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This transcript represents the nearly verbatim record of an unrehearsed interview. Please bear in mind that you are reading the spoken word rather than the written word.

Oral History Number: 465-001
Interviewee: Lloyd Schermer
Interviewer: John Newhouse
Date of Interview: 1975
Project: Lee Newspapers Oral History Project

Note: Lloyd Schermer was, in 1975, chief executive officer of Lee Enterprises. He was named business manager of The Missoulian newspaper in 1959, when Lee bought the Anaconda Co.-owned newspapers in Missoula, Billings, Helena, Butte, Anaconda and Livingston, and became publisher in 1961.

Lloyd Schermer: When everybody was fighting for power among the copper barons, there was a great diffusion of power. If you looked at the executive government out there—executive branch of government [in Montana]—there were something like 120 different committees and commissions and what not and many of them were accountable to no one. It was so spread out the governor was a figurehead. We busted our pick on this one in the beginning.

I ran a big double truck [two full contiguous pages of the newspaper] in color, [with] a chart showing all these things. We got on a soapbox trying to get people to streamline government, but that fell flat on its nose. It showed which ones had no accountability, which had some, which had good accountability, but they [constitutional convention delegates] only just wrote the new constitution. They had a constitutional convention and that took—that was a 12-year project, and it's a beautiful constitution.

The Missoulian was involved in it deeply—all the papers were. I think they got egg on their face. [There was skepticism among the newspaper editorial writers about some elected delegates], particularly with one guy who was an attorney out there—because he represented a lot of the industry out there—that he went over [to the convention] as suspect. When it was all said and done, he's the guy that got the standing ovation from both sides of the aisle. Super, super patriot. [Missoula attorney] Jim Garlington, he was just an outstandingly fine man, dedicated to that state. It's one of these things...you know how often people have the conspiracy idea in the back of their minds. How can a guy that represents the Anaconda Company go over and be a representative and say, "This is good for the state." You see what I'm saying? And he did. I think one of the great delegations came out of Missoula. John Toole was another great one.

There are a couple of other things that happened at the very beginning. Oh, this was funny. I wanted a vigorous editorial page. Guy Mooney was the editor in those days, and came up under the old regime, [where the philosophy] was don't rock the boat. We had done this in Kewanee [Illinois]. We ran what we called a political forum. What we did is give so many columns of space every day for several months to the candidates, take like the governor candidates. We'd ask a good question and then we'd give each one of them so much space.

John Newhouse: They wrote their own answers.

LS: Wrote their own answers. We didn't edit it. We didn't touch it. We gave them plenty of time to do it and so forth, and we'd run it with their picture. My position—[they'd detail their views, essentially stating,] here's my position. Well, [in Montana] a guy named Paul Cannon was nominated by the Democrats, and if you just had the Democratic label in those days you were shoo-in, especially from Butte, because the Republicans in Butte could have their caucus, their convention in a phone booth. There just aren't any. [laughs] So we had some pretty tough questions that we were asking an unknown named Don Nutter, who was a conservative—

JN: Don?

LS: Nutter, N-u-t-t-e-r. From Sidney, Montana, a nobody. He'd been in the legislature. Cannon wouldn't answer any of the questions, so Mooney was getting agitated and finally he said, "What are we going to do? This guy won't even answer my letters."

I said, "Are you sure he's getting them?"

"You bet I am. He's just ignoring us."

I said, "Well, hell, run Nutter's answer and his picture and put Cannon's picture, and just give him 10 inches of white space. Just put in it, 'No comment.'"

So that ran, and it kind of got people's attention. Two days later, another one ran, 'No comment.' Then another one, 'No comment.' Then we get a scream from a guy named [J.E.] McNally who's head of the Democratic Party from the eastern part of the state about the *Missoulian*, complaining we have no right to do this, and so on and so forth. Of course, as soon as he broke that thing into the open, it got off the editorial page and became news. Then everybody wanted to know what the hell it looked like. Actually, everybody thought it was funnier than hell. It was really funny.

