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MARCH 1967

NUMBER 3

In Circuit Court Central Ky. News Appeals Decision

A Taylor County Fiscal Court Order naming the Campbellsville News-Journal as the newspaper entitled to legal publications in Taylor County during the year 1967, has been appealed to the Taylor County Circuit Court.

The appeal was filed in Civil Action No. 1882 on Thursday morning, February 16, by attorney Charles M. Summers, representing the Central Kentucky News.

On January 3, 1967, the Central Kentucky News called upon the Taylor County Fiscal Court to designate the newspaper in Taylor County entitled to legal publications by county officials, pursuant to Chapter 424 of the Kentucky Revised Statutes.

The Statutes requires the placing of legal notices in the newspaper with the largest "current bona fide circulation" in the publication area, city, county, school district, state, etc., with each separate subdivision making their own designation as to the "bona fide" newspaper in their particular publication area.

Kentucky law does not provide for a Fiscal Court to require any other evidence from newspapers to substantiate their claims of circulation other than a sworn statement, however an appeal can be taken to the Circuit Courts whereby the newspapers' circulation figures can be placed under a microscope and accurately determined.

This is what the Central Kentucky News is asking in Civil Action No. 1882.

Dr. Russell E. Teague, commissioner of the Kentucky Department of Health, has taught public health courses at Harvard University and the Universities of Pennsylvania, Pittsburgh, Louisville and Kentucky.



OUR 'MEMORY' MACHINE. . . Edgar Arnold Jr., right, editor of THE MESSENGER, stands with two technicians of The Associated Press as they check the new Offsetter machine installed in the newspaper's offices yesterday. At left is Jim Lodge, of Louisville, with the center man being Les Geschke, of St. Louis. See story. (Messenger photo by Laura McGrew.)

A 'First' In Kentucky

Talk About Ultra-Modern! We've Been 'Computerized'

An Associated Press teletype operator in New York City punches out a story on his keyboard. Almost instantly electrical impulses from each stroke zip across a long-distance telephone line and produce copy in the newsroom of THE MESSENGER which is ready to make up into a page of your newspaper.

The Computer Age came to THE MESSENGER this week with installation of an Associated Press "Offsetter", the first such machine placed in operation in Kentucky and only the sixth of its kind in the world.

The key to the ultra-modern equipment is a small computer, housed in a cabinet less than four feet tall, about 18 inches wide and 18 inches deep. Inside it are banks and banks of 'cards' employing many thousands of transistors and diodes—those tiny little electronic gadgets which have revolutionized the Computer Age. To accomplish the same thing with electronic tubes, it would require a 10-foot-high cabinet stretched along a 30-foot wall.

The cabinet has a plexiglass front and when the machine is in operation countless little lights flash off and on—giving the appearance of the controls of some of the craft seen in television science-fiction shows.

Atop the cabinet is a modified Friden Flexewriter typing unit—a glorified type-

writer similar to the Justwriters by which we have produced body copy for the paper since our shift more than two years ago to the coldtype, offset-printing method.

The machine is capable of producing copy at 100 words a minute, but at present is receiving it from the AP at 66 words per minute.

Principal task of the computer is to 'justify' each line of copy—to keep the same margin on both sides of each line. It has a "memory" device capable of "holding" three lines of copy while the computer "decides" how to justify each line—where to hyphenate a word at the end of the line and such problems as this.

All of this operation is carried out in less time than it takes to blink your eye.

The Offsetter was developed through years of research and experimentation by the AP, in conjunction with the Friden Corporation and Compugraphic, Inc., of Reading, Mass. It has multiple built-in tests which were designed to eliminate many possible malfunctions before they start.

Other offset-printed newspapers throughout the nation will soon be receiving this machine, on the same lease basis as THE MESSENGER. But we were first in Kentucky to take this step to further modernize and improve our operation.

Committees Announced By Van Curon

The complete list of committees for 1967 were announced this week by President S. C. Van Curon.

Several were announced right after the mid-winter meeting in Louisville, but some have been added since then. Van Curon said in some instances he had named full committees and in others he had left it up to the chairman to select members for his committee.

He stressed the importance of the Central Office Committee, and complimented them on the fine job done to date in moving the office after it became evident there would not be enough room on the campus at the University of Kentucky.

Dr. Robert Murphy, head of journalism at the University, had reluctantly told Kentucky Press officers that growth of the school had made it necessary to move KPA offices. He could give no assurance of how long KPA could stay in the proposed new office.

The Central Office Committee thought best to move off campus while suitable quarters were available at a reasonable price.

The committees, the chairman named first, and their members are:

Central Office — Al Schansberg, Tom Buckner, Tom Adams, Maurice Henry, Warren Fisher and Bill Matthews.

Legislative — Don Twales.
Constitution and By-Laws — Maurice Henry, George Joplin III, and Warren Fisher.

Centennial 1969 — Joe Lagore, Larry Stone, Joe Dorris, George Wilson, Frank C. Bell.

Centennial No. 2 — Enos Swain, J. Earle Bell, Joe Creason, and Fred Burkhard. Duty of this committee will be to write profiles on "characters" and "amusing incidents" in Kentucky newspaper history. These will be released throughout the centennial year.

Victor R. Portmann says his solid history of Kentucky news-

(Please turn to Page Eight)

THE KENTUCKY PRESS
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A. J. Viehman, Jr. Editor
Member

Kentucky Chamber of Commerce
Newspaper Association Managers
National Newspaper Association
National Newspaper Promotion
Association

Better Business Bureau
Kentucky Press Association, Inc.
S. C. Van Curon, President
Frankfort State Journal

Howard H. Ogles, Vice President, Franklin
Favorite

A. J. Viehman, Jr. Secretary
Manager-Treasurer, Lexington

Florida R. Garrison, Asst. Treasurer
Executive Committee; George M. Wilson, Chairman, Hardinsburg (Second)
Frank C. Bell, Vice Chairman, Bedford
(Fifth) William T. Davis, Eddyville (First);
A. J. Schansberg, St. Matthews (Third);
Thomas M. Buckner, Lexington (Sixth);
Warren R. Fisher, Jr., Carlisle (Seventh);
Louis DeRosett, Columbia (Eighth); James
T. Norris, Jr., Ashland (Ninth); R. Springer
Hoskins, Harlan, (Tenth); James L.
Crawford, Corbin (At-large); Donald B.
Towles, Louisville, (At-large); Ben E.
Boone III, Elkton; Tommy Preston, Cynthia
At large; Larry Stone, Central
City Post President.

The Presidents Column

BY S. C. VAN CURON

Shortage of competent news-
room prospects graduating
from college is becoming of
increasing concern to Kentucky
publishers.

Maybe, it would be better to
phrase it a shortage of pros-
pects who want to enter the
newspaper business.

Publisher Maurice Henry of
the Middlesboro Daily News
has proposed that KPA set up
a Journalism Committee to call
on presidents of Eastern, West-
ern, Morehead and Murray to
request them to set up De-
partments of Journalism.

This sounds like a worthy
idea, and this is your notice
to be considering the potential
value of this and what action
KPA should take. Bring your
ideas and convictions with you
to the Spring Board meeting in
April at Pennyrile State Park
in Dawson Springs.

It may not be necessary to
ask these schools to go that
far with us. Some courses in
journalism may fill the bill,
but we ought to stress good
foundations in English and the
social sciences. Encouraging
youngsters to enter the news-
paper business would go a long
way toward improving our sit-
uation.

This encouragement should
begin when these youngsters
are in high school.

Each one of the above men-
tioned colleges has a school
newspaper, and college stu-
dents get practical experience.

Let's have your ideas on this
important subject.

Ed Moores, advertising man-
ager of the Lexington Herald

(please turn to page seven)

Circulating With Bill

By BILL GIBSON

With the Post Office Depart-
ment asking for a 30 per cent
increase in second class post-
age rates effective Jan. 1, 1968,
the time to increase your mail
subscription rate is now. We
have all given plenty of space
in our papers about the possi-
ble increase in postage so why
not take advantage of the situ-
ation and increase your rates
while you can put the cause
directly where it belongs, the
Post Office Department?

