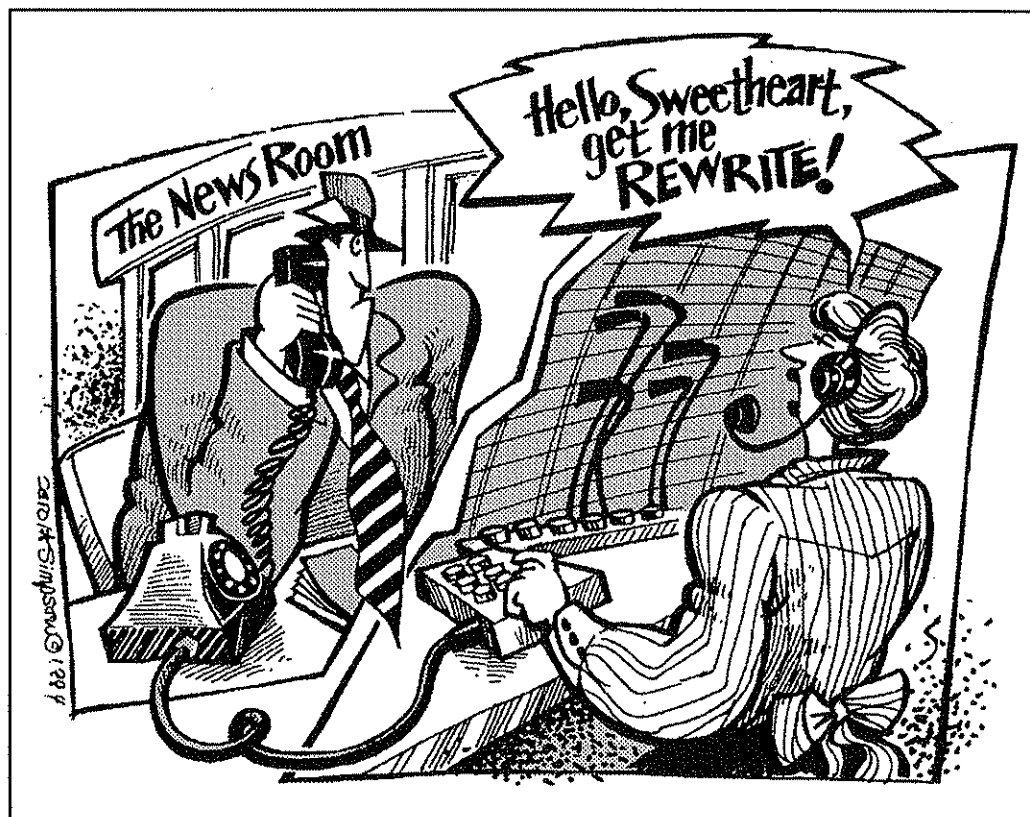


The Business Journalist

April 1994

Volume 32

Society of American Business Editors and Writers, Inc.



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The explosion in information delivery services is challenging the role of the business journalist. The 1994 SABEW convention May 1-4 in Seattle will be a forum to address those challenges. Details on pages 10 through 15.

Covering our own

Tangled corporate webs make it tough for journalists to separate personal finance from coverage

By George Harmon

R.I.P., ethics?

Maybe, maybe not. Without doubt, the 1990s have clouded the ethics code of the business journalist, perhaps even rendering parts of the code meaningless.

Why do I say this? Because of ESOPs, 401Ks, IRAs, Keogh plans, working spouses and media company conglomeration and joint ventures.

We all accept (at least publicly) that a reporter shouldn't write about a stock he or

she owns. But the interlocking nature of publicly-held information companies will make it increasingly difficult to follow that ethical precept to the letter. So will the complexities of one's own retirement plan.

An ethics code for business writers of the '90s needs to be much more detailed than what exists in most newsrooms. Many codes don't go beyond "avoid economic conflicts of interest."

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The Business Journalist

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Short shift

Editor leaves paper after days on job

By Dick Papiernik

'We parted amicably and I wished them well.'

