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Time Inc.'s 'Coup' at The Star

The Washington Star has been saved—again.

The last and most deeply affected of the unions with which The Star's management had been negotiating signed a contract. And now The Star's owner, Time Inc., has what it said it needed to compete with The Post and keep Washington a two-newspaper town. It has 14 five-year contracts with its labor unions. It gave some pay increases and exacted in return much greater flexibility in its labor relations. Most important, it soon will be relieved of the burden of 80 printers rendered superfluous by technology, with more to follow.

All this was not achieved easily. The unions negotiated under a blunt, unequivocal threat: All contracts must be signed by the first of the year or the paper closes. No ifs, ands or buts.

At first, the threat seemed to be negotiation bluster. But on Dec. 15, James R. Shepley, chairman of The Star's board and president of Time Inc., dispelled that illusion.

He called union leaders together and laid down the law. His statement was brutal, but it at least had the virtue of being free of any unctuous baloney about the First Amendment or the people's right to know.

In fact, it wasn't until a federal judge was brought into the case by a last-minute union maneuver that any real concern for the public's interest was expressed. The judge, Charles R. Richey of the U. S. District Court, noted "the important public interest in having diverse viewpoints expressed in the media" and said it was the responsibility of everyone involved to save Washington from becoming a one-newspaper town.

Shepley's approach was that of a head office big shot giving the bad

factory that wasn't meeting its quotas.

His recognition of the public's interest was brief and passing: "The Star is the only thing standing between the nation's capital and a newspaper monopoly by The Washington Post." He didn't mention the unique stake a community has in its newspaper. Nor did he acknowledge the sacrifices The Star's staff has made in recent years to keep the paper alive. He was all business.

"Time is not irretrievably on the hook here," Shepley said. "We paid a very low price for The Star. . . . Naturally a termination would not get us off scot-free. It comes to less than \$10 million net after taxes—by no means an unacceptable loss."

The Star needs monthly transfusions of about \$1 million, he said, with heav-

ier losses (later estimated at \$16 million) expected for 1979. Unless the unions settled, the flow from Time Inc. would be turned off as of Jan. 1.

And don't expect the paper to reopen once it closes, he warned. "It's a Washington fact of life that The Star could not recover from a shutdown."

As the deadline approached, the printers union sought a court order to keep the paper open. The Star's management replied that, in the face of such an order, the paper would go into bankruptcy. Its publisher swore that it "has insufficient funds to meet payroll costs and it cannot honor any checks that it might issue commencing Jan. 2."

Soon after, the printers union agreed that 80 of its 183 members working at The Star would "voluntarily" sell their jobs back to Time at \$40,000 a head. With that, the Time spigot was turned back on and the shell-shocked staff put out their Jan. 2 paper.

Time Inc. is committed to putting \$60 million into the paper over the next five years. As things were going, that probably wouldn't have met the deficits, let alone made improvements.

Now, presumably, the new contracts will help reduce the deficits and at least part of the new money can be used to win sorely needed readers and even more sorely needed advertising.

How that will be done remains to be seen. Shepley indicated in his statement to the union leaders that he would bring in reinforcements to build "the hottest editorial staff we can train and assemble." He said, correctly, that the Washington area public must be convinced that "we've got a paper they can't afford to ignore." There has been talk of more dramatic moves, including a morning edition.

During the labor negotiations, a local radio commentator asked a question most of us were avoiding: "Is The Star worth saving?" He seemed to doubt that it was.

As a former managing editor of The Star and the present ombudsman of The Post, I think he was wrong.

The Star was, and is, worth saving, and not just to preserve diversity in the national capital. It is a good paper—dead in the water at the moment, but with a fine staff and journalistic standards equal to those of any newspaper in the country.

The tough guys from Time Inc. have pulled off a coup. Now if they and their \$60 million can bring The Star to the point where it can stand on its own, the brutal way they achieved that coup can be forgiven—at least by those of us not directly and irrevocably injured.

The News Business

news to the working stiffs at a branch