

quires all the premiums to be paid to the Government Insurance Bureau, which also pays the benefits, either directly or through sick benefit associations.

#### Prevent Fraud

THE prevention of fraud is another matter which European experience shows requires attention. This is a difficulty with all forms of insurance. The number of persons who would injure themselves to get benefits is not great, but we may expect that the victim when injured will try to get the largest benefit possible. This difficulty simply indicates the necessity for a careful organization of a medical service.

Another difficulty is the relation to our present law of negligence. An injured workman now has the right to bring suit against an employer for damages. He should not get insurance benefits and recover damages from a negligent employer at the same time. He might be given the option, as is done in England, to claim one or the other, but not both. In most cases the workman there prefers the definite and certain compensation to the uncertainties of a damage suit. You probably cannot take away the workman's right of suit entirely, and this would not be desirable, but it would be possible to repeal some of the laws which have been designed to make damage suits easier, and it would also be possible to permit the making of contracts, under proper safe-guards, to give up the right of suit in consideration of certain benefits.

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#### Some Pointers for the Lawyers

THE constitutionality of an insurance system must be left to the lawyers to discuss, but they should not omit to consider the following points: (1) The constitution does not directly prohibit such a system; (2) Our supreme court has sanctioned an extensive interference with the law of negligence as an appropriate exercise of the police power; (3) Could the courts regard an insurance system as an arbitrary or unreasonable attempt to exercise that power if the committee should find that such a system is necessary for the effective remedying of a condition which, in the words of an English statesman, we may call a great public scandal?

A point of considerable difficulty is presented by the lack of uniformity in state legislation. It is sometimes said that to impose insurance burdens upon employers would drive them to other states where there is no such legislation. *But it must be remembered that the insurance tax would not be in addition to, but in place of, a burden which is already in existence,—that of liability insurance under the law of negligence.* Prudent employers now pay from a fraction of one per cent. to nine per cent. of their pay rolls (according to the occupation) to protect themselves against claims from injured workmen. Much of this money is wasted. The insurance system proposes to spend it in a better way. With a joint contribution of both employers and employees, considerable benefits could be paid without serious additional burden to the employer.

## THE MAKING OF PUBLIC OPINION

### II. NEWS BUREAUS AND NEWSPAPERS

#### How Special Interests Employ Agencies to Fill the Newspapers with Adroit Articles

By WILLIAM KITTLE

IN LAST week's article on *The Associated Press*, reference was made to the secret agreement by which the United Press Association entered into alliance with the Associated Press. This agreement was disclosed in 1892. The writer should perhaps have included the explanation in this historical summary that the United Press of 1892 is not the United Press of today. The old association, which operated in harmony with the Associated Press, was disbanded, and the association which was subsequently formed—the present United Press—is entirely opposed to the trust methods

of its powerful rival. The service of the United Press is now open to all newspapers. It serves 368 papers with 37,000 miles of leased telegraph wire and circuits. It reports the news fairly. No better proof of this could be desired than the way in which it handled the news of the recent tariff debates. This statement is made for the information of readers who may not know that the United Press of today is not the same as the United Press of 1892, and to give recognition to the present United Press for the excellent character of service.—WILLIAM KITTLE.



WILLIAM KITTLE

BESIDES the Associated Press as an instrument for forming conservative, or what is called "safe and sane" public opinion, the special interests employ for the same purpose well-organized news bureaus to furnish to the newspapers adroitly prepared articles, interviews, letters and news items. These appear in the public press without a suggestion of their real source. They are not accompanied by any of the marks of advertising matter. Very often, especially in the case of city utility companies, the "interests" deal directly with the newspapers by a liberal purchase of advertising space and thus secure control of the news columns and of the editorial page itself.

