

INDIANA NEWSPAPERS INCORPORATED

THE REPORTER BUILDING

LEBANON, :: INDIANA

December 18 1930

THE HUNTINGTON HERALD
THE HUNTINGTON PRESS
HUNTINGTON, INDIANA

THE VINCENNES SUN
THE VINCENNES COMMERCIAL
VINCENNES, INDIANA

THE LINTON CITIZEN
LINTON, INDIANA

EUGENE C. PULLIAM
PRESIDENT

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

This morning's mail brought a letter from Mr. Conway requesting certain information regarding Newspapers Incorporated of Texas, which apparently it will be necessary to have before we receive further remittance from the Mead company.

Mr. Conway says:

"In connection with proposed financial arrangement, our attorney would like a copy of your Charter and all Amendments, which, of course, will contain all provisions in connection with the issuance of 7% First Lien Preferred Stock of Newspapers, Inc., of Texas, This, in addition, will give us the amount of stock authorized and, of course, the financial statement shows the amount issued.

"We will also want a copy of the Agreement which Mr. Fentress proposes to sign in connection with the re-purchase of this stock, which is proposed to be placed as collateral against advances made. Or, if you prefer, we will have this drawn up here. I assume that the agreement is that Mr. Fentress will take up this stock on the basis of \$50.00 per share, proceeds to be used by us to take up any indebtedness of the General Newspapers, Inc. which have not been taken care of at maturity.

"We would also like details of the affairs of the companies whose stocks are owned by Newspapers Incorporated, which item constitutes the principal asset of this company.

CEMarsh - 12/18/30

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"We would like this in the same form as the one which you gave us, headed "General Newspapers Incorporated - Subsidiaries, (A Delaware Corporation) - Tentative Balance Sheet as of September 1st, 1930." This gives us details of all assets and liabilities of all the various companies."

Since this is what they have requested and as there is nothing unreasonable nor unusual about it I will appreciate it very much if you will have this data sent to me immediately by air mail. If necessary I will then drive over to Dayton in order to expedite remittance from Mead for the \$20,000 which we have requested for this month.

In order that you may have definite information regarding our commitments I am giving you herewith the memorandum which I had with me in New York, copy of which you failed to take with you. It is obvious that even with the commitment from Mead we are still in a very tight position for cash during the coming year. Our purchase notes will absorb practically all of the 1931 earnings of the properties which we have brought into General Newspapers. There apparently will be no surplus from Georgia, which leaves us only the dividends on Newspapers, Inc. and the Oklahoma properties, above purchase requirements. We may be able to take some money out of Orange and Huntington later in the year, but we cannot count on it for the next four months. The interest and bond liquidation in Oklahoma amounts to \$41,000 so that the quick surplus there will depend a great deal on business conditions.

We are obligated to do something for the Chase National sometime in January. We cannot pay less than \$50,000 at Chicago and we should make that more if possible. Due to the fact that we have been so short of cash I have been unable to build up any deposits in Chicago, at all.

Allen called me from Orlando requesting that I send him \$10,000 for deposit in the bank down there, which he did not expect to use. He said he had talked to you and that you had suggested he get in touch with me for the money. I could not regard it as good business to transfer \$10,000 to Florida at this time, as it would have taken practically all of our cash from several subsidiaries and we would have been putting it in into two strange Florida banks, about which we know nothing. It was necessary for me to pay Mr. Paxton \$6500 this week, so you can see that our cash

position is anything but comfortable at the present time.

If the Mead company comes through with the commitments they have made we will be able to carry on, I think, without serious difficulty, but for the life of me I cannot figure out how we can take care of your \$15,000 check before January 1st, and it will be a serious matter for us to do it even in January. Of course if we get the \$20,000 from Mead this month we can transfer \$15,000 to you but, frankly, it would have to be a temporary transfer and we would need the money again by January 20th. If you will check over the list of commitments which we have for the next sixty days, you will appreciate that I am not over-estimating the seriousness of our position.

I have been giving our financial problem considerable study during the last week and we still are in a position where our greatest danger lies in only one detail - lack of actual capital. I think we must move with some definite direction toward converting our Newspapers, Inc. preferred into cash. The Mead arrangement is a life-saver if we can get nothing better and if it comes through on schedule, but we would be in much better shape to cash this preferred and be free from interest charges for such current heavy obligations.

Of course the alternative to this is some sort of a merger arrangement, agreeable to Mr. Fentress. This would relax our own credit position and make it possible to work out a little different type of financing for the next eighteen months. I realize that such an arrangement probably would be at the expense of my own personal holdings, as far as potential value is concerned, but my first obligation is to the company itself and to our stockholders, rather than my personal interest.

The one big problem which confronts us is the carrying on without embarrassment during 1931. After that our sailing will be considerably smoothed out, but we are in a position where minor difficulties, if they became complicated, could cause us very serious trouble.

I have not enclosed General Newspapers check for \$15,000 as you requested, simply because we do not have that much money available. If, after checking this statement of our commitments, you still find that your personal situation is such that you must have the \$15,000 by December 29th, kindly advise me when you send me the data on Newspapers, Inc., which Mr. Conway has requested. I will then send you

the check, which, of course, cannot be released to your bank for collection until we actually obtain our money from the Mead company. We do not want another check fiasco with the Chase National.

I have been working practically day and night since I returned from Carolina, getting our operating problems at Huntington, Vincennes and Paducah ironed out and down. We are making real progress in each town and all of these properties will prove to be real money-makers. Of course they are making money now, but not in the percentage they will show in another three or four months.

I want a little closer co-operation from Thompson at Paducah in composing-room curtailment, and I take it you have already written him as I requested in our telephone conversation.

I have had two conferences with the International officers on the Union situation at Orange and have been assured they will see we get a revised scale there, although of course they want to stall off the actual date of reduction until next fall. I have advised them that we must have a definite arrangement completed by January 1st.

I received a letter from Davidson & Weeks, yesterday, in which they said they understood that you and I were interested in the Lindsay-Nunn Company. The letter was from Davidson, and he said a client of his had a large block of Lindsay-Nunn stock which he would like to dispose of or use with ours. He also said he had been unable to get any information whatever regarding the financial condition or earnings of the Lindsay-Nunn Company. I told him that we had no interest in the Lindsay-Nunn Company but that if he had a large block of stock we might have some suggestion as to how they could dispose of it later in the year. Davidson's letter, coupled with your letter from Dodge, would indicate that the Lindsay-Nunn Company has climbed out on some sort of a perilous financial limb. If I am in Chicago before I come to Texas I may drop in and call on Dodge simply to ascertain what has happened since we saw him last.

Brewer called me at my expense (\$21.20 worth) from Detroit Tuesday, insisting that you and I come to Detroit next Monday, with our facts, figures and audits. He seemed to think he had the Guardian Trust all set for a loan, but after having him repeat exactly what the bank officers had told him I concluded that they were simply riding along, with the idea of

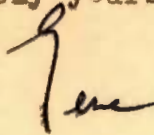
CEMarsh -12.18.30
Page 5

looking into the matter and if it is good they might make the loan. So far, Brewer has got no place at all regarding the Michigan papers. I also found out that the man he has been dealing with is only a vice-president of the credit department. I told him we could not possibly come to Detroit before early in January. I also told him I wanted to have a talk with him when he brought his family to Huntington for Christmas. He seemed very much hurt that we could not advance him another thousand dollars, but I told him frankly we did not have the money. I think it will pay us to check into this Detroit situation in January.

Hope you are having a pleasant holiday season with your children. Give Mrs. Marsh our love. Mrs. Pulliam has arranged to send a little Christmas remembrance to your family but because we did not have your residence address it was sent to your office.

Wishing you a bag of luck on your hunting trip, and with Christmas greetings to all the Marshes, I am

Sincerely yours,



ECPulliam
NGM

December 22nd, 1930.

Mr. E. C. Pulliam,
President, Indiana Newspapers, Inc.,
Reporter Bldg.,
Lebanon, Indiana.

Dear Sir:

Mr. Marsh was called to St. Paul and asked that I open the letter which you sent to him in care of this office.

I am enclosing herewith copy of our charter which, I believe, the attorneys for the Mead Paper Company will agree is about as rock bound as one can be made. As a matter of fact, it was worked out in such a way that it could be passed on for estate purposes and made as secure for the heirs of the deceased as our attorney knew how to prepare it.

We are, also, enclosing herewith balance sheets of all of the Newspapers as of October 31st. This has entailed a good deal of work here in the office and I trust that it will be what Mr. Conway wants. We, also, enclose herewith balance sheets of Texas Newspapers, Inc., and Newspapers, Inc.

Regarding my agreement to re-purchase stock which you and Mr. Marsh put up as collateral the following is essentially my understanding of the matter.

That you and Mr. Marsh are to put as collateral ^{through} \$300,000.00 worth of Newspapers, Inc., stock; that should the Geo. H. Mead Company be forced to ~~force~~ legal procedure to take possession of this stock that I agreed to buy from them this stock at \$50.00 per share. The amount was to be \$200,000.00 to be advanced by the Geo. H. Mead Company within a period of eighteen months or by July 1st, 1932. The price I was to pay for the stock in case the Geo. H. Mead Company secure legal ownership of it was to be \$50.00 per share up to the amount owed by General Newspapers, Inc., and its subsidiaries in the sum of not to exceed \$200,000.00.

I would suggest that the attorneys for the Geo. H. Mead Company forward this contract to me for acceptance and signature.

PRESERVATION COPY

Mr. F. C. Sullivan

Page -2-

You and Mr. Marsh both realize, of course, that there is no way that I will be benefitted by making this guarantee for the reason that my interests in your concern are approximately nil. The reason I made the offer was because I believed the stock was worth \$50.00 a share and that it would continue to be worth that much. You will please have the contract written so that the amount of the guarantee is limited to not to exceed \$700,000.00 and that if I have to pay it, the terms be easy enough so that I will be able to perform. In other words the payments should be such that I could pay it out over a period of two and one-half or three years, perhaps.

I am very anxious, indeed, that you and Mr. Marsh make a success of this undertaking and I think that you will. On the other hand, I believe, you should realize your financial limitations and want to urge that no further commitments be made until a period of experience has been gone through. You have found out in your time, I am sure, that it is a very easy thing to estimate profit but always a more difficult matter to take the profit out of the concern and actually pay debts with it. You should buy no more newspapers, if you will permit the suggestion, until you have actually run these newspapers successfully and know what their profit producing power actually is.

I think from your statement that you are going to have all that you can pay grace over this coming year but that in some way you will be able to do it. I know how hard it is for Mr. Marsh to pass up what he considers a great opportunity when it comes to buying newspapers but just remember that even though you may lose some deals other deals can be made at a later time. In other words there are still a lot of fish in the sea.

