

The Kentucky Press

December, 1958

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Kentucky's Showcase: The Old Mill In Wayne County



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NUMBER THREE

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University of Kentucky
Lexington

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What Is The Largest 'Woman's Club' In Kentucky?

*415,300 Women Who Save Trading Stamps
Are The Largest "Woman's Club" in Kentucky.*

Every day about 415,300 Kentucky women make it a point to shop where they get trading stamps. This large group of smart, thrifty Kentucky shoppers, with their common interest in trading stamps, can be thought of as a huge "woman's club" with membership throughout the state.

Of course this "club woman" gets wonderful things for her home and family through such favorites as S & H Green Stamps. Through her thrift and diligence she provides "extras" for her family. And although she may seldom think about it, her active sav-

ing is enormously good for business in our state.

Last year, for example, trading companies purchased \$1,064,000 worth of products from Kentucky manufacturers. Making these things provided jobs for 263 Kentucky people. S & H Redemption Stores, paying local rent and taxes, employ many more.

In the light of these facts it would seem that not only Kentucky women, but everybody in the state can be thankful that the trading stamp is a part of our way of life.

This message is published as public information by THE SPERRY AND HUTCHINSON Company, originator 62 years ago of S & H Green Stamps.

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Insurance Specialist Explains Your Printing Plant Protection

The value of a property can be defined in a number of different ways.

1. Original Asset Value. This would represent the total cost of property over a period of 5, 10 or 20 years as it grew to its present value. No one ever thinks of this as the basis for insurance amounts.

2. Depreciated Book Value. This would be the value reduced by depreciation factors allowable taxwise. Some are written off over a period of years. Strange as it may be, there are still people who would use this as the amount of their insurance.

3. Market Value. This is the amount which you could get for the property, if it were sold in a relatively short time. This is sometimes illogically used as a basis for insurance.

4. Present Replacement Value. This is the amount of the sum which you would insure for to rebuild your plant as it stands today at current building and equipment costs. More and more insurance programs are being placed on this basis.

5. Present "insurable value." This would be the amount of present replacement values less deduction for age, wear, and tear, obsolescence, and other factors, considering the cost of maintenance.

This has been the most common basis for insurance covering the amount of insurance for your printing plant.

Present Replacement Cost

Could you tell me how much insurance I should have on my building, who writes it, and how it is written? When was the last appraisal on the building? When was the last appraisal made on the equipment and machinery? Let us take a Class "C" building constructed in 1940, at a cost of \$20,000 complete, excluding land and architect's fees. Today that building would cost, to replace, approximately \$55,200, as of March 1, 1958, the cost multiplier being 2.76.

Assuming you built the same type of building in 1948 for \$20,000, it would cost approximately \$28,400 today to replace new, the cost factor of 1.42.

Assuming you furnished your printing plant new at a cost of \$20,000 in 1940, the cost multiplier of today for printing plants is 2.76, so to furnish it new today would cost approximately \$42,000.

Assume you furnished it new in 1948 at a cost of \$20,000. The factor being 1.42, it would cost today approximately \$28,400.

(Note: This article is a digest of an address by Verne O. Christinson, an insurance specialist, at a Montana Mechanical conference.)

What Co-Insurance Means

The co-insurance clause is an agreement between the insurance company and the property owner. The property owner agrees to carry insurance on his building and equipment and stock equal to a stipulated percentage on the actual cash value of the property—usually 70% to 100%. The insurance company agrees to allow a reduced rate for the insurance.

The rate of reduction varies with the stipulated percentage. It allows you to save money on premiums to the extent of getting more coverage for the money.

Assuming you have an 80% Average Clause on a Class "C" building; in this particular area you would receive a 35% discount for the fire and other coverages. On the contents you would receive a 20% discount.

If you carry 90% to value you would save an additional amount of the rate of 5% or you would have a discount off the building rate of 40%, and on the furniture, fixtures, machinery and stock an additional amount of 5% or a total discount of 25%.

To further explain the Co-Insurance Clause or Average Clause, let us take this example: Assume Mr. Jones buys a building for his printing plant valued at \$100,000. To get a low premium rate, he insures it for \$80,000 under the 80% Co-Insurance Clause. Six months later, a fire causes a loss of \$40,000. Since Mr. Jones has complied with the Co-Insurance requirements, his \$40,000 is paid in full.

Five years have passed. A \$40,000 fire occurs. The building has increased in value to \$160,000. Under the 80% Co-Insurance Clause, his insurance should have been increased to 80% of \$160,000, or \$128,000. But Mr. Jones did NOT increase his policy and is still carrying \$80,000. Since Mr. Jones has not complied with the Co-Insurance requirements, his insurance is \$80,000/\$128,000, or five-eighths of what it should be. So the insurance company pays only five-eighths of the \$40,000 loss, or \$25,000.

Total Destruction

When there is total destruction, an insurance policy never pays more than its face

amount. If Mr. Jones' \$100,000 building is totally destroyed and his policy is \$80,000, the claim payment is \$80,000. If the insurance remains \$80,000, but the building has increased in value to \$160,000, claim payment would still be \$80,000 on a total loss. If the co-insurance clause is not complied with, you and you only will take the beating in case of a disastrous fire.

