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Up Against a Saint and a Dead Man

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I scrambled to answer my cell phone as I pulled out of the rental car space at the Los Angeles airport. "Jim, this is Leo Wolinsky. You need to make your first command decision. How do you want your name on the masthead?"

I stopped the car to savor the moment. "Just use James O'Shea," I told Wolinsky, one of the *Los Angeles Times'* top editors, "no middle initial." There, it was official.

I was alone, with no one to help celebrate the moment. My wife had wisely decided to remain in her job at the Field Museum in Chicago, and many friends thought I was crazy for coming to Los Angeles in the first place. But after 35 years in the newspaper business, my name would appear on the November 13, 2006, edition of the *Los Angeles Times* as editor of one of journalism's marquee brands, the largest metropolitan daily newspaper in the country and a major force in news around the globe.

When I walked into the newsroom of the *Des Moines Register* on a snowy winter day in 1971 for my first job on a daily newspaper, I never dreamed that I would experience a sunny, warm, glorious day like this one in Southern California. I was a kid from North St. Louis, the son of working class parents who hadn't even graduated from high school, a reporter who had already achieved his dream job as a Washington correspondent, now editor of a famous paper. Being named managing editor of the *Chicago Tribune* had made me proud, but becoming editor of the *Los Angeles Times* was, as one friend wrote, one of those "Wow!" moments. As I maneuvered the car onto the freeway and headed for my hotel downtown, though, I started to think about the challenge I faced as a new editor responsible for navigating a flagship newspaper through the financial storms that were threatening to wreck the entire industry.

Budget cuts had spawned upheaval and dissent in newsrooms across the country as editors squared off against publishers who demanded staff and space reductions to compensate for slumping advertising sales and circulation revenues. Center stage for the drama that pitted journalists against publishers and CEOs under the thumb of Wall Street: the *Los Angeles Times*. Tribune Company acquired the paper in 2000 when it purchased Times Mirror Company, the biggest newspaper deal in American history. Once the transaction closed, the Tribune Company owned the *Los Angeles Times* and a fistful of other newspapers, including the *Chicago Tribune*, the company's original flagship; *Newsday*; the *Baltimore Sun;* the *Hartford Courant;* the *Orlando Sentinel*; the *South Florida Sun-Sentinel* in Fort Lauderdale; plus some smaller newspapers and 23 television stations. In all, the company, through its holdings, could reach 38 million Americans.

Tribune started whacking the budgets of its new corporate children from the day it took over, particularly the big kid on the block in Los Angeles, cutting redundant business operations first, then space in the paper and finally people. Just a few years before I arrived, the *Los Angeles Times* had an editorial staff approaching 1,300. But Tribune Company began demanding more and larger budget cuts, setting teeth on edge from the Baghdad bureau to the *Times* headquarters on Spring Street in downtown Los Angeles.[1]

The staff had dropped to just over 900 when my friend and predecessor, Dean Baquet, refused to make further reductions. When Baquet's boss, Jeff Johnson, a Tribune Company veteran and publisher of the paper, agreed and said the company couldn't cut its way to the future, the defiant duo made national headlines. A highly publicized revolt at its largest source of revenue was the last thing that Tribune Company and CEO Dennis FitzSimons needed; by then the Chandler family, one of the company's major shareholders thanks to Tribune's March, 2000 acquisition of Times Mirror Company, had publicly slammed management in a nasty letter that forced Tribune to put itself up for sale. So

FitzSimons ordered Johnson fired just as the beleaguered publisher learned that his wife had breast cancer. Almost on cue, David Hiller, the Tribune loyalist who had taken over as publisher of the *Times*, fired Baquet, elevating him from a hero to a martyr in the annals of journalism. A classic newspaper drama began to unfold in a city where people literally made drama.

November 2006: Pulitzers Yes, Readers No

As I walked into the *Times* on my first day, the staff had plastered the newsroom with pictures of Baquet and Otis Chandler, the beloved and iconic former publisher of the paper who had just died. They had even made Dean Baquet T-shirts and buttons. I looked around and thought: "Okay, I'm up against a saint and a dead man." The building pass I had received from the security guard in the lobby seemed appropriate: It was good for one day. I was the paper's third editor in two years. The situation was tense, but it was also thrilling. Across the nation, anyone interested in the future of journalism watched Los Angeles to see what would happen. Every journalist lived for a great story and I had a doozy. "No matter what you do," Doug Frantz, the paper's managing editor and a long-time friend had told me, "you will always be viewed as a hatchet man from Chicago in this newsroom." I looked around and decided I'd better get to work.

The *Los Angeles Times* is a colossus in the heart of an often scruffy downtown with a homeless population that resembles a Palestinian refugee camp, aging theater buildings and an offbeat but overbuilt condo market. Housed in an art deco building that brings to mind the *Daily Planet* newspaper in Superman movies, the *Times* has added wings to the original structure that was severely damaged after a labor anarchist bombed the newspaper to even the score with its founder, Gen. Harrison Otis, a conservative anti-union firebrand as eccentric as the *Tribune's* spiritual godfather, Col. Robert McCormick. With its neon *Los Angeles Times* sign and architectural landmark status, the paper's headquarters twists and turns around an entire city block just down the hill from Frank Gehry's contemporary stainless steel Disney Center.

Inside the *Times,* the newsroom had a seedy look with soiled, threadbare green carpet and lighting with a yellowish cast. The features department, located on the second floor, had been remodeled, but the Tribune Company had cut off the money before workers got to the news desks on the floor above, creating a reverse Upstairs/Downstairs effect that had all of the grace and charm of urban sprawl. In contrast to many newsrooms with their large, open city rooms, the *Los Angeles Times*' resembled a maze of cubicles, with reporters and editors crammed into small spaces surrounded by the traditional newsroom flotsam: discarded Zoning Commission binders; 1982 City Council agendas; once-vital notebooks; Jimmy Carter political campaign credentials or a tie or scarf left behind by someone who no longer needed it in more ways than one.

The *Times* serves a vast, fascinating city with a population that's a portrait of a future America. Almost half the city is Latino, and Spanish is the language of choice in some areas of Los Angeles County. In other neighborhoods Vietnamese, Japanese, Cambodian or Armenian blends with English in an urban American symphony of chatter and commerce. More than 40 percent of products entering the United States flow through the region's ports, which employ truckers, immigrants and stevedores who have been around almost as long as the seagulls.[2]

As the region's dominant newspaper, the *Times* once circulated in an area as large as the state of Ohio with more potential readers than 42 states combined, but the paper had not escaped the readership losses plaguing the industry. Its circulation increased between 1995 and 2000, when it hit a daily peak of 1.1 million copies. Then, paradoxically, its readership collapsed even as its journalistic achievements soared. Between 2000 and 2005, the *Times* won 15 Pulitzer prizes, including five in 2004—an extraordinary achievement, particularly since the five Pulitzers weren't awarded for coverage of a single incident, such as 9/11, which provided a Pulitzer bonanza for *The New York Times.* But *The Los Angeles Times* daily circulation plunged from 1.1 million to 875,000 during the same time frame. Even more significant, the paper's penetration, or the percentage of people in the market that it reached, plunged from 24 percent in January of 2005 to 17 percent in early 2006. Less than 2 of every 10 potential readers in the vast region even looked at the *Los Angeles Times*, one of the worst results in the country for a metro daily newspaper. The figures were not much better for Sunday editions. Chicago, where I had come from, had a market penetration of about 30 to 35 percent.[3]

There were numerous reasons for the decline, including the elimination of junk or fake circulation the paper had taken on to boost its numbers; suspension of promotional advertising; the termination of news or feature sections and numerous other missteps, all of which sapped the paper of revenue. But the *Times* newsroom was too busy blaming all of its problems on the Tribune Company to notice the potential disaster lurking on the horizon. As the Tribune brass ordered cuts in paper and people to cope with the financial strains generated by readership losses, the same journalists who had blithely reported on the elimination of hundreds of thousands of jobs in California's airline and defense industries in the 1990s treated a relative handful of job cuts in the *Times* newsroom as a threat to the First Amendment. Journalists across America were in denial about the problems newspapers faced, but nowhere was disavowal more glaring and public than at the *Los Angeles Times*.

Arnold Hates My Fonts

Although I didn't have experience as the top editor of a newspaper, I had run a big newsroom as a managing editor of the *Chicago Tribune* and had the background one would need to win the respect and confidence of a staff angry with the company and suspicious of my Tribune pedigree. Journalists are creative people; you can't order them to write good stories or great headlines, but they will follow you anywhere if they respect you because, contrary to the attacks on "mainstream media," print journalists traffic in fairness and balance. Their job is to unearth the proverbial two sides of every story and they take that role seriously. Journalists can be abrasive, nasty, petty and dumb, but they also routinely put aside personal feelings to get it right.

On Nov. 13, 2006, I climbed onto a desk in the *Los Angeles Times* newsroom, looked the assembled staff in the eye and declared that the new editor was first and foremost a journalist just like everyone in the room, a newsman and reporter who would make tough calls but also be fair. All I asked from them was an opportunity to earn their respect. Managing Editor Doug Frantz, who had told me I would always be viewed as a "hatchet man," said he thought my remarks went over well. *Times* reporters videotaped my speech and my Q&A to put it on the Web and on the record. And I had secured a two-year contract with the Tribune Company just in case things didn't work out.

In my first few days, I got a good picture of exactly what I faced. Fortunately, Baquet had endorsed me as his replacement, something he wouldn't have done just because we were friends. And key top editors like Frantz, John Montorio and Leo Wolinsky said they would stay on, all people that FitzSimons and others back in Chicago wanted me to fire. It didn't take long to determine that the culture wars between Los Angeles and Chicago had taken a toll.

From the outside, the *Times* appeared as an army of journalists united in its defense of its defrocked editor and dedicated to opposing the marauding horde in Chicago. In reality, the staff resembled a pack of quarrelling tribes. Budget cuts mandated by Tribune Company had ignited internecine warfare as editors under budget pressures scrambled to lock in their share of diminishing resources. I met with department heads only to hear Metro complain that the National and Foreign news desks had escaped cuts while it had been slashed. Ditto in Business, Sports and Features. Little thought was devoted to the health of the overall paper. The budget scrum was really no different than in Chicago, it was just more intense and more public.

Everything I did in Los Angeles was public; it would be leaked almost immediately to LA Observed, run by one of the better bloggers, Kevin Roderick, a former *Times* staffer who routinely criticized the paper in his blog. The coverage of my arrival schooled me in the world of celebrity and the new media. Only those with a thick hide survived because few people even bothered to call you to check out what they were about to write; they treated gossip the same as fact. One blogger, Jack Shafer of *Slate*, attached to a harmless but silly story about me a picture of a childhood friend and biking buddy that was supposed to be me. Nikki Finke, a notorious Hollywood blogger, wrote that I wore ill-fitting suits and had crooked teeth. She later told me she feared she had been too easy on me.

I sympathized with Dean Baquet. We had known each other for years and had talked often when he was managing editor and during his last year as editor. He didn't like the management part of the job and had focused much of his time and talent on the journalism, talking to reporters about their stories, editors about their sections and everyone about their jobs. A charismatic figure in the newsroom, his national profile soared after he rebelled against Chicago's demands. Few editors around the country had so publicly and courageously challenged management.