We ran this for—oh, god, it got into a screeching, screaming fight from one side of the state to the other. Then everybody got into the act. Then it became freedom of the press and people's right to know. [laughs] Radio stations were starting to ask them questions—everybody wanted to ask the candidates questions. Rotary clubs would have their political forum and invite the candidate. See, nothing like that had ever happened in that state.

JN: What year was that?

LS: That was early. That was in 1962 or '60 election, I forget. [pauses] Might have been 1962. [It was 1960.] Anyhow, Nutter was elected overwhelmingly. Later, he told me, "That was my gut issue. I just carried these damn things around and said, 'How come my opponent won't answer this question? Here's where I stand.'" It was funny.

We had a terrible time with all the politicians out there. Mike Mansfield, a swell guy. I made him a promise right at the beginning, I said, "Mike, you've got my word, when we're not fair, we want to know about it. When our facts are not straight, we want to know about it. If we raise hell on the editorial page, that's our business. If you want to answer us, we'll give you all the space you need. If you think we're full of crap, that's your right, and if we think—visa-versa. But on those news columns, we've got to be accurate and we're going to be involved." I said, "You've got my word on it." We told that to Lee Metcalf, too—all of them. The only time Mike ever called me on it, he was dead right. He's a super guy, super integrity. Everything you can say good about a politician, you can say about Mike Mansfield.

We hired a news correspondent from Washington, Ken Shively (?), and he was covering for the Lee [Newspapers] of Montana. We all used him, we all [unintelligible]. I was heading up the centennial delegation for the territorial centennial [in 1964]. By that time, Don Nutter had been killed in a plane crash, and Tim Babcock was in jail now. Not in jail, but he was one of these guys involved in this illegal fund contribution thing. Sad. [Babcock pleaded guilty to making an illegal campaign contribution to President Richard Nixon. Babcock was hired by Russian Armand Hammer to be executive vice president of an Occidental Petroleum subsidiary in Washington, D.C. Hammer had Babcock funnel money to Nixon's campaign in 1972, using Babcock's and others' names. He served no jail time. Schermer apparently means that Babcock was governor during the centennial because his legal difficulties did not come until more than a decade later.]

Down to the Rose Bowl, we had a Montana float, a Montana band. The lack of sophistication was one of the charming things about Montana. This was fun. We had two busloads of politicians—Mike and his wife, and Tim and his wife—and we had an All-State band, kids from all these little towns marching in the parade. We had a big float, and we had Miss Indian America—she was a Sioux Indian, I think, and a couple other gals. We had a hookup with the state from down there, so that on New Year's Eve we kicked off the New Year with that deal down there and we were all, by direct radio hook-up, back to Two Dot, Montana, and Missoula and everywhere, kicking off the festivities. All the key politicians were making speeches and singing Montana songs and having a ball. But Mike called me before he came. He said, "I want to have breakfast with you." Then I sat down with him when we got there. He said, "You gave me this invitation on what to call you on."

I said, "Well, call me on it."

He said, "Well, this guy, Shively, called me off the floor, and he said, 'I want such and such from you.'" He [Mansfield] said, "I'm busy right now. I can't answer you."

"I represent the Montana newspapers, Lee Montana papers." Threw his weight around, really knew how to twist his arm hard. Mike, in so many nice words, which he wouldn't say it this way, told him to "piss off a rope," in his own nice way and he walked away.

He said, "Lloyd, I'm a busy man. I've got a lot of things to do out on that floor as majority leader. Nobody talks to me that way."

I said, "Can't say if I blame you."

So, when I got back, I released Shively from his responsibilities for the *Missoulian*.

Interestingly enough, though, Billings used him for several months after that. I wouldn't try to influence the other papers. And I told Mike, I said, "I have nothing to say about Billings or anywhere else."

Little things. Missoula streets were horrible, so before we got into a big campaign to get people to fix their streets, we got a special improvement district in front of the *Missoulian* signed up, about three blocks. God, it was like pulling hen's teeth. We got the job done, we got our street fixed, and then we started writing editorials about everybody else's street. [laughs]

JN: [laughs] That sounds like a hell of a lot of fun.