In closing, let me leave these thoughts with you:

1. Have one competent agent handle your insurance problems.

2. Have a complete insurance analysis made up.

3. If the handling agent cannot make an appraisal of your building property and, with your help, of the furniture, fixtures and machinery of your plant, get a qualified engineer or contractor or hire an appraisal company to come in and get the values right!

4. If you desire to have your insurance written by various agents, have the handling agent designate the amounts you wish to each one of them.

If you ever have a disastrous fire or other type of loss, with this type of an insurance program you should come out on top.

Tying Up Bundles

Replying to a question regarding the tying of copies of newspapers by means of a bundle tier when they are mailed singly as second class matter, Edwin A. Riley, Director of the Postal Services Division has issued the following:

"When copies of a newspaper are mailed singly, they must be enclosed in individual wrappers or envelopes as prescribed by Sec. 126.12a of the Postal Manual. This has been a requirement for many years. The use of string to keep a copy folded or rolled is not authorized in lieu of a wrapper or envelope for a copy mailed singly. However, when there are more than five copies in a mailing for local delivery, or for delivery at the same post office, or for delivery in the same state, they are not required to be enclosed in individual wrappers or envelopes, provided such copies are securely wrapped in packages or tied in bundles, labeled for the particular post office or the particular state in accordance with Sec. 126.134 of the Postal Manual. In these mailings, the individual copies may be tied by means of a bundle tier if the publisher so desires."

There are 1,755 daily newspapers in the U. S., serving virtually every city, town and hamlet on the map, and offering community impact no other medium can match.

Newspapers Must Educate

"All I know is what I read in the papers."

Will Rogers had a habit of getting at the roots of things in a few words. The quotation above is subject to many interpretations, but the most obvious is that newspapers are practically the only source of information for most adults.

The average age at which classroom training ends is 18, but a diploma does not end an individual's desire or capacity for learning. Every spring sees a sizeable number of graduation speakers mention the fact that "education is only the beginning," or "now you have the tools, and it is time for you to go forth and learn."

This issue contains a report on a workshop devoted to the use of newspapers in the schools. This sort of program is important, not only for its immediate educational value, but also because of the reading habits and basic curiosity it instills during the formative years. Education is a continuing process, and the newspaper is perhaps the best medium for use in both the formal atmosphere of the schools and the informal learning processes of the work-a-day world.

Among other things, the newspaper is an educational institution. As such, it often wields more influence in the lives and minds of the people than the most honored universities. The combined enrollment of Iowa's 23 colleges and universities is less than the circulation of any of the state's four largest daily newspapers. Even when those taking correspondence courses or attending evening or extension division classes are considered, the total enrollment in Iowa's institutions of higher learning is only two per cent of the combined circulations of Iowa's newspapers.

This places a great burden of responsibility upon the shoulders of every editor and publisher. The writing staff of a newspaper may well be compared to the faculty of a university. Every issue of every newspaper is the equivalent of a lecture session in the effect it has on the minds of some, if not all, of the readers.

Editors and educators are really quite similar. An editor might be defined as "one who disseminates facts," and an educator "one who brings out the significance of the facts." The two definitions are readily interchangeable, for both newsman and teacher must interpret facts as well as present them.

Education has had a part in the development of today's newspapers. The 19th century "penny press" came as a result of the mass of uneducated workers recruited by the Industrial Revolution. Although the boisterous papers of that era bear little relation to

our concept of education, the purpose was there. Then, as now, newspapers were written for their readers.

The role of the newspaper has changed through the years. With the advent of radio and television, timeliness ceased to be a factor to be considered by the printed media. Rather, the emphasis is now on giving the complete picture, backgrounded, and interpreted. The electronic media evolved, and remained, as an entertainment media, and those in the industry are the first to admit that their news coverage is meant to be swift—and brief.

Although the American press has yet to realize its full educational potential, those who wish to control and shape a society have been quick to employ newspapers as one of their most powerful tools. Hitler and Goebbels had all too great success with their "education for death" through the Nazi Ministry of Propaganda and Public Enlightenment. The Soviet Union, through Pravda and Tass, has complete control over the reading matter, and thus the day-to-day education, of the Russian people.

Newspapers exist because people want to know what's going on. They're interested in the newsworthy affairs of the man across the street, the government, and the people in foreign lands. Most readers don't pick up a newspaper knowing that they're going to be educated by so doing. Nevertheless, most of today's newspapers contain lessons in sociology, government and foreign affairs, business and economics, the arts, science, and the English language.

The average citizen hasn't the time to read all the books he might like to on the above subjects. In most cases, he probably doesn't want to read the books anyway—but he wants the information, and the information is digested in the newspaper. Most of what is in the great libraries appeared at one time, in some form, in a newspaper.

Mr. Citizen not only can't afford the time, but hasn't the money to spend on many books. The newspaper is inexpensive and readily accessible. As a matter of fact, it was the expense and rarity of books that led to the development of moveable type, and thus to the modern composing room.

"All I know is what I read in the paper," and what appears in the paper depends on the skill and purposes of the editor and publisher. One of those purposes should be to educate.—From the Iowa Publisher.

