

# THE MAKING OF PUBLIC OPINION

## I. THE ASSOCIATED PRESS

"The Most Powerful Public-Opinion-Forming Agency in the United States."

Is it a Monopoly? Is it Impartial?

By WILLIAM KITTLE



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**D**URING the last decade, public opinion has been made for and against three great special interests in the United States; the railway companies, the city utility companies, and a few industrial corporations like the Beef Trust and the Standard Oil Company. These interests necessarily seek to obtain new or to retain old special privileges. The railway companies resist any important regulation of rates or service. The city utility companies seek the most favorable and profitable franchises. Some of the industrial corporations have established monopolies injurious to the public. It has become of increasing importance to these vast special interests and to the greater interest of the public as well, to form public opinion on one side or the other.

The public has little to fear from the open advocacy of special privileges by persons whose motives and interests are well known. Every interest has the right to the clearest and strongest presentation of its case. Free discussion is in the interest of the people. But the secret purchase or control of a newspaper or magazine, the employment of a venal news bureau which works in the dark, or the hiring of a public official to make public opinion for any special privilege is more than ordinary political corruption, like bribery; it is treason to the very spirit of self-government, for it corrupts the foundation of that kind of government,—enlightened public opinion.

### "The Most Powerful Public-Opinion-Forming Agency"

**T**HE ASSOCIATED PRESS is the most powerful public opinion-forming agency in the United States. It comprises a membership of seven hundred leading daily newspapers whose total circulation is 16,000,000 issues. It furnishes more than half the news published by these papers. If the rule by newspaper men is true that each paper is read by three persons, the dispatches of the Associated Press are read every day by more than one-half the total population of the United States. By its close business relations with the three great foreign news collecting agencies, it gathers into one continuous stream the volume of current events and movements of the world. It reports accidents and crimes; political, social and religious movements and the enactment of laws; wars and revolutions; facts and inferences with reference to aristocracy and special privilege, or to the trend toward democracy and public interests. The news thus furnished makes public opinion. The dispatches sent during the night for the morning papers of a continent form the opinions of millions of readers for the day. The dispatches for the evening papers modify or strengthen such opinions. Week after week and month after month is public opinion thus formed.

### History of the Associated Press

**T**HE ASSOCIATED PRESS was organized into its present form in 1900. Previous to that date, in the eighties, there was a news collecting agency owned by seven New York papers and closely associated with the Reuter News Agency of Europe.

Subsidiary agencies arose like the New England Associated Press and the Western Associated Press which bought from and furnished news to the New York agency. Neither controlled in any way the New York agency. The Western Associated Press revolted against this arrangement, and as a result of a short contest, was admitted into a partnership in the management of the business. This new partnership now entered into an offensive and defensive alliance with the Western Union Telegraph Co., "by the terms of which," in the language of Melville Stone, the present general manager of the Associated Press, "the Association was given special advantages, and it in turn refused to patronize any rival telegraph company." After such an alliance, how could the Associated Press be expected to form public opinion against special privilege? It will be remembered that the Standard Oil Co. pursued the same tactics by securing rebates from the railroad companies. Not long after the alliance with the Western Union Telegraph Co., the United Press Association arose in the east and entered into a secret agreement with the chief manager of the Associated Press in New York that the two should work in harmony. When this secret agreement was disclosed in 1892, the Western Associated Press terminated its ten-year agreement with the New York managers and a contest of four years ensued between the eastern and western agencies for supremacy. The papers east of the Allegheny Mountains and those of the South joined the United Press. But the Reuter Agency of Europe entered into an alliance with the Western Associated Press which triumphed over its eastern rival in 1897. Owing to serious litigation in Illinois where it was incorporated, and to the preponderance of its interests in the east, it was incorporated in New York, May 22, 1900, and the headquarters permanently established in New York City.

### Organization

**T**HERE are four great news collecting agencies in the world and for the territory indicated, as follows:

#### 1. The Associated Press.

For the United States, the Philippines, the Hawaiian Islands, Central America and the Islands of the Caribbean Sea.

