

Anchoring at Missouri



The University of Missouri's Business Journalism Program has been selected to house SABEW's financial and administrative functions by members attending the annual meeting in Tampa.

The decision was made at the May business session after hearing proposals from the two finalists — Lou Kohlmeier of American University's National Center for Business and Economic Communications and Jimmy Gentry from Missouri. Both are long-standing society members.

The cost to implement either of the proposals was around \$3,000 per year, with additional charges for printing and mailing newsletters.

With our current membership base of

more than 100 (with annual dues at \$25) and expectations of a larger group after an organized membership drive this fall, the governors are confident that we will be able to meet our one-year financial commitment to Missouri. In addition, SABEW has slightly more than \$15,000 in the bank, thanks in large part to Harry Costello's ingenious ways of getting news organizations to pick-up costs at the annual meeting and cost cutting.

Prior to the meeting, all members were mailed a newsletter containing descriptions of the two anchoring proposals. Members who could not attend the meeting were asked to contact one of the officers with their thoughts on the plans.

The anchoring committee, chaired by

Susan Bischoff, surveyed similar groups last year about their administrative organization. The committee found a trend toward anchoring their business in one location with some form of paid staff, instead of letting the administrative work move from one set of officers to the next.

At the same time, letters were sent to eight institutions seeking proposals. Five were received and officers convened a conference call meeting in the spring to discuss the plans. The officers then — Dave Beal at the St. Paul Dispatch/Pioneer Press, Jim Mitchell at the San Jose Mercury News, Mike Millican at the Associated Press in New

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Members critique Tampa convention

By SUSAN BISCHOFF
Houston Chronicle

The great majority of the 42 members who filled out evaluations of the 1984 annual meeting most like meeting with their peers, the critique session, the ethics discussion and the "heavy-hitter" speakers, particularly J. Peter Grace.

The majority of respondents suggested more professional development sessions, with some aimed at reporters, others at editors.

The meeting accommodations, including

the meals, drew strong praise. In fact, no one criticized the Tampa Hyatt Regency, and many were generous in their praise.

However, several members thought they might have liked Tampa but weren't sure since the schedule left them little time to explore.

Three-quarters ranked meeting peers as one of the best aspects of the conference. The other most popular elements, in order, were workshops, the critique, speakers, social events and spouses program.

Workshop suggestions for next year's meeting in New York include: information gathering; graphics; Broadcast-oriented session, possibly a tape critique to run concurrently with the print critique; motivating people; putting together an economics index; editing a weekly business section; writing; layout; writing analysis; finding news in annual reports; quoting analysts; data base searches; time management.

Several members suggested keying speaker selections to New York's particular strengths, especially on Wall Street and in banking.

Some of the recommended panels and speakers include: Felix Rohetyn, Henry Kaufman, Walt Wriston's successor, an SEC official (possibly keyed to insider trading), N.Y. Insurance Exchange on Commodities, network news executives, retailing (Batus, Bloomingdale's), Rupert Murdoch and Bill Simon.

Tours of New York, especially that of the NYSE, were also mentioned. No one asked for increasing the number of speakers. Several suggested speakers in the mornings and dedicating the afternoons to workshops and for filing stories.

Several respondents also suggested giving members a choice of sessions, particularly the workshops. "We've got to serve the editor as well as the writer," wrote one.

Although the critique was one of the favorite sessions, two people suggested that someone from the academic community or a consultant run the session.

Also, members want more time to discuss operational problems and to look at each other's work. The additional interaction would provide story ideas, which some members list as a reason for attending.

A little more than one-third of the respondents filed stories from the meeting. Most of those filed one or two stories, but one found the time to write six pieces. A couple of attendees said they would write columns or use material gathered during the conference in stories written after returning to the office.

Panels might be a way to avoid speakers' "stone-walling," according to a couple of respondents. Particular panels mentioned include the second term of Reaganomics, the different approaches to business news and selecting a personal computer.

An old-hand at putting SABEW meetings together, John Rumsey, may have summed it up best when he wrote, "We should have a mix. Quality is important in workshops, speakers and panels."

SABEW's administrative and financial records.

With the required tax number in hand, a checking account and money market fund have been opened at Centerre Bank in Columbia, Mo., the home of the university. The tax number enables the group to draw interest for the first time.