Cork comes from the outer bark of a species of oak found in the Mediterranean area.

Sunday Editors Attack Odd-Shaped Advertisements

A resolution by American Assn. of Sunday and Feature Editors recently condemned "unfair to newspapers and their readers" what was called "odd-shaped advertisements which seek to steal a magazine page by occupying only 60% to 70% of the space." The resolution was introduced by Cary Robertson, day editor of Louisville Courier-Journal and

It declared further: ". . . by making it possible to use the remaining news space (the page) attractively, the buyer of advertising is defeating his own ends by actually driving readers away from his to others which contain something seeing and reading. Furthermore, the ership of the entire section is bound affected in the worst possible way.

Finally, this group denies the claim made that such advertising may be swallowed quietly because all other papers are accepting it. On the other newspapers in some of our larger newspaper groups and nationally syndicated newspaper magazines have already barriers against such unacceptable advertisements are in the process of doing so. We that still other publishers should putting up a solid front against encroachments of this type; and that tisers, advertising agencies and advertising representatives, on their part, should consider the self-defeating nature of the ads we so strongly object to."

Post Card Billing Okay For Classified Customers

Post card billing for classified advertising meets all Postal Department requirements is a good cost and time-saving possibility seems to be perfectly permissible to use card billing for current accounts. Where back payments are overdue, request for payment is made, it is impossible to avoid any manner or method of in asking for payment which might the card "objectionable" in the opinion of the Post Office Department.

A post card billing form described by Southern Newspaper Publishers Association and in use by the Gulfport (Miss.) Daily Herald, is headed "This Is Your Bill" states: "We thank you for giving us the privilege of serving you and we hope our ad has proven our slogan, 'Classified in the Daily Herald Bring Results' is true. This ad contained words andtimes. Our charge is \$..... that we can adequately take care of the enormous volume of want ads with a minimum of bookkeeping work, we request that this amount be remitted promptly."

Attack Selling Your Newspaper Advertisements To Your Advertisers

American Assn. of Publishers recently condemned the importance and advantages of the Newspaper Advertising Medium:

- 1. The newspaper is an advertising medium that is wanted—it is sought and paid for... 2. Newspaper circulation is known and is comparatively unaffected by daily or seasonal change—there's no "summer slump." 3. Nearly all of a newspaper's circulation is concentrated in its own market area—without overextending into less promising markets. 4. The newspaper provides penetration in the primary market by reaching virtually every family or consumer in that market. 5. People read newspaper ads when they are ready to make a decision and to act—when they're ready to buy. 6. The newspaper is convenient; it may be consulted at a time most convenient to every member of the family. 7. People like to read newspaper advertisements—surveys show 85% of people want their newspapers to contain advertising. 8. Every issue of every newspaper contains information and features of interest to every member of the family. 9. Newspaper reading is a habit and a part of peoples' daily routine. 10. The printed word is more reliable than the spoken word and it cannot be refuted because it is easily available for re-checking. More accurate information is obtained by reading than listening. 11. The newspaper is ideal for comparison—items in a newspaper may be easily compared with items offered in other newspapers. 12. Newspaper advertising is inexpensive—reaches more known families for less money. 13. Newspaper advertising occupies top position in the minds of successful retailers because it is so important. 14. Newspaper advertising results can be checked quickly. 15. The newspaper is edited to satisfy the interests of every shopper. 16. The newspaper provides an atmosphere of buying action because of its localness and timeliness. 17. Newspaper advertising is flexible, thus permitting an advertiser to tailor his advertising for many purposes. 18. Newspapers provide reliable coverage of all the news—not just the bare headline

Doing Okay Customers

for classified advertising department requires time-saving possibilities... This Is Your Bill... slogan, 'Classified Bring Results'... words and... charge is \$... take care of... want ads with... ing work, we... nt be remitted...

facts—so indispensable to the life of the community.

19. More advertising dollars are invested in newspapers than in radio, TV, magazines and outdoor combined.

20. Surveys show that of all items in the newspaper, advertising ranks first in interest among women.

Stress Service Departments

When was the last time your local appliance dealer ran an ad stressing his service facilities? Wall Street Journal reports retailers who sell appliances are doing more for customers with fix-it problems. "That's the word of the appliance men themselves. And the growing number of appliance dealers who are making a concerted effort to improve their service report it's doing a world of good for their sales and profits." Some dealers are putting emphasis on speedier repair service. Example: one owner installed two-way radios in his service trucks so "his boys could get around from call to call faster." He expects his '58 profits to be "at least 50% above 1957," as a result.

Don't Give It Away!

Norman Moore, publisher of the Los Angeles News-Advertiser, says his newspaper has had remarkable growth in classified advertising and it was made possible "by not giving the advertiser everything he wants." Moore reports that his newspaper has grown "from a paid volume of 16 columns of classified advertising to 63 columns." Advertisers, he believes, are prone to ask for a lot of credit and the "lowest rate in the book and all sizes of typography." Moore's policy: "News-Advertiser rates are not low and credit is limited to only commercial accounts, with nearly 40% of the classified volume being cash-in-advance.

