 9.4 percent, to \$8.5 billion, and that classified ad revenue was up 0.7 percent, to \$4.6 billion.

The NAB reported that the classified lineage decline appeared to have bottomed out about midyear and predicted that 1981 will see a 10-percent increase in classified revenue and lineage increases of 3 percent in automotive, 5 percent in real estate and 7 percent in employment ads.

The bureau has predicted a 13-

Workforce is U.S.'s largest

WITH 432,000 EMPLOYEES, the newspaper industry became the largest manufacturing employer in the United States in 1980. It now leads steel mills, automobile manufacturers and auto-parts manufacturers, all of which it had previously trailed.

Employment in the industry grew by 2.7 percent, from 420,700 in 1979. The proportion of production workers in the industry shifted from about 50 percent in the 1960s, to 40 percent at the end of 1979, the U.S. Labor Department reported.

The number of women employed in the industry was 162,500 in 1980, up 66.7 percent from 1970, according to Labor Department statistics.

percent increase in total advertising revenue for daily newspapers in 1981. It called for a 16-percent increase in revenue from national ads and a 14-percent increase from retail ads.

Total advertising dollars spent in U.S. daily newspapers was up 14.6 percent in March and 12.7 percent over the first three months of the year, according to NAB figures.

EARNINGS OF MOST publicly owned newspaper companies improved in 1980, and first-quarter reports indicate that their performance in 1981 will be even better.

The after-tax profit-to-revenue margin of 19 publicly traded U.S. and Canadian newspaper companies for 1980 averaged 8.2 percent. That far exceeded the after-tax profit margin for all U.S. manufacturing, which averaged 4.85 percent. (The pre-tax profit margin for manufacturing was 7.7 percent.)

Here's how the public publishers did individually:

Gannett Co., Inc., the largest U.S. newspaper chain with 81 dailies—five acquired in 1980—and daily circulation of nearly 3.6 million, had after-tax profits for 1980 of \$152 million, up 13.4 percent over 1979. Revenue for the year, up 14.1 percent, topped the billion-dollar mark at \$1.2 billion, for an after-tax profit-to-revenue margin of 12.5 percent.

First quarter profits of \$30.2 million were 11.3 percent higher than those in the first quarter of 1980. Revenue was up 11.5 percent, to \$304.8 million.

Knight-Ridder Newspapers, Inc., with 34 daily newspapers (daily circulation of nearly 3.5 million), a minority interest in two others, 12 suburban papers and several broadcast properties and news services, had after-tax profits of \$92.9 million on revenues of \$1.1 billion in 1980. Revenues were up 12.1 percent and after-tax profits were up 5.1 percent from 1979. The profit margin was 8.5 percent.

Performance improved in the first quarter of 1981, with after-tax profits up 7.4 percent over the first quarter of 1980, to \$20.6 million, and revenues up 12.7 percent, to \$290.6 million.

Harte-Hanks Communications, Inc., had a strong 1980. Revenues of \$303.7 million were up 24 percent over 1979, and after-tax profits of \$22.7 million were up 16.8 percent. The profit margin was 7.5 percent.

First-quarter net earnings were \$4.2 million, up 13.2 percent, on revenue of \$75.3 million, up 13.6 percent.

Company executives speak confidently about prospects for 1981 and have predicted "record earnings."

The New York Times Co., with increased profits from its newspaper,

magazine and broadcast divisions in 1980, had total after-tax profits of \$40.6 million, up 11.5 percent, on revenues of \$733.2 million, up 12.3 percent from 1979. The profit margin was 5.5 percent.

Pre-tax profits from the New York Times, alone, were up 14.6 percent in 1980, to \$31.4 million. The paper's revenues rose by 17.6 percent, to \$463.4 million.

The company's other newspapers—11 dailies in Florida, Louisiana and North Carolina and seven weeklies in Florida—produced pre-tax profits of \$11.4 million, up 18.4 percent from 1979. Pre-tax profits from magazines, including Family Circle, were up 42.8 percent from 1979, to nearly \$14 million, and profits from broadcasting properties were \$3.8 million, up 20.6 percent.

The first quarter of 1981 produced after-tax profits of \$12.1 million, up 11 percent, on revenue of \$195.1 million, up 14.5 percent.

Pre-tax profits from newspapers in the first quarter were \$14.7 million, up 27 percent from the first quarter of 1980.

The Washington Post Co., plagued by what it called "growing pains," had after-tax profits of \$34.3 million in 1980, down 20.1 percent from 1979. Revenues for the year were up 11.2 percent, to \$695.5 million, and the profit margin was 5.2 percent.

The decline in earnings resulted from "several major projects" the company "pressed ahead" with during 1980, explaining to stockholders that "they were right for the long-range development of business."

Among those projects was the completion of a \$68-million satellite printing plant in the Washington suburbs, the launching of a weekly sports magazine, Inside Sports, which had initial losses of \$12 million, and the creation of a television programming subsidiary, Post-Newsweek Productions.

The "pains" continued into 1981's first quarter when after-tax profits fell by 54.1 percent, to \$1.8 million, from the first quarter of 1980. Revenue was up 9.6 percent, to \$165.8 million.

The company's chairman, Katharine Graham, told a May stockholders' meeting that the second quarter was off "to a strong start" and projected that net income in the quarter would equal the \$12.6 million net income of 1980's second quarter.

Revenues from newspaper operations, including dailies in Trenton, N.J., and Everett, Wash., in addition to the Washington Post, were \$311.3 million in 1980, an increase of 14.2 percent from 1979. The company's magazine and book publishing operations produced revenues of \$277.8 million, an 8-percent increase.

Newspaper revenues were up 13 percent for the first quarter of 1981.

Times Mirror, publisher of five daily newspapers, including the Los Angeles Times and the newly acquired Denver Post, had a 5-percent decline in after-tax profits in 1980, to \$139.2 million. Revenue for the year of \$1.9 billion was up 13.4 percent, for a profit margin of 7.4 percent.