Baquet and I met for dinner a few days after I arrived and he told me about the many hard decisions he had deferred because he spent so much time fighting cuts, hoping that he would eventually prevail and deal with them later, something that didn't happen. As a result, I inherited a dysfunctional Internet operation, a troubled redesign of the paper, chronic misallocation of resources, an angry staff and a raft of special deals involving the paper's pecking order that made me wonder if I was on Wall Street instead of Spring Street. The *Times* had three people each in its Denver, Seattle and Atlanta bureaus but only one covering the San Fernando Valley, home to 1.8 million people starved for news about their community and state. Janet Clayton, who ran Metro, stunned me when she said the overnight police reporter that had taken a buyout earlier had not been replaced, leaving a paper covering Los Angeles with no reporter at the police station all night.

A lunch with then California Governor Arnold Schwarzenegger also telegraphed the rocky road ahead. When I asked him what he liked and disliked about the *Los Angeles Times,* I expected him to bring up a story that had angered him or his now estranged wife, Maria Shriver. Instead he said he hated the font on the headlines on page one. I thought: "If I have Arnold Schwarzenegger talking about my headline fonts, I'm in serious trouble." The one challenge I didn't completely anticipate, though, was my publisher.

Even under the best of circumstances, tension defines the relationship between publisher and editor. Newspaper publishers oversee the entire business and editorial operations of a paper. They are responsible for ensuring that the publication not only meets its deadlines but also makes a dollar. Smart publishers usually delegate the deadline duties to their editors and focus mainly on the business side of the equation for good reason: A publisher intervening in a story can easily trigger a conflict or accusations of favoritism that can prove embarrassing or threaten a paper's editorial integrity. "When people complained, I always told them there's nothing I can do about it," John Madigan, a former publisher of the *Chicago Tribune* once told me, "because it's the news." The publisher's office is the one place in a newspaper where the line between editorial and the business side can most easily be breached, as it was during the Staples scandal, which erupted in 1999. That's when the staff learned that the *Los Angeles Times* had agreed to split ad revenue from a special edition of the paper's Sunday magazine that focused exclusively on the office supply company's new stadium in downtown Los Angeles. The arrangement was a gross violation of the company's own ethics policy, and the editorial staff's uproar over the deal embarrassed the Chandler family, which controlled the Times Mirror Company, triggering a change of corporate leadership and ultimately the sale to Tribune Company. Perhaps because of inexperience or perhaps because of personal inclination, the line between the business operations and editorial was blurry for David Hiller when I arrived in Los Angeles.

Skeptics Greet a Singer

Hiller and Scott Smith, the head of Tribune Publishing, the arm of the company overseeing all newspapers, had practically begged me to take over from Baquet. At first I declined and refused to discuss Baquet's job behind his back. I told Hiller that he should keep Baquet if he became publisher, which he did, and I called Baquet, told him that Scott and David had approached me about his job and advised him to try to work with Hiller. He said he would. But we all understood the relationship probably wouldn't work. "If I were you," Baquet had said, "I'd get out my beach shorts."

In a perfect world, I don't think Smith or Dennis FitzSimons would have selected me to run the *Los Angeles Times.* I had clashed with both men, just not as publicly as Baquet. I was too independent for people who valued team players above all else. But they needed someone with the kind of journalistic credentials that would be taken seriously in Los Angeles, and I had covered or supervised metro, business, foreign, national, features and Washington news. With a possible sale on the horizon, they had to settle the place down. "We're counting on you to do this for us, Jim," Smith had said.

Hiller and I met for dinner just after I landed in Los Angeles. We had worked together at the *Chicago Tribune,* but the relationship in Chicago wasn't the same as it would be in Los Angeles. As managing editor in Chicago, I had Ann Marie Lipinski, the formidable editor of the *Tribune*, as a buffer between Hiller and me. In Los Angeles, it was just the two of us.

Hiller seemed thrilled that I had arrived, particularly after his experience firing Baquet the week before. He had tried to tell the newsroom he had not dismissed Baquet, that the two had simply agreed they couldn't work together, and that, as publisher, he had not committed to a specific number of staff reductions. But he was addressing a room full of journalists, people who might name their firstborn "Skeptic." No one believed him, and the reaction rattled Hiller, a man who thought he could charm his way out of anything.

Over dinner at the New Otani Hotel, Hiller said he had never encountered anything like the hostility he experienced after announcing Baquet's departure. Making matters worse, he had written a piece for that Sunday's opinion page that detailed how he used to play squash regularly with Donald Rumsfeld, a former Tribune Company board member who had just stepped down as

Secretary of Defense after plunging the nation into a highly unpopular war in Iraq.

Anyone uninitiated in Tribune lore might think Hiller a curious choice to be publisher of the *Los Angeles Times*, particularly given the publisher against which every top executive of the paper would be measured, Otis Chandler. Otis looked like a Greek God who could toss a spear across the Pacific. He was muscular and handsome, a motorcycle-riding sportsman who rebelled against his family journalistically and personally. Much to the chagrin of his mother and father, he left his first wife for a second. He had worked in the business as a reporter and editor and, through sheer will and family money, had transformed the newspaper from one of the worst in the America to one of the best, despite the opposition of his relatives, a pack of right-wingers that equated paying taxes to time in San Quentin. Chandler had set out to make the *Times* a worthy rival to *The New York Times* and had succeeded.

Hiller, by contrast, had never worked as a journalist. A slender, well-groomed man with wavy gray hair, an easy sense of humor and darting brown eyes, Hiller was a Harvard-educated lawyer from a comfortable suburb west of Chicago. He had joined Tribune Company as a general counsel before working in the company's development arm putting together a range of deals. Prior to becoming publisher of the *Chicago Tribune*, he had run the company's fledging Internet operation, his closest experience with journalism. He was single, in his 50s and lived in a building that he was fond of telling people had once been home to Lawrence Welk.

Although Hiller had publisher experience, his political roots were no doubt equally appealing to FitzSimons, a man who considered *The New York Times* left wing. A self-described loyal member of the right, Hiller had served as an assistant attorney general in the Reagan Justice Department but also as a law clerk to Supreme Court Justice Potter Stewart, who was considered more of a liberal. He also had worked at Sidley & Austin, one of Chicago's elite law firms. Hiller's conservative political leanings often came across in the halting but lawyerly questions he used to make his points. Soon after he'd been named publisher at the *Chicago Tribune*, Hiller asked me if I thought a particular columnist at the paper was too liberal and ended his question by reminding me that he, Hiller, was conservative.

Many employees in Chicago liked Hiller, and for good reason. He was friendly, intelligent, had a keen sense of humor and was the consummate team player. He was a kind man with a chirpy sort of demeanor who worked a room as if he were running for class president, which is the nickname I gave him. He loved to sing, too. In high school he had been in a musical troupe, and I don't think he ever shook the bug to be a Broadway showman. In the midst of a crisis, you always had the feeling he was about to jump up and sing "Everything's Coming Up Roses." As publisher of both the *Tribune* and the *Times*, he successfully lobbied the Chicago Cubs and the Los Angeles Dodgers to let him sing the National Anthem in Wrigley Field and Dodger's Stadium. At a staff party celebrating the paper's 125th anniversary, Hiller grabbed a microphone and belted out a couple of show tunes. I think David truly appreciated a song well sung but he always seemed to hit a sour note in the *Los Angeles Times* newsroom, a problem for him but an even bigger one for me.

A Lazy Man's Budget

Being the editor of a paper is like few other jobs in America. It's like owning a baseball team: What you run or own really belongs to the public it serves, and if you breach that faith with the public, you fail. Like it or not, I had taken a job as a custodian of a public trust — a role that involved a lot more than collecting a big salary. At all costs I had to protect the integrity of the institution I ran and, by extension, the news. If the credibility of the newspaper, and the respect with which it was held diminished on my watch, I would be a failure, to the community, my craft, the staff, the newspaper and its owner, even if the owner didn't fully appreciate the distinction.

By the time I arrived in Los Angeles, maintaining public trust had become a heavier burden for newspaper editors. The industry faced an unprecedented assault by everyone from accountants that kept the owners' books to blowhards of the political right and left. Editors of papers big and small struggled with newsrooms in denial about the challenges they faced and with owners under pressure to cut expenses and maintain financial returns demanded by their shareholders. I worried most about crossing the line between living within a budget and diminishing the newspaper.

The *Los Angeles Times* had put out an excellent newspaper with 1,200 or more journalists in the newsroom, and I felt I could put out an excellent paper with just over 900, the number when I arrived. But I searched my soul for the point at which the staff reductions, bureau closings and newsprint savings would fundamentally damage the quality of the newspaper. Readers in Los Angeles complained about staff cuts at the paper far more than in Chicago. So my measure of success was simple but high: When my tenure as editor was over, the *Los Angeles Times* had to be a better newspaper than the one I had inherited. Anything short of that would be failure.

I had barely settled in Los Angeles when my theoretical concerns turned real: The Tribune Company almost immediately pressured me for a staff cut. I hated the Tribune numbers game, a financial dance that would later play a huge role in my deteriorating relationship with Hiller. Basically, the corporate staff would assess the needs of the company, engage in the give-and-take that public companies routinely practice with Wall Street analysts and figure out how much excess cash the business needed to prop up the stock price and deliver 20 percent-plus returns.[4] Once a target was set, each paper would submit budgets crafted to hit the magic number measured by the key metric, cash flow. If the Tribune Company needed $100 million in cash flow or operating profit to keep Wall Street happy (and to trigger management bonuses) and the *Los Angeles Times* had to come up with $50 million of the goal, then the paper would have to deliver its share, readers be damned. It was a lazy process in which the accountants did the math and ordered paper, expense and personnel cuts so the company could hit its target. The exercise put a premium on cost cuts and devalued the kind of enterprise or editorial risk-taking that could generate revenues. The goals might be suspended or amended in emergencies or extraordinary circumstances, but most of the time the unstated premise was: You could always cut the newspaper because not that many readers noticed and most of them really didn't have much of an alternative, a situation that was changing much more rapidly than many of us realized.

I had not entered Los Angeles with a specific target for spending or job cuts. Smith and Hiller had asked me to commit to a reduced staff level, but I told them I couldn't say how many people I would need to run the *Los Angeles Times* since I had never worked in its newsroom. "I'm a reporter," I told Smith, "and a pretty damned good one. If I go out there, I'll do some reporting. The only thing I'll guarantee you is an honest answer. If I can do it with less, I'll tell you. If I think I'll need more, I'll tell you that, too." One thing I told both men was that I would not do anything that would hurt the quality of the newspaper. "If all you are looking for is someone to cut the hell out of the place," I told Hiller at a breakfast, "get someone else. I wouldn't be good at that and I won't do it."