So, you think the big media news story at the Chicago Sun-Times over the last few weeks has been the pending acquisition of the paper by companies controlled by international media mogul Conrad Black? The \$180 million deal brings the Sun-Times into the Black family as the biggest property in its American Publishing Co. group which includes 97 dailies and 71 weeklies.

Sure, it's a deal that could have a far-reaching effect on newspaper competition in the country. But the deal that's really being talked about among Chicago's business news staffers is the one that never came off. Or maybe it just came apart awfully quickly.

About two weeks before the news of the pending sale, the paper announced the appointment of its new business editor, **Gail Bronson**, former managing editor at Bloomberg Business News and a highly-credentialed business journalist who worked at Forbes, U.S. News & World Report, Money and the Wall Street Journal.

Sun-Times deputy managing editor **Mark Miller**, a former Crain's Chicago Business editor, hailed Bronson's appointment as "one more signal of the Sun-Times' serious commitment to business news."

Apparently someone didn't get the right signal.

According to some staffers, Bronson came to work in mid-February, attended a few meetings at the paper, a conference out of state and then returned to her New York City home to get ready for the move to Chicago.

She never went back to Chicago. She doesn't intend to go back. Though she says, "We parted amicably and I wished them well."

What happened?

For one thing, Bronson says, despite her direct questions about prospective changes in ownership and "adamant denials by three executives who were in a position to know" what was going on, she was given no indication that a

change was in the works.

"I later learned," she says, "they were negotiating an IPO ... using the Sun-Times as the cornerstone of their financial offering."

The call from Chicago to her home in New York informing her about the takeover took her by surprise, Bronson says. She also says she was not told that several key business staffers already had submitted resignations and were on their way out. Among them were **Tom Kelly**, assistant business editor who has since joined First Chicago's media relations team, and assistant business editor for production **Shane Gericke** who is taking a one-year leave. Two

and technology section at Forbes and helped set up the news data system at Bloomberg, says she just may turn her job search away from traditional print media. "I'll be looking at information technology and business development," she says, "something that will involve repackaging editorial products for electronic distribution ... for a multi-media company."

The latest tally at the Sun-Times: Of 15 positions, the business staff is down three reporters, two assistant business editors and oh, yes, one business editor.

Do you recall the deal we wrote about recently at the Boston Globe, the one where the business editor was moved to a staff position and his assistant moved up? It might have started a trend.

At The Miami Herald, for instance, executive

business editor **Rex Seline** has moved to a staff reporting slot and was replaced within a few days by **David Satterfield**, one of the stellar senior reporters who also had previous desk experience with The Herald's Sunday and daily business sections. It was no coincidence, of course, that the change at the top just happened to come as Satterfield was on his way to take a job as editor of Florida Trend, a statewide magazine that tracks Florida business and the economy.

The biggest continuing story of Seline's tenure at The Herald was Hurricane Andrew. He oversaw business coverage of the effects of Andrew from the outset, sticking with it as the weeks and months of coverage turned into years. He accepted the change of positions philosophically.

"The work load has been intense," he said, "and it got to a point where I really wanted to spend more time with my family. We have two children, one almost four years old the other 20 months."

Insiders, however, said that as the leadership at the paper changed during recent years, Seline's top supporters gradually lost their power. And The Herald's old politics came into play.

Sudden moves among business editors at The Herald are not without

precedent. When Seline joined the paper a few years back, the previous executive business editor, **Robert Stickler**, who had worked his way up to the post, was brought in to a meeting room and was introduced for the first time to his successor. It was one of those surprise meetings: "Bob, I'd like you to meet Rex. You're out. He's in. Hope you two can get along well together." Stickler was moved to a senior reporter's position and left soon after that to join Barnett Bank.

Louis J. Golden has left his job as business editor at the Hartford Courant to join the business side of the newspaper as director of marketing.

For one reason or another, high level business editors at some of the largest Times Mirror newspapers recently have been leaving their jobs. First, there was **Phil Moeller** at the Baltimore Sun who went into consulting work, then Golden. And now, here's the latest change.

