

"NINE STATE STREET STORES MAKE OR BREAK CHICAGO DAILY NEWSPAPERS"

A veteran Chicago publisher who doesn't want his name used said to a Day Book reporter:

"The nine State street stores control the newspaper situation in Chicago. They make or break a paper.

"It is their withholding of advertising that is responsible for the present financial troubles of the Record-Herald and Inter-Ocean. The situation is a logical development following the purposes of business.

"So far as the State street stores are concerned, I don't believe they have ever organized and discriminated against any daily newspaper. They are doing the same thing in Chicago which is done by department stores in other cities. They are centering their appropriations on one morning paper and one afternoon paper. In this city that morning paper is the Tribune and the afternoon paper is the News. Either of these papers would be killed if the State street stores should take out all their advertising for a number of years.

"The Tribune, for instance, has a mass of advertising outside of department stores. But the Big Nine contribute only about 25 per cent of the Tribune's total of advertising. Yet this 25 per cent is the backbone of the Tribune's income.

"The little fellows want their ads in alongside the big fellows. The big department store ads are surrounded by the ads of little fellows. And the little fellows specify that this shall be done. Sometimes they are willing even to pay extra for such space. So the newspaper that doesn't carry the ads of the Big Nine has a hard time getting the little fellows.

"Foreign advertisers ask how you stand with your home folks. They say: 'We advertise with the newspapers that stands strongest at home.' This condition throws still

more power into the hands of the Big Nine.

"For some reason or other, there are not in Chicago the special interests or the individuals who want newspaper power as is the case in New York. There the morning and evening Sun is kept up by financial interests as a weapon to strike back at those who harass them.

"The Press is maintained by Frank Munsey. He has a string of magazines, several trust companies and a chain of 70 grocery stores. He finds a newspaper in New York useful to his business. He doesn't make any money out of it. But indirectly it does pay him.

"The New York Tribune is a plaything for the son of Whitelaw Reid. The Reid family is worth about thirty or forty millions and can easily stand the deficit each year.

"In Chicago no special interests or enthusiastic individuals who like the power that goes with ownership of an established newspaper have come forward to get the Inter-Ocean or Record-Herald.

"If the business men let the R.-H. and the I.-O. die it will leave the morning field controlled by the Tribune and Andy Lawrence. I am hoping that the business men of the city will recognize that there ought to be a third paper which can combat the Tribune and Examiner in case those two should join on something that business doesn't want.

"There is an association of State street department stores, but they have never joined in any attempt to influence newspapers by the joint insertion or withdrawal of advertising. They do join together in fighting such guerilla attacks as those of Barratt O'Hara. But in actual business they are wolves fighting among each other for the business along the street.

"They act jointly on their spring openings, for instance. They get to