I trust the information herewith enclosed is what you need and wish to extend to you and your family sincerest wishes for a Happy Christmas and a Prosperous New Year.

Yours sincerely,

ESF/lr

PRESERVATION COPY

GENERAL NEWSPAPERS PURCHASE COMMITMENTS - 1930, 1931.

BANK OBLIGATIONS:

Chase National Bank, New York - Feb. 21, 1931	\$ 50,000.00
Central Trust Company, Chicago - Jan. 24, 1931	100,000.00

INDIVIDUAL OBLIGATIONS:

Vincennes, Indiana

Thos. H. Adams, Feb. 7, 1931 - - -	5,000.00
John D. Hogue, jr. Sept. 24, 1931 - - -	7,500.00

Paducah, Kentucky

E. J. Paxton, Dec. 15, 1930 - - -	6,250.00
E. J. Paxton, Moh. 15, 1931 - - -	6,250.00
E. J. Paxton, June 15, 1931 - - -	6,250.00
E. J. Paxton, Oct. 15, 1931 - - -	6,250.00

Quincy, Massachusetts

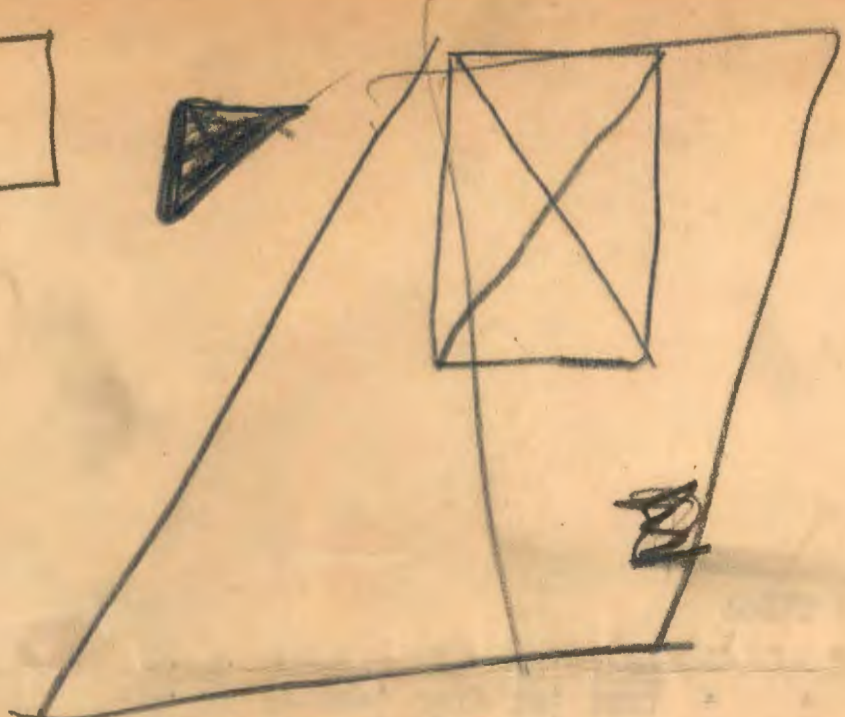
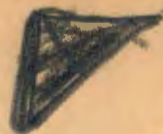
P. E. Barbour, Feb. 1, 1931 - - -	10,000.00
P. E. Barbour, June 1, 1931 - - -	10,000.00
P. E. Barbour, Oct. 1, 1931 - - -	10,000.00

Anderson, South Carolina

G. P. Browne, Jan. 10, 1931 - - -	2,504.15
G. P. Browne, Apr. 10, 1931 - - -	2,795.00
G. P. Browne, July 10, 1931 - - -	2,765.00
G. P. Browne, Oct. 10, 1931 - - -	2,735.00

TOTAL - \$228,299.15

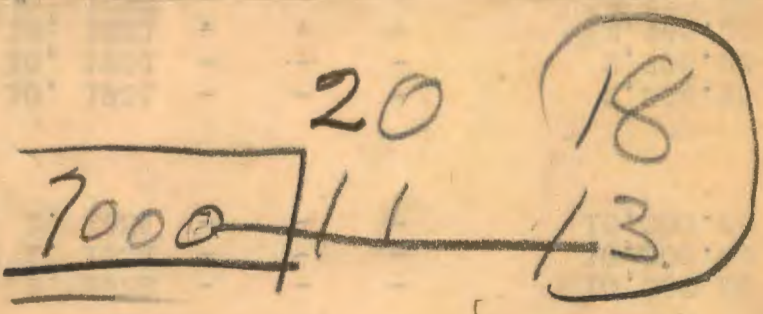
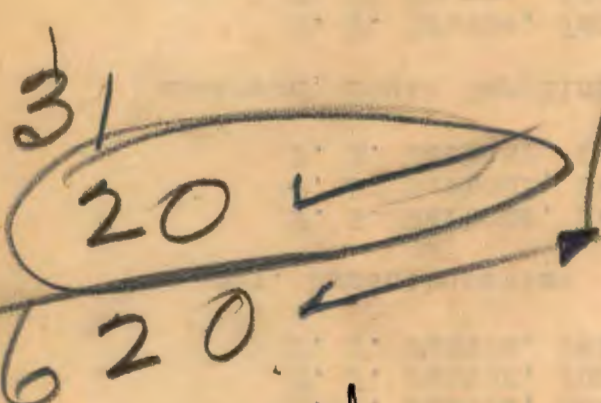
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18

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Revenue
Revenue



Aurora



66



1

Space
Space



INDIANA NEWSPAPERS INCORPORATED

THE REPORTER BUILDING

LEBANON, :: INDIANA

THE HUNTINGTON HERALD
THE HUNTINGTON PRESS
HUNTINGTON, INDIANA

THE VINCENNES SUN
THE VINCENNES COMMERCIAL
VINCENNES, INDIANA

THE LINTON CITIZEN
LINTON, INDIANA

EUGENE C. FULLIAM
PRESIDENT

May 6 1931

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

Herewith checks as per our telephone conversation last night, as follows: Check for \$10,000.00, dated May 8th; check for \$5,000.00, dated May 12th, and check for \$5,000.00, dated May 16th. This schedule will allow us to build up confidence in Chicago and restore confidence in my local bank here. In the meantime, you and your bank know that you have the money to take care of the \$20,000.00 you arranged for out there, so there is nothing uncertain about the picture. It would have been a serious mistake for us to transfer money direct from Chicago. Also, I think it would have been a mistake to shoot \$20,000.00 to Austin from Lebanon in one check, as that would have immediately depleted our bank balance both in Chicago and Lebanon.

I wired you this morning a suggestion regarding Allen. What he needs is a definite job which he can handle covering a period of several months. He will be very much disappointed over the turn of affairs at Orange. Wilhelm, who is managing the Georgia papers, was an experienced accountant before he got into the newspaper business and we can very conveniently and profitably work him into the auditing end of the business if Allen will resume management of the Georgia papers. I think we should suggest to Allen that he work out a sale of Americus and Dublin during the next six months. That will give him something definite to do, which I feel certain he must have.

We must begin immediately to anticipate payment of this \$30,000.00 in Chicago. We have established ourselves there for a fairly good line of credit but it will have to be on their program and we must perform according to the schedule set up. Otherwise we will have lost the connection.

Marsh - 5/6/31

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This Louisville proposition offers us a definite source of cash, which we can use during the next twelve months, and I think it is highly important that we get together and concentrate on this deal at once. It will solve several of our pressing problems. I have a plan mapped out and believe that after we have spent three or four hours going over it we can sell the idea to the receivers at Louisville. We know we can handle the paper situation with either Mead or International. Mead, naturally, is very anxious to keep the Louisville tonnage and my conversation with Conway indicated they would grant 12-months acceptances. I am practically certain that either International or Perkins-Goodwin will do this if Mead won't, but our best shot is with Mead because it would clear up all the present difficulties with them. However, we cannot do this by correspondence or long distance telephone. Therefore I think you should arrange at your earliest convenience to meet me in Louisville with the idea that we will stay there and work out a deal. All the receivership red tape is out of the way now and they are ready for our proposition.

Conway insists that Fentress should be present when we adjust our matters with Mead and if we have the Louisville deal as a trump card when we are talking to Conway and Mead it would be very advantageous to have Fentress present. If you can get him to come to Louisville with you I think he will see the possibilities of a deal there in such a way as to excite his further interest in General Newspapers, at least. He also will give us additional background for getting our deal over with the receivers. Therefore, won't you try to determine by Sunday what date you can meet me in Louisville?

Please do not put these checks in bank ahead of their datings, as the Austin bank might send them through for collection and it would upset matters with the bank here again.

Michigan City called me this morning, indicating they still wanted to deal with us but are not satisfied with the guarantee of \$6,000.00. Somebody has offered to guarantee Mrs. Robb \$8,000.00 a year and they are trying to get us to come up to \$7,000.00. I am to hear from them again Sunday. It is an excellent deal for us if we can work out the matter with Misener on the job plant proposition, but of course if it takes a good deal of cash we will have to pass it up for the present. We could easily get out of this Louisville deal enough cash to make the Michigan City deal. As a matter of fact, this Louisville proposition affords us a cash trump to use during the next few months, so let's try to arrange to get busy on it immediately.

We are returning herewith your check for \$10,000.00 and you will kindly have Mrs. Renker cancel the charge which she has set up against General Newspapers for it. She should also credit this \$20,000.00

Marsh - 5/6/31
Page 3

to General Newspapers, or \$10,000.00 to General Newspapers
and \$10,000.00 to Indiana Newspapers, if it has already been
charged against us.

Sincerely,

Engene P. Pulliam

ECPulliam
NGM

Encs. 4





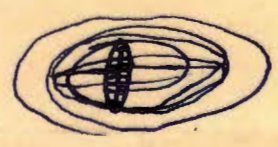
March - 2/2/21
Page 3

to General Newspapers, or \$10,000.00 to General Newspapers
and \$10,000.00 to Indiana Newspapers, if it has already been
charged against us.

Sincerely,

Ernest P. Sullivan

Ernest P. Sullivan
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Page 4



Ernest P. Sullivan

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INDIANA NEWSPAPERS INCORPORATED

THE REPORTER BUILDING

LEBANON, :: INDIANA

THE VINCENNES SUN
THE VINCENNES COMMERCIAL
VINCENNES, INDIANA

THE LINTON CITIZEN
LINTON, INDIANA

THE HUNTINGTON HERALD
THE HUNTINGTON PRESS
HUNTINGTON, INDIANA

EUGENE C. PULLIAM
PRESIDENT

May 16 1931

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

Herewith note for the Quincy Trust Company, which has been delayed, due to some of Mr. Barbour's red tape. I did not know you had personally endorsed the note and immediately upon receipt of your request got in touch with Shields, asking for renewal note and of course we would have had the renewal note in the bank when it was due, had it not been for the necessity of getting it to you for your signature. However, Shields tells me the bank is agreeable and has made no fuss about the two or three days delay.

