



The GUILD REPORTER

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Silver Spring, Md.

January 29, 1988

Indian fraud exposé wins Broun Award

Silver Spring, Md.—Three reporters' 30-article expose in the Arizona Republic of fraud and waste in the treatment of American Indians—chiefly by the Bureau of Indian Affairs—has won them TNG's 1987 Heywood Broun Award.

The three are: Mike Masterson, Chuck Cook and Mark N. Trahant.

Trahant, himself a Native American—a member of the Shoshone/Bannock tribe who grew up on a reservation in Idaho—was for four years before going to work for the Republic last year the editor, then publisher of Navajo Times Today, a newspaper published by the Navajo tribe.

It is the second Broun Award for Masterson. He received the 1984 prize for an investigative series for the (Little Rock) Arkansas Democrat. Cook did investigative reporting for several other dailies, including the Memphis Commercial Appeal, before going to the Pulliam chain's Republic.

Honorable mentions were awarded to Barbara Stanton for her series in the Detroit Free Press on the travail continuing to beset that city 20 years after bloody urban riots, and to Alex Kotlowitz for his story in the Wall Street Journal on three months in the horrifying life of a 12-year-old boy in a Chicago housing project.

The \$1,000 award was presented to the three winners at a luncheon at the National Press Club in Washington on Jan. 25, the opening day of the winter meeting of TNG's Int'l Executive Board. Citations will go to the Arizona Republic and to the two reporters awarded honorable mentions.

It is the 47th consecutive year the Guild has presented the award

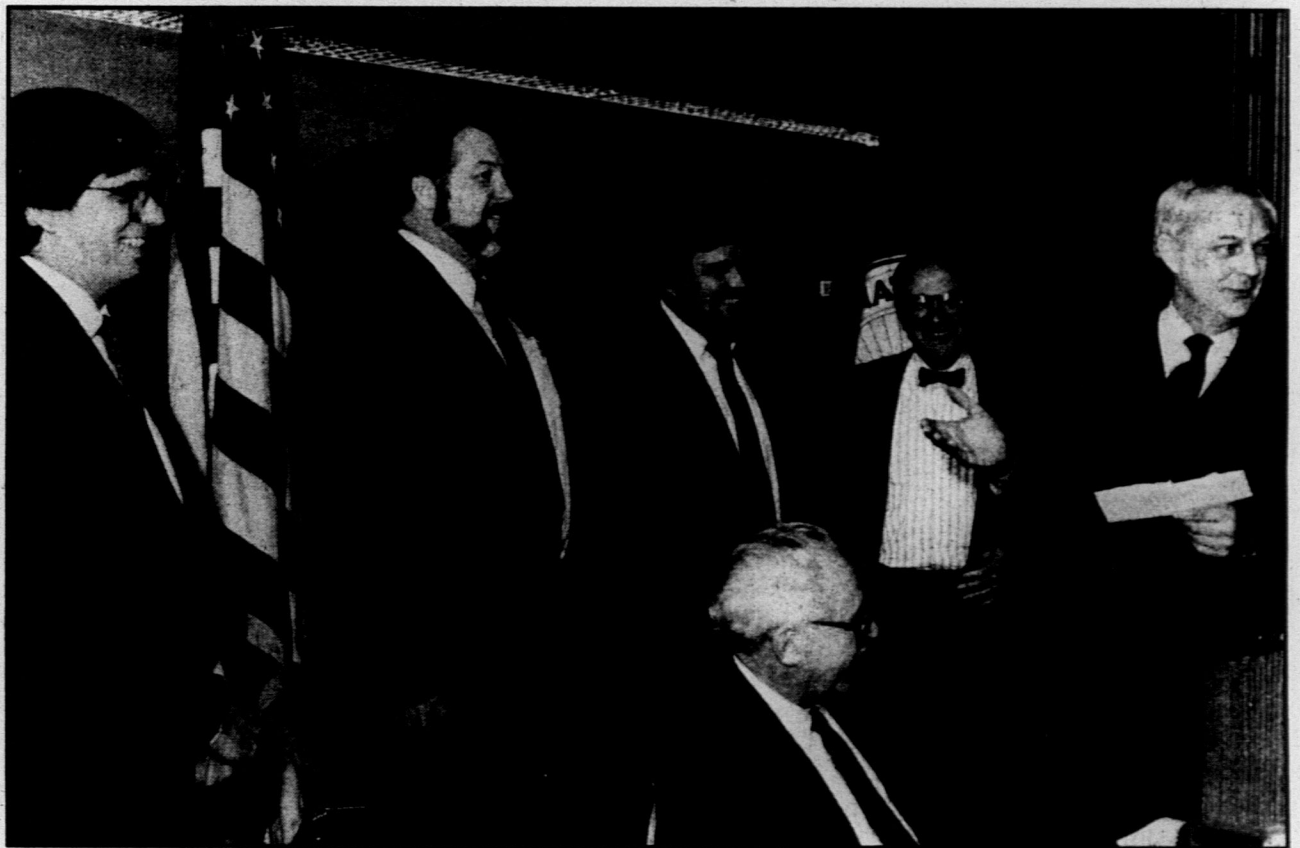
for outstanding journalistic achievement in the spirit of Broun, the Guild's founding president. Broun's spirit, marked by an abiding concern for the underdog and the underprivileged, was manifest in his newspaper columns, published in the 1920s and 1930s.

The judges of this year's award competition said they chose the Masterson-Cook-Trahant submission from among the record 165 entries "because it exemplified the spirit of Heywood Broun's own reporting of injustices and his battles for the underdog." The entries were from newspapers and broadcast outlets located in 29 states and two provinces.

The series, titled: "Fraud in Indian Country: A Billion-Dollar Betrayal" and published over eight consecutive days in October, reported "devastating evidence of mismanagement and paternalistic bureaucracy in the Bureau of Indian Affairs," the judges said.

It "detailed cases of ineffectiveness and sham in programs dealing with health, housing and crime as well as shameful treatment of Na-

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MARIANNE KEFFER ZWIG/Washington-Baltimore Guild

BROUN WINNERS, STANDING LEFT, ACCEPT PLAUDITS OF JUDGES AT AWARD LUNCHEON
From left: winners Mark N. Trahant, Chuck Cook, Mike Masterson; judges Frank Starr and Reese Cleghorn; seated, Harry Ryan, award chairperson.

Locals urged to back bill for N.Y. Post

Silver Spring, Md.—Survival of the New York Post and the jobs of 1,200 union members—including 420 in the New York Guild—"are in the balance," TNG President Charles Dale said Jan. 27 in urging all U.S.-Guild leaders to help seek passage of legislation to permit Rupert Murdoch more time to sell the New York Post.

Murdoch has said he will close the daily, the oldest published continuously in the United States, if

Columnist says Post flavor unique among dailies 8

he cannot make a satisfactory deal to sell it by a legislated deadline, originally March 6.

Legislation introduced by New York Sens. Daniel P. Moynihan and Alfonse D'Amato and New York Rep. Guy V. Molinari would exempt the Post from the recently enacted ban on waivers to the Fed-

eral Communications Commission's cross-ownership rule. It also would extend to next Jan. 1 Murdoch's expiring exemption from the FCC rule prohibiting ownership of a daily and a television station in the same market.

Dale's call for local action in support of the bills (S. 1999 and H.R. 3855) came two days after TNG's Int'l Executive Board unanimously adopted a resolution calling for repeal of the ban on

waivers included in a rider to the omnibus federal budget bill approved by Congress shortly before Christmas.

That rider, added to the spending bill in a closed meeting of a House-Senate conference committee, was put forward by Sens. Edward M. Kennedy (D-Mass.) and Ernest F. Hollings (D-S.C.), head of the Senate committee that will have to approve any measure to relax its strictures.

While affirming support for the FCC's cross-ownership rule and its aim of stemming the "unrestricted spread of newspaper-broadcasting monopolies across the country," the IEB stressed, however, that the policy "cannot be applied blindly."

"Exceptions must be made" where application of the cross-ownership ban "threatens to erase a newspaper and the jobs of those who work for it," the board said in the resolution, adopted on the

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Detroit talks open; Free Press threatened

Detroit—Representatives of Detroit's newspaper unions—including the Detroit Guild—and of the Knight-Ridder and Gannett chains and their dailies here began meeting the week of Jan. 24 in the wake of a vote by Knight-Ridder's directors to close the Free Press if its proposed joint operation with the Detroit News is not approved.

At the same time, Free Press and Knight-Ridder executives continued to beat the drums here and in Washington for public and official support for approval of the joint operation despite the Dec. 29 recommendation by an administrative law judge that it be denied because, he said, the Free Press is not a "failing" paper.

Law Judge Morton Needelman made the recommendation after holding that both the papers have been losing large amounts of money chiefly because they have been locked in a battle for market dominance that has seen them put advertising and circulation rates at unrealistically low levels. [Guild Reporter, Jan. 15.]

The Knight-Ridder-Free-Press support campaign is aimed at per-

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If Free Press is shut, journal asks, who did it? 8

suading Atty. Gen. Edwin Meese III to approve the Free Press-News joint operation despite Needelman's findings and recommendation.

Under the Newspaper Preservation Act, the attorney general can exempt jointly operated newspapers from prohibitions against profit pooling, price fixing and market splitting if one is in probable danger of financial failure. All the papers' operations except the news rooms would be merged. As many as 1,000 employees, half of them Guild represented, would become jobless.

Knight-Ridder's board, in a special meeting here Jan. 21, while saying "we continue to hope for early approval" by Meese, voted to close the Free Press and disburse its practically new presses and other equipment to other papers in the chain if Meese denies the appli-

cation "and court appeals are not successful."

In a separate statement, Knight-Ridder Chairman Alvah H. Chapman, Jr., decried what he called "a widespread impression" that if the joint operation is not approved "life would go on as before" with "two good, independently owned newspapers in Detroit."

TNG endorses appeal on overtime

Silver Spring, Md.—An appeal by 99 Guild-covered news and commercial-department employees of the Washington Post from a federal judge's dismissal of their 15-month-old overtime-pay suit is strongly endorsed by TNG, TNG President Charles Dale announced Jan. 26.

U.S. District Court Judge Gerhard A. Gesell on Jan. 13 held that the 13 lead plaintiffs in the case—all reporters and editors—are exempt from federal overtime law as professional employees. At the same time he blanketly dismissed the claims of the other 86, saying they could file individual

suits if they wished to pursue the matter. [Guild Reporter, Jan. 15.] Gesell's decision "is a radical departure from settled law," Dale charged.