I would suggest you announce
the rate increase at some future
date and give all your mail sub-
scribers the offer of renewing
for another year at the old
rate. Here is part of the copy
we are using to announce our
mail subscription increase in
price:

"We are sorry but due to in-
creases in postage and produc-
tion costs we are forced to in-
crease the cost of State Jour-
nal mail subscriptions from
\$10.00 per year to \$12.00 per
year. However, before this
price increase goes into effect
on May 1, 1967, we are offering
you this money saving offer.
You may renew your present
subscription for only \$10.00
and extend your present ex-
piration for one full year.

HURRY THIS OFFER ENDS
APRIL 30, 1967—NEW RATE
BECOMES EFFECTIVE MAY
1, 1967"

We think that this method of
announcing the price increase
will not only bring in some ex-
tra revenue but will also in-
crease your circulation by pick-
ing up some new subscribers.

You may also run house ads
to point up your money saving
offer before the new rate be-
comes effective.

If anyone has questions, con-
tact Bill Gibson at the Frank-
fort State Journal

If you have not made your
reservation for the meeting of
the Circulation Division of KPA
we urge you to do so before Ap-
ril 1. We have a very interest-
ing and informative program
planned and I'm sure all will
profit from the meeting. Mark
your calendar now. The date is
April 21 and 22 at Rough Riv-
er State Park. See you there!

EASING OF MONEY IS EVIDENT.
According to the weekly "crop" of finan-
cial statistics released by the Federal
Reserve Board, a policy of easier money
is definitely in the cards, reports The
New York Times. Short term interest
rates, prime indicators in the money
market, dropped as major banks found
themselves in easier positions than
they've seen for over a month. Further,
the nation's money supply rose sharply
last week to a daily average of \$172
billion, close to the record posted last
April. The banking system also had a
net reserve surplus, or "free re-
serves", for the first time since Feb-
ruary, 1965. As a result, adds the Times,
these favorable signs have led the FBE
to announce that it is "unfreezing" some
\$850 million in reserve funds that banks
may now use as the basis of further
expansion of their loans and investments.

Jack-Notes

By A. J. Viehman, Jr.
Sec. & Mgr. KPA

As you can tell by reading
Van's and Bill's columns, we
have a lot of irons in the fire
right now. The West Kentucky
Press meeting is coming up
the 13th, 14th, and 15th of April,
and of course the KPA execu-
tive committee meeting is to
be held on the 15th. By the way,
both of those events take place
at Pennyrile State Park in Daw-
son Springs. We always look
forward to getting down into
Dillingham country and if the
weather holds, there should be
some golfers out on the links.

On the 21st, 22nd and 23rd
of April, the Circulation Divi-
sion of KPA will hold its sec-
ond meeting at Rough River
State Park in Falls of Rough.
Friend Bill Gibson, Circula-
tion Manager of the Frankfort
State Journal, has grabbed the
ball and run with it for this
meeting. He assures me that
we shall have a better meeting
than the last one, if that's pos-
sible, and knowing the things
that Bill can do, I believe him.

I guess that all of this action
merely points out the fact that
our new president has really
gotten his committees into ac-
tion. Of course a committee de-
pends on the enthusiasm of its
members. So far we must have
some of the most enthusiastic
committeemen in the history of
KPA.

Have you made your reserva-
tions for the Summer Con-
vention to be held at Kentucky Dam
Village June 1-3? One of the
attractions that the summer
meeting always holds is the pre-
sentation of the contest awards.

This year will be no exception.
I must compliment most of you
on the smoothness with which
you got your entries to the Cen-
tral Office. I asked Vic about
these deadlines since this is
my first contest, and he said
that I would get at least a
dozen requests for time ex-
tensions on the last day. I'm
happy to say that I didn't get
that many.

Let me jump back to this
"many irons in the fire" idea.
In addition to the already men-
tioned meetings, we're plan-
ning to have our first advertis-
ing meeting at Rough River in
September. The time and place
were decided by you via a ques-
tionnaire which was mailed from
this office. Ed Moores of the
Lexington Herald-Leader has
the reins on this one. Judging
from the response I received,
this should be a very valuable
experience for those of you who
attend. I've tried to expand this
advertising idea a little. After
a talk with Mr. Ivan Jett of the
Kentucky Retail Merchants Fed-
eration, I've decided that it
would be quite possible to have
a two day advertising seminar
utilizing the talents of rep-
resentatives from the retail
merchants group, advertising
agency people, and weekly and
daily publishers and ad man-
agers. I attended a meeting of
this type up in Ohio, and believe
me, it was one of the most
informative two days of my
life.

Pay attention to Van's sug-
gestion and send some stories
in for The Press. Remember,
we're always happy to hear
from you.



THE RED TAPER

By Russ Metz

'Mousecotheque' Is In

At my house we don't have
much trouble catching pesky
mice. The most trouble we
have is finding someone brave
enough to take the icky things
out of the traps. We start out
with the cleanest traps in town.
The women folk sanitize them
by methods I'd rather not dis-
cuss.

And then the gals don't mind
setting the things. But when a
little squeaker gets his head
squashed by the spring-loaded
clapper, it is up to old dad to
dispose of the gory remains.

So when someone invents a
better mousetrap, I may not
beat a path to his door, but
I'll give it a look-see. In the
mail the other day comes

a blurb from an advertising
agency trying to get some free
publicity for a client. Seems a
company in Indianapolis has in-
vented a contraption straight
out of the Spanish Inquisition.
At first I thought they have to
be kidding. Guess not. Here's
what the publicity releases say
about it.

"An automatic trap which
catches up to 15 mice at one
setting is now available. The
trap, which winds like an alarm
clock, literally kicks the mice
into a compartment as the curi-
ous creatures trip a sensitive
spring lever. No bait is needed,
and with the use of a special
coil attachment and jar filled

(please turn to page five)



CLARENCE J. BROWN

Pictured above is Clarence J. Brown, Jr., (R-Ohio), as he introduces Melvin R. Laird, (R-Wis.), who is pictured on the right. Congressman Laird spoke to an NNA luncheon during the recent governmental workshop in Washington. He is a veteran of seven terms in the House and is Chairman of the House Republican Conference. He is a member of the appropriations committee and has authored two books. Featured below are the highlights of his talk.

(Editor's note—Congressman Brown is the representative to whom the letter questioning the dual advertising rate system was addressed. Mr. Brown is a publisher himself and has some definite opinions about the two-rate system. Because of the letter however, which was from an advertiser in Congressman Brown's state, it appears that a federal investigation is going to take place to determine the legality of the two-rate system.)

I have been asked this noon to speak to you about the role of the minority, the role of the minority in the 90th Congress as we build towards 1968. We are a minority still even after the successes of the 1966 election, but our number has increased, and instead of being out-numbered by a ratio of 2 to 1 we are out-numbered in this 90th Congress of a ratio of 3 to 2. I believe that the responsibility that is on the minority party of the House of Representatives of this 90th Congress is a greater responsibility than has rested on the shoulders of any minority in the history of our Congress.

I believe that because of this challenge and because of the operations of the Executive branch of our government, and the power that is being used by the presidency by a president that understands that power, and is willing to use it in order to present the petition of the Executive Branch, sometimes to the detriment of all of our people in not having all of the information so that a legitimate right decision can be made on many of the domestic and foreign policy questions that face this country, we have a great responsibility.

Debate, a confrontation of ideas and discussion is what has made America great. If we in the minority in the House of Representatives must keep this idea alive, we must keep a confutation of ideas going in America in this year 1967, and as we move towards the election year, if we are going to keep America moving forward, we must keep representative government alive. We have no trouble in the minority party of the House of Representatives, which is the Republican party, competing with the Speaker of the House, the majority leader of the House, or the majority leader of the Senate, or anyone in the Congressional Branch of our government. Our problem is to compete with ideas, with a confrontation, with proper debate on the major domestic and foreign policy questions of today, with the President of the United States, because the kind of record that we the minority party make in this Congress will determine whether we will continue two-party government which is so important to America. It will determine whether or not we will be able to continue this re-building up of a weak party. The Republican party was a very weak party after the debacle of 1964.

In order for the minority party to conduct this build-up, the Republican party

here in the House of Representatives should not and cannot use a shotgun in our approach to the issues of 1967 and 1968. We must pick out those issues where we feel the greatest impact can be made as far as the people of the country are concerned, to see that those issues are developed and communicated in a proper fashion so that the people of America can clearly see that there is a choice between the two major parties in the United States as we build toward the election of 1968.