Barbour wrote me rather a childish letter about the matter but I think he thoroughly loves to scold whenever opportunity arises. I had suggested to Shields that he pay the interest on this note out of the Quincy News funds and Shields showed my letter to Barbour. I made this suggestion in order that our balance of \$2000.00 at the Quincy Trust Company would remain intact, but of course Barbour regards my suggestion as absolute heresy and is refusing to let us use any of the Quincy News money for anything except bank balances.

I suggest, therefore, that you send the note direct to Mr. Shields by air mail in order to expedite delivery of the note to the bank.

In his letter Shields says: "There is a balance in the General Newspapers account of \$1876.00, so that the interest will be charged against that account. However, as the bank is cognizant of our tie-up with the Barbour Publishing Company and as Barbour Publishing Company has a very substantial balance in the bank, there is no difficulty about the renewal. You understand, of course, Mr. Barbour is still treasurer here and is hostile to any diversion of Barbour Publishing Company funds. His good-will is an asset so it is best to accede to his wishes in this respect. The General Newspapers loan is good for nine months and then must be

CEMarsh - 5/16/31
Page 2

paid and out of the bank for three months".

In his letter, Barbour says that he had an absolute and thorough understanding with you that none of the funds of the Quincy News were to be used in any way by General Newspapers; that you thoroughly agreed with him and that you said he was right in his contention.

I have your letter regarding Allen and also the enclosures with reference to Mergenthaler. Of course it is quite possible that the figures I have given you on the Georgia papers are inaccurate, but Wilhelm has been digging into the matter for three months and has obtained all the possible information available, except any light which Allen can throw on the matter. There is no question but that we have the correct price on both Dublin and Americus. The LaGrange purchase was so thoroughly complicated with notes, mortgages, preferred and common stock, plus a chattel on the receivables and other eleventh-hour financing that it may be our figures on LaGrange are not correct, although I recall you told me over the telephone it was your understanding that you paid about \$55,000.00 for LaGrange and this substantiates Wilhelm's figures of approximately \$53,000.00. I agree with you that all of us are vitally interested in a \$70,000.00 differential.

It will be necessary for me to be in Indiana on June 6th and I trust we can work out our plans to be in New York on June 1st and not later than the morning of June 2nd. I have held up sending any books, records, etc. to Balch until I knew exactly what we intended to do with reference to an accounting office. Everything is in shape to turn over when our decision is made.

I sincerely trust you have been able to do something about Stein. The Louisville situation has been very much complicated by numerous enquiries by various persons who are now interested in buying at a private sale. Some of these enquiries are from financially responsible people and I doubt if we could make the deal there on the plan I outlined to you except at a price of around \$300,000.00. In view of this fact I believe we should stay close to shore, operating closely and aggressively on what we have and not taking on any summer headaches.

Mrs. Pulliam has been seriously threatened with arthritis and we have had a very devil of a time trying to locate the

CEMarsh - 5/16/31
Page 3

source of infection which is causing the trouble. You can appreciate that this may require considerable of my personal time during the next sixty days unless her condition improves.

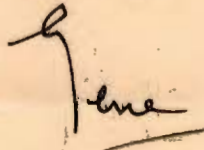
Let me know as soon as possible the exact time you expect to arrive in New York. I think I can arrange to take whatever train you take from St. Louis. We must get our International Paper matter straightened up, especially as regards Paducah.

Mr. Dusenbury of the Chase National has written again, asking for an earning statement on Texas Newspapers. Mr. Fentress sent me a balance sheet as of January 1st, but I do not have the earning statement for the period.

Our Michigan City party apparently has gone by the boards. When he learned of our interest in the matter, Misener, owner of the other half interest in the News, made a new proposition to Mrs. Robb, guaranteeing her not less than \$7000.00 yearly income and I think she will accept it. I could break the deal but it might get us into another Anderson jam. In any event it would take considerable money and I believe it is best to pass it for the present, at least.

With all good wishes, I am

Sincerely,



ECPulliam
NGM
Encd

File Pulliam

INDIANA NEWSPAPERS, INC.

HUNTINGTON HERALD-PRESS
HUNTINGTON, INDIANA

BICKNELL DAILY NEWS
BICKNELL, INDIANA

THE REPORTER BUILDING

LEBANON, INDIANA

VINCENNES SUN-COMMERCIAL
VINCENNES, INDIANA

LINTON DAILY CITIZEN
LINTON, INDIANA

October 15 1931

EUGENE C. PULLIAM
PRESIDENT

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

I received a note this morning from R. W. Ashley, Treasurer Mead Company, in which he says: "On my return to the office this afternoon, I find the information that I gave you as to the unpaid matured invoice was incorrect." Thank God for this, as it indicates we have kept our connections with Meade on newsprint remittances.

Enclosed herewith is a letter I received from Marvin Dickinson at Lagrange to whom we owe \$7500, and who is employed by the Lagrange News. I wrote him a letter recently thanking him for his cooperation with the paper and assuring him of our appreciation for his assistance to both Wilhelm and Porter. I think this letter indicates two things: one, that Porter is making progress in Lagrange; and two, that Dickinson is entirely friendly and in no hurry about his money.

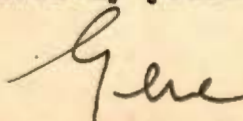
Kindly return this letter for my files.

I have today sent out notices to all papers regarding newsprint purchases and remittances and also instructions covering the three percent management fee. I am transferring \$5000 from Vincennes to New York and will send down the Indiana Newspapers balance from Chicago and Huntington as soon as I clear our bond interest coupons out of Vincennes which should be done today. We have already received \$7860 on bond interest coupons; the balance waiting delivery of interest coupons from Emison.

Certainly enjoyed our day together yesterday and believe it was constructive all the way around.

Sincerely yours,

ECPulliam
jpm
enc/



October 16, 1931.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I am writing Barbour as per the attached.

I am doing so with the purpose of getting confirmation of our oral agreement, as there is always a possibility that any man is changeable in times like these.

His son told Shields the other day that his Father probably got out of the paper at the wrong time and that "they had better not be behind in their payments."

I believe that the son had heard his Father talk and is dumb enough to want to show that he is ~~an~~ on the know to Shields. I do not believe that the old man is doing other than barking in front of his own whelps. My personal opinion is that it is bad business to do so, but he is a peculiar chap and thus far he has never bitten.

The sooner you move in your transfers to New York, the better chance I shall have. The way I figure it is that if our balance is built up only a few days before I get there it will be apparent. I want to get there after these first of the month's three per cent checks have had a chance to clear and get into the bank balance, and after I have reduced my personal loans by \$5000.00, which I plan to do by correspondence.

In the meantime, if you do get up to Huntington and are in a position where you can get to Chicago, I wish you would check in there, showing what Indiana Newspapers has done and discuss its pay-off, indicating that you might want to borrow up to \$20,000.00, with bonds as collateral, the middle of November. I am thinking, protectingly, about the Iowa party and Vincennes and the New York \$10,000.00. I am presuming that the \$2000.00 still coming from Paducah can be cleared into New York and be available for the \$2000.00 pay-off in Quincy.

PRESERVATION COPY

#2 - Pulliam.

I just got home. Things are going to be acute in Texas. I will not make my Texas sale negotiations because of a serious banking situation in North Texas. I hoped to realize \$50,000.00 cash to relieve me on my yearend situation which is heavy in November and December. The two best projects for relief are both out because of banking troubles which have developed since I left for the East last time, so I now have to do some heavy personal rustling, hence my suggestion that you try Chicago in a leisurely manner ahead of our next month's pay-offs.

I hope that you are personally improving. Please tell Mrs. Pulliam that I am sorry a twenty minute lunch time did not give us a chance to talk at Indianapolis.

Please let me hear from you and do the very best you can in wrangling any funds into New York.

Sincerely,

M/R

Encl. 1

PRESERVATION COPY

October 17, 1931.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

Thanks for yours of October 15th.

I am glad to see that Dickinson and Porter are hitting it off.

As I told you East, Texas has hit the acute stage. A good sidelight, however, is that wherever there is industry in Texas conditions are improving. For instance, Port Arthur was acutely distressed earlier in the year; my phone talk down there yesterday was to the effect that everything was quiet and on the up grade. The reverse is an oil producing or cotton producing section such as Wichita Falls and Waco, which are now in the acute. Austin, being largely a governmental payroll town, will probably get her readjustment more slowly and later. Houston went into the acute earlier than Dallas because she is based on commerce, jobbing and manufactory, while Dallas is essentially retail and jobbing and went acute later, but even Dallas is calmer as Houston is getting set. The smaller communities having less of a drop to take - that is, less wealth - got it later and unfortunately have not as strong a leadership as larger places.

Before you get through you probably will have to show leadership personally in Lebanon, but I am suggesting that you stay as far out of it as possible in view of the larger problems before you in the next two years and because of your slightly strained physical condition. There will be a tendency to push men of your age and initiative to the front but don't get confused by your nearness in geography to a Lebanon problem when there are bigger problems further away needing more intimately your strength and thought.

In a way this sounds like a nut letter to me, but I am talking informally as one friend to another and as we go down a rather unchartered course with unavoidable physical and mental separations and with hardly more than a year's personal contact behind us, I feel today the need of harmonizing our minds and the elimination of lost motion as we strip to fighting weight and meet on the front line whatever faces us.

I am consequently stripping small worries and small obligations

PRESERVATION COPY

#2 - Pulliam.

as fast as I can and organizing Austin community situations wherever I feel involved as a publisher or an individual, on a basis where there can be functioning without me.

I do feel definitely, Gene, that many of us are being made nicer persons as we go through the phases of this readjustment. Certainly the sheep are being separated from the goats.

I get encouragement from the last paragraph of your letter. A mutual pat on the back, when sincere, can not be but helpful these days. And I must class Dickinson as one of the whites.

Sincerely,

M/R

file

GENERAL NEWSPAPERS, INC.

THE REPORTER BUILDING

LEBANON :: INDIANA

October 22 1931

*Hammer - Garner
2-23-13*

OFFICE OF
EUGENE C. PULLIAM,
PRESIDENT

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

A wire received this morning from New Orleans says: "No immediate action required. Would be pleased to arrange conference any convenient date, preferably at New Orleans. H. G. Thompson, Vice-President, Canal Bank & Trust Company."

