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Daily News Struggles to Find Its Identity After Sale Is Called Off

By JAMES BARRON AUG. 21, 2015

The news at The Daily News — that the owner, Mortimer B. Zuckerman, had done an about-face and decided not to sell — brought consolation to the publication’s newsroom, at least for now. But questions remain about The News’s long-term prospects, and about its place in both the city and the turbulent media world.

“We know what this owner means for the paper and we didn’t know what a new owner would mean,” said one reporter, who, like others at the newspaper interviewed for this article, spoke on the condition of anonymity out of concern for his job status. “So, to that extent, it’s a relief.”

Mr. Zuckerman announced on Thursday that he had taken The News off the market. His lawyers and bankers had talks with several possible buyers — Mr. Zuckerman referred to them as “the suitors” in a memo to the staff, although he did not name them.

Those suitors were said to include John A. Catsimatidis, a supermarket billionaire who spent \$11 million on a long-shot mayoral campaign two years ago; James A. Finkelstein, the owner of the Washington publication *The Hill*; and Steven C. Witkoff, a developer who recently bought the Park Lane Hotel on Central Park South.

On Friday, a spokeswoman for The News had no additional comment, saying, “The memo speaks for itself.”

In February, Mr. Zuckerman told the staff that he was exploring selling the paper, which is said to lose about \$20 million a year. The reaction in the newsroom was less emotional than might have been expected. “I think it’s because nobody knew which way to cheer,” one person on the staff said. “Nobody knew if a new owner was going to be better than Mort. Nobody’s happy with Mort, but nobody’s angry with him.”

Reporters said there had been no discussion of suspending the newspaper’s print operation, as Mr. Zuckerman did with another media property he owns, U.S. News & World Report. A weekly magazine for most of its history, U.S. News published its last regular print issue in 2010 but continues online. It also issues rankings of everything from best colleges to best hospitals to best used cars.

Even before newspapers began to struggle financially, The News was not always sure where it fell on the spectrum between sober broadsheet respectability and rollicking Fleet Street sensationalism.

“The Daily News is not a pure tab,” Mr. Zuckerman said in 2006, using an abbreviation for tabloid. “I have refused to take it down-market and become a tab in the sense of a lot of sexual exploitation or exploitation of violence. We are trying to be serious about being a centrist paper, both in terms of the editorial pages and the way we cover the news.”

The search for identity was nothing new. The News has been trying to figure out its identity since Day 1, on June 26, 1919.

“The first issue had the ‘What is it?’ aspect of the totally unfamiliar,” The News’s first promotion manager wrote years later. “It wasn’t a newspaper. It wasn’t a magazine. And not by the wildest imagining would anybody have suspected a demand for it.”

But the 150,000 copies that had been printed sold out. And although circulation dropped as low as 11,000 copies a day within two months, The News established

itself with big, black headlines and splashy tell-all stories — and soon grew into the largest mass-market newspaper in the country. The News was selling a million copies a day when Jazz Age flappers were mouthing the passwords that got them into speakeasies.

It went on to capture the hearts of New Yorkers, reaching more than two million readers on weekdays and nearly five million on Sundays, as it made a name for itself with crime stories, the more sensational the better. “In a city that liked lurid sensationalism,” said Richard Wald, a professor at the Columbia School of Journalism, “they did lurid sensationalism about as well as it’s ever been done.”

The News also pioneered splashy photographs, even giving itself the slogan “New York’s picture newspaper.” It had columnists like Ed Sullivan before he had “a really big shoe” on television — and, later, Jimmy Breslin, Pete Hamill and Mike McAlary.

Above all, it championed the little guy.

“It was a quick read, and it was very satisfying,” Mr. Wald said. “You didn’t have to read it deeply, but if you were part of the movers and shakers of New York, you did have to see it to see what the city was thinking, because what the city was thinking was in The Daily News.”

The News demonstrated its power to drive the conversation in the city — if not the nation — in 1976, with one of the most memorable front-page headlines ever published, “Ford to City: Drop Dead.” But the rise of television and the rush to suburbia had gnawed at The News’s working-class base in the 1950s and 1960s, and by the 1980s, the city was changing. The News did not seem to be changing with it.

“Was it for the outer boroughs, the new immigrants?” said Mitchell L. Moss, a professor of urban policy and planning at New York University. “It had been the white working-class newspaper, but it never successfully found a new base of readers.”

By 1990, The News no longer led the nation in circulation. The Tribune Corporation, amid a bitter labor battle and strike, sold it to the flamboyant British

press baron Robert Maxwell, who imagined himself a savior of cash-poor newspapers.

The unions at The News went back to work after agreeing to more than 700 layoffs. A few months later, Mr. Maxwell disappeared from his yacht off the Canary Islands. His body was found a few days later; his publishing empire collapsed under more than \$4 billion in debt and revelations that pension funds had been plundered. Mr. Zuckerman agreed to pay \$36 million to rescue The News from bankruptcy in 1993.

Mr. Zuckerman committed more than \$150 million to high-speed presses that went into operation in 2009, even as the Internet was undercutting newspaper advertising.

“If you looked at how many times he used the word digital and some of the personnel moves they’ve made over the last year,” one reporter said, “it all adds up to digital strategy. Every other promotion since then has been about digital, specifically making sure there’s no longer the notion of a web team and a print team. It’s become more seamless over the last year.”

Correction: August 27, 2015

An article on Saturday about the uncertainty surrounding The Daily News in the wake of Mortimer B. Zuckerman’s decision not to sell it misstated the circumstances surrounding Robert Maxwell’s purchase of the newspaper in 1991. It ended the strike against The Tribune Co., which had owned the publication. Mr. Maxwell’s tenure did not begin with a bitter labor battle.

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