

The Kentucky Press

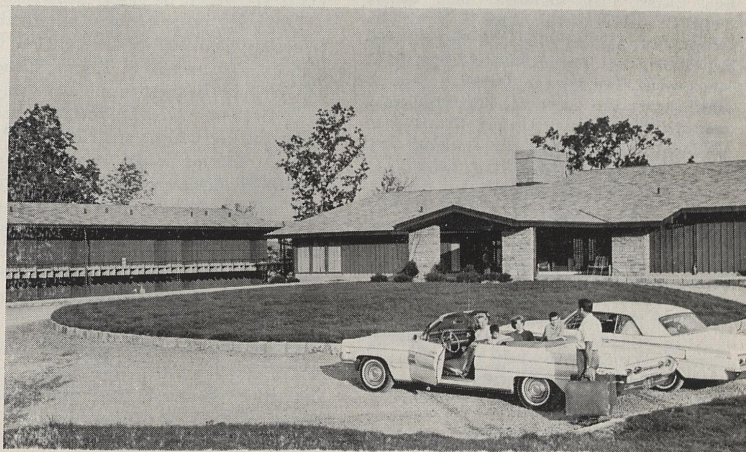
Published in the Interest of Community Journalism . . . Of, By, and For Kentucky Newspapers

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

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University of Kentucky
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Volume 30, Number 5



Kentucky's Showcase: Lure Lodge, Cumberland Lake
State Park, Jamestown

The Kentucky Press + As We See It +

Volume 30, Number 5

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

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

Member
Newspaper Managers Association
Kentucky Chamber of Commerce
Better Business Bureau, Lexington
Sustaining Member
National Editorial Association
Associate Member
National Newspaper Promotion Association

Publication Office
School of Journalism
University of Kentucky

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LBJ Requests Legislation On Protection Program

President Johnson has called for new legislation to implement an extensive consumer protection program. In a special February 5 message to Congress on consumer interests, the President asked for new laws to expand the Government's authority to protect consumers from deceptive practices and unsafe products. Almost all the legislative proposals are currently pending as bills in Congress, states the ANPA Bulletin.

The President's proposals would (1) give the Government authority, such as it now has over prescription drugs, to inspect over-the-counter drugs, food, cosmetics and medical devices, (2) prohibit the sale of cosmetics and therapeutic, diagnostic and prosthetic devices before they are proved safe and effective, (3) require labels on drugs, cosmetics and pressurized containers to clearly warn about accidental injuries that may occur from use of the products, (4) prohibit deceptive packaging by barring "misleading adjectives, fractional variations in weight that are designed to confuse, and illustrations which have no relationship to the contents of the package," (5) require lenders to disclose to borrowers, in advance, the exact amount of their commitment and the true rate of interest being charged on loans, (6) require companies whose stock is traded over-the-counter to disclose the same kind of financial information that now must be disclosed by companies whose stocks are traded on stock exchanges.

Two other proposals are concerned with enforcing the new measures. One would give the Department of Health, Education and Welfare the right to subpoena evidence in connection with administrative hearings under the Food, Drug and Cosmetic Act. A second measure would give the Federal Trade Commission authority to issue temporary cease-and-desist orders at the outset of a proceeding, subject to court review, when the Commission has "good reason to believe that the continuation of the practice would result in irreparable injury to the public."

ANPA has opposed previous proposals which would have given the FTC added injunctive power without any court approval of the Commission's action. ANPA contends that such action, without court approval, is a deprivation of property without due process of law. Bill H.R. 1105 by Rep. Patman (Tex.), now pending in Congress, would give the FTC added injunctive power but without the court review that

ANPA has called for in the past and that the President now requests.

President Johnson also announced February 5 that a consumer education program will begin soon with a series of regional consumer conferences at various places around the country. These regional conferences will be under the auspices of the President's recently-appointed Special Assistant for Consumer Affairs, Mrs. Esther Peterson. The conferences will be concerned with "the problems of adequate consumer information." Representatives of consumer groups, manufacturers, retailers and advertising agencies will be invited to attend the conferences.

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17 States Have Adopted Uniform Ad Standards

Seventeen states have subscribed to the uniform standards for advertising of alcoholic beverages in newspapers and magazines recently recommended by the Joint Committee of the States to Study Alcohol Beverage Laws.

The Joint Committee proposed the uniform standards to eliminate differences in alcoholic beverage ad regulations among the states and between the states and the Federal Government. The standards follow the rules of the Federal Alcohol Administration and provide "optional prohibited statements" to cover areas where the Federal Government has no authority.

The following states have accepted the uniform standards: Arizona, Arkansas, California, Delaware, Idaho, Iowa, Louisiana, Maryland, Massachusetts, Missouri, Montana, Nevada, New Hampshire, Rhode Island, Texas, West Virginia, and Wyoming.

The standards have also been endorsed by the Federal Alcohol Administration, the National Conference of State Liquor Administrators, and the National Alcohol Beverage Control Association.

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New Lottery Rules

Recent court decisions have forced the Post Office to give additional ground in defining lottery. Now participants in a drawing can be required both to come into a store to register, and to return for the drawing to see if their name has been drawn, and these two trips into the place of business are not deemed "consideration" sufficient to make the drawing a lottery. A revised edition of the POD's booklet "The Law vs. Lottery" is available at your local post office.

* * *

Duo-tone from same plate: Print the halftone in black. Reprint in color, a couple of dots out of register.

Appalachian Hospital Crises Explained By Dr. Klicka

Country wide, the hospitals serving their communities are struggling with the problem which involves their ability to provide quality services at costs the public can afford to support.

The most dramatic increase has occurred during the past World War II period, during which time the increase in hospital service costs have increased at a rate varying from 7 to 10% annually.

When looked at from a somewhat longer span of time, the increase in total health costs is truly startling.