He pledged TNG's "financial support and its full resources" to the plaintiffs in their effort to win reversal in the U.S. Court of Appeals of Gesell's ruling.

Gesell's "erroneous decision" threatens "the fundamental rights of all employees," Dale charged.

Particulars of the appeal were not stated in the documents filed with the appeals court Jan. 25. Lawyers for the plaintiffs said supporting arguments would follow.

In a suit filed Oct. 1, 1986, the employees charged the Post with violations of the federal Fair Labor Standards Act's guarantee of pay at the time-and-one-half rate for work in excess of 40 hours in a week. Many of them have been exempt from overtime under the Washington-Baltimore Guild contracts with the Post which establish a salary cutoff on overtime-pay entitlement.

Under that cutoff—currently \$810 a week—more than 80 percent of reporters and half of all employees covered by the Guild contract with the Post are exempt (Continued on page 6)

Locals urged to back bill to aid sale of N.Y. Post

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opening day of its winter meeting.

The IEB also called on Guild members to appeal to their congressional representatives to support the proposed legislation.

An amendment offered to a civil rights bill in the Senate that would have outlawed the cross-ownership restriction, meanwhile, was defeated by a 60-to-30 vote on Jan. 27.

Murdoch came into conflict with the cross-ownership rule two years ago when he acquired a chain of television stations, including WNYW-TV in New York and WFXT-TV in Boston, where he owns the Boston Herald. He was granted two-year waivers from the FCC rule that are due to expire March 6 in New York and June 30 in Boston.

Kennedy has been accused of promoting the ban on further waivers because of Murdoch's criticism of him, particularly in the Boston Herald. Following passage of the waiver ban, Murdoch announced that he will keep the Herald and sell the Boston television station. In New York, however, Murdoch has said he would have no viable option but to dispose of the Post because of its on-going losses.

A federal appeals court on Jan. 25 stayed imposition of the cross-ownership rule until 45 days after it can rule on the merits of a suit by Murdoch challenging the constitutionality of the congressional action. Murdoch argues that the budget rider is a bill of attainder—a law punishing an individual. Oral arguments on Murdoch's suit were scheduled for Feb. 11.

Murdoch filed the suit after the FCC on Jan. 19, citing the new legislation, dismissed his request for an extension of the waiver.

The IEB, before adopting its resolution, heard reports from New York Guild President Barry M. Lipton and Post Unit Chairperson Joy Cook about efforts by the local and unit and other New York newspaper unions to win repeal of the Kennedy-Hollings measure.

A delegation from New York's Allied Printing Trades Council, including Lipton and Cook, plus the president of the unaffiliated Newspaper & Mail Deliverers met with Kennedy in Washington for an hour Jan. 20 to seek to persuade him to relax his position.

In a statement read to reporters after the meeting, Kennedy said his position was unchanged, but added he would not object to Congress giving Murdoch "a little more time beyond March 6" to complete a sale of the Post. He questioned the publisher's seriousness about selling the paper, however.

Professing his support for Post employees and their unions, the senator charged, however, that "Murdoch has frittered away the whole two years" of his expiring extension and "he has a long way

to go before he convinces this senator that he's a serious seller and deserves an extension of the waiver."

Kennedy was "cold, indifferent and uncaring" in the meeting with the unions, Lipton told the IEB. Later, however, Lipton said that Kennedy "to some degree showed some flexibility." Lipton and the Deliverers' Jerry Cronin stayed in Washington and met with several other members of Congress, as well.

In contrast to Kennedy, Lipton told the IEB, other political and religious leaders, including New York Gov. Mario M. Cuomo and Cardinal John J. O'Connor, have shown "genuine concern" about the unions' desire to see the waiver extended and the jobs of Post employees protected.

Lipton, Cronin, Cook and others from the Post Guild unit met with O'Connor Jan. 15 and afterwards the church leader said he would "talk to anyone who will listen" to try to help save the Post and its employees' jobs, including Kennedy if he "would be interested in talking to me."

O'Connor, as well as Moynihan and New York Mayor Ed Koch were among public figures who addressed a Jan. 17 rally in front of the Post, called by the unions. The drivers' union bought a full-page ad in the paper Jan. 13 calling on readers to write to Moynihan and D'Amato in support of their proposed legislation. The New York Guild was distributing 70,000 self-mailing post cards with a similar message to the New York senators, and another asking Kennedy to relax his opposition to it.

Cook was severely critical before the IEB of Congress' blocking extension of Murdoch's waiver without an opportunity for public debate. She pointed out that both the competing New York Times and the Daily News own New York television stations under "grandfather" exemptions to the FCC's 13-year-old cross-ownership ban.

The permanent exemptions for New York's two other dailies, coupled with the multiplicity of broadcast outlets in the city and the Post's losses were believed to increase the likelihood the FCC would consider a Murdoch request for hardship relief, the IEB said.

AFL-CIO President Lane Kirkland intervened personally Jan. 26 in the effort to win an extension for the Post, acting in response to a request from TNG, Dale reported in his letter to locals.

While, Murdoch "has scarcely made a name for himself as a friend of labor and Kennedy has long enjoyed labor's support," Kennedy's action has "jeopardized the livelihoods of 1,200 workers," the IEB pointed out.

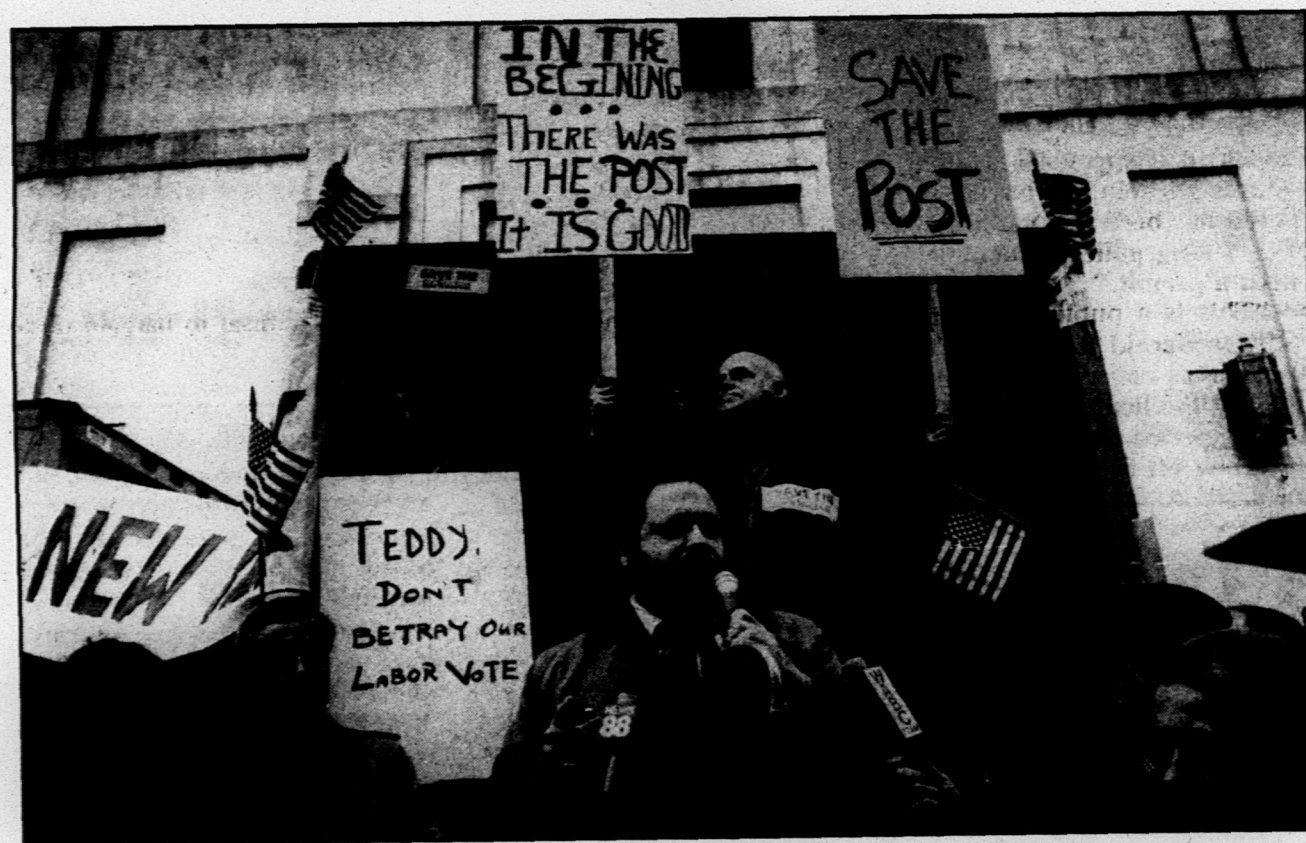
Potential buyers for the Post, meanwhile, came forward, al-



BILL BURKE/Washington-Baltimore Guild

SEN. EDWARD M. KENNEDY SPEAKS WITH REPORTERS AFTER MEETING WITH UNION LEADERS

To his right, Joy Cook, New York Post unit chairperson; on his left, Barry Lipton, New York Guild president, George McDonald of Mailers and the Allied.



N.Y. GUILD PRESIDENT BARRY LIPTON, CENTER FRONT, AT RALLY FOR POST EMPLOYEES

Other speakers included Sen. Daniel P. Moynihan, Mayor Ed Koch, Cardinal John O'Connor and leaders of other unions.

though most were believed to be interested primarily in the paper's South St. real estate and other assets, reportedly valued at \$35 million by Murdoch.

Leonard Stern, chairman of Hartz Mountain Industries, who bought the weekly Village Voice from Murdoch for \$55 million in 1985, has said he is interested in buying the Post without its real estate if agreements can be reached with the unions.

by farm workers on the state capitol in quest of a minimum-wage to cover them as well as others excluded from federal law.

Survivors include his widow, Mary Beth Rogers, who is state deputy treasurer, a son and a daughter.

The John B. Rogers Memorial Fund is being administered by the Austin chapter of the Society of Professional Journalists, Sigma Delta Chi.

Democratic officials and candidates and in recent years, with two partners, founded and wrote for Texas Weekly, a widely read newsletter on state politics.

