

By David Moberg

CHICAGO

**D**EAD, AT AGE 102, *THE Chicago Daily News*, 21st largest newspaper in the United States, recipient of 15 Pulitzer prizes, long respected for innovations and fine journalistic style. Laid to rest March 4, 1978. Cause of death: complications arising from suburban sprawl, the rise of television, contradictions of concentrated ownership, mismanagement, and tension between the newspaper as a public institution of democracy and the newspaper as a privately owned, profit-making business.

Marshall Field V, 36, heir to a retail sales fortune and publisher of the afternoon *News* and the morning *Sun-Times*, confirmed the recurring rumors that had cropped up once more by announcing on Feb. 3 that he was "contemplating" closing the *News*, signaling the legally required ritual of bargaining with the paper's unions before the official death of the paper.

Within a few days, in what was often a sordid and painful affair, 600 people lost their jobs, including 105 of the 225 people on the *News*' editorial staff and 33 *Sun-Times* reporters and editorial workers.

The *News* had lost \$21.7 million in three years and was now losing \$11 million a year, Field reported. He used the same figures last fall when the finances for the *News* were first partially separated from the totals for the newspaper division of Field Enterprises. The privately held corporation controlled by Marshall and brother Frederick with 45 percent of the stock each, also owns *World Book Encyclopedia*, five television stations and ventures from coal mines to paper companies, with an estimated profit of over \$50 million a year on \$400 million in sales.

The newspaper division itself has consistently made money, increasing profits by 20 to 30 percent a year over the past several years, according to the Newspaper Guild. Since nobody but the corporate directors can see the books, there were widespread doubts that publishing the *News*, which shared presses, offices, library, wire services and other vital functions with the *Sun-Times*, really cost the company such large sums over and above the cost of putting out the *Sun-Times*. Some people speculated that since the Field brothers' trust expired last fall, they may be trying to make their operations even more profitable in anticipation of a public offering of stock when the market looks bright.

### Cutbacks and revival efforts.

In the late '50s the *Daily News* was a profitable paper with a circulation of 600,000. The crucial turning point came in 1959, when publisher John S. Knight tried to buy the Hearst *Chicago American* in order to give the six-day-a-week *Daily News* a Sunday edition. Hearst backed out on the deal when the morning *Chicago Tribune* offered more money. (The afternoon *American*, changed to *Chicago Today*, folded in 1974).

If Knight had succeeded, at least one Chicago publisher believes that the *Daily News* could have survived as an independently published paper. Instead, Marshall Field IV bought the *News*, and its circulation gradually dropped to around 315,000 before its demise. Now the newspaper field is held by the *Sun-Times* (circ. 582,000), the *Tribune* (circ. 753,000) and a proliferating, profitable bunch of weeklies and a few recently initiated dailies in the suburbs and city neighborhoods.

Its foreign reporters and popular writers, such as columnist Mike Royko, retained a loyal *News* audience, including many upper income suburbanites. Especially in competition with *Today* and in a desperate grab for circulation, the *News* in latter years increasingly resorted to lurid sensationalism and cutbacks in hard news, which angered readers who felt that the paper lost its strength and identity.

In 1976 Alan Hoge (known as "Attila the Hoge" for his wildness) was given money and power to reshape the *News* while continuing as editor of the *Sun-Times*. Hoge returned the foreign staff, improved local news coverage, toned down the lurid headlines, introduced a weekly youth supplement and, last fall,

# THE PRESS

## Field folds News: newspaper bows to market, profit



authorized a bold new design of the paper that proved unpopular with staff and readers. None of the changes proved successful in halting the revenue decline.

Problems of editorial quality, however, were not decisive. The *News* had a large circulation, but it didn't have the advertising. Since the two Field papers had the same staff for advertising and promotion, the *Daily News* suffered as ad salesmen pushed the *Sun-Times* and downplayed the *News*. "If you're an advertising guy and you've got an easy sale and a tough sale," *Tribune* assistant marketing director Les Bridges said, "then you'll go with the easy sale."

Moreover, companies that advertise heavily in the dailies—such as department stores, Sears, grocery chains—"want more numbers, pure numbers" even more than reasonable costs per thousand readers, according to Bruce Sagan, publisher of a chain of suburban and neighborhood papers. As the population of the city spread out, the *News* had less "density of coverage."

