

35-x. The Southwest Printing Company has never become a member of The Associated Press.

35-y. In the year 1936 the application of J. L. Meeks, Jr., as owner of a newspaper known as the Gainesville Morning News published in Gainesville, Florida, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-z. One of the reasons for the non-election of J. L. Meeks, Jr., by the Board of Directors was that The Associated Press member owning the Gainesville Sun objected to his election.

35-aa. J. L. Meeks, Jr., has never become a member of The Associated Press.

35-bb. In the year 1937, and again in the year 1938, the application of the Sun Publishing Company, as owner of a newspaper known as the Las Cruces Morning Sun published in Las Cruces, New Mexico, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-cc. One of the reasons for the non-election of the Sun Publishing Company by the Board of Directors was that The Associated Press members owning the Las Cruces News, El Paso Herald-Post, and El Paso Times objected to its election.

35-dd. The Sun Publishing Company has never become a member of The Associated Press.

35-ee. In the year 1937 the applications of Carlos P. Rumolo, as owner of newspapers known as the Manila El [fol. 240] Debate, Mabuhay and La Opinion published in Manila, Philippine Islands, for membership in The Associated Press were not granted by the Board of Directors of The Associated Press.

35-ff. One of the reasons for the non-election of Carlos P. Rumolo by the Board of Directors was that The Associated Press members owning the Manila Tribune, Manila Bulletin, Manila Taliba, and Manila LaVanguardia objected to his election.

35-gg. Carlos P. Rumolo has never become a member of The Associated Press.

35-hh. In the year 1937 and again in the year 1939 the application of the Moorhead News Co., Inc., as owner of a newspaper known as the Moorhead News published in Moorhead, Minnesota, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-ii. One of the reasons for the non-election of the Moorhead News Co., Inc., by the Board of Directors was that The Associated Press member owning the Fargo Forum published in Fargo, North Dakota, objected to its election.

35-jj. The Moorhead News Co., Inc., has never become a member of The Associated Press.

35-kk. In the year 1937 the application of the Peninsula Newspapers, Inc., as owner of a newspaper known as the Burlingame Advance published in Burlingame, California, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

45-ll. One of the reasons for the non-election of Peninsula Newspapers, Inc., by the Board of Directors was that The [fol. 241] Associated Press members owning the San Francisco Call-Bulletin, the San Francisco Chronicle, and the San Francisco Examiner had not waived their "right of protest" against its election.

35-mm. The Peninsula Newspapers, Inc., has never become a member of The Associated Press.

35-nn. In the year 1938 the application of W. A. Spence, as owner of a newspaper known as the Metropolis Herald to be established in Metropolis, Illinois, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-oo. One of the reasons for the non-election of W. A. Spence by the Board of Directors was that The Associated Press member owning the Paducah Sun Democrat published in Paducah, Kentucky, objected to his election.

35-pp. W. A. Spence has never become a member of The Associated Press.

35-qq. In the year 1938 the application of the Feltus Printing Company, as owner of a newspaper known as the Bloomington Star published in Bloomington, Indiana, for

membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-rr. One of the reasons for the non-election of the Feltus Printing Company was that The Associated Press member owning the Bloomington World objected to its election.

35-ss. The Feltus Printing Company has never become a member of The Associated Press.

35-tt. In the year 1938 the application of the Oil Field Publishing Company, as owner of a newspaper known as the [fol. 242] Hobbs Daily Post published in Hobbs, New Mexico, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-uu. One of the reasons for the non-election of the Oil Field Publishing Company was that The Associated Press member owning the Hobbs News Sun objected to its election.

35-vv. The Oil Field Publishing Company has never become a member of The Associated Press.

35-ww. In the year 1941 the application of the Endicott Bulletin, Inc., as owner of a newspaper known as the Endicott Bulletin published in Endicott, New York, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-xx. One of the reasons for the non-election of the Endicott Bulletin, Inc., was that The Associated Press member owning the Binghamton Press objected to its election.

35-yy. The Endicott Bulletin, Inc., has never become a member of The Associated Press.

35-zz. In the year 1941 the application of the Tribune Company, as owner of a newspaper known as the Chicago Evening Tribune to be published in Chicago, Illinois, for membership in The Associated Press was not granted by the Board of Directors of The Associated Press.

35-aaa. One of the reasons for the non-election of the Tribune Company was that The Associated Press members owning the Chicago Daily News and the Chicago Herald American objected to its election.

[fol. 243] 35-bbb. Tribune Company has never become a member of The Associated Press for an evening newspaper.

35-ccc. During the period 1931-1940, inclusive, only two applications for AP memberships as to which AP members held "protest rights" were submitted to the vote of the AP members.

35-ddd. The two applications referred to in the preceding paragraph were those of Peninsula Newspapers, Inc., and Olmstead Company, Inc.

35-eee. Peninsula Newspapers, Inc., and Olmstead Company, Inc., failed of election by the members of The Associated Press in April 1937.

35-fff. Olmstead Company, Inc., was elected a member of The Associated Press in January 1938, by the Board of Directors after waivers of "protest rights" had been received from The Associated Press members, namely, the owners of the San Francisco Call-Bulletin and the San Francisco Examiner.

