Newhouse newspapers: Birmingham, Ala., Birmingham News Co.; St. Louis, Mo., Globe Democrat Publishing Co.

Scripps-Howard newspapers: Birmingham, Ala., Birmingham Post Co.; Evansville, Ind., Evansville Press Co.; Albuquerque, N. Mex., New Mexico State Tribune; Columbus, Ohio, Columbus Citizens-Journal; Pittsburgh, Pa., Pittsburgh Press Co.; Knoxville, Tenn., Knoxville News-Sentinel Co.; El Paso, Tex., Herald Post Publishing Co.

In Pittsburgh, Pa., we have two excellent city and countywide newspapers that are operated under these joint business management, and joint printing arrangements—the Pittsburgh Press and the Pittsburgh Post Gazette. Each of these newspapers have separate and independent news gathering and reporting facilities and practices. Likewise each paper maintains a separate and independent editorial staff, and diversity of opinion is maintained in our area.

Other smaller newspapers in Western Pennsylvania can likewise be immensely benefited through joint business arrangements of the type that will be approved under the exception and exemption to the antitrust acts provided by this legislation. Therefore, the bill should be passed by the House by a large majority, which I strongly urge.

(Mr. FULTON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN).

(Mr. DUNCAN asked and was given permission to revise and extend his remarks.)

Mr. DUNCAN. Mr. Chairman, I rise in support of H.R. 279, known as the Newspaper Preservation Act.

A similar bill passed the Senate in January by a healthy margin of 64 to 13. Members of the House of Representatives have shown great support with at least a fourth of the membership actively backing this bill to preserve newspapers that might otherwise be forced out of business.

More than ever before, I believe we need more than one voice speaking to us in our cities. People need exposure to all sides of an issue. At stake now is the freedom of choice of information in 22 major cities. In each case two newspapers share plant and bookkeeping facilities, but maintain separate news and editorial policies and staffs.

These cities cannot support two full daily newspaper operations regardless of how badly they want two separate operations.

With advertising limits coupled with increasing costs some newspapers cannot help but disband. The closing of a newspaper is more than depriving citizens of another version of the news. With no competition the surviving newspaper could tend to lag in its job, giving citizens less objective reports than before.

It takes many employees to operate a newspaper, and when the paper is gone so are their jobs. Thus, enacting the Newspaper Preservation Act provides for continued employment.

The enactment of this legislation would not have adverse effects on competing media because the publishers of the cooperative papers would still be subject to provisions of and limitations of the antitrust laws—the joint operators being considered the same as a one-owner situation.

At this time 22 cities have newspapers that will be jeopardized if some measure is not enacted since the Supreme Court has affirmed that a joint operating arrangement is in violation of the antitrust laws. There are 35 cities which still have two or more separately owned newspapers and which could seek to enter into such arrangement should one paper begin to fail.

Under the Newspaper Preservation Act the joint operating arrangement would stand as a total merger, but the independent and competing editorial voices would still be heard.

In my district the Knoxville News-Sentinel and the Knoxville Journal "merged" plant, advertising, circulation, and related functions in 1957. However, they maintain a healthy competitiveness that their readers appreciate. The Sentinel publishes daily, evening, and Sunday and the Journal Monday through Saturday, mornings. In Tennessee's capital city, Nashville, are two excellent newspapers that are good examples of the public value of the joint operating arrangement—the Nashville Banner and the Nashville Tennessean.

Joint newspaper operating arrangements have proved their worth and value to the public for 40 years. They bring good rather than ill effects on our economy, and they, most important, give our citizens a choice of opinions. I urge my colleagues to vote for H.R. 279.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, I, too, come to you as a supporter of this legislation, without the onus of a particular parochial interest.

In fact, within my State the two newspapers involved have the distinction of probably agreeing on only one thing; that is, that STEIGER has done nothing of note. I would point out, not only do they not support me, but also they go out of their way to ignore me, which I find, as all of you I am sure will recognize, the grossest insult of all.

I would point out that really, in back of all this verbiage, lies a relative simple principle.

The gentleman from Chicago was outraged because we were legalizing profit pooling. Others were concerned that the advertiser is going to be victimized. Others were concerned that there will not be genuine editorial difference.

I agree. We are not going to legislate genuine editorial difference. But the alternative to this legislation is one-owner rule or one-owner domination within the same community.

I believe the most sophisticated Member will be hard pressed to say that we are going to get a greater editorial difference under one owner or that the advertiser is going to get a greater break under one owner. That would not be sophistry, gentlemen; that would be the sheerest of nonsense.