Gentry will be providing copies of the monthly statements to the treasurer and quarterly reports to all four officers. An auditor, chosen by SABEW, will audit the books by April 5, 1985.

Missouri will work with the head of the membership committee, Cheryl Hall of the Dallas Morning News, to develop a membership drive, including a packet of materials for prospective members and another for new members. The drive will begin by Nov. 1.

In addition, Missouri will:

- Bill members and keep up-to-date records, including who has been approached for membership.
- Produce and send a new roster to all members by year-end 1984 and April 15, 1985. In addition, officers will get a monthly list of new members.
- Participate in the annual meeting with a faculty member leading at least one session. It will also lead an attendance push.
- Do mailings as requested by officers.
- Act as a resource to handle questions from members and potential members.
- House the society's archives. Any members who have memorabilia or records to share should send them to Gentry.

In a more detailed look at the cost, SABEW is contracting to pay Missouri a base fee of \$3,000. If membership reaches 200 by May 31, 1985, an additional \$10 will be paid for each member over that number.

SABEW will not pay for typesetting, but paste-up costs are estimated to be \$240 to \$260 per 12-page newsletter.

Postage and printing costs will be approved by SABEW's treasurer.

Anchoring

(Continued from page 1)

York and Bischoff at the Houston Chronicle — agreed the Missouri and American proposals were the strongest. The recommendation to consider those two at the annual meeting was taken to the board and general membership by mail.

At the Tampa meeting, both Gentry and Kohlmeier made presentations and answered members' questions.

Under the one-year contract which is currently being finalized, Gentry will basically serve as executive director for the society, carrying out the wishes of the group. There will be a graduate student working under his supervision for 20 hours a week on SABEW matters, beginning Sept. 4. The first sign of the new administrative organization most members are likely to see is an expanded newsletter, both in size and in scope. A newsletter of at least 12 pages will be published Oct. 15, Jan. 15 and April 15. There may also be a special issue or two.

After putting out this first newsletter before the contract is finalized with Missouri, Fred Monk will continue to serve as editor, reading all material prior to publication. However, the Missouri team will contribute much of the content, edit copy and handle the mechanics of printing and mailing.

Expect to see how-to articles, pieces by award-winning business writers, more news of our members and our association. Many of the pieces will be written by our members, as always. Others will be written by students at Missouri and business writers who are not members.

With the detail work taken care of by Missouri, the governors feel much more ambitious about improved year-round communication. If you've got ideas or want to volunteer, call Monk, the newly elected secretary, at The State in Columbia, S.C., at 803-771-8610.

Another vital function Missouri will handle is organizing and maintaining

Setting goals for more productivity

By JIM MITCHEL
SABEW President

By the time you receive this newsletter, SABEW at long last will be earning interest on its money. That's because, after many years of trying, we have finally gotten the federal tax number required for opening an interest-bearing account.

Earning interest on our money may seem like a small step, but many of us have been exasperated by the fact that an organization of business writers wasn't earning interest on its bank balance. Receiving that interest is an example of what we're doing to make the society work more efficiently and serve you better.

Some of the progress was evident last year, when Dave Beal, executive business editor of the St. Paul Dispatch and Pioneer Press, did an excellent job as president. For one thing, he got us the tax number. Thanks in large part to Dave and to Fred Monk of the Columbia, S.C., State, we had four good newsletters. Susan Bischoff, assistant business editor of the Houston Chronicle, and many others worked diligently to solicit invitations for us to establish our administrative headquarters at several top universities. And Harry Costello, former business editor of the Tampa Tribune and now head of the Hill & Knowlton office in Tampa, arranged an outstanding annual meeting in Tampa.

Because of the work of these and other members, SABEW this year is poised to make major improvements in its operations.

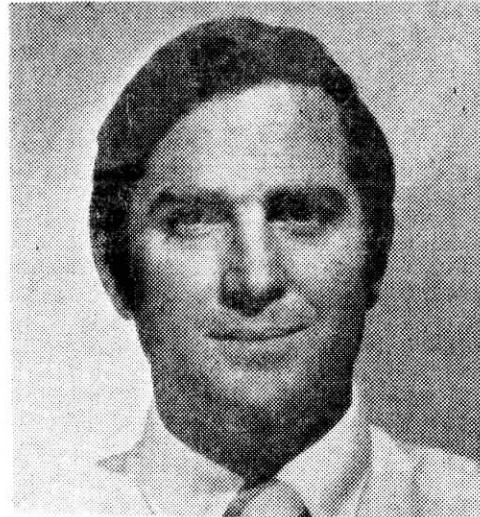
This opportunity is coming at just the right time. Because of the growing needs of our members, SABEW must do much more if it is to provide the kind of assistance so many of us would like.