#### 2. The Reuter Telegram Co., Ltd. of London.

For Great Britain and all her Colonies, China, Japan and Egypt.

#### 3. The Continental Telegraphen Compagnie of Berlin, commonly called the Wolff Agency.

For the Teutonic, Slav and Scandinavian countries.

#### 4. The Agency Havas of Paris.

For France, Italy, Spain, Mexico and the South American countries.

Each of these companies has representatives in the offices of the other three and each receives the news collected by the others. But in addition to this, the Associated Press has its own news bureaus in all of the leading capitals of Europe.

The following indicates the supervision and management of the Associated Press as a working organization:

General Manager, Melville E. Stone, New York City.

Assistant General Manager, Charles S. Diehl, Chicago.

Superintendent of the Eastern Division, at New York City.

Superintendent of the Southern Division, at Washington.

Superintendent of the Central Division, at Chicago.

Superintendent of the Western Division, at San Francisco.

Superintendent of Foreign Service, at London.

Each division is covered by a trained body of men who are more than mere reporters. They have become experts in the selection, rejection and presentation of news. Some of them are writers of ability. All are responsible to a single head,—the general manager. The intercommunication of the system is well nigh complete. It can operate at any given hour as a unit. It

leases from nine telegraph and telephone companies 40,000 miles of wire and its total current annual expenses amount to more than \$2,500,000.

Whenever the unusual or the extraordinary happens, like the outbreak of a war, the assassination of a ruler, or the assembling of a national convention, the Associated Press organizes a regular campaign for the collection and transmission of every detail of the news. Mr. Stone has graphically described one of these special fields of work:

"The national conventions are our first care. Preparations begin months before they assemble. Rooms are engaged at all the leading hotels, so that the Associated Press men may be in touch with every delegation. The plans of the convention hall are examined, and arrangements are made for operating-room and seats. The wires of the association are carried into the building, and a work-room is usually located beneath the platform of the presiding officer. A private passage is cut, communicating this work-room with the reporters' chairs which are placed directly in front of the stand occupied by speakers, and inclosed by a rail to prevent interference from the surging masses certain to congregate in the neighborhood. A week before the convention opens, a number of Associated Press men are on the ground to report the assembling of the delegates, to sound them as to their plans and preferences, and to indicate the trend of the gathering in their dispatches as well as they may. The men who report these conventions are drawn from all the principal offices of the Associated Press. Coming from different parts of the country, they are personally acquainted with a large majority of the delegates."

#### The Board of Fifteen Directors

ACCORDING to the eighth annual report in 1908, the following are the names of the fifteen directors of the Associated Press and of the daily papers which they edit, own or control:

Frank B. Noyes.	<i>Chicago Record-Herald.</i>
Victor F. Lawson.	<i>Chicago Daily News.</i>
Albert J. Barr.	<i>Pittsburgh Post.</i>
W. L. McLean.	<i>Philadelphia Evening Bulletin.</i>
Thomas G. Rapier.	<i>New Orleans Picayune.</i>
Charles H. Grasty.	<i>Baltimore News.</i>
Clark Howell.	<i>Atlanta Constitution.</i>
Charles W. Knapp.	<i>St. Louis Republic.</i>
George Thompson.	<i>St. Paul Dispatch.</i>
Herman Ridder.	<i>New York Staats-Zeitung.</i>
Harvey W. Scott.	<i>Portland Oregonian.</i>
M. H. de Young.	<i>San Francisco Chronicle.</i>
William R. Nelson.	<i>Kansas City Star-Times.</i>
Adolph S. Ochs.	<i>New York Times.</i>
Charles H. Taylor.	<i>Boston Globe.</i>