This obviously means that the Canal Bank expects to remain in a trading capacity as long as possible. But it also is just as obvious that the bank examiners have told them to get these bonds out of the bank into more desirable securities. I presume you have had opportunity to check over the audits which I sent you, and these audits, by the way, should be returned to Mr. Crouch, in Nashville.

If we can make a deal with the bank to refund the entire purchase price, there's no question in my mind that we can raise enough money to start operations through newspaper and advertising representation connections. Even if the gross business should slump \$500,000 we can still make \$50,000 to \$75,000. It also would strengthen our general picture.

We have sent to New York since I saw you checks in the amount of \$9,375, \$5,000 and \$3,000. Management fee checks will reach New York not later than November 10, and I think I will be able to squeeze out another \$4,000 to build up your cash position in the bank before you see Graves.

There is nothing new in the situation at Vincennes and we may be able to rock through there without any November payment. We are this week sending Emison \$7500 in notes plus interest. I am insisting upon a deduction of \$600 which young Emison collected by cashing interest coupons. I have checked back through our final settlement with Emison and there's no legal or moral basis for his claims.

Paducah has not indicated otherwise, so I take it we will receive \$2000 from them on or before November 1st.

--2

Charles E. Marsh

If Mr. Barbour wants the Quincy News and is willing to pay off what we have in it, with a small profit, I certainly would be glad to see the deal made. I feel that a good deal of his conversation is mere "scolding" and that he will do nothing drastic unless he actually wants the paper back.

After having spent three days in Oklahoma I am quite sure that I appreciate what conditions are in Texas. For some unexplained reason our business in western Oklahoma has picked up materially in the last three weeks, but three or four men with whom I have talked, and who have been in Texas, tell me things are very acute in most towns. I am afraid the situation in Tulsa will get much worse, but it may be so bad that nobody can afford to let the thing crash. Of course, the San Antonio failure has simply added fuel to a nasty fire. I am trying to see what possible advantage there may be in the situation for us and will have a suggestion or two to make when we meet again.

The Doctors have put me on an outlandish diet with definite instructions for more rest, no worry, exercise, and a lot of other hoey which would be one hundred percent advice in normal times. However in answer to your second letter dated October 17, I think you have known me long enough and observed enough to feel certain that I will carry on and concentrate on the most important problems rather than let minor irritations get us off the track. Frankly my big job this year is to operate and it is being done. I hope to keep up a constant program of expense reduction until we see a definite turn upward. In the meantime, I am also stimulating increased selling effort.

Conway is evidently back at his desk and writes me that he is agreed to our new plan of buying and paying for newsprint providing Mr. Fentriss also agrees. Will you kindly communicate with Fentriss to make sure that his consent to this arrangement goes forward to Conway immediately.

A note from Anderson, signed by "B. Palmer, Secretary to Mr. Hall" tells me that Mr. Hall has been ill for several days and unable to be at the office and giving this as the excuse for not answering our letters relating to past due note for \$500. I think it highly important that you drop in at Anderson on your way from New Orleans to New York. Hall evidently is sick from discouragement.

I take it you will communicate with Mr. Thompson and make arrangements to see him either at New Orleans or at some other point on your way east. My suggestion on the Knoxville deal is that we take the position that we are fully responsible financially and capable from the standpoint of management to take this property and make it pay out. Our deal with the bank should be for ten to fifteen year refinancing program with no maturities for two or three

--3

Charles E Marsh

years. We can take the position we will provide operating capital, which we know we can do, if we can get the paper without down payment.

I do not have any memorandum on the date for \$2000 payment to the Quincy bank. Will you kindly advise Wilhelm when this payment should be made.

I doubt the advisability of going into Chicago for money unless we actually make some arrangements for postponing the Vincennes payment. You understand our Chicago bank balance has been a very temporary affair and while I cleared the Vincennes money through Chicago, it was there only a few days and the balance is down again.

My bank here had an inquiry today from the Royal Bank of Canada, Montreal, making inquiry about General Newspapers, and particularly about the character and personnel of the organization. I feel sure the inquiry came from the St. Maurice Paper Company, the newspaper subsidiary of Canada Power and Light. Of course the bank will give very favorable report to Montreal. If there is any follow up you suggest on this inquiry kindly ~~advise me~~ *advise me*

Tell Mrs. Marsh I certainly appreciate her invitation to come down to Texas from Oklahoma and under ordinary circumstances would have expressed my appreciation by actually coming. However, what time, strength and energy we have must be applied in the right direction just now. I do hope some time this winter I can persuade Mrs. Pulliam to make the trip with me to Texas. That is if the pressure of daily emergencies begins to show some signs of relief.

Sincerely yours,

Gene

ECPulliam

jpm

*Substitute stenographer
today explains mistakes*

October 22, 1931.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

Enclosed find notes from the First National Bank of Chicago, regarding note for \$1015.00.

I presume that this is to an agency in connection with the Indiana papers and endorsed by yourself and myself.

Will you please correct their records so that these notices come to me at Austin instead of Waco, or better yet, come to Indiana Newspapers if there is no need for me to get the notices.

Sincerely,

M/R
Encl. 1

PRESERVATION COPY

October 24, 1931.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I like the tone of your letter.

Fentress has signed and sent back the Conway agreement.

I am checking Barbour and Shields both on the 5000 preferred retirement November 1st. I wrote Barbour on October 16th and have not yet heard from him, so I wrote Shields today.

Keep shooting all the money down you can and keep me posted on Vincennes if there is any change. Let me know what funds you send to New York by sending me carbons of your letters to Wilhelm.

I agree with you as to the Knoxville thing in principle, but we have to handle it delicately. I think the best way is to stall the Canal Bank until I can get to New York and get a chance to see what funds can be gotten from International and Bryant, Griffith & Brunson, or possibly Katz. I think we should get this thing tied up before looking for management, or talking much more about it, though I believe, with a property of that size, we can find a newspaper man with some money and real ability to take this operating load off of us.

I am glad to hear that Oklahoma is snapping into it. I am dreaming of Tulsa, Shawnee and your Western papers in a new deal before 1933 ends. Anderson will have to wait until sometime in November. Hell is popping down this way.

I think the Royal Bank at Canada is inquiring in connection with Mead, as this is the bank of Abitibi and Mead in Canada. I think they are trying to place our paper there.

I suppose that we should not hit Chicago ahead of more definite knowledge of our Vincennes condition. What balances are you now carrying there, if any? If we can't get anywhere in Chicago, we should have the money down in New York, but if we are expecting to make an effort at Chicago, the situation is different.

PRESERVATION COPY

#2 - Pulliam.

I believe that the Quincy bank item is due about November 15th. I have asked Shields and will watch it.

Keep your body in as good shape as possible, as I am more concerned about that than any other one thing. It is really a pleasure to see somebody working as you are instead of sitting around puzzled as many are doing down here now.

Sincerely,

M/R

P. S. I am asking my secretary to sign this letter as I am leaving.
C.E.M.

PRESERVATION COPY

October 31, 1931.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

In regard to Conway's letter of October 26th, we have agreed in principle to put up some more Newspapers, Inc, if he insists to take care of any additional collateral above \$175,000.00 at \$50.00 a share. He is trying to collect about \$9000.00 in cash, which we will not give him.

I do not think you should acknowledge his letter of the 26th. I think that you should telephone him, acknowledging his letter by telephone in connection with something else that you wish to discuss, such as when does he believe that a meeting can be held with Mead.

Tell him that Mr. Fentress is trying to get his dates arranged, and thinks that sometime between Thanksgiving and Christmas at New York or Dayton is the best time.

Sincerely,

M/R

A G R E E M E N T

THIS INSTRUMENT executed at Lebanon, Indiana, this 26th day of February, 1932, WITNESSETH:

WHEREAS, Mead Securities Co., a Delaware corporation, successor to The Mead Securities Company, an Ohio Corporation, The G. H. Mead Company, an Ohio corporation, General Newspapers, Inc., a Delaware corporation, E. S. Fantress, of Waco, Texas, Charles E. Marsh of Austin, Texas, Eugene C. Pulliam, of Lebanon, Indiana, and Fantress & Marsh, a partnership, entered into a written contract and agreement, dated the 2d day of January 2, 1932, but actually signed on the _____ day of _____, 1932, whereby, on the part of the within and therein named Eugene C. Pulliam and Charles E. Marsh it was agreed as follows:

"4. Charles E. Marsh and Eugene C. Pulliam hereby guarantee the payment by General Newspapers to the Securities Company and the Mead Company of all of said indebtedness with interest thereon as hereinabove provided and agree that if General Newspapers shall fail to pay and discharge said indebtedness in full when the same becomes due according to the terms of this agreement, together with interest thereon as herein provided, they will take up and purchase from the Securities Company and the Mead Company as their interests may appear a sufficient number of shares of the preferred stock of Newspapers, Inc., pledged as collateral as above provided, at Fifty (\$50.00) Dollars per share, and at the rate of Ten Thousand (\$10,000.00) Dollars per month after any such default occurs, to completely discharge all of said indebtedness; and the purchase of said stock and payment therefor at the rate of Ten Thousand (\$10,000.00) Dollars per month after any such default occurs shall constitute complete performance on the part of said Marsh and Pulliam of their guaranty under this paragraph. In event of their failure to perform as above E. S. Fantress and Charles E. Marsh, a partnership, shall be obligated to carry out the provisions of this paragraph.

"5. If the said Marsh and Pulliam shall fail to take up and pay for said collateral at the rate of Ten Thousand (\$10,000.00) Dollars per month after any default as provided in paragraph four, then the said E. S. Fantress and Charles E. Marsh, a partnership, Eugene C. Pulliam and Charles E. Marsh shall forthwith personally be and become jointly and severally liable to the Securities Company and the Mead Company, as their respective interest may appear, for the entire unpaid amount of said indebtedness and interest, as guarantors of said obligations.

