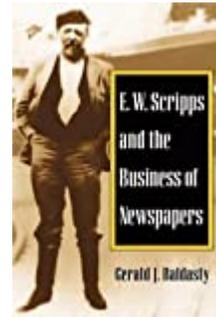


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in the Humanities & Social Sciences

Gerald J. Baldasty. *E.W. Scripps and the Business of Newspapers*. Urbana: University of Illinois Press, 1999. 272 pp. \$20.00 (paper), ISBN 978-0-252-06750-1; \$44.95 (cloth), ISBN 978-0-252-02255-5.



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Published on EH.Net (August, 1999)

E. W. Scripps and the Business of Newspapers is an exciting, new offering in both paper and cloth from the University of Illinois Press. Gerald J. Baldasty has succeeded in explaining the creation of the first newspaper chain in America, developed by Edward Willis Scripps at the end of the last century. Baldasty has used primary material and has made good use of the correspondence on deposit at Ohio University, Athens. In addition, he has included a content analysis of Scripps's newspapers covering subject matter, news sources, photos and illustrations, column inches of print and photographs, editorial subjects, and articles' datelines.

Baldasty, author of *The Commercialization of The News in the 19th Century* (University of Wisconsin Press, 1997), places the work of Scripps in relation to his competitors, William Randolph Hearst and Joseph Pulitzer. They shared some journalistic values and ran successful corporations. Pulitzer pioneered newspaper content, and his papers reflected a deep commitment to public service: his crusades against corruption, fraud, and injustices of urban life are legendary. Hearst copied many Pulitzer innovations and developed the entertainment aspect of the paper. He openly staged news events, investigated murders, and ran bizarre news—no matter what the financial cost to him. Scripps's legacy was the development of the business side of the modern American newspaper.

He concentrated on performance goals, long-range planning, circulation methods, and revenue sources, among other areas. He created a central management that made his newspapers economically efficient entities. He embraced issues and concerns of the working class, shunning close ties to advertising and business. His string of papers—small, cheap, limited in size and quality—formed a chain that became the envy of his rivals.

The purpose of the book is to explicate Scripps's career in American journalism from the early 1870's through his retirement in 1908 and, ultimately, his death. During that time, he established or bought more than forty newspapers, began a telegraphic news service, and created an illustrated news feature syndicate. Baldasty's book focuses on three business strategies Scripps used to build his chain: low cost, market segmentation, and vertical integration. Also, the book describes Scripps's efforts to free his papers from advertising and business influences. Then too, Baldasty describes Scripps's management structure, used to coordinate and control his journalistic empire.

Scripps came to the newspaper business during a time of great change. He eschewed direct competition and instead sought to serve new readers instead of competing for established ones. In his opinion, most newspapers either ignored or were hostile to the working class. His

news stressed labor issues and was directed to a less-educated audience.

He also practiced strict economy and his low-cost strategy meant that his start-up costs ran well below the industry average, because of keeping staffs small, salaries modest, and offices Spartan. His newspapers sold for just a penny, whether home delivery or street sales, at a time when others sold for two cents for home delivery and five cents on the street. Moreover, Scripps avoided eastern cities because of higher costs than in the middle-west and west.

His vertical integration strategy was represented by a telegraphic news service he set up and a feature syndicate that distributed illustrations and soft news for all papers in the chain. He centralized control and intensely supervised his papers. He was opposed to running much advertising, as he kept his papers independent of the rich and powerful so he could reach and represent working class readers.

Scripps's contribution to American journalism was the key role he played in becoming a modern publisher, building the first national newspaper chain, and recognizing the difficult problems for mass media in using advertisers. Scripps's business methods influenced news gathering and distribution. His highly profitable chain overwhelmed his competition, was accessible to readers, and established the model that has dominated 20th century newspaper ownership. His prescient use of marketing applied to the newspaper industry contributed to the business success of his newspapers and influenced the nature of news. Baldasty has presented a very well-organized and easily understood analysis. His work is extremely well documented.