How are we planning this program to show the difference between the minority and the majority in this Congress? We are trying to develop four basic overriding issues in this Congress. The first issue is that there are better ways to do things for Americans than the way of the great planned society and our answer, our great Republican alternative in this 90th Congress, is to dramatize the fact that revenue sharing with the States is a better approach to the problems of health, education and welfare, than the grant-in-aid approach which is the answer to every problem as far as the Democratic party is concerned.

Since the early 1930's we have built up 278 separate grant-in-aid programs in which matching funds are made available to local communities, to counties and states to take care of various public problems that are important as far as local communities in the States are concerned in the field of health, education and welfare. Each of these programs has a separate administrator, a separate head who passes on these applications.

The viewpoint of the majority party, the Democratic party in America today is that creative federalism means that we substitute the activity of the bureau for the creativity of the individual. I think this is important to bear in mind as we examine the differences between the two major parties today. The President has asked for 17 new grant-in-aid programs in this 90th Congress, each with its own administrator, each handing out aid to the local communities in the states on a grant-in-aid approach with a priority being established in Washington, D.C. The difference between the two major parties, then, is that we of the Republican party believe in the creativity of the individual and we want to substitute revenue sharing with the States and the local communities through a flat percentage of federal taxes collected coupled with a tax credit for local and state taxes paid in the various states because we believe that the individual serving on the school board, and state legislature can assign a better priority to the problems facing our cities today, to the problems facing our rural areas, than someone in Washington. Because we believe that these individuals have the ability to solve these problems and the reason they are not being solved in the field of education, health and welfare is not because they do not have the ability, the creativity, the know-how, the solution. The reason that they are not being solved is that the resources have been usurped by a strong central government in this Federal system of ours, and our solution, our alternative is to provide these resources and to show our real respect for the individual and our real solid belief that representative gov-



MELVIN R. LAIRD

ernment can work by returning these resources and to do away with the grant-in-aid approach with the dictation in administration by a federal bureau chief here in Washington, in 278 cases today, each with their own army or regiment or battalion of federal employees placing their stamps of approval and we eliminate not only the expense of the administration, but we dedicate ourselves to the idea that individuals elected to local units of government in county and state have the ability to solve any of these problems, and that the grant-in-aid approach has been discredited for the last 30 years because crime is on the increase, our educational system is not facing up to the problems of the 60's and 70's and beyond, and that the grant-in-aid approach has not worked in solving these basic policy questions which we must seek solution to as we build towards the year 2,000 with a pop-

ulation in the United States well over 400 million people.

The Republican party has been a responsible party in the conduct of the war in Vietnam. The indecent and the irresponsible activity with regard to the war has not come from our side of the aisle. We have placed our country first, our party second as far as Vietnam is concerned and in questioning the conduct of the day-to-day operations of the war in Vietnam, I believe no one can fault the Republican party. Sometimes the people say when we ask questions about the war that a Republican is partisan when he asks a question and the Democratic somehow or other in most of the questions that are coming from that side of the aisle, somehow is a great statesman when he raises a question about the war. I think that in this area there must be developed

(please turn to page eight)

Are you up to date on trading stamps and prices?

HYPOTHESIS: If trading stamps lead to higher food prices, then wouldn't prices be higher where stamps are given and lower where they are not given?

Only one way to settle that one. Go out and check prices.

A fellow named Verne A. Bunn did just that in 1965. He was a research analyst at the Midwest Research Institute of Kansas City, Mo., and a former professor at the University of Wichita.

He used an ideal laboratory: The Kansas Missouri area. Trading stamps are used freely in Missouri, but not in Kansas, the only state that prohibits stamps.

He checked prices in non-stamp stores in Topeka and Kansas City, Kansas. Then he compared them to prices in the same chains' stores across the state line in Kansas City, Missouri, where stamps are freely

used.

Conclusion: Food prices in stamp giving stores in Missouri were actually a tiny bit lower than prices charged by stores in the very same chains on the non-stamp side of the border.

This didn't surprise Mr. Bunn very much. He had made similar studies four times in the past, beginning in 1960. Got the same results each time.

And that pretty well agrees with other studies going back nearly a decade that also fail to establish that trading stamps do, in some systematic way, lead to higher prices for food, drugs, gasoline or anything else.



THE SPERRY AND HUTCHINSON COMPANY
An American Way of Thrift Since 1896

Some CHANGES Gotta Be Made

Newspapers SHOULD make a big difference in people's lives, but do they? Aside from the inconvenience of missing the day's tv listings, what does a reader really miss if the carrier skips his front porch?

The newspaper SHOULD be the reader's link with the community, the nation, the world. If it merely lists vital statistics, however—and many do—its existence in a community really MAKES NO DIFFERENCE AT ALL.

Consistent shortcomings separate many newspapers from the respect and admiration of their readers. Allowed to exist in a climate of pure laziness, our bad habits become fatal. Although the patient never really dies, in the case of newspapers, many live in a suspended state between success and failure.

To me, our symptoms look like this:

Other media are grabbing the advertising dollar by use of ingenuity and innovation, free of old-fashioned "shall-nois" of long-forgotten origin. While our share of advertising expenditure slips away, some newspaper people wring their hands in dismay that newspapers are no longer the only medium. A few are getting worried enough to change a few old household rules—or, in a real panic, fire their ad manager. But seldom does it occur to them to change an attitude.

This near total lack of flexibility in thinking . . . this unwillingness to accommodate an advertiser is a sign of rigor mortis. When we don't set regulations with our customers' needs in mind, we can be sure that competitive forces will use this to advantage.

Competitors Court Advertisers

Meanwhile, the billboard folks are happy to drive a prospect all over town to show "availabilities", choice locations with traffic counts. More than that, the boards they're renting are modernized, well-kept, mechanized and with the latest lighting. They're in there hustling for the ad dollar. They never say they want it all—they only want a piece of every pie.

So, why do our ad people scream if an advertiser wants to use a couple of lines of type on a slant. . . or upside down? Is the space for sale, or isn't it? Let'em run it any damn way they want to.

Radio and television people realistically admit that some hours are better than others to reach an audience with an advertising message. Prime time, with its greater number of listeners, is naturally more expensive than daytime spots. Furthermore, ads sold for a specific time are aired at that exact tick of the clock.

But a dyed-in-the-wool "printer of newspapers" chokes up on the idea of selling position in his paper—and by that I mean charging extra for it, promising a particular spot, AND FOLLOWING THROUGH. He's still trying to convince an advertiser that run-of-paper is all the same and good enough for him, while all other media reps are telling that same customer that nothing is too good for him.

Crippling Ad Rates

Then there's our crippling ad rate structure that undermines the efforts of most aggressive ad salesmen. It works like this:

Our largest advertiser is a local merchant. We have to work like hell to make sense out of his copy, furnish him any number of layouts and revisions and many prepublication proofs. He changes copy on us at the last minute. The selling expense, the composition cost and the frequent delay in payment make him an expensive customer indeed, but he is a favorite soul for some reason. He is entitled to our lowest advertising rate. We not only sell to him cheaper than to anyone else, but we have less courage about raising his rate.

On the other hand, our newspapers get on the national rate schedule of a big manufacturer. His ad agency—or our sales representatives—sends us ready-to-print advertising material in repro proof or mat form. We don't make any individual effort to sell it. We have little or no composition expense. It is guaranteed good credit and is usually the most prompt to pay. But we charge this blue ribbon advertiser our highest rate. Then many of us write sneaky little letters to this advertiser suggesting we would cut the rate if they send it to us direct so

our representative won't know and the agency won't know and we save a few pennies.

Now, there's sick reasoning if I ever heard it.

Furthermore, our newspapers are trying to undercut their own reps to avoid paying commissions. Weekly newspapers alone have succeeded so well in such chiseling, that an annual ANR gross of \$8 million barely pays salaries for nine salesmen. For instance, of 100 Oklahoma weekly newspapers on the Ford advertising list, 50 begged to get their Ford ads direct. Only half of them would allow ANR to service Ford advertising. This in spite of the fact that Ford and its advertising agency wanted the efficiency and economy of using ANR services.

Slick magazines, outdoor and electronic media are using battalions of well paid salesmen, while we're only fielding platoons!

Unreasonable Attitudes

Unreasonable attitudes are not confined to the advertising department however. If a newspaper succeeds in limping along for a number of years, despite its inflexible advertising rules and head-in-the-sand approach to new business, the same inflexibility has certainly permeated its newsroom. It's time the whole patient took the cure.