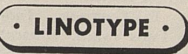
"The News-Advertiser prints its classified section in solid six-point caps and lower case with exception of Automobiles and Help Wanted where lightfaces up to 48 points are accepted. Out of seven pages of nine columns each Sunday and Thursday, more than six pages are in the uniform six point." Moore maintains: "Don't give it away."



HEAVY HANGS THE OVERHEAD.....

... when linecasting equipment is obsolete, outworn or inadequate! Now is the time to ask yourself: Am I just "getting along" with my present equipment? Am I already paying for a new Linotype—in lost profits—in work that "couldn't be done"? Your Linotype Agency would be pleased to give you a thorough and honest appraisal of your composing room and how it may be modernized to deliver top efficiency—and peak profits. Some plain talk about comfortable financing, too.

Mergenthaler Linotype Company 29 Ryerson St., Brooklyn 5, N. Y.



The Kentucky Press

Official Publication
Kentucky Press Association, Inc.
Kentucky Press Service, Inc.

Victor R. Portmann, Editor
Perry J. Ashley, Associate Editor

Member
Kentucky Chamber of Commerce
Newspaper Managers Association

Sustaining Member
National Editorial Association
Associate Member

National Newspaper Promotion Association
Printed by The Kernel Press

The Kentucky Press Association recognizes the fundamental importance of the implied trust imposed on newspapers and dissemination of public information. It stands for truth, fairness, accuracy, and decency in the presentation of news, as set forth in the Canons of Journalism. It advocates strict ethical standards in its advertising column. It opposes the publication of propaganda under the guise of news. It affirms the obligation of a newspaper to frank, honest and fearless editorial expressions. It respects equality of opinion and the right of every individual to participation in the Constitutional guarantee of Freedom of the Press. It believes in the newspaper as a vital medium for civic, economic, social, and cultural community development and progress.

Kentucky Press Association, Inc.

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Sentinel-Echo, London

Thomas L. Adams, *Vice-President*

Herald-Leader, Lexington

Victor R. Portmann, *Secretary-Manager*

University of Kentucky, Lexington

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The Press extends its best greetings for this holiday season to you and yours with heartiest wishes for your health, success and prosperity in the new year to come.



Killing A Small Town

An editorial in the neighboring town of Bascobel, Wisconsin, is worth reprinting:

"Muscodia is one of the brightest little communities in southwestern Wisconsin. It has a wide main street that much larger towns might envy, a beautiful white way system and modern, up-to-date business buildings.

"But the business men of Muscodia are doing a mighty poor job of supporting their community newspaper, the Muscodia Progressive.

"Much of the retail business around Muscodia is siphoned off by neighboring Richland Center, a much larger shopping center. Like many small communities, Muscodia will face a struggle for existence in the next 25 years. It will badly need a strong local newspaper to bind the area together.

"Merchants who support out-of-town radio stations and shopping guides aren't helping the community, particularly when they permit their newspaper to come out week after week without enough advertising to meet the payroll. They are hastening the day when the town will dry up and they will have to move their shelving and crates of produce to some other location.

"Some merchants who bellyache about their home town newspaper's lack of circulation don't seem to realize that the newspaper can't build circulation without advertising support. A few of these chronic complainers don't carry enough merchandise to warrant a larger circulation.

"We're in favor of small towns, and it will be a sad thing for America when they are gone. But the bitter truth is that many such communities carry the seed of their own destruction in the form of short-sighted business men who won't support their home town institutions."

According to reports of Richard G. Green, NEA Washington representative, Postmaster General Summerfield recently wrote a House Post Office Committee that the within county rate structure should be re-examined. He said the free-in-county privilege has remained for 75 years; that an evaluation might prove of benefit. Free-in-county mail is a subject of controversy among publishers. A survey last year showed that 1 in 3 publishers would not resist a change.

How Long Should Your Records Be Kept?

Business men often ask "how long should records be kept for reference or permit files?" The Business Controller, an IN publication, suggests the following schedule:

Ledgers: general ledger—permanent.
Accounts Receivable Ledgers: contract play, classified—5 years; transient classified—3 years; circulation—5 years; bad debts—25 years.

Accounts Payable Records: vouchers; voucher register—25 years.

Cash Books: 25 years.

Sales Journal: 10 years.

Check Registers: 10 years.

Payrolls: payroll sheets—permanent; employee earnings records—permanent; slips or cards—3 years; pension records—permanent.

Cancelled Checks: voucher checks—5 years; special checks (small amounts)—5 years; payroll checks—5 years.

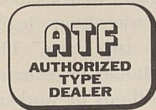
Advertising Records: original orders, display—6 months; original copy classified—6 months; original cash tickets—6 months; daily lineage reports—2 years; monthly age reports—2 years; yearly lineage reports—10 years; marked papers—6 months; contracts with advertisers—5 years.

Circulation: change orders, daily—6 months; ABC reports, daily—1 year; books—permanent; circulation daily tickets—6 months; mail subscription orders—2 years; carrier bond records—25 years; carrier note records—2 years; prepaid carrier delivery records—3 years; draw books—3 years.

