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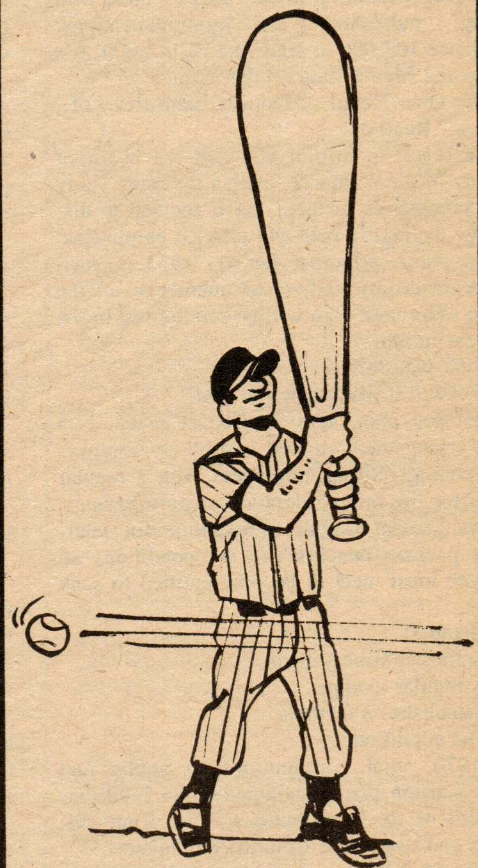
content

HOW NOT TO BE A REALISTIC PROFESSIONAL

I.F. STONE ON FILM

TABLOID PRESS REVISITED

The pension plan game



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Have you thought, much, about pensions?

by STU LOWNDES

Company pensions, as with the income tax, are calculated to confuse.

Difficult for anybody to understand, they are becoming increasingly complex with the sophistication of the employee benefit industry, the tendency to integrate with government social security benefits and the need to comply with Pension Benefits Acts and income tax rules.

It's a big ballpark. A rough game. The stakes are high. Very high. And you don't win by muckraking the points made by the opposing team — when you don't even know the ground rules.

Rule One: No employer is required to establish or to maintain in force a pension plan for his employees.

Ball One: Media up to bat. Bases loaded with printing, publishing and communications. Attendance 103,005 in draw of $52,144,000. It's a curve and Media slide on the mound.

Strike One: Heard of Domco Industries Ltd., Montreal? Read on.

"We regret to inform you that the board of directors of the company, after a thorough study of the company's finances, have decided to discontinue the hourly paid and salaried employees' pension plans, effective Jan. 1, 1973. Contributions made by individual members of the Domco retirement plan will be reimbursed in the very near future."

Get the picture?

Rule Two: It *can* happen to you!

A pension plan, says Statistics Canada, is a formal arrangement entered into by an employer for providing retiring employees with a regular income for life in consideration of past services. The arrangement establishes a formula for determining pension benefits and the conditions an employee must meet to become entitled to such benefits.

Remember:

1. A formal arrangement...
2. A regular income...
3. Establishes a formula...
4. The conditions...

In 1970, total contributions to public and private pension plans amounted to $1.7 billion. One-third of the contributions came from employees and two-thirds from the employers.

Of the $1.7 billion, more than half was paid into trusteed pension funds, most of which was channeled into the financial market. Insurance companies received about thirteen per cent, while some thirty per cent went into the consolidated revenue funds of the federal and provincial governments.

In 1960, there were 8,900 public and private pension plans in the country with a total membership of 1.8 million. Now, we have 16,100 plans with a membership of more than 2.8 million workers.

Ontario and Quebec account for nearly seventy per cent of all plan members. Contributory pension plans, those plans where the employee and the employer share the costs of the program, covered seventy-five per cent of the total membership. Small pension plans tended to use insurance companies as the funding vehicle, while large plans tended to use a trust arrangement.

One plan in three covering seventy-five per cent of the total membership was integrated and adjusted to the Canada/Quebec Pension Plans which provides for a lower level of contribution and/or benefits on earnings up to the year's maximum pensionable earnings and/or that provide for pensions to be offset by all or part of the C/QPP benefits. Less than sixty per cent of pension plans in the private sector were integrated.

Ontario was the first province to introduce legislation regulating private pension plans in 1965, followed by Quebec in 1966, Alberta, 1967, and Saskatchewan, 1969. These acts by these four provinces apply to some ninety per cent of all pension plan members in the country.

Ottawa entered the field in 1967 with the Pension Benefits Standards Act which applies to Crown employers in the Yukon and Northwest Territories. Six provinces do not have private pension plan legislation: B.C., Manitoba, Nova Scotia, N.B., P.E.I., and Newfoundland.

THE RULES:

- No employer is required to establish or to maintain in force a pension plan for his employees.
- Plans must be funded in accordance with solvency tests.
- Funds must be suitably invested and, if they were not, the employer is given a five-year period to make the necessary adjustments.
- An actuarial cost report is required by the pension authorities every three years.
- An annual information return is required.
- Plans must provide contractually that a member who has at least ten years of service with the employer and has attained age forty-five is entitled, on terminating his employment before retirement age, to a deferred annuity.
- The amount of the deferred annuity is equal to the pension under the terms of the plan... after the operative date of the Act in that particular province.
- Vesting is not retroactive, in that it does not affect the pension accrued in a province before its legislation became operative.
- The terminating employee who is entitled to a vested annuity ... is NOT allowed to withdraw the corresponding contributions.
- These contributions are "locked-in" and applied under the terms of the plan for the provision of the deferred annuity.
- The locking-in is only partial and, if the terms of the particular plan so permit, the employee may receive a cash sum as follows:

1. All contributions may be refunded if the employee leaves employment, with or without interest, before age forty-five or before serving ten years.
2. Contributions made before the Act became operative may be refunded.
3. Additional voluntary contributions may be refunded.
4. Twenty-five per cent of the vested deferred annuity under the Act may be commuted for cash.
5. Annuities of less than $10 per month may be commuted for cash.
6. The benefit may be commuted in the case of mental or physical disability as prescribed by regulations.

- If a company discontinues part or all of its operations, the pension authorities may declare the plan wound up at a stated date, in order to protect the rights of employees who might otherwise be treated as ordinary terminations.
- Priority in which a case is given to the vested pensions of employees who have met the forty-five and ten condition.
- Other employees are entitled, if the assets of the plan are sufficient, to their accrued pensions or the value thereof, not merely to refunds of their own contributions.
- No assets may revert to the employer until all such accrued pensions have been provided.
- If the funds are insufficient to cover all such claims, a scheme of allocation must be prepared that will, as fare as possible, prevent unfair impairment of the rights of any class of members.

Each member of a plan is entitled to a written explanation of the terms and conditions of the plan applicable to him, together with an explanation of his rights and duties.

OUR GAME:

In 1970, total contributions to public and private pension plans in printing, publishing and communications amounted to $52,144,000. Employees contributed $14,807,000 and employers, $37,337,000.

Of the $52 million, $40,345,000 was paid into trusteed pension funds while insurance companies received $7,557,000. The rest went into the consolidated revenue funds of the federal and provincial governments.