I. In the fiscal year 1928-29 the aggregate expenditure for health care totaled \$3.6 billion. By 1960-61 the aggregate expenditure has risen to over \$29 billion, a 700% increase. Excepting a slight drop during the depression years, the rise has been a constant one with a remarkably even gradient since 1939-40.

About two-thirds of the increase in the aggregate expenditure for health care since 1928-29 can be attributed to an increase in medical care prices. One half of the remaining third reflects the increase in population and the other half the increase in per capita use of medical care.

As incomes of American families have risen, the amount they have spent for all goods and services has risen and at the same time they have increased the percentage of their budgets allocated for health needs. In 1934-35, American consumers spent \$54 billion for all goods and services and of this amount \$2.6 billion or 4.7% went for health care. Today, total consumption expenditures have increased to about \$332 billion and the portion of consumers' budgets spent for health care has increased to 6.6%. On a per capita basis this amounts to \$119 per person spent for total medical services (includes all private expenditures for facilities, research and operating costs of insurance).

II. Business and labor leaders must both be concerned with these increases.

1. Business because it is contributing to health insurance payments through the payment of higher wages, including fringe benefits. Business is also expected to contribute generously to building funds.

2. Labor because increasing fringe benefits have a direct relationship to wages negotiated. Also, the amount of hospital services fringe benefits purchase, directly determines the value of the fringe benefits.

Both business and labor would welcome a stabilization in hospital care costs so both should have an interest in bringing this about, the question is, how can this be

accomplished.

III. Effect of community hospital planning of stabilizing hospital costs:

1. Eliminate the waste due to unnecessary duplication of facilities.

2. Restrain waste by preventing the construction of hospital facilities beyond the need for them.

3. Oppose construction of hospitals that are too small to be efficient or where profit is the primary motivation for operation (proprietary) rather than community service.

4. Develop a cost consciousness among physicians who influence hospital costs by proper utilization of hospital facilities. High admission rates (some admissions may be unnecessary) and prolonged lengths of stay both contribute to increased hospital costs. They also create pressures that may lead to the construction of hospital facilities before they are really necessary.

By participating in the organization of regional hospital planning councils in an increasing number of communities throughout the country, businessmen are demonstrating their concern for the need to coordinate the planning of hospital facilities. They see the need for the development of a more effective hospital system for the future. They also realize that many millions and even billions of dollars will be involved in the process of creating the better hospital system, and that hospitals will expect a substantial portion of these funds to come from industry, commerce and foundations.

Many businessmen, therefore, believe certain basic principles of planning should be followed by hospitals if hospitals expect the full support from business in meeting their capital requirements. For example, corporations and foundations solicited by hospitals for capital financing ask these questions before making contributions:

1. Is this building program necessary?
2. Is the scope of the program too small, too large, or just right?
3. Is the program short-range or long-range?
4. Is the program community oriented or is it designed primarily for the interests of the hospital and its own medical staff?
5. Is the program coordinated with other hospital programs in the community?
6. Is care taken to avoid duplication of unnecessary facilities and services?
7. Is the financing of this program properly balanced among industry, government, and the hospital's own resources, i.e., ac-

cumulated net earnings or a mortgage?

8. Is financing being sought for projects that should be financially self-liquidating, i.e., a physician's office building?

Community hospital planning stands out today as the single most important effort being made by hospitals in many communities throughout the country, they join with one another in attempting to meet the crises they face in providing hospital services for charges the public can afford to pay.

All of these planning efforts organizations have developed in urban areas, but frequently the question is raised as to whether or not the principles of community hospital planning could apply to rural hospitals as well as urban hospitals. It was a question like this that led to my invitation to visit the ten hospitals operated by the Miners Memorial Hospital Association, as one-half of them were being acquired for operation by the Appalachian Regional Hospitals, Inc.

These hospitals had been constructed on the concept of a regionalized hospital and medical care system with three central hospitals located at Harlan, Williamson and Beckley, and with seven satellite hospitals located at Middlesboro, Hazard, McDowell, Whitesburg, Wise, Pikeville and Man. As most of you know, the five hospitals acquired by the Appalachian Regional Hospitals, Inc. are centered around the Harlan hospital, a modern comprehensive care type facility of 200 beds and offering essentially all services offered by any hospital in the country today.

All of you here are aware of the fact that when the MMHA announced the fact that they would close four of their hospitals, those located at Middlesboro, Whitesburg, McDowell and Hazard, a crisis in every respect was recognized by everyone in this area.

Up until now, we have been talking about the hospital crisis throughout the country, as one that is involved with cost of providing quality care. The crisis which occurred when the MMHA announced the closing of these four hospitals was the result of a financial dilemma that was brought about by the change in the mining industry and the high cost of operating these hospitals following the practices that had been set up for their operation to serve miners and their families.

The crisis that the MMHA faced was that they just did not have enough money to operate these hospitals properly. This resulted in a crisis in the area wherein these hospitals were located, for it meant the

withdrawal of the finest hospital facilities that were available in the communities wherein they were located. A secondary, and a very direct crisis also loomed if the hospitals closed because it could rather well be assumed that if these hospitals closed, the doctors who worked in them would probably leave, almost to the last man.

The seriousness of this situation can well be appraised when one realizes that when the physicians who were employed by the MMHA were included in a total doctor count in the Appalachian plateau, there existed a ratio of approximately one physician to each 1,716 persons (based on 1960 census), or less than one-half the national average. But when these doctors were excluded from the count, the ratio of doctors to persons was reduced to approximately 1 to 4,113, or about one-fifth the national average.

It was correctly stated by the hospital consultant who reviewed the total situation in the Spring of 1963, that the impact of closing the Miners Memorial Hospitals in terms of just the availability of medical services would be very severe, if, as expected, most of the employed physicians should leave the communities in which they were located.