Smith and I eventually agreed that an appropriate metric for me would be total newsroom expenses as a percentage of the newspaper's revenue. In other words, instead of some bean counter handing me a list that mandated my staff size, I would manage the budget so that it would not exceed an unspecified percent of the paper's revenues, generally around 12 to 13 percent. How I achieved that level would be up to me, giving me the options to help increase revenue, cut costs or a little of both to get the desired result. The process gave me more flexibility and the newsroom a stake in fixing the main problem facing most papers at the time: a revenue drain. We had a revenue problem, but we kept treating it like a cost problem, which only made the revenue problem worse. It also would make me vulnerable to a downturn in the economy, but that was a gamble I was willing to take. Had I remained at the newspaper during the recession that ensued, I would have had to cut the budget. But at least I would have had the chance to create some new sources of revenue to offset the damage.

As simple as my budget deal with Smith might seem, it was somewhat unusual for a newsroom. Traditionally, editors hadn't concerned themselves a great deal about revenues or finances; they were journalists, after all, people who were supposed to worry about the news regardless of financial consequence. In the minds of many journalists, such concerns were dismissed; that's why we had a wall between the editorial and business side in the first place. Revenue, finance—those were things for the business side. But that philosophy had developed in times when monopoly advertising markets minted money and newspaper editors had chauffeurs. I had a budget of about $125 million for everything from covering Hollywood and Washington to the war in Iraq. The Baghdad bureau alone cost about $1.5 million a year. If I didn't want to cut the budget too deeply, I had to figure out a way to help finance our kind of journalism. I couldn't just sit tight and wait for things to get better. Those days were over.

Cuts Never Enough

Newsroom budgets are really paper and people. In Los Angeles and most likely elsewhere, the split is about 80/20, or about 80 cents of every dollar spent pays the salary and benefits of the journalist writing or editing the news and 20 cents covers expenses—things like travel, meals, notebooks, cameras and office rents. Accountants usually place the other major expense, newsprint and ink, in a separate budget. A newspaper like the *Los Angeles Times* can spend $160 million to $170 million a year on newsprint and ink.[5] In the Tribune's top-down budget process, the accountants usually gave you the bad news in two messages. In one, they would order, say, $8 million or $10 million in newsprint savings, leaving editors to come up with recommendations to the publisher on which sections to cut or kill. In a second message, they would squeeze your editorial spending, demanding something like a 5 percent reduction in a $125 million budget, or $6.25 million. Do the math and it's easy to see why hitting that target without getting rid of some people is almost impossible. Assuming 80 percent of the $125 million budget is salary and benefits, you would have to cut $6.25 million out of the remaining $25 million, or 25 percent, if you don't want to axe people. As history had shown, cuts of that magnitude severely curtail the quality and output of most newsrooms. It also generates pressure to cut more. If your reporters don't have the money to travel and report on stories, why keep them on the staff?

Even before I had arrived, *Times* editors had wrestled with the financial pressures that had driven down newspaper stock prices. When Dean Baquet and

I were both managing editors in Los Angeles and Chicago, we had worked together to cut the elite jobs in our newsrooms, foreign and national news reporters that traffic in the big stories, the "intellectual" news always targeted for cuts. Taking an honest assessment of our needs, we created a two-tiered foreign and national news staff that slashed costs by about 20 percent. We agreed that the *Los Angeles Times* would provide paper-of-record news coverage for all Tribune papers and broadcast outlets while the *Chicago Tribune* would provide enterprise coverage, such as project reporting that dug deeply into controversies or news developments, the kind of journalism that readers couldn't get from wire services. Of course, both papers would continue to do both breaking news and enterprise as the circumstances dictated.

The agreement capitalized on the relative strengths of each paper and generated substantial savings. The *Chicago Tribune* didn't have a staff big enough to provide paper of record coverage but the *Los Angeles Times* did. The *Tribune* had some excellent reporters capable of extraordinary enterprise work, though. The agreement had its downside, too. The Tribune's smaller papers, particularly the *Baltimore Sun* and *Newsday*, suffered disproportionately large foreign and national staff cuts under the plan, breeding resentment and anger in the ranks. Those papers had to shutter most of their foreign and national news operations. The *Los Angeles Times* cut a few national and foreign bureaus, and the *Chicago Tribune* went down from three to one person in Baghdad, an annual savings of $600,000, by agreeing to rely on Los Angeles for most day-to-day war coverage. Baquet and I felt we had made the best of a bad situation, particularly given the dire straits facing many of our colleagues around the country. Newspapers were starting a wave of cost cutting that would continue unabated. But cuts like those Baquet and I made were never enough, and editors in Los Angeles would undermine the decision by refusing to use most of the stories that were not written by members of the *Times* staff.

In our first budget dance, Hiller tried to hit me with a relatively large staff cut. I was surprised because I had thought the company would give me more time to survey the situation and create a strategy to deal with the paper's problems. I was wrong. So I objected in strong terms, at one point storming out of the building. I argued that I needed a chance to rejuvenate sections that were losing money or increase revenues in others. To his credit, Hiller backed off. I took the job in Los Angeles because I like challenges. As a reporter and correspondent, I always took on jobs and subjects that were hard, things that many other journalists avoided, such as financial reporting or investigative work. When I took the job, I felt that I could resolve the problems in the *Los Angeles Times* newsroom, but I also knew I wouldn't make any progress unless I won the respect and confidence of the staff. To do that, I needed Hiller's help and he mine. But snags inevitably developed to complicate our relationship, and the first one stunned me.

Hiller Hits Hollywood

In early December I walked into my office and noticed that my schedule placed me in Hollywood for much of the day at a ceremony in which the *Los Angeles Times*, in honor of its 125th anniversary, would be awarded a star on the Hollywood Walk of Fame, the procession of bronze stars sunk in the sidewalks near Hollywood and Vine honoring Tinsel Town greats. "What is this?" I asked Polly Ross, my assistant. "Are you kidding? I'm not going. I've got better things to do with my time." But Ross reminded me that my newfound stature dictated otherwise. "You have to go," she said. "You are the editor. They would be insulted if you didn't show up."

To my surprise, Hiller turned out to be one of those who would have been insulted. Earlier in the day, Janet Clayton from the *Times* metro desk came into my office in disbelief that the publisher's office had called the city desk to ask about our plans to cover the Walk of Fame ceremony. This was not something that a publisher at the *Los Angeles Times* would have done in the past, and Clayton expressed shock that anyone would suggest we cover something so fluffy. I told Janet not to worry; I would take care of it. I called the photo editor and told him to send a photographer up to Hollywood to take pictures at the event and be on hand in case anything newsworthy occurred. I also figured the paper would want to have a picture for its own files. "As far as a picture in the newspaper," I said, "judge it in the context of the day's news. If it doesn't measure up to the rest of the news, it doesn't measure up." I, too, couldn't imagine a situation in which a picture like that would appear in the news columns of the *Los Angeles Times*. It was a publicity stunt.

Hiller saw things differently. When the *Times* limo pulled into the parking lot of the Hollywood Roosevelt Hotel, Hiller stepped out beaming. He was proud to see the paper recognized on the Hollywood Walk of Fame. At one time, I'm sure, getting a star in the walk was a big deal. Stars embedded in concrete honored celebrities like Charlie Chaplin, Gene Autry, Walt Disney and Elizabeth Taylor. By now, though, the star was akin to Bert Parks and the Miss America pageant, a throwback to a different era. More than 2,000 stars cluttered sidewalks in the neighborhood, including one for Charlie the Tuna! Anyone who wanted to view them all had to walk over 3.5 miles of pavement. Stars were not ceremoniously handed to someone merely for a lifetime of achievement, either. Recipients forked over $25,000 for their pink terrazzo, five-point star rimmed in bronze and inlaid into a charcoal square bearing their name.[6]

As the *Times* entourage neared the site for the presentation, Hiller met the late Johnny Grant, honorary mayor of Hollywood who ran the star selection committee and the Hollywood Christmas Parade, another venerable event that once drew Bob Hope but now had to settle for Regis Philbin and Hulk Hogan. The strobes flashed as brightly as the smiles. Hiller and Grant, an avuncular legend, shook hands, sealing a union of two kindred spirits.[7] A delighted Hiller stepped to the lectern and praised Grant and the *Time*s veterans who showed up for the ceremony, acting almost as a master of ceremony, calling on others to come up and speak. Grant unveiled the star, more pictures were taken; Ed Begley, Jr. spoke at a lunch at the Roosevelt Hotel, and then it was finally over. I got back to the office just before the 3:30 afternoon news meeting where editors talked about stories for the next day's paper. No one mentioned the Walk of Fame and I didn't ask about it.

As I drove home late that Friday afternoon, Hiller called on my cell phone. He wanted to know about coverage of the *Times'* star in the Saturday paper. I told him that we had sent a photographer to cover the event but that the picture didn't measure up given the news of the day and that we wouldn't run anything. He was silent. When he finally responded, he was furious. My answer obviously had revived his anger at the way the *Times* covered his firing of Baquet.

"They'll run negative stories about us all the time," Hiller barked, "but when something *positive* happens, no story."

I tried to settle him down, saying that the event was the kind of public relations stunt that we never cover. After the festivities in Hollywood, I had also learned that the newspaper had paid for the event. When I pointed that out, Hiller shot back: “What do you mean we paid for it?” I told him I didn’t have the details but that I would find out and get back to him.

“Well, I want a full and detailed report,” he said in utter frustration and hung up.

The next Saturday afternoon Hiller called from Seattle. He was in a much better frame of mind but still suggested I put a story or picture in the Sunday paper. I told him that I was quite comfortable with my original decision. A story would be inappropriate, particularly given the circumstances of the “award.” I had learned that the deal to honor the paper with a star had been hatched when the head of the *Los Angeles Times* public relations department met Johnny Grant at a party and suggested the paper get a star for its 125th birthday. Twenty-five grand later, Grant agreed.

“If you want something in the paper, you should run a house ad [an advertisement labeled as a *Times* ad and paid for by the paper],” I said.

After some more back and forth, Hiller got angry again and shot back: “Okay. I’m going to run a full-page house ad and I will take the space out of the f***ing newsroom budget.” He hung up.

Treading on a Minefield

I felt bad for Hiller. He obviously loved the klieg lights of Hollywood and not having a story in the *Times* would embarrass him in front of his new friends. But I was also concerned. As trivial as the Walk of Fame incident might seem, it made me realize the depth of Hiller’s blind spots as a publisher and the challenge I faced in cementing a workable professional partnership with him. What shocked me is that he really thought this event was newsworthy. A major part of an editor’s job is to educate the publisher, a task that was frustrating with Hiller.

Because he came to the job with so little journalism experience, he honestly didn't seem to know where the publisher's job ended and the editor's started. From my days in Chicago, I knew Hiller liked to intervene in stories, writing emails to reporters or editors telling them what he liked and didn't like about a story, column or review.

At first, I wrote off Hiller's notes to naiveté, but they kept coming and took on an annoying tone tinged with political implications. Once, for instance, Hiller wrote top editors at the *Tribune* contrasting a story that Steve Hedges, a Washington correspondent, had done on Ambassador Joseph Wilson, a well-known liberal Democratic diplomat at the heart of stories about leaks at the CIA, with a far more critical piece done by the National Journal. "One other thing that I don't remember in Steve's piece;" Hiller wrote, "was the Senate Select Committee's report (GOP majority I suppose) that made extensive findings and was very critical of Wilson's public writings and comments after his trip. Do you recall that?" The exchange was vintage Hiller. He would query editors seeking their views about the adequacy of *Chicago Tribune* — and later *Los Angeles Times* —stories compared to accounts sent to him by conservative bloggers or political operatives. In his view, a publisher bore responsibility for the entire paper and, therefore, should weigh in on issues involving news coverage.