SABEW treasurer **Debra Whitefield**, who headed business news coverage as assistant managing editor at Newsday in New York, is giving up her journalism career so that she can devote her full time energy to running a Jimboree franchise at three locations in the Long Island suburbs. With a recent MBA in hand, Whitefield says, she had this strong craving to see if she really could run her own business. She heard some friends talking about Jimboree — a program that brings parents and children together for quality time recreation — and after reviewing the operations, decided on the franchise purchase. And that leaves Newsday having to fill two high level positions. The paper's former Business editor, **Peter Bengeldorf**, had been moved to a position with the Times Mirror electronic publishing group.

The Harvard Business Review has gone into a spin — again — at the top of its management team, with **Nan Stone** coming back from her post as editor at large to take over as editor in charge. Actually she will have the new title of editorial director. **Joel Kurtzman**, who joined The Review about a year ago from The New York Times, retains his

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business newspeople

other writers with important beats, **Greg Burns**, who covered marketing and advertising, and **Susan Chandler**, financial services and transportation, had left to join the Chicago bureau of Business Week.

Several current and former staffers told TBJ that ever since Miller arrived at the Sun-Times last summer, there had been problems with his leadership and management style. Former business editor **Lisa Holton** was moved out of the business news mainstream in October to handle special section production. Internal turmoil — especially in the shadow of a much bigger business staff at the Chicago Tribune — was taking its toll at the Sun-Times.

Faced with what seemed to be a lack in candor by Sun-Times officials about the staff and about the pending change in management, Bronson says she decided that she needed additional commitments from the Sun-Times management before she could make the move from New York. She says she was told nothing was changing at the paper and that she could no get such commitments.

"She tried to renegotiate the deal and they wouldn't go for it," one staffer said. "So that was it."

Bronson, who helped set up the design and then managed the science

Editor makes a career of keeping it simple

When Jim Russell joined the Knight family's Miami Herald 36 years ago after 12 years of wire service experience, he didn't know much about investments, stocks or bonds. He really didn't have to know that for his job on the city staff.

But after a few years, he was asked by a rising young assistant managing editor named Al Neuharth — who later went on to build the national Gannett chain — to take over the business section.

Russell says he still knew next to nothing about the financial world and asked Neuharth why he wanted to put him in the business section.

"He told me I should take a new and fresh approach and talk about business in terms people can understand," Russell said. "And that's what I've been trying to do ever since."

'There's been a growing sophistication, but it still doesn't take away the need to write in terms that people can understand.'

Trying to make it understandable? Knowing Russell from some of my own typical Jim — not James — Russell. He's an understated kind of guy, except for the occasional outburst of anger, ignorance and callousness he shows in some parts of the investment community.

Russell, now retiring from his full-time work at The Herald, has been writing the intricacies of finance and economics well for some 30 years. In that time he has been a mainstay on

Jim Russell, long-time business editor at the Miami Herald, will be writing a weekly column.



the Knight-Ridder wire. And under contract, Russell, now 72, will still be writing a weekly column slated for Sundays.

"He's done for South Florida readers what Hobart Rowen has done nationally," said Rex Seline, former executive business editor at The Herald. "He has been the voice and conscience of South Florida business."

Among the changes Russell has seen firsthand has been the growth not only in business coverage but in the general public interest in finance.

"Look at all the new business and personal finance publications," he said. "That shows something about the hunger for information."

"There's been a growing sophistication," he explained, "but it still doesn't take away the need to write in terms that people can understand. When I started, that's the way I had to do it because I didn't have any formal courses in economics. I had to communicate in language that I could use and understand."

He pointed out that there seem to be too many people in the media — especially on general network news shows — who show their ignorance about rudimentary financial terms.

The strong public interest in finance, Russell says, grew out of the effects of "the rampant inflation of the 1970s when people saw the value of their money shrinking."

One of the biggest contributors to the

growth of business staffs, Russell says, — especially in Miami — was the Business Monday section idea proposed by his now long-time Herald colleague Larry Birger. Birger, he says, was leaving the old Miami News, and brought the idea of a South Florida monthly business journal to the Knight family at the Herald.

"We all know that over the years, there have been a lot of people who pay lip service to improving business journalism coverage and that's as far as it gets," Russell says. "But this time, I saw the Herald really pick up the ball."

Publisher and later Knight-Ridder chairman Alvah Chapman turned the idea over to the Herald's then top editor John McMullan.