The annual published reports show that the first named twelve directors have held office continually from 1900 to 1908. The general manager, and the assistant general manager have also held their positions during all of this period. William R. Nelson came on the board in 1902; Adolph S. Ochs in 1905, and Charles H. Taylor in 1906. Five directors are elected each year for a term of three years at the regular annual meeting of the members of the association. But instead of 700 votes, the number of newspapers in the association, the report of 1908, shows that 775 votes were present in person and 2,531 were present by proxy. At that meeting at the Waldorf-Astoria Hotel in New York, 3,316 votes were cast for each of the five directors and there were no other nominations. The By-laws provide that the association may borrow \$150,000 on bonds which may be issued to the members. It is stipulated in the By-laws,—"If the registered owner waives the interest, he can cast one vote for each \$25 of such bonds, provided no bondholder shall have the right to vote upon more than \$1,000 of said bonds." The report of 1908 shows that first mortgage bonds were outstanding amounting to \$122,250. This represented a voting strength of 4,890 which added to the 775 votes present made a total of 5,665. The Secretary reported the full voting strength as 5,444. The Board of Directors is vested with the power of issuing these bonds and hence of controlling the election of the officers and the policy of the association. The published record does not disclose the owners of the bonds and the number of votes cast by each member. But it is plain that a membership representing most of the 700 newspapers in the association have less than one-seventh of the total voting strength at the annual election of officers.

New members are admitted to the association by the Board of Directors or at the annual meeting by the members of the association. But this is carefully guarded and applicants are frequently rejected. Current expenses are met by assessments on the members according to the service rendered.

#### Is the Associated Press a Monopoly?

IN February, 1900, the supreme court of Illinois held that the Associated Press was an illegal monopoly; that the clause in its contracts which sought to restrain members from obtaining news from other sources was an attempt at restriction upon trade and business; that the By-law of the association authorizing such contracts was in restraint of competition and that its tendency was to create a monopoly. The court declared the contract in the case and the By-law authorizing it, null and void. In December, 1900, the supreme court of Missouri handed down a decision adverse to the St. Louis *Star* which had sought to compel the Associated Press to sell news at reasonable rates. The court said: "Nor is there any more property in news, to-wit, 'information,' 'intelligence,' 'knowledge,' than there is in the 'viewless winds.'" The court held in substance that the Associated Press was not a monopoly.

Melville E. Stone claims that it is not a monopoly; that there are rival agencies in the field, and that the nature of the business excludes it from the class of monopolies. He emphasizes the co-operative nature of the work. He says:

"It is purely mutual in its character, and in this respect is unique. All of the other news-supplying agencies of the world are proprietary concerns. It issues no stock, makes no profit, and declares no dividend. It does not sell news to any one. It is a clearing-house for the interchange of news among its members only."

Article I of the By-laws provides that it is a "mutual and co-operative organization. The corporation is not to make a profit; not to make or declare dividends, and is not to engage in the business of selling intelligence nor traffic in the same."

But the Associated Press comprises more than 700 of the greatest daily papers of the United States. It collects and practically sells news daily to nearly 50,000,000 readers. As a system against its customers, the public, and against its competitors, the 21,000 newspapers, it is a monopoly. It employs a small army of trained telegraph operators, reporters and writers, at an annual cost of \$2,500,000. The cooperative feature is mainly nominal because most of the members owning newspapers have no voice in the direction of affairs. They simply buy the news. Instead of cooperation in the scheme, each paper becomes a monopolist of the world's news in its immediate locality. The body of trained news-gatherers now in the service of the Associated Press, in possession of telegraph and telephone systems, in constant obedience to one mind, and supported by almost unlimited resources, is for all practical purposes a monopoly. It can furnish news cheaper and quicker than any rival agency and can therefore defeat competition. The newspapers outside of the Associated Press could indeed form a rival agency; but the cost and the difficulties of organization together with the certainty of a prolonged contest, forbid the attempt. If the Associated Press were genuinely a cooperative effort, the membership would not be limited to 700 out of a total of some 22,000 newspapers. A true cooperative plan would admit to membership all who were willing to pay the *pro rata* share of expenses according to the services rendered. To secure to the favored 700 newspapers the advantages of the news of all the world every day is only a different way of stating that it is a monopoly.