Born on a farm in 1854, Scripps joined his older half-brother James in developing a newspaper, characterized by independence in politics, selling at a cheap price, being half the size of other papers of the time, and aimed at the working class. Scripps became circulation manager, organized newspaper routes, supervised newsboys who made deliveries, and developed an ability to judge others. His two half-brothers backed him financially in his effort to launch the Cleveland press in 1878. Scripps practiced extraordinary economic measures: his business was cash-only; he demanded immediate payment from advertisers and readers; and he carefully kept track of spending. These daily practices resulted in a 15-17 hours-per-day job. His major goal in establishing newspapers in Cleveland, Cincinnati, and St. Louis was not to accomplish a great good but to succeed with a business entity.

At age 33, he succeeded in becoming president of the family business and as president accomplished the creation of an efficient, centralized newspaper company; he accomplished modernization of newspaper plants and establishment of a news bureau and advertising office. However, he learned how to produce low-cost newspapers for the working class from his brother James during seventeen years.

He then retreated from the newspaper business to develop an extraordinary estate called Miramar, outside San Diego. At Miramar he had a private gymnasium with inside pool, an aviary, and a sprawling ranch house with plain American oak furniture. He owned a yacht, like Hearst and Pulitzer, but his style of living was simple, compared to Hearst. He left the work of his newspaper properties to a new partner, Milton McRae, urging him simply to make money. The Cleveland and Cincinnati newspapers, both highly profitable, formed the nucleus of his empire. He developed and purchased newspapers on the west coast as well, in San Diego, Los Angeles, and San Francisco. The central office kept tabs on each newspaper holding and evaluated performance in keeping with the policies of E. W. He tolerated no dissent and fired those who tried. By the turn of the century, he returned to full-time newspaper work and extended his empire up the California coast into Oregon, Washington, Colorado, Utah, Nevada, Texas, Oklahoma, Iowa, Indiana, and Tennessee.

Scripps used three criteria for choosing places to begin newspapering: could a paper strengthen his chain's news-gathering ability, especially with the telegraph news service? Could the papers assist other Scripps papers in gathering regional news? Could the paper be started cheaply, always a penny per day, aimed at workers? Scripps recognized that he needed a population approaching 40,000 competing newspapers that were partisan, expensive, influenced by business, and hostile or indifferent to labor. Scripps had good scouts who prepared detailed market analyses on different cities.

His telegraph news service became central to both clients and contributors, helping to defray costs while providing news for other Scripps publications. His focus on publishing for the working class reflected his business strategy in segmenting the market and producing something at low cost. Scripps capitalized on his readers' great desire for fast-breaking news of local events as well as national and world news. Eventually Scripps's newspaper chain stretched from Portland, Oregon, to New York City with the acquisition of the telegram in 1927. Scripps fre-

quently developed newspapers for the purpose of sharing regional news so that news from cities with a Scripps paper appeared in other Scripps papers and constituted about half the telegraphic news used by the chain.

Nevertheless, expansion slowed because of limited capital and lack of personnel. His purchase of more ranch property near Miramar ate into his supply of capital, and he could not find a sufficient supply of men ready to start a newspaper for him. However, he was more successful than any of his contemporaries in initiating and purchasing newspapers. Most saw soaring profits and he succeeded because he was careful and methodical.

The frugal entrepreneur controlled costs by ordering used presses, cheap offices, poor-quality newsprint, and poorly-paid staff. His business ran as a cash-only operation. He was able to preserve capital, limit operating costs, reduce dependence on advertisers, and keep his papers for the working class. Yet, his papers carried limited local news, reported by small staffs, and produced on worn-out presses with old type. The papers were not attractive and were hard to read. His penny-pinching methods even included using paper front and back for reporters' copy. He controlled costs with limited start-up capital, relying on shared news and features and engravings for illustrations. Scripps bragged that he could begin a newspaper anywhere in America using merely one reporter and one editor because of his news service. Syndicated material accounted for 25 to 35 percent of each issue and even up to half or three-quarters at times. Baldasty supports this assertion with a formal content analysis of four Scripps papers created between 1903 and 1906. He found that syndicated material constituted an average of 62 percent of non-advertising content! He made reporters pay for their own car fare, purchase their own lead pencils, and even banned the purchase of toilet paper so staff members should use old newspapers. He also admonished his business managers to buy used twine. In addition, Scripps importantly kept distribution costs low by concentrating circulation in the city rather than the country. He recognized that urban populations could mean focused news gathering and cheaper distribution than suburbs or rural areas. To avoid office expense, no records were kept of subscribers; only newspaper carriers knew who the customers were. His economizing became a hallmark of his career in editing and publishing. He kept his newspapers cheap to remain true to his goal of having independent working class newspapers. He monitored every expense. The central office created incentives for employees to obey rules and policies and abide by surveillance systems that checked up on them.

