Gazette Project

Interview with

Hugh B. Patterson,
Little Rock, Arkansas,
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Interviewer: Roy Reed

Roy Reed: This is Hugh Patterson and Roy Reed on March 21st. Hugh, we were talking about business at the *Gazette*, the business side when I was last here, and I wanted to back up a bit and ask you about a detail or two. Do you recall when the *Gazette* began to accept liquor advertising?

Hugh Patterson: I recall the fact of it, but as of the moment, I just can't . . .

RR: What was the background on that? I gather that — why hadn't the paper taken liquor ads before?

HP: Well, it was a policy that had been in existence a long time and in place before I had anything to do with that. I think it was probably left over from — well, no, it would not have been left over from prohibition days because the Heiskells had acquired control back in 1902, and that was before prohibition.

RR: Do you think it might have been because of the family's attitude about temperance?

HP: I think that was it, yes. Because, yes, you know, we would accept beer and light wine advertising before that, but I think it was just the idea that hard liquor was bad and sinful.

RR: Do you remember conversations with the family about changing the policy?

HP: No, I think by the time we changed it, I didn't have to discuss it with anybody. No, it just seemed to be the reasonable, rational thing. Certainly after mixed-drink sales were voted in, it just seemed to be an inconsistent kind of situation.

RR: The matter of Dillard's advertising has been a, I gather, a consistent both opportunity and problem down through the years. Do you recall — what was the paper's relationship with Dillard's Department Store back in the — when you . . .

HP: Well, when Dillard acquired, first of all, Pfeiffer's and later the Blass Company, we were the — we had the major share of the advertising of each of those department stores by, you know, a fairly substantial fraction, I suppose. And, of course, that just sort of continued after Dillard acquired the ownership of them. We had, by that time, gone through the situation of changing the form of the contract and getting things on a more rational basis when I came, and when I took over the business operation, I was really quite certain that we were just not breaking even on some of that advertising a substantial part of the year. And I found that the advertising contract in effect with the department stores was for a basic contract of 35,000 inches a year, which was substantially under what they used, and it provided that the first 35,000 inches would be at one rate per inch for daily and one rate for Sunday, and of the 35,000, I think, a minimum of 10,000 of that would be in the Sunday paper. Well, once I got the economic formula working and the accounting program in effect, I learned right away what I had known in reasonable judgment was the fact that — No, I need to go on and say that in that contract the first 35,000 was at that rate, and then for each additional

5,000 inches there was a drop of an arbitrary amount, five cents an inch or something like that. And that continued on throughout the year, and in the early months of the year, before they reached that point, the rate was . . .

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HP: Well, this was before Dillard came. As soon as I found this, it was just obvious from the time we hit the 35,000 inch mark, we were just subsidizing the advertising of the big advertisers. And having then established what the break-even point was, I restructured the rate of the advertising contract so that it would be within the ranges they were likely to use during the course of the year and put in new rates. Well, Nolan Blass, Sr., was head of the Blass Company at that time, and they were the biggest advertisers, so I started with them. And Nolan, Sr., said, "You just can't raise us that much." And he said, "You know, we could start our own little advertising organ" and that sort of thing. And I said, "Well, I'll tell you, you know far more about the department store business than I ever will, but I do know something about newspaper economics, and I've made a deep study of this. And I'm talking about going to pretty much a break-even point for your advertising, and you can't get it for less than that. You can't advertise more reasonably than at these new rates." And so about forty-eight hours later, he signed the contract and we got on the new basis. And that was the first time we were not in a losing situation on that. So that was already in place when Dillard came in.

RR: But had it reached the point with the new contract, was the *Gazette* then making

some profit on these big ads or just breaking even?

HP: Oh, yes. We were making a bit of profit, yes. We were not losing money on it.

RR: So Dillard inherited that.

HP: So they inherited that, and by that time we'd gone to some adjustments and had gained some circulation and all that sort of business. Now, Dillard was not the easiest person in the world to deal with, but any bluffing that he ever did I did not take too seriously.

RR: Did he ever threaten to pull his ads out of the paper?

HP: No. Well, I guess that's always a kind of implied threat, but, no, he never did. And we had the major part of it. At the time of the integration controversy, I think we were in the position of running about 80% of the large stores' advertising.

RR: That would be Blass, Pfeiffer and Cohn.

HP: And Cohn, yes.

RR: Fast forward now to the day that Dillard did withdraw his advertising from the *Gazette* and put it all in the *Democrat*, do you know the background?

HP: No, that was after my time.

RR: Yes, that was after you retired, but how important was that?

HP: Well, it was extremely important, and I really don't know all the details of it. You know, at this point, if I got into a really analytical discussion of all that, it would involve some fairly serious allegations of misdeeds on the part of some and certainly what I considered to be highly unethical competitive practices by

Hussman from the *Democrat*, and that is what led us to undertaking an antitrust suit against them. So I don't know how much at this point I should get into that.

RR: Well, laying that aside for just a moment, would it be accurate to say that when Dillard pulled out his advertising, that was a serious blow to the *Gazette*?

