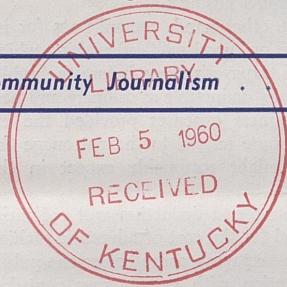


The Kentucky Press

January, 1960

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



•
Publication Office:
School of Journalism
University of Kentucky
Lexington

•
VOLUME TWENTY-SIX
NUMBER FOUR

Convention Issue

Ninety-first Annual
Mid-Winter Meeting
Brown Hotel, Louisville
January 28-30, 1960

Official Publication Kentucky Press Association

The Kentucky Press

Volume 26, Number 3

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

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

Kentucky Chamber of Commerce
Newspaper Managers Association

Sustaining Member
National Editorial Association

Associate Member

National Newspaper Promotion Association
Printed by The Kernel Press

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

Kentucky Press Association, Inc.

Thomas L. Adams, *President*
Herald-Leader, Lexington
Paul Westpheling, *Vice-President*
Fulton County News, Fulton
Victor R. Portmann, *Secretary-Manager*
University of Kentucky, Lexington

District Executive Committee

Chairman, W. Foster Adams, *Berea Citizen*, Berea (Seventh); *First*, Ray Edwards, *Messenger*, Mayfield; *Second*, Larry Stone, *Messenger-Argus*, Central City; *Third*, Basil Caummissar, *Courier-Journal*, Louisville; *Fourth*, John G. Gaines, *Park City News*, Bowling Green; *Fifth*, Frank C. Bell, *Trimble Democrat*, Bedford; *Sixth*, George Trotter, *Enterprise*, Lebanon; *Eighth*, George Joplin III, *Commonwealth*, Somerset; *Ninth*, Earl W. Kinner, *Licking Valley Courier*, West Liberty; *Tenth*, S. C. Van Curon, *Enterprise*, Harlan; *State-At-Large*, Fred J. Burkhard, *Casey County News*, Liberty; *State-At-Large*, Landon Wills, *McLean County News*, Calhoun; *Immediate Past President*, Martin Dyche, *Sentinel-Echo*, London.

Kentucky Press Service, Inc.

James M. Willis, *President*
Messenger, Brandenburg
James G. Wilson, *First Vice-President*
Log Cabin, Cynthiana
George M. Wilson, *Second Vice-President*
Breckinridge County Herald-News, Hardinsburg
Victor R. Portmann, *Secretary-Manager*
University of Kentucky, Lexington

Board of Directors

Chairman, Bennett Roach, *Shelby News*, Shelbyville; Rumsey E. Garrison, *Anderson News*, Lawrenceburg; Enos Swain, *Advocate-Messenger*, Danville; Niles Dillingham, *Progress*, Dawson Springs; *Officers Ex-Officio*.

+ As We See It +

The Internal Revenue Service has adopted a proposed rule which makes expenditures for lobbying, political campaign and other "propaganda" advertising non-deductible from gross income for tax purposes, states The Editor and Publisher.

The rule, put into full force and effect following a series of hearings last month, now reads as follows:

Expenditures for lobbying purposes, for the promotion or defeat of legislation, for political campaign purposes (including the support of or opposition to any candidate for public office), or for carrying on propaganda (including advertising) related to any of the foregoing purposes are not deductible from gross income.

For example, the cost of advertising to promote or defeat legislation or to influence the public with respect to the desirability or undesirability of proposed legislation is not deductible as a business expense, even though the legislation may directly affect the taxpayer's business.

On the other hand, expenditures for institutional or "good will" advertising which keeps the taxpayer's name before the public are generally deductible as ordinary and necessary business expenses provided the expenditures are related to the patronage the taxpayer might reasonably expect in the future.

For example, a deduction will ordinarily be allowed for the cost of advertising which keeps the taxpayer's name before the public in connection with encouraging contributions to such organizations as the Red Cross, the purchase of United States Savings Bonds, or participation in similar causes. In like fashion, expenditures for advertising which present views on economic, financial, social, or other subjects of a general nature but which do not involve any of the activities specified in the first sentence of this subparagraph are deductible if they otherwise meet the requirements of the regulations under Section 162.

Expenditures for the promotion or the defeat of legislation include, but shall not be limited to, expenditures for the purpose of attempting to—

(1) Influence members of a legislative body directly or indirectly, by urging or encouraging the public to contact such members for the purpose of proposing, supporting, or opposing legislation, or

(2) Influence the public to approve or reject a measure in a referendum, initiative, vote on a constitutional amendment, or similar procedure.

The American Newspaper Publishers Association has formally protested the rule as constituting governmental interference with business rights and, in effect, censorship of

legitimate public opinion advertising.

Other industry groups also have registered objections to the rule, claiming it will still formed on major issues.

An IRS spokesman said that advertising restrictions relating to labor disputes "are probably still going to be deductible."

As part of its rule order, the IRS placed restrictions on the deductibility of labor union and trade association dues and other income.

* * * * *

Governor Patterson, Alabama, invoked the new statute that required all records should be open to the public, when he imposed a 30-day suspension of pay on Alvin Trum, chief auditor of the State Highway Department, for failure to give out certain information as to expense accounts to a staff reporter of the Birmingham News. We can applaud the Alabama governor for his admirable decision to make the "open records" law effectual and operative. This also emphasizes the need of a similar statute in Kentucky—a need which we hope to see this legislative session.

A bill to insure the right of newsmen to inspect records relating to welfare spending anywhere in the state was introduced in the New York Legislature, January 11. The bill would resolve an apparent conflict between the state social welfare law and the general municipal law, and would be an amendment to the social welfare law.

* * * * *

Guild Requirements

Purely for the mental lift it will give publishers who have so far escaped labor contract negotiations, we report a few of the demands that appear in a proposition presented to an Indiana newspaper by the Guild Editorial and Maintenance unions.

If the publisher wishes to reduce the number of employees for economic reasons, it must be proved by the publisher that dismissals for such reason are necessary to insure the survival of the paper and "that other means of economy have been exhausted." Next, the Guild demands eight paid holidays a year, compensated at double time if worked, instead of the present six holidays compensated at time and a half if worked.

