

Newspapers Struggle as Advertising Income Falls: Cutbacks Are Sharp ...

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The Washington Post (1974-Current file); Oct 18, 1990;

ProQuest Historical Newspapers: The Washington Post (1877-1996)

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Newspapers Struggle as Advertising Income Falls

Cutbacks Are Sharp and Widespread; Executive Who Resisted Further Layoffs Is Fired

By Howard Kurtz
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THE PROFIT PLUNGE

TOTAL INCOME FIGURES IN MILLIONS

Company	2nd Quarter 1989	2nd Quarter 1990	Percentage Change
Dow Jones & Co.	\$48.4	\$34.9	-27.8
Gannett Co. Inc.	112.1	105.3	-6.1
New York Times Co.	41.3	26.8	-35.1
Knight-Ridder Inc.	126.9	44.6	-64.8
Times Mirror Co.	85.0	47.0	-44.7
Tribune Co.	75.3	56.1	-25.5
Washington Post Co.	60.5	55.9	-7.6

SOURCE: Media General Financial Services Inc.

Thomas P. Geyer of the New Haven Register this week became the latest victim of the economic downturn forcing sharp cutbacks at most of the nation's newspapers.

Geyer, 43, is not a rookie reporter; he was the paper's chief executive officer until Monday night, when he was fired after balking at laying off 31 employees in a second round of dismissals in two weeks. Sources said Geyer tried to convince Robert M. Jelenic, president of the Journal Register Co., that the layoffs would decimate Connecticut's second-largest daily.

"I put four years of my life into the paper, and I'm very, very sorry about the outcome," Geyer said.

Malcolm Borg, chairman of the Bergen Record in Hackensack, N.J., who this week vetoed a recommendation that he lay off 66 employees, put it more bluntly. "Tom got canned because he refused to slash and burn the way Jelenic wanted him to," he said.

After devoting millions of column inches to the ailing economy, even the largest newspapers are struggling with declining revenue, particularly from classified advertising, after a decade of record profits.

The New York Times has decided not to fill 25 editorial vacancies next year. The Washington Post has cut back on hiring and staff travel, sending only two reporters to cover the World Series, for example, compared with five last year. The Wall Street Journal has frozen salaries and capital spending, reduced special inserts, tabled plans

for a magazine and wants to avoid transferring reporters between bureaus. Its parent company, Dow Jones & Co., is selling the corporate jet.

Layoff rumors have been rampant at Dow Jones, which announced this week a 17.5 percent drop in third-quarter profits. "The best I can tell you is that there have been no company layoffs announced," spokesman Roger May said. "We're not speculating about the future." [Warren H. Phillips, Dow Jones chief executive and chairman, said yesterday he plans to retire next year. Details, Page D1.]

Analyst Kenneth Berents of Alex. Brown & Sons said that this downturn is more than temporary and that more layoffs are inevitable. "The newspaper industry is in the worst shape ever," he said. "You're not going to be able to skate by with attrition and cutting back on travel."

In one recent sign of the new austerity, neither the New York Times nor The Washington Post sent a reporter with Defense Secretary

Richard B. Cheney to the Soviet Union, opting to have their Moscow bureaus cover his visit. The Los Angeles Times and four other news organizations staffed the trip.

"You take a look at unnecessary expenses, but you don't stint on the necessary expenses, like getting the guy into Baghdad," said Shelby Coffey III, editor of the Los Angeles Times. "You might say, 'Maybe I can go to two cities instead of three cities to do this story.'"

Coffey said his paper has dropped one of two weekly science pages and a third daily commentary page but has added an eight-page weekly section of foreign news and opened two foreign bureaus and a suburban bureau.

In economically depressed New England, Benjamin Taylor, executive editor of the Boston Globe, said his paper has been "squeezed pretty hard" since the regional decline that began in 1988. But he said it recently recovered lost ground by opening a Berlin bureau and adding pages for movies, business and real estate news.

Seven other Massachusetts and

Connecticut papers have cut staff in recent months. "We'll be hurt a little but certainly not crippled," said David Butler, editor of the New Haven Register. "It doesn't mean there will be less news in the paper." But he said the Register, whose news staff has shrunk to 110 from a 1988 peak of 150, would be hard pressed to tackle a major project such as its 20-page examination that year of race relations in the city.

Borg, whose family has owned the Record for three generations, said the paper had not contemplated layoffs since his grandfather let some employees go in 1930. But, he said, "I've been here 31 years, and I've never, ever seen a year as bad as this one. I am not guaranteeing there will not be a layoff. The newspaper itself has got to survive."

Leonard Downie Jr., managing editor of The Washington Post, said the newsroom would not increase its staff or expenses next year after several years of growth. Post Co. profits fell 7.6 percent in the second quarter this year compared with the same period in 1989.

"We have to be more frugal," Downie said. "We're asking reporters and editors to be sensible about their travel, not take unnecessary trips, but we're not stinting at all in our coverage of the news." He said there will be less travel to industry conventions, "particularly at the top, so that more of our expense money will be focused on covering the news."

Space will be reduced in the nine weekly sections for the District and

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Maryland and Virginia suburbs, primarily by cutting back on "relatively light feature stories," Downie said. He said these sections will be redesigned to produce "an interesting, lively package, but with somewhat less space, and that will mean less people working for them."

Space has also been sacrificed at the Philadelphia Inquirer, where the "news hole" has shrunk by 6 percent on weekdays and 12 per-

cent Sundays. At the New York Post, which nearly folded last month, one-third of the news staff took buyout offers after union leaders agreed to a four-day work week. Its tabloid rival, the Daily News, has laid off 66 employees this year.

The New York Times has seen advertising lineage decline 13.4 percent in the second quarter. "We're doing reduced travel by people like myself, but we're not reducing travel on major news stories," managing editor Joseph Lelyveld said.

"We want to be as competitive as ever. What we'll look at a little harder are long trips by culture reporters to places where we're already staffed. If someone is interested in hearing an opera or seeing an exhibition in California, we'll think twice about it."

The bad news also has spread to television. ABC News said this week that it is temporarily shelving plans for an overnight news broadcast and considering whether to close several U.S. bureaus.