A copy editor at the San Antonio Light from 1957-69, Rogers served five terms as secretary of the Guild local centered there and two as its president. He also represented the local at several TNG conventions during the period and in 1966 helped organize a march

El Mundo resumes 'solo,' Guild files unfair charge

San Juan, Puerto Rico—El Mundo, the island's 68-year-old Spanish-language daily, reopened Jan. 6 under new ownership but without its plant-wide, Guild-covered staff of more than 400 employees.

New owner, Hector L. Gonzalez, is the prospective buyer that bargained an agreement with the Puerto Rico Guild last summer after the former owners closed the paper Aug. 30. Gonzalez, an insurance executive and investor, reneged on that agreement, however.

In a filing with the National Labor Relations Board, the local has charged Gonzales with bad faith bargaining in refusing to sign the agreement. It also has called for an island-wide boycott of the paper.

Gonzalez is operating the paper

with about 175 employees. About a quarter of the staff are former employees of the paper. Some others were employed by El Reportero, a San Juan-based daily that has filed for Chapter 11 protection under the federal bankruptcy laws.

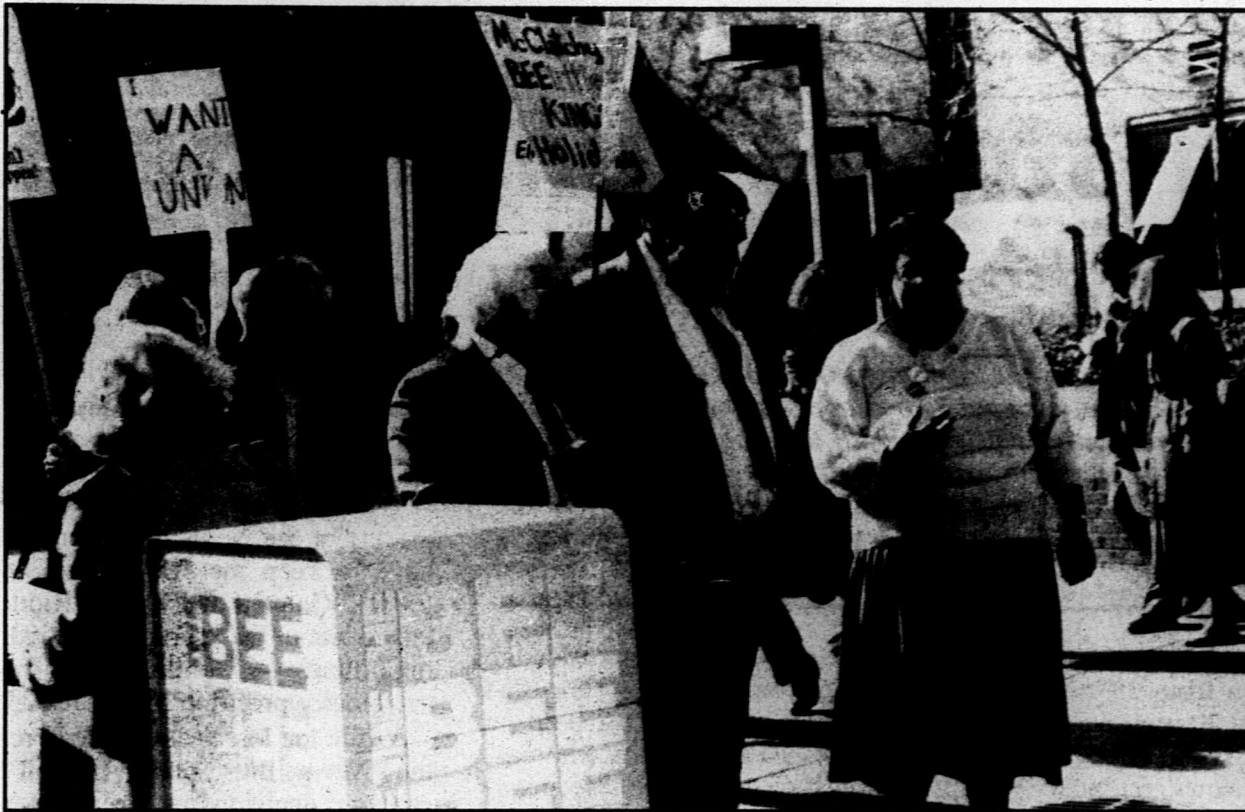
El Reportero, where the Guild also represents employees, was closed in early December by a fire in a mechanical department. It had not reopened in mid-January.

John Rogers, San Antonio ex-leader, 52

Austin, Tex.—A fund to aid investigative projects by political and social journalists has been set up here as a memorial to John B. Rogers, Jr., an officer and leader of the San Antonio Guild throughout the 1960s.

Communications director for the Texas AFL-CIO much of the time since 1969, Rogers died during an asthma attack early in November. He was 52. He also was a consultant to several state

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Martin Luther King Day at the Sacramento Bee

Some 50 Guild members and leaders, including TNG President Charles Dale, march in front of the McClatchy chain's Sacramento Bee on Jan. 18, the national holiday honoring Dr. Martin Luther King, Jr. Demonstration was in protest of the break down of talks for a new Guild contract to replace one expired since mid-April 1986, in part over management's refusal to continue experience-based minimum-pay schedules and to recognize the King holiday for Guild-

covered employees (see signs carried by pickets above right). While picketing—center foreground at left above with Gerald B. Rocker, Northern California Guild administrative officer, and Chris Cage, Bee unit chairperson—Dale reaffirmed TNG's commitment to the quest for equitable contracts at McClatchy's dailies in Sacramento, Fresno, Modesto and Tacoma, Wash. He also announced that local and TNG officers and other leaders will meet at TNG headquarters in mid-

February to launch "a full court press" aimed at securing such pacts by stepping up circulation and advertising boycotts in Sacramento and Fresno as well as other "alternative strategies." TNG Representative Gene Bryant has been assigned full-time to assist Bee units in Sacramento and Fresno, as have TNG Vice President Larry D. Hatfield, as a temporary TNG staffer and, in Tacoma, former Pacific Northwest Guild Administrative Officer Robert E. Bruner.

Leafleters give cop 'civics lesson'

Sacramento, Calif.—A trio of Northern California Guild people were passing out leaflets on the grounds of the state capitol Jan. 6 urging persons attending the governor's "state of the state" address to join the boycott of the Sacramento Bee, where the Guild has been seeking a new contract for two years.

A young police lieutenant ordered them away because "you need a permit."

"This is a public building," protested Guild Administrative Officer Gerald B. Rocker.

"This is not a public building; the state owns this building," replied the lieutenant.

A superior came along to clarify things. The leafleters stayed. The boycott is endorsed by the state AFL-CIO.

So. Ontario certified at Hamilton weeklies

Toronto—The Ontario Labour Relations Board has certified the Southern Ontario Guild as the bargaining representative for the 20 news-room employees of Brabant Newspapers, a chain weeklies in the Hamilton area.

The board issued the certification Jan. 19 after the local submitted membership authorization cards signed by all the employees.

The Brabant chain, which publishes seven community newspapers and a real estate guide, was purchased recently by the Southam newspaper chain.

Southam also owns the Hamilton Spectator and the Burlington

Spectator, the only daily newspapers published in the area, and holds a major share in a key television station in the region.

Federal officials have said they will monitor Southam's operation of the Brabant weeklies over the next three years to determine the "actual" effects" on newspaper competition in the area. They did so in announcing that no immediate challenge would be launched to the Southam acquisition of the weeklies.

The Guild local also represents employees on the Hamilton Spectator where contracts cover those in the news and mail-rooms.

Hearing set on Minneapolis daily's refusal to bargain drug-test policy

Minneapolis—A year after filing unfair labor practice charges over the Minneapolis Star Tribune's refusal to bargain on a drug and alcohol testing policy, the Twin Cities Guild is to have an initial day in court Feb. 29 when hearings are scheduled on a complaint issued on the charges by the National Labor Relations Board.

In a Dec. 16 action, NLRB Regional Director Ronald M. Sharp agreed with the Guild that the company violated federal law by refusing to bargain on the policy it implemented Jan. 1, 1987.

At the same time, he cited the company for refusing to supply information the Guild requested on implementation of the policy, ordering a hearing on both unfair labor practice complaints.

In issuing the complaint on the first Guild charge, Sharp rescinded an order of last spring in which he had refused to issue a complaint on grounds that the issue should

be resolved through the contractual grievance procedure.

A Guild appeal of Sharp's decision to defer to the grievance machinery was rejected by the NLRB's general counsel in Washington, but the local reinstituted the charge in November after management of the Cowles Media-chain daily refused to arbitrate the issue of pre-employment testing.

The company's policy requires prospective employees to submit to drug and alcohol screening, while tests can be required of current employees if management believes their conduct or performance is being impaired by substance abuse or in cases of injury involving employees who operate machinery or vehicles.

In citing the company for refusing to supply the Guild information about persons offered employment since the drug and alcohol policy was implemented, Sharp said that the information is necessary for the

union to perform its function as the bargaining representative of the paper's editorial and commercial department employees.

The local is seeking information identifying prospective employees and those who have been required to submit to testing as well as information about any candidates who were not hired because of tests.

Meanwhile, the local on Dec. 18 filed similar unfair labor practice charges against Knight-Ridder's St. Paul Pioneer Press over its refusal to bargain about a pre-employment drug testing policy it implemented Oct. 1.

Boycott reminder issued after Consumers unit talks

New York—No Guild or other union member anywhere should delay joining the boycott of Consumers Union publications, New York Guild President Barry Lipton has urged in an appeal to member-subscribers to return the boycott post cards distributed late in 1987 to Guild locals and other national and international unions.

Guild representatives delivered some 700 of the post cards and subscription cancellation coupons to Rhoda Karparkin, executive director of Consumers Union, early in January.

The local called the boycott last year after bargaining for a new contract stalled over management's demand that wage increases be grounded on a "merit pool" proposal.

While bargaining has continued, the company has stuck to its merit pool proposal. At the most recent bargaining session, on Jan. 6, management proposed that an arbitrator rule on the issues of a merit pool and general increases, with other outstanding issues resolved following the arbitrator's award.

In its most recent wage offer, the company proposed general increases of totalling 6.25 percent over three years, with an equal amount designated for a merit pool to be paid to individual employees at management's discretion.

The Guild has pared its proposals to reflect the key areas of concern to the members of its Consumers Union unit, Lipton reported.

CONSUMERS UNION, INC.

Rhoda Karparkin,
Executive Director
256 Washington St.
Mount Vernon, N.Y. 10553

The Newspaper Guild of New York, TNG Local #3, AFL-CIO, CLC, has found it necessary to publicly protest the intransigent and anti-labor stance of the management of Consumers Union in its bargaining with the Guild for a new contract for Consumers Union employees.