The Guild wants an agency shop provision by which the publisher would agree to deduct from the wages of non-Guild members an amount equivalent to the dues they would pay if they were members of the union. And the Guild wants a retirement pension plan to which the publisher would contribute \$2 per week per employee with the Guild having full control over the fund.—Nebraska Press.

JANUARY,

91st M

5:01

Registration, mezz

5:01

Ladies' get-togeth

5:59

KPA Executive C

7:29

Buffet supper, m

Hoffman, accor

Refreshments c

8:01

Registration, Foye

8:16

Breakfast, Roof G

9:16

Invocation, Dr.

Address of Wel

Response, W. E.

10:16

Business Session

President Adam

Secretary-Mana

Appointment of

Roundtable sessi

Members of the

duction problem

12:31

Luncheon, Roof C

Address, Arthur I

New York City

2:01

Annual meeting,

President Geor

2:31

Tenth annual me

President, presi

Annual report o

Roundtable dis

2:31

Roundtable—Prob

Curon and Joh

4:01

Annual meeting,

4:01

Nominating Com

5:59

Cocktail Party, R

ington Herald-

7:16

Annual Banquet,

91st Mid-Winter Program, January 28-30

Thursday Afternoon

5:01

Registration, mezzanine floor, Miss Florida Garrison

5:01

Ladies' get-together and reception

5:59

KPA Executive Committee meets in the KPA suite

7:29

Buffet supper, music, singing, South Room, Jim Sheehy, M. C., Rene Hoffman, accordianist and pianist, Mark Ethridge, song leader
Refreshments courtesy Kentucky Division, U.S. Brewers Foundation

Friday Morning

8:01

Registration, Foyer Roof Garden, Miss Garrison

8:16

Breakfast, Roof Garden

9:16

Invocation, Dr. Chauncey Daley, Editor, The Western Recorder
Address of Welcome, Mayor Bruce Hoblitzell, Louisville
Response, W. Foster Adams, Chairman, Executive Committee

10:16

Business Session, President Thomas L. Adams, Presiding
President Adams, annual address
Secretary-Manager Victor R. Portmann, annual report
Appointment of convention committees

Roundtable sessions—three tables for weeklies, one table for dailies.
Members of the executive committee as moderators. Bring your production problems for open discussion

12:31

Luncheon, Roof Garden

Address, Arthur H. "Red" Motley, President, Parade Publications, Inc., New York City

Friday Afternoon

2:01

Annual meeting, School of Journalism Foundation of Kentucky, Inc., President George Joplin III, presiding

2:31

Tenth annual meeting, Kentucky Press Service, Inc., James M. Willis, President, presiding

Annual report of the Secretary-Manager

Roundtable discussion

2:31

Roundtable—Problems of the Small Dailies, Derby Room, S. C. Van Curon and John B. Gaines, moderators

4:01

Annual meeting, Kentucky Associated Press, Derby Room

4:01

Nominating Committee, Past Presidents, KPA Suite

5:59

Cocktail Party, Roof Garden, Louisville Courier-Journal and Times, Lexington Herald-Leader, and KPA, hosts

7:16

Annual Banquet, Crystal Ballroom—Floor show and dance

Saturday Morning

8:31

Breakfast, Roof Garden

9:16

Business Session, President Thomas L. Adams, presiding
Address, President Ed Schergens, National Editorial Association
Report, James M. Willis, NEA State Chairman

9:46

Proposed Clipping Service, Paul Westpheling and Perry J. Ashley
Report of summer seminars, Dr. L. Niel Plummer, Director, U. of K. School of Journalism

Address, Freedom of Information, James L. Pope, Louisville Courier-Journal, chairman, national committee

Reports of standing committees

Legislative committee report

Old business

New business

Election of officers

12:31

Luncheon, Roof Garden

Presentation of Award to the KPA Outstanding Kentuckian of the Year, Chairman Fred B. Wachs, Kentuckian Committee, presiding
Adjournment

5:00

Reception for members of the Kentucky Press Association by Governor and Mrs. Bert Combs, Executive Mansion, Frankfort

Program Notes: Consult Bulletin Board, hotel lobby, for room assignments

Ladies are invited to attend any WHAS radio presentation or WHAS-TV show. Ask for information at the registration desk.

Hospitality rooms will not be open during business sessions.

W. Foster Adams is our official sergeant-at-arms—please obey his modest requests.

You are invited to inspect the new Scan-O-Graver Illustrator model which will be in operation in the Derby Room.

A press committee, Perry J. Ashley, Ray Hornback, Jerry Miller, and Bob Cochran, will be on hand to serve you in any capacity. Photographers will be present to snap convention pictures and will furnish you cuts to take home for your next issue. Press kits will also be furnished. Ask for yours.

Door prizes at all sessions except the banquet. You must be present to win.

Hospitality rooms for your enjoyment.

Please purchase banquet tickets before 4:00 p.m., Friday. No banquet tickets will be sold at the door.

All times indicated are Central Standard Time.

Outstanding Kentuckian Awards

- 1948 Vice President Alben W. Barkley
- 1949 Senator John Sherman Cooper
- 1950 Paul Bryant, U. of K. Coach
- 1951 Thomas Poe Cooper, Dean, College of Agriculture
- 1952 Mrs. Mary Breckinridge, Frontier Nursing Service
- 1953 Henry Ward, Conservationist
- 1954 Paul G. Blazer, Industrialist
- 1955 Albert B. Chandler, Governor
- 1956 Jesse Stuart, Writer and Poet
- 1957 Ed Diddle, Western College Coach
- 1958 Robert M. Watt, Industrialist

Information From Cost Studies Helpful To Community Publishers

Perhaps the feeling of most newspaper publishers is that publication laws on legal notices should be strengthened and many new ones created.

From the standpoint of a state legislator and, I believe, most of the Bar and many of the citizens in each state, the matter is a slightly different one.

These groups frequently feel that publication laws are sufficient if not already overdone. They do not particularly worry about enforcing them because they really feel that the enforcement must lie with those primarily affected, particularly publishers of newspapers.

If newspaper publishers and their associations do not demand that these laws be enforced, then many citizens, the Bar and the average legislator isn't too concerned either.