In 1970, there were 570 plans with a total membership of 103,005 workers. Only five plans were in the public sector but these accounted for nearly 17,000 members.

Contributory plans totalled 471 with 46,970 members. Non-contributory plans totalled 99 with 56,035 members.

About seventy-three per cent of all plans were funded with insurance companies; membership in these plans totalled 12,867.

Of the 570 plans, 307 insured plans were underwritten by group contracts for some 9,161 members. Individual contracts covered fifty-nine plans with 327 members. Deposit administration plans numbered twenty-four with 1,662 members. Segregated funds plans amounted to only nine with 594 members.

Of the 570 plans, 133 were trusteed with 81,100 members. Corporate trustees had 103 plans with 59,491 members while twenty-nine plans were individually managed with 21,399 members.

Nearly ninety per cent of the members were in 240 unit benefit plans.

Nearly fifty-five per cent, or 56,819 members, were in unit benefit plans in which benefits were based on average best earnings.

Money purchase plans totalled 276 with 3,484 members.

Flat benefit plans totalled twenty-seven with 4,933 members.

Most of the 240 unit benefit plans were integrated with only eighty plans covering 5,096 members not integrated with the Canada/Quebec Pension Plans.

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Only seventy-six of the money purchase plans with 1,400 members were integrated.

None of the flat benefit plans was integrated.

Nearly fifty per cent of the members had a contribution rate of five per cent, while nine per cent of the members had a contribution rate of four per cent. Six plans with twenty per cent of the members had a contribution rate different for men and women.

More than fifty per cent of the members had benefit rates of 1.00-1.24 per cent for each year of service. Most of these members were in plans where the benefits were based on an average of their best years of service.

Of the 570 plans, 511 had a normal retirement age of 65 for male employees while 384 had this age for female employees. Age seventy was the normal retirement age in seventeen plans.

Some twenty-five plans with fifty per cent of the members provided no benefits on death after retirement.

More than eighty per cent of the plans covering twenty-four per cent of the members provided pension benefits for the balance of a guaranteed period, mostly from five to ten years.

Only six plans covering 12,400 members provided for a widow's pension. There were no plans in printing, publishing and communications which had any provision for post retirement adjustments.

YOUR PLAY:

In the beginning, less than a decade ago, retirement schemes were very informal arrangements, a sort of promise to pay, and to Hell if we don't. The only conditions a plan had to meet at that time were the informal rules for registration under the Income Tax Act.

The terms and conditions of the plan were loosely-worded and easily-amended, generally to the benefit of the employer. And, we all know the road to Hell is usually paved with good intentions.

Employers had a field day with funding their plan; that is, they could fund their plan within wide limits or terminally fund their plan. The choice was theirs. It was their ballpark. It still is to a large extent. But, now, at least, *we're* in the game.

It is generally accepted that a pension plan gives confidence to an employee, and, if he stays in employment long enough with one company, he will be able to retire with an income — hopefully an adequate one.

It has been said that it is no longer socially acceptable to regard a pension plan solely as a means by which the employer can discharge an embarrassing moral obligation to employees who have outlived their usefulness.

It also has been said that pension benefits are no longer regarded as gratuities for long service granted by a paternalistic employer, but instead have become rewards for service in the form of deferred entitlements earned by the worker's contribution to society.

It would be nice to believe. Ask the employees of Domco.

To repeat the opening words of *Financial Post* writer Amy Booth, from her front-page report March 3 of the Domco fiasco: "How safe is your pension?"

It does not have to be spelled out to management that employees who know most about the company tend to be more anxious about their security than those who know less, although those who know least tend to be the most anxious of all.

Effective employee communications has become a sophisticated, phlegmatic art. Management efforts in this area are usually made only in response to raised issues or questions from the

back bench of the corporate body and the answers are not always employed or presented within the regal concept of the employees right-to-know.

The fundamental reason a company creates a pension plan is financial, in view of the special tax privileges granted by the federal government. The contributions to pension funds, whether channelled through insurance companies or trust funds, generate large amounts of capital needed to develop the country's resources and industry.

There are six broad types of pension plans: Final earnings, equity annuity, career earnings, flat benefit, money purchase and profit sharing.

Final Earnings are based upon the employee's length of service and his average earnings for a stated period just before retirement. For example, the employee might receive a pension of 1½ per cent of his average earnings for the five years just before retirement multiplied by his years of service.

In order to fund a final earnings pension plan, it is necessary to estimate future wages and salaries and for this reason it is difficult for insurance companies to underwrite this plan through their usual group-annuity contracts. Practically all final earnings plans are underwritten on a self-administered basis using a trust fund or a deposit administration fund or a segregated fund.

Deposit administration funds were developed by insurance companies shortly after 1950 and it is a compromise between the group-annuity method of underwriting and the trusteed method. The employer pays, on the advice of his consulting acturial firm, a rate of contribution to a "deposit fund" held by the insurance company. The insurance company has no responsibility for the adequacy of this deposit fund but does guarantee the capital and a minimum rate of interest.

When an employee retires an amount of money is usually transferred from the deposit fund to purchase an annuity and this annuity is guaranteed by the insurance company for the life of the employee and/or the annuity may be paid directly to him from the deposit fund, as are refunds, death or withdrawal.

Segregated funds is a form of deposit administration under which the policy-holder takes the full risk of gain or less from investments and can direct the proportion of the fund that goes into common stocks or into other investments. The fund may be invested in anything permitted by the Canadian and British Insurance Companies Act and there is no limit on the proportion of the fund which may be invested in equities.

This fund gives the employer the maximum of freedom but with the minimum of guarantees; however, they do not differ in any essential particular from trusteed funds, and insurance companies therefore are able to compete with trust companies on equal terms where these contracts are used.

Final-earnings plans are least likely to require periodic amendment with the purpose of upgrading benefits in times of inflation. However, these plans may develop deficits if salaries rise steeply due to inflation and unless the value of the plan's invested assets rise sufficiently to offset the extra costs.

Equity-annuity attempts to achieve the results of a final earnings plan or of automatic post-retirement adjustments or of both, without subjecting the employer to any risk from underwriting future wage, salary or Consumer Price Index changes. The pension varies with the performance of certain investments, in the hope that the investments will offset inflationary trends in earnings and prices.

It may be noted that this approach was first developed by the Teachers Insurance and Annuity Association of America in its endeavor to devise a plan whereby university professors could purchase units of annuity as they moved from one university to another and still end up at retirement with a total annuity which bore some relation to salaries and living costs at that time.

An equity-annuity plan is a form of money purchase plan. The contributions of the employee and the employer are used to buy units of a fund which is invested entirely in what are considered from time to time to be high-grade common stocks that produce a good income and have good growth prospects.

Instead of accumulating "dollars" the employee accumulates "units" in a common stock fund. The actual number of dollars of pension the retired employee receives depends upon and varies with the value of the units, which in turn depends on the value of the common stocks held by the fund.