LS: Oh, yeah! [pauses] There are so many interesting anecdotes. Let me think...damn.

Our newspaper, our people, got the United Fund going in Missoula, which was kind of a first. It's been successful every year since. That was a real interesting arm-twisting project. You use your power in all kinds of ways if you want to, constructively. That one was interesting to get the first families of Missoula to be really first when it came to giving money. Once people got involved, and they really got hold of it and they take great pride in it.

You have to give credit to people back here [in Iowa]. They really did help us through the transition, Don [Anderson] did, Phil [Adler] did, Dave [Gottlieb] did. When Dick [Gottlieb] went after me and went after Strand [Hilleboe, president of Lee Newspapers in Montana and publisher of the Billings Gazette], he was a toughie. When there were some gutsy things to do, they let us do it: Give money away or run the risk of libel, which we ran many times. Where we had to get very, very tough with some important people. I think the crowning achievement out there is what you read in that little piece [unintelligible]. You take both of those [refers to articles he's given to Newhouse]. Before they're done, they're going to send maybe a couple busloads of people to jail—judges and lawyers and legislators—started in '69.

A lot of these business ideas have come out of there. I mean, we got involved in budgeting out in Montana early in the game. Not that we all just love to run after numbers, but you have to put first things first. You can't have a good product based on a foundation built on sand. If you don't whip the production side of it and learn to run well inside—in other words, a good leader whether he's a circulation manager, an editor, a publisher, an ad manager, or what have you, the fundamental ingredients of good leadership are there in any man in today's society. The kind of leadership people respond to today. That's the kind of stuff we're trying to learn and

teach and perpetuate and improve. We've always kind of put the emphasis on leadership qualities. We don't give a damn whether the guy's in a newsroom, trying to get a bunch of prima donnas called reporters and editors and whatnot all to kind of dance to the same ballet and at least get some harmony out of it and not all dissonance, or in an ad department or in an... I'm not saying everybody's the same, but people like to be creative—good people do—whether they're in the newsroom or in an ad department or anywhere in your company—foreman. When I come back to what you were saying, 'How did you do this with those people out there?' Those people aren't any different than any people anywhere else in this world, in this country. The technique is to learn how to give them the opportunity to turn themselves on.

Now, if you were turning them on and off at your bidding, then you are guilty of exploitation. In my opinion as a leader. You see what I'm saying? That's manipulation. There is a fine distinction here between manipulation and allowing another person to do what's meaningful to him, hopefully within the kind of kind of structure. If you're not really working in the same direction and talking the same language, then it's your job as a leader to clear the air. The guy's in the wrong ballpark. You got to get him into a different ballgame somewhere else, and not with any sense of bitterness, but you've got to be honest about it. You see what I'm saying?

In my opinion, good newspeople thrive in that kind of environment. They really thrive in it, and I think when Don and Phil were so concerned that we guys, like Jim and me and so many of the younger fellows coming up in the company, were a bunch of bean counters, they always started from the premise that a profitable newspaper didn't have a good product really. But if you had a good product, it wasn't that easy to make money with it—the economy. We've always made the assumption that one is not only compatible, but necessary for the other. You've got to have a good product with a good profit. We maintain you can get a good product, a really good product, especially if you trim out the things that are overhead, the things that are really not meaningfully contributing to your product—excess production, sloppy work processes, antiquated equipment, excess management, too many people. You know what I'm saying?

JN: Yes, I sure do.

LS: In our corporation, we now spend more money in our newsrooms and our product than we do in the production of the product. Now, a lot of the other publicly owned companies don't even talk that way, but we can show it. This has been an objective of ours; it's one of the great things that came out of the new technology. In the end, if the goal is merely to cut your cost, then where in the hell do you go when you don't have anybody left in the composing room—there isn't any composing room left? If that's our reason for being, then it's not very exciting. So the answer is, what can we do—for the services we provide for our readers, our listeners, viewers—how can we improve that using this base that we've got back here and kind of keep it honed down?