Total earnings for 1980 were "dampened" by a \$7.5 million dollar loss in the company's newsprint and forest-products division — "profoundly affected" by a decline in housing starts—and by high interest rates associated with acquisitions and capital improvements made during the year, the company reported.

Pre-tax profits in the newspaper group for 1980 were \$155.3 million, up 16 percent over those for 1979. Revenues were up 21 percent, to \$874.3 million.

Total after-tax profits in the first quarter of 1981 were up by 6.7 percent, to \$26 million, on revenues of \$500.7 million, up 24.2 percent from the first quarter of 1980. Pre-tax profits in the newspaper group were up 17 percent in the first quarter.

Thomson Newspapers, Ltd., with 40 dailies and 12 nondailies in Canada and 72 dailies and four nondailies in the United States, reported after-tax earnings for 1980—before an "extraordinary item"—of \$75.83 million, up 16.6 percent from 1979.

Revenue in 1980 increased by 55.6 percent, to \$522.2 million, for a profit margin of 14.5 percent.

Including the "extraordinary item"—\$7.68 million in U.S. income tax withheld from a "substantial dividend" from the company's U.S. subsidiary—after-tax profits of \$68.15 million were up 4.8 percent and the profit margin was 13.1 percent.

In its annual report to stockholders, Thomson explained that the "dividend was related to the financing of the acquisition of FP Publications, Ltd.," and that since it is not intended that the U.S. subsidiary will pay dividends "as a normal practice," the withholding tax was reported as an "extraordinary" expense.

Thomson paid \$164.7 million for the FP chain's holdings early in 1980.

In its report to stockholders, Thomson said proceeds from the sale or closure of some former FP properties had reduced the net cost of the acquisition to \$84.9 million. (Thomson sold the Vancouver Sun to Southam, merged the Victoria Times and Colonist into a single publication, sold the Calgary Alberta and closed the Ottawa Journal.)

Thomson's U.S. newspapers produced 1980 pre-tax profits of \$99.4 million on revenues of \$247.8 million—a 40.1 percent pre-tax profit margin—while the Canadian newspapers and printing operations produced pre-tax profits of \$62.5 million on revenues of \$274.4 million—a pre-tax profit margin of 22.8 percent.

Southam, Inc., with 14 Canadian dailies and other trade and financial publications, had after-tax profits in 1980 of \$29.4 million, a decline of 12.7 percent from 1979. Revenues were \$605.1 million, up 25 percent. The profit margin was 4.7 percent.

In its report to stockholders, the company explained that although net income "fell well short of our original expectations" for 1980, it was "a year in which special factors were dominant."

Among the special factors it cited as having a "negative impact" on profits were its acquisitions in August 1980 of Thomson's one-half interest in Pacific Press (the Vancouver Sun) and one-third interest in the Montreal Gazette, along with Thomson's "coincident" closure of the Ottawa Journal, leaving Southam's Ottawa Citizen as the only

English-language daily in Canada's capital city.

The "immediate result" of gaining an overnight monopoly was "to throw greater demands" on the Citizen, the company reported. It said a 30-percent increase in subscribers was coupled with increased costs—particularly for newsprint—while the paper "made no price adjustments" as the "market was settling into a new equilibrium."

Southam also reported that its closure of the Winnipeg Tribune, simultaneously with the other August transactions cost it \$6.8 million, net of taxes.

It also cited expenses involved in moving the Montreal Gazette into the old Montreal Star's new plant and costs for new plants in Calgary and Edmonton.

Newspaper revenues were \$360.8 million in 1980, up 33.4 percent accounting for nearly 60 percent of the company's total revenues. Newspapers produced 66 percent of the company's total pre-tax earnings.

Torstar Corp., publisher of the Toronto Star, had after-tax profits in 1980 of \$22 million, up 16.8 percent, on revenues of \$472.7 million, up 27.4 percent from 1979. The profit margin was 4.7 percent.

An "extraordinary" dividend from a company in which Torstar had a minority interest, boosted 1980's total after-tax profits to \$28.1 million, up nearly 50 percent over 1979's net earnings.

In 1981's first quarter, Torstar sold its interest in the company, Western Broadcasting, producing an \$8.8-million gain that boosted first-quarter after-tax profits to \$11.8 million.

Without that gain, first-quarter net earnings were down by 23 percent from 1980's first quarter, to \$2.9 million. First quarter revenues were up 16.7 percent, to \$48.5 million.

The company attributed the decline to a drop in earnings from its Harlequin Enterprises division. It reported those declines were "offset somewhat" by improved first quarter earnings from the Toronto Star.

Pre-tax profits from the Star were up 16 percent in 1980.

Dow Jones & Co., had after-tax profits of \$58.9 million in 1980 on revenues of \$530.7 million. After-tax earnings were up 15.3 percent over those in 1979; revenues were up 20.4 percent. The company's profit margin was 11.1 percent.