Last year, Oklahoma Press Ass'n. hired Dr. Earl Newsom, a professor of journalism at the University of Maryland to study the attitudes of newspaper management. He came to these three disheartening conclusions:

First, there is a lack of intensive direction of the newsroom operation by management.

Second, newspapers hire eager youngsters and then all but ignore them.

There is a lack of any kind of training program by most newspapers.

Third, there is also a total absence of evaluation of the kind of job an employee does and that very important ingredient of recognizing excellence is also missing.

Indeed, it wasn't salaries or long hours that were complained of by employees and former employees as the No. 1 objection. They said the thing they disliked most about newspaper work was a lack of communication with ownership and management telling them what they were doing right and what they were doing wrong.

Employees Lured Away

Some publishers, Dr. Newsom found, would not even send their personnel to advertising or editorial clinics sponsored by the association, because of a fear that other publishers would steal their employees.

Many have a right to fear their employees will be lured away. The ones in the greatest peril of losing their editorial help are those that expect a 60-hour week of devotion to the newspaper, and then stuff the pay envelope with a little check and a small slice of glory—one of the much-touted benefits to news department men and women. At best, a reporter is usually asked to work long and peculiar hours for a salary that falls short of that of any qualified craftsman.

Since they can't eat the so-called prestige afforded by their jobs, reporters themselves develop bad habits that give the whole newspaper industry a black eye. Figuring that recognition is due them from some source—they expect it from the public, often in the form of special treatment such as junkets, cocktails and free-loading in general. Unfortunately, these favors are too readily available. And reciprocity is expected. Payment for the junkets. . . the free-loading. . . is expected in the form of favorable free space or kid gloves handling when critical issues arise. NEITHER SHOULD BE EVEN CONSIDERED BY A SELF-RESPECTING NEWSPAPERMAN, nor permitted by his employer.

Tracing this whole pattern of questionable behavior back to its source, we begin to see just how much damage can be done by management whose guiding light is the same kerosene lamp their grandfathers used. Suppose that management did a 180-degree about-face in policy, and suddenly established competitive salaries, reasonable working hours, periodic retraining in news knowledge and skills, sincere recognition for a job well done. . . all those "new-fangled, progressive ideas" that most other industries have adopted long ago.

No longer would it be necessary to tolerate shabby workmanship, false and faulty reporting, or any degree of free-loading. Newspapers would see the greatest renaissance since the invention of the Linotype!

Help Is Major Problem

Throughout the country, finding reporters of any kind—good, bad, or indifferent—is a major problem. Journalism graduates are migrating to the higher-paying jobs, such as in public relations, industrial editing, and so forth, leaving only half of each year's crop of graduates for the nation's newsrooms. The Viet Nam military needs have raided staffs of their young reporters making the shortage even more critical.

But salary scales and draft requirements do not explain the shortage entirely. Many an enterprising young reporter, whose idealistic glow has lost its shine, leaves newspaper work reluctantly. He leaves because he cannot depend upon management to allow him to do his job as he knows it should be done.

More than once, we've heard their stories as they explain to our OPA employment service why they're looking for work elsewhere. One such story came in the form of a letter from a journalism graduate, who, after 12 years on newspapers, wrote me one day to say he was giving it all up.

He admitted he became interested in newspaper reporting as a kid. He became idealistic about it—even enthusiastic, and he was impressed with its importance and thought that here was an interesting job. Even the fact that the talents he had might have been better paid

elsewhere didn't bother him too much.

What really cooled him off was that his publisher didn't support him on several critical occasions—such as when he was digging into affairs in the county assessor's office and looking into some odd things that the county commissioners were doing, and some favors the chief of police and sheriff were passing out.

"Well," he wrote, "to hell with it." He had an appointment as county auto tag agent, and from then on somebody else could be an idealistic reporter.

All the signs point to the need for a major overhaul in the thinking of today's newspaper management. Clearly, attitudes and policies towards both customers (advertisers) and employees need a thorough re-examination.

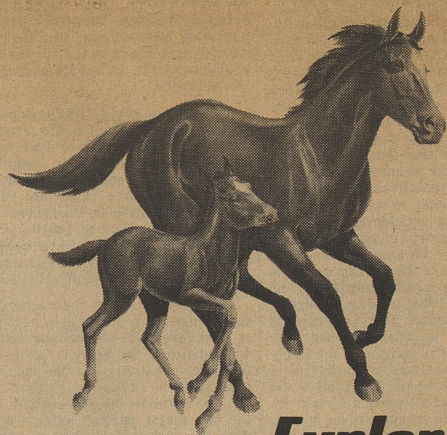
Most of all, if today's publishers expect to enjoy the swashbuckling heritage of the great newspapers that have helped to shape this nation's achievements, then they must examine their values, determine their goals, and STICK TO A COURSE THAT IS TRUE TO BOTH.

I do not want my employers to be plain vanilla. I want to be proud that they do not fear to be counted—even though readers, advertisers, and even I may thoroughly disagree with their stands.

I urge you to return to advocacy, to regain your partisanship.

I believe such a course is best for your business and your conscience. I want you to stand for something—aggressively.

I want you to support and applaud your employees for they are the heartbeat of any real newspaper.



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Dept. of Public Information, Section PDB
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How and Under What Circumstances Advertising Can be Rejected

By Richard W. Cardwell, General Counsel

Hoosier State Press Association

Those who are reared with the precepts of courteous conduct firm in mind are often puzzled at the dour advice of attorneys to give no reason whatever for rejection of advertising.

However, there are times when discretion, like discretion, is the better part of valor.

It is now well-settled that a newspaper is not a public utility and, as such, is under no obligation to accept advertising from any or all who may apply for it. As the Massachusetts Supreme Court stated in *J. J. Gordon Co. v. Worcester Telegram Publ. Co.* (1961) 177 N.E. 2d 586:

"As a newspaper is a strictly private enterprise, the publishers thereof have a right to publish whatever advertisements they desire and to refuse to publish whatever advertisements they do not desire to publish."

There is one important exception to this rule, however, and within it is the reason for refusal to discuss reasons for rejection. That exception is that advertising may not be rejected in furtherance of an illegal monopoly or other unlawful purpose. This is the principle of the *Lorain Journal* case (*Lorain Journal v. U.S.* (1951) 342 U.S. 143).

No reason should be given (other than, perhaps, it is "against our policy") to preclude the possibility of giving the rejected advertiser a factual ground on which to allege that refusal is made for an illegal purpose—i.e., restraint of trade or conspiracy to restrain or monopolize (Section 2, Sherman Anti-Trust Act).

So long as a newspaper decides for itself what it will accept or reject, it is absolutely within its rights. However, if it accedes to threats, or agrees to reject advertising on demand of competing merchants, it becomes a potential defendant.

There was a time when most newspapers protected the "trade-at-home" theory by refusing advertising from merchants outside the immediate locality. However, surveys indicate that more and more newspapers are broadening their policies on acceptance of such advertising. Not only do they often need the business, but suburban living has altered community patterns.

A not-uncommon occurrence, then, is the appearance of a local merchant, or group of merchants, at the office of the publisher demanding an explanation of why outside advertising is being accepted, or threatening to quit advertising if it persists.

Tough Action Necessary

This presents a dilemma which places the newspaper in a tough position. If it continues to accept outside advertising, it faces the unhappy prospect of losing revenue from some of its more constant advertisers (at least for awhile). If it capitulates to their threats, it faces the distinct possibility of a lawsuit which—win or lose—is an expensive proposition. The situation calls for equally tough action.

Almost uniformly, the merchants do not realize that by combining to demand that outside competition be stifled they are laying themselves open to a charge of criminal conspiracy under the Sherman Anti-Trust Act, and are asking the newspaper to become a party with them. This should be pointed out immediately. The publisher must assert the newspaper's sole and exclusive right to consider what advertising it will accept or reject.

Furthermore, it should be pointed out that by their threats, the merchants are virtually assuring that the newspaper will have to continue to accept proffered outside advertising for some time as a safeguard to prove that it did not accede and is not engaged in the conspiracy should suit be brought.

In other words, the merchants are setting up the prohibited factual situation the outside advertiser's situation will be

looking for if subsequent advertising is rejected and are defeating their own purpose.