HP: Well, to the Gannetts. Yes, it was. And I don't know how much they could have avoided. You see, Tom Kemp, Ray Kemp's son, who had started work with us in our advertising department years before, had later gone with Dillard's store in Texas — Tyler, Texas, I believe it was — and had been there at the time that Dillard acquired Pfeiffer's and later Blass's. Well, he was brought in as advertising director for Dillard and stayed in at that position, and I don't know just how much discretion he had, but I had always had a good deal of respect for Kemp because he had had an accident as a child and had lost one of his legs and had a false leg, but even with that, he was still active in sports, and in our little picnics, he'd play baseball and get around and what not. But at one point, he approached us, and it was at the time we were about to lose our ad director to retirement. So he came and applied for the job at the *Gazette* and said at the time that Dillard had concentrated a good deal of their activity at a distribution center they had at Fort Worth, and he was afraid they were going to send him back down there and he didn't want to do that. And so he wanted to leave. Well, I think the truth was that I think they were ready to just let him go anyway, probably, because he had gotten sort of over his head in that situation. So he came with us and I knew, of course, nothing at that point about their dissatisfaction with him.

But in the course of time, at one point, he and a man that we had as controller who had been with our CPA firm and was an excellent technician and he carried on this analytical accounting practice of ours very faithfully and what not, but he and Kemp sort of decided that with the changes taking place that they could sort of take over. And they tried to solicit the cooperation of the man who had succeeded Leon Reed as ad director, as circulation director. And then I had had some trouble with the controller in getting him to get away from trying to write all the computer programs that they were doing in house and to adopt the programs that had been successfully developed by a cooperative group in the newspaper business, and our controller tried to resist that. And, finally, I just said, "Well, we've got to follow through on this." And at that time a man that he'd been associated with in accounting had established his business and offered our man an opportunity to come with him, so I gave him a rather nice severance. And he went on there. Then Tom Kemp had sort of fallen in with him, and I knew we had to get rid of that kind of business. So I gave him a severance and a generous one, which he overdid and what not. At any rate, by then he was largely dependent on his older brother Ray to subsidize him in what he was undertaking. But that's a part of the story that just I wouldn't want to elaborate on. But he, then, in the period of what was to be a terminal leave, signed on with the *Democrat* and undertook to misrepresent to Dillard our practices, and that was what sort of changed the tone of things with Dillard, but I think Dillard made some critical decisions based on that false information. And I don't know

whether Gannett could have avoided that because Gannett had become pretty arrogant.

RR: Had this happened before Gannett bought the paper?

HP: No, this was after the *Gazette*.

RR: Oh, after.

HP: It had nothing to do with that.

RR: Right. Yes.

HP: No, but that was just my observations of what took place. Of course, Gannett just mismanaged so many things when they took over.

RR: Yes, that's just one more thing. But someone told me that Gannett had negotiated some lower ad rates with some other advertisers. Dillard found out about it and was angry. Do you know if that's . . .?

HP: That was not true. It was not true.

RR: Okay.

HP: Yes, that was a part of Tom Kemp's misrepresentation to them.

RR: Okay.

HP: And the *Democrat* and Hussman had paid Tom rather handsomely to come with them, and so he was the false mole in the situation.

RR: Well, that explains quite a lot. But when Dillard finally did pull out of the *Gazette*, I've always thought that that was a blow that the *Gazette* could not recover from, but I don't know.

HP: Well, that was true. Yes, I don't know how they could have recovered at that

point, not with the first [dell?] they had in here.

RR: Because that — I don't know if people in general understand the importance of these big department stores' advertising — because that's a big hunk of the revenue.

HP: Oh, absolutely. And, of course, by then, Hussman was just pouring in, literally, millions of dollars in his giveaway approach. You see, his big move on Dillard had been to offer [that] if Dillard ran the same advertising in the *Democrat* that they were currently running in the *Gazette*, he would run it for a dollar an inch, and his advertised rate at the time was about seven dollars and a half an inch. Ours was about nine and a half an inch. So Dillard, when he finally took that deal, just accepted the deficit in the cost of it altered by the *Democrat* to the extent that it came to probably close to twelve million dollars a year. And Hussman by then received — when he came into what he considered to be vigorous competition with the *Gazette*, he had been able to sustain some losses on the unusual profits that he was beginning to make on his television franchise, a cable franchise situation in a number of smaller towns. And at that time he was profiting from those operations to the extent of three or four million dollars a year. Well, at one time he finally bragged that he had gotten his losses on the *Democrat* down below his income from these other sources and what not. Well, then as time went on, his profits from the cable just compounded, and it got to where he was getting fifteen million dollars. But he was so determined that he would prevail in this market that he was willing to throw all that away. His

family was terribly upset over it. And it was during that time that he came to me with the proposition that if we would enter into a joint arrangement that we could make all the determinations regarding coverage, rates, days of publication, that sort of thing if we would just subsidize his news operation to the extent of three or four hundred thousand dollars a year or something of that sort. But I didn't want to have a thing to do with Hussman. I just disapproved their outlook on life to begin with.