Career-earnings accumulates a unit of pension equal to a percentage of his earnings each year. The weakness in this plan is the type of employee who has worked himself up the ladder and would receive a small pension in relation to his needs at retirement if any part of his earnings early in life were used as a basis for his pension.

The plan may be amended periodically to upgrade the benefits, except the employee is caught in the time lag between amendments, which a new liability is created from each amendment. The employer, however, is not committed to amend the plan at any particular time and may choose his time and the extent of the upgrading to suit his profit picture.

Flat Benefit provides a fixed dollar pension to an employee after he fulfils certain age and service requirements.

This plan disregards differences in earnings and, sometimes, in length of service. The flat amount of pension is established in terms of today's wage levels and dollar values, whereas most of the pensions will not be paid for many years hence, when wage levels and dollar values are likely to be quite different.

However, this does not seem to overly concern organized or unionized employees because they evidently think their bargaining power can be used to increase the pensions, if and when that becomes necessary.

Money purchase defines the contributions placed to the credit of each employee rather than the benefit.

The pension is whatever amount these contributions, with interest, will provide or purchase. Sometimes amounts of deferred annuity are purchased each year with the available contributions and sometimes the contributions are accumulated with investment earnings until retirement and then used to provide pensions usually by purchase of immediate annuities. In either case, it is the *input* of the plan which is specified, and the pension not immediately known. Frequently, the contributions from each side is five per cent, reduced by the contributions required under the Canada/Quebec Pension Plans.

This plan is easy to conceive and to administer and requires no expert advice or servicing. The costs to the employer are strictly under control, as the (gross) contributions are a fixed percentage of payroll.

It may be noted that salvages from terminations of unvested members may reduce the employer contributions to well below the anticipated amount if they are not used to raise the benefit of members who stay. And, as long as the specified contributions are paid, the plan cannot possibly fall into deficit.

However, there is a tendency in this type of plan to be inadequate for late starters because interest is earned for a much longer period if the

employee starts in his early years in the company.

Profit-sharing plans are self-explanatory. The employer each year contributes amounts which may vary with his profit while taxation authorities insist that a minimum contribution equal to at least one per cent of the remuneration of plan members be made by the employer even in years of little or no profit.

Generally speaking, there is no difference in the rules applicable to profit-sharing pension plans and other types with respect of commutation and cash refunds. In this plan, the company which wishes to avoid a fixed pension commitment may do so, if profits do not materialize, at the expense of the employees.

It is almost impossible for the employee to estimate what his pension will be at retirement, but, in the case of a successful company, the allocations may be substantial. There is no question that a profitable company is necessary for the success of this plan.

What type of plan is in operation at your company?

In our game, there are more contributory plans than non-contributory but having fewer members. In theory, a contributory plan should cost the employer less.

Employers generally think it is the employees' take-home pay which counts, and that if their pension plans were contributory, they would have to provide correspondingly higher wages.

Employers of non-contributory plans are, generally, in a better moral position to operate the pension plan as they see fit. However, unions are increasingly demanding a voice in the administration of pension plans, whether contributory or not.

A non-contributory plan allows flexibility for employees who wish to supplement the pension from their own earnings to a greater or lesser degree. The employee can take out a registered retirement savings plan (or if the company plan so allows, make voluntary contributions to it). Thus, the employee is free to pay nothing, a little, or a substantial sum towards his retirement benefit, and vary his payments as he wishes.

However, deferred vesting, the right to all or part of the employer's contributions, is automatic and expensive.

Contributory plans, which covered seventy-five per cent of the membership in the ball-park, are the most popular and maybe because employees seem to take more interest and have a better understanding of the pension plan if they contribute to it. The employee also is allowed to deduct his contributions from his gross income in determining his taxable income.

If, for example, an employee leaves before retirement, he may receive a refund of his contributions, to the extent permitted by the Pension Benefits Act. This gives him a sum of money likely to be very useful at the time but in reality is only a return of his own money.

Deferred vesting almost always is made contingent on the employee not withdrawing his contributions. Since most employees do withdraw, if they can, the actual cost to the employer is not very great.

Is your plan contributory or not-contributory?

While there is a wide variety of methods for calculating pension benefits among the thousands of pension plans, there are two basic formulae: Defined contribution and defined benefit.

Under the defined contribution formula, both the employer and the employee contribution rates are fixed and the pension varies, depending upon such factors as accrued contributions plus interest, and the employee's sex and age.

Under the defined benefit formula, the employee earns a specified amount of pension, and the employer contributions are the amounts required to produce the desired pension after taking into consideration the employee contributions, if any.

What is the benefit formula used in your plan?

One of the — if it isn't THE — most serious problems facing pensioners is the impact of inflation on the purchasing power of their retirement incomes.

Relatively few pension plans have introduced "escalator clauses," which provide for an automatic increase in benefits related to an index, such as the Consumer Price Index.

In fact, only sixty plans (out of 16,000) covering some 191,700 workers (out of 2.8 million) in 1970 provided for an automatic increase in benefits related to the CPI. In other plans, the predominant adjustment was usually limited to a maximum of two per cent annually although a few others provided for a ceiling of three per cent.

Another method employed to protect pensions-in-pay was in the form of a variable annuity. These plans are designed to provide a benefit which reflects changes in the value of a portfolio of common stocks and similar investments. In effect, the benefits are tied to the performance of the securities on the theory that there is a parallel between the cost of living and market performance.

However, it also is a fact that often the CPI rises while the stock market declines, giving the pensioner a lower income at the time when the cost of living goes up. Only fifty-three plans covering 7,100 persons provided for this type of benefit in the ballpark.

Aside from efforts to provide an adequate income for pensioners, group life insurance on retired employees is becoming an increasing problem for employers.

If substantial amounts of insurance are continued on retired employees, the cost initially is small, but, eventually, as more and more covered employees become pensioners, the employer begins to realize the real impact of his pensioner program.

Most employers who provide post-retirement insurance reduce the amount of such insurance to a level they believe consistent with the needs of retired employees and finance such coverage through the regular term policy.

Does your pension plan provide for post-retirement adjustments?

How and where is your pension plan funded?

What is your contribution rate?

Does your plan provide for death benefits after retirement? Before retirement?

What are the vesting conditions?

What is the normal retirement age? Early retirement age?

Does your plan provide for a widow's pension?

What would happen if your plan terminated today?

If we ever come to terms on what is the practice of journalism, and decide once and for all that it is a profession, we may, one day, find ourselves contributing to a professional association plan, similar to those set up for lawyers, doctors, engineers, and the like, and where we can choose what percentage of our savings are to be directed to a fixed income plan and what percentage to an equity plan.

Until that day arrives, if it does, don't count on pinch-hitting your way to the home plate of future financial security with your company pension.

It is not the only game in town.

Stu Lowndes is a Montreal free-lancer, whose previous experience includes the Daily Commercial News.

Pension-story illustrations by Montreal freelance artist Stan Roach.

I.F. STONE CAUGHT ON FILM

by DAVID MACDONALD

Virtually anyone in Washington could tell you that the author of the statement "Every government is run by liars, and nothing they say should be believed" is the crusty and indefatigable I. F. Stone.