Suits Do Occur

The prospect of litigation is not an idle threat. An Indiana newspaper was sued under the Sherman Act some years ago under similar circumstances. At least three other suits in other jurisdictions in recent years have all been settled out of court (as was the Indiana case) with considerable expense to the newspapers involved.

With the Department of Justice and the Federal Trade Commission "licking their chops" for more action under anti-trust laws generally, it is an area that demands that publishers' skirts be clean.

One other point should be discussed in relation to rejection of advertising. At times the office girl will accept an ad and perhaps receive the money for it. Then it will be discovered that the ad is contrary to the newspaper's policy. The question arises whether a contract has been entered into and if so, whether the newspaper is liable for its breach if the ad is not published. There are two points here:

1. If the ad is considered false or misleading, there can be no actionable breach if it is rejected since it is against public policy to contract to violate the law.

2. All newspaper employees who take orders for advertising should be instructed to advise advertisers that the order is taken subject to the approval of the publisher and/or advertising manager.

THE PIED TYPER

(continued from page two)

with water, the mice actually dispose of themselves, once again by curiosity. With no other way out of the trap, the mouse enters the coil tube, follows it into the jar and drowns. The trapper never touches the rodents, and disposal is quite simple, especially with the drowning attachment.

"Unlike many poisoning methods of extermination, the traps are absolutely safe for use around children, pets, farm animals."

From the gist of the blurb, I get the impression that the drowning attachment is optional. If you didn't buy this attachment, you'd end up with a batch of live mice with sore ears from getting kicked into the clink.

They can handle up to 15 mice, which poses one slight problem. What do you do with 15 water-logged mice. Throw them in the stove and out goes the fire. So, unless you don't mind soggy garbage, you have to bury them. And I've never found a fellow who particularly likes to bury mice.

Personally, I think this thing has possibilities—if the manufacturer will use his noodle. Not especially as a mouse exterminator, but as a media of entertainment. If he will include a supply of mice with each unit sold, the things could be mounted on top of the television set. Then when things got dull on TV, you could break out the mice and create your own chamber of horrors.



The Lincoln Memorial was one of the sites visited by the Kentucky delegation to the recent NNA Governmental Workshop.

Kentuckians Attend Governmental Workshop

Mr. and Mrs. George M. Willis, Mr. and Mrs. James M. Willis and daughter, Jane, Florida R. Garrison, and Secretary-Manager Viehman attended the recent NNA Governmental workshop which was held in Washington, D.C.

The fast paced workshop provided those in attendance with the opportunity to hear many important speakers. Among them were Senators Warren G. Magnuson (D-Wash.), Mike Monroney (D-Okla.), and John Tower (R-Tex.).

At noon on the first day, Representative Melvin Laird (his presentation is included in this month's Press) addressed us. This was followed by a briefing by members of the House and then a presentation by L. Quincy Mumford, the Librarian of Congress.

On Thursday night, we were privileged to have many of our

Kentucky Congressmen and their wives join us for dinner. As a matter of fact, word had it that the Kentucky delegation had the third ranking number of Congressmen in attendance. We are especially grateful when these gentlemen can find time in their already overcrowded schedules to meet with a few fellow Kentuckians.

The next day was as crowded as the first, with highlights being a visit to the State Department and the German Embassy, and a talk by Mrs. Esther Peterson, former Special Assistant to the President for Consumer Affairs.

All in all it was a most informative meeting and next year we hope to take a larger delegation. For an inspiring few days in our nation's capitol, at a very reasonable cost, you should make your plans to attend the NNA Governmental Workshop.

Successor Plan Can Save A Newspaper

IF YOU ARE the owner-manager of an independent business, have you provided for a successor? Seems like a simple, sensible question, doesn't it?

Yet one of the major causes of business failures is the lack of early attention to the problem of management succession. This is among the findings of the Society of Management in a study of "Who Fails and Why."

It is surprisingly common to find among owner-manager enterprises the tendency of the head of the concern to ignore the fact that his own skills are unusual ones. In so doing, he fails to take steps to provide for trained successors to carry on in face of the inevitable decline of his own capacity to work. The result can be disastrous.

Consider the case of the owner of a successful independent business who could never bring himself to relinquish a iota of his authority. He firmly believed that the success of the enterprise was due wholly to himself and took no steps whatever to share his responsibilities with his two sons or to train his key personnel to take over.

Having for many years considered himself alone the indispensable man, he died suddenly at the age of 79. With no one to carry on, the business collapsed as suddenly and as completely as had its owner.

In the majority of instances where the operating heads are aware of the problem of succession, it is dealt with early and is treated as a continuous task, rather than something to be left to the last minute.

Federal Regulations On Advertising

The Senator was visiting in Peru, and lunched with a Peruvian industrialist whom he described as holding directorships on several U. S. corporate boards. The Peruvian observed that Americans were continually telling him about how Peru should be run, and he said one of the complaints he heard most was that the employers of Peru should pay their people more. So, the Peruvian businessman told Senator Dirksen, he decided to try it. He ordered the superintendent of his mine to increase by a half the pay of the Indians working the mine. There was to be no announcement, just a pay hike.

The mine superintendent rather reluctantly arranged to have the cash in each envelope increased by a half. When the men came through the line at the end of the week, they looked into their envelopes and gathered in little groups where they talked in excited voice. Then they queued up at the pay line again and started handing back the extra half pay. When the mine superintendent protested, "No, no, the money is yours," they said, "We don't need more money. We have no use for it. We have no wants."

"No wants," I wish I could say it with the force that Senator Dirksen brought to his telling. But the story makes its point. Advertising creates wants, wants create sales, sales create jobs, jobs create more sales, and more jobs, and more of the things that make life less arduous, more self-fulfilling. A lack of wants leaves these Peruvian natives in the state that Thomas Hobbs so cryptically characterized as "poor, nasty, brutish and short."

We can indeed be proud of our ties with advertising. It makes our newspapers more interesting, not less so. And I think we can be especially proud of Newspaper advertising because it contains very little that is resented by the public. It is the "resented" portion of advertising that has made "Advertising" with a Capital A, the target of increasing criticism.

Can you have "too much of a good thing"? Well if you can, then in advertising it is the billboard that mars a scene, the commercial that interrupts your viewing of the Bridge on the River Kwai, the advertisement that insults your intelligence with a play on sex, or White Knight fantasy, or sandpaper-shaving. Resented advertising certainly includes the "bait and switch" come-on, the vending machine fraud, the bargain that really isn't a bargain, the soap company that spent a pile of money to tell you that its detergent makes your washing machine ten feet tall—which all but the most credulous know to be a false claim. And the critics can say quite correctly that that ad tells you nothing useful, that it is insane, and that its cost will be reflected in the price the customer pays for the product. If you want to be critical, there are many advertisements, and many advertising practices, that can be panned.

But of course just about every activity has its unfortunate side effects. If we insist on wearing clothes, there's going to be lint under the bed. If we insist on driving automobiles, there will be accidents. If we insist on having an affluent society, advertising is going to intrude, and occasionally offend or even disgust. We can't go back to the day when the cobbler's ad was a wooden boot hanging above his door, and newspaper advertising was limited to nostrums for which gawd-awful claims were routinely made.

The zealots at the Federal Trade Commission and the Food and Drug Administration must marvel that the country even made it into the 20th Century, considering what the 19th Century advertisers foisted on the public in mysterious brown bottles.

Advertising has had its critics for some time — the Vance Packards and Galbraiths. To the extent that early critics brought about adoption of the so-called "Printer Ink" statutes in many states, I'm glad they were around and sounding off. I like to think newspapers and their state associations worked for these anti-fraud and anti-deception laws, because they served advertising as well as the public. But this was traditionally the singular concern of government, when it came to advertising content, until very recently.

Up until recently, government was satisfied with advertising. In fact, government was committed to the support of advertising as an essential element in competition. Any business conspiracy or agreement to limit advertising was considered to be in restraint of trade and in

violation of anti-trust statutes.