RR: Do you mean the Palmer papers? Did they have something to do with it? I mean, their performance record?

HP: Well, of course, they had been — they had cut corners every way they possibly could have over all the years, in the operation, with suppliers, machinery people. We'd get the reports on those things, so I just didn't want to have to be involved in it, and I didn't think we had to be. I tried to persuade Walter that he could make adjustments of his own in the operation, that he could just decide to go after them and limit his circulation and all to try to develop more retail business and what not and at least be reasonably profitable.

RR: Did he consider selling the *Democrat* outright to the *Gazette*?

HP: We never approached that because at that point my investigation indicated that it was not possible legally for us to acquire it.

RR: Did you look into that earlier when Engel's nephews owned the paper? Had they offered to sell the paper?

HP: No, they had never talked about selling.

RR: Did they talk about a joint operating agreement with you?

HP: Yes.

RR: I had the impression that some consideration had been given even earlier to a possible sale of the *Democrat* to the *Gazette*.

HP: No, we never did that. And I talked with the general counsel for the American Newspaper Publishers' Association about that, and he took the position that they would have to make a public offering of it for sale, and if that failed, that is, to another party, if that failed, then we might have an opening.

RR: So you had given some thought to buying it.

HP: Oh, yes.

RR: Let's see, the Engel's nephews inherited the paper. Do you remember the year?

HP: No, I don't.

RR: Early '70s, about that time? Hussman ended up with it in the mid-'70s. Anyway, back there considerably before the time we're talking about.

HP: Yes. Well, Hussman didn't own it then. You know, it's been some years now, and, boy, I used to have, I think, almost total recall and things of that sort, but . . .

RR: When the time came for the *Gazette* family, when you reached the conclusion that something had to be done and you started looking around for possibilities, I assume that the members of the family talked about this at the time and talked about alternatives, what might be done. Can you kind of outline what those discussions might have been like?

HP: Well, here again, there was nobody in the family who really was experienced

enough to have an opinion worth very much. No, there was just a bit of discussion, but at that time Mr. Heiskell had died and I had inherited the sole trusteeship under the *inter vivus* trust and the voting trust. And I did talk with the officials at the bank in Knoxville that served as counsel to one of Mr. Heiskell's widowed sisters. I had dealt with them over the years and was on, you know, quite good terms with them. And, of course, after acquiring the interests of the Allsopps and the Fred Heiskell heirs, well, which had been sold to Witt Stephens, that we acquired from Stephens, I had let them know that the company was interested in acquiring any of their interests that they were willing to give up. And a couple of the — well, Carroll McGaughey's family, his mother was one of the heirs. She had died, so Carroll got to the point where he agreed to sell. So we acquired that. And then some time later, his brother, who had been in the banking business in Atlanta, decided that he would sell. And, of course, that was before I had any thought that we'd ever sell. I had been given an option up to a price that, at the time, was more than book value of the *Gazette* to acquire what we had bought, what the company had bought from Stephens which amounted to, at that time, oh, well, it was more than twenty-five percent. And I had exercised that option to the extent of just, oh, two or three hundred shares out of a possibility of around, maybe, twenty-four hundred or something of that sort. But by that time we had a majority in the family, and I thought that Louise deserved to have some things that I'd have to sacrifice if I acquired more of that stock at the time. Now, as it turns out, of course, later on and in the course of time, my option expired

before I exercised it any further. I had given a hundred fifty of the shares that I had acquired of the two hundred fifty, I suppose, to one of the boys and Louise had given a similar amount to the other boy. And if I'd held on to that, I would've ended up with probably a million and a half dollars more in the sale. But at the time we sold the paper to Gannett, I only owned a hundred shares in my own name because the rest of it I had given to the boys, I mean, to one of the boys, a hundred fifty shares. But the rest of the acquisitions were done by the corporation, and each remaining stock holder got consideration, percentage wise, in the remainder of the value. So, at one time, one of the families suggested I was trying to take advantage of the situation and the fact was that I was not acquiring any of it for myself and, proportionately, they were gaining each time we bought out a minority.

RR: Yes. So when the consideration came to what to do, whether to sell or what to do, by that time, what . . .

HP: Well, by that time, of course, the knowledgeable ones, the fellow who'd succeeded the trustee of the bank in Knoxville was not nearly so sympathetic to the situation and was one of the sort of hard-boiled people and claimed to know more about values than he really knew.

RR: What did he want to do?

HP: Well, he was all for selling it and all, but he didn't know what kind of poker game it was that you had to play. Anyway, that was the way that was. So, actually, it was pretty much in my hands to decide, to determine what to do. But, of course, I

discussed it with Louise, and by that time, Louise's sister had died and her husband, who was heir for life to her interests, was agreeable to sell.

RR: Agreeable to sell . . .

HP: And he was knowledgeable enough, you know, and we were close. We were friends and have remained friends through the years.

RR: Did Ralph and Carrick, were they agreeable to sell?

HP: Oh, yes. Well, they realized the situation. They knew it had to be done.