I didn't mind if Hiller came to me with his concerns just so he steered clear of reporters and let me handle them. But he seemed oblivious to the impact that notes from the publisher would have on a lowly reporter, particularly on political issues. Actually, some staffers in Chicago liked his tendency to comment on their work. They felt he displayed more interest in them and their stories than former publishers. In Los Angeles, though, reaction to Hiller's notes and queries was decidedly negative. No one dared interfere with the newsroom during the reign of Otis Chandler, who clearly remembered when the paper reported only one side of a political debate, the GOP's. Other *Times* publishers had been a remote lot, except for Mark Willis, who ran the company during the Staples scandal and whose interest in editorial matters bothered many *Times* staffers. The *Times* newsroom simply was not used to good or bad commentary by a publisher, and Hiller made many journalists feel uncomfortable.

There was also a significant difference between the two papers. At the *Tribune,* the editorial pages reported to the editor. At the *Times*, the editorial and opinion pages reported to the publisher, making him a visible part of the editorial voice of the paper. Personal notes from the publisher could trigger charges that he wanted writers to conform to the paper's institutional opinions, a no-no at all papers but particularly in a place like the *Times*. Even if his intentions were benign, Hiller was treading on a minefield.

I had warned him about the difference in the structure of the two papers in our discussions about the challenges he faced in Los Angeles and had suggested he leave the management of the newsroom to the editor. But I think he felt he could overcome the discomfort and was reluctant to stop communicating with the staff. After I had agreed to take the job, he even asked if we should put the editorial board under me, which I declined. I felt it was best to keep the news and opinion sections separate.

Hiller also loved to interact with readers, showing them he cared about their views, often inviting them to deal directly with him. I hated to discourage anyone from talking to readers. In my mind, journalists hadn't done enough of that, particularly at the *Times*. When readers and community leaders took up Hiller on his offers, though, they usually bypassed the reporter who wrote the story or the editor who had handled it, angering both. I told Hiller I thought he should limit the emails to the staff and make sure that any complaining parties had talked to the editor and reporter involved before he invited anyone to his office. I even set up a meeting between Hiller and my senior editors to discuss ways he could communicate with the staff without making anyone feel uncomfortable. Hiller's response to the concerns: He started writing a blog.

Early 2007 "Grazergate"

As Hiller and I struggled to draw appropriate boundaries, tensions escalated between editors and publishers in many American newsrooms. On the surface, newspaper finances in 2006 didn't seem that bad. The real estate boom that would eventually degenerate into the subprime mortgage crisis was in full swing, swelling revenue from real estate classified advertising. But publishers didn't talk much to the public about *all* of their numbers. Real estate ad revenue might be soaring, but help-wanted and automobile advertising, a crucial component of newspaper revenue, was in free fall, partially because of the emergence of Internet sites like Craigslist, which printed free classified ads in a growing list of cities, and partially because advertisers saw reports in their local newspapers about declining circulations. If the real estate market would soften, as everyone knew it eventually would, newspapers would face huge problems.

In a near panic, publishers ordered their marketing departments to crank up more readership studies to determine what could be done to reverse the trend. Civic-minded editors try to balance the desires of readers with their needs, providing stories about sports, money and power but also lining their pages with reports on the environment, foreign entanglements and legislation. The marketing studies at Tribune came back with results that were music to a publisher's ears. Newspaper readers wanted local news about their community, the surveys said, not lengthy reports on the foibles of the Bush administration, the depressing war in Iraq, the political implications of some arms treaty or some bombs going off in Beirut. Of course, the answers to questions in these surveys depended on how the question was asked and who was asking it. But it soon became pretty clear that things near and dear to the hearts of Tribune journalists — big, expensive foreign and national news bureaus that grappled with the weighty, significant subjects of the day— were about to become even juicier targets for budget cutters. As the accountants sharpened their knives, editors scrambled to protect their journalistic assets while publishers at Tribune and other papers felt the heat from investors and Wall Street. Journalists and publishers squared off over which assets should be cut and which spared. The race was on for anything that would lure readers, sometimes to ill effect.

Although I believe that newspapers have done a lousy job communicating with readers, I have little faith in marketing studies that send surveyors out to ask readers what stories they want in their newspapers. Most readers I've talked to say they buy the paper to see what the newspaper and its journalists judge to be important or relevant stories. Asking readers what stories editors should put in the paper is like going to an auto mechanic when your car won't start only to have the mechanic ask: "So, what do you think is wrong?" If all we had to do to resolve our problems was ask people what they wanted in the paper and then give it to them, I figured someone would have done that long ago and everyone would have copied him. I didn't think our problems were that simple. Desperate times breed desperate measures, though, and normal standards and values become vulnerable to forces that want to boost readership at any cost.

In Los Angeles, Hiller had inherited one of these gimmicky efforts — a "guest editor" to make the paper more "relevant" or entertaining to the local community by turning over editing of the weekly Sunday Opinion section to a non-journalist. The guest editor would select the stories, get writers, edit the copy and give readers a perspective on his or her choices when the section was published in the Sunday paper, the biggest of the week. The *Times* editorial page editor, Andres Martinez, who had been recruited by Hiller's predecessors from the *New Republic* magazine, had selected an all-star team of newsmakers as guest editors, including Hollywood's Brian Grazer, the spike-haired producer of big hits like TV's *24*, and films *American Gangster, A Beautiful Mind*, and *The DaVinci Code*. Some editors compared idea of a "guest editor" to being wheeled into an operating room only to have the surgeon tell you he was going to let his lawyer give it a whirl. I didn't see much harm in the idea, particularly since it involved the editorial board, which was out of my purview. Hiller loved it. The first guest editor was to be Hollywood's Grazer.

Problems soon surfaced. The newsroom was abuzz with gossip that Martinez, the editorial page editor, had separated from his wife and had become romantically involved with a woman who worked at a public relations firm where Grazer was a big client. I didn't know a lot about all of the personalities involved, but after 30 years as a journalist, I knew how the lead paragraph of this story, which the staff dubbed "Grazergate," would be written:

The editorial page editor of the *Los Angeles Times* turned over editing of the paper's Sunday Opinion Section to a Hollywood producer represented by a public-relations firm where the editor's girlfriend worked.

LA Observed would have a field day.

Hiller sent me an email saying he might need my counsel about something. Then Leo Wolinsky dropped by my office to report on the newsroom gossip mill: "I know this isn't your area, but somebody's got to do something." Soon Nick Goldberg, Martinez's deputy, came into my office and implored me to intervene because an editor's note explaining the situation was being written as we spoke. I called Hiller's office and made an appointment to see him later in the day. I didn't have to raise the subject. He did. He told me about Martinez and said he felt we could explain the situation in a note and publish the section. He asked me for my thoughts. I told him: “Kill it.” He was shocked: “You are the only one to suggest that,” he said.

I told Hiller I had been a journalist for 30 years and “every bone in my journalistic body says kill that section.” I didn’t care what happened or about an explanation. I told him the appearance was what would count. “You will be crucified,” I said. “Kill it.”

Spring 2007: A Buyout Anyone?

The discussion went on for quite awhile and spilled into the next day as Hiller called others seeking their views, a lawyerly tactic but one that also spread the story. Martinez was furious with me and the blogs had a great time with the controversy. But Hiller seemed far more worried about how Grazer would react. “What will Brian think,” Hiller said to me on numerous occasions. “He did all of this work.” In the end, Hiller listened to me. He spiked the section and the guest editor project. He did the right thing. Martinez wrote his resignation on a blog, Grazer was miffed, but Hiller got positive reviews from most observers.

More significantly, the incident seemed to bolster my credibility with Hiller in our ongoing wrangling over the budget. He was honest and would listen, but was vulnerable to adopting the position of the last person to get his ear. With Hiller, you had to make sure you were the last one in the room. He had originally sought a budget number that would have required me to layoff or buy out 75 to 80 people and make other space and expense cuts that were wrong for the paper and would undermine my credibility with the staff. I reminded him of the agreement that I had struck with Scott Smith and I argued for a less ham-handed approach.

Cutting staff is a depressing exercise under any circumstances, but it is particularly hard in journalism because many readers and news sources in the community establish a bond with the reporters who cover them. Every single item in a newspaper has a constituency, whether it's the bridge column, the comics, a star columnist or sometimes even a secretary. One *Times* reader cancelled his subscription when I transferred one of my two secretaries to another section because I didn't need both. He thought I picked the wrong one. The economics of the process also hurts older, more experienced journalists, since they tend to be the ones with bigger paychecks.

Just months after I arrived, I started preparing my senior editors for an inevitable staff reduction. After my initial look at the *Times,* I concluded the paper wouldn't be hurt by some judicious staff cuts, but I wanted to mitigate the damage. The staffing levels at the paper were as unsustainable as the 20 percent profit margins, but any cuts had to be smart, not just to hit a cash flow target, and made in a way that would not jeopardize revenues. My editors crafted a list of people who should be let go because of performance issues. Then I announced an open-ended, voluntary buyout in which anyone who wanted to leave would receive a week's pay for every six months of service up to a year's pay. We gave everyone a few weeks to think about options. My editors advised those on our poor-performance list to take the buyout lest they be fired. The open-ended nature of the buyout was risky: People whom you didn't want to leave might take it. In all, 57 people, some that I wanted to leave and many that I didn't, raised their hands, giving me far more in total salary savings than I needed to meet my goal. I convinced Hiller to let me use the excess dollars to hire back about 25 younger journalists who would not demand salaries as high as some who had left. The deal left me with a net reduction of only 32 journalists and allowed me to inject some fresh blood into the staff, which was always good for morale. Because of the flexibility I had, I could shift resources around and offset some of the damage of the cuts.

Since I had exceeded the needed dollar total in my targeted cuts, I went to Hiller with a proposal for a fashion news section, an idea originally developed under Baquet. Los Angeles, after all, is a city that creates and perpetuates fashion on movie screens. All things being equal, I probably wouldn't have dedicated precious resources to coverage of news about Ferragamo and fedoras when rampant corruption and war plagued the city and the nation. But all things were not equal. Fashion, properly covered, was news to many people and reflected broader social trends. Plus the section could generate fresh revenue from new advertisers, money that would help me finance stories on budgets and battles. John Montorio, the managing editor for cultural news, and his editors, working with colleagues in the advertising department, had proposed a brilliant section called *Image* that offered full-color, sophisticated coverage on a national scale. We convinced Hiller to authorize not only the section but also an additional 8 to 10 hires to create a section that would generate enough revenue to pay for itself plus earn a profit.

Over a nine-month stretch, Montorio's editors produced 38 great sections to rave reviews. *Image* attracted advertisers that had not appeared in the pages of the *Los Angeles Times* before. It not only generated more than $5.5 million in new revenues, but also more than $2 million in profit to prop up the paper's cash flow. In effect, we had paid for the Baghdad bureau with coverage of shops, shoes and Chanel.