Miscellaneous: pressroom reports—1 year; paper consumption records—5 years; ink consumption records—5 years; equipment counts—permanent; tax returns—permanent; appraisals—permanent; audit reports—permanent; minute books—permanent; stock records—permanent; insurance policies—3 years; expiration; bank reconciliations—10 years; building plans and specifications—permanent; correspondence, except administrative—2 years; correspondence, administrative—2 years; stockroom requisitions—1 year; personnel records—permanent; purchase orders (duplicate)—5 years; purchase records—5 years.

The above schedule should be compared with Kentucky laws as some records may have to be kept longer than recommended.

Despite increased competition for circulation, newspaper circulation in the U.S. reached a new all-time high of 58 million newspapers purchased daily. With circulation added, the figure is over 61 million newspapers purchased daily.



ALSO...

Authorized Dealers
Representing Leading
Manufacturers of
Graphic Arts Equipment

- HAMILTON
COMPOSING ROOM
- C & G SAWS
- CHALLENGE
MISCELLANEOUS
- ROUSE SAWS and
MITERING MACHINES
- AMERICAN STEEL CHASES
- NUMBERING MACHINES
ALL MAKES
- STITCHING WIRE
- BRASS RULE
and GENERAL
COMPOSING ROOM NEEDS

May we serve you?

**THE CINCINNATI
TYPE SALES, INC.**

424 COMMERCIAL SQUARE
CINCINNATI 2, OHIO
Telephone: CHerry 1-8284

Washington Notes--

By RICHARD D. GREEN
NEA Washington Representative

Federal Power Commission: A hearing is scheduled to begin January 6, 1959 on FPC's inquiry into accounting practices of electric utilities regarding expenditures for certain types of institutional advertising.

FPC uniform-system-of-accounts regulations require that expenditures by utilities for advertising concerned with matters of public controversy are not to be included among usual and necessary business expenses for rate-making purposes. Utilities participating in the so-called Electric Companies Advertising Program have included expenditures for certain institutional advertising among their regular operating costs.

FPC claims that many of these advertisements concern the public vs. private power issue, a matter of public controversy, and therefore asks the companies involved to show cause why these expenditures should not be classified as non-business expenditures. The electric companies claim that government power agencies are competitors and that the advertising is a legitimate expense since it is designed to sell electricity by keeping and attracting customers.

A procedural hearing was held on December 4 before an FPC hearing examiner to determine the scope and purpose of the hearing. FPC counsel wants to restrict the hearing to a question of whether the matter referred to in the utilities advertising is one of public controversy or not. The utilities wish to go into the "reasonableness and propriety of, and the necessity for, as ordinary and necessary operating expenses of, the advertising expenses which have been questioned."

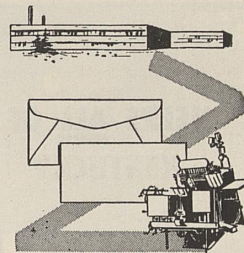
In other words, the companies want to discuss public power competition, the number of customers taken by public power, companies put out of business, public power tax benefits, etc., the use of advertising as a proper technique to meet the competition of government power as they would meet the competition of any other business adversary.

A technique was adopted whereby on January 6, the matter of scope and purpose of the hearing would be referred by the arial examiner to the full membership of the Commission. After the Commission defines the framework and limits of the matters that may be discussed, the hearings will resume. The chances are that the hearings themselves will take several weeks. The companies obviously hope there will be no FPC decision until after the Internal Revenue Service rules on the tax aspect.

Internal Revenue Service: The IRS has

COMMUNITY PRESS SERVICE
SERVING AMERICA'S WEEKLY NEWSPAPERS
• EDITORIAL FEATURES
• HOLIDAY GREETING ADS
• GRADUATION GREETING ADS
• HOLIDAY FEATURES
100 East Main St. Frankfort, Ky.

JUSTRITE ENVELOPES DIRECT FROM FACTORY TO YOU!



A full line of standard and specialty envelopes from the Justrite factory direct to you, the printer . . . this means you can enjoy these Justrite profit-making benefits—complete set of catalogs for plain and printed envelopes . . . full assortment of samples . . . and Justrite's top quality envelope line. Write us for your complete envelope catalog.

"SOLD FOR RESALE ONLY"