During the last four years, a large number of these news bureaus have been actively

engaged in the work of forming public opinion in all parts of the country. The following are the names of some of the best known:

Publicity Bureau.....	Boston, Mass.
Press Service Company.....	New York City
The Municipal Ownership Publicity Bureau.....	New York City
Telegraphic News Bureau.....	New York City
Keystone News Bureau.....	Philadelphia, Pa.
National News Service.....	Washington, D. C.
Jennings's Advertising Agency.....	Lancaster, Ohio

#### MAKING PUBLIC OPINION AGAINST MUNICIPAL OWNERSHIP

THE Municipal Ownership Publicity Bureau sends out articles and news items adverse to municipal ownership and in favor of private ownership of city utility companies. It published a monthly magazine "Concerning Municipal Ownership," in which John Kendrick Bangs wrote humorous articles for such private ownership.

The Publicity Bureau, operated by two men,—Michaelis and Ellsworth,—is employed by a powerful group of gas, light, water and traction companies to prejudice the public against municipal ownership of any of these utilities. For this purpose, the bureau has offices in Boston, New York, Washington and Chicago; and from these centers, arguments, half-truths, garbled reports and misrepresentations are sent out to the press and paid for as regular advertising matter although they appear

as "news." Mr. Grant of this bureau wrote the following letter marked, "strictly confidential," to the president of the Oconee Telephone Company at Walhalla, S. C.:

"The Bureau has arranged with the American Press Association to furnish a page of plate matter monthly to such newspapers as may be designated. Companies desiring to place such matters in the local papers should communicate with the Bureau—under no circumstances taking up the matter with either the American Press Association or the local paper. All arrangements are made through the Bureau in such a way that the company does not appear in the matter at all. The cost of service is \$20 per year per paper. The great benefit accruing from the constant presentation of facts and arguments in favor of private ownership can hardly be overestimated."

Is this Mr. Grant, the John H. Grant who is treasurer of the American Press Association?

At one time when the Consolidated Gas Company of Boston was in a contest with the Public Franchise League of that city, and while legislation on the subject was being considered, the Gas Company sent out to the newspapers of the state the following letter:

"Enclosed you will find copy for a reading-matter ad. to be used in your paper. It is understood that this will be set up as news matter, in news type, with a news head, and without advertising marks of any sort. Please send your bill at lowest net cash rates to the undersigned."

This matter was printed as directed in numerous newspapers throughout the state.

## MAKING PUBLIC OPINION FOR THE INSURANCE COMPANIES

WHEN the Armstrong Committee began its investigation of the insurance companies in September, 1905, according to *McClure's*, the companies at once employed Charles J. Smith to prepare articles which were turned over to the Telegraphic News Bureau, handled by Allan Forman. These articles soon began to appear as "news" in the daily and weekly newspapers from New York to St. Paul. The Mutual paid Forman \$1.00 a line inserted in a reputable paper. For a single item in 100 newspapers in October, 1905, this company paid between \$5,000 and \$6,000. On October 25, the same company paid about \$11,000 for six articles published as telegraphic news. A second news bureau was also hired to form public opinion favorable to the insurance companies.

Gustavus Meyer, in the *Milwaukee Social Democratic Herald* of November 7, 1908, makes in substance the following statement: In December, 1905, he was employed on the *Cosmopolitan Magazine*. During the next nine months, in collecting material for David Graham Phillips' articles on, "The Treason of the Senate," Meyer investigated the record of Senator J. F. Dryden, the President of the Prudential Insurance Company, and furnished what he found to Mr. Phillips who used it in his article which was to appear in October, 1906. Some weeks before this date, the business manager of the *Cosmopolitan*, came into the office and said he would "kill" that part relating to Senator Dryden. He further stated that a four page advertisement of the Prudential Insurance Company had been sent to the *Cosmopolitan* and that it, "was not worth while losing four or five thousand dollars just for the sake of printing those few paragraphs." The October number was silent as to the record of Senator Dryden; but instead, there appeared an article entitled, "An Aid to Modern Business," which was a eulogy on Mr. Dryden and the Prudential Insurance Company. Mr. Meyer states that in April, 1907, Mr. Hearst was informed of this but he refrained from discharging his business manager.