Here Comes Sam Zell

By accident as much as design, I had started to achieve my goal of combining revenue enhancements with modest cost cuts to stabilize the newsroom and meet the budget. Sean Reilly, a talented editor who also knew how to run a budget process, proposed that we go through all sections to see if we could replicate our experience with *Image.* I told him to review our section lineup and look for opportunities to capitalize on our editorial expertise.

The *Los Angeles Times* that I inherited was an excellent newspaper that regularly won Pulitzer prizes. My predecessors, John Carroll and Dean Baquet, both hired by Tribune Company, had built strong foreign and national news coverage, a vibrant Washington bureau and a stable of investigative reporters who rooted out corruption and neglect with huge multi-part series. Under Montorio, the paper also had a collection of stellar feature sections, many of which Reilly began to assess to determine to see if they had the revenue potential of *Image*. But the paper's local coverage was something else.

Even defining local coverage in a city as expansive as Los Angeles is a challenge. Intensively covering the city would take an army of reporters, not to mention the region's other 1,700 towns and cities. Most readers told me they didn't expect the *Times* to provide the kind of granular local coverage trumpeted by our marketing surveys. They could get "local-local" coverage from neighborhood papers. What readers told me they wanted — and what was needed — was sophisticated coverage of local, state, national and international policies and events that affected the region.

Anyone reading the *Los Angeles Times* in early 2007 didn't get a good sense of the fascinating and diverse city. I was determined to correct that imbalance and told everyone that metro was my highest priority in new hires and budgeting. I knew this wasn't something I could correct overnight, but I began developing a plan to invest any savings or revenues I could generate into a more sophisticated brand of local coverage without damaging our superior foreign, national, business and investigative reporting. I wanted to get reporters out of the newsroom and into the neighborhoods where we could use our hefty editorial assets to cover subjects of interest to our readers.

Then along came Sam Zell.

Under pressure from Otis Chandler's right-wing relatives, who had now become disenchanted with Tribune's sagging share price, FitzSimons had attempted to prop up the company's stock by borrowing a couple of billion dollars to buy back a chunk of Tribune shares. The ploy, common to many companies at the time, didn't work and jeopardized, at least in the Chandler families mind, the status of the trusts in which they held their assets. Angry over FitzSimons' misstep, the Chandler family publicly repudiated his stewardship of Tribune, an action that, in effect, put the company up for sale given their status as a huge Tribune shareholder. After wrangling a bit with a competing pack of local investors, Zell, a part-time Malibu resident and billionaire real estate mogul, emerged as the buyer. He structured an elaborate deal to take the company private. It involved an employee stock ownership trust and a two-phase stock buyback at $34 a share that started in May of 2007. Since the second phase of the deal didn't close until that December, Zell created a financial limbo marked by uncertainty and tension as the company pressed for cuts to close the deal by December and journalists, encouraged by Zell's optimism about the company, pushed back.

Financial turmoil was wreaking havoc at many other major-market newspapers. In Baltimore, a wealthy hedge fund investor had forced the Knight-Ridder newspaper chain to put itself up for sale, an act that drew little interest from buyers until the McClatchy chain, headquartered in Sacramento, stepped up and bought Knight-Ridder. The purchase gave McClatchy a huge stable of newspapers, some that the company owned before it bought Knight Ridder and others that came into the fold with the acquisition. McClatchy promptly began selling off newspapers it didn't want, including the Minneapolis Star and Tribune, which sold for $530 million, a staggering $670 million less than McClatchy had paid for it just nine years earlier. The price shocked an industry in which newspapers had routinely commanded far higher prices.[8]

Summer 2007: The Odd Couple

Despite the financial frustrations, I had made some progress in Los Angeles. The newsroom had settled down. Some staffers privately complained to friends that I spent too much time in my office and wasn't as open and charismatic as Baquet. Unfortunately, that was true. I didn't make time to demonstrate my journalistic skills as an editor in Los Angeles. Nevertheless, the newsroom was a different place from the one I had inherited months before. The staff had removed most pictures of Dean Baquet and Otis Chandler and was getting back to work. I was delighted when one *Los Angeles Times* metro staffer told me he and his colleagues had resumed talking about stories at their news meetings instead of complaining about their fate. "That hasn't happened in a long time," he said.

The newsroom produced two finalists for Pulitzer prizes during my tenure as editor, and daily readership for the six months ending September 30, 2007, was up slightly, making the *Times* one of only four papers in the country with an increase. Sunday circulation was still slightly down, presumably because of all the readers we lost when we killed the TV Book, which contained detailed listings of television programs. But I had a plan to deal with TV listings, and we had reversed the fortunes of the Sunday magazine, which was losing $6 million a year when I took over less than a year before. It was now poised to break even or perhaps generate a profit.

But the uncertainty and anxiety created by the two-phase takeover plan and Zell as the owner-in-waiting took a toll on everything, particularly my relationship with Hiller, which had started to deteriorate in mid-2007. The company's stock price was up one day and down the next as Wall Street analysts speculated on whether the Chicago billionaire would actually complete the $34-a-share deal by the December 2007 deadline, a day of reckoning for many employees who owned Tribune stock. FitzSimons, too, leaned on all of the company's papers to deliver the cash flow needed to keep things on track. I actually came in under budget and cut an additional $2 million by holding jobs open and squeezing expenses. But nerves frayed as everyone speculated on the fate and tactics of FitzSimons, who had publicly announced he was still chairman of the company, and Zell, who, when asked by a reporter what he admired about FitzSimons, replied: "Did I say I was impressed with Dennis? I don't think I ever said *anything* about Dennis."[9]

In many respects, the hostility between the two men drove the deal forward and created a situation that thrust me into one of the most wrenching decisions of my life.

A profane tycoon known for his swashbuckling ways, Zell at first seemed like a breath of fresh air in a company known for its straight-laced, buttoned-down bureaucracy. He was an elf-like iconoclast who had sold a big commercial real estate company under his control for $39 billion just before the market collapsed. Zell wore jeans and open-collared shirts as he whisked around the world on his private jet, shocking people with his frank talk and volatile temper. When Warren Christopher, the late Clinton Administration Secretary of State, told Zell in a meeting of Los Angeles luminaries that threats to the paper's foreign coverage worried local citizens, Zell replied that he "didn't give a f***" about Christopher's fears; he cared about what David Hiller thought, because he would put Hiller in charge of the paper and not some bureaucrat in Chicago. The encounter occurred in a private luncheon with leading men and women from Los Angeles. For the most part, though, Zell held his fire publicly as the clock ticked toward the close of the deal.

In contrast, FitzSimons—conservative and rigid in his views —plowed on as if he would run the company forever. Zell said FitzSimons even told him one point that "I'm not giving you any power until (the deal) closes, and I don't think it's going to close. I'm not moving because I'm not moving. If it doesn't close, then I'm still CEO." [10]

A native New Yorker, FitzSimons had blue-collar roots but looked like he was born in a pinstriped suit, the kind of dress that Zell and his team loved to ridicule. He had climbed the corporate ladder as a television ad salesman who built the Tribune's broadcast division. Tall and handsome, he didn't flit around the world on a jet; he sold the Tribune's private Falcon 2000 as an unnecessary luxury. He was rarely publicly profane, and, in contrast to Zell, was poised in social settings. But FitzSimons' political views often tainted his assessment of journalists, a trait that could be troubling in a media world without strong editors who would stand up to him.[11]

Fall 2007: Change or Get Off the Bus

Zell and his top aides had made it abundantly clear to anyone who would listen, including FitzSimons, that his days were numbered. But FitzSimons, like a lot of other Tribune employees, had a lot riding on the closing of the sale. When it was completed, he would walk out of Tribune Company with more than $40 million in compensation and stock proceeds.[12] Seeing declines in newspaper revenues, he declared that a "crisis was a terrible thing to waste" and launched an aggressive, bizarre "transformative change" initiative that drew ridicule from Zell's operatives, created confusion in the ranks and inflamed internal divisions that had been simmering for years, particularly between the business and editorial sides of the paper.

To give FitzSimons his due, I think he probably saw what was coming better than I. Zell was about to pile a huge amount of debt on the company, a move that would put enormous pressure on managers to cut costs if revenue faltered. His "Transformative Change" initiative was designed to force the company's business and editorial departments to think about doing things differently. But many journalists at the company's newspapers interpreted the tone and manner adopted by FitzSimons and some of his apostles as unwarranted attacks on journalistic values.

Soon Hiller circulated outlines for transformative change meetings in Los Angeles, where the staff revered the legacy of Otis Chandler, with lines like "past success breeds active inertia, nostalgia creates paralysis." An editorial initiative to redesign the newspaper turned into a "Change" slogan — "Reinvent the Core," sparking comments in summaries of the sessions that further angered the upper levels of the editorial department of the *Los Angeles Times*. "Editorial doesn't seem to get it," one anonymous comment said. The strategic review documents allowed managers to comment without attaching their names to the criticism, fanning resentment as everyone began speculating on who said what. "Need (to) make core edition generic like *USA Today*,' one said: "No zones, gain efficiencies and shorten stories, direct readers to far more detailed coverage on the web." Still another said: "Spending time on the core (newspaper) will take our eye off the ball. We should maximize profits as we milk the cash cow to a smaller size and reinvest in online."

Dave Murphy, an advertising executive sent to Los Angeles by FitzSimons to revive the paper's ad sales, responded to questions about lagging revenues by saying: "The dogs don't like the dog food," a derogatory reference to what he portrayed as advertisers views of the newspaper. The mantra became: Give readers what they want and not what *journalists* think they should read, more Brittany Spears or Paris Hilton and fewer long, boring stories about Somalia or the Serengeti. At one point, FitzSimons praised Aaron Curtis, a young *Los Angeles Times* editor who, during a meeting of the paper's executive team, said the newspaper would never get the kind of change it needed "with this masthead" in charge, a reference to the exiting editorial leadership of the *Times.* Relating the conversation to me later, FitzSimons said: "That took a lot of guts." Actually, it didn't. Curtis spoke behind closed doors to like-minded executives disposed to agree with him.

In truth, journalists like me deserved some of the criticism. We had been far too dismissive of concerns about declining readership and revenue from colleagues in circulation and advertising departments, particularly at the *Los Angeles Times.*

But the crusade launched by FitzSimons didn't distinguish between editors who resisted change and ones like Ann Marie Lipinski, who had forged solid relationships with her peers on the business side of the paper. It began to resemble a propaganda campaign with slogans like "Solving for Local," a puzzling phrase that merely irritated a lot of people. Eventually, the clash of cultures that developed between the business and editorial sides of the *Times* spread to experienced journalists in Chicago and Los Angeles and younger digital journalists who viewed the print paper as backward. The message from

FitzSimons' crusaders and the consultant Hiller hired to encourage "change" was loud and clear: "Change or get off the bus," although no one could articulate exactly what we were supposed to change to or where the bus was going.