JUSTRITE ENVELOPE MFG. COMPANY
523 Stewart Avenue S.W. • Atlanta 10, Georgia

THE HANDY TWINE KNIFE FOR NEWSPAPER MAILING ROOMS



This Handy Knife
Is Worn Like a
Ring

ALL SIZES
25c EACH \$2.40 PER DOZ.
Handy Twine Knife Co.
Upper Sandusky, Ohio

MILLIONS OF ENVELOPES for Immediate Delivery



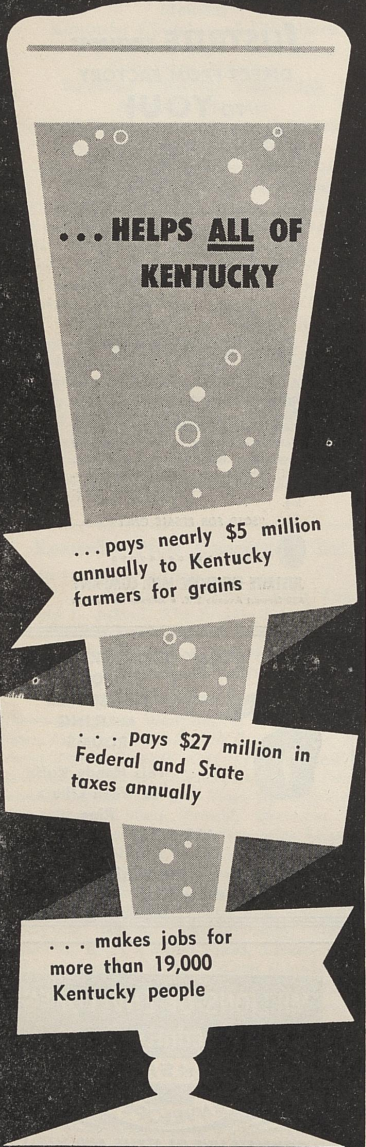
COMPLETE LINE OF STYLES AND SIZES!
• Correspondence • Air Mail • Window
• Bankers Flap • Artlined • Remittance
• Flat Mailer • Booklet • Open End • Coin
• Duo-Post • Metal Clasp • Postage Saver
• Tension-Tie • Formvelopes

You Are Invited
to visit our factory. We
know you'll enjoy a guided
tour of our plant.

TODAY!
Write or call for
full information

TENSION ENVELOPE CORP.

**KENTUCKY'S
BREWING
INDUSTRY...**



... HELPS ALL OF
KENTUCKY

... pays nearly \$5 million
annually to Kentucky
farmers for grains

... pays \$27 million in
Federal and State
taxes annually

... makes jobs for
more than 19,000
Kentucky people



**KENTUCKY DIVISION
U. S. BREWERS FOUNDATION**

1523 HEYBURN BUILDING • LOUISVILLE 2, KY.

agreed to a hearing on the tax disallowances made by field personnel on expenditures made by certain electric utilities on advertising of the same kind being questioned by the Federal Power Commission. No date has been set as yet.

It should be noted that neither the FPC or the IRS has promulgated new regulations. Their rulings regarding the utilities are the result of interpretation and application of existing laws and regulations. The utilities are questioning the interpretations.

Wage-Hour Proposals

Labor is using 20th anniversary celebrations of the passage of the Fair Labor Standards Act of 1938 as a kickoff in the drive to increase the minimum wage and extend coverage to other workers when the 87th Congress convenes.

AFL-CIO President Meany would increase the minimum wage to \$1.25 an hour. Some bills introduced in the last Congress provided for an increase to \$1.50. Meany declared in a radio address that the election of many new liberals to Congress makes the prospects for "improved" wage-hour legislation "more promising than they have been

in a long time."

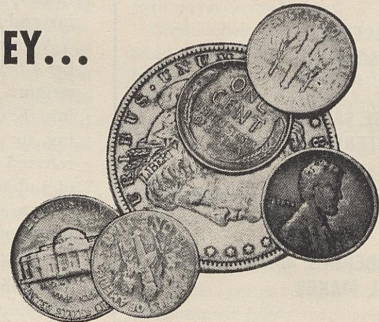
Sen. Douglas (D., Ill.), an influential member of Congress, told a labor group that he feels wage-hour legislation should be handled in two parts. The primary goal, he feels, should be extension of the present law to millions of workers not covered. Douglas would then seek an increase in the minimum rate. Proposed legislation supported by Douglas in the Congress would have removed the exemption now enjoyed by newspapers with circulation under 4,000 and would have extended coverage to newspaper delivery boys.

Labor In The Newspaper Field

Organized labor is again considering publication of a cross-country network of weekly newspapers. Claiming that the nation's press fronts for management, labor would edit weeklies which would publish general news but would also carry labor message to the general public.

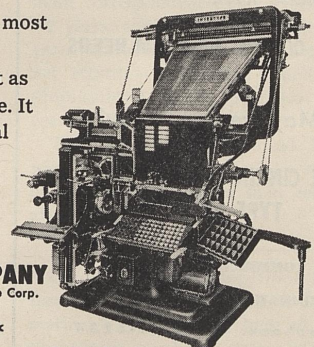
The plan under study is to transform some of the better labor weeklies which now carry only labor news into community-wide newspapers, emphasizing local and state news along with labor news. The AFL-CIO is

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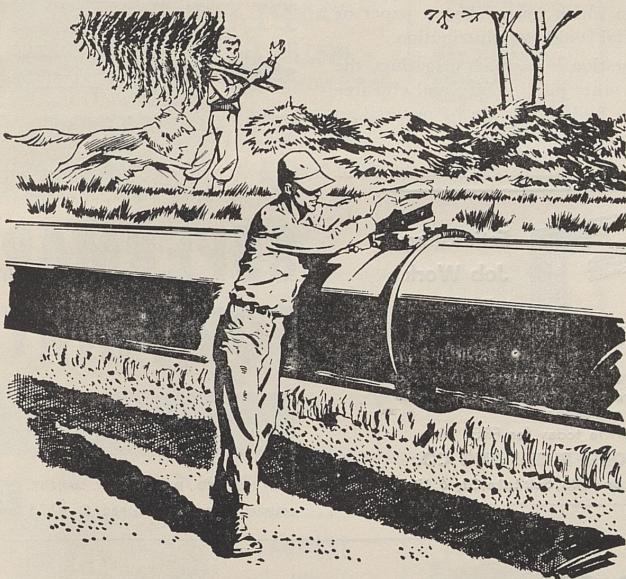
Chicago, Cleveland, San Francisco, Los Angeles, New Orleans, Boston

pected to supply funds for such papers to get started.