"6. In consideration of the foregoing, the Securities Company and the Mead Company hereby agree to extend the time of payment of their respective claims and promissory notes in the amount of \$183,577.93 until December 31, 1932. Provided, however, that if General Newspapers shall fail to pay or cause to be paid the regular monthly interest on said promissory notes, as hereinabove

provided, or if any other creditor of General Newspapers shall bring suit or attempt to obtain a lien on any property of General Newspapers or otherwise attempt to obtain an advantage which would force the Securities Company and the Mead Company to take steps for their own protection, or if a petition in bankruptcy should be filed by or against General Newspapers, or a receiver be applied for, or if at any time and for any reason the Securities Company and/or the Mead Company should consider that its or their interests are in jeopardy by reason of the failing condition of General Newspapers, then and in any such event the Securities Company and/or the Mead Company may declare the entire amount of its or their indebtedness to be presently due and payable notwithstanding the due date of any such note, and this Agreement of Extension shall thereupon cease and determine; and if General Newspapers shall fail to pay the entire amount of said indebtedness and interest forthwith, the obligation of said Charles E. Marsh, Eugene C. Pulliam and Fentress & Marsh to take up and purchase the collateral at Fifty Dollars per share at the rate of Ten Thousand Dollars per month shall at once attach, and on their failure so to do the personal guaranties of said Charles E. Marsh, Eugene C. Pulliam and Fentress & Marsh, shall at once become effective, and the Securities Company and the Mead Company shall be free to dispose of all of said collateral in their possession, without notice, at public or private sale, with the right to become purchasers thereof at public sale, freed and discharged from any equity of redemption, and to apply the proceeds thereof to the payment of said obligations and expenses of collection." and,

WHEREAS, the said Charles E. Marsh and Eugene C. Pulliam, as individuals, are financially interested in General Newspapers, Inc., but that by reason of the relationship of said parties to said General Newspapers, Inc., and their respective interests therein, the within named Eugene C. Pulliam should not be held individually liable upon the obligations contained in said written agreement above referred to, dated January 2, 1932;

NOW, THEREFORE, in consideration of the mutual interests of the said Charles E. Marsh and Eugene C. Pulliam in said General Newspapers, Inc., and the benefits to be derived by the said Charles E. Marsh in said written contract above referred to, dated January 2, 1932, the said Charles E. Marsh hereby undertakes and agrees to indemnify and save the said Eugene C. Pulliam free and harmless from any payments of money or obligation by reason of the execution of said contract and hereby agrees to do and perform the provisions of said contract to be performed by the said Eugene C. Pulliam contained in said contract and more particularly set out and described hereinbefore, hereby

- 3 -

personally relieving and discharging the said Eugene C. Pulliam as
a guarantor of the obligations therein contained.

IN WITNESS WHEREOF, the parties hereto have herunto set their
hands the day and year above written.

Eugene C. Pulliam

April 2, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I am hoping to get the Balch salary item out of the picture on a general show-down at Orange at the month-end.

On the Vandivier item I think I see your point but it defeats somewhat the thing we are driving at. We are trying to get 3% of all of the papers into a central office for our conception of the value of overhead management - not district management. Our business will be in a state of constant change for many years. As we make one forward step, different necessities will cause us to step back. But I think that we should adhere to the idea of a 3% overhead into a central office as definitely as we think of the necessity of rent, otherwise the idea will be constantly attacked as no manager will want to pay it. The manager will want to show profit and dispense money on their own immediate problems. I know because as a manager under the Scripps system I hated every central office charge and was constantly trying to "keep the money at home."

I think that we should go so far as to adopt the Associated Press system and have central office draft on the 10th of the month after the arrival of the earning sheets - this without regard to the financial condition of the papers.

For instance, I think this should be done at Orange even in the face of its losses, and that we should establish the situation for Quincy, if possible, on our show-down with Harbour.

The overhead of Andersen, as a two point Vandivier, is charged against the papers and the management 3% from Orlando would be whittled to nothing if we allowed the Andersen expense and salary to be charged against the management.

As I see it, there is a most natural conflict between a manager making a showing and broke, as against a central office taxing 3% of the gross. We cannot have our cake and eat it too, but I take it that both of us want the same thing - a uniform system of extracting

PRESERVATION COPY

#2 - Pulliam.

money from these papers which will not break down and force moratoriums whenever papers get into the red. The Scripps operation in Oklahoma was in the red for twelve years, yet management was paid every month the same as rent. Money was then sent back as a loan to the paper. And when other papers making a profit piled up surplus not needed on debt, this surplus was sent to central office and credit given as is being done at present in the Orlando case and as undoubtedly you are doing it in the Indiana newspapers with Vincennes.

I am willing, if you think it good business because of the bond situation at Tulsa, that central office pay Vandivier. He must be paid promptly, no matter by whom, as any other salaried man. And I think, under our present circumstances, that he should be paid from central office. I think his expense accounts should be sent to you and then turned over to central office.

This is a rather unusually long letter but I am just using these illustrations to get over my conception of a major point - that a central office should:

1. Get its money absolutely promptly regardless of the condition of the subsidiaries.
2. Have the right to draw for its money.
3. Be prepared to advance a weak sister as a loan and take away from a strong sister as a credit.
4. That a central office cannot be strong as a bookkeeping or financial proposition unless it has authority to put over bookkeeping or financial policies once established by owners.

May I hear from you on your decision on the Vandivier item and any reaction you have to this letter.

Sincerely,

M/R

P. S. I have not yet heard from Burke but I suppose that he will come through in due time, or we will add Burke to our unfinished business for the month-end at New York.

C.E.H.

PRESERVATION COPY

copy only
CEM - this is the letter
I wrote to Mr. Conway, about
which I told you.

ECP-m

April 27 1932

File Pulliam

Mr. H. C. Conway
The G. H. Mead Company
Callahan Bank Building
Dayton, Ohio

My dear Mr. Conway,

This will recall our conversation at the Columbia Club in Indianapolis the other day, the substance of which you asked me to give you in a letter.

In delivering to you the contract between the G. H. Mead Company and General Newspapers, Inc. I called your attention to a voluntary agreement Mr. Marsh had given you in New York in January, in which he stated "that while the Agreement between the Mead Securities Co., The G. H. Mead Company, General Newspapers, Incorporated, and Messrs. C. E. Marsh, Eugene C. Pulliam and Fentress & Marsh is in force, no dividends shall be paid on Common Stock of General Newspapers, Incorporated; Messrs. Marsh and Pulliam are to receive no compensation for their services to said Company".

I explained to you that I have no objection whatever, and think it is entirely correct, that no dividends be paid on the common stock of General Newspapers, Inc. until our obligation to you is liquidated, or until we have your consent to a dividend. The question of salary to Mr. Marsh and myself is, I believe, a matter for our own decision and should not be made any part of an agreement. As you know, I devote my entire time to General Newspapers, Inc. and have for two years worked without salary and have paid my own expenses. I expect to continue to do this during 1932 and, if necessary, during 1933, but I want it clearly understood that the question of my salary is a voluntary contribution on my part and not a question of any agreement to that effect. I would not agree in a legal document with anybody to work without salary. If, for the benefit of my company and our stockholders, I elect to work without salary and pay my own expenses that is my contribution.

I think I fully explained my reasons for this position and I appreciated your prompt approval of my attitude in the matter.

I understand you have received the balance sheets and earning statements which you requested.

With warmest personal regards, I am

Sincerely yours,

ECPulliam-ngm

GENERAL NEWSPAPERS, INC.

CENTRAL OFFICE: REPORTER BUILDING

LEBANON, INDIANA

May 12 1932

EUGENE C. PULLIAM
PRESIDENT

Mr. Charles E. Marsh
Austin
Texas

Dear Charlie,

This will acknowledge receipt of your two letters, one of May 7th and one of May 9th.

I feel certain that Allen R. Smart & Company will be satisfied with any kind of a payment we can make them, even as small as two or three hundred dollars. I do not have access to the Chase account and do not know the status of our balance there, if any. However, in order to temporize with the situation, I am today squeezing out \$250.00 from the Indiana account and am sending it to the Smart company, telling them we will try to work out a quarterly schedule of payments to them.

I have not had time to get in touch with Oklahoma and Georgia regarding Carl Abramson, the pressman about whom you wrote. I think you understand that in all these plants we are using utility men, rather than special pressmen. In other words, we cannot afford to employ a man who does nothing but run a press. He must also be able to work on the floor, make flat casts, and do whatever is necessary around the plant. Is Abramson competent to work on the floor as well as on a press?

I am enclosing letter received from Landis regarding Newspapers, Inc. dividend. You will recall I took up this matter with you in New York but failed to give you this letter. Will you either answer it or have Mr. Gay write Landis, explaining the reasons for the reduction on the dividends from four to three dollars.

I am today completing the deal with Ormsby on Uniontown. I met Ormsby and Caswell in Chicago and Caswell was a very definite help to me in selling Ormsby. He told Ormsby he was making a very splendid connection and that he could not help benefitting by being identified with us. The deal is going through as I indicated to you, but we are

U
Files
Pulliam
Wilhelm

5/12

Is this Indiana General?

Marsh, Charles E
Page 2

5/12/32

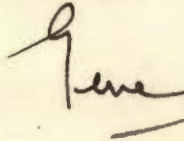
giving Ormsby the option, in event we do not work out a consolidation, to exchange his common stock in Uniontown for other securities of General Newspapers. Of course I am not guaranteeing him a job in this connection. This leaves the gate open for us to sell the News-Standard to the opposition in event we cannot acquire the opposition. As soon as all the papers are completed I will send a copy to your office.

We will need a thousand dollars this month in Uniontown, and probably five hundred a month for the next three months or until the consolidation is set up. I think within sixty days, with the aggressive management we are putting in, we will have increased the income to meet all expenses.

I have a letter from Mrs. Maycrink of International which does not confirm nor refuse our credit arrangements and it may be necessary for us to talk to her again when we are in New York around June 1st.

✓ As soon as Wilhelm arrives in Austin will you kindly check up and see where we are with regard to funds so I will know definitely about this thousand dollars for Uniontown. Weakness, at this particular time, might delay a consolidation several months, and since we are now in Uniontown with practically no investment it gives us the best opportunity which we have ever had to make a real profit for General Newspapers.

Sincerely,



ECPulliam-m
Enc

File Pulliam

GENERAL NEWSPAPERS, INC.

CENTRAL OFFICE: REPORTER BUILDING

LEBANON, INDIANA

May 17 1932

EUGENE C. PULLIAM
PRESIDENT

My dear Mr. Marsh,

This will acknowledge receipt of your letter of the 14th, addressed to Mr. Pulliam.

✓ Under the terms of our agreement of February 2nd, 1932, Frost, Landis & Kohn received 300 shares of Newspapers, Inc. stock. It is owned outright by Frost, Landis & Kohn and stands in their name.

✓ The \$133.00 interest item to which their letter refers does not apply to this stock. It is interest due them on their note obligation from December 22nd, 1931, to February 2nd, 1932, and the statement has been okehed and sent to Mr. Wilhelm for payment some time ago. This morning's mail brings a note from Mr. Landis saying this item is still unpaid and asking that it be taken care of. We do not have information here regarding the Chase bank account, but there should be funds in that account for making payment of this delinquent item.