I believe too many newspapers have a fundamental weakness in the way they run legal notices. Frequently we are inclined to crowd legals down into small type so tiny it is difficult to read and then jam them back into some part of the newspaper piled over with ads and other material.

All of which make legal uninviting to the reader. We should bring these legal notices out of "junk pages" and give them the best possible display, promote their importance to our readers, and keep pointing out how these notices may affect their lives, their businesses and, indeed their property.

Newspapers should carry on a continual promotion of reading legal notices in order to protect individual citizens. Some newspapers with a great deal of leadership and initiative, prominently carry on page one or within the first few pages a synopsis of the important legal notices contained in the newspaper and where they appear in that issue.

Of course, this takes additional space but it is a necessary public service and ought to be performed by every newspaper accepting legal notices.

The only real and justified reason for publication law at all is to provide a superior form of notice than that of posting upon a telephone pole or some obscure bulletin board in the courthouse. I've already mentioned what I feel newspapers must do as a public responsibility towards better notice, by the publication of legal notices carried in their newspaper.

If there is a publication law which is not being enforced, or observed, then it is the

(Note: This pertinent address was given by Publisher Lo Allard, Drumright, Okla., Derrick, at the NEA meeting at Hot Springs. It is pertinent and timely, and points the way toward the publishers' responsibilities in presenting this type of important news. Especially today, when KPA faces attacks on our publication law in the legislature, this points the way when we may forestall continuing attacks in the future and will indicate the newspaper's continual effort to uphold the people's right to know.)

duty and responsibility of, not only the newspaper, its organized associations and groups, but the public as well to see that it is enforced or removed from the statutes.

A frequent cry comes from poor or bankrupt counties and communities that they "cannot afford" to observe publication requirements. You can put teeth in laws by spelling out that "shall" and "will" means "must" and "mandatory."

But newspapers, particularly, must go farther than simply yelling about publication laws which are not observed. Such laws are either good or bad. If they are bad they should be stricken from the statutes as unneeded. If they are good and serve a useful purpose, then they must be observed and they must be diligently enforced.

Press associations and newspapers should be quick to file complaints with the county attorney and other enforcement officials from their counties or parishes, even up into the state's attorney general and other enforcement agencies on publication laws which are not observed or respected. You can say the same about any other kind of law which is on our statute books.

The most important thing newspapers and newspaper associations can do to improve the respect for published legal notice is to demand respect for these statutes and full compliance with their intent and purpose. This may mean hiring a lawyer if the county attorney will not act.

Certainly it means informing the public that something must be wrong or might be wrong in these departments of government or elsewhere who won't inform the public on matters they handle as required by law.

We must educate the public that these notices are published for the public's protection and as a report to taxpayers on their affairs from those who are entrusted with the stewardship and management of the public's business.

The legal notice is more than just a means of revenue for the newspaper. It is



Arthur H. "Red" Motley, President of Parade Publications, will be the featured speaker at the Friday luncheon. He is noted as one of the best public speakers in America.

Classified Pays Off

A Virginia newspaper tried a "Guaranteed Results Week" with classified advertising and found it a guaranteed success. One purpose of the promotion was to prove that classified advertising could sell anything. And that's just the way it worked out. The newspaper announced that for one week, any family listed in the local telephone directory could place a family want ad to sell anything, and payment for the ad would be required only if the advertised item sold. ("Family" was specified to keep regular advertisers from taking advantage of the special promotion.) During the month in which the promotion ran, classified ad revenue nearly doubled. Transient ads more than tripled. The daily average more than doubled. And there was over a 100 per cent increase in total ads for the month. During the "guaranteed" week, 719 of the family ads brought in a long list of sales successes. Among them were a woman who sold a Mynah bird, and a man who sold garage doors the first day. Another woman liked the idea so much she placed 19 ads on one phone call.

A resourceful man isn't necessarily a man of means.

a public trust and it is a compliment to any publication choice for such notice. Any newspaper carrying public notices has the responsibility of carrying them in such a manner that they inform the public as they are intended to do and at the same time keep ever-diligent and bring to correction any side-stepping of these laws.

Publishers To Legislate

By C

"Yearly trend most helpful paper. Newspaper Cost Study replies received in the eighth

Next most helpful publishers is "analysis of employees" ranking group" ranking employees" came per employee of how the cost by publishers.

Because only of the participants they found the very helpful, the believes that man stand how to use advantage.

Let's illustrate scriber" figures advantage. Sup circulation of 2, one of the 34 p Four (2,001 to study of 1958 b 11 of the Cost t that the average in Group Four r income for that

Your circulation age paper in you out how much paper should ha for the group. C you find that t average for Gro tripling your cir come per subs your total incom if your paper w page 11 you fi total income fo expense. By mu the percentage have average fi circulation. Co ures for each a copy of your re tell where your the average.

Using the "in in the above m sible to compar age paper in yo probably prefer

Publishers Pay Little Heed To Legal Advertising Promotion

By CARL C. WEBB

"Yearly trends in total income" is the most helpful part of the National Weekly Newspaper Cost Studies, according to the replies received from publishers participating in the eighth annual study.

Next most helpful information to publishers is "adjusted net income" with "analysis of expenditures by circulation group" ranking third; "average number of employees" came in fourth; and "total income per employee" placing fifth in the poll of how the cost-study information is used by publishers.

Because only slightly more than one-half of the participants in the cost study said they found the "revenue per subscriber" very helpful, the Cost Study committee believes that many publishers do not understand how to use these figures to the best advantage.

Let's illustrate how the "revenue per subscriber" figures can be used to the fullest advantage. Suppose your newspaper has a circulation of 2,575 copies and you were on one of the 34 papers participating in Group Four (2,001 to 3,000 circulation) in the study of 1958 business. By turning to page 11 of the Cost Study report you would find that the average circulation of the 34 papers in Group Four was 2,366 and that the total income for that average paper was \$66,789.

Your circulation is more than the average paper in your group, so you want to find out how much business volume your newspaper should have handled if it was average for the group. On page 6 of the Cost Study you find that the "income per subscriber" average for Group Four was \$27.10. Multiplying your circulation (2,575) by the "income per subscriber" (\$27.10) you find your total income should have been \$69,782 if your paper was average. Turning back to page 11 you find the average per cent of total income for each kind of income and expense. By multiplying \$69,782 by each of the percentage figures expressed you now have average figures for a paper with your circulation. Comparing these average figures for each account classification on your copy of your reporting form, you can easily tell where your paper was above or below the average.

