A STATEMENT THAT MAY INTEREST READERS AND CLIENTS OF—

- THE ST. PETERSBURG TIMES
- THE EVENING INDEPENDENT
- CONGRESSIONAL QUARTERLY
- EDITORIAL RESEARCH REPORTS

The annual meeting of Times Publishing Co. stockholders yesterday elected me chairman of the board. Donald K. Baldwin became president of The Times Publishing Co. and editor of The St. Petersburg Times. (Please see story on page 5-B). He has been executive editor since 1961 and first vice president since Henrietta Poynter died in January, 1968.

Announcement of the corporate transition completed yesterday was made to the public and the staffs first in November 1966. At this same time it also was announced that Mrs. Poynter's stock and mine would go to the Poynter Fund. These shares are in The Times Holding Co. which owns or has under option 3,300 of 3,500 shares of capital stock in The Times Publishing Co. Three thousand of these are non-voting shares, and 300 shares of voting stock are included in The Times Holding Co. The remaining 200 shares of voting stock are held by my sister, Mrs. W. C. Jamison of Sullivan, Ind. Ultimately all Times Holding Co. stock will be owned by The Poynter Fund.

This is a tax-free foundation dedicated to improvement of the various educational and private channels of communication informing the American people about their various governments. Each year it awards scholarships and fellowships and makes grants to a number of institutions. Some funds also go to cultural activities on the Suncoast.

The Poynter Fund, created by Henrietta and myself, provides continuity of ownership for these broad objectives for The Times Publishing Co. and Congressional Quarterly, Inc.

Incidentally, we always have thought foundations should be taxed and have said so in The Times. Eventually they will be taxed because so many have abused their tax exemption. But such taxation will not interfere with existing continuity —it will merely mean that The Poynter Fund will have less to give away.

The Times Publishing Co., which publishes The Times and Evening Independent in St. Petersburg, owns 90 per cent of Congressional Quarterly, Inc., and has an option on the remaining 10 per cent. This corporation owns the research and background services called Congressional Quarterly and Editorial Research Reports.

The list of CQ and ERR clients includes more than 500 leading U.S. newspapers, national news magazines, major broadcasting networks and other leading broadcasters; more than 1,000 university and public libraries plus government agencies of every kind. More than half the members of Congress take CQ to keep them abreast of the many facets of legislation. Mrs. Poynter and I founded CQ in 1945, and I will continue as editor and president of Congressional Quarterly, Inc. Before her death, Mrs. Poynter was editor of CQ and an associate editor of The Times.

I began buying Times Publishing Co. stock in 1935 while working for Scripps-Howard, a newspaper chain. In 1947 I became majority stockholder and wrote and published "The Standards of Ownership" printed below because at that time Henrietta and I were heavily in debt. It would have been necessary to sell The Times if we had died soon after 1947. The Standards were a directive to executors without tieing their hands.

One of the aims in founding The Poynter Fund after we were out of debt was to provide continuity of ownership and management of The Times Publishing Co. and Congressional Quarterly, Inc. In subsequent years The Times acquired the Evening Independent and CQ purchased Editorial Research Reports.

"The Standards of Ownership" will remain the chart for goals of these publishing entities without interfering with operating decisions of the active management present and future.

I have had many inquiries concerning possible sale of The Times Publishing Co. and Congressional Quarterly, Inc. Without exception, would-be buyers have been told neither corporation was for sale to anyone at any price.

The market for publishing companies has

been highly speculative in recent years and most newspapers, particularly in Florida, have been grossly overpriced. Mrs. Poynter and I could have cashed our chips and been rich. But we thought publishing was more rewarding. The Poynter Fund will have no incentive to sell its publishing properties, and the active staff has plenty of incentive to improve them through the profit sharing program. Times Publishing Co. staffers last year shared $750,000 in profits—and they earned it.

I have been a newspaper executive more than 40 years. There is a direct relationship between excellence and profit if the operators look beyond immediate profit. The staff understands this, and that's why we have been innovators without being capricious.

Almost all provisions of The Standards have been carried out with the exception of a $750,000 debt to the Prudential Life Insurance Co. The Times Publishing Co. could wipe out this debt, but prefers to maintain a high degree of financial liquidity to meet any contingency and continue its equipment and building program.