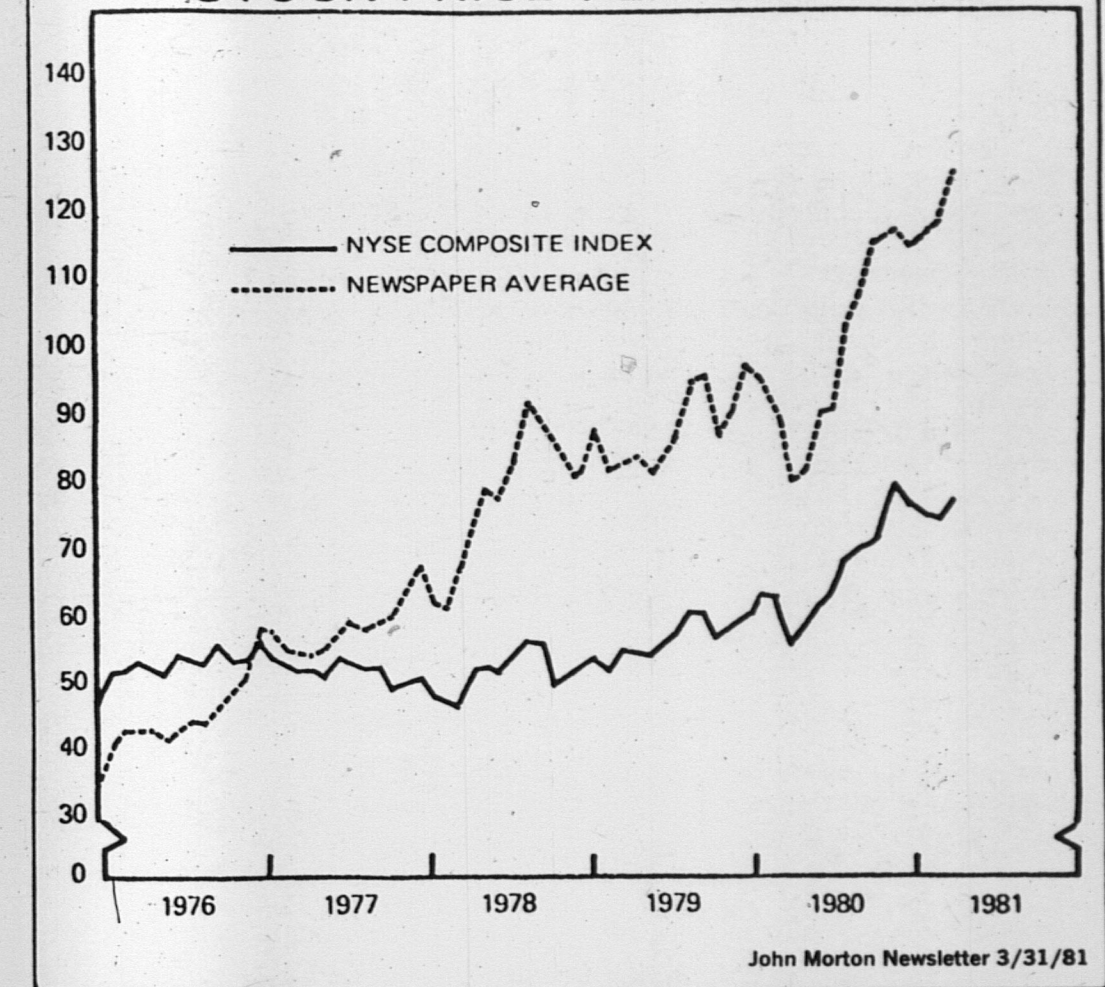
Its first-quarter performance was even stronger, with after-tax profits up 26 percent, to \$15 million, on revenues of \$143.3 million, up 19.1 percent.

From its national publications, including the Wall Street Journal, the company had an 18.2-percent increase in after-tax profits in 1980, to \$45 million, on revenues of \$389.8 million, up 24.3 percent.

Lee Enterprises, Inc., publisher of daily newspapers in 18 Midwestern cities, reported a slight decline in 1980's after-tax profits—\$15.1 million, down 1.9 percent from 1979. Revenues were up 18.3 percent, to \$136.96 million. The profit margin was 11 percent.

However, when a \$4.95-million gain

STOCK-PRICE PERFORMANCE



from the sale of a television station was added, after-tax profits for 1980 were up 30.3 percent, to \$20.05 million.

In Lee's second quarter, ended March 31, 1981, after-tax profits were \$2.8 million, up 30 percent from the net earnings for the first three months of 1980. Revenues for the quarter were \$34.4 million, up 9.2 percent.

Quebecor, Inc., publisher of three daily sports tabloids, including the Philadelphia Journal, and a chain of weeklies in Quebec, reported good performance from its publishing operations in 1980, even though the company's performance overall was not as good.

Revenues were up 11.4 percent, to \$179.2 million, but after-tax profits declined by 9.4 percent, to \$4.8 million, producing a profit margin of 2.7 percent.

Although pre-tax earnings overall increased by just 6.5 percent in 1980, those from publishing nearly doubled, to \$7.8 million.

Affiliated Publications, Inc., publisher of the Boston Globe, had after-tax profits in 1980 of \$12.9 million, up 1.7 percent, on revenues of \$206.5 million, up 12.5 percent from 1979. And when a \$3.1-million gain from the sale of the North Adams (Mass.) Transcript is deducted from 1979's after-tax net, 1980's after-tax profits show a 34.6-percent increase. The 1980 profit margin was 6.2 percent.

After-tax profits in the first quarter of 1981 were up 76.9 percent, to \$2.6 million, on revenues of \$53.7 million, up 13.8 percent.

Pre-tax profits from the Boston Globe were up 10 percent in 1980, to \$23.8 million, on revenues of \$194.4 million, up 13 percent. In the first quarter of 1981 the Globe's earnings were up by 72.6 percent over the first quarter of 1980, to \$4.9 million, on revenues of \$50.8 million, up 12.8 percent.

Time Inc. had a 1.9-percent decline in after-tax profits in 1980, to \$141.2 million. Revenues were up 15.1 percent, to \$2.9 billion. The profit margin was 4.9 percent.

First-quarter net earnings were also down—5.3 percent, to \$26.8 million on revenues of \$748.6 million, up 13 percent.

Time Inc. President and Chief Executive Officer J. Richard Munro called the first-quarter performance "better than we would have predicted three months ago."

The company attributed the 1980 decline in profits primarily to costs involved in launching a new monthly

science magazine, Discover, a decline in earnings from building materials due to depressed housing starts, and losses from Time-Life Films, as well as high interest rates.

The company reported that its efforts to rebuild the Washington Star, its only daily newspaper, were "set back" last year by "the recession and general market uncertainty," causing the paper's first circulation declines since Time Inc. bought it in 1978.