Using the "income per subscriber" figures in the above manner you will find it is possible to compare your dollars with the average paper in your group dollarwise. This is probably preferable to computing per cent

(Note: Carl C. Webb, assistant professor of journalism at the University of Oregon, is chairman of the Weekly Newspaper Cost Study committee of NEA and Newspaper Association Managers, Inc. Secretary Portmann is a member of his committee.)

of total income for each classification of income and expense for your own newspaper and then comparing the percentages with the group average in the cost study.

As a result of action taken at the joint meeting of the NEA-NAM Cost Study committee at the fall meeting of NEA in Chicago, the study will again be conducted next spring and based on 1959 calendar-year business.

Forms for participating in the ninth annual study will be mailed to all weekly newspapers about March 15 by the cooperating state associations and/or NEA.

The "typical" weekly newspaper, as considered by the Cost Study committee is: A single newspaper owned by a "working" publisher, partner, or corporation official; a newspaper having paid circulation, its own printing plant, doing some commercial printing, and selling some miscellaneous items such as office supplies.

A "not typical" newspaper situation, insofar as the Weekly Newspaper Cost Study is concerned, includes: Ownership by non-working publisher, estates, corporations paying salaries to non-working officers, etc.; one having free circulation; one which is not printed in its own plant; and one having a major portion of its income coming from commercial printing or office supply store. Such unusual situations could very easily distort the averages computed for the cost study.

Cost study participants submitted a number of suggestions, including a "salary and wage study" and "time studies." These recommendations were passed along to NEA because the Cost Study committee feels these inquiries are beyond the scope of the annual cost study.

The Cost Study committee strongly recommends that individual-newspaper publishers, who are not doing so now, take immediate steps to segregate their advertising income into the four kinds of advertising—local, national, classified, and legal—as well as keep lineage records for each of the four kinds of advertising.

Most newspapers have a different rate for each kind of advertising and only by keeping income and lineage records for each

Mailing Faults

These are the most common faults found by postal employees in sorting and routing newspapers.

1. Insufficient ink used on addressing machines.
2. Poor quality wrapping used; single wraps split under pressure.
3. Watered down paste or glue loses its adhesion when dry, causing wrappers to come loose and address labels to fall off.
4. Papers bundled together before glue dries stick together and addresses are obliterated when torn apart.
5. Addresses improperly placed. They should be in about the middle of the wrapper and horizontal to the length of the paper.
6. Papers improperly bundled. All copies for the same town should be wrapped together and all those for the same state should be bundled or sacked together. Bundles and sacks should be plainly labeled.

This brings to mind a suggestion made by Ed Arnold: Send yourself a copy of your paper through the mail. That's the only way you can really see how your subscribers see your newspaper. It's one thing to read a paper fresh off the press; quite another to pull it out of the mail box!

Ever try to read a paper that's been wrapped like an old-time corset, smeared and worn in the mail and stick together with excess paste?

An Ontario publisher has found that it pays to check names in the newspaper against the subscription list and send marked copies to those mentioned who are not subscribers. In many cases this practice leads to a subscription.

kind is it possible to compute average income per column inch for each. With this information a publisher is in a much better position to determine rate adjustments and to make some comparison of production costs with income for each kind of advertising.

The value of the Cost Study increases each year because more publishers are submitting "perfect" reports with figures supplied for each of the classifications listed on the reporting form. No change in the classification of accounts is planned and any publisher wanting to modify his bookkeeping system before the next reporting form is mailed out may get a copy of the questionnaire used for the eighth annual study from the NEA office or by writing the committee chairman at P. O. Box 5155, Eugene, Oregon.

REPRINTED FROM
PRINTERS' INK
MAY 1, 1959 ISSUE

Trading Stamps: *Do they benefit media?*

for
your
information

The Sperry and Hutchinson Company



Results of a 3-year study of supermarkets will ease fears of media men who are wary of reduced linage

This week, as in any average week, an estimated one-billion trading stamps will pass between salesman and customer. In supermarkets, gas stations—in about 18 per cent of all retail operations—customers will want first their change, then their stamps, be they green, blue, yellow or any other of the rainbow hues. Fully \$300,000,000 worth of merchandise is paid out each year in premiums to those who save and redeem the stamps.

Trading stamps have become a basic element in retailing, a major factor in marketing. They have also been the source of a nagging unrest for some officials of local advertising media. "Merchandising by stamp," some believe, must mean a decrease in advertising revenue to them.

A university professor, however, declares that local media have nothing to fear. H. L. Grathwohl, assistant professor of marketing at the University

of Washington in Seattle, says a three-year study of supermarket advertising in Indianapolis, Ind., shows conclusively that "trading stamps do *not* have an adverse influence on the volume of local advertising."

To the contrary, Grathwohl declares: "Supermarkets using stamps increased their newspaper advertising at a rate faster than most non-stamp supermarkets."

Supermarkets are "especially significant" indicators of the effect of trading stamps on local media, the professor believes. Retail food advertising accounts for about ten to 15 per cent of a daily newspaper's retail display linage—ranking second only to department stores—and supermarkets buy 97 per cent of the retail food space.

What influence have stamps had on supermarket advertising in Indianapolis?

Grathwohl says that in 1954, the

year before the stamps, the supermarket advertising space purchased by the newspaper was 50 per cent of what it was in that year. It did not pick up 1,812,820 lines, retail food advertising difference was ha

Stamp-users st

Yet, after J... plans came to I... difference became... Grathwohl: "N... chased by the g... tailers giving sta... ly half a millio... cent), while the... kets decreased t... by approximatel

The Univers... pert adds: "It is... this increase in... out the benefit... between stamp... such as has occ

By the end o... the stamps had... retail display lin... risen about five p... over the 1954 le... vertising surpass... 12 per cent gain.