Izzy Stone's tart and informative weekly newspaper went out of business in December, 1971, when he decided that, after twenty years of 126-hour weeks, it was too much hard work for a sixty-four-year-old to put out the four pages every week.

His paper was known and respected among those who follow American and international politics. It was possibly the ultimate example of how a complete outsider can triumph journalistically over the sleek insiders with their cosy friendships with the powerful.

Time and time again Stone ripped through flowery rhetoric and skillfully obfuscatory prose to deduce that the truth of a situation was diametrically-opposed to what was being presented by politicians as truth.

His reputation was made by being right in the majority of cases, although vindication, as with George McGovern, often was a long time coming.

The secret of Stone's ability to constantly reveal what was really going on in Washington was his intense study of published documents, transcripts and the Congressional Record, which is the Hansard of Congress. Rather than spend a day listening to a committee hearing he would pore over the transcript the next day and discover facts that had been missed by reporters dulled by hours of testimony.

Now the essence of Stone's genius has been captured on film by a talented young Montrealer, Jerry Bruck, whose sixty-two-minute feature is impressing a widening circle of politically-aware Washingtonians in its run here. It's called, appropriately, *I.F. Stone's Weekly*.

Bruck, 26, began reading Stone's weekly in 1966, while studying the history of the American South at Yale. "He seemed to be honest, prepared to challenge established truths and to be against the current," said Bruck in an interview.

Bruck decided to make a film on Stone after completing work on his first film called *Celebration* which dealt with attempts to stage a large-scale counter-inaugural to coincide with the 1969 inaugural ceremonies for President Nixon. This film followed activities of the organizing group during the week preceding the inaugural.

"In 1970 I began pestering Stone with letters asking for his co-operation on the project. He's so busy, but he eventually gave me the okay and I went to work."

The completed film is the product of three years of bird-dogging Stone in Washington, Philadelphia, New York and Amherst, Massachusetts.

All of it was shot with a hand-held camera, using available light, the entire fifteen-hours footage taken by Bruck. In addition, he did all the research and the editing and now is handling all the commercial arrangements.

He financed the $25,000 spent so far, himself, and is so close to the film that he nearly came to blows with the manager of the Washington cinema where it is showing because incompetent projection was causing slowdowns and halts.

"Dammit, nothing is more frustrating after years of work than some silly technical problem making the whole production look amateur," Bruck said "Audiences always believe it's the film that's at fault. It's almost as frustrating as trying to be recognized as a film-maker in Canada."

Bruck is in a whirlpool of arrangements to show the film across the United States, but where he really wants it shown is in Canada, preferably on CBC.

This year, before finishing the editing of the Stone film, Bruck shot and had shown on CBC-TV a thirty-minute film called *The Old Corner Store Will Be Knocked Down By The Wreckers*. It deals with the Concordia razing of property in the Milton-Park area of Montreal, where Bruck has an apartment.

While preparing the Stone film, Bruck spent endless hours in dusty and seedy film libraries in New York, gazing at flickering images from the 'fifties and sixties. It was there that he found the clips that provide one of the more arresting moments of the film.

Stone was at Amherst College to receive an honorary degree, an event that caused David Eisenhower to stay away from his own graduation. As Stone compared the sylvan tranquillity of Amherst to the sufferings of the bombed Vietnamese, there were newsreel shots of Lyndon Johnson cutting an eight-foot iced cake with the word Vietnam on it at a Marine ceremony, and USAF film showing the effectiveness of a low-level bombing run as the mathematical bombbursts shattered flimsy peasants' huts.

Another effective sequence shows ABC White House correspondent Tom Jarriel playing tennis with Ron Ziegler, Nixon's press spokesman. As Stone says: "The Establishment reporters, without a doubt, know a lot of things I don't know. But a lot of what they know isn't true, and a lot of what they know that is true they can't print."

Stone became a pariah to the Establishment in the early Fifties after working through the Thirties and Forties with the New York *Post, The Nation* and the New York daily *PM* where his left-wing sympathies were not hidden.

McCarthy hysteria was at its height, and the difficulty of finding employment helped him to launch his one-man newspaper.

To the end, Stone wrote it all, nursed it through the printers, took the phone calls asking for the $5 annual subscriptions, stuck on the address labels and walked to the corner mailbox to send off the bundles of papers.

Bruck has caught the information mania of Stone, in scenes where Stone reads and rips apart *Le Figaro, Der Stern, The Times* of London, magazines and the *Congressional Record*.

As Bruck races around the country to arrange openings in New York, Boston, San Francisco, Los Angeles and a Texas television group, Izzy Stone continues his frenzied reading but now only for the New York *Review of Books*, to which he contributes regularly.

One sequence in the film shows Stone telling students "The basic purpose of the media is merchandising; the news is something between the ads and the commercials . . . there's a tendency to be bland."

This film, by showing the essential Stone, is a clarion call to journalists to fight against blandness — and to the general public to refuse to put up with it.

David Macdonald is with the Washington bureau of the Montreal Star.

How best to define the professional journalist?

by DAVID WATERS

Holt, Rinehart and Winston Inc. have recently published the third edition of John Hohenberg's book, *The Professional Journalist*. The author claims to have substantially updated the text, and one must assume that he has done so in order to ensure its relevancy and use in those schools of journalism which will produce the majority of those journalists that North American society will have to rely upon for much of its rapid-fire self-reflection in the last quarter of this century.

Unfortunately, if professors or students utilize this book as their quintessential text, then North America is not likely to be better served by its journalistic fraternity in the last quarter of this century than it has been in the previous three.

The basic flaw in Hohenberg's text is apparent in its presumption. If its title had been "A Realistic Description of Recent Mainstream American Journalism", one could not have objected to it very strenuously without falling into the error of insisting that a book be something other than one it claims to be. But the significance of the term "professional" in the title is made inescapably clear in the book's sub-title which is *A Guide to the Practices and Principles of the News Media*.

One cannot, or at least should not, associate the words practices and principles in the same phrase without somehow anchoring their relationship in not only what *is*, but what *ought to be*.

As most readers of *Content* must be aware, an awful lot of troubled discussion has flowed tizzily through that much maligned and disputed gap between what is and what ought to be in media performance, and between "professional" and "hack" journalism since the first edition of Hohenberg's book in 1960.

And one has a right to expect that Hohenberg, who is a professor at the Columbia Graduate School of Journalism and the administrator of the Pulitzer Prizes, would not only be aware of that ground-swell of self-questioning and its significance, but would reflect some of its tenor in what is claimed to be a major updating of his text.

He certainly gives the impression that he is aware of it in his preface. "Necessarily," he notes, "the spirit of change in this turbulent era has had its impact on education for journalism . . . it is reflected in these pages . . . the sections on investigative reporting and public service journalism have been expanded . . . new material has been added on such specialties as consumerism and the ecology, press councils and the handling of secret papers, together with discussions of the work of the 'new journalists' and the alternative press, radio, and television." A few sentences later he notes, "Finally there has been a greater dependence in this edition on the materials of the Pulitzer Prizes, particularly those that have broken new ground, in an effort to elevate the professional standards of the journalist".