This was apparent from discussions at our annual meeting where many indicated we need to do more in training, education and keeping up with developments in Washington that affect our profession. There was tremendous interest in the Winans case and its impact on us.

Members desire for more from SABEW was also clear from members' evaluations of the meeting. While members enjoyed the meeting, many wanted fewer speakers and said they benefited most from the critique and the opportunity to discuss business journalism with fellow professionals.

One member summarized the views of some in his response to the question, Are you likely to come to next year's annual meeting in New York. "I'll only come if the program is changed to be more educational," he wrote.

President's letter



Jim Mitchell

"I can't justify the time or expense to come to a 2½ day press conference. I want to come away from the program with something more lasting than a story for tomorrow's paper."

Similarly, many of us want SABEW to do more between annual meetings. For that reason, the Board of Governors recommend, and the membership approved, the choice of the University of Missouri School of Journalism as an administrative anchor for our Society. The anchor will do much of the busywork required to keep our books, take care of mailings, and publish our newsletter. It will also be an excellent resource for ideas, articles and research.

Once we have that anchor established, we will have a resource that will enable us to spend our time much more productively.

With that in mind, let me outline my goals for the coming year:

1. First and foremost, we need to set up our anchor at the University of Missouri properly. I have circulated a draft agreement among the governors, and I expect to have a signed agreement within the next few weeks. When the fall session begins, a student will start administering the society's business under the supervision of Jimmy Gentry, director of the journalism program and a SABEW member. In addition to handling necessary but time-consuming chores like billing, we expect the Missouri connection to bring about an effective membership drive (with the guidance of Cheryl Hall, business editor of the Dallas Morning News) and

publish far better newsletters.

2. We need to devote serious attention to long-range planning and establish some goals. We're in a period of transition, and we must decide what type of organization we want to be for the next five-to-ten years. Dave Beal has agreed to head a long-range planning committee that will study these issues. I have asked the committee to produce a report by next year's annual meeting.

3. As is evident from the evaluations of the Tampa meeting, we should redesign the program of our annual meeting. This will be tricky, because while many would like more education, others like to listen to and quiz top newsmakers. I'm confident we can do both and have asked AP Business Editor Mike Millican, who is in charge of next year's annual meeting program, to head this effort.

4. We need to monitor the Winans case and the fallout from it. As is reported elsewhere in this newsletter, the SEC is trying to enforce proposals that could have a most harmful effect on our profession. We should strongly oppose those proposals while making it clear we do not condone insider trading by journalists or anybody else.

5. We should analyze the bylaws to determine if we should make any major changes. Among items under consideration is the possibility of changing the dates of our annual meeting and our fiscal year. Mike McNamee, business writer for USA Today, heads the governance committee.

6. One area that we can explore on our own as well as with the help of the University of Missouri is research. Phil Moeller, business editor of the Baltimore Sun, has long had an interest in this area, and he has agreed to head the research committee. If you have some topics you think we should research, or if you're interested in helping, please contact Phil.

7. At the meeting in Tampa, the membership asked the board to investigate whether SABEW should have a contest for business writers. Larry Birger, editor of the Miami Herald's Business Monday, heads a committee that will look into this question and report to the board and the membership at next year's meeting.

8. Finally, I'd like to find out what kind of data bases are available to business journalists and how we might use them. Thanks to the computer, many companies have compiled a broad variety of information that we could use, often free, if only we knew it were available and how to get it. If any of you would like to work with me on this project, please let me know.

I realize that's a pretty full plate. Thanks to the work that's been done up to now and the interest expressed in Tampa, I think we've got the momentum and the resources to accomplish it. I welcome your comments and am counting on your help.

Members report job, career changes

By **DAVE BEEDER**
Omaha World-Herald

The current boom in business news reporting has led to a series of job and career changes for some members of the Society of American Business and Economic Writers.