Suburban sprawl hurt in other ways: it was hard to transport the paper throughout the wide area in the afternoon rush hour, mass transit ridership declined and people can't read while driving home, and the *News*—like the other papers—never found a good way to cover suburban news.

Finally, when the *Tribune* announced in December that it was dropping home delivery of its afternoon edition, costs the *Tribune* and *News* had jointly shared fell on the *News* alone, adding as much

as \$3 million a year to a circulation budget that totalled \$7.5 million a few years ago, according to one informed source.

### The wave of future?

Not everyone accepts the common thesis, advanced in the wake of the *News*' demise, that afternoon newspapers are an inevitably doomed species or that no metropolitan area can support more than two dailies. Afternoon paper sales declined pretty much in tandem with morning sales in recent years and increased last year, excluding those that folded. Many afternoon dailies are monopolies but the *Detroit News* and the *Minneapolis Star* are thriving in somewhat competitive markets and the newly-sensationalist *New York Post* and the *Washington Star* appear to have been revived.

There are plenty of readers for several dailies in any big city, but advertising policy pushes newspapers toward monopolies, since that usually makes it easier and cheaper for advertisers to reach their markets.

Despite lamentations about the impact of television news on afternoon newspapers, TV viewers do read, and they want from their newspapers coverage that they can't get on TV. Newspapers have been tempted by two options in dealing with TV: one is to imitate "eyewitness news" with a breezy approach to "supermarketing the news" and with trendy lifestyle pieces, as a recent *Columbia Journalism Review* arti-

cle described the approach of papers like the *News*.

The other is to expand the traditional strengths of newspaper reporting, as the immensely successful *Los Angeles Times* has done. Home, fashion, style and celebrities obviously have appeal and bring profits but, perhaps less obvious to newspaper publishers, thoughtful investigation, detailed news analyses, controversial opinion and long features could revive the daily newspaper market, judging from the success of such weeklies as Boston's *Phoenix* and *Real Paper*, the *Village Voice* or the *Chicago Reader*.

With more determination and imagination and better management, many people think the *News* could have made it. "I think those turkeys just ran the newspaper into the ground," Chicago Newspaper Guild executive director Gerald Minkinen said. Field turned away potential buyers. (Why would he want competition?) Management rejected Guild proposals for changes in price, schedules of publication and special ad campaigns.

Symptomatic of the way in which advertisers indirectly shape the newspapers, management also turned down an offer from the city's unions to conduct a massive subscription drive with their members. Field management wasn't interested in those blue-collar readers, *News* reporter and Guild unit chairperson Larry Finley said, since the big-money advertisers want young, affluent, educated readers who consume compulsively. Finley lamented, "When you pick the market you want to sell the news to, you violate the birthright of the newspaper."

### Vindictiveness in transition.

The shutdown of the *News* was greatly worsened by the way management handled the firings. Since the Guild contract defined the two Field newspapers as one shop and abdicated seniority in the event of economic necessity, management had great discretion in firing. The Guild has filed grievances and NLRB charges that management discriminated against blacks (only four of 14 black *News* reporters were retained), against older workers (three-fourths of those over 50 were fired), and against Guild activists (every unit officer on the two papers was laid off).

Beyond that, "if you think petty vindictiveness is not a part of this, you're wrong," said Paul McGrath, an excellent reporter and editorialist from the *Sun-Times* who was fired. "Most of the people fired from the *Sun-Times* were far, far superior to many of the people who weren't. They fired anybody who had ever been a troublemaker, anybody who ever filed a union grievance, and anybody who spoke up and offered criticism."

While top-notch, outspoken reporters were axed, virtually all of the editors who presided over the *News* as it declined were transferred to editorial positions with the *Sun-Times*. The choices made in firing and the often aggravating way in which assignments were changed have prompted some *News* reporters to reject transfer to the *Sun-Times*.

The trauma of the layoffs was "devastating to your ego and self-confidence," McGrath said. "The survivors are going through survivor syndrome like the survivors of a holocaust, and the victims are going through all the stages of terminal illness—grief, rage, anger, guilt, denial, just like Kubler-Ross wrote about. This is the corporate equivalent of death."

McGrath, like many others, fears that the majority of *Daily News* readers will simply be "lost" and not picked up by the other papers, exactly as happened after *Today* closed. Also, the *Sun-Times* is not adding enough reporters to reverse the restricted coverage of the news that results from a bare-bones staff.