The first step toward the weekly network would probably be the setting up of a pilot paper. The Oregon Labor Press, published in Portland, is mentioned as one possible publication to be converted into a general news weekly for pilot purposes. If the unions can make the program work, it would be a grass roots substitute for another of labor's dreams, a national daily for which hope has

been abandoned.

There's nothing like local coverage and area news to build circulation on a non-metropolitan paper. Never discount the smaller clubs and organizations and their activities. Use as much of their news as space permits. They are the people you sell your paper to, and news stories of matters of their closest interests makes regular readers of them.

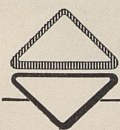


NO "HOLIDAYS" FOR TEXAS GAS PIPELINES

To a gas pipeliner, a "holiday" is a flaw in the thick protective coating applied to a pipeline before it is buried safely underground. But "holidays" have no place in the 3,700 miles of Texas Gas Transmission Corporation pipelines, or in their operation, either. The tiniest flaws in the coating are detected by an electronic device that scans the line, inch by inch, during the construction period. Thus detected, "holidays" must be eliminated before Texas Gas engineers give the order to "lower in the pipe."

Such minute attention to detail is typical of the pains that Texas Gas takes in making certain that gas service to the growing list of communities it serves will go on dependably every day—holidays or working days. It's one reason why homes, businesses and industries in expanding Mid-America rely increasingly on natural gas. They've learned from experience that it's completely dependable, under all weather conditions, the year around.

There are no "holidays" in Texas Gas' pipeline coating—and no holidays in its round-the-clock service, either!



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Important Factors

Another part of postal laws and regulations that can be used to stop distribution of newspapers is that concerned with lotteries. Federal law explicitly bars from the mails any "... newspaper, circular, pamphlet, or publication of any kind containing any advertisement of any lottery ...". In answer to a question directed to the PO Department recently, the assistant general counsel replied: "Any announcement of a lottery is non-mailable ... whether the announcement is in the form of a news story or a paid announcement, and whether it contains complete details of the operation or only the names of the winners."

A definition of a lottery by Judge Sibley in a U. S. Circuit Court case in 1932 said: "there must be something staked, a larger possible winning, and the winning must depend on lot or chance and not on skill or judgment." This same ruling held that "keno" (another name for bingo) is a lottery.


The three elements—consideration, prize and chance—must all be present to make a lottery. If one is missing—for example, if registration is free instead of being dependent upon purchase—it is not a lottery according to Judge Sibley's definition. On the other hand, it would be hard to prove that any of the elements are eliminated by the device

of selling the prize for \$1 to the holder of the lucky ticket.

Sometimes it is hard to determine whether all three elements of a lottery are present. Sometimes, too, a lot depends on the individual postmaster. By far the majority of postmasters are intelligent and reasonable men, but some are officious nit-pickers or incompetents who can cause trouble.

In case of doubt, it might be well to check with the postmaster in advance. It also should be remembered that a postmaster in any town to which you send your paper or other material could stop distribution.

One suggestion is to watch magazines, the dailies and other publications, and clip free prize ads to build up a file of material to use as a guide.



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Southern Bell 

What 25 Years of Repeal Means to the U.S.

<p>THE ALCOHOLIC BEVERAGE INDUSTRY</p>	<p>TODAY \$9 BILLION INVESTMENT 1,200 Producing Firms 7,500 Wholesale Houses 400,000 Retail Outlets</p>	<p>EMPLOYEES</p>  <p>1,200,000</p>
<p>ANNUAL PAYROLL</p>  <p>\$4,400,000,000 (Spent in the Local Community)</p>	<p>TAXES</p> <p>SINCE REPEAL — Federal \$46,104,000,000 State & Local \$16,033,000,000 \$62,137,000,000</p> <p>IN 1957 — Federal \$2,900,475,000 State & Local \$1,111,270,847</p>	<p>STOCKHOLDERS</p>  <p>300,000 (Men and Women)</p>

Last year alone, the purchase of goods and services by the alcoholic beverage industry benefitted hundreds of thousands of Americans:

<p>PURCHASES \$6,500,000,000 ANNUALLY FROM . . .</p>	<p>FARMERS</p>  <p>\$240,000,000</p>	<p>CONTAINER MANUFACTURERS</p>  <p>\$590,000,000</p>
<p>RAILROADS</p>  <p>\$85,000,000</p>	<p>UTILITIES</p>  <p>\$40,000,000</p>	<p>AND- OVER 400 OTHER INDUSTRIES</p>



LICENSED BEVERAGES INDUSTRIES, Inc.
 155 E. 44th Street, New York 17, N. Y.

Property Rights In Ads

On several occasions, counsel has been queried by publishers and advertising personnel regarding possible liability in publishing advertisements reproduced from magazines and other periodicals, the entire content of which is copyrighted. The question is timely because of the increasing use of equipment that makes such reproduction possible.