Stamp-giving... ed for most of... study shows. Th... cery linage, 50 pe... to 56 per cent in... chased by non... slumped from 4... tainly a convin... the fears of local

According to... 60 per cent of t... crease by Indi... supermarkets in... rectly the resul... Supermarkets, I... proximately 300... the promotion o... 1955, and Decer... first three week... lines "went to

"This represe... of the newspap... by stamp-giving... three-week peri... months stamps o... of only five to t... space purchased... near that level."

As might be... companies them... media revenues, ... efitting most from... "In Indianap

Cop

year before the adoption of trading stamps, the supermarkets that later took stamps purchased 1,946,319 lines of newspaper space. This accounted for 50 per cent of all retail food advertising that year. The supermarkets that did not pick up stamp plans purchased 1,812,820 lines, or 47 per cent of total retail food advertising in 1954. The difference was hardly significant.

Stamp-users step up linage

Yet, after June 1955, when stamp plans came to Indianapolis, that slight difference became a great one. Says Grathwohl: "Newspaper linage purchased by the group of major food retailers giving stamps increased by nearly half a million lines (about 25 per cent), while the non-stamp supermarkets decreased their newspaper linage by approximately 50,000 lines."

The University of Washington expert adds: "It is important to note that this increase in advertising came without the benefit of an advertising war between stamp users and non-users such as has occurred in many cities."

By the end of 1956, 18 months after the stamps had made their debut, total retail display linage in all categories had risen about five per cent in Indianapolis over the 1954 level, but retail food advertising surpassed the average with a 12 per cent gain.

Stamp-giving supermarkets accounted for most of the gain, Grathwohl's study shows. Their share of retail grocery linage, 50 per cent in 1954, climbed to 56 per cent in 1956. The share purchased by non-stamp supermarkets slumped from 47 to 41 per cent, certainly a convincing statistic to allay the fears of local media.

According to the professor, "about 60 per cent of the half-million-line increase by Indianapolis stamp-giving supermarkets in 1955 and 1956 was directly the result of trading stamps." Supermarkets, he says, devoted approximately 300,000 lines entirely to the promotion of stamps between June 1955, and December 1956. During the first three weeks alone, nearly 90,000 lines "went to bally-hoo stamps. . . ."

"This represented almost 40 per cent of the newspaper advertising bought by stamp-giving 'supers' during the three-week period. But within a few months stamps commanded an average of only five to ten per cent of newspaper space purchased by stamp stores, and near that level."

As might be expected, the stamp companies themselves added to local media revenues, with newspapers benefiting most from the campaigns.

"In Indianapolis, the two leading

stamp companies, S & H and Top Value, purchased a total of 49,000 lines of retail display and 109,000 lines of general display space between June 1955, and December 1956. A substantial portion of the general display linage consisted of full-page ROP-color ads."

The stamp companies, says Grathwohl, also purchased "a limited number of radio spot announcements and participations, and an occasional half-hour weekly television program," but these campaigns tended to be short-lived.

Price advertising bounces back

The marketing professor acknowledges that space normally given by supermarkets to price-advertising had to be reduced during the introductory period, "but it soon rebounded and surpassed by a substantial margin the space devoted to prices before the adoption of stamps. Analysis of the number of price specials reflected the same trend, with a net increase by stamp-giving 'supers' occurring shortly after the introductory period for the stamps wore off."

Hand in hand with the new stamp advertising, says Grathwohl, was a "loosening" of advertising layout, characterized by more white space and larger and heavier printing. This also worked for local media's gain.

"With looser ads, some method had to be found that would offset the necessary reduction in the number of price specials in each ad. The size of most ads could not be increased significantly since the majority of stamp users in the supermarket field were already buying full-page or double-page ads. The answer to the problem was found by increasing the frequency of advertising, which helped account for the greater linage purchased by stamp stores and at the same time permitted the use of more price specials," according to Grathwohl.

"Thursday continued to be the heaviest food advertising day in Indianapolis newspapers, but after the introduction of stamps the group of supermarkets giving stamps began to insert ads during the earlier part of the week, and by 1956 it was common procedure to sprinkle ads throughout the week, including Sundays. A few of the non-stamp 'supers' also adopted this practice, but no definite pattern was established within this group."

Grathwohl acknowledges that it is "difficult" to attribute the change in frequency and layout directly to the introduction of stamps, as if one were the cause of the others. Other "competitive pressures in the supermarket

industry" were building up at the same time, he admits. "But, if nothing else, stamps seemed to put tang in the competitive atmosphere as far as supermarket advertising in daily newspapers was concerned."

Trading stamp advertising, however, was not limited to newspapers. The introduction also worked some changes in supermarket radio and television advertising "which is usually considered by supermarket operators to be supplemental to newspapers." Grathwohl reports that some stamp users "purchased more or longer spots to compensate for time given to stamps and to avoid losing cooperative advertising money from manufacturers."

Stamps, after the introductory period, generally receive "no more than a bare mention" in the usual ten to 20 second spot announcements, the marketing specialist declares. There is, however, one exception: "During the month or two before Christmas when stamps receive extra promotion."

Grathwohl limited his intensive study to supermarket operations but he says there is sufficient evidence that trading stamps have had little effect on local advertising by small retail outlets. Any decrease in advertising by some small merchants offering stamps, he says, is virtually offset by increased advertising from their competitors.

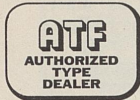
About department stores, he admits, "not a great deal is known. While some increases in advertising might be expected, it is probably only moderate in most cases." Department stores need take only a few large ads to introduce stamp plans and then slightly alter their regular inserts to include a brief stamp mention. But should a competitive war develop between stamp and non-stamp stores "there is no telling what might happen."

In general, he believes, the study has shown that there are three basic elements in stamp merchandising that work to benefit local advertising:

- ▶ "It is necessary to keep stamps constantly in the minds of consumers."
- ▶ "It is important to impress upon consumers that the stamp plan is the best available."
- ▶ "Since stamps can be very effective in luring customers from one store to another, competitive retaliation can, and often does, take the form of increased and more vigorous advertising by non-stamp stores."

Grathwohl concludes:

"Whatever the effects of trading stamps on other aspects of the economy, it seems that local advertising has not suffered from the use of trading stamps, except perhaps in isolated situations."



ALSO...