## MAKING PUBLIC OPINION FOR THE STANDARD OIL COMPANY

IN 1898, when Francis S. Monnett, the attorney general of Ohio, was prosecuting the Standard Oil Company for violation of law, he learned that articles were being published in all parts of the state for the purpose of forming public opinion against the prosecution of the company. He ascertained that the articles thus sent to the newspapers, all emanated from the Jennings News

Bureau and Advertising Agency at Lancaster, Ohio. He placed on the witness stand Mr. Jennings who swore that a Mr. Apthorp, an agent of the Standard Oil Company, had furnished him with the printed matter. The attorney general produced a contract between the agency and a newspaper which provided that the publication of the article in the local paper would be paid for on condition that it would appear as "news" or an editorial.

In 1903, Senator J. B. Foraker received from John D. Archbold, the Vice-President of the Standard Oil Company, \$50,000 to purchase in part, the *Ohio State Journal*. Later, when it was found that the purchase could not be made, the money was returned.

This company employs a well-known press agent at its headquarters,—26 Broadway, New York City. The following letters bear but one plain interpretation. *Guntton's Magazine* was ultra-conservative, ever alert to champion special interests:

"26 Broadway.

To Prof. George Guntton, 41 Union Square, City.

My dear Professor: Responding to your favor, it gives me pleasure to inclose you herewith certificate of deposit to your favor for \$5,000 as an additional contribution to that agreed upon and to aid you in your most excellent work. I most earnestly hope that the way will be open for an enlarged scope, as you anticipate.

Yours very truly,

JOHN D. ARCHBOLD."

"MR. THOMAS P. GRASTY:

Dear Mr. Grasty: I have your favor of yesterday and beg to return herewith the telegram of Mr. Edmunds to you. We are willing to continue the subscription of \$5,000 to the Southern Farm Magazine for another year, payments to be made the same as they have been this year. We do not doubt that the influence of your publication throughout the south is of the most helpful character. With good wishes, I am very truly, yours,

JOHN D. ARCHBOLD."

The sinister Sibley, member of Congress at the time from the 28th district in Pennsylvania, wrote to John D. Archbold from Washington, D. C., on March 7, 1905, proposing the establishment of a vast literary bureau to form public opinion in favor of the industrial corporations and the traction and railway companies. His letter needs to be read with care. He would have such a bureau "efficient" and "permanent." Even for the three great interests named in his letter, representing probably more than half of the total wealth of the United States, he stated, "It will cost money." When he says it, "will be made self-supporting," does he mean that the outlay for this bureau will be reimbursed to the corporations by legislative grants of further special privileges? Governor Hughes once said: "The man that would corrupt public opinion is the most dangerous enemy of the state." But Sibley not only proposed the systematic and permanent corruption of public opinion, but also the corruption of the Associated Press, the newspapers and magazines; and the betrayal of the American government itself to the special interests. We need a new definition of treason. The following is this man's letter:

"JOHN D. ARCHBOLD,

Dear Sir:

An efficient literary bureau is needed, not for a day or a crisis, but a permanent and healthy control of the Associated Press and kindred avenues. It will cost money, but will be the cheapest in the end, and can be made self-supporting. The next four years is, more than any previous epoch, to determine the future of the country. No man values public opinion or fears it so much as Roosevelt. Mild reproof or criticism of his policy nearly paralyzes him. Today he hears only the chorus of a rabble, and he thinks it is public sentiment. I don't know whether the industrial corporations and the transportation companies have enough at stake to justify a union of forces for concerted action. It seems to me to be necessary."

In 1905, the Standard Oil Company sent Patrick C. Boyle and Malcom Jennings to Kansas to make public opinion in favor of the company. Ida Tarbell in her *History of the Standard Oil Company* mentions Boyle as a "picturesque Irishman" in the service of the company. He has been the editor of the *Oil City Derrick* and a literary hack of this company for many years. In the eighth annual report of the Associated Press for 1908, his name appears as a member of the Advisory Board for the Eastern Division, thus showing that he has some influence in that

organization. Jennings is the same man who served the company in Ohio. These two men procured the publication of numerous articles in many newspapers. The contracts provided that such articles should be published as "news" without advertising marks of any kind. The manager of the *Kansas City Journal* testified that his paper received \$3,840 for eight such articles.