A legitimate debate exits about the challenges and demands that digital newspapers pose to traditional journalism, which prizes "getting it right" over speed, the sine qua non of newspaper Websites. Both mediums operate under different standards and timetables that make conflicts inevitable. Digital editors judge the value of a piece on how many readers "click" on the story, an indication that a reader opened the story to read it. So, if a story on Hollywood bad girl Lindsey Lohan or the proverbial squirrel on water skis gets more clicks than, say, a long piece about hunger in Zimbabwe or turmoil in the U.S. Justice Department, the Website editors often give them the most prominent position on the site. Clicks, they feel, are the metric that advertisers care about. To a traditional newspaper editor, this is heresy, akin to slapping a bizarre, blaring supermarket-tabloid headline on the front page of the *Los Angeles Times*. A news page, whether in print or online, should reflect the news value of a story. Important events trump sensational stories, such as Paris Hilton getting hauled into the Los Angeles County jail.[13]

Prior to my arrival, print editors had treated the *Los Angeles Times* Website as the newspaper's orphan, withholding stories from the site until they had been published in the newspaper or ignoring legitimate stories simply because they had been played well on the Website. The relationship between the two staffs was awful; both barely spoke to each other, to the detriment of each.

Winter 2007: "One Pissed-Off Chairman"

The dot-com *Los Angeles Times* had to rely heavily on the newspaper; the few journalists on its staff were young and inexperienced. But the site wasn't under the complete control of the editor.[14] It had two bosses, the editor and a Website vice president—one of those "matrix management" organizational structures that breed conflict and resentment, an ideal way to obscure responsibility so decisions can more easily slip through the cracks. Both of my predecessors, Dean Baquet and John Carroll, agreed that they paid too little attention to the paper's Website, which was led by a competent, smart vice president when I got there.

Early in my tenure, a committee that had been set up by Baquet recommended that I significantly increase resources and attention to the paper's Website, something I had done for most of my last year as managing editor of the *Tribune* in Chicago. I created a new innovation editor to bridge gaps between the paper and the Internet edition, ordered all journalists on the paper to undergo Internet boot camp training, encouraged the correspondents to start writing blogs for the Website and gave a speech urging *Los Angeles Times* journalists to exploit the inherent advantages of both mediums.

The Website gave print reporters a way to compete with broadcasters by breaking news instead of waiting for the next day's paper. The newspaper, an edited medium with space considerations that forced writers and editors to make choices about content, was the place to explain, analyze, assess and bring hierarchy to the news to give readers a better sense of its value and importance. I unveiled my plans in a speech that drew national attention and energized both staffs in ways good and bad.

The training sessions and enhanced leadership unleashed pent-up enthusiasm for the Website. We appointed Web editors for each major news desk to help feed copy to the Internet edition and set up an editing structure to ensure that Website copy received rigorous editing, which was a hallmark of the *Los Angeles Times*, then one of the best edited papers in the country.

Traffic to the Website increased dramatically, content posted to the site by the newspaper's editors more than doubled by late 2007 and page views soared, up 187 million over December 2006.

But the editing process also focused more attention on the quality of the paper's Website, exposing sloppy reporting and bad judgment by the less-experienced journalists who worked only for the Internet version of the paper. Long-simmering tension between print and Website journalists soon intensified. At one point I had to summon the lead editor of the Website to a meeting in my office to discuss one of her editor's decisions to by-pass the copy desk because he felt print editors slowed things down. When Karlene Goller, the newsroom's highly competent lawyer, raised questions about the standards on the Internet edition, the Website vice president wanted to replace her and hire his own lawyer.

Relations would only get chillier.

As I was preparing the staff for buyouts earlier in the year, an enterprising reporter in Chicago unearthed some U.S. Securities and Exchange Commission filings that documented how numerous high-ranking Tribune officials would get multimillion-dollar bonuses for staying on until the Zell deal closed.[15] I was livid. Just as I was about to cut staff, I was vulnerable to charges that the company was dumping reporters and editors so it could free up enough cash to pay millions in bonuses for people who did the dirty work. In announcing the buyouts, I said the staff reductions had nothing to do with bonuses, which I characterized as inexcusable and indefensible. That gave the blogs something to write about, and I soon had a call from Hiller, who told me he had just gotten off the phone with "one pissed-off chairman." Hiller said he wanted me to clear my remarks with him from now on to ensure that we were "on message." I said that I would inform him of what I intended to say but not give him my remarks. As a journalist I couldn't agree to be censored by Hiller or the Tribune Company and retain my credibility. Some of the executives ended up foregoing their bonuses, something I'm sure didn't make me popular at Tribune Tower.

A few months later, some newspapers that were grappling with revenue problems announced they would start selling advertising on the front page, something I opposed vehemently. Many colleagues thought I was foolish to oppose ads that were probably inevitable, but I didn't — and still don't — think they have any place on the front page of a newspaper along with stories of significance, tragedy and the important issues of the day. Front-page ads cheapen a paper.

Christmas 2007: A Stab in the Back?

FitzSimons pounced on the opportunity, particularly after a prestigious paper, *The Wall Street Journal*, announced it would place advertising on its front page. He soon showed up at a *Los Angeles Times* luncheon with me and my editors to raise the subject, and, in a telling remark to me, revealed how much he enjoyed creating newsroom angst. Referring to raising the subject of page one ads, he said, "I wanted to come out here and drop *that* bomb."

Hiller and I debated the issue extensively, and I truly believe he tried to understand my views. But I also told him I would continue to oppose front page advertising regardless of his decision and that, if asked, I would be publicly critical if he approved them.

When he announced his decision to put ads on page one of the *Times*, a reporter from the business section asked for my comment, which was predictably critical. "Front page ads diminish the newspaper, cheapen the front page and reduce space devoted to news," I said. "This would be a huge mistake that would penalize the reader."[16]

Even though I had told him I would be publicly critical of the move, Hiller said he felt "blindsided" by my remarks. FitzSimons said, "You stabbed your publisher in the back." Actually, I did make a mistake in publicly criticizing Hiller. Later I learned that he came to agree with me and decided against front-page ads, but FitzSimons ordered him to put them on page one despite his better judgment.

By the time December 2007 approached, everyone was on edge, including Hiller and FitzSimons, who had undergone treatment for prostate cancer earlier in the year. He remained frustrated with me, not only because of my stands on the issues but also because I wouldn't fire people like Wolinsky, a hard-working, dedicated *Los Angeles Times* editor whom the Tribune CEO simply didn't like. Given the frustration of his boss, it took guts for Hiller to support me, but late in the year he finally succumbed to FitzSimons' pressure to "change" things. Hiller started complaining about senior editors with traditional journalistic values, questioning whether they should remain in positions of high responsibility because they were too "old school." He wanted me to move more quickly with some of my plans to refocus the paper, but I felt I should wait and discuss them with the new owners waiting in the wings.

I had invited Bill Pate, Zell's chief investment officer and a highly influential executive in the Zell organization, to Los Angeles to visit the newsroom and acquaint him with the issues he would be facing once the deal closed. He accepted the invitation and brought along another Zell executive, Nils Larsen, who was responsible for lining up financing for Zell's debt-heavy purchase of the company. Both impressed me and *Times* journalists with their approach, which was far less bureaucratic than the Tribune way of operating. They built good will by saying that the company "couldn't cut its way to the future," praising the value of quality journalism in the *Los Angeles Times*, expressing doubts about FitzSimons stewardship of the company and spending more time with me and the newsroom than they did with Hiller. Just before Zell formally took over, though, I got a hint that Hiller was uneasy over my budding relationship with the Zell's organization.

As the date for the close of the deal approached, I set up a lunch with Zell. Besides me, the foreign editor also attended the lunch along with the *Times* correspondent in the Middle East, an area I knew to be of special interest to Zell. Sam invited us to join him and his wife at a restaurant near his home in Malibu, which we all enjoyed. Afterward I returned to the *Times* for a reception I had scheduled for all of the people I had hired since becoming editor, a total of more than 70 in a year. In contrast to the many receptions we held for those taking buyouts and leaving the paper after long careers, this was a festive event, a celebration of a tough but satisfying year. Hiller was surprised at the total number of new hires and asked: "How did you do that?"

If I made public remarks at an event, Hiller would usually follow with some comments of his own, and this occasion was no exception. Among other things, I told the staff that I had just had lunch with Zell and that he was eager to take over. Hiller then spoke and, in a reference to my lunch with Zell, said: "I sure hope you didn't stab me in the back." Afterwards everyone asked me what "that was about." I said I assumed it was a joke. In truth, I had no idea.

The sentiments flowing from the Zell camp suggested that the future would be far different under Zell's management. At our lunch, Zell even said the paper might end up with a larger staff, and Larsen told me, "We have to make it (the *Los Angeles Times*) a beacon for talent" on the day the deal closed, just before FitzSimons announced he would be leaving the company. But the 2008 budget crafted by Hiller's financial team contradicted everything Zell and his aides had said. It called for millions of dollars in cuts and a return to the top-down budgetary regimen characteristic of the FitzSimons era. The situation disturbed me and raised questions in my mind about the future.

January 2008: A Time for "Transition"

There's a fine line between frugal and foolhardy in constructing a budget and imposing cuts you don't want to make. Friends and colleagues advise you to make the cuts and "hang in there," the logic being that if you don't cut, you will be replaced by someone who will, someone that also might not care as much about the paper. But when do you say, "Enough?" At what point does cost cutting diminish a paper rather than save it. At the *Chicago Tribune*, I thought taking the staff below 600 journalists would force me to close foreign or national bureaus and rely on others for important coverage. Wire editors in New York or Washington would shape the news agenda in Chicago and that wouldn't do. The *Chicago Tribune* could survive with 400 or even 300 journalists, but I didn't think it would still be the paper it should be — the voice of the Midwest, the region of America where its readers live.

As Hiller started to take a hard line on the 2008 budget, I began to ask myself what my limit would be at the *Times*—a newsroom of 800 journalists, 700? I finally concluded that setting a numerical threshold was foolish. Without a long-term strategy to generate revenue, things would get worse no matter how much or little I cut. I loved my job; I didn't want to lose it. But I knew in my gut I had to take a stand, not just against further cuts but also against reverting to the top down management style that led nowhere. The editor of the paper simply had to stand up for readers.

Hiller understandably didn't see things my way. He had Sam Zell breathing down his neck. Despite what Zell and his lieutenants had said, Zell was, in his heart and soul, a ruthless capitalist, someone who didn't see a difference between his investment in a newspaper or a trailer park. In one exchange with Zell in my office after he addressed the *Times* staff, I told him his comments showed that he didn't know much about the newspaper business and that we were there to help him learn. He never took me up on the offer. Hiller was reverting to the Tribune's top-down, conservative budget process, setting cash-flow targets delivered by accountants who cared more about the first quarter than the First Amendment. He had set a spending target that would have forced me to cut millions from a budget that I had already trimmed to help close the deal with Zell. I felt betrayed.

The reporting on our dispute said Hiller and I squared off over $4 million in cuts. That wasn't true. I could have cut $4 million easily. We squared off over my objections to a resumption of the old ways, ways that demonstrably hadn't worked—lazy budgetary practices that subordinated enterprise, risk and great journalism to efficiency, caution and pandering to the "frenzied families" and "carefree couples" and similar demographic categories targeted by advertisers. To get out of our problems, I felt we needed to invest any savings back into new sections that could generate new revenue.