JN: That's where you certainly led in Montana. Gee, some of those plants out there are fantastic.

LS: Well, these things are happening here now. These guys who were worried about the bean counters, I think Don is busting a button now because we've got more guys in the top management of this corporation come up through the newsroom than in the history of the company. We've attracted some outstanding young editors into this corporation, really good men. We got a guy, a new one in Racine, a new one in Billings, we're just as proud as hell of them. They've been around and they like the climate that we're providing, and these things have just got to have an effect on the quality of what it is we're doing.

You want another good story? *Great Falls Tribune* was really trying to make us look like a bunch of horse's asses by breaking the story of Butte on a madam, and a lot of the local politicians and town's fathers were using her whorehouse. Now, first of all, the *Tribune*—they're fun people, the guys up there I like them, they're pretty good people—but they were still our opposition. First of all, it's no great discovery when you find a madam in Butte, Montana. There must have been 10,000 whores over there in its heyday because none of the miners would get married. They couldn't. Whorehouses in Butte, Montana, were just as common as filling stations and saloons. Anyhow, she spills her guts, big expose, in Butte. [The stories centered on a madam who told of being forced to make extortion payments to Butte police and politicians to keep her brothels running. She also had a long relationship with a district judge, whom she called "Dimple Knees."] So the Butte paper kind of sniffs around and sniffs and snorts, and, hell, they weren't too excited about it. So I was talking with Sam Reynolds one day, our editorial [page editor]... you know Sam. Sam Reynolds, god, there's a guy. He's done a hell of a job. Anyhow, Jerry Holloron was head of our bureau, super guy, he's teaching at the J-School [University of Montana School of Journalism] now. He's really an outstandingly good man. I said to Sam and Jerry, "Why don't we find out what's going on over in Cascade County in Great Falls' backyard?"

These guys took a couple hundred bucks and took off for Great Falls. Well, they're churning this story up, and people are talking about it. They go over there, and first of all, there's a big election going on, big campaign. Guy named [Gene] Daly, [Cascade] county attorney running for the attorney general's office, against a guy named [Robert] Woodahl from some little...god, I forget the name of the town [Choteau], but it was Nowhere, Montana. Nobody ever heard of Woodahl. He was kind of a Boy Scout kind of a guy. Daly was really going gung-ho. [Daly and Woodahl were running for state attorney general in 1968.] Jerry and Sam came back a couple days later and walked into the office. "What happened?"

"Well, first of all, the town's wide open, gambling all over the place."

"What else? How about the whorehouses?"

"They got them all right." But they got two of them out on the edge of town between Malstrom Air Force Base and downtown, so that they got a black one, they got a white one, both kinds of whorehouses to keep the boys kind of away from the town's girls as much as possible. The town fathers knew about this. Here's the *Great Falls Tribune* talking about all those nasty

whorehouses down in Butte, see. Daly walks in that very afternoon with his entourage into Sam's office, and Sam's sitting there. You know how Reynolds is, he's a pro. He really is. This guy gives him all the PR snow job. Sam said, "Boy, that's really something what's going on in Butte. How are things up in your county?"

"Clean as a hound's tooth." [Schermer pounds the desk.] You know, he's giving Sam all this, and Sam's got a whole drawer full of notes. He just came back from that [trip]. This guy gives Sam a real snow job, and he leaves. Sam sits down and starts writing his stories. It blows that whole thing wide open. Daly's really upset, and Sam writes this beautiful editorial—I wish I'd kept a copy of it—about whorehouses in Cascade County. What was it he said? Something to the effect, Daly accused us of yellow journalism, and it seems to us the only yellow journalism we've seen is the yellow streak running up the back of the *Great Falls Tribune*. [laughs] It was a beautiful editorial, and it got Woodahl elected. He's still the attorney general. He is the one guy, he's the one fly in the ointment out there. They've been trying to cover up the story on the workmen's compensation scandal, and he's one of the few survivors in this last election. He's still the attorney general. He's going to have a whole slug of indictments coming out, and I would suspect that if Bob Woodahl wasn't the attorney general right now, we wouldn't be as far as we are in covering this. They can't control it. You like that kind of stuff?