Accordingly, Consumers Union's employee-relations practices have earned a rating of "not acceptable" in my book.

Therefore, you are hereby directed to cancel immediately my subscription(s) to the following publication(s) (title(s) circled) and also to refund to me immediately the unused portion of my subscription payment(s):

Consumer Reports
Penny Power
Consumer Reports
Travel Letter

I will renew the subscription(s) after the Guild and Consumers Union have concluded a new contract.

Enclosed is one mailing label from each Consumers Union publication to which I have a subscription.

(Name)

(Address)

(City & State/Province)

Sac'to Victims Fund tops \$35,000

Sacramento—The Northern California Guild reports contributions totaling \$35,399 for its Sacramento Union Victims' Fund through Jan. 22; \$2,058 since Jan. 8.

The fund was established to help replace wages and benefits lost to the four-member Union Guild-unit bargaining committee fired by the Richard Mellon Scaife-daily in mid-October. Need is approximately \$2,500 per week.

Latest reported contributions to the fund included:

Denver Guild	\$100	St. Louis Guild	125
Great Falls Guild	50	TNG staff (checkoff)	502
New England District Council ..	400	Washington-Baltimore Guild ..	25
Pawtucket Guild	50	Youngstown Guild	50

Contributions, the local said, should be addressed to: The Victims Fund, c/o The Newspaper Guild, 1330 21st St., Sacramento, Calif. 95814.

A ROSTER of kingpins of today's newspaper industry—of Sulzbergers, Grahams, Neuharths, Hearsts—probably would not include Morton Needelman. Maybe it should. Needelman could have more to say about the future shape of the industry in the largest American cities than any of the more familiar names on the list.

Morton Needelman is the administrative law judge who conducted the hearing last August on the application by the Detroit Free Press and the Detroit News, owned respectively by the Knight-Ridder and Gannett chains, for permission to enter a joint operating agreement (JOA) under the 1970 Newspaper Preservation Act.

The act creates an antitrust exemption that lets two publishers merge their business operations in a JOA, fixing prices and splitting profits but staying independent on the news and editorial side, if they convince the U.S. attorney general that one paper is "in probable danger of financial failure."

Needelman's recommendation to Atty. Gen. Edwin L. Meese III was expected by Christmas. Though only a recommendation, it could be decisive. With the Justice Dept.'s antitrust division opposing the Detroit JOA (along with a group of unions and the City of Detroit), a negative view from Needelman as well could make it hard for Meese to approve the pact, or for the courts to back him if he did.

A green light from Needelman, on the other hand, would ease the way for Meese to bless the Detroit JOA as other attorneys general have blessed the four previously presented to them—in Anchorage (1974), Cincinnati (1979), Chattanooga (1980) and Seattle (1983).

The proposed JOA in Detroit is a different animal. The city and the papers are much larger than in the prior cases and the "failure" claim is much different. Approval in Detroit could thus pave the way for JOAs in almost all the 20-plus cities that still have real newspaper competition. These include Boston, Houston, Dallas, Denver and San Antonio, as well as Chicago, Los Angeles and New York.

Detroit is the country's fifth- or sixth-largest metropolitan area, more than twice the size of Seattle or Cincinnati. The all-day News (circulation: 680,000) is the country's ninth-largest daily. The morning Free Press (circulation: 648,000) is the tenth-largest. The combined circulation of the Detroit papers is three times that of the Seattle or Cincinnati papers at the time JOAs were approved in those cities.

No less novel in Detroit is the kind of "failure" claimed for the Free Press. By the end of last summer's hearing Gannett and Knight-Ridder had given up trying to show that the Free Press was in the "downward spiral" said to be typical of failing papers. Rather, it appeared, as Gannett and Knight-Ridder in fact had said in a joint press release announcing the proposed JOA, that the Free Press and News had "fought to a virtual draw."



Law prof reviews first hand in high-stakes 'failure' game

By Stephen R. Barnett

Written and on the press before the administrative law judge's Dec. 29 recommendation that the Detroit joint-publishing application be denied, this article is reprinted with permission, slightly abridged for space, from the January/February issue of the Columbia Journalism Review.

Stephen R. Barnett is a law professor at the University of California at Berkeley. He also has written several other articles dealing with the Newspaper Preservation Act for the CJR.

In circulation, the Free Press' share of total daily circulation from 1976 to 1986 was never less than 49 percent. (It fell to 48.8 percent in 1987, after the JOA application, as the News continued to push circulation while the Free Press held back.) In Sunday circulation, the News in 1987 led with 840,000 as against the Free Press' 736,000. Here, too, the Free Press had given little ground over the decade, and had gained 2.5 percentage points through 1986 in the papers' "primary market area."

In advertising, the News had a bigger lead, but again had been unable to increase it significantly. In total ad lineage the Free Press in 1986 had a 39 percent share, down two points from a decade earlier. But in Sunday ad lineage the Free Press was up four points, to 36.5 percent. And the paper's share of total ad revenues was up 2 points, to 39 percent.

As the antitrust division summed it up, the evidence showed that the News was "leading" but not "dominant"; the News "has maintained its position of leadership, but by many measures the competition is as close, or closer, than it was a decade ago."

OTHER EVIDENCE further marred the picture of Free Press failure. Knight-Ridder executives, until the JOA deal was made, were bullish on Detroit. In 1985 the Knight-Ridder board approved a \$22-million plant expansion for the Free Press.

More telling yet were the terms of the proposed JOA. In contrast to one-sided profit splits in the previously approved JOAs, the proposed Detroit pact—which would run for an unprecedented 100 years—splits profits 50-50 between Gannett and Knight-Ridder after the fifth year.

The deal also gives the Free Press the exclusive morning market. The News would thus lose 125,000 home-delivered A.M. papers, dropping instantly to second in daily circulation.

Splitting profits 50-50 and surrendering the circulation lead are not common ways for a "dominant" paper to treat a "failing" one in negotiating a JOA.

If the claimed "failure" of the Free Press gets little support from relative market positions, it may float more securely on the lake of red ink amassed by the paper over the past seven years. Computing these losses entails the usual accounting disputes, but by any reckoning the losses are substantial. Knight-Ridder claimed that the Free Press lost \$82.6 million, before taxes, in 1979-1986. The antitrust division figured that, excluding questionable management fees charged by Knight-Ridder, the Free Press' losses started in 1980 and totaled some \$61.4 million, before taxes, through 1986.

But the News, too, was losing money—by one count, \$36.5 million for 1981-1986. The 1986 losses for the two papers, if given consistent accounting treatment were about the same.

Why were both papers hemorrhaging money? Because their owners had opened their deep pockets to fund an all-out war of heavy spending and massive discounting. (Gannett, the country's largest chain in terms of daily circulation, has \$2.8 billion in annual reserves; Knight-Ridder, the second largest, has \$1.9 billion.)

Why were Gannett and Knight-Ridder doing this? The strategy was admittedly designed, on both sides, to drive the rival paper either out of the market or into an acceptable JOA.

From 1963 to 1979, save for a strike year in 1968, the Free Press and the News—then owned by the Evening News Assn. (ENA)—had both been profitable. In 1980 Knight-Ridder turned on the pressure, cutting ad rates and discounting circulation prices. From 1981 to 1983 Knight-Ridder and ENA had several talks about a JOA. At one of these sessions, in January 1981, Knight-Ridder's chairman, Alvah H. Chapman, Jr., expressed the view that more years of losses by the Free Press and the News would make it easier to get approval of a JOA. In 1983 a Knight-Ridder five-year plan said the firm's "objective in Detroit is to achieve a joint operating agreement" on acceptable terms.

Meanwhile, the two papers slugged it out. Detroit thus became, in the words of a Free Press executive, "the most seriously underpriced newspaper market in the country." Retail ad rates, for example, averaged 22 percent below those in other markets on weekdays and 39 percent below on Sundays. These rates alone, if raised to par, would have yielded \$14 million in added revenue for the Free Press in 1985 and wiped out its loss. In Detroit, the Free Press sells for 20 cents, the News for 15. Some 90 percent of the country's dailies sell for 25 cents or more.

In 1985 the ENA, after getting a hostile takeover bid, was put up for sale and was bought by Gannett. In August 1985, before Gannett made its offer for the ENA, Gannett's chairman, Allen H. Neuharth, called Knight-Ridder about a possible JOA and got a positive response. Five more contacts followed before Gannett completed its purchase of the ENA in February 1986.

Speaking to the Detroit Economic Club on Jan. 27, 1986, Neuharth was asked about a possible JOA in Detroit. He replied that Gannett and Knight-Ridder had had "no discussions... on that subject at all, nor have we given any real thought to it." At that time there had been at least five discussions, some of them involving Neuharth himself.

Gannett is famous in the industry for ample pricing. Detroit aside, all 90 Gannett dailies sell for at least 25 cents. On taking over the News in February 1986, Gannett left the paper's Detroit price at 15 cents and cut the out-of-city price to 15 cents as well. The Free Press matched the move.

Meanwhile, JOA negotiations began

in earnest, and the deal was announced in April 1986. Neuharth then forbade any price increases at the News. He told the paper's board, according to a member's notes: "no thought to have realistic rate card pricing now." In August 1985, Gannett's chief financial officer had written Neuharth: "circulation pricing at the News is obvious, but we have to keep the JOA possibilities in focus." Gannett and Knight-Ridder had talked about an "economic window of opportunity—if both papers become marginally profitable, no JOA."

While the losses at the Free Press and the News thus plainly result from strategic decisions by their owners, the owners claim they have no choice. Neither paper can raise prices to rational levels, they say, because the other won't go along. Higher prices for one paper alone might yield a short-term profit, but they would hurt the paper's market share and kill it in the long run.

On this theory it doesn't matter which paper is called "failing." Neither paper can end its losses, the argument goes, because of the deep pockets and ruthlessness of its rival. Gannett and Knight-Ridder in fact discussed which of the two papers would file as "failing" and had their lawyers consider whether both papers could do so.

(One can see the attraction of "double failure." The "failing" label attached to one paper compels it to look as sick as possible until the JOA gets approved, hurting its market position, demoralizing its staff, and possibly becoming a self-fulfilling prophecy.)

But the lawyers nixed the double-failure idea, so the Free Press alone climbed into the coffin. Neuharth and Chapman then did their best to nail on the lid. Neuharth threatened that if the JOA was turned down Gannett would "continue the fiercely competitive situation" for however long it might take until only the Detroit News would survive.

