

THE LAST FAMILIES: A STUDY OF
METROPOLITAN NEWSPAPER OWNERSHIP 1950-1967

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The object of this study is to determine patterns of ownership for about 500 metropolitan newspapers published in the central cities of the Standard Metropolitan Statistical Areas in the United States from 1950 through 1967 which may affect the traditional role of the press in a democratic society. Circulation of these newspapers accounted for 72 percent of total daily newspaper circulation in the United States in 1967 and for 79 percent in 1950.

Metropolitan circulation failed to keep pace with population growth during the period and declined absolutely by 0.4 percent between 1956 and 1967. During the 1950s and 1960s, circulation of suburban newspapers increased as population dispersed to urban fringe areas.

There were two other important changes in operating conditions during the period. The advent of television provided a new competitor for the advertiser's dollar—the main source of newspaper revenue. Also, for the first time since the latter part of the nineteenth century, there were major technological breakthroughs in the printing process. The new equipment presented newspaper owners with much heavier demands for capital investment by the 1960s.

The changes in operating conditions suggested that the time might be ripe for (1) expansion in size of newspaper unit, and (2) some form of public ownership to provide new sources of capital. Was the traditional form of family ownership beginning to change?

The findings indicated that both the number of owners and the number of newspapers declined from 1950 through 1967. Chain newspaper ownership also expanded rapidly, especially after 1960, clearly suggesting an increase in the size of the newspaper firm. By 1967 newspaper chains controlled 62.4 percent of metropolitan circulation, compared with 49.9 percent in 1950. Existing newspaper chains grew in size, and new chains were formed with the acquisition of second, third, and fourth newspapers by metropolitan owners.

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Parallel with the chain expansion, there was an exodus of single-city metropolitan owners. One-third of the ownership groups in business in 1950 had disappeared by the end of 1967. Most of these departures were single-city newspaper owners with a family type of ownership.

There were indications that family ownership was beginning to decline, although the family unit still remained the dominant type of ownership in 1967 for chains as well as for single-city newspapers. In that year, 83 percent of metropolitan newspapers were owned by families (including individual owners and their immediate families, as well as second and third generation newspaper families). In 1950, family-owned newspapers accounted for 88 percent of the number of newspapers.

Family control over circulation changed more drastically. In 1967, family-owned newspapers accounted for 78 percent of metropolitan circulation, compared with 91 percent in 1950. This change occurred because of the ending of family-type ownership for a number of newspapers with large circulation.

About a dozen newspaper chains offered voting and nonvoting stock to the public before the end of 1967. After the close of the period of the study, a number of other newspaper owners sought public stockholder participation.

The findings suggest that family ownership is indeed being challenged as a result of the new operating conditions for metropolitan newspapers. The largest newspaper chains appear to be on the verge of becoming fairly large public corporations, owning multiple newspapers as well as having diversified interests in broadcasting, magazines, and book publishing. If this trend continues, the traditional role of the press in a democratic society might be changed. Some of the questions raised but not answered in this study include the following:

(1) What happens when a newspaper is owned by absentee stockholders instead of by a family whose roots lie deep in the community?

(2) Will the role of the press as a check on government be changed if ownership becomes more highly concentrated in large public corporations?

(3) Should joint ownership of broadcast stations and newspapers located in the same city be allowed to continue? Or should legal action be taken to prevent this concentration of ownership of communications media?