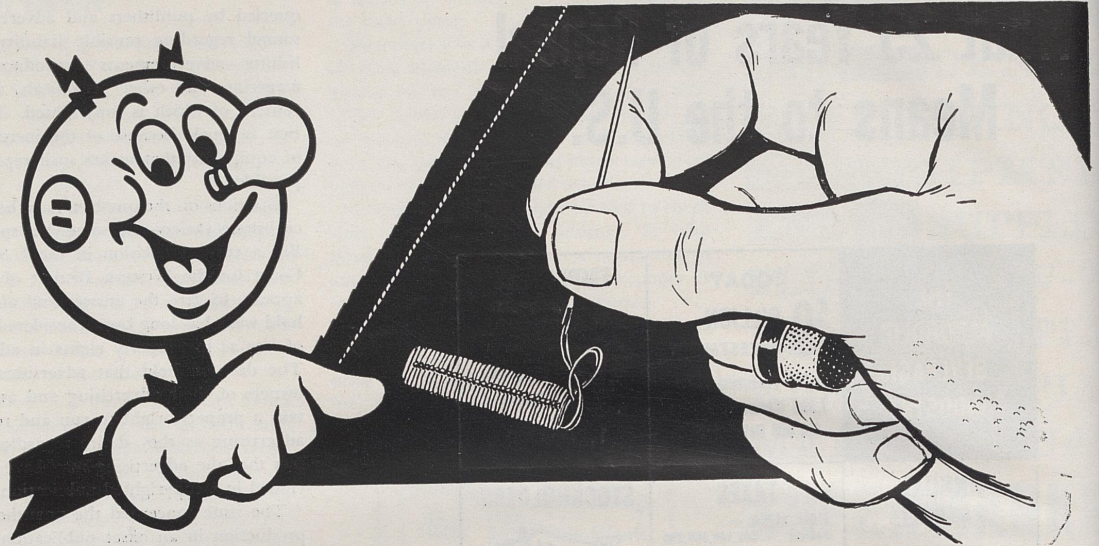
Opinions on the question have been of the curbstone variety and somewhat speculative. But a current decision in the U.S. District Court for the Western District of Missouri appears to give the answer and also to uphold what has long been considered the rule of law as to property rights in advertising. The decision held that advertisers are the owners of their advertising and as such retain a property right to run and re-run the advertising as they desire regardless of the fact that the advertising may have been included in a copyrighted publication.

The issue concerned the unauthorized reproduction in an offset publication of news matter and ten advertisements that had previously been published in a newspaper which was copyrighted as to its entire content. The publisher of the latter sued for damages based on infringement of copyright.

In awarding damages of \$4,000.00 to the newspaper publisher the court held that the damages were restricted to the unauthorized publication of the copyrighted news content but ruled that reproduction of the ten advertisements did not constitute infringement of copyright. It was held that the advertisers assisted in preparation of the copy, that mats and layouts were supplied by manufacturers and most were not copied verbatim by the offset newspaper defendant, therefore the advertisers retained a property right in the advertisements for the ads to be published and re-published as they desired.

This decision supports the general rule that an advertiser is the owner of the copy of his advertising and merely purchases space from a newspaper for its publication. The advertiser under that rule may designate other publications to run the advertising. Even though the newspaper may have written the copy for the advertiser, the latter retains a property right in the ad that permits him to publish it as he pleases.—Indiana Bulletin.

How many local ads are published in your paper each week which do not contain local telephone numbers? Why not make a check and encourage all advertisers to include their numbers. A recent survey on a national basis shows that 50% of the stores omit their telephone number and may be losing millions of dollars in sales because of the importance of telephone shopping.



"Power cost per garment less than making one buttonhole"

W. L. Cowden, Exec. V.P., Cowden Manufacturing Co., Lexington

That electric rates boost manufacturing costs is a mistaken idea almost any industrialist will gladly set right. *Electricity cost in one Cowden work garment, for example, is less than the labor to make one buttonhole or attach one plastic button.**

And that situation is common throughout industry. Many other factors—from raw materials to taxes—are the really big contributors to manufacturing costs. A survey of 33 different industries shows (per \$100 of finished product value) an average electricity cost of \$0.857, an average payroll cost of \$23.45.

Industries can't afford to be wrong

"... the actual cost of power is not as important to us in determining the location of our plants as is the dependability of the power." This statement by Mr. Cowden is typical of comments by industrialists concerning the importance of electricity in plant location. Industries are more vitally interested in site availability, community housing, schools and services, the labor supply, the tax situation, the community's attitude and history of cooperation with existing industry.

They *are* interested in the power supply, and are glad to know KU is constantly expanding ahead of industry's needs. But the *cost* of power is not important. It's easy to see why.

The industrial development work of KU communities goes on at a pace that's sure to keep new industry moving in. And because KU is on your team, helping to plan, contact new industries, sell them on what we all have to offer, it's good to know that we always provide what industry really wants in power: dependability.

KU has helped bring many industries to Kentucky

KENTUCKY UTILITIES COMPANY



VOLUME
NUMBER

Publication
School of
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O