While Neuharth promised murder, Chapman threatened suicide. He said that if the JOA was turned down he would recommend that Knight-Ridder close the Free Press—which the company has never done with any paper. Such an ultimatum comes with the "failing" territory, having been pioneered by Scripps Howard at the Cincinnati Post.

(Chapman's sackcloth was ruffled by a letter he got during the hearing from the publisher of a major metropolitan daily, expressing interest in buying the Free Press if the JOA was turned down. Chapman allowed that he would not rule out selling the paper.)

GANNETT and Knight-Ridder thus claim "failure," and the joy of a JOA, on the grounds that the Free Press is losing a lot of money, trails the News in the market and can't raise its prices to make money because the News refuses to do so. Should they succeed?

The answer depends, in large part, on how one views the relationship between rich chains and their competing but allegedly "failing" newspapers.

One facet of this parental link involves an accounting issue, in this case a monumental one. The Newspaper Preservation Act requires that a paper's "failing" status be appraised "regardless of its ownership or affiliations." The idea was that even a rich owner has been known to close a money-draining paper, so the owner's deep pockets should not bar "failing" status and a JOA.

UNDER THIS "stand-alone" concept, Gannett, Knight-Ridder and other JOA-hungry chains seek to count a paper's losses toward its "failure" without considering the income-tax benefits those losses bring the parent. These benefits can make a big difference. The Free Press' losses for 1980-1986 brought Knight-Ridder some \$41 million in tax benefits, reducing by half the pre-tax losses claimed.

Given its purpose, the stand-alone rule should not go this far. The tax benefits of the losses are considered by the parent in deciding whether to close a money-losing paper (Neuharth, discussing Gannett's USA Today, has stressed that the paper's \$400 million pre-tax losses came to only \$233 million after taxes.) These benefits, moreover, are available to any profitable company that might own or buy the paper.

Chain parentage also means that the losses in Detroit are not just paid out of the deep pockets of the parents; they are caused by those deep pockets. The vast resources of Gannett and Knight-Ridder allow them to pass up normal profits that both could make competing in Detroit and to stage instead a costly battle for the prize of monopoly profits, a prize either to be enjoyed alone or shared.

(The prize is big indeed. Gannett projected a \$52.3 million profit for the two papers in the third year of a JOA; Knight-Ridder projected \$21 million as its share by 1988. An economist testifying for the antitrust division put the present discounted value of 100 years of JOA profits at close to \$1 billion.)

The losses produced by this go-for-monopoly strategy are really losses, but investments. They represent money spent and profits forsaken in the short run to obtain much bigger profits in the long run. (A July 1987 Gannett press release termed the company's losses in USA Today an "investment.")

True, Knight-Ridder says it has no choice but to take the losses, given Gannett's strategy. But Gannett as well is after the JOA.

Is the Free Press "in probable danger of financial failure"? One would think this test requires more than a roughly 50-50 chance of losing the competitive battle, at some time in the indefinite future, if both applicants continue their current strategy of all-out warfare.

If the Detroit JOA is not approved, there is plenty of reason to think Gannett and Knight-Ridder would change their policies to stanch their losses.

If it is approved, however, the way will be clear for replacing competition with JOAs in the remaining competitive cities. Publishers will know that in order to break into monopoly profits they need only slash their prices and let the red ink flow, either driving the rival out of town or the two owners can take their losses to the attorney general and cash them in for a shared monopoly.

Morton Needelman, the attorney general and maybe the courts will have to decide how well this latest product of Detroit will sell.



Detroit unions, dailies begin talking

(Continued from Page 1)
of the presses and other equipment at other properties, the News' "dominant position" and the "extended history" of Free Press losses.

During hearings by Needelman last summer, Chapman first said that the paper would be closed. Later, after getting a letter from the publisher of the Chicago Sun-Times inquiring about buying it, Chapman said it might be sold if there is no joint operation.

He said Jan. 21 that he hoped to convince the city's six newspaper unions and its mayor—intervenor against the joint-operating application—that continued separate operation of the papers is not in the cards.

Chapman went from the news

conference to a meeting with some 100 business and community leaders, arranged by Theodore H. Mecke, Jr., former public relations vice president for Ford Motor Co. He has been retained as a consultant by the Free Press for the campaign to sell the joint publishing proposal. Mecke also booked Chapman before the Economic Club of Detroit, which Mecke once headed.

In Washington, the chain and its paper reportedly have secured the services of at least two politically well-connected firms.

Knight-Ridder has retained the law firm that includes former Defense Secretary Clark Clifford, a Knight-Ridder director.

The Free Press, meanwhile, at the request of publisher David

Lawrence, Jr., to Chrysler's No. 2 executive, Gerald Greenwald, is getting advice from the lobbying firm of Timmons & Co. Greenwald said Timmons' services were being provided under the retainer paid by Chrysler.

The Wall Street Journal reported, however, that Lawrence said he expected the Free Press would pay Timmons for all work performed, certainly for any Timmons billings that exceeded the retainer. He also said he saw no possibility of ethical problems involving the Free Press' coverage of Chrysler in the future in the face of the assistance the paper was receiving from the automotive firm.

Timmons' current or past clients include, in addition to Chrysler and the Free Press, Richard Nixon, Tongsun Park, Fredinand Marcos, Gen. Manuel Antonio Noriega and Meese, himself.

The Washington Post reported a Timmons executive as saying that while one of its members, Tom C. Korologos, has advised Knight-Ridder on constituencies to contact, there has not been and will not be any contact with the Justice Dept. Korologos is a longtime consultant to the Reagan administra-

tion. Free Press executives, accompanied by Michigan's governor, were to meet in Washington with Michigan's 20 members of Congress on Jan. 27. The week before, Sen. Donald Riegle (D-Mich.) said he supports the joint operation.

The Free Press reported that Mayor Coleman Young, after meeting with Lawrence, said he was reconsidering his opposition.

The meetings between the unions and the papers began the evening after the Knight-Ridder board meeting. Participants were the leaders of the six unions, including Guild Administrative Officer Donald C. Kummer, and an array of executives, including Chapman. Others included Knight-Ridder's Tony Ridder, William Keating, hired to head the joint operating company, Lawrence and John Jaskie, Gannett vice president.

The next day the same people, plus union leaders from the papers, met and meetings between labor-relations executives and the unions individually began Jan. 27, with the Teamsters in the morning and the Guild in the afternoon.

New pact in Bellevue concludes year's talks

Bellevue, Wash.—After more than a year of bargaining, much of it punctuated by reports of little progress, members of the Pacific Northwest Guild's Bellevue Journal-American unit have ratified a new three-year contract.

The contract, the local's second with the 27,000-circulation daily, was bargained with representatives of the Persis Corp., the Honolulu-based publishing company that bought the paper shortly before the talks began. Persis' other holdings include the Honolulu Advertiser.

Retrospective to Jan. 1, 1987, the agreement calls for a \$200 lump-sum payment for each of the 125 Guild-covered advertising, circulation, editorial and mail-room employees. It raises all minimums by \$4 a week as of this Jan. 1 and again on Jan. 1, 1989.

Additional increases will come from a merit pool the company demanded be incorporated in the settlement. On the Guild's demand, a minimum of \$10,000 in merit increases will be distributed among at least 30 percent of the Guild-covered employees first on Jan. 1, 1988, and again on Jan. 1, 1989.

The agreement also calls for the total of advertising bonuses, commissions and incentive payments to be no less than half the amount spent in 1987.

A requirement that all employees covered by the contract be members of the Guild is restored in the agreement, as is a provision for dues checkoff. Management had cancelled the Guild shop and

checkoff provisions of the contract last year while bargaining for a new agreement was underway.

Added to the contract is a four-hour shift guarantee for part-timers, a provision for automatic adjustment of mileage reimbursement rates and a bereavement leave provision that guarantees employees paid time off upon a death in their immediate families without having to use accumulated sick leave.

The agreement will take the top minimum for reporters, photographers, copy editors and outside advertising sales employees to \$471.01 a week on Jan. 1, 1989.

Top minimum for mailers, assistant district managers and maintenance employees goes to \$251.32 and that for senior clerks to \$354.40. Top minimum for classified telephone sales employees, telephone operators and news clerks goes to \$310.05 a week.

CITIZENS' VOICE STAFF: \$700

Valley Santa tops out at \$40,000

Wilkes-Barre, Pa. — Santa Claus' boot came back filled with a total of \$700 when it was passed among staff of the Citizens' Voice over the holidays and the 1987 Valley Santa Program topped out with total donations of more than \$40,000, used to buy toys for underprivileged children.

The program, launched four years ago by the Citizens' Voice, is a co-operative effort of the paper, Boscov's department store here, United Parcel Service and United Penn Bank.

The Citizens' Voice was launched by Wilkes-Barre's four newspaper unions—the Guild, Typographical, Pressmen's and Stereotypers Unions—in October of 1978 after their members struck the Times Leader.

This year, the program purchased gifts for 2,345 children. In 1984, its first year, it helped 825 children have a merrier Christmas, from collections that totaled \$17,000.

During each year's campaign, the Voice publishes daily stories based on letters from the public suggesting beneficiaries of the program's largesse. The Voice also publishes lists of area citizens who contribute to Valley Santa.



JACK KELLY/Wilkes-Barre Typographical Union
STAFF-STUFFED SANTA'S BOOT AT CITIZENS' VOICE
Checking it out are, from left: Bob Manganiello, Typographical Union, Voice general manager; Leonarda Maslowski, Guild, Voice reporter and Santa liaison; Carl Rhodes, Pressmen's Union, Voice press room superintendent; Paul Golas, Guild, Voice managing editor.

Indian fraud exposé sends Broun Award to Phoenix

(Continued from Page 1)

tive Americans by both the U.S. government and energy companies in denying oil and gas royalties," they noted.

They called the series "a strikingly comprehensive and incisive" package, noting also that its preparation took the reporting team to 18 states for more than 500 interviews over a six-month period.

The series triggered hearings just days after it was published by a subcommittee of the House Appropriations Committee and was credited with the Senate Select Committee on Indian Affairs creating a Special Investigations Committee, which plans hearings later this year.

Commenting on the honorable mentions, the judges said that Stanton in her Free Press articles "provided new perspective and detail about the 1967 riots" and "more important . . . related it to the continuing travail in Detroit resulting from what she called the 'explosive combination of angry kids, guns and crack.'"