Capital Cities Communications, Inc., despite continued losses from operating the struck Wilkes-Barre Times Leader, posted an 11-percent increase, to \$70.8 million, in after-tax profits in 1980. Revenues were up 13.8 percent, to \$472.1 million. The profit margin was 15 percent.

Pre-tax profits from publishing operations were \$58.2 million, up 14.8 percent, and broadcasting profits were \$87.9 million, up 9.5 percent. The company had a \$2.5 million loss in profits in its fledgling cable television division.

The first quarter report showed after-tax profits of \$16.4 million, up 8.2 percent, on revenues of \$122.9 million, an increase of 15.2 percent over the first quarter of 1980.

Blue Chip Stamps, publisher of the Buffalo Evening News, had an increase of 31.3 percent, to \$20.4 million, in after-tax profits for 1980 with its revenues from the News totalling \$49.9 million, up 7.8 percent from 1979, cutting the paper's operating losses by \$1.8 million, to \$2.8 million. The company told stockholders that it was "encouraged" by the News' 1980 performance and expected the paper to become profitable. "Our policy remains to improve and hold the News and not to sell it," the report to stockholders said.

Multimedia, Inc., with 13 daily newspapers and 22 nondaily papers, had after-tax profits for 1980 of \$21.6 million, up 15.8 percent, on revenues of \$163.6 million, up 22.5 percent. The profit margin was 13.2 percent.

First-quarter after-tax earnings were up 15.3 percent, to \$4.4 million, on revenues of \$41.3 million, up 21.8 percent.

Media General, Inc., had 1980 after-tax profits of \$28.3 million, up 11.2 percent, on revenues of \$332.5 million, up 18.5 percent. The profit margin was 8.5 percent.

The first quarter of 1981 was down slightly with after-tax profits of \$6.4 million, 2.9 percent below those in the first quarter of 1980. The drop in earnings was caused primarily by lower newsprint production.



Key minimums up \$150, \$143 at Times, News

(Continued from Page 1)

representatives from the Times and the News will be formed during the contract term to discuss reprint payments for employees whose work might be entered into an "electronic newspaper," as well as the use of VDTs by exempt newsroom personnel.

Other increases and resulting new minimums include:

At the Times:

Starting minimum for reporters and photographers—Up by \$150.90, to \$737.97 a week.

Top and starting minimums for columnists, editorial writers, editors, systems specialists and chief librarian—Up by \$165.97, to \$843.62 a week at the top and \$818.62 at the start.

Top and starting minimums for computer operators, payroll supervisors, researchers/librarians and voucher control clerks—Up by \$130.66 (in increments of \$53.72, \$37.93 and \$39.01), to \$664.16 at the top and \$625.16 at the start.

Top minimum for telephone solicitors, news assistants and advertising rebate clerks—Up by \$32.25, with \$15.90 of the increase on March 31, 1982, and \$16.35 on March 31, 1983, to \$479.40 a week. The general increase for employees in these jobs is \$109.52 in increments of \$45.03, \$31.79 and \$32.70.

Top minimum for programers, payroll clerks and display contract clerks—Up by \$34.14, with \$16.83 on March 31, 1982, and \$17.31 on March 31, 1983, to \$507.52 a week. The general increase for employees in these jobs is \$115.94, in increments of \$47.67, \$33.66 and \$34.61.

At the News:

Top minimum for programers, classified outside salespersons and senior computer operators—Up by \$129.74 (in increments of \$53.34, \$37.68 and \$38.72), to \$653.40 a week.

Top minimum for classified telephone salespersons—Up by \$32.34, with \$15.95 on March

31, 1982 and \$16.39 on March 31, 1983, to \$475.66 a week. The general increase for employees in this job is \$109.87, in increments of \$45.19, \$31.90 and \$32.78.

Top minimum for keypunch operators, stenographers and telephone operators—Up by \$23.52, with \$11.60 on March 31, 1982 and \$11.92 on March 31, 1983, to \$345.87 a week. The general increase for employees in these jobs is \$79.89, in increments of \$32.86, \$23.19 and \$23.84.

Top minimum for copypersons—Up by \$15.43, with \$7.61 on March 31, 1982, and \$7.82 on March 31, 1983, to \$226.91 a week. The general increase for employees in this job is \$52.41.

Shields, retests set for Gazette's VDTs

Montreal — A joint Guild-Typographical Union-management committee has agreed that the Montreal Gazette will have metal shields installed around transformers on all plastic-cabinet and a sampling of metal-cabinet video display terminals at the paper and that the machines then will be tested again for radiofrequency emissions.

The retesting will be done by the Quebec Dept. of Environment, the same agency whose tests of the machines here in January produced severely high readings on and near the plastic-cabinet machines as well as readings in excess of the Canadian occupational safety standard on and near metal-cabinet models.

If the retesting of the newly shielded VDTs also produces high readings, an engineering firm knowledgeable in the field will be brought in for more testing.

The January tests were among those performed at several newspapers in Canada and the United States after disclosure last summer that four women working on VDTs in the Toronto Star's clas-

sified-advertising department had given birth within a month to babies with birth defects. The Ontario Ministry of Labour reported that its subsequent tests at the Star showed X-ray and radiofrequency dose rates far below those associated with birth defects.

The Quebec ministry's tests of VDTs at the Gazette here were performed with a Rahn 4, a new version of a meter whose accuracy was questioned when it produced high radiofrequency readings on some VDTs at Newsday and at the New York Times in 1979.

The manufacturer of the test instrument, however, denied to the Quebec bureau that its meter gives spurious readings but said the device was not rated for measurements of frequencies as low as associated with VDTs.

The Canadian Health Ministry's Radiation Protection Bureau, which tested one of the metal-cased VDTs in the Gazette's Ottawa bureau after declining to test machines in Montreal, blamed the high readings there on capacitive coupling be-

tween the probe and transformers.

Officials at two U.S. agencies, however—the National Institute for Occupation Safety & Health (NIOSH) and the Occupational Safety & Health Administration (OSHA)—told the Guild that they considered it virtually impossible for capacitive coupling to occur at the distance from the machines reported for some of the readings.