RR: I gather from talking to Carrick yesterday that up to some point he was reluctant.

HP: Yes, yes.

RR: Especially to Gannett. He didn't much care for Gannett.

HP: But, of course, the options were not very great then. I investigated, I think perhaps, I would have favored someone else at the time. Maybe *Times-Mirror* because I was pretty favorably impressed with Otis Chandler. And then the Knight-Ridder people and what not, but they were not — they were realists, you see.

RR: How close did you come to making a deal with Ingersoll?

HP: [Laughs] Well, I was interested. And I had met Ingersoll. We had been on an advisory committee for the United Press together. I didn't know at the time that he was such a promoter. And they, of course, were sworn to secrecy about any of our dealings, but when they came in to have a look, they were not cautious about that sort of thing, so speculation started. And by then I had become convinced that, maybe, they couldn't do what they were saying. A friend of mine, Lee

Keller, who had been with the United Press, one of their principal officers, had discussed it with me because he was representing Ingersoll and some of Ingersoll's backers in these things, so I had very privately talked with him a little bit. He was a personal friend. So when it came to that point, we said, "All signals are checked and everything's [out?]." And so we had a release from Ingersoll from any kind of pursuit.

RR: What was the situation? I remember a fellow who used to work for *The New York Times*, Wendell Rawls got involved in the discussions at some point on behalf of some other owner somewhere. Do you remember that?

HP: No, I knew nothing of that.

RR: I don't know. I never knew who this other fellow was exactly. I heard his name. It didn't mean anything. Apparently, he owned some race tracks and things like that.

HP: I don't know of anything.

RR: You don't remember any discussions with Rawls?

HP: No.

RR: Was there any . . .

HP: Now, there were other people like Singleton.

RR: Singleton, yes. Along the time . . .

HP: Yes, but I never did any dealings with him.

RR: Yes, this was somebody else. Was there any discussion or thought of trying to make some kind of a deal with the Stephens family or the Walton family here in

Arkansas?

HP: No.

RR: Did Don Reynolds express any interest?

HP: No. I would not have thought of that as a possibility either.

RR: I'd heard that he had approached the *Gazette*, but apparently that . . .

HP: Never to me and I would have been the one to approach.

RR: Sure.

HP: Yes, I knew Don. As a matter of fact, Don — one time when I was president of the Inter American Press Association scholarship program, I approached Don for a contribution, just one scholarship of $3500, and he ended up giving four in the names of four editors that he had admired, including the man who had been his editor at Fort Smith and one in the name of J.N. Heiskell and another in the name of a Texas publisher that I had known. I've forgotten who the fourth one was. But, at any rate, he came through on that.

RR: He was some guy.

HP: And then he asked me to be on their scholarship selection committee one time for their scholarship program one time. I met with them out in Las Vegas. But I never considered them to be a potential . . .

RR: Yes. Now, you told me the other day about having known Al Neuharth and that your acquaintance with him was instrumental in the decision to sell to Gannett. Did Neuharth make any kind of commitment to keep hands off the *Gazette*'s editorial policy or anything in that regard?

HP: No. No. And, of course, I had no thought that Neuharth at the time was considering the maneuver that he did to take the foundation and run with it.

RR: You mean leave the company and go with the foundation?

HP: Yes.

RR: Yes. I don't know where I heard that, but I'd picked up . . .

HP: No, I'll tell you, I had not made any direct approach to them, and at one point, Ashmore called me and said that John Siegenthaler had said that they had some interest, he thought, and how should they approach me. And Harry told me about that, and I said, "All he has to do is call me!" And so, John did. And that's how that got started.

RR: Did you have any discussions with Neuharth later on, after Gannett had been here for a while and things were not looking very good?

HP: Yes. Yes, indeed. And Neuharth said, "Well, Hugh, I had to turn that over to Curley, and I really have no voice in that anymore." And I said, "Well, what they're doing is trying to make the paper over and they're making just strategic errors that are bad." And he said, "Well, I know, and I have just no control over that at all." And, of course, he recently here, you know, conceded that they made a lot of errors.

RR: Yes. So he said he would have done things differently if he had . . .

HP: Yes, indeed, and I am sure he would have. Of course, at that point, as I say, we just didn't have a lot of options. The only offer that was ever suggested to me by one of the ones that I thought were possibilities was *The New York Times* when

Gruson made that pass in the silly suggestion that we might consider just taking book value of about $16 million.

RR: $16 million?

HP: Yes.

RR: And eventually the price was, what, $51 [million]?

HP: $51[million].

RR: Would that be low enough to be considered an insult?

HP: [Laughs] Well, I didn't take it seriously, certainly. And then I thought the whole visit was a frivolous one, but, oh, you know, I didn't know Gruson very well. I've known some of those people, you know, like the one who was at the, oh, the Pulitzer fellow, now, what is his name? He was a foreign man who [?]. What was his name? I know him very well. He's still there.

RR: Still there.

HP: Still at Columbia. He's up at Columbia.

RR: Oh, oh, yes.