But for a variety of reasons, the critics of advertising have been heard by Washington's politicians and bureaucrats. I want to say right now that I use the terms "politicians" and "bureaucrats" with complete respect for their respective motivations. The politician is supposed to find what the voter is thinking—what he wants, or will react to. If a campaign to limit or regulate advertising can be made politically saleable, then we must expect some politicians to adopt this campaign as their cause. It is the way our democratic system works. Further, the bureaucrats in the Federal Trade Commission, the Anti-Trust Division of the Justice Department and other agencies, are charged by law with serving the consumer and the businessman, preserving fair competition and punishing fraud and deception. Consumers and businessmen DO come to government for assistance and protection under the existing statutes, and the bureaucrats must respond in some manner. It is their responsibility. Their zeal and their style will vary depending on their background and their political, social and economic philosophy. But they do have a job and they carry it out as they see it.

Now, having sketched this backdrop, let's zoom in for some closeups of the principals on the Washington Scene, and hear what they are saying.

As I said a few moments ago, government's traditional role regarding advertising content has been to prevent fraud and deception. To my knowledge, no one ever said the policing of fraudulent and misleading advertising was going to be easy, at either the state or federal level. It isn't. At best it must be spotty, and must lean heavily on the advertising media for self-policing. I hope you don't run everything that is submitted to you—and not even all that comes in cash with copy.

When an advertiser claims that he is giving something away "free", or at "half-price", or with "10 cents off", it is difficult to determine whether he is really offering the savings that the ad claims. From time to time in state legislatures, politicians or bureaucrats have struck upon the idea of simplifying enforcement in this difficult area. They propose to make any use of these claims illegal—prohibit them entirely. It is devastatingly efficient. Since the "free" offer MAY not be free, they say government should just ban the use of the word. That way no one can be misled. Of course no one will get anything free, either, and merchants will not have available to them one form of merchandising.

In Washington, this very efficient method was proposed to get at the "cents off" problem. Merchandising of coffee in recent years has been particularly vigorous, and when the Packaging and Labeling Bill was introduced by Senator Philip Hart of Michigan, it contained a prohibition against any representation on a package that it was being offered at less than the regular price. This became known as the "cents off" provision, and literally banned use of this claim on all packages. Efficient, but is it right to make something illegal only because it MIGHT in some instances be misleading? The provision was later dropped from the bill.

More recently, the Federal Trade Commission has held hearings on a proposal that carries the same seed. Because co-op advertising allowances may be used by manufacturers to discriminate among the retailers who buy from them, these allowances are a concern of the FTC. Menswear manufacturers, through their association, came to the FTC recently asking that it establish a rule that all menswear industry co-op advertising plans must be put in writing and made available to competing retailers. The theory again is that because these plans CAN be used to discriminate if not put into writing, government should assume that they WILL be so used, and ban them. Menswear co-op may actually be increased by the ruling if adopted. And as a practical solution, sought by the people who will be regulated, it has definite merit. But again we see things being made illegal, for the sake of simplicity and efficient enforcement.

Let's move on to the safety field. Here we have Senator Warren Magnuson, chairman of the Senate Commerce Committee, pressing for legislation which would require tar and nicotine content to be included in cigarette advertising. While his

By Paul Conrad, Legislative Consultant For National Newspaper Association

stated goal for this legislation—saving people from smoking themselves to death—is laudable there is a principle involved. It requires advertisers to include in their copy information which tends to discourage sales. That isn't what advertising is for.

In the case of cigarettes—where, I should add, a health warning is now plainly printed on the package—some might concede the requirement is reasonable. But let's move to other advertising. How about something like this for automobile advertising: "This automobile can kill you instantly if carelessly used." Or on all milk advertising, "Clinical tests indicate that cholesterol in this milk may contribute to circulatory disease." Why, for heaven's sake hasn't liquor advertising been made to carry this sort of admonition? There is clearly no end to the possibilities.

Senator Magnuson also proposes legislation which will require that any mention of a guarantee in an ad be followed

by full disclosure of details. Such requirement, and another calling for full disclosure when any financing terms are mentioned, could actually benefit newspapers. Reading the Chrysler 5-year, 50,000 mile warranty over television or radio would take up at least ten bitterly resented minutes. Printed, it only increases the size of the ad. At least in the case of the guarantee and financing disclosure proposals, the advertising should not necessarily discourage sales—though the copy may not seem quite so appealing as simply "Guaranteed" or "No Money Down". Here we have a gray area. Still it represents new intrusion of government into advertising copy matters, under the general heading of preventing misleading advertising.

Now, let's move off into even more nebulous areas. The critics have said for some time that advertising is wasteful. They particularly condemn grand advertising. Assistant Attorney General Donald

(continued on page seven)

What Sells Newspapers? Not What Many Think

By BILL VAUGHN
Kansas City Star

No line of dialogue makes me more weary than one that appears in every movie or television program or novel depicting the press: "Well, that's what sells newspapers!"

It's a favorite of politicians in their relations with the press.

I've been reading a book by a professor of sociology who was discussing the system of news leakage in Washington, and he had this to say:

"Journalists, of course, were eager to listen to leaks because they made money for the paper."

Just think of all the money you made on leaks out of the Pentagon!

We rather like to sell newspapers, but as a matter of balance sheets, consider this — any good newspaper spends thousands of dollars a year covering events in Europe, in the Far East, in South Africa, and interpreting the background of social, economic, and political questions in those areas, as well as in our own country. Yet, it would be hard to prove that any one of these stories sells a single newspaper.

Newspapers could be produced more cheaply if they didn't care about the quality of their product, if they printed only those stories which, in the standard line, are what sell newspapers. They might even sell more newspapers, but by and large the newspapers which have tried it found that any advantages are brief in nature.

Articles about schools and bond issues and sewers and parks aren't reflected in any day-to-day variation in circulation, but they have a cumulative effect in establishing a newspaper as a factor which is intimately and thoughtfully involved in the affairs of its community.

There are other businesses, of course, which have found that integrity and quality will, over the long haul, out-sell the shoddy product.

But in another regard, I think the newspaper is unique among businesses. It must, as a matter of course and of deliberate policy, believe that the customer is NOT always right.

Our customers are our readers and our advertisers. Yet, the newspaper, if it is to keep its self respect, must at times take political stands which it knows will offend many of its readers and print news stories which it knows will displease an advertiser.

The result may be a dropped subscription or a canceled ad, but the newspaper has no choice. Or, rather, it does have a choice, but if it compromises, if it lets itself be edited by pressures of whatever kind, then it is through, because eventually this lack of courage and honesty will catch up with it.

If your brother-in-law is an embezzler, if your daughter sings off-key in a concert, and you, yourself are a drunk driver, and you succeed in keeping these matters out of the paper, you may feel a temporary glow of gratitude to the editor. But then you start wondering how many embezzlers, how many flat sopranos, and how many drunk drivers are going unreported. And you don't have much use for the kind of newspaper which fails to inform the public about these matters.

Kin Hubbard, the Hoosier humorist, had a paragraph once which should be inscribed on the stone over the entrance to every school of journalism. It went like this:

"Tilford Moots was over to the poor farm to see an old friend who published a newspaper to please everybody."

— The Oklahoma Publisher

FEDERAL REGULATIONS ON ADVERTISING (continued from page six)

A. Turner, who heads the Justice Department Anti-Trust Division, is concerned about advertising which tells the consumer nothing more than that the product exists. What is worse, so far as Mr. Turner is concerned, much of this brand advertising tends to develop in the mind of the consumer a differentiation where in fact no difference exists. He cites aspirin and gasoline as examples. All that money to make the consumer think Bayer Aspirin is different (and better) when in fact it isn't. This Turner sees as deception, besides being economically wasteful. He has other complaints about this type of advertising which I will get to very shortly.

Right now we are ready to jump from the idea of—quote—deceptive—unquote—brand advertising to the larger question: Is it not government's further role to assist the consumer in making products VALUE judgment? Here there is an interesting bit of lobbying byplay. Congress, in drafting the Packaging and Labeling Law, includes a "declaration of Policy." Originally it reads: "it is hereby declared to be the policy of Congress" to assist consumers in making "price comparison". This disturbed business lobbyists no end, and they demanded other language. They came up with the substitution of "Value" for "Price", and the bill's sponsors readily agreed. I am told by someone close to Senator Hart that had business held out, the whole declaration would probably have been dropped.

But as it is, the act reads that "it is declared to be the policy of Congress to assist consumers in making value comparisons". And the consumerists are using this at every opportunity as a springboard for their other plans. "Value comparisons" as they use the term and as I would interpret it, includes price, quality, and every other feature of a product. I don't see, and the consumerists don't see, how the business lobby gained by the change.