"McMullan didn't want to hear anything about a monthly," Russell says. "He said, the hell with that. This is our chance to build a real business staff, let's do it weekly."

Birger was brought in to help implement the idea. The Herald's Business Monday section became the pace setter for expanded business coverage throughout the country.

Russell says, even though he's retired from his three-times a week column writing, he still expects to be in and around the office a few days a week — in between some long-delayed traveling and being with his family.

"I still just like the feel of the newsroom," he says.

— Dick Papiernik

newspeople, from page 3

title as executive editor but he will be running the magazine's special projects. Kurtzman was brought into the No. 2 position under editor T. George Harris and was given the top job, but not the title, after Harris left. Harris had been in the job only a few months after he succeeded Rosabeth Moss Kanter, who had been editor since 1989.

Some fast notes:

Business staff writer John Seward was named acting business editor at The Hour in Norwalk, Conn., after the departure of business editor Linda Brooks. At The Mesa Tribune, Martha Reinke from Phoenix has succeeded Lynn DeMichele as business editor. The Toledo Blade, in Ohio, has promoted staffer Greg Braknis to business editor. The Tennessean and Nashville Banner has moved Gerald Tebben from metro editor to business editor.

Westward ho:

At Colorado Springs, Col., the Gazette Telegraph has hired D. Kaine Stankovich as deputy business editor. He had previously worked as a senior journalist with The Lafferty Group, an Ireland-based publisher of financial newsletters, where he covered banking and insurance from Atlanta. Stankovich is a former business editor at the Sun-Sentinel in Fort Lauderdale, Fla.

Kathy Biele, business editor at The Standard-Examiner in Ogden, Utah, has been replaced by Steve Green.

SABEW in the southland:

Allison Salerno, who covered retail, development and the local economy at the Winston-Salem Journal in North Carolina has joined the Morning Call in Allentown, Pa. to cover banking, insurance and retail. Christopher Ryan is being moved from coverage of tobacco, textiles, furniture, insurance and utilities to a new position for electronic journalism at Winston-Salem. Clerk Rosemary Warren is joining her husband's optometry business. Frank Brill at Winston-Salem says he is seeking a reporter with several years of business news experience.

Laura Ciani, who worked as a columnist and personal finance writer at the Dallas Times Herald — until the paper closed in December 1991 — is now business editor and columnist at the Bradenton Herald in Florida. She succeeds Steve Gitt, who left last year to start his own business. With her personal finance background, Ciani was able to bring in some new coverage on financial assistance for college students; a package on how banking industry change affects consumers, and a wrap-up of tips for taxpayers.

Bloomberg Business News has taken two staffers, Joe Menn and Kevin O'Brien, from The Charlotte Observer. Menn will work at BBN's Princeton, N.J., office. O'Brien has been assigned as a senior reporter to the bureau in Frankfurt, Germany.

In the last column, when I talked

about some other Bloomberg hires, I blew it in noting that Gerard Bray, who went to BBN's London bureau, came from the New York Daily News. Bray is probably turning over in his tea cup at the thought of being associated with that other tabloid. Bray, of course, was at the New York Post, where — as pointed out by his former Post and now BBN colleague Hal Davis — "Gerard was an excellent columnist and superb business editor." Davis says that Bray even displayed "grace and occasional tact" while dealing with Davis's copy. Okay Hal, if you say so. After all, what greater tribute can man render to his editor than to note even an occasional display of tact? On the other hand, we also understand that Bray could kick butt with the best.

To report on activities in your own newsroom, please submit the information to Dick Papiernik, Financial World, 1328 Broadway, New York, NY 10001-2116. Phone: (212) 594-5030. Fax: (212) 629-0026.

SABEW Administrative Staff School of Journalism University of Missouri

Janine Latus-Musick,
Executive Director
Doris Barnhart, Executive Assistant

SABEW Purpose

Members of the Society have joined together in the common pursuit of the highest standards of economic journalism, through both individual and collective efforts. Recognizing that economic freedom is inextricably linked to political freedom and that an informed citizenry can ensure that these freedoms are sustained, it is the Society's mission as an independent, not-for-profit organization to encourage comprehensive reportage of economic events without fear or favor in a manner in keeping with the proud heritage of American journalism.