HP: What was his name? You know it just as well as I do.

RR: When they, Gannett, decided that they were going to pull out, the last, the next to last publisher, Craig Moon, I believe, was sent somewhere else and they brought in a man named Moe Hickey. I'm sure you remember Moe Hickey. Can you shed any light at all on the rumor that is still current that Moe Hickey was paid $1 million to close down the *Gazette* and that that's what he did for Gannett — that he went whenever they had to shut a paper down . . .

HP: He may well have done that. I didn't hear that. I had little contact with him and thought he knew something about what he was doing. And I think, really, I had the impression that he was trying to figure out whether there was any possibility of its surviving. But I knew nothing whatsoever about any dealings that they were having with Hussman. Now Moon, of course, was kind of a favorite of John Curley, and he was a frivolous kind of fellow. And he went on to Nashville. And he was the — I guess he's still there as far as I know.

RR: I think he's still there running that whole big operation that they have there. The last I heard.

HP: Yes. Well, he was not a very man of great depth. I think he was a playboy.

RR: Let me go back in time, generations back. Do you know what is the story about the time when, for a brief period, the *Gazette* or somebody at the *Gazette* owned the *Democrat*? Can you tell me that story?

HP: I possibly at one time knew more about that than I remember, but I never knew any detail about any of that. I really don't know enough to comment intelligibly on that now.

RR: But, I gather, it was true for some brief period, the ownership . . .

HP: Well, yes, that's right.

RR: But would it have been Mr. Heiskell or the Allsopps or other members of the Heiskell family who owned it?

HP: It probably was Mr. Heiskell.

RR: For some reason, he was reluctant to talk about that. Margaret Ross told me that

she once asked him . . .

HP: Yes, I thought maybe she'd . . .

RR: She told me . . .

HP: Yes, I think that she knew as much as anybody ever knew about that.

RR: Well, she said, for some reason, Mr. J.N. just didn't want to talk about that.

HP: Well, I think he was sort of embarrassed over it. But I don't know what his dealings were. I guess that was before Engel.

RR: Yes, back in the teens, I think.

HP: Probably before Elmer Clark. I don't know whether it was before Elmer Clark came to us or not.

RR: It was about that time, I believe.

HP: Yes.

RR: Eventually, well, pretty soon, I think, a previous owner of the *Democrat* bought it back. That's the way Margaret remembers it.

HP: Yes, well, Clark was the one who brought Engel here. Clark had had a paper in New Orleans, and Engel had been the bookkeeper down there, so he brought him. And I think the rumor at the time was that he'd brought Engel as a potential son-in-law for his daughter Hortense, but Hortense ended up marrying Lid's uncle Ec Johnson.

RR: Who?

HP: Johnson.

RR: What was his first name?

HP: Ector, I think, was his — the son was named Ector. Ector Johnson lived here in Little Rock.

RR: E-C . . .

HP: E-C-T-O-R, I suppose.

RR: Yes.

HP: I don't know that I've ever seen it written. But Ec was a marine pilot in World War II and a distinguished one. He flew a lot of missions in the Pacific. He died not too long ago. He kept up his reserve status in the marines, but he did various things, worked for one of the banks here for a while.

RR: This might be a good time. I'd wanted at some point to find out a little more about Lid's family. Now you all have been married how long?

HP: We were married in March of 1943, I guess it was.

RR: No, Lid not Louise.

HP: Oh, Lid. Yes, Lid and I were married just about eight years ago, I guess, in February.

RR: And she was Olivia . . .

HP: Olivia Owens. Her father was Grover Owens. Grover was an attorney and rather prominent. He represented several out-of-state corporations and others and had a big practice. But he was, I think, a very clever lawyer who did a lot of political type trading and had a good deal of influence and all.

RR: Was he close to one of the governors in particular?

HP: Probably over the years, I don't know. Grover had come from Yell County and

had become a friend of this Ector Johnson and married Ector Johnson's sister, Lid's mother, who was Ruby Johnson of Augusta. Ector was a person of [some parts?], and he ended up going out to San Francisco after he and Hortense were married. And he bought the Driscoll Hotel in San Francisco and ran it for years. He was a great hotel keeper. But, more about Grover, Grover was a clever man who worked largely with his wits. He was associated with the McHaneys.

RR: McHaney?

HP: Yes, Owens, Erwin and McHaney was the law firm name, and Erwin was a prominent Jewish lawyer who, apparently, was an excellent lawyer. And the McHaneys, of course, were from a legal family. I think one of the McHaneys had been a judge, maybe, at one point, but Jimmy McHaney was one of the boys. There were two of the McHaney boys in the firm. Jim was the younger one. But I suppose one of Grover's principal clients was one of the utilities, a gas company or something like that, because I know he had to do a lot of right-of-way work and stuff of that sort. Lid's husband was Alex Nisbitt.

RR: I'm sorry, what was that?

HP: Alexander Wickliff Nisbit, who had come from Dallas and went to the University of Oklahoma, and I don't know whether he got his law degree there or at Arkansas. But, at any rate, he came here as a young lawyer and an insurance adjuster with one of the big insurance firms.