One change occurred soon after SABEW's May convention in Tampa when Hill & Knowlton announced that **HARRY COSTELLO**, business editor of the Tampa Tribune, would be the firm's Tampa-based director of financial relations in Florida.

Harry, who organized one of the society's most successful conventions, has been in his new job since June 14. He will remain active in SABEW as an associate member and will step down from the board of governors.

Nominations to succeed Harry should be made to Dave Beal at the St. Paul Pioneer Press, Jim Mitchell at the San Jose Mercury News or Mike McNamee of USA Today.

Elsewhere in Florida, **MANNING PYNN** has been named deputy managing editor/business of the Orlando Sentinel, succeeding Jim Clark who moves up from executive business editor to deputy managing editor in charge of projects.

Pynn, who was in the API's 1982 class of business editors, moved to Orlando from Miami where he was executive business editor of the Miami Herald and state editor.

Pynn reports he is in the process of building "the best business news team in Florida," increasing a staff of 15 writers and editors to 21.

When the reorganization is completed, Pynn said, he will have five editors, a columnist, 10 writers, a researchriter, a clerk and an artist.

Meanwhile, **DIANA KUNDE**, financial editor of the Dayton Newspapers (Dayton Daily News and the Journal Herald), has been appointed assistant business editor of the Dallas Morning News. A replacement for Diana in Dayton had not been named in late June.

At the San Diego Tribune, Business Editor Janet Lowe said **MICHAEL CROWELL** of the Grand Junction, Colo., Daily Sentinel, has been hired by the Tribune to handle copy for financial pages and a building section.

At the Tribune's sister paper, the Union,

People

Janet said the business section is seeking "generalist" business writers.

Farther up the coast, Jim Mitchell, SABEW president and business editor of the San Jose Mercury News, has been advertising in Editor & Publisher in search of editorial help.

Jim reports these additions to his staff: **JACQUI SALMON** from the Peninsula Times Tribune in Palo Alto, as a business copy editor, and **CHRIS SCHMITT** from the Worcester, Mass., Telegram & Evening Gazette, to cover financial institutions and personal finance.

Schmitt succeeds **MARY FALLON** at the Mercury News. She has moved to the computer beat.

Other Bay Area staff changes: **PAUL SCHINOFF** to the San Francisco Examiner; **FRANK MUIR** from the San Diego Union to the Los Angeles Bureau of the Wall Street Journal; **SUSAN BURKHARDT** replaces Muir on the Union, reporting on financial institutions; **HELEN CALL**, who covered capital markets for the Union, has retired; **DAN BERGER**, a Union columnist, takes on the added responsibility of high-tech writer, succeeding **RAY STRASZEWSKI**, who left the paper last summer.

In the booming business-weekly industry, the San Francisco Business Journal has hired **HERB LAWSON** as editor. Lawson, former San Francisco bureau chief for the Wall Street Journal, succeeds **JANE FERGUSON**.

Scripps-Howard, which owns the Business Journal, has announced it will build a staff of 10 under Lawson, an increase of eight from Ferguson's staff.

Already hired are **KRISTIN DOWNEY**, former San Jose Mercury News copy editor; **ALICE CUNEO**, parttime, from the Mercury News; **KEN HOWE**, from Bank of America public relations; and **JANE JUE**, formerly with the Continuing Education of the Bar in Berkeley.

Bay Area trends: The Mercury News has increased the size of its agate 10 percent and added several tables; the San Francisco Chronicle dropped its options tables and is using the space for other agate

and general business news.

Columnist **BILL DOYLE** tuned in June 22 to the PBS program on business writers' conflicts of interest. Doyle reported most of the footage filmed at the Tampa convention apparently "ended up on the cutting-room floor."

Personal personnel note: **SUSAN N. FUTTERMAN**, a June masters-degree graduate from Medill, joins the business news staff of the Omaha World-Herald Aug. 13. She has an undergraduate degree in English from Stanford, experience as a broker and a business reporter for the Hayward, Calif., Daily Review and has achieved a second-degree black belt in judo.

Awards and Citations: Publisher **JOE CAPPO'S** Crain's Chicago Business won top honors at the annual meeting of the Association of Area Business Publications in New York.