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Members asked to donate to chair

The \$1.3 million fund-raising campaign for the SABEW chair in business journalism at the University of Missouri School of Journalism will turn up a notch this month when members receive letters asking them to get personally involved in the effort.

The letter will ask our 2,000 members to consider making a private donation to the chair. It will also ask members to look for ways to get their companies involved in the campaign.

The purpose of the chair is to provide mid-career education opportunities for

SABEW members and a national focal point for business journalism.

To date, pledges to the chair total \$219,150. Corporate sponsors include Capital Cities/ABC Foundation, Chicago Tribune Foundation, Denver Post Charities, Sentinel Communications Co., Kansas City Star Co. and Times Mirror.

Individual contributions have come from Myron Kandel, Randall Smith, Marcia Parker, Allan Sloan and Debra Whitefield.

Letter from the president

By Jim Kennedy

Listen to these words from veteran foreign correspondent Mort Rosenblum and see if you can hear a message for business editors:

"Who stole the news? Grinches at the top have pushed aside serious reporting for stuff they think will make more money. They have sent fear through an industry built on courage. But it is only part of the picture. We all have a piece of the blame. The news has not really been stolen. It has been mugged, muffled and muzzled, kicked into corners and left to atrophy, pumped out of shape or ignored altogether ... We can get the news back, with little fuss and no more money than we are already spending, but we have to decide to do it."

This is the concluding cry of Rosenblum's recent book, "Who Stole the News? Why We Can't Keep Up with What Happens in the World and What We Can Do About It" (John Wiley & Sons Inc. 1993).

It's a book about the sparse play of international news in the American media. But it spoke to me about business and economic coverage.

Mort roams the world for The Associated Press. So, I beg your pardon, right up front, if I appear to be using this forum to promote a colleague's work. Most would certainly love it if you buy his book. I just want to discuss the theme as I think it applies to us.

Who stole the business section?

That may seem like an odd question to ask after about 15 years of stunning growth in the specialty coverage of financial and economic news. After all, we've seen business sections flourish in general-interest newspapers during that time. And we have more magazines than any business junkie can possibly read in a month, not to mention radio and TV coverage where once there was nothing but a fleeting mention of the Dow Jones industrial average.

But many business editors have heard footsteps in the past two years — the march of the budget-cutters with blades sharpened for the agate pages or,

worse, the fluff-meisters, looking for more entertainment and less serious journalism in the business section.

Like Rosenblum, I have overdrawn those extreme for effect. Still, the threat is no less serious.

General-interest news consumers remain woefully ignorant of how the economy works, why stocks fluctuate, how products are marketed, why companies restructure, how to shop for

'We are confronting complex issues and daily events that often defy simple, compact coverage...'

a mortgage, what a tender offer is, or why global trade pacts matter.

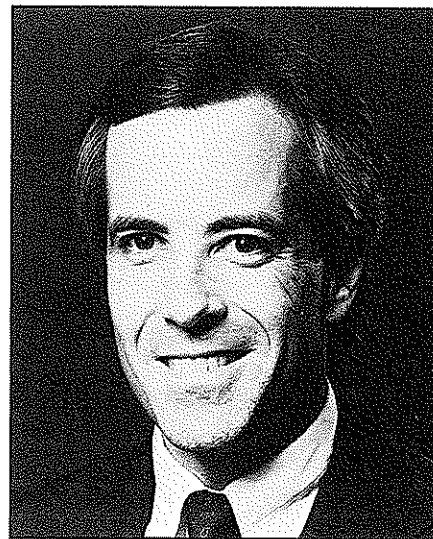
It is just as Rosenblum describes: "If anything, the nation's level of world awareness is dropping."

I have used this space in the last year to prompt some thinking about this issue. Halfway through the second decade of modern business journalism, I wonder if we're doing the job. And I challenge us all to keeping wondering about that.

Now, please don't mistake this as an argument for — as Newsday's Allan Sloan calls it — the "boring" stuff. I certainly applaud the passing of the impenetrable business page, chock-a-block with rewritten press releases and undefined terms like "subordinated debenture."