It is true that the Associated Press is not a monopoly like a copyright or a patent right, as it has no exclusive governmental grant or franchise. It is not a natural monopoly like the ownership of coal beds or oil regions; for the unlimited production and reproduction of the press dispatches cannot exhaust the raw material from which they proceed. But such dispatches are something more than the 'viewless winds.' Their production on an immense scale by unity of management, for a limited number of persons, giving to such persons an economic advantage over their competitors, is indeed different from a local monopoly like a city utility company; but it is nevertheless a very real and practical monopoly. Because it has feeble competitors in the business of gathering and selling news, with the possibility of



still others entering the field, it yet holds a strategic advantage over its rivals. There is and can be no absolute monopoly. But the owner of a newspaper in any considerable city in the United States, not on the membership of the Associated Press knows that he cannot furnish news of equal value with that of his competitor who is a member; and when he is denied admission to membership, he needs no elaborate argument to prove that it is a monopoly.

What are the tests of a monopoly? There are four: unity of management, exclusiveness, economic advantage, and the limitations resulting in the law of monopoly price. The Associated Press is characterized by every one of these. The unity of management is as admirable and perfect as that of a military organization. It is strictly of, by, and for the membership; and this exclusiveness is carefully guarded by the By-laws and practice, in the very limited admission of new members. It confers a decided economic advantage on the 700 newspaper owners who alone can sell the daily news. It is a plan by which the largest net returns, paid by the public, will accrue to the membership. So far as the consumer—the reading public—is concerned, it can and does reduce the output of news by limiting the area of its circulation, and hence raising the value of what is sold.

#### Is the Associated Press Impartial?

IS the Associated Press fairly impartial in the collection of news and in its dispatches? Has it a bias? It will be conceded by all that the report of accidents, crimes, devastations by nature, wars, and most of the religious, social and educational gatherings, are accurate and reliable. In 1896, Senator Jones, the chairman of the Democratic national committee, and Mark Hanna, the chairman of the Republican national committee, charged the managers of the Associated Press with favoring the opposite party. But later, both Bryan and McKinley acknowledged the impartial service rendered by the managers and their assistants. The bi-partisan character of the Board of Directors, insures fair dealing toward the two old parties. But with respect to the Labor party and the Socialists, it is different. They have no direct representative on the Board. Impartiality toward them and toward certain reform movements can only come from a high sense of professional duty to render all the news accurate and reliable.

#### Censorship of the News

MR. STONE has shown clearly the necessity for the censorship of the daily news by the Associated Press. He wrote in 1905:

"The hour for selection in news had arrived. It was obvious that no editor could any longer print all the information offered him. Thus was clearly outlined the path along which the Associated Press must travel. Strong men, especially trained for the work in hand must be chosen, and stationed at strategic points. The ordinary correspondent would not do. But the strategic points were not the only ones to be looked after. News of the highest importance, requiring for its proper treatment the best literary skill was sure to develop in the most remote quarters."

"Seven hundred newspapers, representing every conceivable view of every public question, sit in judgment upon the Associated Press dispatches. A representative of each of these papers has a vote in the election of the management."

This last statement assumes what is not true and alleges what is not disputed. It assumes that the majority of the membership elect and can direct the management of the Associated Press, when in fact, by the terms of the By-laws and the issue of bonds, the voting strength to elect the fifteen directors, the executive committee, and the general manager, is vested in a small number of persons, probably less than twenty-five out of the seven hundred members. It alleges what will be conceded,—impartiality in reporting most of the news.

Censorship is necessary because of the large volume of the world's news. But it will be granted that here is at hand, the opportunity and machinery for forming public opinion: unity of management over a continent, a trained body of writers, and the power to select, color and emphasize any part of the daily news. The policy back of such censorship is the thing important to the public. What is that policy? It may be readily conceded that this policy is all that can be desired with reference to most of the news, even with many political movements. But what is that policy with reference to political movements tending toward constructive legislation in favor of public interests as opposed to special interests?