The Quebec ministry's inspector reportedly recorded readings of two milliwatts on metal-cabinet CSI Edit 90 and Edit 112 VDTs two inches away from the surface and of one milliwatt three inches away. Readings in excess of 20 milliwatts per centimeter squared, the instrument's measur-

ing limit, were reported close to the side and top of plastic-cabinet Sperry Univac UTS 400 units and Peripheral Systems Inc. Lobbyist portables. Readings of between 15 and 20 milliwatts were reported against the screens of UTS 400s, three milliwatts over the keyboard and one milliwatt at the operator's position.

The Canadian occupational safety standard, though for frequencies higher than those typical of VDTs, is one milliwatt per centimeter squared. The same standard is reportedly soon to be recommended for the United States by the American National Standards Institute. The U.S. standard currently is 10 milliwatts.

Detroit, Wire Service hike dues

The membership of two more Guild locals—the (U.S.) Wire Service and Detroit—have voted to continue paying dues at higher rates following TNG's return to reduced dues.

The Detroit Guild membership voted to continue paying dues at the higher rates that were in effect through April to rebuild TNG's Defense Fund.

The extra income will be used to pay over-due legal bills, a local representative said.

In August, the local's dues will be reduced to a straight 6.5 percent of one week's wages per month, he added.

Wire Service Guild members, meanwhile, voted approval of a 0.5 percent increase in the local's

dues to help build the local's own defense fund, beginning in June.

The extra 0.5 percent will be in effect until the fund has liquid assets equal to \$50 per member, but will not be in effect during any period when TNG is in a period of higher, defense-fund dues.

The net effect of the Wire Service members' action, coupled with the end of full, regular TNG dues, is a 33 percent decrease in wire service members' dues payments, the local noted.

The memberships of at least two other locals—Hawaii and Victoria—have also voted to retain the higher dues rates to build local defense funds (Guild Reporter, April 24).

Scientific American editors' top to hit \$620

New York — A three-year agreement between the New York Guild and Scientific American magazine raises the top minimum for editors by \$129.25 a week, to \$620.

The increase comes in three steps over the contract term, with \$40.25 retroactive to Dec. 1, 1979, \$41.50 from Dec. 1, 1980 and \$47.50 next Dec. 1.

The birthday of each employee is added as a holiday, bringing the total number of annual holidays to 15.

The amount of vacation for

employees with four years of service is increased by one day, to 16, and that for employees with 10 years of service is raised by one day, to 22.

Provision for maternity leave of up to six months is expanded to include leave to care for a child. A year's service requirement to be eligible for leave is eliminated.

Paternity leave with pay is increased by one day, to four.

Tuition reimbursement for employees taking a course at an accredited institution is increased

by \$400, to \$1,400 a year.

Reimbursement for a non-academic course is increased by \$100, to \$200 a year and provision for up to \$300 a year to reimburse an employee taking a vocational course approved by the company is added.

The formula for computing pensions is improved and a dental insurance plan is expanded.

Other increases and resulting new top minimums include:

Apprentice editors — Up \$101.25, to \$451.75 a week.

Programmers, research associates, assistant to advertising manager—Up by \$98, to \$457.25 a week.

Bookkeepers, subscription fulfillment analysts—Up by \$86, to \$356.50 a week.

Senior shipping clerks—Up by \$68.75, to \$319 a week.

A general increase for employees paid over the top minimum for their job calls for increases of 9 percent, 8.5 percent and 9 percent at the start of each of the contract's three years.



FINGER TALLIES 'AYE' VOTES AT MEETING TO RATIFY THREE-YEAR NEW YORK TIMES PACT
June 4 action was duplicated the next day by New York Guild's Daily News unit.

Egan, Orcutt, Wade-slate elected

New York—The New York Guild's membership has elected Executive Vice President Edwin R. Egan, Secretary-Treasurer James H. Orcutt and the 15 members of a slate headed by Betsy Wade, the local's president, as delegates to TNG's 1980 Convention, June 29-July 3, in Memphis.

Wade's slate was opposed in

the May 28-29 balloting by another led by Barry Lipton, also of the Times unit, who also challenged her for the local presidency in December. The Labor Dept. is investigating charges by Lipton and four others of irregularities in that election [Guild Reporter, May 22]. Egan and Orcutt were unopposed in both elections.

IT	SEEMS TO US
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Cleveland endorses Peery for Region 3 Vice Pres.

CLEVELAND, OHIO

Editor:

On May 26, 1981, the executive board of the Cleveland Guild

unanimously and enthusiastically endorsed the candidacy of brother Richard Peery for the Region 2 slot on the International Executive Board.

Brother Peery has served this local and the Great Lakes Council with distinction and now, we believe, it is time for him to lend his wise counsel to the running of our great international union.

J. STEPHEN HATCH
Executive Secretary
Cleveland Guild

By TNG convention action, letters shall be limited to 200 words and shall avoid libel and subjects detrimental to the Guild. Members subjected to personal attack shall be given opportunity to reply in the same issue, but publication of either attack or reply shall not be delayed longer than one issue. Deadline, Friday before publication.

Antitrust chief: P-I's losses not the whole story

Washington — The Antitrust Division of the U.S. Justice Dept. has recommended that Atty. Gen. William French Smith order public hearings to determine if Hearst's Seattle Post-Intelligencer is a "failing newspaper" and whether Smith should approve the joint operating agreement proposed by the P-I and the Seattle Times.

The papers applied to the Justice Dept. March 27 for antitrust exemption under the Newspaper Preservation Act for the proposed joint operation.

The act permits granting exemption from federal prosecution for price fixing, profit pooling and market splitting in the interest of maintaining separate and independent editorial voices where one of the papers is "in probable danger of financial failure."

Asst. Atty. Gen. William F. Baxter, in a May 29 memorandum recommending hearings on the application, cautioned Smith not to rely solely on the P-I's reported financial losses "because they do not tell the whole story."