But what kind of treatment does he give such matters in his revised work?

The challenge of consumer and ecology reporting is given only two pages of sophomoric back-slapping. New Journalism is discussed in a page and a half which ends with the following trite paragraph:

"All is not right with the New Journalists. But all is not wrong with them either. Whether conservative editors like it or not, these innovative writers are having an effect on the journalism of their times."

And as far as the alternative press, radio and television are concerned — well, they, too, are only glancingly treated, although it must be admitted that the alternative press receives a slightly larger commentary than the "op-ed page" whose existence and significance in contemporary journalism is discussed in one paragraph.

The history and growth of press councils as a concept and a reality is noted in one page and is accompanied by only two observations: That a concern for the balance between a free press and a free trial will always be in the forefront

of their work, and that "they illustrate the willingness of the media to be accountable to the public."

On both these counts, Hohenberg has got to be kidding. Either that, or his assessment of the real world of journalism is seriously flawed.

Much of the book, in fact, radiates a questionable sense of judgment. It generates the impression that Hohenberg has examined the American mass media and found it to be more than just adequate. Almost, very, very good. The best in the world. Not without some flaws, of course, but then neither is the society it reflects and interprets is it? Well, to tell the truth . . . but then one might disillusion the young somewhat . . . and what is the truth anyway . . . better surely that they find out some of the harsher realities, some of the dross on their own and in their own good time. Isn't it?

In a sense, the fundamental flaw of Hohenberg's book is its lack of appropriate moral perception and acuity. In effect, he is telling young prospective journalists that if they arm themselves with "personal integrity," a good American education and a degree in journalism, and if they work hard and loyally, why they, too, might someday win a Pulitzer, or join the rarified ranks of the Restons and Cronkites, et al.

Today's students of journalism need a better guide — a Dante and not a Billy Graham — to lead them soundly into the complex soul and compromised landscape of North American journalism. The media does not need more people hungering to join the competitive pursuit of the American media dream, but more people willing to strain at shedding light upon the troubled and fallen city of man and its self-explaining and distorting media mirrors.

But if Hohenberg's book is inadequate in this area, it is unquestionably adequate in its technical descriptions of media structures and practices. The various technical styles of traditional media writing, the patterns of assignments and the ways in which stories are handled — all these matters and many more are amply explained and illustrated. The "ethics" of embargoes, pooling, junkets and sources, etc., are all reverentially mentioned. And if schools of journalism need a book which contains adequate treatment of such rudimentary matters, with a model stylebook and a glossary to boot, then Hohenberg's text will certainly suffice.

But one hopes that the philosophical over-reach of most media schools will somehow exceed this particular book's modest grasp.

David Waters, a member of the Quebec Press Council and media teacher at Loyola College, is an editorial writer with the Montreal Star.

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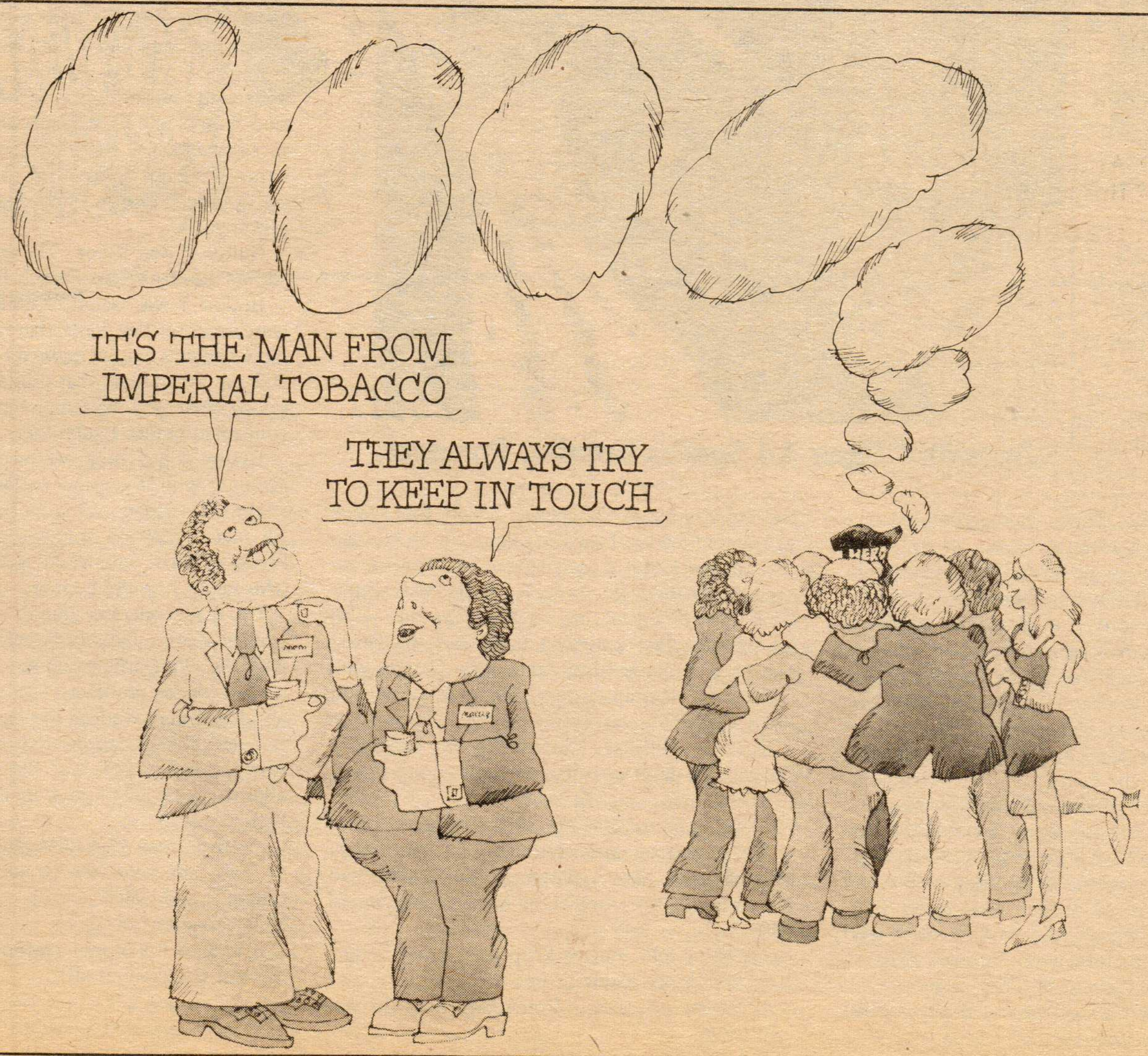