"You never see anything in the newspaper west of Clark Street (which runs just west of the Loop and affluent lake-shore neighborhoods)," McGrath said. "They pretend nothing happens out there. If they could get away with 14 reporters instead of their current 50, they'd do it. If the *Daily News* is losing millions but it's not enough to be a total loss for the division, then we should be able to assume that by getting rid of the least profitable part, they could absorb all the reporters. There is no economic reason to lay off anybody. It's not to cut losses. It's to maximize profits."



# IN THE WORLD

## Israel seeks a special deal from U.S.

By Gidion Eshet

JERUSALEM

**T**HE ISRAELI GOVERNMENT IS in a dilemma. A few years ago Prof. Shlomo Avineri, the Israeli Marxistologist and director general of the foreign ministry in the Labour government, posed the question: should Israel favor a pro-American or pro-Soviet regime in the Arab countries with which it is at war.

Most Israelis, without thinking, would favor a pro-American regime in Egypt, Jordan and Saudi Arabia. This has also been the official line. But, although supporting the official line, Avineri made a good case for the opposite view. Assuming that the Arab states wish to destroy Israel and assuming also that Israel can choose the political affiliation of its enemies, it is better that the Russians rather than the Americans be entrenched in Egypt. In this case, Israel is the only U.S. ally in the Middle East, and the U.S. will have to blindly support Israel against the growing influence of the Soviet Union.

This in fact was the cozy situation from 1967 to 1971. Sadat's decision in 1971 to send Russian military advisers back home culminated last week when President Carter asked Congress to approve arms sales to that country.

Israeli's are now wondering if the official line was sensible. For many years Israel helped the American cause in the Mid-

dle East. Well known is the Israeli threat against Syria and the PLO in "Black September" in 1970 when the Hashemite Kingdom of Jordan was threatened by revolution. Later, Israel gave much support to the Phalangist rightists in Lebanon, helped Ethiopia in its war against the Eritreans and helped the Barazani struggle against the Baathist regime in Iraq. It received an important political bonus for these services. King Hussein did not join the 1973 war and there was one less front to worry about.

As long as the major Arab state—Egypt—was not safely in American hands all went well. Israel could play the role of Communist fighter in this region and demand and receive American aid and backing. The problems began when this policy succeeded and Egypt threw out the Russians.

It was only a question of time before Egypt requested and was granted American military aid. From the American stand-point President Anwar el-Sadat has been doing a wonderful job, far better than Israel could ever achieve. He helped destroy the Sudanese left some years ago. He is helping the Somali fight Ethiopia. He might next use his muscle against Libya.

Israel is thus worried, but it has no choice. Israeli Minister of Defense Ezer Weizman, who is to visit the U.S. shortly, said the other day, in not so many words, that he will not ask the U.S. to



Menachem Begin visited President Jimmy Carter in Washington last December after his talks with Egyptian President Anwar el-Sadat had become snagged over the issue of the occupied territories.

reconsider its arms sale to Egypt. He will ask that the Israeli arms deal be separated from that with Egypt and Saudi Arabia. This is necessary to prove that Israel, in American eyes, is a different and special case and deserves a special treatment. Israel is unlikely to make a fuss if its deal is separated and the number of aircrafts granted to it is increased to 150 from the present 90.

But Weizman is considered a moderate. Others, though no one said so publicly, are calling on the government to strain relations with the U.S. by requesting that Assist. Sec. of State Alfred Atherton be asked to refrain from his planned shuttle between Jerusalem and Cairo. Others still are asking the government to show its hand by initiating more settlements in the occupied territories. ■

## PLO holds out for Arab realignment



PLO leader Yasir Arafat, Libyan Prime Minister Mu'ammarr Qadhafi, PLO LEADER Nayef Hawatmeh, and Palestinian "rejectionist" leader Dr. George Habash.

By Geoffrey Aronson

The PLO developed a strategy aimed at obstructing if not defeating any Egyptian-Israeli agreement that does not satisfy minimum PLO demands.