I love the three-section Wall Street Journal, wild USA Today graphics, in-depth local profiles, even the occasional story told just to crack a joke.

They all contribute to the process of enfranchising the consumer who would otherwise choose to spend calories on easier-to-digest topics like movie reviews, people items and sports scores.



But I also long to see the business-section stories that educate the reader (and sometimes the writer), the multi-part series on fraud or the comprehensive deadline coverage of a local layoff.

The latter two genres won well-deserved journalism prizes in the past year for The Los Angeles Times, Fort Lauderdale (Fla.) Sun-Sentinel and The Hartford Courant, among others.

Yes, you can even throw the agate into the mix. Let's see more space-conscious market presentations that unravel the mysteries of the daily morass of numbers.

We face much the same situation as the travel-weary foreign correspondent. We are confronting complex issues and daily events that often defy simple, compact coverage and regularly test our own explanatory powers. Our news has not been stolen, so much unappreciated.

It is out there for us to make sense of in an attractive way that catches the eye of editor-gatekeepers and ultimately the reader, listener or viewer.

As Rosenblum instructs, we only must "decide to do it."

The subject is one for us to debate — formally and informally — at our upcoming convention in Seattle May 1-4. To the point, we will be rolling out a plan for a new SABEW contest to honor the best business sections in the country.

The awards program, which will include critiques and idea sharing, has been developed by a committee of the board, led by Chuck Jaffe of The Morning Call of Allentown, Pa. You'll learn all about it at the convention.

Above and beyond the contests, each of us gets a daily opportunity to reinvent ourselves and improve our coverage. If you need a little inspiration to pick up that challenge, I'll leave you with this from my friend, Mort, who saves a passage in his book for the underdog financial journalist:

"This job takes Jobesque patience, waiting hours in unheated halls for someone to come out and raise an eyebrow in answer to questions. Nights are spent on soporific company reports and legal documents. And the rewarding moments are more cerebral than those in other foreign reporting. Without the adrenaline rush of high adventure and shellfire, the economic reporter must be satisfied with the outraged howl of a nailed cheater."

Even those of us who don't hang out at the Bundesbank can identify.

Jim Kennedy is business editor of the Associated Press and president of SABEW.

To the editor,

I recently returned from a New England Newspaper Association business writing seminar at which your society and newsletter were highly recommended.

Ironically, in the same day's mail came February's issue (of The Business Journalist) and Dick Papiernik's article, "Biz editor won't 'soft-pedal' news, loses job." It's inappropriate to discuss any former employee's dismissal, particularly since I wasn't part of it. However, I must set the record straight on several points.

Mr. Papiernik questioned me extensively about my background, yet dismissed me in print as a "12-year employee who moves over from the metro desk." As I told him, my 12-year journalism career includes two years with a public relations firm that served major corporate clients;

three years as associate editor of two monthly trade publications and editor of two consumer publications for the same publishing house; and eight years on the copy and regional desks of the Republican-American, where I developed two neighborhood sections and a weekly newspaper that have had high reader interest and expanded our penetration in key market areas. I also head up our Cityline audiotext service.

So far, I haven't had a business story challenged or spiked. My only directive from senior editors and the publisher has been that, if it's news, we cover it — but we must be fair and objective to all parties. We're sensitive to advertisers, sure; but we're also sensitive to non-advertisers, subscribers and non-subscribers.

Howard Fielding, business editor,
The Waterbury Republican-American,
Waterbury, Conn.

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Personal finance, from p 1

At newspapers, some editors haven't even heard what they should be protecting themselves from. ("Options? Oh, you must mean life choices!")

For 30 years, SABEW has taken the lead on the ethics of journalists. Its code on investments is the most specific I've seen. But it may have to go further. And the organization may need to figure out how to lead — or to shame — the rest of journalism into conformity.

Perhaps the most useful sentence in SABEW's code says, "He or she should not let any personal investments influence what he or she writes." The SABEW code also prohibits "active trading," "short-term" investing, using information that isn't widely disseminated and passing along inside information. But the term "investment" has been widened from a stock or a bond to many, many adventures.