I will state that this is good legislatin because it is specifically designed to protect the institution, if journalism can be classified as that, that is in serious jeopardy through virtually no fault of its own.

I congratulate the committee. I even congratulate the opponents, because their arguments have been obviously unable to convince any of us who support the legislation, and, therefore, they have not been excessive in their abuse of the truth.

Thank you, Mr. Chairman.

Mr. McCULLOCH. Mr. Chairman, I yield 3 minutes to the gentleman from Utah (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, most of us would like to live under ideal conditions which would allow the operation of a large number of newspapers in every market, competitive in every detail, including not only editorial policy, but also the price charged for advertising lineage, the retail price of newspapers, and all the rest. The overwhelming evidence in this country, however, is that newspapers do not survive under these ideal circumstances, and so we are faced not with the option of the survival of many competing newspapers within a single market but with the reality of providing those conditions under which a community hopefully may be served by more than one newspaper so that competition in editorial and reportorial content can be preserved and readers provided with a larger variety of opinion from editorial writers, from columnists, and from reporters than one newspaper can provide.

In Salt Lake City, which I represent, the survival of two newspapers has been made possible by the combination of advertising, printing, circulation, and certain business operations, and by the reasonable pooling of profits. This agreement was entered into 18 years ago. Our smaller newspaper, which is the afternoon newspaper, the Deseret News, is church owned. Spokesmen for this newspaper have convinced me both by their testimony and by the factual evidence that this newspaper cannot survive without a subsidy to cover losses unless the combination of services, entered into 18 years ago, including advertising services, is permitted.

The larger newspaper, the Salt Lake Tribune, which is a morning paper, has presented testimony to show that the combination of services allowed by the decision in Tucson would result in a larger profit to that newspaper than would be possible under H.R. 279, and conversely the afternoon newspaper would barely exist and undoubtedly be forced to operate at a loss within a short time under the provisions set forth in the Tucson decision. The question naturally arises, therefore, as to why the larger newspaper, the Salt Lake Tribune, which would profit to a greater degree under the already existing Tucson decision, favors H.R. 279, and the cynical will immediately suspect that there is some devious and undisclosed reason for the support of this bill by the larger newspaper. However, the answer in my area is very simple. The larger newspaper does not consider it to be in its best interest to secure a monopoly in the growing Salt Lake market, and it realizes that an afternoon newspaper

is needed in the interests of the social and economic progress of the area and in the interest of effective and progressive journalism. The survival of that afternoon paper simply makes economic and practical good sense because it is in the public interest.

I regret that the combination of advertising facilities and the pooling of profits not permitted under the Tucson decision is necessary for the survival of these two newspapers in my city, but I repeat that I am convinced by the testimony and the factual evidence that this legislation is necessary for the survival of two editorial opinions and for the survival of the present number and variety of reportorial and publication services which we now enjoy.

Some would argue that the law would establish a license allowing an exempt publisher to engage in predatory conduct and thereby monopolize or attempt to monopolize the newspaper industry. There are two obvious answers to these apprehensions. The first is that if only one newspaper survives, the monopoly will not be partial, as would be the case under H.R. 279, it will be total, which means that the feared predatory practices would be much easier to promulgate. The other answer is in the bill itself, section 4(c), which reads in part:

> Nothing contained in this act shall be construed to exempt from any antitrust law any predatory pricing, any predatory practice or any other conduct in the otherwise lawful operations of a joint newspaper operating arrangement which would be unlawful under any antitrust law if engaged in by a single entity.

A spokesman for weekly newspaper publishers in my market for whom I have the greatest respect remains fearful that this legislation will encourage predatory practices and he believes that somehow both of our daily newspapers will exist profitably even though this legislation is defeated. I can only say that upon the most careful examination of the facts, I cannot agree with this belief. I deeply regret this honest difference of opinion exists. It would be much more pleasant if our differences could be amicably resolved.

The editorial and reportorial rivalry in my city is real, and it is vital and a healthy circumstance for the Salt Lake market. As a representative of the people and as an individual citizen, I want to see that healthy competition continue.

If we are to have a free press, we must have a responsible press, and if we are to have a responsible press, we must preserve competition. Rigidity in the application of the antitrust laws will destroy rather than preserve the competition in the publication of the news in my district.

It is unfortunate the increased costs of the publication of a newspaper require that we recognize this limited exemption, but those are the realities which we face.