The story of how the National Board of Missions entered into the picture and established a new all-sectarian Board of Trustees, the Appalachian Regional Hospitals, Inc. in June, 1963 is a well known one, and the details of it will not be recited to you today. What I think you are probably more interested in is what has happened in the Eastern Kentucky area since the new corporation has assumed the responsibility for the operation of the five hospitals on October 1, 1963.

I had accepted the position of Executive Director of these five hospital prior to that time, on September 26 to be exact, but I did not assume full-time responsibilities until December 1.

During the months of October and November, much thought was given to the manner in which we could secure and encourage the participation by civic leaders in the various communities where these hospitals were located. Also, attention was given to the manner in which friendliness could be established among the physicians who had decided to remain in private practice after their salaries were discontinued from the MMHA after September 30, with the local community practicing physicians. It is unnecessary here to review the hard feelings that had existed prior to this time between the doctors employed by the Miners hospitals and local physicians.

It was well recognized, however, that

unless this feeling of dislike and distrust was altered to one of mutual understanding and friendliness, that the new venture had little chance of success. It was absolutely necessary that these hospitals should be used by all qualified doctors in each community as a means of increasing the census of each hospital and, accordingly, the utilization of each hospital.

The greatest period of trial that these hospitals have undergone took place during the month of October, for it was at this time that all the transitions took place. When one stops to realize that it was necessary to not only change the practice patterns of the doctors who had been salaried physicians in the hospital, as well as to change the image of the hospital in each community, from one that was a private, or proprietary institution to that of a truly voluntary non-profit community hospital, one can recognize the problem. Add to this the fact that the town physicians who had not been accustomed to being welcomed in these hospitals, now found that they were being solicited by the new managers, and were invited to join the staffs and to bring their patients into these hospitals.

As expected, the census in October and early November was low, in fact, it was lower than expected, primarily because a certain number of physicians who had been expected to remain in the communities of Whitesburg and McDowell, had left. Without physicians, patients are not seen in the hospital, nor are they admitted as inpatients in the hospital. This results in a reduced service by the hospital to its community and this is reflected in a lower income because of the loss for service charges. The cost goes on, however, because all hospitals must be staffed properly to serve their communities in the anticipation that its sick people will come to the hospital for service. It should be noted here, however, that personnel had been reduced in these hospitals prior to and after October 1, in anticipation of a reduced census, and also because there was evidence of some overstaffing in some departments.

Towards the end of October, the utilization of the five hospitals began to increase, and with the exception of the drop at Christmas, this trend has been a constant upward one. At the present time, the utilization rate is at satisfactory levels in all but two of the hospitals. We continue to have trouble at McDowell, a hospital that has worried us from the very beginning because of its remote location, and also because of the shortage of physicians there.

The census is low at Whitesburg also. This was a hospital where the miners had sent a great number of patients for skilled

nursing home and rehabilitation services, and one entire floor had been used for this purpose. These patients are no longer being sent to Whitesburg by the Area Medical Officers. Serious consideration, however, is now being given to converting this space in the hospital to a skilled nursing home for the people who live in the area.

Conferences have been held with the Health Department regarding this, and at the present time, serious study is being given to the advisability of initiating such a service. If such a program can be satisfactorily developed, it could mean the salvation of this particular hospital which appears to be somewhat overbuilt as a general hospital for the area.

The crisis in the operation of these hospitals continues but there is much brightness in the future, and it is due to some of the steps that have been taken that I have outlined to you, plus the possibilities that appear ahead. Before getting into this, however, it is important to call attention to the help from the appropriation which was passed by the special legislative session called by Governor Combs in June, 1963.

As you will recall, the anticipated deficit of these hospitals was \$700,000 for the first nine months of their operation. The appropriation was established at this same level of \$700,000, and to make it possible for these five hospitals to earn this money, it was made available in the form of payments for services rendered to the medically indigent patients who lived in the communities served by these hospitals.

Although this money is an important help to the hospitals, the program was slow in getting underway because of the lack of knowledge by people that the service was available, and again because of the shortage of doctors, particularly at McDowell and Whitesburg, limiting the service that these hospitals could offer. Accordingly, the income was low in October, but it was higher in November, and in December. The full impact of this appropriation will be felt in the months ahead. This appropriation was a real God-send for, without it, there is great question that these hospitals could have survived the transitional period.

Now, I think we should spend the remaining minutes looking into the future to see some of the opportunities, and to evaluate some of the remaining problems. First, it seems proper to speak briefly of the opportunity that exists in one of these communities, that being Hazard. Most of you have seen the announcement in both the Louisville and Lexington papers regarding the offer which was made by the Appalachian Regional Hospitals, to develop some program whereby the Sisters who operate the Mount Mary Hospital in that com-

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munity would assume the administration of this hospital as one of the member hospitals of the system.

This would make it possible to add beds—that would, in effect, replace the obsolescent Mount Mary's beds—on the second floor of the existing Appalachian Regional Hospital, at a cost far less—as a matter of fact at less than half the cost—of providing the same number of facilities in a new Mount Mary Hospital. Such a program would enable the physicians practicing in Hazard to concentrate their efforts in one hospital that would be approximately twice the size of either of the existing small hospitals.

This would make it possible for one hospital to offer a comprehensive type care, consistent with that offered in a 150 bed hospital than is possible in two 65 or 75 bed hospitals. Also, it is less costly to operate a single hospital, than two completely separate hospitals. In addition it would achieve two things. One, it would keep the Sisters in the community where they have served the sick for many years, and two, it would enable the community to reap all the benefits of regionalization that the operation of these five hospitals, and later, all ten hospitals, should provide. The offer has been made to the Mother Superior of the Order and we understand that it is presently being given serious consideration.