✓ Mr. Wilhelm has a copy of the Frost, Landis & Kohn agreement, whereby they received the 300 shares of Newspapers, Inc. stock. Mr. Landis' enquiry is predicated on his understanding that the dividend on this stock is 4%, whereas dividends have been paid at 3%. In other words, the dividend payments to Frost, Landis & Kohn have been \$25.00 less each payment than Frost, Landis & Kohn had anticipated.

Since you wrote your letter of May 14th you have received Mr. Pulliam's letter of the 15th, which answers your question regarding funds required at Uniontown.

The Ormsby-Uniontown agreement has already been sent you.

Sincerely,

E. C. Pulliam

m-s

GENERAL NEWSPAPERS, INC.

CENTRAL OFFICE: REPORTER BUILDING

LEBANON, INDIANA

EUGENE C. PULLIAM
PRESIDENT

May 20 1932

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

Have just returned from Uniontown where we have got under way in excellent shape. Ormsby and McDonald are a real team and will favorably represent us, not only in Uniontown but in Pennsylvania.

I completed all the odds and ends of finishing up the deal while I was there and there is no possibility of an Orlando kick-back on this one. There was one attorney in the picture who kept his hand out but, fortunately for us, he had already made a move to double-cross one of his clients and of course it was very easy to finish the thing up when I took a firm stand.

We simply bought the assets of the old company, lock, stock and barrel, plus their bank deposits, accounts receivable, and assumed certain fixed and designated liabilities. We have nothing whatever to do with the dissolution of the old company and cannot be involved even to the extent of filing any reports for them. The deal is clean-cut from start to finish, as far as our end of it is concerned. We simply deliver \$45,000.00 of General Newspapers, Inc. preferred stock which will be divided among the stockholders of the old company. They will do their own dissolving, and whatever expense is involved will fall on them.

I am anxious to know regarding your plans for the last of the month. Frankly, I am physically pretty tired and want to arrange to take one of your "prescribed rest periods", if only for a few days. However, I much prefer to get the Oklahoma bonds buttoned up and whatever is necessary in the east completed before I do this.

Marsh, Charles E
Page 2

5/20/32

The letter from Barbour indicates that his lawyer cooled him down and gave him new courage. However, I think we can afford to insist that Barbour do what he said in Boston he would do. At least the effort is worth making, although in the long run we could not seriously object to his holding the mortgage on the Quinty plant as security for the \$60,000.00. If he takes a mortgage I think we should ask him to take it for \$30,000.00 in three years and \$30,000.00 in five years.

When do you expect to come east? Will Mrs. Marsh be with you and do you want to meet me in Oklahoma as you come east or as you return west?

In the meantime, I am starting negotiations to use the first preferred at Huntington, which we received from Ormsby, in kicking out at least a hundred thousand of the second and third preferred in Huntington. I don't know where I will get but I certainly will get somewhere.

Political opposition has started up at Vincennes again and two advertisers, both of whom are Catholics, playing with the Catholic manager, have attempted to use the new paper to crack our rates. We succeeded in getting renewals on our other contracts. The two stores which are holding out are secondary stores, but I think we will get them. It may affect our May and June business somewhat, but not seriously.

Kindly let me know as soon as possible regarding your plans for coming east.

Sincerely,

Gene

p/m ✓

C
O
P
Y

FRANK O. EVENS

Mayfield, Kentucky

Office:

The Messenger

October 13, 1932

Mr. Eugene Pulliam,
Lebanon, Indiana

My dear Gene:

Have you ever written, or have you heard from, the president of Greyhound Bus Lines?

I believe you have enough IT to sell him on my idea, if you will take time to put yourself to it.

Mr. and Mrs. Marsh and I had a pleasant visit in St. Louis the other evening. The only thing we are both interested in at all is starting a paper in Champaign, Illinois. I intend to go up there and live "in the atmosphere" as Marsh says, for two or three days and try to analyze the field. Next week we will be moving back to Martinsville, and it will be sometime after that before I can make the trip.

When I have been there a couple of days, I would like to persuade you to run over and help me do my final checking, if you will. Since you are not much interested in it, however, you probably would think it that much time lost.

If Champaign does not come out good in the developer, I would like to get something with you -- personally. I do not see why we should hesitate to operate independently at least till our property got in suitable shape to cut into General Newspapers. The idea is to develop some run-down place, and then turn it over to General Newspapers if you and I have decided, after a year's operation, to do so.

I believe I have fairly good control of my own curves, and can strike 'em out if left in there to pitch the whole game without too much side-line coaching. That is why I favor the "personal" idea in developing newspapers. Marsh has not yet decided whether I am holding back any **exhibition** of knowledge I might have; whether I am hard to "bring out", or just naturally dumb. Well, all I can say, or admit, is that Calvin Coolidge made a fairly decent president.

I would be pleased to go in with Marsh at Champaign if it shows up well. But the one important reason why I would want to team-work with him might not be so beneficial to me after all -- judging from his own words. He told me that his interests are now so varied and scattered that he probably would not be able to give Champaign, or any other one property, much of his personal attention. That a telephone call or telegram might be all the attention he could give

(over)

PRESERVATION COPY

within a year's time. Of course there is the financial end to consider. But on a thing like Champaign he would not be willing to go very strong, and I do not blame him, nor would I recommend the field if I thought it would require much operating capital to put it over.

Somehow, I would rather operate in Indiana, or nearby; and if you are at all interested in anything I might be able to swing in those parts, don't hesitate to let me know.

Will be seeing you within a month at least.

Sincerely,

Frank O. Evens

October 24, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I had a talk with an executive Vice-President of the Exchange National Bank of Tulsa, who happened to be through here.

I believe that we should be prepared to work out a re-making of our whole bond structure on a basis that otherwise the only answer is a receivership prior to the interest delivery in February.

I find that they worked out a deal for a bond issue similar to ours in which they extended the bonds until '36 and reduced the rate of cash and interest, giving half cash and half script.

This is just a memo for you to be thinking about; I thought I might forget.

Sincerely,

M/R

PRESERVATION COPY

October 26, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I rather believe that Mr. Fentress and I will be coming East on the Conway item between the first and the 15th. When we finish the Mead paper business we will know more where we are. On this trip we will try to do something about Ball, as per my other detail letter on this subject.

Miss Mason left yesterday with the intention of stopping two or three days in El Reno. She drew \$150.00 from this office, and when she gets back, have her send some sort of statement. If the expenses were more, I think a check should be sent from here to keep it all at one spot, and if the expenses were less, have her send a refund check.

I had a secretary once somewhat of Miss Mason's type. She had an extremely good mind but had a nervous drive beyond her physical strength. When Miss Mason arrived here, I thought she looked shockingly bad, but when she left, she looked much better. I believe, however, that you will find she will not stand up through the winter in Indiana, nor do I believe that she would in Austin, and were I you, I would prepare to have her take not less than a three-months vacation in the West, either at Phoenix or Taos, starting not later than December 15th.

Miss Mason was of much help in getting some local income tax people at work closing the books and preparing the income tax statement. She will tell you about this.

Calkins will be here shortly after the first of the month. If I can place Wilhelm in Mobile or Orlando after Calkins has checked him up, I will try to do so, and in the meantime see if you can work out a place for him. In my opinion he can handle a single newspaper if it is making money and the pattern is all set. If he is not worth the money he is getting, he will, of course, work for less. I can carry him here for a short time by not putting Calkins on the payroll and carrying Calkins personally, but I am taking Miss Mason's advise to the effect that we would regret continuing Wilhelm for even as much as 30 days after the books are closed and the income tax report made up. Miss Mason said, "I believe that within 30 days he would have the books as messed up again."

PRESERVATION COPY

#2 - Pulliam.

If, after Miss Mason gets back, you see it as I do, you will try to arrange it for her to hold down your Lebanon and Indiana show while you take at least a month vacation, beginning about November 15th, and then when you get back, I believe that she should go West for a three months rest.

I presume that I shall be hearing from you, but I am putting this stuff on paper and getting it off to you so that we can save telephone bills by not having to do the preliminary thinking.

Sincerely,

M/R

October 26, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I am enclosing a statement of Harlingen for your surface analysis. The \$14,000.00 due Newspapers, Inc. and the \$5,000.00 real estate item would be taken out of the liabilities, leaving approximately \$11,000.00. I rather imagine the \$2000.00 bank loan (now reduced somewhat) also could be eliminated, as well as the inter-company accounts, in which case the only items left would be machinery notes and current accounts such as paper.

The property did more business than I thought and will close the year with over \$50,000.00 gross. I think that kind of a gross in that field would make \$10,000.00, if carefully run, and in any event, beginning in October, it will make money. I have checked this fact to be sure. You will note an interest item and a depreciation item running a total of \$4000.00. Also, this paper did not sweat back in expenses until about June of this year and has had an unstable and changing management.

I will have the October statement in two weeks, which will improve this picture, and I think a lot more of the property after looking at this statement than I had previously. What do you think it worth, based on the fact that Harlingen is by far a better looking town than anything we have in Oklahoma or West Texas and is sure, ultimately, to be the big town of the Rio Grande Valley?

Fentress is still in the mood to sell it and also desires to get as much of his preferred stock back into his Newspapers, Inc. treasury as possible. You, on the other hand, want to get as much Huntington second preferred in Indiana Newspapers as possible. You also want to get Ball and his troubles out of Huntington.

I think enough of the possibilities to believe:

1. The property is easily worth \$60,000.00.
2. That an intelligent operator, sitting on the job, can make \$10,000.00 a year even in these conditions and will make from \$20,000.00 to \$25,000.00 after business recovers.

PRESERVATION COPY

#2 - Pulliam.

3. That Ball cannot take over this property until he has settled his bank troubles.

4. That we can afford to go into the matter of Ball's bank situation at Huntington because we now have a \$40,000.00 holding in first preferred as the background of our talk with the bank. I believe that Ball is more interested in getting this bank thing settled than any one thing and that if we can do this job for him, we don't even need to sell him a newspaper.

I am willing to work on this item at Huntington with you sometime in November at our mutual convenience.

Sincerely,

M/R

P. S. For the last 10 days I have been working very hard on my Texas and personal affairs and they are shaping up so that I can get away with a feeling of quiet right after the first.

C.F.M.

PRESERVATION COPY

October 27, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

We have \$15,000.00 Michigan Federated bonds here. You spoke of having \$25,000.00.

I agree with you that the only place these bonds could be borrowed against would be in Detroit, but with only \$15,000.00 on hand, I did not think the loan value based on a quotation of possibly 45 would make it worth while. But with \$25,000.00, I can see the possibility of making a \$10,000.00 loan in Detroit with about \$27,000.00 worth of bonds. That, of course, would be helpful.

