

Unions Settle; JOA Starts Up

DETROIT-HAMTRAMCK-HIGHLAND PARK-
ECORSE -- (AP/UPI/REUTERS/PTL) --

The biggest joint operating agreement in newspaper history began publication today as newspaper unions settled contracts with the Downward Spiral and several smaller sister papers.

"We got everything we wanted," yelped one reporter, newly hired Burt Toady, former associate news editor of the Keokuk-Kankakee-Moline-Rock Island-Davenport-Terre Haute-Oshkosh Tribune-Gazette-Ledger-Patriot-Finagler-B'Gosh and soon-to-be-named simulated columnist for the DS-T-N-FP-USAT. "Parking for 75 cents, a two-week bonus, coffee, free passport photos and unlimited People Mover tokens.

"Not only that, but we all are eligible for additional cash prizes and merchandise if we can bring the DS-T-N-FP-USAT in under budget by the end of fiscal '91. I'm thinking up some cost-busting suggestions.

"Like, why should the company pick up the tab for travel? The employee can write off the expenses on income tax, and besides, the travel is personally enriching. Where else besides the Navy could you join up for practically nothing and see the world?"

Toady, just now promoted to special assistant to the projects chief of the bureau of management options, said he looked forward to working on the combined editions of the paper, which will feature sports columnists on the front of every news section and an expanded index on every other page.

Management announced the price of the DS-T-N-FP-USAT would jump to \$2 daily, but the venture was not expected to turn a profit until 1998, at the earliest.

Today's edition is considerably smaller due (cont. on p. 8H, following the advertising sections)

Dateline: National, Foreign, State, and Local News

ST. CLAIR SHORES -- Nuclear fallout continued in this lakeside bedroom community Saturday. Residents cowered.

TIRANA, Albania -- Sunny with periods of pestilence.

LONDON, England -- Fog enshrouded Big Ben Saturday.

BRUSSELS, Belgium -- World cribbage champion Davis McKenzie-Scupper defeated challenger Ira Pye Saturday to retain the World Cribbage Challenge Cup.

TRAVERSE CITY -- Officials said the eastern arm of Grand Traverse Bay was no longer radioactive and fishing could resume.

WILD THING

Downward Spiral Sports Columnist

Well, how about this JOA? Do you like it so far? ARE WE HAVING FUN YET?

The naysayers said nay, it couldn't be done. Too many unions. Too many demands. Too little time.

You gotta give credit, though, to those bargainers because WHEN THE GOING GOT TOUGH, THE TOUGH GOT BARGAINING.

It reminds me of what a famous collegiate football coach said during his darkest hour:

"Boys, we can make it if we keep our butts to the grindstone."

Now, we can rest assured that the Downward Spiral will keep publishing for the next 100 years, so all you readers will have something to set your coffee on. (Cont. after the weather section)

POOR MONOPOLISTS

The following article, written by Free Press business writer Bernie Shellum for Nov. 14 editions, didn't make the paper for some reason.

Worsening business conditions are sending shivers through the newspaper industry, but Wall Street analysts still forecast a speedy recovery and robust profits from the partial merger of the financially ailing Free Press and Detroit News.

The two newspapers will stem their losses by quickly raising circulation prices, allowing the Detroit Newspaper Agency to break even in 1990, the analysts said Monday.

Then, in 1991, the analysts said, the DNA will begin piling up pretax profits that could grow from \$20 million or so that year to \$100 million a year in three or four years.

That forecast, shared by several analysts interviewed by the Free Press, is similar to forecasts made in August 1988.

Since then, the business climate has lost much of its vigor, but newspapers have enjoyed the benefit of falling newsprint prices.

Drew Marcus, of Kidder, Peabody, estimated that the Free Press, owned by Knight-Ridder Inc., and the News, owned by Gannett Co. Inc., will lose a combined total of \$25 million to \$30 million this year, with most of the loss attributable to the Free Press.

But Peter Appert, of C.J. Lawrence, said the DNA should be able to achieve a 15 percent operating margin and that within three or four years they should be generating operating profits of \$100 million.

What it means for Knight-Ridder is that if they're losing 25 cents a share in Detroit, they should be making approximately 50 cents a share looking out three

or four years," Appert said.

"That's a pretty dramatic swing and a pretty dramatic increment to the company's earnings growth rate."

Appert said the DNA's business strategy "will be presumably to raise circulation prices almost immediately," but that "it will take a period of time to bring the ad rates up to attractive levels."

Shellum's article gives the lie to management claims made during bargaining this week that the two largest newspaper chains in the country can't afford to give significant raises to employees who have waited patiently for four years for fair compensation.

Can we afford to wait any longer?

This is the most vulnerable time of year for newspapers. Advertising revenue is at its pre-holiday peak. The papers can't afford a strike.

And we, the employees, can't afford to miss this opportunity to get what we deserve.

Ask yourself these questions: Why should we settle for a contract that keeps our pay below industry-wide averages?

Shouldn't we be among the best-paid people in the business?

Shouldn't we share now in the projected \$100-million-a-year profits?

If we do not act now, when will be our next opportunity? (The publishers want a 2-1/2 year contract expiring in the summer because they are not as vulnerable to a strike in the summer.)

After four years without any wage increases because the papers held down their prices to get a JOA, should we accept a pittance while they raise prices and make monopoly profits?