Let's take up the items in the second paragraph of this piece. Many reporters are members of employee stock ownership plans or take profit-sharing in their companies' securities. The 401K, irresistible for its tax advantages, puts us in direct control of our nest eggs. IRA and Keogh plans let us shelter free-lance income. Working spouses may do the same. Group owners of news outlets diversify into businesses that have oceans of competitors. All that hedging and niching make everyone's investments more complicated every minute.

Now let's think about the new wrinkle in interactive services. (And I hope no one takes offense if we avoid metaphors touching on highways and traffic.) News media companies, properly so, have redefined themselves as being information businesses rather than publishers. Many companies believe that joint ventures and partial ownership are better than ownership as they feel their way into new methods of delivery. So Tribune Co. owns part of America Online Inc., which competes with Prodigy, which is a joint venture of Sears, Roebuck & Co. and International Business Machines Corp., which have other partnerships that compete with the remainder of the universe.

You get the idea. Soon, no stock will be safe territory for someone working for a public media company. Someday it may be impractical to prevent writing

about a stock you have a financial interest in.

So far, the current SABEW guidelines have served well. You don't have to be around financial journalism too long to find out that investors think that some reporters short stocks and then sock them in newsprint. Such a credibility issue simply screeches at the financial press. And what about the up-side of investing? An "American Experience"

Soon, no stock will be safe territory for someone working for a public media company.

documentary on the 1929 Crash resurrected the story that one stock tout possessed canceled checks written to every New York financial journalist. A spate of dishonest journalistic touting in the 1980s reinforced the misperception that nothing has changed since '29.

Several years ago, I took part on a panel that pitted CEOs against business journalists. The CEOs thought that because journalism is a profession it ought to have professional standards. Imagine that! The Society for Professional Journalists has had a fine code of ethics since 1926, and it's a secret to the CEOs. Among American industries, journalism is singular: No other business does as little to explain to its customers how it operates, then worries so much about its own credibility crisis.

Help is afoot. The AP Managing Editors Association produced a five-page declaration of "core ethical values" that is just terrific. As the most far-reaching code anywhere, it goes beyond platitudes to address practicalities such as digital manipulation of photographs and misuse of ellipses.

"It moves from the legal to the mystical," David Hawpe, editor of the (Louisville, Ky.) Courier-Journal, wrote in its introduction. He hopes the code will help "hang onto virtue at a dead run" while rebuilding credibility with readers. The MEs are to vote on it in

September. So far, the code's glaring flaw is lack of detail on the subject of news coverage and investments.

Detail, as one's company and one's investments grow more complicated, is mandatory today when it comes to ethics. Newsrooms need specifics to enforce general guidelines. In talking to a bunch of writers and editors while putting together this piece, I found widespread agreement on that point.

Here are a few suggestions for augmenting a newsroom's ethics code beyond SABEW's current recommendations:

- For that person who wants to hang onto individual stocks, explain how to set up a blind brokerage account.

- Explain that investing in a broad-based mutual fund is fine, but that sector funds abutting one's beat are a no-no. This may require education in the newsroom. (Sector? You mean sex! That's on Page 11)

- When writing about a competitor of your company, which may be the phone company these days, or a venture that your company owns part of, which could be almost anything, disclose the relationship in the story.

- Disclose annually to the top editor what stocks you own (not the dollar value, which is a matter of privacy) and update the list when you make trades.

- Remind editors constantly what's off-limits because of your holdings or your spouses'.

- Don't permit columns by local brokers or financial planners who tout what they own or retail. Sure, it's cheap copy. But syndicates with legitimate financial columnists don't charge that much to small-circulation papers. When outsiders do write for the business pages, make full disclosure of who they are in real life.

- Force all desk and assignment editors, as well as writers, to comply with the ethics code.

That's for starters. Just remember the wisdom of Gertrude Stein: "Money is always there, but the pockets change."

George Harmon has been business editor of two major newspapers and now teaches business journalism at Northwestern University. He is chairman of the Medill School of Journalism's news/editorial sequence.

INFORMATION

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- ✓ IBC/Donoghue's Mutual Funds Almanac
- ✓ Money Fund Vision
- ✓ Bond Fund Advisor
- ✓ Money Market Insight
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