During the past eight years, one state has enacted the most progressive and far reaching legislation; another has adopted the most democratic of constitutions; a third has successfully established the practical working of the initiative and referendum; still others have had contests against the rule of special privileged classes. The presidency of the nation, with all its vast power and influence has been thrown into the scale for the highest ideals in government. During the last half of this period, Moody reports that the trust power of the United States has increased from twenty to nearly thirty-one billion dollars, an increase of 55 per cent. Lyman Abbott states that 1 per cent. of the families in this country own more than the other 99 per cent. In this struggle between the people and predatory wealth, a struggle enlisting on one side or the other every man of intelligence, has the management of the Associated Press had no bias? With the leading papers in that management connected by a perfect network of commercial ties with industrial corporations, railway and traction companies and trusts, has its policy been the public good as against its allies seeking special privileges? Has the vast movement over a continent against the rule of such privileged classes been adequately and fairly set forth in the Associated Press dispatches? Or, has this movement been minimized, ignored in part, reported at intervals to dissipate the effect and treated as a wave of hysteria soon to pass away? Has the Associated Press been conservative or progressive, plutocratic or democratic?

*The dispatches themselves disclose the attitude of the management. They give scant courtesy to movements for constructive legislation in the public interest. The reports, scores of which have been examined, are meager, fragmentary, isolated. Every time Tom. Johnson was successful in more than fifty injunction suits, the general public in other states heard little or nothing of it. When an election recently went against him, everybody heard of the 'failure' of municipal ownership. When La Follette for five years, by a continuous contest, was placing law after law on the statute books, the matter was ignored or briefly reported in distant states; and temporary defeats were given wide publicity. When Kansas in 1908, rejected a conservative and elected a progressive United States Senator, the general public at a distance from that state did not know the real issue involved. For more than two years, there has been a strong movement in California against the rule of that state by special and corrupt interests, but that fact merely as news, has never reached the general public in the east. The prosecution of offenders in San Francisco has only been a part of the wider movement in California. The strong movement in New Hampshire, headed by Winston Churchill to free that state from the grasp of the Boston and Maine Railway Company, and the movement in New Jersey led by Everett Colby, which resulted in the defeat of Senator Dryden, the President of the Prudential Insurance Company, have not been given to the people adequately as matters of news.*

It is not contended that any one of these movements, measures, or men have been entirely ignored in the Associated Press; and it should be frankly admitted that some of the dispatches are impartial statements of fact. But a careful reading of scores of such reports shows that the news is so presented and given at long intervals as practically to dissipate its effect. Nor can it be maintained that most of such statements are sent out to serve special interests. If any affirmative policy clearly appears, it is to report the unusual and the spectacular for commercial value to the newspapers served. It is perhaps unreasonable to expect an intelligent interpretation of a movement whether it be conservative or progressive; although Mr. Stone explains that the Associated Press employs strong men of the best literary skill, and places them at strategic points. It is indeed not to be expected that the earnestness or enthusiasm of the progressive citizen shall appear in the dispatches; but a movement arousing the consciences of hundreds of thousands of voters, marked by largely attended public meetings, with elections where economic and moral issues are at stake, and culminating in constructive and far-reaching legislation, is surely news of the highest importance.

The Associated Press is an agency for the collection and transmission of news of the most commercial value to a limited number of great daily papers. The management undoubtedly serves as best it can, the financial interests of these papers. It has developed an aptitude for gathering that kind of news which will increase newspaper circulation and enhance advertising space.

It can at any moment become the powerful ally of any special interest, but there is no way of making it the efficient instrument for forming public opinion along progressive lines.

#### The Fifteen Newspapers by the Fifteen Directors

**B**UT there is another test of the policy of the Associated Press. Each one of the fifteen Directors owns, edits or controls a great daily newspaper whose editorials day after day will disclose a conservative or a progressive attitude. Twelve of these men have been Directors since 1900, and since they elect the president, treasurer, general manager and executive committee of the association, it is fair to assume that they have controlled the policy of the Associated Press. These fifteen papers have been carefully examined to discover any attitude in case of a conflict between public and special interests. Six of the papers supported Bryan in 1908 and most of the others were for Taft.