Crain's Chicago Business won the General Excellence award for the fourth consecutive year, Joe's column won first prize in the column category and editor **DAN MILLER** won the best editorial award.

Crain's Chicago also was selected by the judges for the best overall design.

In the magazine judging, the general excellence award winner went to Florida Trend, edited by **RICK EDMONDS**.

"It means that both top prizes in the AABP competition went to publications headed by SABEW members," Cappo writes.

Trend note: Cappo reports that Crain's will start New York Business in late 1984 and Crain's Detroit Business in 1985.

SABEW newsletter

Editor: **FRED MONK**
Layout: **CLAUDIA RABY**

If you have any stories or information you want included in the SABEW Newsletter, please send them to Fred Monk, Business Editor, The State, Box 1333, Columbia, S.C. 29202. Don't hesitate to call with a story idea, or a tidbit that could be included somewhere. Phone 803-771-8610 (office), or 803-782-3356 (home).

Survey of business staffs

By **PHIL MOELLER**
Baltimore Sun

I am assuming that all of us have waded through all too much research that didn't deserve the name and was irrelevant to boot. I am further assuming, however, that many of the members of this group would like to know more about how we practice our craft and how we might practice it better.

Solid research can provide answers to both kinds of questions, through navel-gazing surveys as well as reports on how we can use research more effectively in doing our jobs.

The soon-to-be-expanded quarterly newsletter can serve as a core vehicle for surveying members and reporting the results of earlier surveys. Our membership roster is not yet a complete Who's Who of financial journalism. So to the extent possible (great emphasis on this last word, please) those of us working on the research committee will try to seek opinions from non-members as well as members.

Based on chats with many of you at the Tampa convention (How many people do YOU have????), it seems that a basic numbers survey is the best place to start.

This is not meant to be an exhaustive, plus-or-minus-3-percentage-points kind of polling. It's also not meant to be the last word — or question, — on the subject. One of the virtues of the quarterly format is that we can return to topics as we better determine the information we want to know.

I do hope this first effort will provide a useful, albeit sketchy, profile of newspaper business desks. But it won't provide anything unless you take the time to respond. While you're at it (research people are very pushy) tell me what kinds of work you want done in future surveys.

Please send your answers quickly so they can be collected and reported on in the first expanded newsletter this fall. Here's the address:

Phil Moeller
Business Desk
The Baltimore Sun
501 N. Calvert St.
Baltimore, MD 21278

If you have questions or suggestions that can't wait, feel free to call at 301-332-6213.

NEWSPAPER _____

CIRCULATION:

a.m. ____ p.m. ____ weekend ____

BUSINESS NEWS STAFF: TOTAL _____

supervising editors _____
copyeditors _____
reporters _____
clerks, others _____

BUSINESS SECTION NEWS HOLES (six-column pages):

Day	News	Agate
Monday	_____	_____
Tuesday	_____	_____
Wednesday	_____	_____
Thursday	_____	_____
Friday	_____	_____
Saturday	_____	_____
Sunday	_____	_____

If you have a "special" expanded business section during the week, on what day is it published? When did it begin? Has the overall size of this product and its news

hole changed substantially since it started and, if so, by what amounts?

Day published: _____
Began: _____

Beginning total number of pages: _____
Beginning newshole (incl. agate) in no. of columns: _____

Current total number of pages: _____
Current newshole (incl. agate) in no. of columns: _____

If there are other regularly published sections overseen by the business-news department, such as a weekly real estate section, please name the section, its typical total size and its news hole:

Section name	Day appearing	Total pages	News hole (in col.)
_____	_____	_____	_____

FUDGE FACTORS: Statistical surveys can mislead even as they present the "truth." If there are qualifying factors that need to be brought out in connection with your answers above, please type them on a separate piece of paper and attach it to your response.

Business writers discuss stock ethics

By ALAN GERSTEN
Rocky Mountain News

TAMPA, Fla.

Instead of covering the news, the Society of American Business and Economic Writers became the news May 7 in a special discussion about journalists' integrity.

During SABEW's annual meeting in this west coast Florida city, the organization devoted one session to discussing the R. Foster Winans — "Heard on the Street" column in the Wall Street Journal. Earlier this year, the Journal accused Winans, formerly one of the writers of the "Heard on the Street" column, of leaking information to friends and brokers who profited from the information. The daily column discusses various stocks and usually affects their prices immediately. Someone with advance knowledge of the column's contents could profit immensely.