The Interstate Commerce Commission in its report of February, 1907, states: "The Standard Oil Company buys advertising space in many newspapers, which it fills, not with advertisements, but with reading matter prepared by agents kept for that purpose, and paid for at advertising rates as ordinary news."

## MAKING PUBLIC OPINION FOR THE ALDRICH CURRENCY BILL

WHEN the Aldrich currency bill was pending before Congress in March, 1908, a Mr. P. S. Ridsdale of Wilkes-Barre, Pa., wrote to many publishers of newspapers the following:

"I wish to have published in as many papers as possible, opinions of prominent business men and bankers of your district favorable to the Aldrich Currency Bill now before the Senate."

He offered to pay \$10 for each "story" of about one-half column in the leading papers of large cities and \$2.00 to each local paper. The same week, the *Detroit Journal* received a letter signed by the Keystone News Bureau of Philadelphia offering an article which read in part as given below. Newspaper men in Philadelphia at the time knew nothing of any such bureau in that city:

"Washington, D. C.

"There is coming now from a quite unexpected source support of the Aldrich emergency bill which is expected, by those who favor it, to win it many votes in the House. Leading labor union men throughout the country, now that they realize how many workmen are idle and how little prospect of employment there is during the next several months, say that some financial measure is imperative."

## MAKING PUBLIC OPINION AGAINST TARIFF REVISION

ONE of the best known news bureaus is operated in Washington by William Wolff Smith who has his offices in the Munsey Building and employs a number of stenographers and so called "reporters." Smith is frequently seen at the New Willard Hotel and at the Capitol. Very few of the leading daily papers can afford the expense of a special correspondent in Washington and most of them readily publish as news, letters purporting to come from the direct representative of the paper, but which really emanate from some hired bureau. There appeared such an article in some of the papers of the northwest in January, 1909. It was adroitly and ably written to form public opinion in favor of a high tariff. It stated that the annual disbursements greatly exceeded the income of the national government, that President Roosevelt had believed he was right in advocating large appropriations, that if the tariff were lowered a large bond issue would be necessary, that the Standard Oil Company's National City Bank favored such bond issue, that,

"Speaker Cannon has stood constantly for more care in spending money and it must be said that he is coming into a meed of approval and appreciation which decidedly contrasts with the public attitude toward him as displayed during the late campaign. The speaker and his followers are determined to do some paring this session, but they have no idea that they can cut expenses enough to overcome the deficit."

In this column and a half of "news" are found an appeal to partisanship and to the popular prejudice against the Standard Oil Company, a plausible argument for economy, a covert attack on President Roosevelt and a laudation of Speaker Cannon. It was skillfully contrived to have the reader draw the inevitable conclusion that the tariff must not be reduced; and this conclusion, nowhere clearly stated, was the sole object of the article.

## MAKING PUBLIC OPINION FOR THE RAILWAY COMPANIES

IN 1905, when bills for railroad rate regulation were pending in Congress and while President Roosevelt was urging such regulation, the railway companies organized a system of bureaus in New York, Washington, Chicago, St. Louis and Topeka. They also had agents in South Dakota and California. Samuel Spen-

cer, President of the Southern Railroad Company, had general supervision of these various bureaus, with headquarters at Washington. He knew most of the Senators and Representatives and was a tactful, agreeable and able manager. These publicity bureaus were in operation for several months and cost approximately \$100,000. The Chicago office was in the Orchestra Building on Michigan Avenue and employed forty-three persons, some of them experienced newspaper men. To this office came most of the local papers of the entire northwest. Ray Stannard Baker inspected this office and has described a card case which he saw there called, "The Barometer." Each editor was accurately characterized on a card as to politics, financial condition and peculiarities. If an editor was too active against the railroads, a traveling agent went to his town and organized some of the local shippers against him. Mr. Baker states that a member of the firm told him that for the week ending June 5, 1905, before the bureau began its work, 412 columns of matter opposed to the railroads had appeared in the Nebraska papers, but that three months later, after the bureau had been in operation, 202 columns favorable and only 4 against the railroads were published in that state in one week.