Finally, there is one thing that I must leave with you as a message and as a challenge that I sincerely hope can be met by philanthropists and foundations in Kentucky and elsewhere in the country. It must be remembered that these hospitals, all ten of them, are located in one of America's most depressed areas. These hospitals, which were built to operate as a coordinated system are the finest example of such a system ever constructed in this country.

As a hospital system, they can, should, and will offer outstanding hospital services to the area. They will make it possible for the doctors who practice in these areas to give exemplary medical care. And this service can be provided at a cost that is competitive with any hospital that pays its employees wages comparable to those paid by industry, as is the case in all of these hospitals. But, in spite of the efficient operation of these hospitals, they will sustain a very significant deficit because of the very extensive teaching programs that they will be carrying. It is not generally known that these hospitals supported teaching programs for student nurses, residents, practical nurses, laboratory technicians, x-ray technicians, physician therapy technicians and nurse anesthetists. These programs cost these hospitals approximately \$700,000 per year to maintain.

The hospital system will try its best to continue the operation of all of these training programs as its responsibility in preparing young people who live in this area for a better future life. These programs cannot be financed out of patient charges, however. They must be financed from outside funds, and the best source we know of is from individual foundations and philanthropists. It is my hope that in talking to you today, this opportunity will be broadcast among your readers so that persons and foundations who are seeking an opportunity to help in underwriting these important educational programs will make themselves known to us.

I would like to conclude my remarks to you today, by complementing you and the service that you render to your individual communities as newspaper men, and then by challenging you to use this role in support of the program I have discussed with you today.

In my work as a community hospital planner in Chicago, I had the opportunity to work with more than eighty-five hospitals who wished to expand, contract, or change their program of service in some way, and during the same period I worked with eighty-nine different groups who wished to establish new hospital services in the metropolitan area. Almost in every instance, we were helpful to those programs that wished to expand or change their program, but of the eighty-nine new proposals that came to our attention, we only encouraged and endorsed seven, discouraging therefore, eighty-two. Almost without exception, these new programs were being promoted by profit motivated sponsors, and in every instance, there was a complete lack of need for these facilities. Had they been built, they would have created a harmful competitive situation with existing and planned hospital programs in areas of demonstrated need.

We found that our greatest help in opposing these programs in the many communities in which we worked came from the newspapers. Once the newspapers understood that we were working solely in the public interest and were seeking a single objective, that of establishing a more efficient and effective hospital system, we were almost universally supported by the press. Had it not been for the press, I am sure that we would have failed in our public service in many instances.

I will never forget one particular set of circumstances where we found ourselves in opposition to three hospitals that were proposed by the crime syndicate in Chicago. Here the newspapers did a particularly outstanding job when they learned who the sponsors of these programs were. The pro-

grams were stopped cold with headlines in the major dailies as well as in the suburban newspapers.

I tell you this story not only because I want you to know that I respect the influence of the press, but also because I see the press as having a peculiar and particular type of responsibility for things that are in the public interest. You are an educational medium. You are a means to an end of helping people understand issues that otherwise they might never completely understand, let alone comprehend.

And so, for this reason, I make a particularly strong appeal to you for your ongoing support to what the Appalachian Regional Hospitals, Inc. Trustees are trying to do. They are looking for substantial amounts of money to support the program, and they are also looking for additional leadership. Our Trustees are currently in the process of looking for people with stature and wisdom who have an interest in the Eastern Appalachian area and who have some time to spend with a challenging opportunity. If you know of such people, may I suggest that you ask them to write to me?

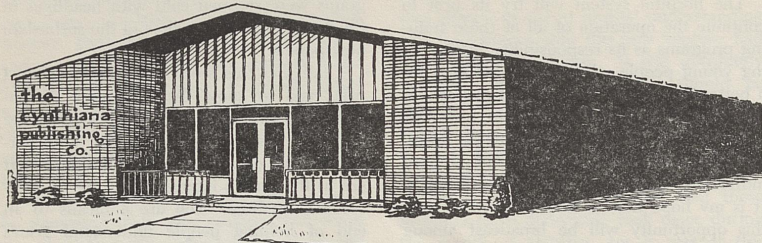
Newspaper Face Taxes

The indirect, or is it direct, attacks on freedom of press thru the imposition of taxes and/or license fees on news media still continue. Now a bill that would extend the Georgia state sales tax of 3% to include services such as radio and newspaper advertising—even legal fees—has been introduced in the Georgia House.

A Virginia House bill would permit cities and towns to impose a gross receipts license tax on newspapers, radios, and TV stations, but "shall in no event exceed the rate of tax imposed upon retail merchants." A 1958 Virginia statute prohibits cities and counties from licensing newspapers, radio, TV, or other advertising media. There is no state license tax on printing.

Newspapers call for conservation of natural resources, keep tab on Congress and legislation, and take readers to the heart of a news story in the making.

The U.S. Supreme Court will review the case involving the newspaper's right to refuse to publish letters to the editor. Herbert Lord, an attorney, is appealing a Massachusetts Supreme Judicial Court ruling that he has no legal right to compel the weekly Winchester Star to publish his reply to an editorial which urged him to drop a pending action against the State municipal board of selectment. The decision will be awaited by all the nation's newspapers.



Cynthiana Democrat Building New Plant

A large, modern printing plant, which will include news, advertising, editorial and business offices, is under construction for the Cynthiana Publishing Company. The entire operation is to be moved in June, according to T. J. Preston, president of the corporation.

Preston said the 60 by 128 feet building will more than double the present usable facilities of the company. A number of reasons for moving have been cited, including a critical necessity for more room to house new equipment added by the firm during the past four years.

Tommy L. Preston, publisher of the Cynthiana Democrat, said employee and customer parking had been a problem during recent years. He said the new location will provide for customer parking at the front entrance and employee in the rear of the plant.