RR: Did you know him?

HP: Oh, yes. I knew him well.

RR: You probably knew Grover Owens as well.

HP: Hmm?

RR: Did you know Grover Owens?

HP: Oh, yes, yes. Well, I'd known him back when I was working for the D, P, and L, selling printing and office supplies and things of that sort. Yes, I had known him. As a matter of fact, when I came back from the service to the *Gazette*, Grover represented a number of organizations, including the AAA club here, which had sort of been taken over by the manager who had just gone in business for himself with a travel agency which was separate from the AAA, but the AAA was sponsoring it and all that sort of thing. It was not an accepted practice with the AAA. So, among other things, Grover approached me and asked me to take over the AAA and become its president and reorganize it, and so I did. And then later on, I was asked to take over as chairman of the Salvation Army's advisory board, and I set up a progressive board of directors [?], so that there was a turnover among those and a limit on the time they could serve. So I reorganized several things, including some things in the United Fund and all that sort of stuff. And I served my time on all the boards, Chamber of Commerce . . .

RR: What are you active in now?

HP: Hmm?

RR: Are you active in some organizations now, at the present time?

HP: No. Just as . . . I kept a retirement affiliation in the ASNE and the Southern Newspaper Publishers' Association. I went through all the chairs in the Southern

Newspaper Publishers'.

RR: Do you still go to the conventions?

HP: I have until recently. I haven't gone to the last couple. Well, we went to one two years ago at Boca Raton. I didn't find many people active still that --- you know, my contemporaries are gone.

[End of Tape One, Side One]

[Beginning of Tape One, Side Two]

HP: . . . but from the time I got to Little Rock, I was fascinated with this property along the river that we later sold to Dillard for the new building, but I had . . .

RR: The *Gazette* owned that?

HP: Oh, yes. Well, our real estate affiliate did. So, when we sold the paper, we just conveyed the *Gazette* building and a portion of the east side property, the Rock Island property that the plant was on, and retained the other. And that, along with the property on the river over here, we kept under the name of FGS Limited Partnership — Former *Gazette* Stockholders is FGS, Former *Gazette* Stockholders. So I, for the next couple or three years, was busy figuring out what disposition to make of that property.

RR: And you eventually sold it to Dillards for their present headquarters?

HP: Yes.

RR: Does the company still own other real estate?

HP: No, we finally closed that out altogether. Yes, we owned the little Rock Island Railroad station and [a block?] more down there that I sold just a couple of years

ago at auction, a block that has been cleared and is right in the path of the new governor's library, the Clinton Library, and if I had held on to that, but if I'd held on to it, some of these damned distaff relatives would have thought that I would have kept it [to acquire for apportion purposes?].

RR: Yes. Before you moved here, to this present residence in the — what's the name of the tower?

HP: Westriver.

RR: Westriver . . . where was your house?

HP: On Beechwood.

RR: Beechwood.

HP: Yes. Between Cantrell Road and Country Club Boulevard.

RR: And who lives there now, do you know?

HP: Well, Lid's daughter and her husband bought it from Louise's heirs. But then when he developed this lung problem and all, he was trying to get his affairs in some order so that if he didn't survive, somehow it would be more manageable for his wife and children. So they sold the house and bought another house over on Jackson Street, where the upkeep would be less. But he survived the transplant, and I don't know what his future really is. Let's go off the record.

[Tape Stopped]

RR: We were talking about your sons . . .

HP: Yes, yes.

RR: . . . and their roles at the *Gazette*.

HP: Yes. When they finished college, Carrick came on and went to the news department. And Nelson, A.R. Nelson, had said that he would try to teach him what he knew about newspapering, and so Carrick went on doing various jobs that they felt he was suited for. And then, Ralph came in and had a succession of jobs around in different business departments and all. And they just sort of pursued their own courses. And I had thought that under some family tradition that Carrick might ultimately end up as the editor and Ralph on the business side. Well, I don't know yet what would've been because Carrick, in the course of time, has displayed a keen ability in a number of fields, including having a good economic brain, I think. And Ralph, then, got into creative work in advertising and promotion and that kind of business, so you just never know how these things are going to turn out.

RR: Did both boys stay with the paper until it was sold?

HP: No, Ralph left for a time and got into advertising, and he became the creative director of the Cranford-Johnson Advertising Agency. And then he came back for a while and then after the paper was sold, he joined another ad agency in the creative field. And he still does some advertising, promotional work, and advice, I think.

RR: For that same company? What company is that?

HP: Well, it was — I can't think of its name right at the time, but the agency is no longer in business.

RR: Oh, I see. So he works for himself now?

HP: For whatever he does. Now, he has threatened to take up painting again, and he did some interesting painting while at St. Albans. I've got a few of his works here — this portrait of Lincoln and the one of Jack Kennedy over here. And the portrait of me that is behind me, over there, Ralph did those. And, you know, when he finished at St. Albans, they had a good art program up there and the instructor had not tried to influence any of them in terms of style but had given them just technical advice on mixing paints, I suppose, and things of that sort. But he spent a lot of time with my brother in Washington. My brother was separated at that time and had his apartment. And he and some of his artist friends would get together on Saturday mornings and they'd engage a live model. And while Ralph was there, Ralph would sketch along with them, with these nude models.