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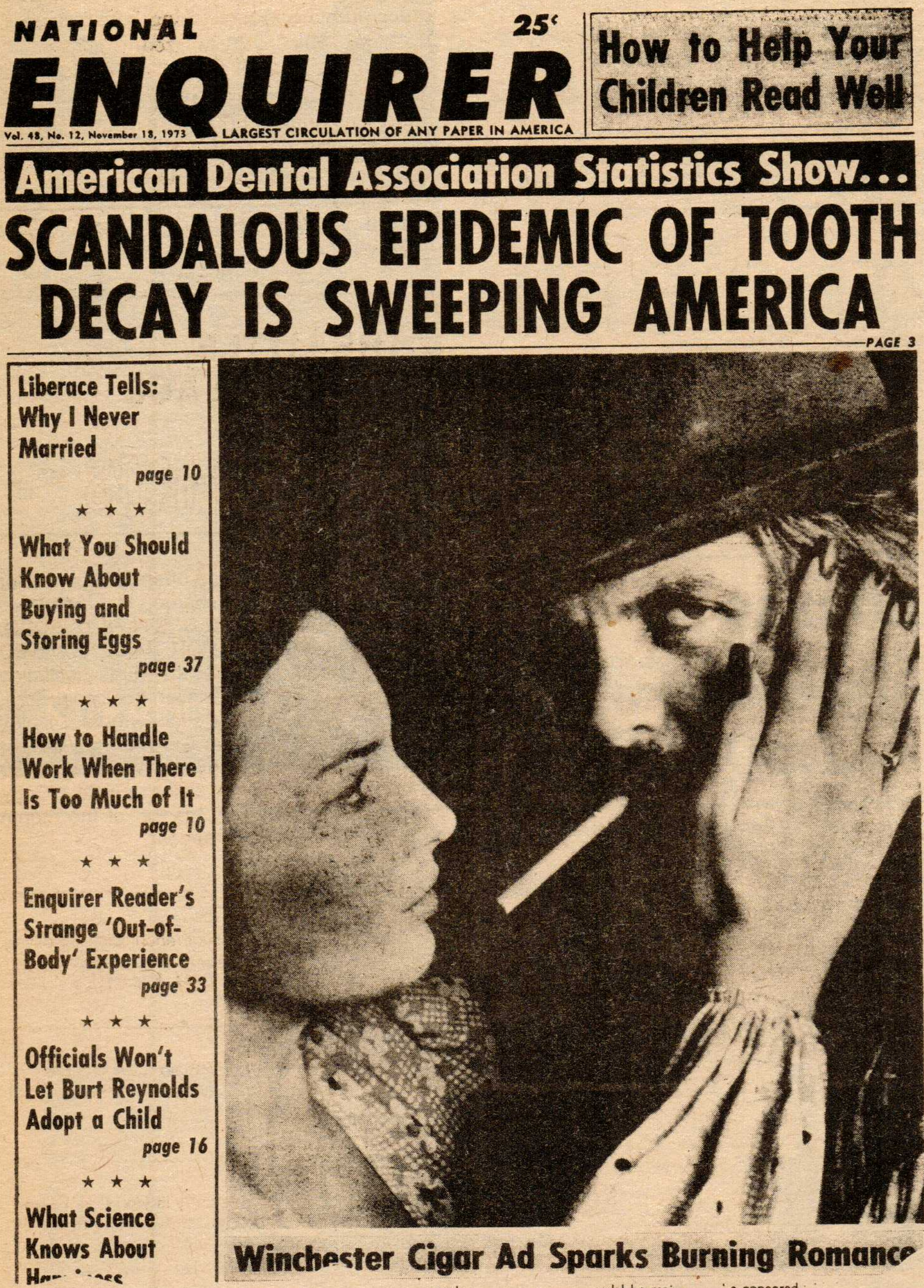

NATIONAL ENQUIRER 25¢

Vol. 48, No. 12, November 18, 1973 LARGEST CIRCULATION OF ANY PAPER IN AMERICA

How to Help Your Children Read Well

American Dental Association Statistics Show...

SCANDALOUS EPIDEMIC OF TOOTH DECAY IS SWEEPING AMERICA

PAGE 3

Liberace Tells: Why I Never Married page 10

★ ★ ★

What You Should Know About Buying and Storing Eggs page 37

★ ★ ★

How to Handle Work When There Is Too Much of It page 10

★ ★ ★

Enquirer Reader's Strange 'Out-of-Body' Experience page 33

★ ★ ★

Officials Won't Let Burt Reynolds Adopt a Child page 16

★ ★ ★

What Science Knows About

Winchester Cigar Ad Sparks Burning Romanc

It was unbelievable: Three days earlier I was a reporter on the Vancouver *Sun;* seventy-two hours later I was trying to assign a reporter in Rome to join the French Foreign Legion.

It was my second day as an articles editor on the *National Enquirer* in Lantana, Florida. The operator in Rome said she couldn't reach my party; would call back when she did. But there was no time to marvel at the bizarre nature of the assignment. There were too many other bizarre assignments to attend to.

I put in a call to Tulsa, Oklahoma. Had the reporter on the Tulsa *Journal* interviewed the devil worshippers? I had to get fourteen stories like this "in the house" or be fired at the end of the month.

I heard John Cathcart, the articles editor who sat behind me: "I assure you, General, expense is no object! No object at all! The *Enquirer* will pay the whole shot! It won't cost the government a cent!"

As it turned out, Cathcart had struck a coup for the *Enquirer*, the paper which four years before told readers how "Madman cut up his date and put her body in his freezer." Cathcart managed to get the U.S. Army to fly the West Point Glee Club down to sing for the *Enquirer* — all for charity. Just the thing to bolster the newspaper's new image of respectability. In fact, with today's cleaned-up format, the paper could be justly called The National Inspirer.

But back to Tulsa. I was lucky. My reporter's story on the devil worshippers was in good shape. Good pictures, too, she said.

There was no time to stop. On to the nuns in B.C. who had barricaded themselves in against their prioress. The reporter in Vancouver said there was a court action about it and no one would talk.

Damn! I told him to keep an eye on it, and a button on my phone lit up.

It was the operator in Rome, who said she was still trying.

I decided to phone an old friend on the *Daily Telegraph*, who might know a willing reporter on Fleet street. But there was some foul-up with the telephones in London. (There's always a foul-up at the London exchange. Even Rome is in better shape.)

I turned to my next chore. Romance in Red China. But I would have to leave that until that night. It was 2:30 a.m. in Peking. I thought of getting John Burns of the *Globe and Mail* to do the story in Peking. He might get Globe-and-Mailish with me at the thought of doing a story for the *Enquirer*. I thought $400 a day would change his mind. (I never reached him.) I decided to write leads (story ideas) instead. I was turning them out at a rate of twenty to forty a day:

—Canadian government pays team to talk to killer whales;

—Lucky (*National Enquirer* mascot dog) meets Secretariat;

—Labor boss runs union through astrology;

—*National Enquirer* meets the friendly witches of Milwaukee.

The phone rang. It was my friend at the *Daily Telegraph*. He said he'd try to get someone to join the Foreign Legion for me.

We hadn't spoken in three years. He wanted to know what had happened to me since I left Montreal for Vancouver. Not to mention what happened since I went to Florida. I wanted to know about him, his wife, his new baby. There wasn't time; my phone buttons were alight again.