He said the plant is designed to give

employees excellent working facilities and to increase efficiency in production. Approximately two-thirds of the plant will be devoted to the production of the two newspapers and job work. The remaining portion will be used for editorial and business offices and show room for sale of office equipment. Library facilities, open to students and local citizens, will also be provided and all publications of newspapers since the late 1800's will be available.

The all-steel building will have a Roman brick and glass front with overhanging roof. Sides of the structure will be aqua and blue steel and the roof will be white steel. The rear of the plant will provide two delivery entrances and open on the employee parking area.

The June move is expected to be accomplished without interruption of newspaper publishing or commercial printing service, Preston said.

Educational Groups Ask To Use Copyright Works

Twenty-five educational organizations recently filed a joint brief with a Consultants Panel to the Register of Copyrights to urge that non-profit educational organizations should be allowed to use copyrighted works, free and without permission, for educational purposes. The Register of Copyrights has been charged by Congress to make recommendations for revision of the 1909 copyright law, avers the ANPA Bulletin.

The 25 educational organizations, under the leadership of the National Education Assn., is particularly concerned that Congress may place restrictions on the use of copying machines. Under present practices, non-profit educational organizations may, under certain circumstances, reproduce without penalty copyrighted material. The organizations want an explicit provision in the law to permit reproduction of single copies of copyrighted works for non-commercial purposes and to authorize reproduction of excerpts of copyrighted works

for educational purposes with the understanding that these must be identified as to sources and copyright holders.

ANPA is advised that the proposals of the educational groups affect newspaper copyrighted material. The proposals go beyond the right to copy without the payment of any sum for that privilege.

◆
Cigarette smokers, now heeding the "scare" news stories of the danger of excessive smoking habits, especially the chain smoker who lights up as a reflex habit, may now face another hazard—the constant nibbler. It has been observed that these nibblers of peanuts, cardy, potato chips, and anything edible, are usually non-smokers and non-drinkers. They substitute the nibble, without the actual desire, for the reflex reach for the cigarette. Just something to do with the hands to abate nervousness or restlessness. What a horrible fate measured by the bathroom scales!

◆
Time clips by. You can't stop it. You can't buy it.

Clothes Vary In Price; Why Shouldn't Printing?

Buyers of commercial printing who raise cain about differentials in price between this year and last, or this printer and that, never seem to give a thought to the fact that we can pay anything from \$25 to \$500 for a suit of clothes, \$5.00 to \$50.00 for a pair of shoes, \$3.00 to \$30.00 for a hat.

But WHY is there such a wide variation in printing prices? Well, there's a reason just as good and logical as the reason for the variation in prices for most everything else we buy, from meals to motor cars.

Ink, for instance, varies from around 75¢ to as high as \$5.00 or even more per pound. Paper runs from 15¢ to 75¢ a pound, and even higher. Workman of varying degrees of skill are paid from around \$1.25 to as high as \$4.50 an hour and maybe more. Equipment ranges from "adequate" to perfect precision . . .

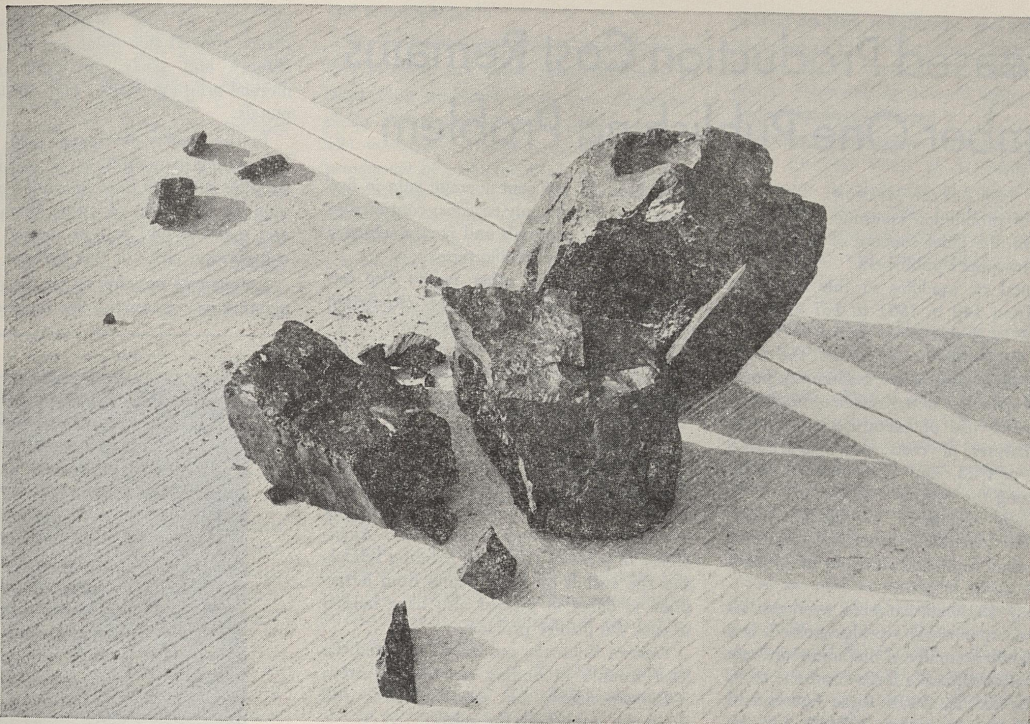
Some printing plants, like some manufacturers, do work of poor to low quality; many strive earnestly to merit a medium rating on all fronts; a few are perfectionists who will deliver only the highest quality, and have the courage to charge accordingly. Good county shops, as a general rule, run the gamut . . . for the exacting buyer they will provide the best in raw materials and workmanship, for the price buyer they can, with a little effort, cut a corner here and there.

Quality and price are generally determined more by the buyer than by the seller. Experienced buyers will consult with the producer regarding paper stock, ink, design, folding, packaging; if a cheap job will suffice, they will frankly say so; if only the best will serve their purpose, they ask for the best; and they will cheerfully pay accordingly. The inexperienced expect the best at shoddy prices, and perhaps often pay high for shoddy work.