JN: Sure. I don't know what I'll do with it, but I like it. [laughs] No, I think there's a place for it.

LS: There might be some bits and pieces in it. You'll get some different angles from these other guys. We got a letter from Lee Metcalf. No, there was a fight between public and private power going on. An ongoing fight. Metcalf's a great, great opponent of the privately owned utilities. Montana Power Company kind of took the Anaconda Company's place in the public mind as far as being the big corporate giant manipulating poor, working public and all the rest of them. Metcalf was their great, great antagonist, and we got a letter in the mail by mistake. It was addressed to the name of the guy who was head of the utility, "Editor of the *Missoulian*, Missoula, Montana," and Guy Mooney opened it by mistake. He read it, and this is a copy of a letter from the head of the Democratic Party in the state—campaign committee or something—a letter to Metcalf with a copy to Pike [Eugene Pike] who was the head of the REA. [Rural Electrification Administration]. In the letter was mentioned the editor of the *Missoulian* so that gal up there had made a mistake on the envelope, and [it] said "Eugene Pike, Editor of the *Missoulian*, Missoula, Montana."

I got the correspondence in here. In it, the letter spells out in detail about how the Democratic Party and the REA's public power and advocates and Metcalf go hand in hand and so forth. Then they're setting up phony letters to the editor campaign, and they're evaluating what they can get done in the *Missoulian* and the *Great Falls Tribune*, etc.

We ran an editorial. We didn't spill it all. We didn't feel we could. It was too hot a letter, but we alluded to it. That's when Metcalf sends me this nasty letter and he knew we had the goods on

him. I'm sure he did. I don't know if he really knew we had that letter or not. I wanted to run the damn thing just that way. I think it might have destroyed him in that election. But we didn't.

JN: How are the papers out there doing financially?

LS: Very well. Very, very well.

JN: That was a 6 million price tag, and you paid it off in around, wasn't it six years, as I recall?

LS: Yeah, something like that. Well, we've put a lot of money into new presses, new buildings. You've seen them. A lot of the innovation still comes out of that. I guess maybe it's because we're so damn far away from it. [unintelligible], I guess.

JN: [laughs] That's a hard thing to have to admit.

LS: I think it's true. Well, no, I think we've learned how to work at great distances with our guys and stay out of their hair.

JN: They're kind of a different breed out there, too, aren't they?

LS: Yeah, independent as hell. It's a beautiful state, lot of beautiful people out there. People whose values, I think, are a little bit different than the people in the metropolitan areas.

JN: Must be as different from Davenport [Iowa] as day and night?

LS: It is. It is. It really is. A lot of things about it that are different. But I have a different perspective than I used to have. Maybe the thing that's good about it is that my perspective now comes from my experience out there, so I can understand it when one of those guys out there in his own way tells me to go piss up a rope, I'm on his turf. They really do. In fact, they're very careful in our company to avoid the end-run thing. These guys out here—[Ron] Semple and [Jim] Burgess and all the rest of them—they just bend over backwards to keep me away from operations, because they know I just love to dive in and get involved. Of course, they've got the same problem. They've got to stay out of it, too. Our focus in this company is directed toward people and their development, their self-development, hopefully within a corporate framework, within corporate planning, within divisional planning, giving them a piece of the action so that we've got all of the inputs. I'm not talking about making decisions by committee, but certainly listening and making the plans that are workable. There's a lot of solid philosophy that people-oriented company...This last year we've made a lot of things possible. We've gone into this new income security plan and total disability plan, and a lot of other things have happened. We're trying to define the few policies we have in writing so that everybody...want to eliminate the grey areas. I'll give you an example.

[long pause; papers rustling]

LS: Turn that thing off.

[End of Interview]