He said a determination on whether the paper "is likely to fail" should be based not on the paper's showing "a profit or a loss on its own books," but on whether the P-I's operation has been returning a net benefit to the Hearst Corporation.

Although the financial statements submitted by the P-I showed losses totalling more than \$14 million over the past 12 years, Baxter said the statements should be adjusted to reflect tax savings realized by Hearst from the paper's losses and investment credits and to eliminate depreciation expenses and non-recurring extraordinary expenses that will be of long-term benefit to the paper.

He said the Antitrust Division's review of the more than 20,000 pages of materials submitted with the papers' application did "not compel the conclusion that the P-I is in probable danger of financial failure."

The "crucial question" to be answered in deciding if a newspaper is in danger of failing is would it close absent the joint arrangements, Baxter said.

Noting that the law requires

that a paper's probability of financial failure be determined "regardless of its ownership or affiliations," Baxter said that "does not preclude an examination of the actual net benefits derived by the newspaper owner."

A newspaper's financial position "cannot be viewed in isolation from that of its parent, especially when there are significant intra-corporate transfers and tax consequences," he said.

The Antitrust Division estimated that Hearst had derived annual federal tax savings over the past five years that totalled \$3.2 million. The savings, added to "potential adjustments" for depreciation and non-recurring expenses, totalled \$6.3 million compared to total losses of \$7.2 million the paper reported for those years.

Baxter suggested that "additional adjustments" related to payments by the P-I to the Hearst Corp. "may also be appropriate" in determining the paper's financial viability.

He pointed to payments to Hearst totalling \$1.16 million in 1980, up 22 percent from \$947,000 in 1979. Among those charges were \$146,400, up 52 percent, for the "Hearst Headline" and Washington news bureau service; \$112,800 toward the cost of corporate salaries and expenses; \$319,520 to the Hearst Advertising Service—7½-percent of the P-I's national advertising revenue; \$94,430 for Hearst's King Features Syndicate service and \$308,983 for comics distributed by Hearst.

"These payments in effect were payments by Hearst to itself," Baxter noted.

If Hearst should close the P-I it would not realize a \$1.16 million saving, he said, noting that many of the charges are derived by dividing the cost of corporate services among all Hearst newspapers. Instead, it would "save only the incremental cost of providing these services to the P-I."

"Alternatively," Baxter said, "if the P-I is viewed in isolation, it is appropriate to consider whether the P-I was charged for services . . . that it would not have purchased if it were not owned by Hearst."

He reported that P-I Publisher Virgil Fassio, had complained to

Hearst management about the increase in the charge for the Headline Service, noting that the paper made little use of the service and yet paid almost as much for it as it did for UPI.

Baxter also pointed to a statement by P-I General Manager Ric Trent that the paper could hire a national advertising representative for a 5 percent commission rather than the 7½ percent it pays for the Hearst national advertising service.

"A hearing is necessary to determine if all or any portion of these services should be excluded from the P-I's reported losses," Baxter said.

He also recommended that a hearing explore whether recent trends in circulation and advertising indicate future growth for the paper.

He pointed to a profit of approximately \$180,000 for the paper in the last six months of 1980 despite a loss of some \$1.7 million in the first six months of the year, and quoted Fassio as saying that the recession that hit Seattle in 1980 was "the most serious of all factors affecting our ability to turn the P-I into a profitable enterprise."

Total advertising linage for 1980 was down 6 percent, but national linage and advertising revenue was up Baxter noted and cautioned that "the 1980 linage figures must be considered in light of the recession."

The paper's daily circulation has increased every year since 1976, Baxter said. It was off, however, for the six months ended March 31 this year, according to an Audit Bureau of Circulation report.

The P-I's own latest linage report, for February, 1981, shows the P-I with linage for the month of 2,064,510, up 45,561 from February 1979, while the Times' linage was down by 174,650, to 4,095,630, according to a report in Editor & Publisher magazine.

An interoffice memorandum from the Hearst Advertising Service to Marvin Larsen, the P-I's national advertising manager, reprinted in a weekly Seattle-area paper, called the paper's national advertising performance in 1981's first quarter "just short of phenomenal." The memo, from Frank LaRosa, cited national advertising revenues up 53.8 percent from the first quarter of 1980 and up 30.5 percent "versus budget."

Although Hearst has said the paper is not for sale, John E. Cunningham, a former U.S. Congressman and conservative politician from the Seattle area, reported to the Justice Dept. that he had offered to purchase the paper on behalf of a group three years ago. Cunningham, who urged that the Justice Dept. hold hearings and asked to testify, has a continued interest in purchasing the paper, Baxter reported.

In his recommendations to the attorney general, Baxter said that "if the Cunningham group is a qualified, prospective buyer, it would raise the presumption that the P-I is not a failing newspaper" under the act.

"At a hearing the applicants would have the burden of demonstrating that this group or any other prospective purchaser is not a qualified buyer," he said.

Baxter noted that Cunningham had seen the P-I's financial state-

ments and that an executive for a large Seattle bank believed the Cunningham group "has sufficient financial resources to attempt to purchase the newspaper."

He also recommended that the hearing explore whether the P-I's future expenses can be reduced and consider the benefit to be derived from projects already initiated that have entailed initial nonrecurring costs.

He pointed to installation of automated equipment since 1977 costing nearly \$3 million, to costly buyouts of production department employees and to the conversion of independent contractors to circulation department employees, which involved increased expenditure but is expected to correct significant distribution problems.

Noting that the P-I has said new presses would be needed in "the next few years," along with mailroom improvements at an estimated cost of \$20 million, Baxter also suggested that the hearing "address the condition of the . . . presses, the investment needed to refurbish them and when this must be done" if the P-I continued independent operation.

He said the P-I's acting production director had estimated that the existing presses could be used for another "10-12 years but require improvements if they are to produce a competitive product." Refurbishing costs were pegged at some \$4.5 million.