Company policy meant not printing Scripps's name on the masthead. He wanted to share markets with upscale rivals but sought to drive out labor-oriented publications. He saw Hearst as his chief competitor and even killed a Chicago publication to avoid battling Hearst. He avoided all publicity, as well as any kind of advertising. He saw the importance of attending to the working class, publishing news about labor: strikes, wages, hours, political organizing. Even editorial cartoons portrayed the difficulties of Mr. and Mrs. Common People. His papers exposed trusts and monopolies, supported collective bargaining and strikes, supported government regulation of food and transportation industries, and government ownership of water and electric utilities. They advocated power for the common people by direct election of public office and through initiative, referendum, and recall. Workers went out of their way to support Scripps publications; they were the only publications speaking for labor. His syndicate brought popular cartoon characters with whom the working class could identify. He had his newspapers devote more space to coverage of leisure and entertainment rather than government, politics, courts, and business. News about plays and sports appealed to readers; he did not avoid politics but limited its coverage.

Scripps carried a great deal of news of interest to women, as women were more loyal customers than men. His paper sponsored contests to attract women and printed short stories geared towards women. It is important to note that Scripps papers offered content to working class women, about how to run a household on a limited income, for example. At the turn of the century, Scripps publications reported that more than twenty percent of American women worked outside the home; few if any received adequate wages. His papers attacked job discrimination and advocated equal pay for equal work.

Scripps wanted his newspapers to please readers, so he urged editors to make copy short, easy to read, and in simple language; to entertain with jokes and cartoons, to make news interesting and easy to understand, and to use illustrations and features lavishly. Scripps newspapers had shorter articles, more vivid headlines, and more types of non-traditional content to reach working class readers.

Scripps died in 1926. He had only a public school education. He advocated independence in journalism, urging that the press serve as the foundation of democracy to provide information vital to an enlightened electorate. He felt the press fell short in becoming a tool of the elite and ignoring or opposing the needs of the masses. A

press dominated by the few, representing the interests of the few, was not a press able to bring the needs of democracy. Scripps's cause was to prove that newspapers could be owned and run by people who were not millionaires and with not much advertising. He defined news through the eyes of labor, and did not support political or business elites. Scripps tried to emphasize circulation over advertising revenues and his newspapers, once established, limited the amount and size of advertisements accepted. He wanted to be supported by many small businesses rather than rely on large ones.

The bottom line was that Scripps wanted to make money. He was a successful entrepreneur through careful money management and controlling costs. Scripps tried to create newspapers for an audience heretofore ignored. He recognized the dangers of being dependent on advertising, but as a result his papers were smaller, cheaper, and poorer. His papers lacked the resources to cover local news well and his competitors provided

nearly three times more local news. He emphasized cost-cutting over quality and judged his editors by their ability to generate profits rather than produce quality news. His idea of central management and having papers benefit from common resources such as features can be seen today in other newspaper chains. He was an astute businessman and put into practice methods of newspaper operation that have endured.

Baldasty's analysis is crisp, well-thought and executed. He has made a tremendous contribution by his astute insights and thorough research. His is a significant contribution to the literature of journalism history.

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Citation: Barbara Straus Reed. Review of Baldasty, Gerald J., *E.W. Scripps and the Business of Newspapers*. EH.Net, H-Net Reviews. August, 1999.

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