Authorized Dealers
Representing Leading
Manufacturers of
Graphic Arts Equipment

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

May we serve you?

**THE CINCINNATI
TYPE SALES, INC.**

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

Merchandising Trends

What does 1960 hold for the nation's retailers? Here are some predictions concerning merchandising trends, made by Edward B. Weiss, merchandising consultant:

The first vending machines capable of taking paper money will appear in 1960. This will enable vending machines to move into many new merchandise classifications and price lines, as well as numerous new locations.

Sunday retailing will spread in many areas. The trend is unmistakable: a great many people want it.

The era of self-service retailing of soft goods will really arrive in 1960. Some of the fastest-growing chains are operating in this field.

New devices will be developed next year to help bewildered shoppers find wanted merchandise in giant store units. A variety chain is already testing a push-button directory. The shopper presses a button labeled "thread" and a tape recording tells her that "thread is in section 19—reached by walking so-and-so." This is followed by a taped pitch promoting a "special of the day."

Bank shopper credit and loan-back plans of infinite variety will blossom in 1960. And during the coming year retailers will learn better how to capitalize on this trend which really just began to show its head in 1959.

Still more chains of non-related types will merge and affiliate. Up to now, mergers and affiliations have generally involved similar types of retail organizations. In 1960 more mergers will involve, for example, a food chain and a drug chain, a department store and a variety chain.

Independent merchants will turn more strongly to buying offices, voluntary chains, co-operatives, etc.

Our gross national product—the value of all goods and services produced in the U.S.—will rise to close to \$518 billion during the second half of 1960 and will average in the \$501-\$510 billion range, predicts Prentice-Hall in its annual business forecast. The U.S. GNP in 1959 averaged \$479 billion for the year as a whole. Disposable consumer income (personal income after taxes) should also hit a new high next year, says A. W. Zelomek, chief economist of Fairchild Publications. Mr. Zelomek predicts that:

Total disposable income will amount to about \$354 billion, an increase of close to \$20 billion over 1959.

This increase will be reflected in increased consumer buying at retail levels—about 7% above 1959.

The gain in spending for goods will probably be slightly greater than the increase in spending for services. Sales of consumer

State Newspapers Show 1.4% Circulation Increase

Kentucky's 143 weeklies and 27 dailies fared well in the circulation department during 1959, showing an increase of 1.4 per cent for the year. All of the weeklies and dailies maintained a steady increase in circulation with the exception of the Sunday edition of the metropolitan daily which declined 131.

The new 1960 Kentucky Newspaper Directory, soon to be released by the KY Central Office, shows that Kentucky's daily and weekly newspapers have a combined total circulation of 1,587,872 for an increase of 22,085 over 1958. The six metropolitan dailies show an increase of 13,995, community dailies 2,538, and weeklies and semi-weeklies 5,552. Of the 170 newspapers only 24 show a decline in circulation, 9 indicate an increase in their circulation while the remaining 53 report no change in the number of papers published. The newspapers declining averaged a loss of 17 in circulation.

The weekly press of the state has a combined circulation of 344,904, with the average newspaper having a circulation of 2,411 papers. The largest circulation reported is 10,104 in this division while the smallest is 386.

Glancing at the national advertising rates there was a general increase during the year with the composite line cost of weekly newspapers in the state being \$7.762, or an average line rate of \$0.0543 per paper. This represents an increase of \$0.512 per line over the composite rate and \$0.025 on the average.

In the metropolitan daily field the composite rate increased from \$1.19 per line in 1958 to \$1.25 the past year. The average line rate for this class now stands at \$0.311 per newspaper.

The 21 community dailies indicate a combined circulation of 286,248, an increase of 2,538 in 1959, and an average per paper of 8,686. The combined line rate for national advertising is \$2.50, an average of \$0.076 per line per paper for the week-day editions. Ten community dailies issue Sunday editions with a total circulation of 113,836 (an average of 11,384), with a composite line rate of \$0.91, an average of \$0.091 per line.

Some news writers are so cautious that they wouldn't say the sun came up unless they could attribute the statement to a higher authority.

durable goods—autos, appliances, televisions, sets, etc.—will show a greater increase in sales of soft goods.

KEN
BR
IND

... H

... buy
annually
other p

... make
more than
Kentucky

U.S. B
1523 HEYBURN BU

KENTUCKY'S BREWING INDUSTRY...

... HELPS ALL OF
KENTUCKY

... buys \$20 million
annually in farm products,
other product, services ...

... pays out more than
\$39 million in
annual payroll

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



KENTUCKY DIVISION
U.S. BREWERS FOUNDATION

1523 HEYBURN BUILDING • LOUISVILLE 2, KY.

44 Reasons Why It Can't Be Done

1. We tried that before.
2. Our place is different.
3. Probably costs too much.
4. That's beyond our responsibility.
5. That's not my job.
6. We're all too busy.
7. It's too radical a change.
8. We don't have the time.
9. Not enough help.
10. Let's make a market research test first.
11. We are too small for it.
12. The men will never buy it.
13. The union will scream.
14. We've never done it before.
15. It's against our company policy.
16. Run up our overhead.
17. We don't have the authority.
18. Let's get back to reality.
19. Why change, it's still working o.k.
20. You're right—but . . .
21. You're two years ahead of your time.
22. We don't have the money or the personnel.
23. It isn't in the budget.
24. Can't teach an old dog new tricks.
25. Good thought, but impractical.
26. Let's hold it in abeyance.
27. Put it in memo form.
28. We'll be the laughing stock.
29. Not that again.
30. We'd lose money in the long run.
31. We did all right without it.
32. It's never been tried before.
33. Let's shelve it for the time being.
34. Let's form a committee.
35. Has anyone else ever tried it?
36. Customers won't like it.
37. It won't work in our company.
38. What does competition do about it?
39. Let's all sleep on it.
40. It can't be done.
41. It won't pay for itself.
42. It's impossible.
43. We've always done it this way.
44. Meetings, seminars, and clinics won't help me.

1960 Business Predictions Indicate Banner Year

Among predictions for 1960 are some of particular interest to newspapers. Business in general is expected to be good, but there will be conflict and changes which can affect the publisher's business. These are some of the predictions:

Retail sales will be up 5 or 6%. 1959 sales were 7 or 8% over 1958.