If Congress is committed to helping the consumer make value judgments in shopping, then some of these new proposals do naturally follow. Last year Congress Benjamin Rosenthal of New York proposed a Department of Consumers. It didn't go over with the Administration or a dozen existing departments and agencies which feel that they represent the consumer already. So this year Congressman Rosenthal is promoting "info-tag". If you are thinking that a plan to pattern our economy after the British leaves something to be desired, this thought has occurred to others, too.

In essence "Info-tag" is aimed at offsetting the power of brand advertising. Mr. Rosenthal would explain that it is to be voluntary, but government supervised. Any producer who elected to do so could submit his product to testing and have the information — wattage, warm-up time, length of life, etc. — printed on an "Info-tag". This would be attached to the merchandise and the consumer could compare it with like products having their own "Info-tags". This is stage 1.

Then Congressman Rosenthal and Senator Hart begin working in government testing. They say the government is already possessed of a great deal of product information garnered in its own purchasing. This, they say, was paid for by tax money, and the taxpayers should have access to it. Just how to put the data in useable form they are yet undecided. Maybe in booklets the consumer could pick in an extension of "Info-tag".

Suffice it to say these people are working overtime trying to devise ways to take the steam out of brand advertising. They don't mind telling you so.

What is government's role regarding the effects of advertising on competition? As I said earlier, traditionally government considered advertising to be an essential element in competition, and resisted any attempts to restrict it through industry agreements or conspiracies. Now, however, Mr. Turner, Senator Hart and others have concluded that excessive advertising is monopolistic. In his now famous speech of June 2, 1966, Mr. Turner said:

"When heavy advertising and other promotional expenditures create durable preferences going beyond the relative superiority of the product, resistant to anything but major countervailing promotional campaigns, we may well question whether the price has not become too high. If heavy advertising expenditures thus serve to raise the barriers to

entry, the adverse competitive consequences are important not only because new firms are kept out, but also because frequently it is the prospect of new entrants which serves as a major competitive restraint upon the actions of existing firms. . . We should hardly be unconcerned if heavy advertising outlays lead both to more concentrated market structures and to the establishment of high monopolistic prices. And it seems clear that they can and do." So what does Mr. Turner propose to do about it? I have already told you he supports "info-tag" or something similar. In addition he has said: "It would be quite appropriate to impose, for a period of time, an absolute or percentage limitation on promotional expenditures by a firm or firms that have obtained undue market power through violations of the Sherman Act."

His Anti-Trust Division this week argued before the Supreme Court that Procter & Gamble's acquisition of Clorox is monopolistic in part because P & G can pour so much more advertising into the sale of Clorox — another product, by the way, which he says really isn't different from competing liquid bleaches. Turner sees the advertising potential of a company as a factor to be considered in his Division's evaluation of any merger.

Finally, the question is raised now whether advertising discounts discriminate between competitors and are therefore in restraint of trade. Last year the Senate Anti-Trust Subcommittee held hearings on network television rates. The network abandoned their discount structures in the face of the investigation. Businessmen came in to testify that they couldn't buy network time at a price even close to the price their big competitors were paying. Beyond the price differential they said they couldn't get any prime time because it had already been soaked up by the giants that had many products collected in a single stable.

Before these hearings were concluded, FTC Chairman Paul Rand Dixon told the subcommittee he is investigating the rate policies of ALL advertising media. We know the FTC study includes newspaper ad discounts and differentials. Since newspaper pricing practices are largely out in the open — we print rate books and rate cards for all to see — there isn't much snooping necessary. It becomes simply a matter of determining whether there is a violation of any existing laws. The FTC Act prohibits any unfair methods of competition in commerce. The Robinson-Patman Act prohibits discriminatory pricing, which when applied to commodities amounts to any price differential not based on costs of selling and delivery.

How do our local rate discounts fit into this? Do we discriminate against the Mom & Pop grocery when we give Safeway a lower per-inch rate? So far — and the laws have been there for years — no one seems to have been concerned about advertising. But businessmen, and newspapermen too, have asked the FTC to give them protection against what they view as discrimination, and this probe is the result. I believe Mr. Dixon and the FTC entered into their study reluctantly. But if they find violations of the statutes, the study may have a major impact on newspaper advertising pricing policies in the future.

These are the winds blowing just 40 miles to the south of here. I don't want to paint a bleak picture. I think we can live with all these problems. But I think there are several things that you can do individually to help, and I want to leave them with you.

First, I would encourage you to keep your advertising as clean as possible, rejecting any copy which you believe is likely to be false or misleading. Insofar as you can influence your advertisers, I would suggest too that you encourage them to make their advertising informative.

Second, I would, in making future rate adjustments, seek to eliminate discount spreads that cannot be defended as reasonable. They should have some relation to differences in your costs — not just what you think the traffic will bear.

Third, I would suggest that you periodically remind your readers that you DO police your advertising; that it is truthful; that it is informative. Remind him that your newspaper advertising tells him what is for sale, where, at what hours, and at what price — that it commonly describes the product, giving technical data that may be lacking from other sources.

Fourth, I would remind readers from

Congressmen Warn Government Against Overzealous Attacks on Advertising

Two U.S. Congressmen have recently warned (1-20-67) that too vigorous attacks by government on advertising threaten free enterprise and jeopardize "the entire press system."

Sen. Everett Dirksen (R.-Ill.) has warned (12-2-66) that Congress "may have to step in" and make certain that government attacks on advertising do not lead to "a new revolution" which would subject the free enterprise system "to unwarranted intrusion by government" through "arbitrary and capricious administrative edict."

"People dare not forget," he said, "that advertising is as much a means of informing people as any other part of a newspaper or other news media. If one may tamper with or abridge one portion

of the press then the entire press structure is jeopardized."

Rep. Clarence J. Brown Jr. (R.-Ohio) has told the New England Press Association that government interference in advertising rate practices and other federal actions in the area may be "a little" politically-motivated and "may be cynical." Brown said that advertisers, agencies, media and consumers needed to "forestall this suggested, smothering over-protection" from government by considering the good taste of advertising and by selling our system to the people.

Brown concluded that "any approach that would unduly control" the operation of the competitive system, whether from over-zealous politicians or irresponsible advertisers, "deserves our careful attention."

It's A Boy

George Joplin III, editor of the Somerset Commonwealth Journal, writes us that he is still going in circles at 10,000 feet following the birth of a new son, John Summers Joplin. John weighed in at nine pounds last Sunday night and George reports that everyone but the father is doing well.

How Soon the 15¢ Newspaper

SEVENTY-NINE PER CENT of the people questioned in a recent Gallup Poll said they would be willing to pay 15 cents for their newspaper. In a similar study made in 1957, only 45 per cent favored a 15 cent paper.

One of the major conclusions drawn from this report by the newspaper publishers' association is that the basic strength of the newspaper has been clearly demonstrated since, as the association says, "the acid test of any product is whether people are willing to pay more money for it."

The association adds that according to statistics compiled last year only three newspapers were then selling for 15 cents while 951 were selling for 10 cents.

Production of honey in Kentucky in 1966 was down slightly from the 2,288,000 pounds produced in 1965. The Kentucky Department of Agriculture's crop and livestock reporting service reported 2,068,000 pounds of honey was produced in 1965.

time to time what advertising means to the nation's economy. I wouldn't propose a First Amendment, flag waving editorial about keeping my newspaper financially healthy. Rather I would talk about the maintenance of competition through advertising, about the introduction of new products, and about how Americans pay less of their available income for food, clothing and shelter than any other peoples. Finally, I would support vigorous enforcement of existing state laws on advertising fraud and deception — even to the extent of seeking additional legislation if more is needed to make enforcement effective. I don't think we should have any sympathy for the merchandiser who would intentionally mislead or defraud. Clean advertising is in your best interests, and you should make it your concern.

If you don't do it in Maryland and Delaware, they'll do it for you in Washington, and do it in spades.

THE PRESIDENT'S COLUMN

(continued from page two)

who is heading the committee to form an advertising division of KPA, is working on the project and should call an exploratory meeting within the near future. Ed has promised to have a going organization this year and is planning the first organized meeting, probably this fall.

If there's one segment of our business that ought to get together to kick around ideas and promotions, it's the advertising departments. No one newspaper has a corner on all ideas. It would do the staff members good to get away from home and mix with their contemporaries from other towns.