The judges also pointed to Stanton's conclusion that: "The ines-

Broun judges threaten 'grievance'

Washington—The length and difficulty of the task of judging the record 165 entries in this year's Heywood Broun Award competition precipitated a tongue-in-cheek announcement to the award luncheon at the National Press Club that the three judges had decided to file a grievance against TNG.

It took 11 hours, with a short break at noon when "they threw us some sandwiches," said Reese Cleghorn, dean of the University of Maryland College of Journalism. On top of that, he said, "there was a constant speed-up."

On a more serious note, Cleghorn, who brought his old American Newspaper Guild membership pin to the judging session, noted that the judging was conducted in TNG's Broun Library, where Broun's portrait graces one side of the room and his old Underwood typewriter the other.

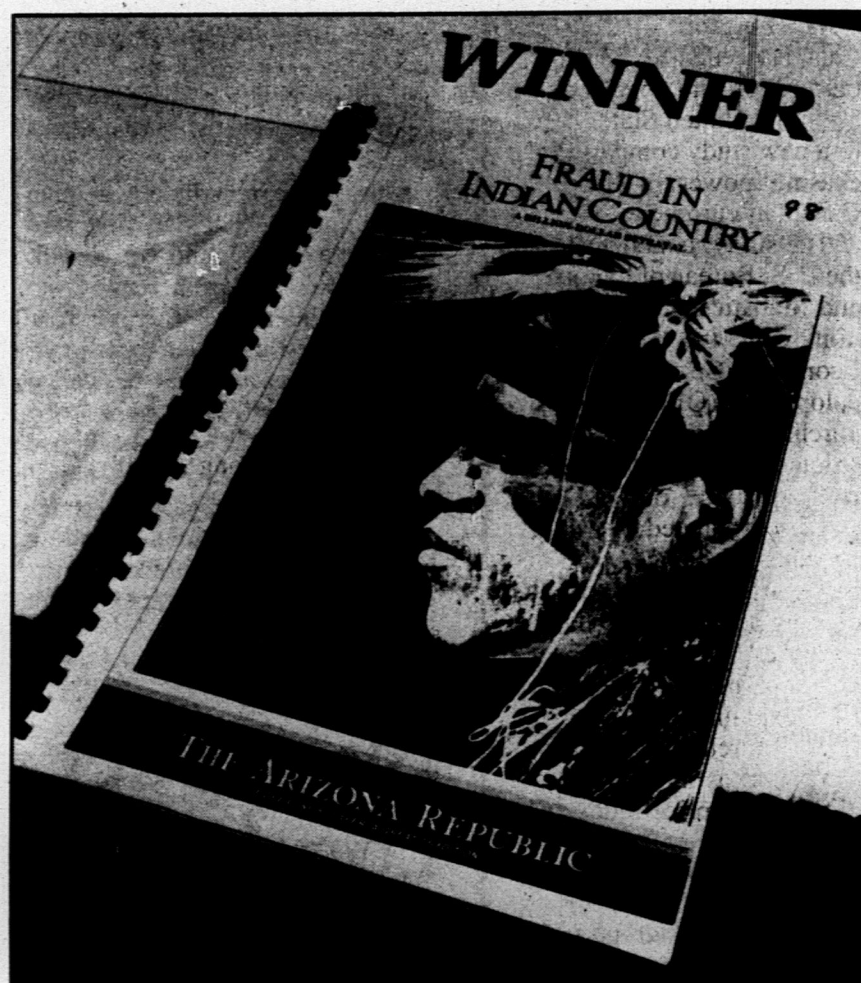
"It provided a marvelous aura in which to be judging this contest," he observed.

capable reality is that there is far more destruction and violence in Detroit in 1987 than in 1967. . . . It is as if the riot has never ended, but goes on in slow motion. . . . a riot without end, a tragedy still without resolution."

Kotlowitz's story "was a model of powerful succinct writing" that "graphically recounts the gradual moral deterioration of the boy because of fear and hopelessness in

the violence around him," the judges said.

Judges were: Reese Cleghorn, longtime reporter and editor who now is dean of the University of Maryland College of Journalism and president of the Washington Journalism Review; Robert L. Asher, a member of the editorial-page staff of the Washington Post; and Frank Starr, chief of the Washington bureau of the Baltimore Sun.



WINNING ENTRY ON DISPLAY AT BROUN AWARD LUNCH

TNG endorses Post overtime ruling appeal

(Continued from Page 1)

from overtime, local administrative officer Sandra Polaski told members of TNG's Int'l Executive Board.

Gesell's "conclusion that the Post is not obliged to pay overtime to these reporters and editors violates Dept. of Labor regulations and is contrary to previous deci-

sions of the courts," Dale's statement said.

"By arbitrarily directing individual cases to be filed, the decision also emasculates procedures through which all employees have historically pressed overtime claims," Dale said.

Meanwhile, in a bulletin to the Guild's membership at the Post,

two of the plaintiffs—Karllyn Barker and Post Unit Chairperson Tom Sherwood—charged that Gesell's decision was replete with "sweeping and inaccurate statements" that show he "does not understand life in this news room."

They pointed to Gesell's assertion that the Post does not employ entry-level reporters and editors, that it "employs only reporters and editors with proven experience who have acquired demonstrable newspaper writing skills that meet the particular, exacting needs of the Post."

Also, they pointed to the judge's statement that "reporters/editors

are regularly appraised and their progress in pay and responsibility depends on their performance as measured by well-defined criteria."

The bulletin speculated that "the judge, himself, might never get hired here [at the Post] because he can't get his facts straight," pointing, among other things, to Gesell's misspelling of the name of the managing editor, Leonard Dowrie.

Gesell ignores a recent ruling "in his own circuit," in which Judge Barrington Parker found an employee of the Washington Times exempt from overtime, not-

ing that reporters but not columnists are covered by the federal overtime statute, the bulletin continued.

"Gesell concluded that Post employees are 'fulfilling their expected role—a role which requires talent and superior intellectual ability'—but a role, according to the judge, that does not require the Post to pay overtime," Sherwood and Barker wrote.

Gesell held the 13 news-room employees exempt from overtime under an interpretation of the law's professional exemption that encompasses "artistic" work that is "original and creative in character in a recognized field of endeavor . . . the result of which depends primarily on the invention, imagination or talent of the employee."

Post Guild members give to alternative charity drive

Washington—Guild members at the Washington Post have contributed more than \$4,000 to area charities and the United Way of the National Capital Area through an alternative program set up by the union rather than through the Post's annual company-wide pledge campaign for the united giving agency.

The alternative program was set up for Post members distressed by the paper's refusal to accommodate new members' requests for Guild-dues check-off, the Guild local reported.

"It seemed inconsistent for the Post to be willing to make weekly deductions for an outside organization but not for Post employees'

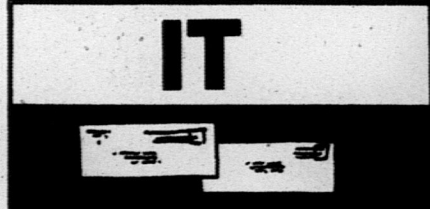
own chosen organization," a Guild representative said, adding:

"The program assured that United Way would not suffer as a result of the Post's failure to continue bargaining for an equitable contract." The reference was to the Post's having declared an impasse in talks with the Guild for a contract to replace one expired since July 9, 1986.

Guild officers delivered members' contributions totaling more than \$2,000 to the bank president who heads the United Way here. Another \$2,000 went directly from members to individual charities in response to the Guild-run alternative program.



DELIVERING ALTERNATIVE CONTRIBUTIONS TO UNITED WAY
From left: Sandra Polaski of the Washington-Baltimore Guild; William G. Tull, United Way board chairperson; Joslyn Williams of the Metropolitan Washington Central Labor Council; Jim Yenckel of the Guild local.



Events require merger, Seattle member writes

BAINBRIDGE ISLAND, WASH.

Editor:

The Newspaper Guild must merge or die.

Changes in newspaper technology alone require the merger. In addition, publishers combined with the anti-union biases of such federal agencies as the National Labor Relations Board have left the Guild in the position of a baby among wolves.

Further changes are coming, some of them technological. Pagination is no longer around the corner. It is in newsrooms. The chains continue to grow as the big ones swallow the little ones. And newspaper employee wages and benefits have shrunk to the point where even some publishers worry in *Editor & Publisher* and *presstime*.

The one or two union strikes can only end miserably. Witness the Chicago Tribune. Also witness the contracts the Guild has had to accept when support has not been total.

The Guild should merge with a

union with roots across the nation in big cities and small. It should merge with a union with newspaper connections. The Communications Workers of America, which now includes the printers, comes to mind. So do the Teamsters, once more members of the AFL-CIO.

The 1988 Guild Convention should direct the re-formation of a merger committee if the Guild's Int'l Executive Board does not act first.

GIL BAILEY
Former president
Pacific Northwest Guild

N.Y. Post member hails 'Harry, Harry, Harry'
NEW YORK, N.Y.

Editor:

I am a Guild member since 1963. I work for the N.Y. Post.

I have long given up the fact that the little man is important—in fact, that the little man has a voice.

Up from the ranks hailed a voice—Harry Leykis, advertising make-up chief working for the N.Y. Post 38 years.

He has taken up the cause to

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.

keep the Post alive and save our jobs.

He has given us hope.

He fights, he verbalizes, he kicks and cares.

I hear all over, "Harry, Harry, Harry."

He makes me feel the little guy has a chance.

Whatever will be.

To me and many, many others it's

Harry, Harry, Harry.
ROSELIEBMAN
Post unit
New York

Editor's note: Brother Leykis, a Guild steward and former chairperson of the New York local's unit at the Post, testified for the Guild unit's members at hearings held by Sen. Daniel P. Moynihan (D-N.Y.) on Jan. 7 to examine the future of the Post [Guild Reporter, Jan. 15].

New study compares U.S., Canadian living costs

Washington — Consumers in Canada needed \$1.259 in 1987 to buy goods and services that cost \$1 in the United States, according to a new study comparing the purchasing power of the U.S. and Canadian currencies.

The study, conducted jointly by the U.S. Bureau of Labor Statistics and Statistics Canada in conjunction with the Organization for Economic Co-operation and Development (OECD), is the first purchasing-power comparison restricted to the U.S. and Canada. It is modeled on multinational studies conducted by the OECD.

Since exchange rates do not necessarily reflect the relative purchasing power of currencies within countries, a system of "purchasing power parities" was developed, the BLS explained.