In May, the Securities and Exchange Commission filed a complaint against Winans and his alleged co-conspirators, charging they profited from Winans information.

Dave Beal, SABEW president during the Tampa meeting and the business editor of the St. Paul Dispatch and Pioneer Press, decided to hold a discussion talking about this issue and what steps financial journalists should

take to guard against any improprieties.

"Inside Story," a weekly public television program, asked Beal for permission to film the discussion and he agreed. "Inside Story" planned to air an edited version of the 90-minute discussion June 15.

Beal scheduled the meeting for Monday night after the first day's session of speakers. During SABEW's board meeting Sunday morning, May 6, Beal discussed the issue of "Inside Story" filming the discussion.

Some SABEW members objected to "Inside Story's" presence while other members complained that this would inhibit a free flow of ideas. Other members, however, said if SABEW advocated a free press, how could the organization close its meetings to the press? The meeting remained open.

Myron Kandel, financial editor for Cable News Network, led the discussion. Kandel first outlined the issues to the 60 or so members in the audience and then let the members offer their opinions.

The resulting discussion was somewhat subdued. SABEW members talked about a variety of problems and concerns. Should financial writers and editors own any stock? Should they own any mutual funds? Should they

report their holdings to their superiors? Should they report their holdings to their readers?

Others said owning stocks for a long period of time presented less problems than if someone day traded — bought and sold every day. Of course, if business writers spent that much time talking to his broker every day, how could they do their job?

With the modern computer systems that most newspapers use, one reporter could look over another's shoulder to see what he's writing about and then use that information to buy or sell stock. Policing would be very difficult.

Some papers have instituted an ethics code and others were planning to start one.

Some members said owning stock was not a problem 15 years ago, but the Winans-Wall Street Journal incident had raised everyone's consciousness. Others said newspapers, magazines and television must sell their own credibility, and the Winans' incident hurts everyone in the media.

The discussion never reached any overwhelming conclusion. Rather, it evoked a variety of responses, something for SABEW members to contemplate.

SABEW officers

Jim Mitchell, business editor of the San Jose Mercury News, was elected president of the Society of American Business & Economic Writers during the annual meeting in Tampa in May.

Other officers elected were Michael Millican, AP business editor in New York, vice president;

Susan Bischoff, assistant business editor of the Houston Chronicle, treasurer; and Fred Monk, business editor of The State in Columbia, S.C., secretary.

The board of governors includes Dave Beeder, Omaha World-Herald; Joe Cappo, Crain's Chicago Business; Alan Gersten, Rocky Mountain News; Cheryl Hall, Dallas Morning News; Sarah Hoover, freelance writer, Boulder, Colo.; Myron "Mike" Kandel, Cable News Network; Gary Klott, New York Times; Mike McNamee, USA

Today; Phil Moeller, Baltimore Sun; Tom Shean, The Virginian-Pilot; and Elizabeth Yamashita, University of Oklahoma.

Those heading committees are Dave Beal, long-range planning; Mike Millican, program chairman for the New York convention; Tom Shean, publicity; Fred Monk, newsletters, Mike McNamee, governance; Susan Bischoff, anchoring coordination; Cheryl Hall, membership; and Phil Moeller, research surveys.

Insider trading issue continues to broil

By DENIS GULINO

SABEW Washington Watch Committee

From the casual discussion of theoretical threats at our annual meeting to the sudden call to battle, it's been an eventful few weeks.

First an update for those who have been keeping track.

The attorneys for all the defendants in the Winans case, at this writing, June 25, apparently have not decided exactly what to do.

The attorney defendant, David Clark, seems most determined to go to trial. There seems to be a 50-50 chance the others may settle or plead guilty to some combination of the civil and criminal charges.

In any event the case appears stalled until after Labor Day.

The affidavits sent in by many of us, answering the call of Jim Mitchell, Dave Beal and Jack Landau, head of the Reporters Committee for the Freedom of the Press, were not filed as expected and may not be because our intervention cannot get ahead of the major filings by the defendants.

Incidentally the law firm doing the free work in our behalf, Sidley and Austin, is second largest in the country after Baker, McKenzie and has had AT&T as a major client over the years.