RR: Could you describe this portrait of Lincoln?

HP: Would I describe it?

RR: Yes.

HP: Well, he works in a medium of tempera which, I think, is a water-based paint, but he liked that because it set up quickly, and he could paint and see what his result would be.

RR: I am interested in the colors in the portrait. The dark shades seem to suggest the person of Lincoln.

HP: Yes. Well, that would've been his own notion, I'm sure. As I say, Stovall, the instructor, did not try to impose his own style on the students.

RR: Interesting portrait all the way around.

HP: There was a man who had a gallery here in Little Rock. He also did framing and what not, but he sponsored a program at a restaurant over in Lakewood House that was called the Galleria. And each month he would display the works of one of the artists. And they devoted a month to Ralph at one time, and I think they had about a dozen of his paintings over there at the time. And a number of them were sold. And I don't know now to whom. But this Lincoln and the one of Kennedy over there were — well, he had offers on those, but he didn't want to sell those, and we didn't want him to sell them. So he'll get those back one day. [Laughs]

RR: The *Gazette* has been gone since 1991, and the *Democrat-Gazette* has been the surviving paper. How do you judge, how do you evaluate the performance of the *Democrat-Gazette* over the nine year period?

HP: Well, it would be very difficult to try to summarize a question of that sort. Of course, a lot of transition has occurred in the newspaper field itself in that period of time. I think it's distressing that qualities which had been developed at the *Gazette* over the years were sort of ignored and passed over in the course of time. And the restructuring of it by Gannett — earlier I was talking about pursuing this with Al Neuharth at one time when I told him that there were many many complaints about what they were doing to the *Gazette*. And he said, "Well, they're just simply trying to Gannettize it." And I said, "Well, what they ought to be doing is *Arkansas-Gazettizing* more of their papers" and what not. But I think

that change was quite radical and destructive. And then, of course, the acquisition of control by Hussman has led to a politicizing of the paper in ways that I don't even think conservatives appreciate.

[Phone Rings. Tape Stopped]

RR: When you say the politicizing of the paper, are you talking about the editorial page or the news pages as well?

HP: Well, mainly the editorial page. Actually, I don't spend a whole lot of time with the *Democrat*, and I don't read the editorial columns themselves because they're just a little bit too much.

RR: Certainly was a radical change from the *Arkansas Gazette*'s editorial page.

HP: Oh, yes, indeed. Absolutely. Well, of course, we tended to run the columns of the people whose views we appreciated and, of course, emphasized *The New York Times* writers, Tony Lewis and the others. And I think it's unfortunate that the *Democrat* has not kept a representative number of those good writers. And then, I don't know why they feel that they have any obligation to continue John Robert Starr's dribble. You know, Starr claimed to have been responsible in large measure for the *Democrat* dominating the field. Well, I don't think it had anything much to do with that. I think that it was Hussman's largesse to Dillard that did more than anything else.

RR: In the overall quality of the paper, how do you think the *Democrat* stacks up against other papers of its size that you are acquainted with?

HP: Well, they are devoting a lot of space, of course, to a variety of subject matter,

special sections and the like. I just don't know exactly how to try to evaluate that. I see in other papers, even *The New York Times*, that they have gotten into areas that I think, perhaps, don't deserve the degree of attention that they are giving.

RR: Are you referring to the so-called Lifestyle matters?

HP: Yes, yes.

RR: Well, let me ask . . .

HP: Now, the *Democrat* contains a good deal of material and they, of course, are devoting a lot of space to sports and other activities, but I don't think that just allocation of space is the whole story. I would rather see less space taken by more interesting and important material. I have said somewhat jokingly that I read the *Democrat* for the obituaries and the crossword puzzles. And sometimes I even debate the value of some of the current crossword puzzles. [Laughs] But, of course, I feel the same way about *The New York Times* crossword puzzles.

RR: Speaking of sports, Orville Henry's departure from the *Gazette*. Now that occurred after Gannett bought the paper. How important was that, his leaving the *Gazette*?

HP: Well, I think at the time it had some effect. Orville was such a fixture of the *Gazette*, and I always liked Orville's work. I don't think the Gannett treatment of Orville was appropriate, but I don't know just what was involved in that.

RR: What did he — what caused the parting of the ways, do you know? He was unhappy over something.

HP: I may have known more about it at the time than I remember now.

RR: Walker Lundy was editor at the time and was dealing with Orville.

HP: Yes, yes. Well, he was confusing to a number of people. In terms of his notion about preachers, he — I don't know why they ever brought him here or why he was able to get a job like he got after leaving. He went to St. Paul, didn't he?

RR: Yes, he's still there, I think.

HP: Did you know anything about him?