Button 1 was Los Angeles. The reporter there had found my astrologer, Sydney Omarr, the man who would tell us why divorce rates are rising so spectacularly. But there was a hitch. Omarr writes a regular column for the *Enquirer*'s rival, the *National Tattler*. That meant finding a new astrologer.

Button 2 was Rome. The reporter was tied up and couldn't join the French Foreign Legion.

Button 3 was Seoul, Korea. It was the night watchman on the paper there, who couldn't tell me whether a haircut campaign by the police was still on. I had read that policemen rushed about giving teenagers haircuts, but wanted the story confirmed before I submitted it as a lead.

Button 4 had rung off, waiting for me to get through with the others. Then Button 1 was alight. My friend on the *Daily Telegraph* again. He had a lead on someone in Agence France Presse in Paris, who would at least know someone who might join the Legion.

I had the operator put in a call to Paris and walked across the lushly-carpeted floor to talk with the chief articles editor, Iian Calder, about my astrologer problem. The trouble is that once an idea is approved on the lead sheet it becomes ironclad. There can be no changes in it without permission from the top. Sydney Omarr was the approved astrologer so a change to another must be approved.

"What about Carroll Righter," I suggested.

"No, no, no! We've been using him too much," said Calder.

"Jeanne Dixon?"

"She's not a proper astrologer — she's a seer. It's not the same at all!"

"Sybil Leek?"

"She's more of a witch, isn't she? Try and get someone else," he said, turning to more serious problems of his own.

I went over to Pearl, the flint-eyed fashion-plate researcher, who could deliver up information like a computer. I asked her for an acceptable astrologer in the L.A. area — but not Righter, Dixon or Leek.

Five minutes later she came up with one, neatly typed, with address and telephone number. I got back to my reporter in L.A. and reassigned him.

I walked back to my desk glancing at the eleven other articles editors, flanked by their pretty editorial assistants, everyone moving at the same pace I was.

I was about to return to story ideas when I was summoned into Bill Dick's office by his male assistant, a pudgy New Yorker who had worked for a Long Island paper. Bill Dick was the other chief articles editor. He went through the story ideas I had submitted the previous day. All but one of the thirty ideas were rejected. The acceptable one involved a story on the smallest country in the world. (SMOM is in downtown Rome and the only country located by street address.)

I rushed to the phone in the hope of reaching the stringer in Rome again. He was out; I decided to try the next day.

The phone rang. It was the L.A. stringer. He said he couldn't reach the astrologer at the number I gave him. I looked over towards Pearl's desk, but she had gone home. It was 5:30 and only a few of the articles editors were left in the office. I told the stringer I'd try to sort it out the next day.

I decided to go for a drink. I took a stack of newspapers, from which we got ideas. The ones I hadn't had a chance to check during the day. There were twenty and they could hardly fit into my large attache case. After a drink or two I planned to return to the hotel where I would try to reach John Burns in Peking. I phoned the overseas operator and gave her the number at the bar where I could be reached when the call from Paris came through.

That's an afternoon in the life of an articles editor on the *National Enquirer*. A fairly typical afternoon at that. It was clear after two weeks that even my tremendous starting salary of $25,000 a year would not make life worth living if I stayed with the paper. So on the fourteenth day I rested — on a plane back to Canada. As with ninety-five per cent of the try-out articles editors, who quit or are fired in the first month, I could not take the pace.

Few enjoy the work. Only the money, which runs from $25,000 to $70,000 a year.

Oddly, this strange organization run by an ex-CIA man continues to fly in try-out articles editors and reporters. They are put up in hotels, given cars and total expenses for the first month. Most of them don't work out and are flown back to where they came from, or to wherever they want to go.

The *National Enquirer*'s sole owner is Generoso Pope, 46. He bought the paper in 1952 when it was on the edge of bankruptcy and had a circulation of 17,000. Before that, the paper had been held by a series of owners since it was founded in 1926 by the Hearst Corporation as an experimental Saturday afternoon paper in New York.

Pope, a graduate engineer from M.I.T., built the paper's circulation to the million mark with a formula of sex and gore. Four years ago he changed the formula to movie star features, medical reports, adventure stories and believe-it-or-nots. There are ironclad rules against sex and violence, and the tone of stories should be inspirational. Among its admirers today are Billy Graham and the American Medical Association. Both have praised it for accurate reporting and its responsible tone.

Pope's goal is twenty-million circulation during the next ten years. He appears to care little for advertising and keeps ad lineage down to about twenty-five per cent. The advertising staff consists of one man and a woman who keep track of billings. Distribution is by truck. The money is made from the twenty-five cents a week each of the 3.2 million readers pays. That's $800,000 a week. And judging by how much articles editors spend and salaries paid to staff, most of that is plowed back into the operation. All the editorial material is "time" copy.

Pope himself spends almost all his time at the office and checks everything before it goes into the paper. His energy amazed us all.

What he wants is global circulation. But his real dream, as reported in the Miami *Herald*, is more staggering yet: "What we are trying to do, is to do what the United Nations failed to do."

I wonder whether he'll do it.

Christy McCormick now is a Montreal-based freelancer.

THE LITTLE MARKETPLACE

CLASSIFIEDS

The Little Marketplace offers categories for which no basic charge is made — SITUATIONS WANTED, STAFF NEEDED, RESEARCH AIDS, FOR SALE, WANTED TO BUY. For the first 20 words (including address), no cost. For each additional word, 25 cents. Indicate bold-face words. Display heads: 14 pt., $1 per word. 24 pt., $3 per word. Blind box numbers available at 50 cents. Cheque should accompany text. Copy must be received by the 5th of the month in which the ad is to appear.

TYPESETTING: English or French cold typesetting of manuscripts, essays, etc., on selectric typewriter. Phone (416) 449-8744, evenings.

TRANSLATION: Experienced English-French, and French-English, translation. Phone (416) 449-8744, evenings.

PUTT-PUTT: Delightful poetry is Ron Grant's new book, **Let's All Light the Candle in the Putt-Putt Boat**. $3. Orders: Alastair Ink Reg'd, Box 52, Pointe Claire-Dorval, P.Q.

RELIGION COPY from Alberta Bible Belt. What can Noel Buchanan offer? 956A 8th Street South, Lethbridge T1J 2K8 Alberta, (403) 327-8101.

SITUATION WANTED: Young man, 22, bilingual, college-educated, seeking position as junior reporter with daily or weekly, anywhere in Canada. Availability: Immediate. Contact: Serge Tittley, 896 Lafleche Rd., Hawkesbury, Ont. (613) 632-8417.

STU LOWNDES, vsw, alive and well and living in Montreal. Wire, metro, country, community, trade and PR experience. Open for assignment — freelance and otherwise. 514-389-6355.

BACKGROUND WANTED: Re Senator T.-D. Bouchard being fired as Quebec Hydro chairman June 23, 1944. Any reporter who remembers how Bouchard's statements were issued, please write E. Chisholm, 77 Cartier St., Apt. 1103, Ottawa K2P 1J7.