I have asked this Austin bank, which is in very strong cash position, to write Michigan to get the latest quotation on these bonds; also whether or not they were paying the interest, and for the latest financial statement on Federated. Their bank correspondent will of course presume that we are making an application for a loan at this point. I wanted the bank to have this information in their files on the possibility that we might be able to make a loan.

I cannot put General Newspapers over on our present earning statements, and I do not believe that I can put Michigan bonds in an Austin bank, but there is a possibility that with my endorsement I could put some Newspapers, Inc. in there if we could build our General Newspapers' balance into a \$5000.00 or \$10,000.00 position for a month or two. This, of course, has not been possible and I am pulling several wires down here to attempt to get some personal money which I can ear-mark for General Newspapers for a short time.

You mention getting \$500.00 off to Woodward. I shall try to do so this week but I don't want you to tell him so and I shall let you know at once the minute I send it. The item will depend upon whether a personal loan that I am trying to make tomorrow will go through. I agree with you that this is a danger point at this time.

I am presuring that you can and will handle your Indiana and Uniontown situation with the help that is sent on from this point. \$750.00 was sent then yesterday. Please let me know whether it is necessary to send anything next week, and if so, how much. We are, of course, broke here and will have to take care of \$900.00 on the first to Mead as a preliminary to the talk that we are going to have down there.

PRESERVATION COPY

#2 - Pulliam.

The Uniontown and the Woodward item are the things that I am watching, as well as Mead, as our prospective out-go for next week. In addition, I have Palmer raising hell and refusing to accept a schedule of \$500.00 a month on the ground that we are paying Indiana \$1000.00 a month. He is insisting on a clean-up at the rate of \$1000.00 a month. I am writing him today explaining that the \$1000.00 a month at Vincennes is based on a \$55,000.00 total obligation while his obligation is merely \$7000.00.

Keep cool. I realize that things are going to get very tight but as they get tighter the debtor first cries hysterically and then accepts the possible. We are getting into a month or six months of hysteria. I am doing my best to get ready for it this week and believe I am. In the meantime, I am more anxious for you to get a rest and feel that I should take the thing on the nose while you are resting. We probably will be talking by next Tuesday after I know a little bit more just where I sit.

Thanks very much for the first paragraph of your letter. I think that your father and I understand in the like. My personal regards to him.

Sincerely,

M/R

GENERAL NEWSPAPERS, INC.

REPORTER BUILDING

LEBANON, INDIANA

November 14 1932

OFFICE OF
EUGENE C. PULLIAM
PRESIDENT

CENTRAL OFFICE
Littlefield Building
AUSTIN, TEXAS

Mr. Charles E. Marsh
c/o Burke, Kuipers, Mahoney & Payne
1203 Graybar Building
New York, N Y

Dear Charlie,

Thanks very much for your wire regarding Uniontown newsprint. McDonald was getting on his tin ear about this shipment.

I have been getting a program set up for refinancing the Oklahoma bonds and want to go into this matter with the bank at Tulsa, as well as with a group of the larger bondholders. I also have a trip to make to Vincennes and Huntington sometime this week. I take it it is not necessary for me to come to New York at this time and I am making my plans to get out to Oklahoma sometime in the next two weeks. We have the matter of the Detroit bank and our bonds which should be taken care of while you are east. Therefore I would appreciate hearing from you regarding your plans so that I can begin to work out my own schedule.

If you know by the time this reaches you when you will be returning east kindly wire me when you can meet me in Detroit. From your letter it appears you will be tied up in New York until Friday. There would be no benefit in getting into Detroit on Saturday, as we probably would miss Higbee. If you can arrange to meet me in Detroit Monday, November 21st, I will arrange to be there and, in the meantime, will make sure that Higbee also will be in Detroit on that date. Kindly advise if this arrangement is satisfactory or, if not, what date will be agreeable for the Detroit appointment.

With all good wishes, I am

Sincerely,

E. C. Pulliam

p.m

File Pulliam

GENERAL NEWSPAPERS, INC.

REPORTER BUILDING

LEBANON, INDIANA

November 15 1932

OFFICE OF
EUGENE C. PULLIAM
PRESIDENT

CENTRAL OFFICE
Littlefield Building
AUSTIN, TEXAS

Mr. Charles E. Marsh
Burke, Kuipers, Mahoney & Payne
1203 Graybar Building
New York, N Y

Dear Charlie,

This will acknowledge receipt of your letter of Monday morning.

We dated the relinquishment of common stock dividends January 30, 1932, in order to conform with minutes and to protect us individually on income tax returns. It is not necessary for you to get in touch with Canfield. As a matter of fact, Canfield has sent in his resignation as attorney and director. He also has inserted in the minutes a statement on his own behalf, as director, dissenting to the dividends which were paid on both preferred and common and protesting against payment of the same. We have obtained from him the minute book. I understand Wilhelm has the stock books in his possession, so this apparently washes us up with Mr. Canfield, except that he sent us a bill for \$280.00.

You probably misunderstood my letter with regard to Miller and the Federated bonds. You wrote me asking to whom the Austin office should send notice of the due date for delivery of bonds to us and my answer was that this notice should be sent to Mr. Miller at Lansing. I will write Wilhelm again today giving him this information, which I have given him in a previous letter. The signatures to which you refer were required by your bank at Austin for the release of bonds sent down there but this matter was taken care of while Miss Mason was in Austin and the bonds are now in Wilhelm's possession.

Now in regard to newsprint contracts. I think in view of our own circumstances we must take advantage of the present newsprint war. International will not discontinue sending paper to Orlando as long as they are being paid for it and rather than lose the tonnage at Orlando and Uniontown they will continue to ship without a 5-year contract. In all fairness, however, I think we should make a counter-proposition to their request for a 5-year contract by offering to negotiate a contract with them providing that Orlando and Uniontown shall purchase all newsprint requirements from International so long as Orlando Daily Newspapers, Inc. is indebted to International and so long as Uniontown Newspapers, Inc. is indebted to International. This practically gives them a long-term contract, but at the same time leaves us free to clean up the contract whenever we can obtain re-financing.

Marsh, Charles E
Page 2

11/15/32

If your friend Roosevelt insists on correct inflation of currency through some practical measure I think we will work out of all these various jams without serious difficulty, but without inflation we certainly are going to be up against a policy of meeting only interest requirements. In the meantime, all we can do is to operate like hell and make no new obligations.

The new bank at Chicago has decided we are all right and are taking over the loan from Central Trust. However, they insisted on continuing it on the present basis, which doesn't help us much, as we will have a \$5,000.00 payment to make December 27th. I am enclosing herewith note which is to be signed by you and me. Will you kindly return it to us here.

I take it I will hear from you not later than Friday regarding your plans for coming west. Of course if it is necessary for you to return immediately to Austin and if you can arrange to come to Detroit sometime early in December I think we are all set financially until about the middle of December, but we certainly are going to have to raise around ten to fifteen thousand dollars between now and January 1st.

With all good wishes, I am

Sincerely,

Gene

p/m-enc

7-11

GENERAL NEWSPAPERS, INC.

REPORTER BUILDING

LEBANON, INDIANA

November 26 1932

OFFICE OF
EUGENE C. PULLIAM
PRESIDENT

CENTRAL OFFICE
Littlefield Building
AUSTIN, TEXAS

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

This will acknowledge your various letters which came during the week. I am back in the office this morning after being laid up for the week with bronchitis, which treated me like a case of flu. The doctor sat all over me and insisted on my staying in bed.

I have received the same information from the Guardian Trust Company regarding the Michigan bonds which you sent from your bank. I will be in Detroit Monday or Tuesday and will see what we can do about making a loan. I dislike very much to sell any of these bonds unless it is absolutely necessary, but of course it may be necessary for us to dispose of them in order to meet our year-end commitments.

I take it you received a thousand dollars from Georgia. I had asked them to send you this money before I received your letter.

We are sending today another thousand to the John Emison Estate, as per our agreement with the City National Bank. Of course we have not been able to pay the \$1650.00 interest charge. It doesn't make much difference which way they figure it. They can credit the interest or the note, just as they see fit. We will have no trouble with them as long as we can pay a thousand dollars a month, but with conditions as they are that is going to be a hell of a job. I have reduced the payments to the Thomas H. Adams Estate to \$500.00 a month. They are complaining mildly but not seriously.

I sent you a copy of my letter to Molander. He is a hard-boiled collector but as long as they are being paid for current bills we will have no serious difficulty, other than the necessity of writing a letter now and then.

It would take too long to give you the details of the bank situation at Huntington with regard to Ball's difficulties there. However, the bank is not in position to cause Ball very serious trouble and of course we have saved the banks there on two different occasions from trouble, and while I think they are doing a lot of talking to get us to clean up Ball's dividends, yet there will be no suit filed unless conditions get more

Marsh, Charles E 11/26/32
Page 2

critical than they are now. We have paid Ball approximately \$3000.00 during the last year anyway. However, I think it will be wise for you and me to drop into Huntington the next time you are east. Ball is a very difficult man to deal with and I doubt if we can make any kind of a deal with him except to trade the Huntington paper back to him. This we do not want to do unless forced to. Of course I have kept in very close touch with the Huntington situation and we will have ample time to move in event Ball should decide to take drastic action.

I am expecting to go to Oklahoma as soon as I return from Detroit. I cannot say until after I have talked with the bank at Tulsa whether it will be necessary for you to come to Oklahoma. It all depends on what their attitude is. I am planning to submit to the bank a refunding proposition, calling for ten year refunding bonds with a 10% sinking fund. I will probably call you from Tulsa after I have had the matter up with the bank. Mrs. Pulliam's brother is critically ill with undulant fever and she does not want to leave home at this time. Therefore she will not come with me to Oklahoma.

In your letter of the 21st you asked if we have any excess money in Georgia. I had already written Swank, asking him to send you a thousand dollars, but it seems that Wilhelm could have given you this information, as he has the same reports from Georgia that I have. The more I have studied this bookkeeping problem the more I am convinced that you or I one will have to keep in personal touch with the bookkeeping office. I know you very much dislike detail, but with our situation as it is one of us must give regular attention to this matter. Also the present expense of maintaining Wilhelm is excessive, particularly when he has to have so much additional help. I have never wanted the bookkeeping office here, as a matter of trying to avoid the personal annoyance of the thing, but we do not seem to be getting any place. Because of Miss Mason's complete understanding of the whole financial and operating picture she could be of inestimable help to whoever was handling the books if they were kept here. I am not looking for more work but I am convinced that one of us must accept personal responsibility in the matter. If you cannot do this, the books should come here, but of course if you can arrange matters there it would be more agreeable with me. As it is, I receive eight to sixteen letters a week from Wilhelm, asking questions which either have already been answered or which could be answered if he would talk to you for two minutes. Vice versa, he could have told you exactly how much money was in Georgia and whether or not they could have spared a thousand dollars. There is so much duplicated correspondence, wasted effort and inefficiency in the present method of handling both books and operation that it seems absurd to continue the system. Also I think we could reduce the bookkeeping expense from eighty to not more than thirty-five or forty dollars a week on salary. The point is that whoever keeps the books is going to demand constant contact with either you or me and unless you can arrange your affairs there to give the bookkeeping the personal time it will require I believe the books should be here, where Miss Mason or I one can be in constant contact with the bookkeeper.