Modern, responsible capitalism, like genuine self-government, flourishes only among people who know what is going on and are able to relate it to their personal lives. The policies and deep personal beliefs I share here with friends and staff are the very essense of modern capitalism. They will yield more profits over the long run for members of the staff and for stockholders because of continuing improvement in the products of their labors.

NELSON POYNTER

Chairman of the Board,
The Times Publishing Co.

Editor and President
Congressional Quarterly, Inc.

Standards of Ownership of a Newspaper or Radio Enterprise

By Nelson Poynter
August 6, 1947

(Note: July 1, 1962 — Please add "Evening Independent" wherever St. Petersburg Times occurs.)

This is a guide for my heirs, trustees, executors, advisors who have any responsibilities in disposing of any of my newspaper properties and equities. These standards shall be used as a yardstick in choosing the purchaser of *The St. Petersburg Times,* or other properties which I own. A fair and equitable price must be realized from my properties but my executors shall be under no obligation to sell my interests to the highest bidder, but they may accept any offer from any bidder for any amount deemed by them to be fair and reasonable and upon any terms deemed by them to be acceptable.

(Note: The preceding paragraph, written in 1947, covered conditions existing at that time and is no longer relevant, as outlined in Nelson Poynter's statement above. The Times Publishing Company sold WTSP, its radio property, in 1956).

1. Ownership or participation in ownership of a publication or broadcasting property is a sacred trust and a great privilege.

2. Any publication or broadcasting property has unusual obligations to the community in which it operates, and any new owner must be sensitive to this.

3. The owners of a publication or broadcasting station cannot compromise with the integrity of the news and information that is sold or given to the public.

4. A publication or broadcasting station must be aggressive in its service to the community and not wait to be prodded into rendering that service. A publisher or broadcaster must share the zeal and enthusiasm for what is new each day. He does not belong as an owner unless he has such enthusiasm.

5. Adequate and modern equipment is vital for successful publishing or broadcasting, but it is secondary to staff.

6. A "chain" owner cannot do justice to local publications or radio stations. His devotion and loyalty to any one area is bound to be diluted or divided if he has other ownerships and interests.

7. I expect every member of any staff to be above average in his respective job. I expect my successor to demand standards of his staff as high or higher than mine. A concern that expects its staff to be above average must be willing to pay staffers above average.

8. Any modern capitalistic institution must expect to provide pensions that promise honest and dignified retirement to members of the staff who have devoted their lives to the institution.

9. Mere ownership in a paper or broadcasting station does not entitle an individual to a salary. All salaries should be commensurate with the services rendered to the institution.

10. A publication or broadcasting station cannot best serve its community if it is encumbered with outside interests. Its editorial policy should not be tinctured with ownership in enterprises not related to newspapering or broadcasting.

11. To maintain a strong editorial policy, a newspaper or broadcasting concern must be in a sound financial condition. Reserves must be built. Debts must be reduced and extinguished.

12. To qualify as an owner of a newspaper or broadcasting station, a prospect should have a well-rounded appreciation of the contribution that is made by all departments in publishing or broadcasting — the technical — sales — distribution departments — and above all, the creative or editorial departments.

13. A payment of not more than six per cent dividends on the present capitalization should be considered fair until debts are discharged, reserves built and technical equipment brought up to a position of second to none on the West Coast of Florida.

14. Dividends beyond six per cent should be equalized with bonuses to employes on a formula which I expect to perfect in the coming several years, a formula that recognizes length of service and contribution to the enterprise.

15. A publization is so individualistic in nature that complete control should be concentrated in an individual. Voting stock should never be permitted to scatter.

(Note: August 6, 1960)

I wrote the above when I completed buying the majority of stock and took complete control of The Times Publishing Company. During the past 13 years these "Standards" have been further implemented.

No inheritance tax will undermine the financial stability of The St. Petersburg Times.

We have the best possible equipment. (See No. 5 above.)

Although we still have funded debt, our financial position is the strongest in history (See No. 11 above).

Dividends have been held to less than 1½% on "net invested capital" — one of the most conservative programs of any private enterprise in America. (See No. 13 above.)

Point 14 above was accelerated in 1955 with adoption of The Times Profit Sharing Plan — without any dividend increase. Our needs for equipment and building are massive. In order that Profit-Sharing not be postponed, dividends were held to less than 1½% on actual capital invested in building and equipment.

The biggest accomplishment in the past 13 years: More and more staffers and executives are determined to make *The Times* and its affiliates "The Best."