Recent staff additions should make the Toronto *Star*'s Ottawa bureau among the strongest of the news operations in the capital. Richard Gwyn, a journalist who held a senior position in the federal communications department, is writing a column. John Gray, previously with the Montreal *Star* and *Maclean's* magazine, is covering social policy issues. Ian Urquhart deals with consumer affairs and David Crane is handling financial and economic matters; Jeff Sallot's beat is science and the environment and S. E. Gordon is reporting on external affairs. General reporters are Michael Lavoie and Alan Rogers. Bureau chief is Carl Mollins, formerly with The Canadian Press, and Ottawa editor is Anthony Westell, previously a *Star* columnist and teacher at Carleton University.

There's been talk of a new French-language daily in Montreal, to be called *Le Québécois* .... A new edition of the tabloid *Journal de Québec* has been launched in the Saguenay-Lac-Saint Jean region, north of Quebec City .... The Ottawa *Citizen* has moved into its new $10 million home. The building uses offset presses and has a daily capability of 144 pages. The paper plans to develop cathode-ray editing terminals and computerized typesetting of news and advertising material. This year is the 129th anniversary of the *Citizen*, which was established as the *Packet* in the logging village of Bytown in 1844. The paper has been published daily since 1865, and in 1897 was purchased by William Southam, founder of what now is Southam Press Limited and grandfather of the current publisher, Robert Southam. The paper's daily circulation is 90,000.

The Canadian Radio-Television Commission has given the CBC approval to establish six new FM radio stations — in St. John's, Halifax and Calgary (English), and Quebec City, Chicoutimi and Ottawa (French). The CRTC had deferred a decision on the FM applications until the CBC produced a plan to maintain the quality of its primary AM programming and extend it to more Canadians. The new FM service should be operational by late 1974. The corporation has advised the CRTC it will apply for permits to own and operate new AM outlets in 13 medium-sized cities, which would expand CBC-AM's reach from 75 to 90 per cent of Canadians.

Meanwhile, a group of professionals in broadcasting, film, publishing and education has formed the Committee on Television to challenge the existing operation of the CBC's English-language television network. The CBC's network licence expires next March, and sometime before that date it will apply for a renewal. The Committee on Television — all of whose members are supporters of public broadcasting in Canada — will appear before the CRTC to intervene. The committee will argue that a licence renewal should not be granted to the CBC, in its present form, and will propose that reorganization of the corporation be made a condition of renewal. In its brief to the CRTC, the committee will challenge the CBC on the quality of its programming and hopes to offer constructive proposals for reorganizing the corporation. Members of the committee include Robert Fulford, Stan Fox, Suzanne DePoe, Donald Gordon, Allan King, Abraham Rotstein, and Patrick Watson. For further information, write: 466A Danforth Ave., No. 1, Toronto.

miscellany

New public relations officer at Toronto General Hospital is Kenneth Fredrick, a reporter and editor and a former information officer at St. Mary's University in Halifax .... David Wishart, former Vancouver *Sun* staffer, has returned from a sabbatical year at Oxford University, and has joined the Vancouver public relations firm of O'Brien Consultants .... Hugh Nangle, an editorial writer with the Montreal *Gazette* and a former Windsor *Star* staffer, has had his visa privileges revoked by South Africa country — apparently due to a series of articles this year which detailed how some Canadian corporations exploited South African black labor with the approval of the South African government. Nangle joins a select company: Norman Phillips of the Toronto *Star* in 1960 and Charles King of the Ottawa *Citizens* in 1964 (King later had his visa reinstated when the South Africans realized that he was not related to Martin Luther King; a case of mistaken identity).

Quest magazine of Toronto will increase its publishing frequency to six from five issues yearly, circulation to 635,000 from 590,000, and city coverage to the top 17 from the top 12 in Canada .... Robert Harper, president of the McConnell, Stevenson and Kellogg public relations agency, told a Winnipeg meeting that PR people have to accept ever more legal responsibility for the information they disseminate for clients. As a result, some public relations firms are having protective clauses written into their contracts to guard against being penalized for misleading information given them by their own clients.

The mandate given Premier Robert Bourassa and his Liberals in the October elections may ensure a continuing argument with Ottawa over communications jurisdictions, not restricted to the cable television debate, directly related to what Bourassa has called "cultural sovereignty" .... In an effort to de-emphasize Bell Canada's role in its marketing operations, Northern Electric hopes to make a public offering of common shares, the funds from which will be used for a world-wide marketing expansion.

Moses Znaimer expects *CITY-TV* in Toronto will reach a break-even level by the end of the year, about two years earlier than anticipated .... The Canada Council is considering, as part of a policy on assistance to periodicals, a parallel to its book purchase program, whereby lots of books are bought for distribution abroad; it could mean bulk purchases of subscriptions to Canadian magazines. At a meeting in Toronto in October, the new Canadian Periodical Publishers Association met to consider common problems and possible solutions. Among committees struck was one which will draft guidelines for submission to the secretary of state's department, as an aid to developing a policy on periodicals.

As you must know, CTV's Tim Ralfe had his knuckles rapped by politicians after a battery-powered microphone was found planted beneath a table in the NDP Centre Block caucus room. Ralfe explained that the action was to be part of a program which would document how easy and legal it is to bug, and that no material from the tapes would be used. Unlike some buggers, Ralfe did not hesitate in giving the reels to the NDP.

Joke-of-the-Month: GRT Records lists in its catalogue the album by hooker Xaviera Hollander — and labels it Canadian content.

Terence Moore is leaving the Montreal *Star* to travel .... At the *Star*, there is talk of David Macdonald leaving the Washington bureau to go to London, England, part of the anticipated editorial remake as a result of the paper joining the FP chain. It's all a question of consolidating personnel and, as Buckminster Fuller said, doing more with less.

Robert Rupert has left his position as Canadian director of The Newspaper Guild to join the federal Labor Relations Board. Rupert, who had worked with the Toronto *Telegram* and Ottawa *Citizen*, finally found the work hours too demanding for his family life. As the first Canadian director of the Guild, he was responsible for setting up the new national office in Ottawa. Among his to be reckoned with, ask the publishers." New Canadian director is William H. McLeman, who had been executive secretary of the Vancouver-New Westminster local of the Guild.

Bill Stevens, assistant city editor and boating columnist at the St. Catharines *Standard*, has been elected to the board of directors of the International Association of Boating Writers, the only Canadian on the board .... Don Hunter of the Vancouver *Province* has published *Sasquatch*, a book about the history of the elusive "Bigfoot" of the Pacific northwest .... Don Harvey, former Canadian Press staffer and more recently city editor of the Niagara Falls *Review*, has joined the teaching staff of the new department of communications at Grant MacEwan Community College in Edmonton. Chairman is Jim Osborne, previously with the Ottawa *Journal* and CP.

The newsprint debacle may mean doom for some community papers, according to Ken Leach of Buntin-Reid Paper Ltd., who charged in Ottawa that the large paper companies are supplying their U.S. customers first .... Only three of 54 complaints about advertising to children which were received and closed last year by the Advertising Standards Council of the Canadian Advertising Advisory Board were sustained. In all, the council received 69 complaints.

content

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