By far the most progressive of the fifteen, is the Kansas City *Star-Times*, owned and edited by William R. Nelson. How he came to be admitted on the Board of Directors can only be explained by those rare qualities which have caused his name to be frequently mentioned in connection with a foreign diplomatic station of high rank. He supported Taft solely on the ground of his progressive stand on public questions. From September 30, to October 24, 1908, he wrote vigorous editorials in favor of the progressive movements in Kansas, in New Hampshire, and in Iowa. During the same brief period, he defended La Follette's course in the United States Senate, paid tribute to Tom Johnson's heroic efforts for the people of Cleveland, advocated public ownership of the water plant of Kansas City, exposed two predatory city utility companies, and declared for the ini-

tiative and referendum. The number of editorials on these and allied subjects, clearly and strongly expressed in favor of constructive, progressive measures, exceeds all such editorials combined in the other fourteen papers.

All the other fourteen are conservative or ultra-conservative. The Chicago *Daily News* and the *Record-Herald* have given many editorials in favor of certain progressive movements. Several of the other papers have only colorless editorials but in many ways they show a decided conservative tendency. Three,—the St. Paul *Dispatch*, the Portland *Oregonian*, and the San Francisco *Chronicle*,—are ultra-conservative. All these fourteen papers show a solicitude for corporate and special interests and a critical attitude toward progressive measures. It is true that almost every one can point to some reform movement which it has supported; but none of the fourteen can show a record of standing clearly and vigorously for a wide-spread system of guarding everywhere and all the time the public interests as opposed to special privilege. The Kansas City *Star-Times* does this. Its editor has a high conception of journalism in relation to good government. The other fourteen papers are huge commercial ventures, connected by advertising and in other ways, with banks, trust companies, railway and city utility companies, department stores and manufacturing enterprises. They reflect the system which supports them. They cannot afford to mold public opinion against the network of special interests which envelop them.

(Next week Mr. Kittle will tell about News Bureaus and Newspapers and how they are used to make public opinion in favor of certain Special Interests.)

## UNVEILING LINCOLN STATUE AT THE UNIVERSITY OF WISCONSIN

Senior girls unveiling the replica of the Weinman statue of Lincoln at the University of Wisconsin on June 22, 1909. Photo taken while William Ellery Leonard was delivering his Ode, printed last week in LA FOLLETTE'S.



Richard Lloyd Jones on stage at right of statue speaking on "Lincoln and Present Day Problems." It was through Mr. Jones' efforts that permission was secured to have this replica brought to Wisconsin.

**W**ITH impressive ceremonies, the bronze statue of Lincoln, presented to The University of Wisconsin by Thomas E. Brittingham of Madison, was unveiled on the "Upper Campus" on June 22, 1909.

Hundreds of alumni attended the unveiling. To them it was a matter of deep significance that their Alma Mater had been selected as the recipient of the only replica of the famous Weinman statue. To Richard Lloyd Jones and Thomas E. Brittingham they paid tribute; to the former for his success in securing the replica for Wisconsin, to the latter for his generosity in presenting it to the University.

The statue is a replica of the one erected by the United States

and the State of Kentucky at Hodgenville, Kentucky, Lincoln's birthplace, and unveiled with impressive exercises on Memorial Day. Mr. Brittingham's letter presenting the statue to the University of Wisconsin was read by President Charles R. Van Hise and the statue was accepted on behalf of the University by former Governor W. D. Hoard, President of the Board of Regents. William Ellery Leonard read a noble ode which he had written for the occasion, and Richard Lloyd Jones delivered an address on "Lincoln and Present Day Problems,"—a vigorous and impressive interpretation of the bearing of Lincoln's service to humanity on the great question of social justice with which the present generation is concerned.