During April and May, of 1905, a Committee of the United States Senate gave so called "hearings" for six weeks on matters relating to railway legislation. Senator Elkins of West Virginia was chairman of the committee. Ex-Senator Faulkner from the same state was employed by the companies and during the "investigation" sat just back of Elkins at each session. Numerous railroad men and small shippers attended, all expenses being paid by the companies. The testimony thus taken, filled five volumes of a thousand pages each. Reporters were constantly present to give the daily press statistics and arguments in favor of the railway interests. Public opinion was being made for a powerful special interest, by an investigating committee at the expense of the government.

## MAKING PUBLIC OPINION FOR LOCAL SPECIAL INTERESTS

IT IS a commonplace in the newspaper business that the advertisements instead of the subscriptions form the chief support for the costs of publication. A daily paper without advertisers would be published at a daily loss. This is but another way of stating that the existence of a daily paper depends on the sale of a certain amount of advertising space. With other daily papers in the same city, a given paper cannot pursue in its news columns a policy hostile to the interests of its leading advertisers. If such advertisers be city utility companies, department stores or industrial corporations, they are in a position to exert a powerful influence on the policy of the paper. When these utility companies give special rates or privileges to the leading business men of the city, and, at a moment's notice, can withdraw their patronage, they become formidable opponents to the newspaper that dares to attack them. Besides, most daily newspapers are run for profit rather than for the public interests. The stockholders demand of their management a reasonable net return on their investment. From this situation, there often results, either silence on the part of the paper when public interests are at stake; or open advocacy of some special interest.

Numerous instances can be given of this control of public opinion by special interests. When municipal ownership was an issue in 1906 at an election in Seattle, all of the daily papers but one opposed it. The *Seattle Times* printed in large black-faced type covering the whole upper part of the front page, the following:

"Municipal Ownership Spells Wreck and Ruin Wherever It Is Found."

Since successful municipal ownership is found in some form in most of the cities in the United States and in Great Britain, the zeal of the falsehood suggests the 'hire and sale' of the columns.

During the same year, municipal ownership was an issue in Detroit. Before August, 1906, not a newspaper in the city had openly advocated granting a new franchise to the Detroit United Railway company. Early in that month, the mayor, who had declared before his election, that he was in favor of municipal ownership of the various parts of the street railway system when the franchises expired, startled the city by announcing that he had "forced" the company to accept an extension of all its fran-

(Continued on page 15.)



lowed to operate began to be blown up with dynamite. The culprits have always been supposed to be the gamblers who were discriminated against. Last week the thirty-first of these bombs went off near the premises of a notorious gambler, several people were injured, and damage to the extent of \$100,000 was done. The down-town district was terrorized. There was talk of vigilance committees. The Chief of Police had gone away to a health resort to recuperate. The mayor went to a hospital, where it was stated one day that he was at death's door from an operation for appendicitis, and the next that he had been helped to a chair by his brother and was sitting up. The official head of the chief of police was demanded in some quarters. An investigating committee to probe the city administration was due to be appointed, but could not be named on account of the Mayor's sudden illness. The police, after thirty-one chances are at this time quite as unable to arrest the dynamiters as in the case of bomb No. 1. The theory that they know the offenders

but dare not arrest them is entertained by many who realize that the "protection" of outlawry is likely to place the police under the thumb of law-breakers. The occurrence of these two acute crises in the affairs of two cities containing seven millions of people or more is of interest as throwing light on the sort of government achieved by our modern Babylons. The New York situation seems to be partially cleared up, while in Chicago the plot is still unresolved.

#### British Officer Assassinated

A young Hindu student assassinated Lieutenant Colonel Wylie of the British Army and Dr. Lalca of Shanghai in London this week. The assassination is a political one, and grows out of the agitation for the independence of India. It is noteworthy that the only political assassinations for many years in England grew out of the denial of self government to the people of Ireland and India.

## PURE FOOD IN DANGER

Decision in Whiskey Case Opens Way for Adulterated Foods. President Taft Must Act

By BEULAH M. AMIDON

**M**RS. AMIDON is chairman of the food sanitation committee of the General Federation of Women's Clubs. She has been keeping a vigilant eye on the recent efforts of unscrupulous manufacturers to undermine the pure food law. In the following article, she states clearly and forcefully the far-reaching effect of the Bowers decision—EDITOR'S NOTE.