Nearly every business in every town everywhere is known and judged by FOUR essential factors: Its advertising, its printed matter, its merchandise, and its personnel. And the GOOD business man never handles caps one factor by skimping on the others. —Minnesota Bulletin.

◆
Renewal hint. When a subscription expires, just send a bill for the renewal. In your community, you might find this works better than all those cute pre-expiration reminders. The "reminder" seems to present a choice, renewing or not renewing. But a bill is a bill.

◆
All great accomplishments are attained through cooperation.



**It takes 1000 tons of coal
to build just 1 mile of concrete highway!**

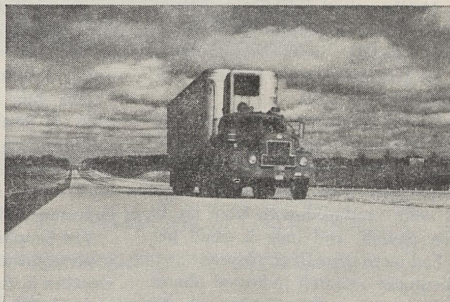
That totals approximately 700,000 tons of coal if Kentucky uses concrete to complete its Interstate System Highways.

Kentucky needs new coal markets—and new Interstate Highways. Concrete brings the two together. The result? Better business. Better highways.

Today's new-type concrete is smooth and solid all the way . . . is laid flat to stay flat. It actually has a life expectancy of 50 years and longer, with upkeep expense 75% less than for asphalt (based on Kentucky records). This is vital because the Federal Government pays 90% of initial construction cost—but not a single cent for maintenance.

Add it up. Concrete means greater coal usage, greater driving comfort, and greater maintenance savings.

Mr. Fred Bullard, Executive Secretary of the Kentucky Coal Association, has this to say: "Cement and reinforcing steel are two basic ingredients of the modern concrete highway. With their high consumption of coal during manufacture, the Association believes that paving Kentucky's Interstate Highways with concrete would be an invaluable aid to the state's coal industry."



Kentucky's Interstate 65 south of Elizabethtown.

This message sponsored jointly by:

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An organization working for the interests of the Kentucky coal industry



Increased Production Cost Remains Number One Publishing Problem

By BAXTER MELTON

Costs of production continue to increase and remain the chief concern of Kentucky's weekly-newspaper publishers.

The total of weeklies in this state decreased from 149 in 1951 to 137 in 1962. Although 12 publications perished in 11 years by discontinuance or merger, the overall condition of Kentucky's community press improved notably. Better mechanical plants, an increased use of pictures, more intelligent analyses of costs, more aggressive business policies, and better-trained staffs were among the contributing factors.

Especially significant in this Kentucky study were two items—gross and total employees—that paralleled statistics in national surveys.

Back in 1949, nation-wide averages indicated a small-sized weekly grossed less than \$10,000 annually, a medium-sized one only \$10-25,000, and a large-sized one more than \$25,000. By 1961, these figures had increased to just under \$25,000 for the small weeklies, \$20-80,000 for the medium ones, and more than \$80,000 for the large ones.

In this Kentucky study, the average gross of those making all financial figures available for 1962 was \$107,065 for the large, \$52,721 for the medium, and \$23,000 for the small. Large-sized weeklies studied revealed an average gross increase of \$39,740, or 59 per cent, in 10 years, from \$67,325. Medium-sized weeklies registered an average increase of \$17,491, or 49.6 per cent, from \$35,230. Small-sized weeklies reported an average increase of \$9,547, or 71 per cent, from \$13,453.

A Publishers' Auxiliary survey in early 1963 reported the largest per cent, 50, of the nation's weeklies published with five or fewer employees. The second-largest per cent, 28, were produced with from six to 10 on the payroll, and only a small per cent, 22, had more than 10 employees.

This Kentucky research indicated almost that same proportion—50 per cent of the respondents answering the question having five or fewer employees, a figure identical to the national one; 31 per cent with from six to 10 on the payroll, and only 19 per cent with more than 10.

Bluegrass State publishers reported 20.8 per cent more increase in costs than in income during the last 10 years. Larger payrolls in both the front office (32 per cent average gain in five years) and in the

back shop (21 per cent average gain in five years) are not the only reasons; continually rising costs of materials and new machinery also were cited in specific terms.

Increasing use of other media also has caused more competition for circulation and particularly advertising revenue.

More personnel are working in front offices of weeklies surveyed, but more than half of the respondents' total personnel still are in the back shops.

Particularly significant is the fact that editorial help now is more difficult to obtain than printers, this problem in reverse of the one formerly facing publishers. Lower pay for front-office workers is one reason. Availability of printers now from printing schools and the switch by some plants from letterpress to offset in process also have helped to ease the printer problem.

Eastern Kentucky publishers reported the least trouble in finding printers, Western Correspondents for most weeklies still Kentucky publishers the most.

serve without pay, which helps to alleviate the payroll problem. These unpaid correspondents write because of "personal satisfaction" and "an opportunity to help my community."

A big increase (72 per cent average in 10 years) in the use of pictures now involves considerable expense in cameras, film, processing, and engravings. Some of the publishers have installed their own engraving plants (1) to make this item cheaper over a period of time and (2) to make possible the use of pictures taken nearer deadline.

This gain in pictorial journalism—especially in local pictures—not only increases readership of Kentucky weeklies and helps in competition with metropolitan dailies in their areas; it also improves the general appearance of the publications.

The Graphic, long-time standard of newspaper cameras, is used by a majority of the weeklies in this study. The trend, however, is toward a Graphic with a Polaroid back to reduce time between picture and press. Use of the easy-to-handle reflex type is increasing.