Baxter recommended that the hearings, before an administrative law judge, be held in Seattle "in light of the intense local interest in the matter."

He said the federal agency had received 200 separate comments bearing more than 4,000 signatures about the papers' proposal, and that with two exceptions all had urged hearings.

The Pacific Northwest Guild was among those who called for hearings. It did so after a local committee along with TNG's auditor inspected the financial records of the paper and con-

cluded that the losses experienced in recent years are not so great that it is in probable danger of failure.

Under the proposed joint operating arrangement the Times would perform all advertising, circulation and production functions for both papers while each maintained separate editorial departments.

The Times would set advertising rates for both papers, as well as determine page sizes, column width and non-news makeup, subject to a newhole formula to be worked out by the papers.

The Times could not change the P-I to a tabloid format or a size different than that of the Times without Hearst's approval, however.

Hearst would continue to set policy about the content of advertising it would accept for publication in the P-I.

Both papers would continue to publish daily and Saturday, with a single Sunday edition under a joint flag but with separate editorial pages and comic sections.

Revenues, less expenses, would be split on a 34-66 percent basis with the larger share going to the Times after an initial 6 percent charge for the Times' "general management services."

In the first three years of a joint operation, Hearst would be guaranteed the lessor of 40 percent of the revenue after expenses or \$7.6 million in the first year, \$8.4 million in the second year and \$9.2 million in the third year.

Some 225 Guild members in the advertising circulation and business departments of the P-I would be affected if the joint operation is implemented.

Talks are continuing between the Guild and the publishers on ways to minimize the impact on employees.

The antitrust division's recommendation for a hearing is open to public comment for 30 days before the attorney general can act.

The U.S. price elevator

The table below records the ascent of the Consumer Price Index in the United States over a 24-month period following a 1.6-point rise in the index in April, to 266.8, up 24.2 points from April 1980, and 55.0 points from April 1979. The first column lists the index for each of the last 12 months, the second the percentage increase over the same month of the preceding year, and the third, the percentage increases over April 1979. The Urban Wage-Earners' and Clerical Workers' Index is the source.

	Index*	Percentage over	
		Same month prior year	April 1979†
May, 1980	245.1	14.4	15.7
June	247.8	14.3	17.0
July	248.0	13.0	17.1
August	249.6	12.7	17.9
September	251.9	12.6	18.9
October	254.1	12.6	20.0
November	256.4	12.7	21.1
December	258.7	12.5	22.1
January, 1981	260.7	11.7	23.1
February	263.5	11.4	24.4
March	265.2	10.5	25.2
April	266.8	10.0	26.0

*1967 = 100

†Index = 211.8



SOLIDARNOSC!

Polish workers have won government recognition of their right to form independent unions, free from government interference.

We know that without unions of their own, workers cannot advance their living and working conditions.

The Polish workers have appealed to the free labor movement to help them secure and develop their newly won rights by providing assistance to their fledgling unions.

In the spirit of Solidarnosc—Solidarity—the AFL-CIO has established a Polish Workers Aid Fund and kicked it off with a \$25,000 contribution. Like several other international unions, TNG under authorization voted by its International Executive Board last fall, contributed \$2,500 to the fund. Individual members also can contribute to the fund. Checks or money orders should be made out to the Polish Workers' Aid Fund.

POLISH WORKERS AID FUND
% AFL-CIO Secretary-Treasurer
815 Sixteenth St., N.W.
Washington, D.C. 20006

Enclosed is my check for \$_____ to help Polish union brothers and sisters establish their free trade unions.

Make checks payable to POLISH WORKERS AID FUND.

Name _____

Union _____

Address _____

City _____

State _____

Zip _____

Tempo quickens in bargaining with AP 2-year pact at CP hikes tops by \$111

New York—The Wire Service Guild and the United Telegraph Workers continued to seek equitable new contracts in joint bargaining with Associated Press June 11, just five days before the UTW's contract with the news service was due to terminate.

The UTW, which represents some 240 AP employees, mostly maintenance and installation workers and wire photo operators, had taken a no contract-no work position. Its members were voting on authorizing their bargainers to call a strike after midnight June 15. While the ballots were to be counted officially that day, preliminary indications were that they were running about 6 to 1 to grant strike-call authority.

Guild members working for AP voted their bargainers authority to call a strike in April. The Guild's contract expired Dec. 30.

The two unions entered full joint bargaining on May 27.

Chief issues in the talks were wage increases, including cost-of-living adjustments, vacations, holidays, scheduling, union-security, dues check-off and a Guild proposal that the terms and conditions of any new contract continue in effect past the pact's expiration so long as the parties continue to bargain.

The unions on June 10 rejected a wage-increase proposal



IN BUFFALO, Wire Service Guild member John Given, foreground center, assisted in informational picketing June 1 at Associated Press bureau in the Courier-Express's plant by leaders of the Buffalo Guild: Vice President Maria Scravani, immediate-past president Richard J. Roth and President William Buil.

made by the company the week before that would continue its five-months-old 4.5 percent general offer, but add revival of geographic differentials, for news personnel only.

The Guild remains committed to a settlement that protects all

employees from inflation and puts an end to the widening wage gap between higher-paid and lower-paid employees, the local said.

On June 3, the company had rejected the unions' proposal for a three-year contract that would produce raises of 7.9, 8.5 and

7.9 percent for top-minimum newsmen, taking them to \$617.10 a week Jan. 1, 1984. Present top minimum is \$474.10.

The AP's geographic differentials proposal would apply to personnel in only one third of its 120 bureaus and correspondencies, the Guild noted, and produce serious inequities.

Newspersons in Minneapolis, for example, would get a \$25 a week differential, but in St. Paul, just across the Mississippi River, they would get no differential.

Meanwhile, the Guild early in June wound up what it said was the last of a series of informational picketing demonstrations. Pickets marched at about two-thirds of AP's bureaus, the local reported. Largest of the demonstrations were in New York, Kansas City and Los Angeles, with members of other unions joining Wire Service members.