The legislation before us today is designed not to create a monopoly but to prevent it. Evidence presented to me indicates that in the case of Salt Lake City, costs of duplicating the advertising staffs of the two newspapers would be about $2.2 million. Moreover, applying the Tucson plan to income and expenses of the Salt Lake City newspapers in 1968 show that with separate advertising staffs and allocation of advertising and circulation income actually earned by each newspaper as required under the decision, the Salt Lake newspaper with the smaller circulation would drop from an actual 4.8 percent profit on sales to 0.79 percent—less than 1 percent. This assumes the most ideal conditions for the smaller newspaper. Applying the same assumptions to the other 21 cities in which joint agreements are in effect, only six newspapers would show a profit under the Tucson plan, while 16 would show an immediate loss.

While the entity and status which the law would allow the parties to create and use for the purpose of maintaining separate editorial voices may not be attacked simply because it has resulted in or maintained one morning, one afternoon, and one Sunday newspaper in a given market, such a natural monopoly must be used without any specific intent to engage in predatory conduct and without abuse of the economic power which it would lawfully possess and could use under the law. Beyond that limited authorization, there would be no exemption from the antitrust laws. Such a result is conceptually consistent with antitrust purposes. The entire concept was concisely summarized by the Supreme Court of the United States in the case of *Appalachian Coals, Inc., et al v. United States of America,* 288 U.S. 344, 77 L.Ed. 825, where the Supreme Court held that the creation of an exclusive sales agency by producers of coal did not violate the Sherman Act. The Court said:

> We agree that there is no ground for holding defendants' plan illegal merely because they have not integrated their properties and have chosen to maintain their independent plants, seeking not to limit but rather to facilitate production. We know of no public policy, and none is suggested by the terms of the Sherman Act, that in order to comply with the law those engaged in industry should be driven to unify their properties and businesses in order to correct abuses which may be corrected by less drastic measures. Public policy might indeed be deemed to point in a different direction. If the mere size of a single, embracing entity is not enough to bring a combination in corporate form with the statutory inhibition, the mere number and extent of the production of those engaged in a cooperative endeavor to remedy evils which may exist in an industry, and to improve competitive conditions, should not be regarded as producing illegality. The argument that integration may be considered a normal expansion of business, while a combination of independent products in a common selling agency should be treated as abnormal—that one is a legitimate enterprise and the other is not—makes but an artificial distinction. The Anti-Trust Act aims at substance. Nothing in theory or experience indicates that the selection of a common selling agency to represent a number of producers should be deemed to be more abnormal than the formation of a huge corporation bringing various independent units in one ownership. Either may be prompted by business exigencies and the statute gives to neither a special privilege.

My support of H.R. 279 represents support of the widest possible publication of the news and the widest possible variety of editorial opinion. The economic realities require the enactment of H.R. 279 if these conditions are to exist, and so I support H.R. 279 not because it will provide the reader with the most ideal conditions in which to enjoy public expression but because it will give the reading public the opportunity for maximum benefits under the realistic costs and conditions which prevail in today's economy.

Mr. KASTENMEIER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I speak today as one of the founding members of the Newspaper Guild. As well, I spent some 25 years in the communications business before coming to Congress. I do not speak as a Congressman from one of the 22 areas directly affected by this legislation.

And as a principal sponsor of this legislation I am proud to speak in favor of its passage.

At the outset I would like to offer a relevant comment on what has become the short title of the bill. It is known as the Newspaper Preservation Act. I would respectfully suggest that the legislation should be seen in a much broader light; it should be viewed in terms of the reason why we wish to preserve certain newspapers. The bill could be aptly named the Public Information Act since the clear and overriding purpose of this legislation is to continue to provide as many news outlets and editorial voices for our citizens as possible.

Yes, we do seek to preserve certain newspapers that would otherwise succomb to the plight of rising costs and decreasing revenues. But we do not seek to preserve those newspapers for their own sake. We are attempting, rather, to insure that the American people will be afforded the largest number of possible news sources because of the historical precedent that competing news sources serve to protect the public interest and expound competitive rather than complimentary editorial voices.

I believe it important to emphasize our goal in this manner because exempting any business from antitrust laws is reason enough to raise eyebrows both within and without the Congress. I would not support such an exemption, and I am sure the more than 100 cosponsors of this legislation would not support such an exemption, were it merely to provide a profit for certain newspaper owners.

This is not our goal. We have a much larger purpose in desiring freedom of information and access to different news sources—and the precedents are on our side. Let me explain.

Newspapers, because of their unique place in American society, have for years been permitted to cooperate on various aspects of their business in all three of their primary areas of concern—editorial matter, advertising, and circulation.

We all know that the wire services provide, on a shared cost basis, hundreds of newspapers with the same information. In addition there are countless syndicated features available to all newspapers, even those competing in the same community. Moreover there are edito-