With regard to taking money out of Indiana for outside purposes, I think you can readily understand by referring to the books that we have more than

Marsh, Charles E 11/26/32
Page 3


we can possibly take care of even with our reduced commitments. We have no money in sight at all for the Chicago bank note and will be lucky to get through with Emison and Adams and first preferred dividends at Huntington on what is even potentially available. We also have a \$2,000.00 obligation to Scheerer in January, for which at present we have no outlook for available funds. If we can borrow \$10,000.00 in Detroit we should tide ourselves through January 1st by holding up the payment of \$5,000.00 to Macfadden on the basis of the figures given to us in statements at the time we made the deal.

If you are planning on coming east around December 10th to 15th it is quite likely I will not try to see you while I am in Oklahoma. I will be late getting out there and it will take me two or three days to settle up matters at Elk City and Clinton, and of course I probably will be held up in Tulsa at least two days, so I will just about be getting back here around the time you are coming east. However, I will call you from Tulsa so that if it is advisable, or if you have changed your own plans about your eastern trip, we can arrange to see each other while I am out there.

Tell Mrs. Marsh we sincerely regret we cannot come out to Austin before Christmas, but the chain of domestic circumstances continues to interfere with such a plan.

I will wire you from Detroit after I have talked to the bank there.

Sincerely,



p.m

File

GENERAL NEWSPAPERS, INC.

REPORTER BUILDING

LEBANON, INDIANA

November 30 1932

OFFICE OF
EUGENE C. PULLIAM
PRESIDENT

CENTRAL OFFICE
Littlefield Building
AUSTIN, TEXAS

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

As I indicated in my wire to you this morning, I met Ormsby at Columbus today instead of going to Uniontown tomorrow. In my telephone conversation with him he seemed quite anxious to have a talk with me in advance of any decisions regarding Uniontown. Briefly, he realizes he is not of any particular usefulness to us in Uniontown and I think he is rather inclined to back away from the ordeal of aggressive, hard-hitting management. He simply isn't up to it any more and of course I have been driving rather persistently toward closer and more economical management. He apparently feels we do not have confidence in his ability to operate a competitive fight in Uniontown. Furthermore, the six months period during which General Newspapers, Inc. had agreed to provide operating deficits is ended and of course Ormsby is not in position to put up his share of the deficits. He frankly said he did not believe both he and McDonald were needed in Uniontown and that McDonald was a much better man on detail operation than he is. In addition, he has not been well and I am inclined to believe he has spent at least half of the last six weeks in bed or in his room. He suggested he is getting along in years and feels the necessity of keeping himself in a fairly safe position financially.

What he would like to do is to get back his Huntington preferred stock and work out some kind of a deal with us for a job at Huntington. Of course this is out of the question as we really could not use him at Huntington in any capacity. I asked him point-blank if he meant that he would like to work out a deal for the common stock at Huntington and he said no, that he did not believe he could do as well there as we are doing because we are operating the consolidation on a less payroll than he was operating one paper. The net result is that we will not have to carry Ormsby at Uniontown but will have to work out some exchange of securities for him either on Huntington or something else.

There is no question about our continued progress at Uniontown. The circulation is increasing each day and we have been able to maintain our volume of advertising at increased rates. Expenses for October were excessive, but income for November shows an increase with a decrease of expenses. However, they have not kept their expenses down to the

Marsh, Charles E
11.30.32 - page 2

estimate which we made when we authorized the morning and evening edition. Effective this week we will have a 10% saving in payroll and other expenses are being reduced. We are in position just about to float were it not for the accumulation of old bills, and a rather nasty collecting attitude on the part of creditors. King Features, NEA and UP have been especially hard-boiled in insisting on weekly payments on back accounts. The landlords also have been very drastic in forcing payment on back rent.

However, they have actually produced complete morning and evening editions with Sunday edition and comics for a total actual operating expense in November of \$7,200.

Circulation income has increased from \$400 in June to approximately \$1,300 in November.

There is no question about the field nor the potential value of present progress. The consolidation in Uniontown would be practically as valuable from the standpoint of net as Orlando, but whether we can carry on for the next four or five months in forcing a consolidation is, I realize, a very serious problem. I know we cannot undertake to send money into Uniontown and meet our other obligations. Whether we can make any kind of a deal with the opposition is also problematical because the interests of the owners and the managers are not mutual. There is a last resort plan which we could attempt that would practically eliminate deficits but of course it would, at the same time, delay seriously a consolidation. I quite agree with you that we should make some rather definite decision regarding Uniontown when you come east. With Ormsby out of the picture and off the payroll, and with reductions effective immediately, we can operate on the present morning and evening two complete newspapers schedule on a payroll of a little less than a thousand dollars a week. Whether we are in position to go ahead on our present operating plan is what we will have to determine. There is no doubt at all that we will win and be splendidly rewarded if we can carry on.

I have given you this summary of the situation so you will be informed ahead of our discussing the matter next week.

Sincerely,

Gene

p.m

GENERAL NEWSPAPERS, INC.

REPORTER BUILDING

LEBANON, INDIANA

November 30 1932

OFFICE OF
EUGENE C. PULLIAM
PRESIDENT

CENTRAL OFFICE
Littlefield Building
AUSTIN, TEXAS

Mr. Charles E. Marsh
Littlefield Building
Austin
Texas

Dear Charlie,

This will acknowledge your several letters received over the weekend while I was in Detroit.

I am enclosing herewith release to the Austin bank on delivery of bonds and will send you copy of my letter to the State Journal Company authorizing future delivery of bonds to you. In this connection, I have written Mr. Miller, at Battle Creek, regarding the statement of excess liabilities on the Capital News, mention of which he made in his letter to you. For your information, I am sending you a copy of my letter to him. I have also, of course, taken up this matter with Macfadden in New York, and I am inclined to believe we will have a rather drawn-out discussion in reaching any satisfactory conclusion either with Macfadden or with the State Journal crowd. However, we are protected as far as Macfadden is concerned and the State Journal has its protection, and for the next several months will have no special excuse for holding up delivery of the bonds.

In connection with these Michigan bonds, I talked with both the Commercial National Bank and the Guardian Trust people in Detroit. There is a fairly good market for Federated bonds at around 37 to 40, but both banks took the position which we expected, that they could not consider a new loan to a new company not doing business in the Detroit area. Even if we attempted to sell these bonds we would have to market them in lots of two to three thousand in order to get as much as 40 for them. An effort to sell more than two or three thousand at a time would, of course, bear down the price rather sharply.

Your suggestion regarding Bicknell is, of course, sound if we had a buyer. I have made repeated efforts to work out some kind of a deal for Bicknell. It might be we could sell it to the present manager but he would not be able to make any down payment of size on it. Also the Bicknell property, being so close to Vincennes, gives us protection on legal advertising and also on a constant drive for Vincennes advertising in the Bicknell paper. Bicknell's red ink was after all charges and it did not lose money on actual operation. We have no obligation in Bicknell and I think we get about as much out of it as we could if we sold it at the present time.

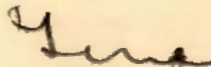
Marsh, Charles E
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In regard to payment of preferred stock dividends, I cannot agree with you that we can pay part and not all without putting ourselves in a very undesirable position. There is no legal defense whatever for showing preference in the payment of preferred stock dividends. You and I, of course, have the right to put dividends due us back into surplus, but we cannot pay one preferred stockholder and withhold payment from another except by consent of the stockholder. I think it much better to withhold payment of all preferred stock dividends until sometime in early January than to consider payment of a part. At least before anything is done in this connection I think we should discuss the matter.

With reference to the suggestion of Broach, to eliminate the inter-company account between General Newspapers, Inc. and Oklahoma Newspapers, Inc., I can readily understand the benefit which would derive to Oklahoma from this elimination. However, I also believe that we can use this item in a trading position with the bank on the refinancing of our bonds. I will be in Oklahoma this week and discuss refinancing with the Tulsa bank and this question undoubtedly will come up. My point is that if the bank co-operates in working out a 10-year refinancing program General Newspapers, Inc. can afford to eliminate this inter-company item from the Oklahoma balance sheet. If there should be receivership action at any time we would not want to eliminate this item.

I will advise you from Tulsa regarding the bank's attitude on refinancing. While in Oklahoma I hope to help Vandivier clean up the competitive nuisance at Elk City and Clinton, which he believes ready for action. Of course no money is involved.

Sincerely,



p.m

December 10, 1932.

Mr. Eugene C. Pulliam,
Lebanon, Ind.

Dear Gene:

I am moving on to New York with Fentress tomorrow morning, arriving there Wednesday to see Mead Wednesday afternoon. We will probably travel by the New York Central.

I shall be ready for Huntington, I presume, about the first of the week following, and also have to be in Chicago in connection with St. Paul.

After our talk with Mead Wednesday and possibly with International Thursday, I shall be in touch with you. In the meantime write me c/o E. M. Burke, anything that you think is important for me to do in New York at the end of this week, and line up Huntington for a definite time during the week following but probably the early part of the week. You remember that I wrote Ball that I would be in touch with you and that I probably would be in Huntington the end of this week.

I thought perhaps there also might be the necessity of doing something more in connection with the Michigan bonds, and possibly you should consider coming to New York in connection with McFadden in order to have a show-down there instead of a law suit, or long distance gun firing in January and February. I do not believe that I can do the McFadden thing without you, but I expect to be back in New York in January, around the 15th, for the Orange show-down preparations, so you will, of course, use your own judgment. I merely want to say that if I can be helpful in the McFadden thing, I think we should work that one together, though I think that I can work the Mead paper and Orange thing alone.

I shall be most glad to see you as I feel a little lonesome and hate to have the two of us out of touch too long.

I believe that I wrote you about making a good settlement at Orlando with the Brossiers, but question whether I wrote you about Essington. When we get together I shall be glad to fan it over.

Sincerely,

M/R

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