In a meeting in his office, I told Hiller he had no plans for revenue increases, only to cut costs. I objected to the process more than the budget number, but he would have none of it. He thought I — and Baquet before me — wanted to spend our way out of our financial difficulties. That wasn't true, either. I wanted to invest in the paper, not just spend. Investing is when you plow money back into your product; spending is when you hand out million-dollar bonuses to executives who don't deserve them.

"You see what is going on around you," he told me, referring to news of budget cuts at papers across the country. "What do you think is going to happen? "This paper just has to keep getting smaller and smaller."

When I took this job, I responded, "I told you that I didn't come here to diminish the *Los Angeles Times.* If that's what you want, you are going to have to get someone else to do it, because I won't." I had drawn my line in the sand, and the sands started shifting.

Hiller came into my office the following Monday and invited me to lunch. I was busy drafting a memo he had requested to determine my bonus based on my department's accomplishments for the prior year. Once I finished, we walked over to Traxx, a restaurant in Union Station in downtown Los Angeles—not a bad place, I thought, for someone to tell you the time had come to leave.

My lunch was pleasant—curried chicken salad and Sauvignon Blanc. He picked at his shrimp salad and iced tea. In his finest lawyerly prose, he finally said, "I've thought this over and I want to make a transition. …Believe me, I've thought a lot about this. I just read your accomplishments memo and you did a lot. I asked you out here and we owe you a lot." But, he said, he had decided to replace me. He asked if I would agree to stay as editor while he "quietly" looked for a new editor. I thought I had failed at educating my publisher if he believed he could quietly attempt to fill one of journalism's most prestigious jobs. I told him that wouldn't work and that I didn't want to be a lame duck. "We should get it over as fast as possible," I said, agreeing to keep his decision to myself until we worked out details.

Then, almost as if it were an afterthought, Hiller said: "I want to hold off on this until I check with Sam to see if he is going to sell the paper. We all know that David Geffen [the movie mogul who was among the wealthy Angelenos interested in buying the *Times*] is still around, and Sam might want us to stay around until it's sold. I don't know. Sam will probably say, 'Hiller, you're nuts! I want to keep him, not you.' You have a pretty good relationship with Sam, don't you?"

EPILOGUE

The Pacific Ocean rippled gently across Manhattan Beach as I walked onto the porch of the condo I had rented soon after I had arrived in Los Angeles. I took a deep breath of the sea air as the sun struggled over the horizon and those lucky enough to live nearby strolled or jogged up a beach as natural to Southern California as a sandpiper. It was January 22, 2008, and for the first time in more than 50 years, I didn't have anywhere to go that day.

David Hiller had told Sam Zell that he intended to replace me and Zell didn't object. I wasn't surprised. Zell had emphatically and publicly said that he would put Hiller in charge of the *Los Angeles Times* once the deal closed, and he could hardly counteract Hiller's first major decision, even if he wanted to, which I suspect he didn't.

We had tried to keep the decision quiet to pave the way for an orderly transition, but the news had inevitably leaked and on Sunday, January 20, *The Wall Street Journal* broke the story on its Website, saying I'd been fired over differences with Hiller on the budget. A cascade of publicity followed, catching Hiller off guard and prompting me to explain what had occurred to the staff and to readers who had complained about or made good comments about the paper during my tenure.

I thought hard about what I should say. From the day I had arrived, snarky bloggers like Nikki Finke had speculated that I would stay at the Times only two years until I could “shuffle off into retirement.” That wasn’t true; I intended to stay as long as it took to settle down the staff and turn around the fortunes of the paper. I didn’t want to leave, retire, get one of those “emeritus” titles or go off and play golf. Actually, I still owed money on loans for my children’s educations, one of whom was still in school full-time and another I wanted to help through graduate school. I also worried, with good reason it turned out, about how the company would portray my departure. So I had decided I would set the record straight in a speech to my staff in the newsroom on January 21, just over 14 months from the moment I had walked into the *Times* and got a pass good for that day. I felt that a person in my position owed that much to the staff and to the paper’s readers.

It was a painful decision. I knew that making public remarks about the situation would end my career and my days in a newsroom. The speech got far more attention than I thought it would. I didn’t think my remarks were that controversial: I recognized Hiller’s right to replace me; said that I had been terminated without cause; called on the paper to continue the good things we had accomplished during my tenure; urged Zell to avoid rigid financial controls; and suggested that the staff continue to put out the kind of newspaper Los Angeles deserved, a vibrant, smart paper that didn’t pander to anyone, one that invested in its future and its readers. I defended my record as editor--no apologies, no regrets. In a corporate culture, though, saying anything besides thanking the company for “giving me the opportunity to spend more time with the family” is heresy.

"That was a really good speech," Leo Wolinsky told me, "but I think it's going to cost you some money."

Spring 2008: A Bully Pulpit

Under the two-year contract I had received when I took the job, the company owed me some salary and benefits. Tribune lawyers soon informed my attorney that they would pay me the minimum only if I would sign a "non-disparagement" agreement—which was not a part of my contract. The agreement would bar me from creating an unfavorable impression "in any manner whatsoever" about "Tribune Company, its parents, subsidiaries, predecessors, successors, affiliates, officers, directors, agents, shareholders, attorney and employees or any of them" from here to eternity.

As a journalist I've seen people go to jail or be killed defending their right to speak or write their views. I told my lawyer there was no way in hell I would surrender my rights, not for whatever they would agree to pay me or for Sam Zell's billions. My lawyer told me I could file suit and probably win, but the court costs would likely consume everything I was owed. At the time, I didn't intend to write a book or anything about my experience. In my mind, though, there was a principle involved. I told him I would not be muzzled and prepare to file suit. The Tribune Company maintained a "Freedom Museum" on Michigan Avenue in Chicago with exhibits honoring those brave enough to write the facts and speak out. And this same company wanted to muzzle me? My experience suggested that things at the company were about to change under the new management, and not for the better. Unfortunately, I was right.

The hopes engendered by Zell and his top people soon disappeared. Once he had control of Tribune Company, Zell staged a road show, visiting Tribune newspapers and expressing contempt for many journalists and their craft during meetings with the staffs. When a young female photographer in Florida challenged his views about news coverage, Zell replied disparagingly and added "f*** you" at the end of his remarks.[17] When the *Orlando Sentinel* put the exchange on its Website, it became a hot item on YouTube and Tribune officials pressured *Sentinel* Publisher Kathy Waltz to remove it. She refused and left the company shortly thereafter.

Things didn't go much better at the other papers. Zell came across as a crude, insulting bully. At Tribune Tower, he put people in charge of the company who knew as much about running a newspaper as I know about piloting the Space Shuttle. Within six months, he removed David Hiller as publisher of the *Times*.

To his credit, Zell bailed out Tribune shareholders at a critical moment when newspaper stocks fell out of favor. Tribune Company stockholders, a class that included me and many other employees, got $34 per share for their stock, far more than they would have received had the sale fallen through.

Many newspaper employees and readers didn't fare as well. When I left the *Los Angeles Times* in January, 2008, the paper had a staff of about 920, including those working on the Website. Less than 18 months later, the number was 575, a loss of 355 journalists.[18] The same thing has happened at other Tribune papers. The *Chicago Tribune's* staff was cut dramatically, and it no longer has independent foreign bureaus because its editors believe readers are primarily interested in local news, like a Zell era story promoted on the top of page one about a new cheeseburger column. In one layoff in 2009, the *Baltimore Sun* lost nearly a third of its newsroom.[19]

Zell's lieutenants replaced experienced, seasoned, editors with journalists who fought the cuts but nevertheless made them. They redesigned papers such as the *Chicago Tribune* and stripped them of the serious, substantial journalism that once dominated their front pages. Circulation fell[20] as did advertising, hurt by the recession and by declining readership. Zell inherited the best collection of daily newspapers in America and turned them into smaller papers of less substance. Just about a year after he took over, the company filed for bankruptcy where it remains, mired in a legal swamp that includes a bankruptcy examiner report that suggests fraud played a role in acquisition of the company that published these fine newspapers. Despite all of the cuts and financial problems, some great journalism continues to be practiced at Tribune newspapers but it is more episodic than systematic. The Employee Stock Ownership Plan he created to facilitate the merger (Zell called all employees "partners") is under investigation by federal officials, and a group of *Los Angeles Times* employees has filed a class-action suit against Zell, alleging that he has diminished the value of the employee-owned company to benefit himself and fellow board members through destructive management and self-dealing. Zell's lawyers deny the charges.

I eventually settled with the company, obviously without relinquishing my right to speak my mind. I left without bitterness. Over most of my long career, the Tribune Company was good to me. It gave a kid from nowhere the opportunity to run two of America's great newsrooms at the *Chicago Tribune* and the *Los Angeles Times*. Ironically, the old Tribune seared into my soul the very qualities for which I was dismissed. I didn't leave a rich man or a poor man, but one with a wealth of friends and colleagues and the satisfaction that I didn't compromise my integrity to keep a dream job. I didn't accomplish anywhere near what I wanted to do at the *Times,* but I stood for the values I believed in and I didn't fail my readers. I don't hold any grudges, either. David Hiller thought he did the right thing, as did most of the others at Tribune Company. That's what makes the story about the company's collapse so disturbing: it shows that such a disaster could happen to any company in any industry. The only thing that angers me is the suggestion that the dedicated journalists at Tribune newspapers somehow failed, that their disappearance from newsrooms made no difference, that nothing was lost, that the company simply had to change because it was broken.

2008 and Onward: Much Has Been Lost

Much has been lost. In the darkest hour of the Balkan wars, a *Newsday* reporter documented the existence of Nazi-like concentration camps jammed with skeletal prisoners. Thanks to reporters from the *Los Angeles Times*, Wal-Mart reformed its contracting and employment polices after the paper spent heavily and traveled across continents to document how the company exploited the poor. *Times* reporters also exposed horrific negligence at the King-Drew Hospital, which served the inner city poor in Los Angeles, people who had no voice of their own. *Chicago Tribune* reporters saved the lives of people wrongly sentenced to death row, documenting how the death penalty discriminated against the poor and minorities, literally changing the parameters of the global debate over the death penalty. Airlines throughout the world now carry much better medical kits and defibrillators on flights thanks to an enterprising *Tribune* reporter who showed how more people die from in-flight illnesses than in plane crashes. In 1996, *The Baltimore Sun* exposed slavery in Sudan, sending in two reporters who bought two slaves and freed them. When the Pentagon barred journalists from photographing coffins containing the bodies of U.S. soldiers killed in Iraq, a *Hartford Courant* journalist wrote a gripping portrait of a hero's last trip home. Tribune's Florida papers documented shocking waste in the federal government's hurricane-relief programs. I could go on and on and on.

