

IV - The Newspaper Chain

The growth of the newspaper chain since 1910 has been phenomenal and is covered here because of the change it presages for many of the regional and local newspapers. Some observers see a new sophistication of outlook; others, a move toward the mass production of news.

In 1910, 13 chains owned 62 newspapers or fewer than three percent of the total 2,400 dailies. By 1974, there were 165 chains owning 977 newspapers or more than half the nation's 1,760 dailies. These chains, according to Ben Bagdikian, extend centralization of control of news "beyond the local monopoly that already exists in 97 percent of American cities."

Bagdikian attributes this growth at least in part, and certainly in the earlier stages, to competition from broadcasting. Today, however, regional papers in particular are being acquired for their investment potential. "Newspapers began in the twentieth century as an important local family business," he comments, "but reluctantly and not without losses for the consumer of news, they are now entering the impersonal world of modern corporate finance and empire building."

The latest chain acquisition -- of Booth Newspapers Inc. by Newhouse Publications -- was announced as recently as November 9, 1976. Newhouse paid \$305 million, reportedly the highest price ever in American newspaper history, for eight Michigan dailies and the Sunday supplement, Parade. Newhouse properties already included 22 dailies, five magazines, six television stations and 20 cable television systems.

The report in the New York Times announcing the acquisition of Booth Newspapers is quoted here because of the profile it provides of an efficient,