Profits and dividends will be up.

Auto sales will go up some 22% to 6,700,000 units.

Credit will be tighter with interest rates going up 1/2%; some easing after first six months.

Cost of living will go up about 2%. (1959 saw a 1 1/2% increase.) Wages will edge up 3 or 4%.

Much unrest in labor with some strikes likely. Some serious strikes possible.

A relatively short Congressional session which will change minimum wage to \$1.25 an hour. This will be a controversial issue with some changes in the present law. The degree to which the rate is changed and the law broadened depends in part on reactions from those who will be affected.


Increases in postal rates are possible, especially second and third class. A boost to 5c per ounce for first class seems unlikely.

Newspapers Are Liable For Libelous Letters

It's a good idea to read copy carefully on "Letters to the Editor" because "the liability of a publisher for libelous matter appearing in his newspaper is absolute, without regard to the source of the matter published," according to W. C. Lassiter, general counsel of the North Carolina Press Association.

"From a legal standpoint it is utterly immaterial that such libelous article may have been written by someone not employed by the publisher and not otherwise connected with the newspaper. The publication of a "Letter to the Editor" containing defamatory statements can subject the publisher to civil damages as effectively as the most carefully worded editorial tainted with libel written by the editor himself. Mr. Lassiter can cite many libel actions stemming from "Letters to the Editor."

One paper has a new idea in columns: "Forecasting Your News — Tomorrow's Headlines Today." Predictions are mostly of a local nature: disapproval of school site, local elections, etc. Readers are asked to save the forecasts and check the accuracy of



**HERE'S
YOUR
ANSWER
TO OFFSET
ESTIMATING!**

Photo-lithography, duplicating,
binding indexed for fast, reliable
estimating.

Send for 60-day FREE Trial!

PORTE PUBLISHING COMPANY
P. O. Box 143 • Salt Lake City 6, Utah

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

\$20 TRADE-IN ALLOWANCE on Genuine

• **LINOTYPE** •

ASSEMBLING ELEVATORS

MERGENTHALER LINOTYPE CO.

METRO NEWSPAPER SERVICE
 80 MADISON AVE., N. Y., N. Y.
 Means PLUS BUSINESS for Your Newspaper
 Lawson Spence Representative

THE HANDY TWINE KNIFE FOR NEWSPAPER MAILING ROOMS




This Handy Knife Is Worn Like a Ring

25c EACH ALL SIZES \$2.40 PER DOZ.

Handy Twine Knife Co.
 Upper Sandusky, Ohio

STOP Costly Estimating Mistakes!



Pre-figured values safeguard profits, save time and create customer satisfaction.

Write for **60-DAY FREE TRIAL**
PORTE PUBLISHING COMPANY
 952 E. 21st So., Salt Lake City 6, Utah

Big Coop Ad Fund Is Barely Tapped

The Bureau of Advertising reports that manufacturers this year have appropriated the staggering total of approximately one billion dollars to be spent at the local level for advertising to help retailers move their goods. A vast portion of this potential advertising revenue, however, is untapped by newspapers.

In fact, the average manufacturer's experience, based on a survey of the Association of National Advertisers, is for only about one-third of his dealers to participate in the co-op program.

No medium has a bigger stake in getting these dollars spent than newspapers. That is why the KPA buys sufficient copies of the Manufacturers' Cooperative Advertising bulletins so that each KPA member wanting one can be mailed a complimentary copy. The bulletins are issued four times a year—January, April, July, and October.

Four million U.S. retailers and other local advertisers invest about \$2,375,000,000 a year in daily newspapers—more than they spend in all other media combined.

The Altona (Wash.) Red River Valley Echo comes up with a brand-new gimmick to popularize its full-page "Shop in Altona" campaign sponsored by some 54 local business firms. Each month for 12 months a "cut" of a local and district Manitoba motor license plate is published on the page, and the owner of the plate can call at the Echo office and pick up a cash prize of \$25.

JUSTRITE'S RETAIL PRICE LIST FOR PRINTED ENVELOPES



At last, an illustrated retail price list offering competitive prices on the complete line of envelopes is available to you. Write for your complimentary copy and learn how Justrite Envelopes can help you increase your profits.

"SOLD FOR RESALE ONLY"

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

U.S. Circulation Sells 347 Per 1,000 People

"Statistics of Newspapers and Other Periodicals," report by United Nations Educational, Scientific and Cultural Organization, puts number of world's daily (4 days or more a week) newspapers at 8,000. Data was compiled "around 1956." About two-thirds are published morning.

Total circulation is estimated at 253,000,000 or about 92 copies per 1,000 inhabitants. Among countries where daily newspapers of general interest have total circulation of over 1,000,000, highest circulation rate is reported by United Kingdom, 575 copies per 1,000 inhabitants. Countries with next highest circulation rates (expressed in number of copies per 1,000 inhabitants) follow:

Sweden, 462; Finland, 420; Japan, 400; Australia, 381; Denmark, 376; Norway, 374; U.S., 347.

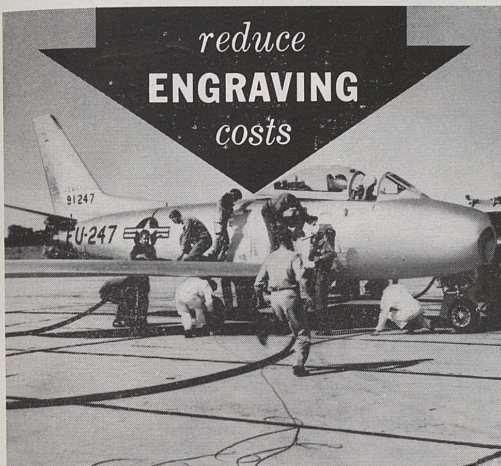
German Firm Announces New Electronic Engraver

A new electronic engraver which can produce curved or flat plates up to a maximum size of 14x20 in. in six screen sizes from 70 to 150 lines/in. on plastic, zinc, magnesium, copper and glass, is described in the current issue of Printing Abstracts, published by the Printing, Packaging and Allied Trades Research Association. It is stated that the engraving time for a maximum-size plate is approximately 25 minutes, smaller size plates taking proportionally less time. Clean and crisp, triangular shaped or conventional dots can be produced. The machine, called the Hassing electronic engraver, was developed by O. Hassing and I. O. Nielsen of Copenhagen; further details can be obtained from Wilhelm Straub GmbH, New Isenburg, Germany.