The purchasing power parities are stated as an index, similar to a consumer price index. The purchasing power parities index (PPPI) measures prices for a typical market basket of goods and services weighted to reflect ex-

penditure patterns in each nation. In fact, the PPPI can be considered a consumer price index measuring prices in different countries at a given time—"for example, the consumer basket which costs \$1 in U.S. dollars in the United States costs \$1.25 in Canadian dollars in Canada," the BLS explained.

The study finds that 1.266 Canadian dollars were needed in 1985 to match the purchasing power of 1.00 U.S. dollar in the area of individual consumption, while the currency exchange rates for the same year averaged \$1.366 Canadian per \$1.00 U.S.

Findings for 1985, the base year of the study, were adjusted for inflation rates in the U.S. and Canada to produce past and current PPPIs. Those figures show that while the purchasing power of the currencies has "evolved quite steadily" over time, the exchange rates have been "more volatile," the BLS reported.

While the study refutes the notion that currency exchange rates accurately reflect price differences between the countries, it confirms what Guild members in Canada long have known—that it takes more Canadian dollars than U.S. dollars to buy a common "basket" of goods and services.

That fact is reflected in Guild contract minimums: The average reporter top minimum in December 1987 in daily newspaper contracts in Canada was \$748.34 (Canadian), compared to an average reporter top minimum of \$590.85 (U.S.) in U.S. contracts.

Applying the 1.259 PPPI for 1987 to the average reporter top minimum in Canada would reduce the Canadian average to \$594.39

(U.S.), \$3.54 more than the actual Dec. 1 U.S. average.

By the same measure, using the PPPI to convert the U.S. average to reflect the purchasing power of a Canadian dollar would increase the U.S. average to \$743.88 (Canadian), \$4.46 less than the actual Dec. 1 Canadian average.

The U.S. labor agency reported the findings of the U.S.-Canada study in the "Monthly Labor Review" for December. Statistics Canada will report the findings in the February issue of "Consumer Prices and Price Indexes."

The study showed a wide range

in the dollars' purchasing powers among individual items making up the index, including these index figures reflecting Canadian-dollar expenditures necessary to buy the equivalent of what could be purchased with \$1.00 U.S. in 1985:

✓ Food—1.367; nonalcoholic beverages—1.098; alcoholic beverages—1.502; tobacco—1.834; overall clothing and footwear—1.368; restaurants and hotels—1.281.

✓ Rent and water charges—1.324; fuel and power 1.064; furniture, floor coverings and repairs—1.516; major household

appliances and repairs—1.386; overall household equipment and operation—1.426.

✓ Out-of-hospital medical services—0.548; medical and pharmaceutical products—1.277; hospital care—1.295; overall medical care and health expenses—0.959.

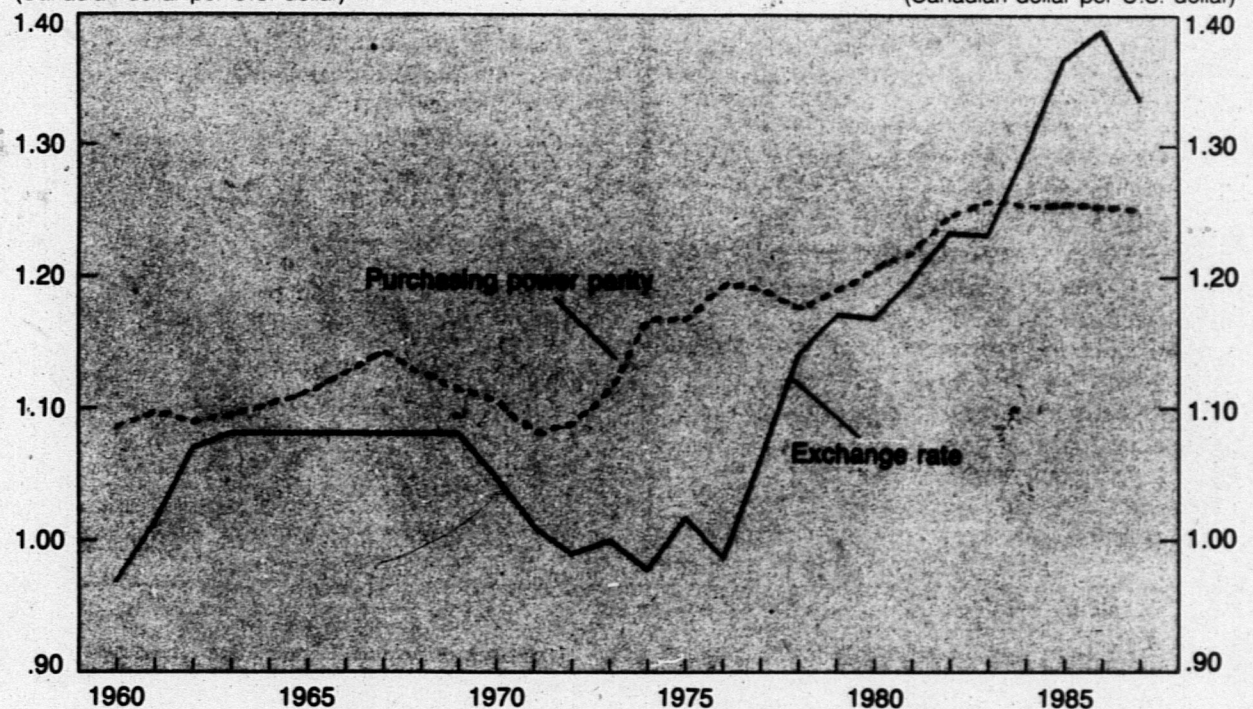
✓ Education—1.148; entertainment, recreation and culture—1.077; books, magazines and newspapers—1.175.

✓ Personal transport equipment—1.243; purchased transport—1.251; operation of transport equipment—1.310.

Purchasing power vs. exchange rate, Canada-U.S. 1960-87

(Canadian dollar per U.S. dollar)

(Canadian dollar per U.S. dollar)



Source: Data are from the Organization for Economic Cooperation and Development, Paris.

MONTHLY LABOR REVIEW, U.S. Dept. of Labor, December 1987

Contracts guarantee severance pay in cuts

Silver Spring, Md.—Ninety-five percent of Guild contracts guarantee severance pay to employees dismissed in staff cutbacks or shop closings, according to an analysis by TNG's Collective Bargaining Dept.

Among 213 Guild contracts in effect Sept. 1, 1987, 82 percent, also provided severance pay for employees dismissed for cause.

Almost half included severance pay for voluntary resignation in at least some circumstances.

Top rate of \$519, in Maui, leads clerk minimums list

A TOP MINIMUM of \$519.78 a week leads the most recent list of top minimums for clerks from Guild contracts with daily newspapers.

The Dec. 1 tabulation, compiled by TNG's Collective Bargaining Dept., includes the top minimums for clerks under 117 contracts with newspapers in the United States, Canada and Puerto Rico. It lists the lowest clerk top minimum from contracts covering more than one clerical job.

Forty-five, or 38 percent, of the top minimums exceeded \$350 a week. Nineteen of them were \$400 a week or more, and five topped \$450 a week, including the \$519.78 top minimum from the Hawaii Guild's contract with the Maui News.

Results of settlements since Dec. 1 and deferred increases effective in the interim are not included.