Costs of newspaper machinery continue to spiral. Most of the weeklies studied are adding to their mechanical departments the new machinery necessary to maintain quality production.

Indeed, almost all of the materials necessary in newspaper production continually

are rising in cost. Specific items in this survey proved this point and included machinery and parts, newsprint and commercial-printing stock, mat services, and metals.

In the weekly-newspaper field, competition among manufacturers of machinery and supplies seems to have benefitted publishers only in the areas of some Linotype parts and matrices and in type metals. There is competition now for this business.

Letterpress remains by far the most-used printing process among the weeklies studied.



**This halftone
cost just
4 cents on
Photo-Lathe**

...and look at the quality!

Think of how many halftones you could make on a Photo-Lathe 12 x 18 plate that sells for \$1.10.

The Photo-Lathe electronic engraver makes halftones in 12 screens—from 70 to 160 lines. Makes *line* engravings, too.

Send today for your free Photo-Lathe Sample Kit.

Write:

Graphic Electronics, Inc.,
LaSalle, Illinois

Many of the owners, however, are considering offset. A large percentage of the publishers already have met half-way the trend toward offset by using it in their commercial-printing departments.

In 1962, only 15 Kentucky weeklies were printed by offset.

An increasing source of advertising competition for the weeklies studied is that of metropolitan dailies in their multiple listings under national advertisements. Big-city papers still do not cause much circulation competition, because the weeklies not only print more local news but also more detail in the news published.

Many of the respondents receive assistance from metropolitan and other daily publications, mostly in mats of local pictures.

Radio has become the biggest competitor for Kentucky weeklies. Area daily newspapers and television are not considered strong competitors.

In commercial printing, however, sources of competition for weeklies' job shops come not only from local and area locations; they also come from metropolitan centers far away, especially for big-lot orders and for specialty printing.

Partnerships (10) and proprietorships, or single owners (9) dominated the type of ownership in this research. The tradition of family ownership still is strong in Kentucky. Weeklies in this survey have an average of two members of the owner's family working. In most of these family-worker situations, family members are paid.

There is a trend toward the combination plant, which enables smaller weeklies to take advantage of the mechanical facilities of larger plants at a lower cost than they can operate their own. In Kentucky, 12 combination plants print a total of 27 weeklies. Nine plants produce two papers each, three plants three papers each.

Changes in Kentucky's legal-advertising law have decreased this type of lineage for some of the respondents. Machine voting also has decreased legal-printing income for some weeklies which formerly printed paper ballots.

"Kentucky's law for legal advertising is a model that other states should copy," according to A. Gayle Waldrop, professor of journalism at the University of Colorado. He pointed out in a June, 1962, Quill article that Kentucky's law "is not a book, but one statute, Chapter 424, in the 1960 edition of the Kentucky Revised Statutes."

It provided not for "the largest circulation" in the publication area, but "the largest paid circulation." And it "clarified, consolidated, and made uniform Kentucky's 232 statutes governing county, municipal, town, and other political subdivisions . . .

and removed 'fat.'"

So Kentucky's small-town publishers in this research are using many solutions to meet their economic problems. These include (1) employment of family members; (2) versatility of most employees; (3) improvement of mechanical plants to produce more-attractive publications; (4) traditional advantage of most correspondents serving without pay; and (5) increasing use of combination plants.

Weekly publishers surveyed also are charging higher rates for their services. In addition to higher costs of production, their larger circulations (25 per cent average gain in 10 years for all sizes) justify their increases in local advertising rates (47 per cent average boost in 10 years for all sizes). And the general improvement of the publications justify higher yearly subscription rates (66¢ local, 65¢ outside average increases in 10 years).

These increases, plus higher rates for commercial printing and other services, enable the publishers to realize much larger grosses annually, as indicated at the beginning of this article.

Most of the owners double as editors and/or printers and advertising managers, further reducing the payroll.

These larger grosses are reflected in im-

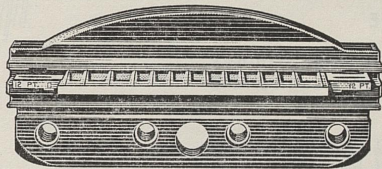
proved content, readability, and general appearance of the publications. Indeed, some of the better weeklies in Kentucky now are as attractive in over-all appearance as any of the small dailies.

Suburban journalism, represented in the study by *The Voice of St. Matthews*, is the major development in recent years in the weekly field. This Louisville suburban publication was not compared in any phase of operation with the small-town weeklies.

* * *

(Editor's note—These are conclusions from Baxter Melton's thesis for a master's degree in journalism at Ohio University in June, 1963. Melton received his A.B. degree in journalism at the University of Kentucky in 1947. He worked on metropolitan dailies 1947-54, then was editor and publisher of the *Seabee Banner* 1954-62. He now is a publicity specialist with the Kentucky Department of Public Information at Frankfort.

For the obvious reason of space, Melton's findings in a 127-page thesis are condensed in the following generalizations. Those who want to read the thesis for all findings can obtain it from the K.P.A. office. Confidential information was coded as promised to publishers in a letter accompanying the questionnaire.)



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IS MANUFACTURED TO TOLERANCES AS FINE AS .0002"

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CALENDAR OF EVENTS

MARCH

- 6-7 — Central Kentucky Seminar, School of Journalism, University of Kentucky
- 12-14—NEA Workshop, Washington, D. C.
- 13—Annual High School Newspaper Workshop, U. of K.