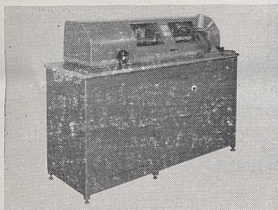
An interesting UPI dispatch came out of Washington the other day pointing out that the typical American union members pay dues ranging from \$1 to \$14 a month with the average coming out to \$3.50. An AFL-CIO survey disclosed the figures. The survey also indicated that 69 unions pay strike benefits ranging from \$10 to \$70 a week, but most payments run about \$25 weekly.

More work in newspapering, says the 1958 Census of Manufacturers. In 1958 there were 1,730 newspaper plants employing 20 or more persons. This compares with 1,637 such plants in 1954. Some 296,000 worked in 1958 compared to 282,000 in 1954. The payroll was more than \$1½ billion.

Use more pictures in ads, features, news, and . . .



...with Fairchild
SCAN-A-GRAVER®



...with Fairchild
TELETYPESETTER®

Photo-advertising and photo journalism—imaginatively conceived with the help of the versatile Fairchild Scan-A-Graver—lead to increased ad linage, reader interest, and circulation. With a Scan-A-Graver you can produce quality engravings in quantity right in your own plant—simply, quickly, reliably, and economically. New "Illustrator" model (shown) produces sharp, low-cost halftones same size as original copy or enlarged to 1½ to 2 times. For greater versatility, Fairchild Scan-A-Sizer® automatically enlarges or reduces continuously up to 4 times from original copy.

Your linecasting machines operate at maximum rated capacity, automatically and continuously, with Teletypesetter. This can mean as much as 2 or 3 times greater type output than with manual operation! TTS® increases the return on your linecasting machine investment, eliminates peaks and valleys of stop-and-go manual operation, smooths out production, and helps you make deadlines easily. Teletypesetter equipment comprises Perforator (shown here) where operator prepares tape, and Keyboard and Operating Unit, attached to the linecasting machine.

MAIL THE COUPON FOR COMPLETE INFORMATION

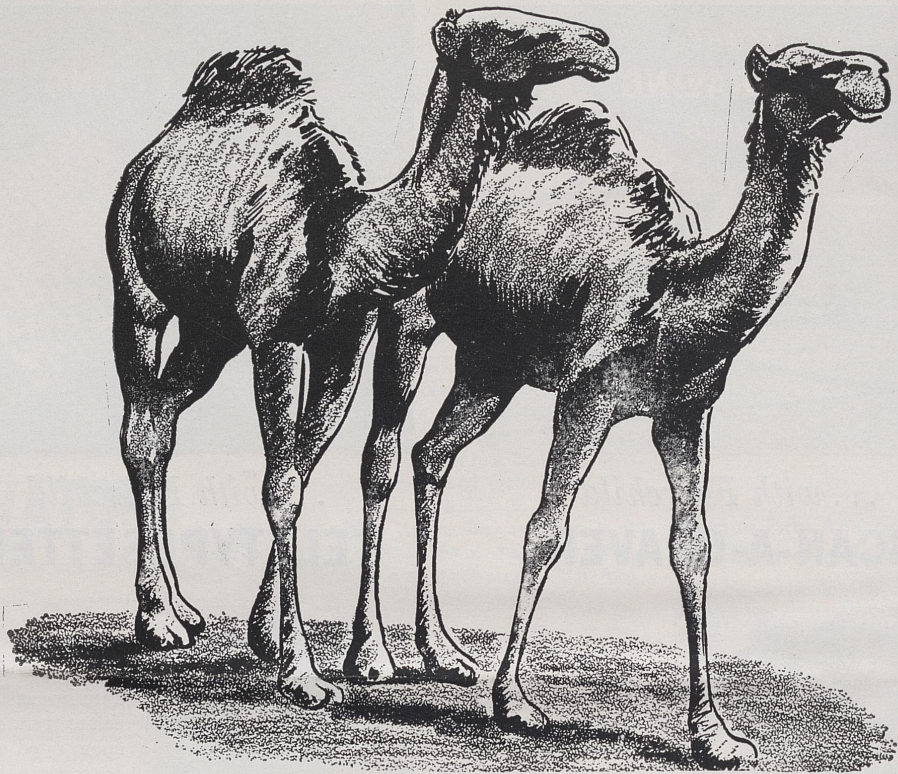
FAIRCHILD GRAPHIC EQUIPMENT
Division of Fairchild Camera and Instrument Corp.
District Offices: Eastchester, N. Y.; Atlanta, Ga.; Chicago, Ill.; Los Angeles, Cal.; Toronto, Ont.

Fairchild Graphic Equipment, Dept. FGE10,
Fairchild Drive, Plainview, L. I., N. Y.

Please send the following:
 "Pictures Like These" (Scan-A-Graver)
 "More Type in Less Time" (TTS)

Name _____
 Company _____
 Street _____
 City _____ Zone _____ State _____

FACT OR LEGEND?



ALTHOUGH some folks believe that camels carry water in their humps,

THE FACT IS

A camel's hump is made up entirely of fatty tissue.

ALTHOUGH some folks think that the cost of electricity is a big item in manufacturing costs,

THE FACT IS

According to the Census of Manufacturers, electricity averages about 1 cent out of every dollar of manufacturing cost.

Once in a blue moon the cost of electricity is a factor in manufacturing costs, as in optical glass production. Even in this rare instance, Corning Glass, a Kentucky manufacturer says, "KU power reliability was the big reason why we moved in."

Whenever power is concerned, dependability, continuity of service, and ample power for expansion are industries' major concerns. Kentucky Utilities Company maintains dependable service, ample power for industrial expansion, and regulated, uniform rates for all industry—rates and services that must be approved by the Public Service Commission.

KENTUCKY UTILITIES COMPANY

WORKING FOR A BETTER KENTUCKY

K

Publish



Publication O
School of Jou
University of
Lexington

VOLUME TV
NUMBER FIV

Offic