If you haven't made your reservations for the Summer Meeting of KPA at Kentucky Dam Village, it's time to get on the move. The dates are June 1-3. You can stay over and leave Sunday.

Committees for the summer meeting will be firmed up at the April Board meeting, and I know the fellows who are going to handle the chore will have a good program, plus plenty of time for recreation.

Come on, let's give Sec.-Mgr. Jack Viehman a little more help on the Kentucky Press. This is supposed to be a newspaper about our newspapers. Send him pictures and story telling about any improvement made in your plant.

Also, he can stand some "country style" personals about trips, or other actions of you, your family or members of your staff.

Don't be coy about reporting that you have been elected president of a civic organization, chairman of some drive or committee in your town.

Show me a town where the newspaper is crippling along and I'll show you a dead town.

BIG STORES SHOWED 3.2 PERCENT PRICE RISE IN 1966. Department store prices showed a 3.2 percent gain in 1966, with most of it coming during the first seven months, reports Home Furnishings Daily. This compares with a 1.3 percent rise during the previous year.

CLARENCE J. BROWN

(continued from page three)

a better understanding of what the conflict is about in Southeast Asia. We must see that the American people are given full facts as far as this conflict and they are not at the present time.

If there is any position that a minority party, the Republican party should occupy today, it is to see that full information is given to the American people about the involvement of the United States of America and what this conflict is all about. Personally, as a member of the Defense Appropriation Committee, I believe that the key to peace does not lie in Hanoi. The key to peace is in the Soviet Union and the confrontation that we have today is a confrontation between the United States of America and the Soviet Union. One has but to look at the facts. At this time over 80 per cent of all the supplies, the war-making materials, of this war are supplied not by the Red Chinese but are supplied by the Soviet Union, and at this very time this administration is not using the greatest weapon it has in its hand to bring about peace. As a matter of fact, it's using it in reverse as far as the settlement or negotiation are concerned in Vietnam, and I refer to the thing that the Soviet Union needs and wants more than anything else today, and that is trade and it wants long-term credit for this trade. It isn't on a cash basis. The total cash basis in trade involved in the next few years would be less than \$900 million. It's the long-term credit of 20 and 40 years this administration is looking forward to. We're trading with the Soviet Union without getting the proper concessions, without the proper exchange as far as the Soviet

COMMITTEES ANNOUNCED

(continued from page one)

papers will be completed for the centennial year.

The Centennial 1969 committee will be responsible for planning events for the year and correlating the program of publicity.

Necrology - George Wilson
Publicity - Jim Lee Crawford and Bill Powell.

Advertising Division - Ed Moores and Jerry Mayes.

Summer Convention - Bill Nelson, chairman, Joe LaGore, Ben Boone, John Gaines, W. T. Davis and Ed Arnold.

Edwards M. Templin Award - Springer Hoskins.

Circulation Division - Bill Gibson.

Rate Book - Jane Willis.
Newspaper Contests - Russell Metz, Bud Calman, Lewis Cohn.

Kentucky Intercollegiate Press Association - Archie Frye.

School of Journalism - George Joplin III.

Labor Relations - James T. Norris Jr., Larry Hager, Walt Dear.

Newspaper in the Classroom - Don Towles and Tom Buckner.

Postal Rates and Regulations - Maurice Henry, Howard Matthews, Bill Gibson.

Sales Tax - Larry Long, Lawrence Hager, James T. Norris and Warren Fisher.

Free Press - Fair Trial - Norman Isaac.

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Union is concerned, without any indication that they are willing to abandon their support of the war in Southeast Asia. While we have this weapon, this tool, while the Soviet Union and the Satellite Nations of the world want this trade as their number one item, we should use it.

All you have to do is pick up the New York Times, the Wall Street Journal, any of the other major papers and sometimes you'll find two full page ads in a single day from the Soviet Trading Company a completely subsidized arm of the Soviet Union, asking for these long-term credits, running into billions of dollars financed on a 20 to 40 year basis. We should say that the Soviet Union, "Yes, trade by all means, but we must have some indication from you, that you will shut off this 80 per cent of materials in this war."

The war could not continue in Southeast Asia for a week, a month, or for any period of time at all without this vital support, which the Soviet Union is giving to it at our expense. It's not only causing us to spend great human resources, but as far as the Soviet Union is concerned, they look at the defensive expenditures that are involved and they are requiring us to spend \$22 dollars for each \$1.00 they spend. \$1 billion for \$22 billion! The Soviet Union's support of this war effort at the present time has re-diverted the whole direction of our defense spending program in the United States of America, by tying us down in Southeast Asia. More important is the human investment which many of our young men are making today.

We must develop this issue. Build bridges, yes, but build bridges after we have an indication from the Soviet Union that they are sincere. And their sincerity can be shown in a very simple way, stop supplying the war, start supporting the Geneva accord and it is very simple, it seems to me, and this weapon of trade can be used to a greater extent than further escalation of the bombing or further assignment of manpower in the Delta area or in South Vietnam, and it should be used because only in that way will the Soviet Union understand their problem.

The third area which we wish to develop is the area of fiscal responsibility and fiscal management which is so important. The fact that the administration the last two years has come in here with a budget underestimating the cost of the war in Vietnam, two years ago by \$10 billion, this last year by \$14 billion, coming to the Congress setting forth a budget which meant very little, funding all the new grant-in-aid programs of the great society and all the domestic programs, knowing so well that they would have to come back in here for a supplemental appropriation to finance the war, but giving the people the impression that the budget was near balanced.

We must show that the Republican party, the minority party, in the House of Representatives insists upon better management and greater credibility in the figures in the financial plans which are submitted to the Congress in the form of an annual budget, because the annual budget which as been submitted in each of the last two years has been completely discredited.

The fourth area is in the area of positive programs. The area facing up to the reality that the Social Security Program does need improving and the cost of living increases should be given now not in 1968, that the cost of living has gone up 15 per cent since 1958 and Social Security benefits have only been increased seven per cent, and most of this increase in the cost of living has been brought about by faulty fiscal policy and planning of this administration.

We as a party believe that inflation should not be borne completely by these individuals, and that a cost of living in-

crease is needed now retro-active to last January and we cannot wait, and our older citizens cannot wait for this kind of an increase until 1968, bearing in mind that the cost of living has gone up 15 per cent with benefits only 7 per cent since the 1958 time period.

We must modernize the payroll tax as far as the unemployment compensation program is concerned, so that the salary basis will be increased and we can stop drawing from the general fund in order to finance our unemployment compensation program. We must do this now in this Congress and avoiding the possibilities of Federal standards at some later time.

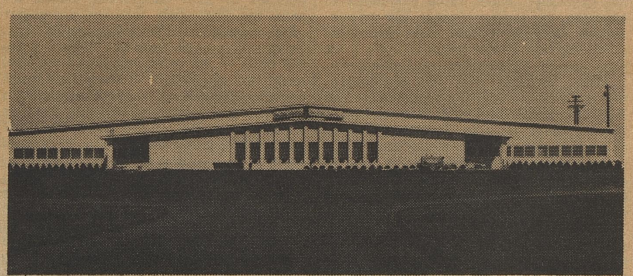
In the area of agriculture, we must challenge this administration to the fact like in my state, there has been a failure to use Section 22 of the Agricultural Judgement Act, in the dairy area alone, where you, I am sure, are aware that millions of pounds of cheese are coming into the United States today and not a single pound of that cheese has to meet U.S. Public Health Service Standards, U.S. Department of Agriculture Standards, State Board of Health Standards, State Department of Agriculture Standards, or Food and Drug Administration Standards. These standards alone add 10 cents a pound to the price of cheese in the United States of America. Yet a double standard is applied by this administration so that millions of pounds of cheese are coming into the United States from Bulgaria at a time when double standards are being used as far as the American farmer is concerned, and the American farmer does not want concession, it wants fair competition under the guides of consumer protection. These standards have been established in the United States of America. We in the minority must challenge and come forward with positive programs and legislation in all of these areas, and there are some 30 to 40 areas which we have introduced legislation to face up to these problems.

Classified

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"Know the responsibility of the minority, because the responsibility that rests on the shoulders of the minority party in this year 1967, and as we move forward, is a greater responsibility than has rested upon the shoulders of a minority party in the history of this country."



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