RR: No, not until he came here. And he put a great deal of emphasis on focus groups, and he made such statements as, "The editors don't have the right to decide what goes in the paper. The readers have more of a right. We should pay more attention to what the readers want," of course, which is all anathema to an old newsman. Well, Hugh, let me wind it up with one last question if I can. What difference has the death of the *Arkansas Gazette* made to the state of Arkansas?

HP: Well, I think over the years it has made a great deal of difference. I think it has taken the responsibility seriously of trying to educate the readers and to weed them down, good courses of thought and action politically and economically and all. I remember one time Bill Fulbright saying that he'd always considered himself to be something of a political accident coming from Arkansas and having achieved the position he had, but he said he didn't think it could have ever occurred had it not been for the longtime enlightening influence of the *Arkansas Gazette*. I think its emphasis on the proper use of language has been very important, certainly a quality that is lacking in the current newspaper style.

RR: Do you see a political impact on the fact that we no longer have the *Gazette*?

HP: Well, I think the political influence was very important over a number of years and, particularly, some of the more recent ones, not including the current period. But I think the editorial page under J.N. Heiskell's direction was substantial and in point a great deal of the time. I think that perhaps it could have been more influential in certain areas at times. I think it was not until the post-war era that the editorials became more incisive and influential, in that the editorials and the news interest began delving more deeply into important political questions such as the influence of certain major political activist organizations as the electric utilities and other economic interests. I don't think it was until Ashmore's influence in the editorials began becoming more incisive in those areas that the *Gazette* was wielding as much influence as it had potentially. Now, you know, looking back on that period, it was not only in the editorials that I think things changed, but I think the quality of the news report improved during that period, again, somewhat under the influence of Ashmore, though we had other people there. But I think more attention was given by the writers themselves to style and expression, manner of expression and all.

RR: You mentioned the utilities coverage. I — just off the top of my head, I can remember two very influential series on the utilities: one by Ray Moseley in the 1950s, on Arkansas Power and Light Company and Arkansas-Louisiana Gas Company and their competition, and a later series by Ernie Dumas, probably in the '70s, on a related subject having to do with the importance of the utilities and the politics.

HP: Yes.

RR: And then, of course, that's just the tip of the iceberg in the coverage.

HP: Yes, I think those were the things that came on in relatively later terms. And in the terms that I was associated with the paper and in closer contact with it because the relationship that Ashmore and I had was, I think, a very, very good one in that we were in continuous conversation and discussion with the things of interest. Not in the sense that I was participating in the details of that coverage, but, of course, these were the discussions. These were the topics, the kinds of things that we were both thinking about at the time and, of course, I was busy going about my things of having to do with, largely, the business operation, but certainly was participating in the community discussion in the organizations that I was dealing with, like the Chamber of Commerce, like the Kiwanis Club, like the other activities that I was participating in. And then I was actively pursuing subjects like greater aid to education. . . .

RR: G.A.C.E.

HP: Yes.

[Phone Rings. Tape Stopped]

HP: . . . He was sort of a loose cannon.

RR: Yes. On this matter of political influence, I was just sitting here thinking of a succession of political figures — Fulbright, MacMath, Wilbur Mills, the early Orval Faubus, Win Rockefeller, David Pryor, Dale Bumpers, Bill Clinton — all you might categorize as progressive leaders in one way or another.

HP: Yes, yes.

RR: Is there a connection between that kind of political leadership and a single institution like the *Arkansas Gazette*, or is that overstating the case?

HP: No, I don't think it is overstating it. I think there is a connection. I think those people developed in large measure because of the influence, because of the institution. Not just the *Gazette*, but the set of institutions that included the *Gazette*. And I'm happy that I've had fairly intimate contact with each of those people that you have mentioned. It's really interesting when I reflect on the degree to which we had more or less intimate contact with the good many of these things, you know. Incidentally, last night we went to the Graffiti – that's our usual Monday night place to dine. — We get our pasta fix for the week at Graffiti! — And last night, Lid and I were sitting there, and Win Rockefeller came over and sat down and joined us. Well, that young man is developing somewhat now, I think, and all. And it's not a development he can attribute to the governor, I don't think! But Win, his father, was a very interesting fellow, and I got to know him, you know, pretty well over the course of time. I remember one time he had had a special session of the assembly coming on, and one time Jim Powell and I were up there, and he had us stay on for a little while. It was at one of his horse, cattle shows or something like that, I don't know. But at any rate, he had us stay on and chat a little while. And he sort of outlined his program and said, "Well, what do you think of that?" And I said, "Well, Win, it sounds very good, very progressive and very good to me. And I think it will be all right if

you don't screw it up, which you probably will!" And so he chuckled. [Laughs]

RR: [Laughs] Well, Hugh, this has been a good and constructive series of interviews. I always hate to say it's time to quit, but is there any other thing that you can think of that needs to be said before we wind it up?

HP: I don't think of anything right now. I think you have pursued it in a very interesting and perceptive way. I have a feeling that I am just not as articulate these days as I might have been at one time.

RR: Not at all. Not at all. Anyway, thank you for all your help and . . .

[End of Interview, Session 3]