Toronto — A new two-year agreement between the Canadian Wire Service Guild and Canadian Press and Broadcast News raises the top minimum for reporters and photographers by \$111.27, to \$571.50 a week.

The increase comes in four steps, with \$43.72 retroactive to Jan. 1, \$10.08 on July 1, \$46.26 next Jan. 1 and \$11.21 next July 1.

The service required for a fourth week of vacation is reduced to seven years, from eight, and that for a fifth week is lowered to 16 years, from 20.

The agreement calls for creating a joint committee to consider health, safety and environmental problems and make recommendations.

The committee is to meet at least twice each year and the company is to pay members' expenses, including travel expense and salary.

An additional nine weeks of maternity leave is added, bringing the maximum leave to 26 weeks.

The rate paid employees driving their vehicles on company business is raised by 5 cents, to 27 cents a mile, or 16.88 cents per kilometer. Provision is added for adjusting the rate by one cent for each nine-cent increase in the basic national price of gasoline.

Employer payment of the cost of English courses is added to a provision for payment for French courses.

Other increases and resulting new top minimums include:

Accountants—Up by \$97.30, to \$499.73 a week, in increments of \$38.23, \$8.81, \$40.46 and \$9.80.

Switchboard operators, typists—Up by \$59.91, to \$302.75 a week, in increments of \$24.15, \$5.33, \$24.50 and \$5.93.

IFJ backs free press, unions for 3rd-world, Guild abstains

Helsinki, Finland—The International Federation of Journalists' Executive Committee—with TNG representatives abstaining—has voted almost unanimously to support journalists in third-world countries in their struggles for freedom of the press and development of their own unions.

In a resolution adopted at its biennial meeting May 18-22, the committee pledged support for:

- ✓ Protection of journalists from persecution.
- ✓ The hiring of more native journalists by news agencies.
- ✓ The creation and strengthening of journalists' unions.

At the same time, the committee expressed the "solidarity" of the international secretariat of journalists' unions with efforts by journalists and their unions for "freedom of information and the unhampered exercise of journalism in the developing countries."

TNG International Chairperson Harry S. Culver and President Charles A. Perlik, Jr., said that while they consider the intent of the resolution meritorious, they abstained under the TNG policy that bans Guild use of government or corporate funds to participate in international trade-union activities. The policy was adopted by TNG's 1979 Convention and reaffirmed and clarified by the Guild's 1980 Convention.

The IFJ resolution, while appealing to member unions for financial support, also says that "government money can be used for this purpose provided its origin is definitely established and if no ideological or political conditions are attached to it."

"The executive committee acknowledges," the resolution notes, "that third world countries rightly expect interested assistance from developing countries for the development of a free information system."

"The only objective" of the IFJ and its member unions in these efforts, the resolution says, "is the promotion of professional journalists' work and trade-union work, and political motivation remains absolutely excluded."

The resolution also calls for IFJ participation in a journalists' congress to be held in Caracas, Venezuela, Oct. 26-31.

The IFJ has been co-operating with the Latin American Press Workers' Federation (FELATRAP) on the project, called the "Congress for the Rights of Workers and Peoples to a New International Order of Information."

The IFJ Executive Committee also endorsed principles for greater protection of journalists that had been urged by representatives of 12 journalists' organizations at a meeting under UNESCO auspices in Paris, Feb. 16-18. In addition to the IFJ and FELATRAP, the participating organizations included the Federation of Latin American Journalists and the International Organization of Journalists, representing Eastern-bloc journalists' organizations.

In endorsing the Paris prin-

ciples, the IFJ Executive Committee expressed its "solidarity with all journalists subject to cruel repression in many parts of the world, in particular in Latin America and South Africa." In a separate action, the executive committee called for affiliates to mount campaigns of "information and solidarity" on South Africa from June 1 through Nov. 15.

In an earlier joint statement, the IFJ and FELATRAP noted that Latin American journalists face a "climate of repression and insecurity hostile to both human rights and freedom of information."

In several Latin American countries, the statement said, "the insecurity of the journalists is exercised directly through . . . torture, arrest, murders" and more.

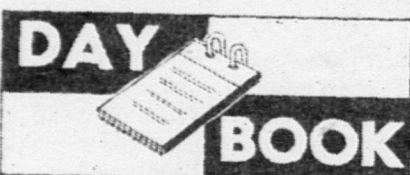
In its resolution on South Africa, the Executive Committee:

- ✓ Protested "the persecution, bannings, detentions, banishments and imprisonment of an increasing number of journalists, especially black journalists, in order to prevent them from doing their professional duties."

✓ Expressed "particular abhorrence" at the use of the Official Secrets Act and the Internal Security Act to "ban and imprison journalists, in particular the leadership of our affiliate MWSA (the Media Workers' Assn. of South Africa)." [Guild Reporter, Feb. 13 and Jan. 9.]

✓ Condemned provisions of draft African legislation on labor relations that would enable government intervention "strictly to control and paralyze organized unions' activity."

✓ Warned that a government commission's proposal for creation of a "register of journalists"—under the "pretext of professionalization"—would be "considered internationally as a fundamental blow to free journalism."



International Executive Board, pre-convention meeting, June 26-27, Rivermont-Holiday Inn Hotel, Memphis.
Canadian Policy Conference, June 27, Rivermont-Holiday Inn Hotel, Memphis.
Conference of District Councils, June 28, Rivermont-Holiday Inn, Memphis.
48th Annual TNG Convention, Rivermont-Holiday Inn Hotel, Memphis, June 29-July 3, 1981.
Western District Council, fall meeting, Oct. 31-Nov. 1, Monterey.
Middle-Atlantic District Council, fall meeting, Nov. 7-8 (tentative), New York.
Great Lakes District Council, fall meeting, Nov. 14-15, Toledo.

The Guild Reporter



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