The next step for us will likely be the filing of expanded individual affidavits or depositions and incorporation of whatever action the Society itself decides to take.

In the unlikely event it turns out the Winans defendants all relinquish any profits, do not contest the civil injunctions and plead guilty to whatever criminal charges are brought by the U.S. attorney in New York the arguments for and against new restrictions on the press will be postponed until the next challenge, months or years away.

But the challenge is deeply enough rooted in case precedent and has enough philosophical underpinning to guarantee it will remain alive to be settled in some forum, sometime.

To take an overall and realistic view, the degree to which the SEC and others, through the courts and Congress, attack existing press freedoms depends on how slimy the Winans case turns out to be; whether there is a perception the problem is wider than Winans and growing; which judges and courts review the cases; the positions of the SEC's enforcement division and the commission itself and, of course, the actual legal arguments and the effectiveness of the defense, in and out of court, by the media.

Some threatened changes would amount

to nothing less than the largest setbacks for journalism in American history; others would be indirect nibbles at the edges of press freedom.

All promise the kind of fight waged on many fronts that is already necessary in the free press-fair trial arena.

The threats to freedom of the press in our area are in various stages of development. Some are direct as indicated by filings so far in the Winans case, by implication from previous filings in the Ray Dirks and other cases and by proposals to Congress. They seem to break down into new variations of prior restraint:

1. That the courts and-or Congress would require reporters who write about a publicly traded corporation to submit to the SEC in advance any disclosures likely to affect the price of that company's stock.

2. That the courts, on the basis of current law or Congress in future law, will include reporters who write on business topics to be among the "insiders" mentioned in section 10(b) of the Securities and Exchange Act of 1934 and so:

- a. would be prohibited from getting any benefit, including even enhanced reputation, from pre-publication disclosure of corporate news that moves the stock price.

- b. would be prohibited from pre-publication trading on the basis of what they find out, something already well advanced in case precedent.

- c. would be prohibited from post-publication trading of relevant shares, even if not obtained immediately prior to publication.

- d. would be prohibited from sharing information with anyone outside their own media employer whatever they find out prior to publication, a potential threat to free-lance marketing of stories.

3. A separate threat is that government would force anyone who writes a story about a business to list for readers any personal holdings that bear in any way on the subject.

4. That publications, perhaps individual columns, with corporations as their subject would be required to register with the SEC as investment advisers, even if information published has already been published by someone else.

This theory, working its way through the courts for more than a decade, was best illustrated by the struggle of the Wall Street

Transcript to escape registration.

Is this really a battle between the press and the SEC? Actually, when compared to the various federal banking agencies, the SEC's thrust has been remarkably consumer oriented over the years. Despite the long animosity toward the agency held by some Wall Street-based publications, the SEC, now celebrating its 50th anniversary, has a lot to recommend it.

But the SEC challenge and the philosophy that underlies it reflects the same fuzziness we find everywhere else in understanding the fundamental reasons for an unfettered press.

In the SEC's case, as in the area of court disclosure, the fuzziness takes concrete form as misdirected policy applied to the messenger rather than the heart of the difficulty.

The realms of the SEC and, for that matter, the courts, are merely where the effect of a news story can be most easily measured. But the question of whether the effect is worth the trouble is something that we must continually answer from city hall to Capitol Hill.

So it is important to remember, as we pursue this battle in the courts and on our editorial pages, that we are primarily fighting the dangerous fuzzy concepts, not the SEC.

We are even more anxious than the SEC to make sure our publishers, ourselves and our colleagues are beyond reproach in the entire area of market manipulation and forthright disclosure, as the society's ethics code demonstrates.

We should try to explain the overriding concept that enterprising reporters and competitive fervor operating in the "free market" of discourse are the essence of journalism, the transcendent mechanisms that preserve the best performance of the SEC and the corporate sector.

On the congressional side, the Senate may well have passed its SEC legislation by the time you read this, calling for treble damages and a \$100,000 fine in insider trading cases.

But the bill, similar to that already passed in the House, apparently will not include the controversial definition of what insider trading is.

Senator Alfonse D'Amato now says it was not his intent to include reporters in that broad definition and that it is being separated from the penalty legislation, perhaps to be delayed until next year.

But the SEC and the courts would still be able to define insider trading themselves should the congressional definition die.