	Minimum	After		Minimum	After		Minimum	After
Maui News	\$519.78	—3 yrs.	Toledo Blade	374.56	—2 yrs.	York Daily Record	294.59	—4 yrs.
Ottawa Citizen	480.47	—3 yrs.	Boston Herald (commercial)	368.80	—3 yrs.	Memphis Commercial Appeal	293.70	—2 yrs.
Vancouver Sun and Province	469.93	—1 yr.	Detroit News	365.61	—3 yrs.	Joliet Herald-News	293.65	—3 yrs.
Montreal Gazette	469.00	—3 yrs.	Philadelphia Inquirer and Daily News	362.10	—4 yrs.	Kingston Daily Freeman	292.20	—3 yrs.
Wilkes-Barre Sunday Independent	458.35	—2 yrs.	Mt. Clemens: Macomb Daily	359.29	—1 yr.	Brockton Enterprise	290.13	—2 yrs.
Hilo: Hawaii Tribune-Herald	449.58	—1½ yrs.	Tacoma News Tribune	355.75	—2 yrs.	Peoria Journal Star	287.00	—2 yrs.
York Dispatch	436.85	—2½ yrs.	Oakland Tribune	351.11	—2 yrs.	Eugene Register Guard	284.35	—4 yrs.
New York Times	433.73	—2 yrs.	Denver Post	351.00	—3½ yrs.	Gary Post-Tribune	283.51	—2 yrs.
Manchester Union Leader	433.20	—3 yrs.	Honolulu Advertiser and Star-Bulletin	349.88	—1½ yrs.	Bellevue Journal-American	282.84	—3 yrs.
Detroit Free Press	423.61	—4 yrs.	Salem News	347.50	—2 yrs.	Massillon Independent	280.19	—3 yrs.
Brantford Expositor (circulation)	415.45	—1½ yrs.	Denver Rocky Mountain News	347.00	—3 yrs.	Allentown Call	279.00	—2 yrs.
San Mateo Times	415.23	—3 yrs.	Oshawa Times	346.93	—2 yrs.	Youngstown Vindicator	272.30	—2 yrs.
Delaware County Times (Primos, Pa.)	413.41	—4 yrs.	Erie News and Times	343.92	—3 yrs.	Canton Repository	271.02	—3 yrs.
Toronto Globe & Mail (editorial)	411.78	—3 yrs.	Lynn Item	342.76	—2 yrs.	Great Falls Tribune	270.00	—4 yrs.
Woodbridge News-Tribune	411.20	—3 yrs.	Waukegan News-Sun	342.12	—flat	Bristol Press	269.75	—5 yrs.
Honolulu Star-Bulletin	408.11	—1½ yrs.	Dayton News and Journal Herald	341.00	—3 yrs.	Lowell Sun	265.49	—2 yrs.
Toronto Globe & Mail (editorial)	405.64	—3 yrs.	Wilmington News and Journal	337.17	—3 yrs.	Waterbury Republican and American	263.37	—1 yr.
Toronto Globe & Mail (advertising)	404.81	—3 yrs.	St. Louis Post-Dispatch	336.70	—3 yrs.	New Brunswick Home News	260.40	—1 yr.
Long Beach Press-Telegram	400.25	—3 yrs.	Woonsocket Call	336.54	—2 yrs.	Lexington Herald-Leader	260.00	—4 yrs.
Honolulu Advertiser	398.83	—3 yrs.	Sacramento Bee	331.68	—3 yrs.	Milwaukee Journal and Sentinel	260.00	—flat
Toronto Star	398.73	—3 yrs.	Sacramento Union	330.87	—2 yrs.	Malden News, Medford Mercury and Melrose News	254.00	—2 yrs.
Victoria Times-Colonist	396.64	—flat	Brantford Expositor (advertising)	330.00	—2 yrs.	Pueblo Chieftain	252.80	—1 yr.
Brantford Expositor (mailroom)	395.65	—2 yrs.	Sudbury Star	329.97	—3 yrs.	San Antonio Light	250.80	—2 yrs.
Monterey Herald	393.00	—3 yrs.	Stockton Record	329.38	—4 yrs.	Scranton Tribune	249.72	—flat
Windsor Star	391.82	—2 yrs.	Providence Journal and Bulletin	328.33	—2 yrs.	Albany Times-Union and Knickerbocker News	248.80	—1 yr.
Chicago Sun-Times	390.40	—3 yrs.	Buffalo News	327.75	—3 yrs.	Tonawanda News	247.10	—4 yrs.
Minneapolis Star & Tribune	387.50	—4 yrs.	Seattle Times	324.00	—2 yrs.	Boston Herald (editorial)	245.16	—2 yrs.
Akron Beacon Journal	385.00	—2 yrs.	Fall River Herald-News	320.90	—2 yrs.	Sioux City Journal	244.29	—2 yrs.
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Pittsburgh Post-Gazette	384.00	—3 yrs.	St. Paul Pioneer Press & Dispatch	317.88	—1 yr.	Pottstown Mercury	235.50	—flat
New York Post	382.20	—3 yrs.	Portland Press Herald and Express	316.43	—3 yrs.	Yakima Herald-Republic	235.00	—4 yrs.
Cincinnati and Kentucky Post	382.00	—3 yrs.	Seattle Post-Intelligencer	312.24	—3 yrs.	Knoxville News-Sentinel	233.00	—4 yrs.
San Diego Union and Tribune	381.39	—3 yrs.	San Juan: El Vocero	307.00	—5 yrs.	Monessen Valley Independent	231.75	—1 yr.
Royal Oak Tribune	379.51	—1 yr.	Kenosha News	306.00	—5 yrs.	Utica Observer-Dispatch	230.00	—4 yrs.
New York Daily News	378.93	—3 yrs.	Washington Post	304.75	—2 yrs.	Terre Haute Tribune-Star	222.70	—2 yrs.
Cleveland Plain Dealer	376.17	—3 yrs.	Indianapolis Star	304.35	—3 yrs.	Battle Creek Enquirer	222.00	—3 yrs.
San Francisco Chronicle and Examiner	376.06	—2 yrs.	Sheboygan Press	303.60	—3 yrs.	Scranton Times	200.00	—flat
			Baltimore Sun and Evening Sun	303.00	—5 yrs.	Duluth News-Tribune & Herald	194.75	—2 yrs.
			Harrisburg Patriot and News	301.43	—2 yrs.	Chattanooga Times	190.00	—4 yrs.
			Pawtucket Times	301.02	—1 yr.	Glens Falls Post-Star	155.00	—1 yr.

* If hired after 3/30/82.
* \$317.00 if hired before 6/23/84.



'Waterfront Capo' and 1,200 jobs would be true loses at N.Y. Post

By Colman McCarthy

NEITHER THE New York Times nor the Wall Street Journal told New Yorkers on Jan. 5 why the corpse of Vincent Rotondo—with a bullet through the left eye—was found the day before with a white paper bag filled with raw fish next to it. The New York Post did. Under a headline "Waterfront Capo Shot Dead," readers were treated to the cultural and historical significance of fish as a farewell to mobsters: "The fish is an old Mafia symbol indicating the victim has been killed, thrown in the river and now 'sleeps with the fishes'."

Such lore is among the reasons that on the mornings I can get a New York Post I'll read it before the other out-of-towns. It's a rag, but a rag that tells you stories of the city none of the other three New York dailies will. It also provides the gossip of Suzy, the joke column of Joey Adams and equally hilarious right-wing editorials that Adams probably writes during lunch.

Colman McCarthy is a columnist with the Washington Post Writers Group. This column, as published in the Jan. 17 issue of the Washington Post, is reprinted with permission.

All this may pass the way of the last Herald Tribune, World Telegram and the Mirror unless Congress restores some fairness to the media marketplace. Some unfairness occurred last month when the money-losing New York Post was made even more fragile as Sen. Edward M. Kennedy (D-Mass.) sought to take away a legal protection the paper now has. Kennedy and Sen. Ernest F. Hollings (D-S.C.) pushed an amendment that forbids the Federal Communications Commission from granting waivers to its rule disallowing ownership of both a daily newspaper and a television station in the same city.

THE ONLY owner so engaged is Rupert Murdoch. He isn't everyone's idea of journalism's Mr. Integrity. But he has kept the Post's presses running and deserves better than a waylaying by Kennedy. The senator illiberally slipped his amendment past Congress with no debate and no hearings, with a final vote coming at 2:30 a.m. If Kennedy was dreaming at that hour, it surely wasn't the result brought on by his scheme—turning Rupert Murdoch into a champion of free speech. He's only a champion of free-speech as it applies to him in grabbing for profits.

Neither Murdoch's name nor money is linked with efforts to release journalists imprisoned in the jails of dictators. The New York Post is not known for community

service. On campuses, Murdoch is a role model fit for students in the business school, not the journalism-school. The play with money, not ideas or ideals, stirs Murdoch. The high cost of press lordship in New York—the Post loses about \$10 million a year—prompted Murdoch to be on the hunt for a buyer for the newspaper well before the Kennedy-Hollings night ride.

The effect of the legislation is to advance the Post's sale deadline. If a buyer isn't found by the end of January, say the paper's executives, operations will close by March 6. About 1,200 workers will lose their jobs. All Murdoch stands to lose is a megaphone, the one he used to present himself as a defenseless victim of legislative "covert action." "Nor are we the only victims," Murdoch wrote in his paper. "They include the American public, the nation's media and the integrity of Congress." Only God's honor was left out.

No quiet settlement and no friendly handshake is likely to settle any of this. The mayor of New York, as self-servingly grandiose as Murdoch, claims that the "Kennedy-Hollings measure has defamed our legislative process and undermined our freedom of the press." That's about as accurate as a New York Post headline the other day that screamed, "Soviets Already Cheating on Arms Pact." Mayor Koch knows well that the "legislative process" by which special-interest amendments are furtively attached to sure-thing bills has routinely suffered worse defamations than this latest one.

AS FOR freedom of the press, diversity of the press is more the issue. Originally, the FCC ruled that its ban on cross-ownership was a legitimate hampering of concentrated media power. That argument has weaknesses, among them the public is so undiscerning on the issues that it will swallow a line because it is spouted by a jointly owned newspaper and television station.

New York can well survive the loss of a money-mongering publisher. Only if the Post goes down with Murdoch does the city truly lose, starting with jobs for many and diversity for everyone.

Washington Post Writers Group
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As they put it

Blame KRI's greed?

This "opinion," signed CDB, is reprinted from the Jan. 25 edition of Crain's Detroit Business, a Crain Communications Inc. weekly. Its head: "If Freep dies, blame owner's greed."

Raw corporate power.

What did you expect? That Knight-Ridder Inc. [KRI] was going to let the legal arguments take care of themselves? Not when the legal arguments go the other way.

So the \$2-billion media superpower that owns the Detroit Free Press is resorting to raw corporate power to twist the arms of everyone from a crippled Free Press reader to the attorney general of the United States.

The object is to persuade Atty. Gen. Edwin Meese III to disregard his staff's legal advice and allow Knight-Ridder to merge the Free Press with the Detroit News. The papers would then fire 1,000 staff, raise prices and carve up an estimated \$100-million a year in profits.

Knight-Ridder has retained megabucks Washington fixer Clark Clifford and the Republican lobbyists Timmons and Co. Inc. to take care of things in Washington.

Meanwhile, the Knight-Ridder board and Chairman Alvah Chapman talked to selected Detroit civic honchos to recruit them into the company's political campaign. After meeting in Detroit last week, the board sorrowfully announced that it would close the Free Press unless it gets the joint operating agreement [JOA]. So all you good Detroiters better let your elected representatives and Republican appointees know how you feel about this potentially tragic loss.

Detroit's morning newspaper is the hostage and the kidnapper is ruthless.

Having lost in the legal arena, Knight-Ridder is using the legitimate fear of its newspaper people in Detroit and its national political power to turn the JOA question into one of emotion and politics, rather than one of law.

The Free Press isn't a failing newspaper, and Detroit's two dailies don't qualify for a JOA under the Newspaper Preservation Act of 1970. Knight-Ridder hasn't tried to turn a profit here. It tried only to get a JOA. So the battle plan comes down to emotion and power. Free Press publisher David Lawrence, Jr.'s, famous front-page column seeking letters in support of saving the Free Press attracted a suitably emotional response.

When the JOA bid was announced nearly two years ago, no one seriously thought the Free Press was in danger of dying. It had the appealing morning franchise and was only insignificantly behind its rival in circulation.

Now, with Chapman holding a gun to its head, the paper may actually be threatened. But it is not threatened by a misapplication of the Newspaper Preservation Act of 1970.

If the Free Press dies, it will be because two media giants tried to abuse the Newspaper Preservation Act. It will die because of Knight-Ridder's greed.

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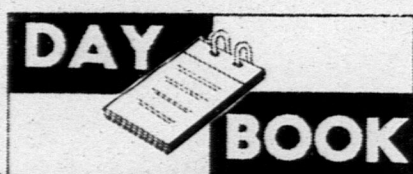
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Great Lakes District Council, winter meeting, Quality Hotel Plaza, Erie, Pa., Feb. 6-7.
Middle-Atlantic District Council, winter meeting, Philadelphia, Feb. 6-7.
TNG residential seminar for new local officers, Feb. 12-15, George Meany Center for Labor Studies, Silver Spring.
Midwest District Council, winter meeting, Holiday Inn, Pueblo, Colo., Feb. 20-21.
Southern District Council, winter meeting, Menger Hotel, San Antonio, Feb. 20-21.
New England District Council, winter meeting, Providence, Feb. 27-28.

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