**T**HE national pure food law is at stake in this whiskey fight. The American people do not know it;—but that is part of the scheme.

The adulterators chose whiskey for their fight because they knew public sentiment would be little concerned about the adulteration of whiskey. The pure food law knows whiskey only as a drug, or a food. It is not mentioned or referred to in the statute by name. Thus any interpretation of the law that will permit the adulteration of whiskey will apply equally to all foods and drugs. The consumer does not know this; but every food and drug adulterator in America knows it.

#### What the Bowers Opinion Means

**P**RESIDENT TAFT asked an opinion of Solicitor-General Lloyd Bowers as to the proper labeling of whiskey. Here is the gist of the Bowers opinion.

At the time the pure food law was passed there were three main classes of whiskey.

First: Straight whiskey made by distillation from grain. That is what the consumer has always understood by the term of "whiskey."

Second: Whiskey made by a combination of alcohol and whiskey, with coloring and flavoring.

Third: Alcohol reduced by water and colored and flavored to resemble straight whiskey.

All these forms were known in the "trade" as whiskey, but the constituency of the last two was unknown to the consumer. As to him, they were simply clever forms of adulteration.

Now Mr. Bowers holds that everything that was known in the "trade" as whiskey at the time the pure food law was passed may still be labeled as whiskey. Thus a statute which was intended to prevent deception in labeling is so construed as to immortalize by Act of Congress all existing deceptions. The pure food act as construed by President Roosevelt, compelled an honest whiskey label. The Bowers opinion, if approved, will restore the old deceptions.

#### How It Works

**A**PPLY the Bowers opinion to any article of food. Take maple syrup. At the time the pure food law was passed there were three main kinds in the "trade."

First: Straight maple syrup made from sap.

Second: Maple syrup combined with glucose or cane syrup.

Third: A chemical combination without any trace of maple syrup.

All these forms were known in the "trade" as maple syrup; but the last two were simply a fraud on the consumer.

While the pure food law was pending in Congress, the syrup concoctors testified before the committee that there had been no pure maple syrup in the market for years; that the public did not know its flavor, and that their preparations were just as healthy and tasted better.

This is the identical argument made now by the whiskey men. If, as they ask, all kinds of whiskey may be sold under the general label "whiskey," so may all foods and drugs be sold under a general label that covers all forms of adulteration known to the "trade."

The Roosevelt-Bonaparte-Wiley decision compelled every article to bear a true label—one that honestly informed the consumer as well as the "trade." This will end if the Bowers decision is upheld, and the whiskey men will win the fight.

#### Rests With Taft

**I**F the people do not want honest labels telling the truth about the food which sustains them and for which they pay their money, President Taft will follow the advice of his Solicitor-General, approve the opinion, and in the end bring back upon the market the same class of bad goods that flooded the country in 1905, and against which the honest label is our only protection.

It is up to the public. Through the press, the mail, the telegraph, and the spoken word, let the President hear the voice of the citizen.

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### The Making of Public Opinion

(Continued from page 9.)

chises until 1924. A rule of the common council compelled a referendum to the people. The street railway company began what it called a "campaign of education." It bought a half page space in every daily newspaper and every daily except one was either silent or advocated granting the franchise. A New York editor, writing in the *Atlantic Monthly* for October, 1908, stated that during the last three years, the department stores combined to modify at least three daily papers of that city. A writer in *The Nation* in January, 1903, declared that only one New York paper had editorials on the insurance disclosures. *Colliers' Weekly* in March, 1907, gave a long list of religious newspapers which were carrying fraudulent advertisements,—which proved, not the corruption of public opinion by such papers, but which did demonstrate the necessity of advertising matter to give a reasonable profit on the investment. In December, 1908, a case was before the supreme court of the United States to determine whether newspapers and magazines could legally accept transportation over the railways in return for advertising.

(Next week Mr. Kittle will discuss how public opinion is formed by the Magazines, the Library and the Theater, and from the Platform.)