PLO is concerned that it as well as the principles of settlement that it supports will be ignored by Sadat, who, the PLO believes, is anxious, together with Iran, Israel, the U.S., and other pro-Western Arab states, to lay the foundations for an updated Baghdad Pact. (The Baghdad Pact was a Mideast version of NATO formed in February 1955.) Members of the PLO see current Egyptian diplomacy as a desperate attempt by Sadat to rescue himself from the diplomatic impasse that followed the publication of the U.S.-Soviet declaration and the subsequent U.S.-Israeli working paper this

autumn—an impasse that centered upon the nature and scope of Palestinian representation at a reconvened Geneva Conference.

Until mid-October, diplomatic efforts were aimed at reviving the Geneva Conference as a forum for reconciling opposing demands. The PLO was actively, if not directly, involved in this process, as Sabry Jiryis, the head of the Israeli Section of the PLO Research Center in Beirut, maintained. "Quiet talks, conducted among the Egyptians and Americans, and including indirect contacts with the PLO, the exact nature of which I cannot disclose, on how to reconvene the Geneva Conference including the PLO, were promising," he said.

"The U.S. statements calling for a Palestinian homeland, Palestinian representation at Geneva, and the U.S.-USSR joint declaration calling for recog-

nition of the legitimate rights of the Palestinians, were indicative that things were moving gradually in the right direction. The U.S.-Israeli working paper signalled that the U.S. administration had backed down because of Zionist action. The fact that the Palestinian question was unresolved led Sadat to launch his latest initiative."

### Ever-elusive Arab unity.

Sadat's decision to visit Jerusalem took the PLO, like all Arabs, by surprise. The PLO leadership, in the months preceding the issuance of the U.S.-Israeli working paper, had evidenced a willingness to accept the legitimacy and territorial integrity of Israel inherent in Security Council Resolution 242 if there was a reciprocal Israeli response accepting the legitimacy of Palestinian national rights. The Egyptian decision to conduct what amounted to separate talks with Israel, in contravention of numerous pan-Arab summit resolutions, by a visit that accorded Israel a qualitatively different *de facto* recognition than had existed previously, and that implicitly recognized Jerusalem as its capital, closed the door to any PLO participation.

The Israeli-Egyptian talks sounded the death knell to Arab attempts, spearheaded by the PLO, to organize a united Arab negotiating position vis-a-vis Israel. The PLO believes this ever-elusive Arab unity, combining the economic and resource power of OPEC, the potentially disruptive Arab states, and the PLO in a genuine alliance with the Confrontation states, to be a prerequisite to any successful negotiated settlement. Only after a front had been established, and only after negotiations had begun, would the kind of concessions that Sadat made "gratis" be entertained.

This position was explained by a PLO source: "Slowly and not without obstacles Arafat and the bulk of the PLO were willing to engage in a dialogue. All this has been sabotaged by Sadat's abandonment of the multilateral format, blocking the

road to Geneva and destroying the formula for Palestinian and Soviet participation. Sadat has said to us, 'If you want to follow Egypt, you can. If not, you can go to hell.' He is trying to get moderate opinion in the Arab world to support him by standing tough. But he must make greater concessions to please the Israelis.

"The only thing that will get us what we want is a strong Arab unified negotiating position. The Israelis won't make concessions out of charity. If Sadat had gone to Jerusalem as the head of a strong, unified Arab world, that would have been one thing. However, as long as Sadat pursues a separate path with the Israelis, nothing can be achieved."

### Realignment of Arab world.

The PLO, clearly upset at their exclusion from the core of diplomatic activity, is trying to shortcircuit what they believe to be Egyptian attempts to isolate the eastern Arab front, leaving Syria, Jordan, Lebanon, and the Palestinians alone to face Israel. Sadat is "like a snake that can't be trusted," in the words of one PLO source. He is viewed as willing to conclude a separate agreement, ignoring the Syrians as he did in the aftermath of the 1973 war.

PLO officials also take a healthy view of the current Syrian-PLO rapprochement. Highly sensitive to the unstable nature of inter-Arab alliances, they are cognizant of the transient nature of Syria's refusal to join Egypt in the negotiating process. "Syria would screw us if they could get something from Israel. They would, but they can't; so they won't," remarked a PLO source in a candid assessment of Syrian policy. "If they could, they'd be in front of Sadat. What keeps them in line is not love for the Palestinian people but the understanding that there is nothing in it for them. The Syrians are boxed in not by principles but by circumstances," the source stressed.

Together with Syria the PLO has led the movement to organize an anti-Sadat coalition.

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