Those stories cost thousands of dollars and untold hours of risky and sometimes dangerous reporting. Citizen journalists, bloggers and unprofitable Internet start-ups have a place in the new media world ushered in by the Internet. But to suggest they can in any way compensate for the kind of journalism lost with the decline at Tribune is ludicrous. It is an insult to the innumerable brave men and women who reported and wrote these stories, often risking their lives and almost always under some sort of threat. At its core, journalism is all about reporting—gathering facts and organizing them into a coherent narrative. Reporting is what is endangered. The journalists losing their jobs are the men and women who used their considerable skills and knowledge built up over decades to dig, pry, squeeze and extract from the day's news that special piece of journalism called "a hell of a story." Journalism didn't fail at Tribune papers; the executives who led the company failed journalism, clinging to a broken business model, one that devalued journalism by giving it away for free or charging far below its cost while pursuing a rapidly evaporating advertising revenue stream.

Are they are lessons to be learned? I wish I had a quick and concise answer that would solve the problems newspapers and other media face with their eroding business models. In the future, I suspect that great journalism will be available, but only to a smaller audience willing to pay for it, those with the means to pay $2 a day to get the *New York Times* or $18,000 to $20,000 to buy a Bloomberg machine. The losers will be less fortunate readers who had this work at their fingertips for less than the cost of a cup of coffee.

After I left the fellowship, I returned to Chicago and helped start the Chicago News Cooperative (CNC), a non-profit news organization dedicated to providing high-quality public service journalism to the public. At CNC (chicagonewscoop.org) we are trying to figure out how to finance serious, public service journalism in the future and create a self-sustaining business model to support journalism. Whether we will succeed is anybody's guess. Our initial efforts are heavily dependent on grants and donations from readers or anyone else who would like to help out, and I've had to learn how to be a fundraiser, something that is a personal challenge.

But I don't think non-profits will be able to replace newspapers over the long haul. Capitalism built the American newspaper industry and I believe the answers to its problems will be rooted in capitalism. But the capitalists can't be men such as Sam Zell. When he took over the Tribune Company, Zell proudly said he was a capitalist and that the newspaper game was just another business, like the trailer parks, office buildings and railroad cars he once owned. But Zell's attitude epitomizes what is wrong. The business of delivering credible, reliable, edited information is, has been and always will be rooted in public service. Zell and his lieutenants failed in their ill-fated adventure at Tribune because they never understood that fundamental fact. Under the leadership of Zell, the Tribune Company, once a proud symbol of journalistic independence with the best collection of profitable newspapers in America, has failed, not only because of the perfect storm of recession, political attacks, stock market turmoil and severe financial problems. It failed because Tribune and many others in the industry lost their way, forgot or misunderstood what newspapers and the unique brand of journalism they deliver is all about. That is what must be preserved if the industry and great journalism are to survive.

Ole Jacob Sunde, a dedicated capitalist and chairman of the Norwegian firm Schibsted, a company more successful than any I've encountered at bridging the gap between the old world of print and the new one of digital technology, said it well: "We continue to face challenges in becoming more of a corporation than a collection of strong businesses or individual identities. …And then we face another challenge — here we have the stock exchange and there we have the cathedral. The stock exchange is really the profit motivation for the business. The cathedral represents the underlying values of, or the importance of, the newspaper in society. We can't underestimate that. We are serving the common good. We have the honor of distributing information in society and doing that correctly. That is still a very important role. And I think newspapers will have that role for a long period of time. So as profits are dwindling, you face the question: Shall we take the stock market approach? Or the cathedral approach?"[21]

Years before, another newspaper pioneer, a man who negotiated the turbulent waters of a changing media world and emerged successful, suggested the answer to Sunde's question. Mike Cowles, an Iowa newspaperman at my first paper, the *Des Moines Register*, a journalist and owner who made much money in the business, understood the forces that bring us all to the cathedral door: "Two avenues of popularity are open to the newspaper. The first is to yield to flatter, to cajole. The second is to stand for the right things unflinchingly and win respect. …A strong and fearless newspaper will have readers. …After making all allowances, the only newspaper popularity that counts in the long run is bottomed on public respect." [22]

Endnotes

1. Richard Peres Pena, *LA Times to Shrink by 150 Jobs*, *The New York Times*, July 3, 2008. Pena's article and several others by media critics say the *Los Angeles Times* at its peak had a newsroom of 1300. Tribune Company does not dispute the figure.

2. U.S. Census Bureau, *State and County Quick Facts*, December 2006 and Port of Los Angeles, *Annual Report*, January 2009.

3. Readership figures for the *Los Angeles Times* and the *Chicago Tribune* were taken from audits performed by the Audit Bureau of Circulations reports from 1995 to 2006. The ABC is the industry's self-regulatory agency responsible for verifying circulation numbers for the newspaper industry. The U.S. Census Bureau reports that California has a larger population than 42 states.

4. Annual Report 10K, Tribune Company, April 2008 and Proxy Statement, May 2000 issued in conjunction with Tribune Company acquisition of Times Mirror Company. The financial reports show that Tribune Company into the early 2000s consistently earned returns of 20 percent and more, making it one of the most profitable media companies listed on the New York Stock Exchange.

5. The cost figures used for the *Los Angeles Times* are approximate and based on the author's experience as a senior editor working directly with the newsroom budgets at both the *Los Angeles Times* and the *Chicago Tribune.*

6. Hollywood Chamber of Commerce, City of Hollywood Website, *Hollywood Walk of Fame,* May 2009

7. Mike Wyma, *Johnny Grant, 84, Hollywood's Biggest Promoter*, *Los Angeles Times*, January 10, 2008. Grant died in January 2008 in the penthouse of the Roosevelt Hotel where he lived. Although there were numerous reports about his final wishes, it is not known if his ashes were scattered beneath the Hollywood sign.

8. Joshua Freed, *McClatchy Sells Minneapolis Star-Tribune, Private Equity Firm Pays $530 Million for Flagship Paper*, Associated Press, December 27, 2006.

9. Michael A. Hiltzik, *Zell Casts Himself as Builder of Companies; Bettor on Dark Horses*, *Los Angeles Times,* April 7, 2007.

10. United States Bankruptcy Court, Report of Examiner Kenneth M Klee, Case No. 0813141. Examiners interview of Samuel H. Zell, June 14, 2010.

11. The Tribune Company pioneered the process of owning newspapers and television stations in the same market. Cross-ownership was banned by Federal Communications Commission regulations enacted after the *Chicago Tribune* had acquired WGN-TV in Chicago, an acquisition that was grandfathered by the FCC after it passed its regulations. The Tribune Company later launched an aggressive lobbying campaign to overturn the rule prohibiting cross-ownership of newspaper and TV stations in the same market, particularly after it acquired the Times Mirror Company in 2000 and ended up owning television stations and newspapers in several cities. The company contended that the rule was outmoded because of competition from the Internet and cable TV. Opponents of loosening the ban say that companies more interested in profit maximization than local news and diversity would benefit from overturning the ban at the expense of the public interest. FitzSimons' politically-tinged actions showed how a single person in charge of a huge media company could have significant influence over content. FitzSimons often attacked reporters and columnists who held views with which he didn't agree. FCC Chairman Kevin Martin pushed through a easing of the rule, allowing Sam Zell to close the deal to buy Tribune Company, but the rule remains a political hot potato and will no doubt come under review again.

12. Thomas Mulligan and Michael Hiltzik, *Tribune CEO Expected to Resign*, *Los Angeles Times,* December 19, 2007. Quoting corporate disclosure statements, Mulligan and Hiltzik reported that FitzSimons would leave the company with more than $40 million in stock sale proceeds, deferred compensation and bonuses, depending upon the date of his departure. FitzSimons has not disputed the total.

13. Clark Hoyt, *A Balancing Act on the Web*, *New York Times*, February 14, 2009. Erik Wemple, *One Mission Two Newsrooms*, *Washington City Paper*, February 13, 2009 and *Online Journalists Optimistic About Revenue and Technology, Concerned About Changing Values*, State of the News Media, Pew Project for Excellence in Journalism, 2009. Tensions created by different standards for and print journalists are widespread in the media, not only at Tribune papers. At *The New York Times*, the paper's public editor, Clark Hoyt, recently wrote columns analyzing whether *Times* reporters and editors succumbed to pressure to break news online when they published an erroneous report on the potential Senate candidacy of Caroline Kennedy, relying on an anonymous source that might have not passed muster in the print paper. Hoyt's column prompted a vigorous response from Jonathan Landman, the deputy managing editor who oversees the newspaper's Web operations, who said websites operate under different pressures and that speed is a value that editors can't ignore. Landman said the challenge is to balance accuracy and speed. "I have the utmost respect for Jonathan Landman," Hoyt said in an interview, "but I think the way online newspapers operate is changing journalism." A similar controversy erupted at the *Washington Post* when Post reporters withheld from the paper's its prize-winning stories on the scandalous treatment of injured soldiers at Washington's Walter Reed Hospital until just before the stories were to run in the newspaper. Reporter Dana Priest told the *Washington City Paper's* Erik Wemple, "We kept [the story] from [the paper's] because we hadn't worked for them that much and, and we were really worried about any kind of leaking." The *Post* is in the process of better integrating the printed

paper and its website. In a recent survey by the Pew Project for Excellence in Journalism, online journalists said the Internet had had an adverse impact on newsroom values. The most often cited change was a loosening of standards and more carelessness in online news gathering.

14. Based on the authors experience as an editor and executive vice president of the *Los Angeles Times* and a managing editor at the *Chicago Tribune*, online operations in the 2005 to 2007 period typically had about 5 percent or less of the staff of the printed paper, although the printed paper often dedicated numerous employees to online duties.

15. Robert McMillan, *No Bonuses, Please, We're Tribune*, Reuters, April 30, 2007. McMillan reported that FitzSimons would forego one of his bonuses under the plan as would Scott Smith, the head of the publishing group. A couple of other Tribune Company officials took lower bonuses but the company still passed out more than $4 million in bonuses under the plan.

16. *Front Page Ads at Tribune Papers*. Forbes Business, July 17, 2007. The original story containing my quote ran in the business section of the *Los Angeles Times* in July, 2007.

17. Phil Rosenthal, *Zell's Curse at Worker Puts Mantra in Spotlight, Video of Vulgarity Triggers Debate on CEO's Sincerity*. *Chicago Tribune*. February 6, 2008. Zell's comments were not limited to the spectacle in Florida. Besides criticizing the author at a meeting of *Times* employees in Los Angeles, he made numerous crude remarks there and got into a confrontation with *Times* reporters in the paper's Washington bureau.

18. Although the staffing levels at Tribune papers are in flux, the author obtained the latest numbers from key managers at the newspapers and from public reports. The author withheld the names of the managers who provided the staffing levels to protect them from recriminations by Tribune Company officials.

19. Lorraine Mirabella, *Sun Cuts Third of Newsroom, Baltimore Sun,* April 30, 2009. The cuts announced recently are the latest of several rounds of cuts at the paper. The company billed its move as a reorganization, but staff reductions have become common across Tribune newspapers.

20. Audit Bureau of Circulation reports say that all Tribune newspapers reported more substantial circulation losses in the latest reporting period for the six months ending in March 2009.

21. Bharat Anand, Sophie Hood, *Schibsted.* Case Study 9-707-474, Harvard Business School, April 16, 2007.

22. Herb Strentz, *Cowles Family Publishing Legacy.* Drake University, Cowles Library, May 9, 2009.