APRIL

- 17—West Kentucky Seminar, Kentucky Dam Village
- 18—West Kentucky Press Association, Kentucky Dam Village
- 24-25—South Central Kentucky Seminar, Cumberland Lake State Park, Jamestown
- 25—KPA-KPS Executive Committees meeting, Cumberland State Park, Jamestown

MAY

- 8-9—Eastern Kentucky Seminar, Jenny Wiley State Park, Prestonsburg

JUNE

- 4-6—Mid-Summer Meeting, Kentucky Press Association, Cumberland Falls State Park.
- 8-19—Newspaper in Classroom Short Course, School of Journalism, Lexington.
- 24-27—NEA Annual Convention, Hotel Commodore, New York
- 28-July 2—Newspaper Managers Annual meeting, Ocean Park, New Jersey

A wit remarked that if it weren't for bill-folds, taxes would be lower. We pay a luxury tax when we buy in, income tax on what we put in it, and sales tax everytime we take something out. Makes sense, doesn't it?

J. LaMarr Bradley, former publisher of the Providence Journal-Enterprise and Clay Tribune, has been appointed to the city council of the city of Providence.

Equal pay for women law takes effect in June. Publishers can get a sound grasp of what's involved by writing for "Guide to Equal Pay Act." It is available for 25¢ by writing the U.S. Chamber of Commerce,

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In Kentucky... after bowling, beer is a natural

After you've bowled a game or two, or when you're winding up the evening at the neighborhood bowling center, it's good to relax with friends and compare scores. What better way to add to the sport and the sociableness than with a refreshing glass of beer? However you take your fun—skiing, skating, or at your ease in the game room—beer always makes a welcome addition to the party.

Your familiar glass of beer is also a pleasurable reminder that we live in a land of personal freedom—and that our right to enjoy beer and ale, if we so desire, is just one, but an important one, of those personal freedoms.

In Kentucky... beer goes with fun, with relaxation
UNITED STATES BREWERS ASSOCIATION, INC.
 P. O. Box 22187, Louisville, Kentucky 40222



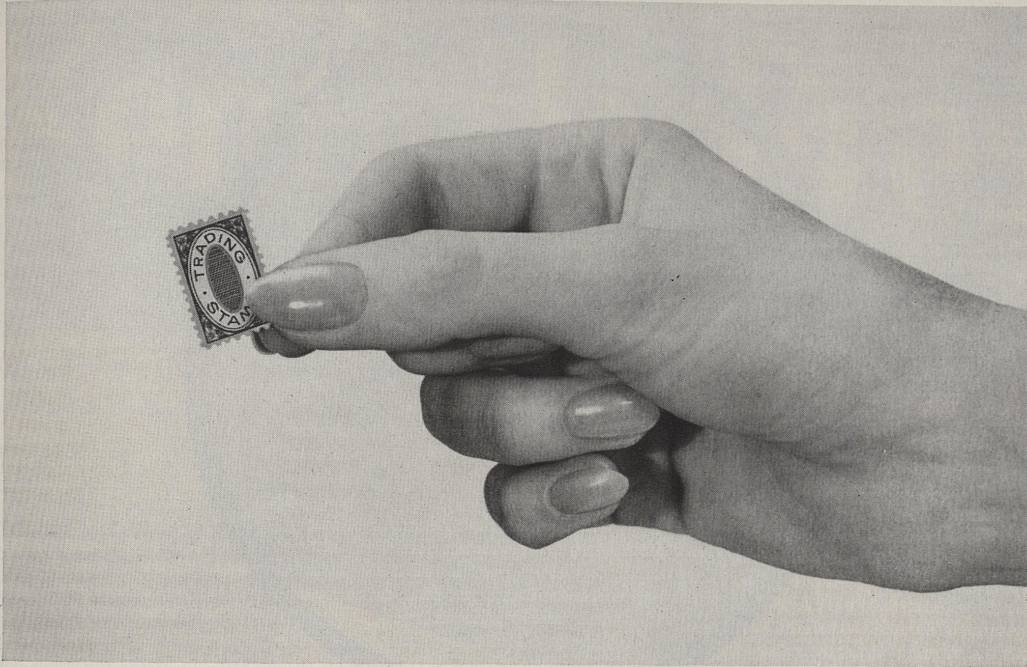
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OMPANY
City 6, Utah



Only a tiny piece of paper—but it's worth \$1,000,000,000!

This, of course, is a trading stamp—well-known to shoppers for the little “extras” of good living it makes possible.

But it's much more than this from an economic point of view.

Today the trading stamp industry is a dynamic economic force that helps make America a prosperous nation.

This year alone, the industry will buy an estimated \$500,000,000 worth of products (at cost or wholesale prices) from more than 600 U.S. manufacturers of consumer goods in 75 different industries.

In addition, the stamp industry is expected to generate another \$500,000,000, ranging from over \$120 million for transportation, warehousing, and redemption store operation, to more than \$90 million in farm purchases of cotton, wool and other primary materials used in the production of merchandise for stamp redemption.

The full-time employment of more than 125,000

workers will be required at one stage or another of production or distribution to operate stamp companies and to supply merchandise for stamp redemptions.

So the tiny piece of paper shown above represents an industry that contributes one billion dollars to our economy every year.

Actually, the total retail value of merchandise received by consumers redeeming stamps in a state usually comes to more than 100 per cent of the money paid by the merchants who purchase stamp services. In all cases, the total value going back into the state when the payrolls, rents, taxes and other expenditures of stamp companies are taken into account is substantially more than the money paid for the stamp service.

All told, the trading stamp industry not only brings extra value to consumers, and a powerful promotional device to merchants, but contributes importantly to a stronger economy—both on the national level and in every state and community in which it does business.

AN AMERICAN WAY OF THRIFT SINCE 1896






Look who's NEW on the Big Board!

Newest symbol on the New York Stock Exchange is KU, ticker symbol for Kentucky Utilities Company whose common stock was admitted to trading on February 17.

KU will be new to some people, perhaps, but for more than 50 years KU has been a symbol of steadily expanding electric service in 78 counties in the growth area of Kentucky.

Kentucky Utilities Company looks confidently forward to increasing demands for power in an area that has been growing steadily, industrially, since World War II.

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