36-a. In his report to the Board of Directors of The Associated Press in April 1933, the General Manager of The Associated Press made the following statements with regard to The Associated Press:

Moreover, the larger the number of participants in a truly cooperative endeavor, the smaller the pro rata expense to each.

The policy of the present management has been to effect economies by justifiable retrenchment, elimination of unproductive expenses, curtailment of wires, and other reductions of transmission costs. Coupled with this effort we have sought to increase the membership, in fields where the recruiting would not in- [fol. 244] fringe upon the home territories of existing members, that the costs might be more widely proportioned.

36-b. The statements of fact quoted in the preceding paragraph were true.

36-c. Exhibit No. 24, annexed hereto and made a part hereof, is a correct copy of the report of the Special Committee on Revisions of the By-Laws, appointed by the President of The Associated Press pursuant to a resolution adopted at the 1941 annual meeting of the members of The Associated Press, which report was presented to the

annual meeting of the members of The Associated Press held in April 1942.

37-a. The annual reports of The Associated Press do not report the arguments or discussions at meetings of members of The Associated Press when the question of electing an applicant or applicants for membership in The Associated Press came before the members for vote, except in the case of the annual meeting of members in 1924.

37-b. At the annual meeting of members of The Associated Press in 1924, an application for membership in The Associated Press by the owner of the Baltimore Evening Sun, an afternoon newspaper published in Baltimore, Maryland, was presented for a vote of the members.

37-c. At the annual meeting of members of The Associated Press in 1924 a representative of The Associated Press member owning the Baltimore News, an afternoon newspaper published in Baltimore, Maryland, in op-[fol. 245] posing the election to membership of the owner of the Baltimore Evening Sun, stated that such election would establish a precedent which would have the effect of stripping whatever value inheres in exclusive membership for any particular field; that the Baltimore News' property right might and would be seriously impaired by granting membership to a competitor, which would improve the competitor's service; that electing the applicant would be contrary to precedent; that membership in The Associated Press would be worth hundreds of thousands of dollars to the Baltimore Evening Sun because membership would bring strength as a competitive factor to this newspaper which it had never had before.

37-d. At the 1924 meeting of members of The Associated Press, the general manager of the Baltimore News told the members that they have for many years figured their Associated Press membership as having a very definite value and that if members are not allowed to get the full benefit of this, then the financial asset which they consider their AP membership to be, cannot be considered as such in the future.

37-e. At the 1924 meeting of members of The Associated Press, a representative of the owner of the Memphis

Commercial Appeal, a member of The Associated Press, in opposing election of the owner of the Baltimore Evening Sun to membership in The Associated Press, said that the common law of The Associated Press has been such that a member in a certain city, or in any city, had a right to protection in those privileges which his membership gives him.

[fol. 246] 37-f. The report of the annual meeting of members of the Associated Press in 1924 contained in the 25th volume of the annual reports of The Associated Press, sets forth the substance of the statements referred to in paragraphs 37-c to 37-e, inclusive.

37-g. The vote in 1924 by members of The Associated Press was insufficient to elect the owner of the Baltimore Evening News to membership in The Associated Press.

37-h. In the case of every applicant for membership in The Associated Press during the last 20 years whose application was voted on by the members of The Associated Press and who failed of election, one or more members of The Associated Press owning a newspaper or newspapers competitive with that owned by the applicant solicited votes and proxies in opposition to the election of the applicant.

38-a. Assessments paid to The Associated Press by members of The Associated Press in the following cities from October 1, 1900, through June 30, 1942, in the respective fields (A. M. & Sunday, and P. M.) are as follows:

Cities	A. M. & Sunday	P. M.
New York .....	\$8,243,338.21	\$5,750,034.93
Chicago .....	3,342,504.61	3,423,103.54
Detroit .....	1,527,896.82	1,546,068.63
Los Angeles .....	2,281,268.15	1,347,098.02
St. Louis .....	1,823,234.15	1,868,822.32
Baltimore .....	1,691,637.79	1,486,581.29
Boston .....	2,536,801.56	2,189,179.24
Cleveland .....	1,448,656.32	1,314,741.82
Philadelphia .....	2,867,193.45	2,881,152.64
Pittsburgh .....	1,885,988.70	1,476,064.07
Washington, D. C. ....	1,189,300.77	882,931.98

[fol. 247] 38-b. The total amount of current weekly drafts received by The Associated Press from members of The

Associated Press in the following cities from October 1, 1900, to July 1, 1942, in the respective fields (A. M. & Sunday, and P. M.) are as follows:

Cities	A. M. & Sunday	P. M.
New York .....	\$8,243,898.21	\$5,750,084.93
Chicago .....	8,342,504.61	3,423,103.54
Detroit .....	1,527,890.82	1,546,008.63
Los Angeles .....	2,281,288.15	1,347,098.02
St. Louis .....	1,823,234.15	1,868,822.32
Baltimore .....	1,691,637.79	1,486,581.29
Boston .....	2,536,801.56	2,189,179.24
Cleveland .....	1,448,656.32	1,314,741.82
Philadelphia .....	2,867,193.45	2,881,152.64
Pittsburgh .....	1,885,988.70	1,476,064.07
Washington, D. C. ....	1,190,800.77	862,881.98

38-c. The annual assessments paid The Associated Press by members of The Associated Press in the following cities in the respective fields (A. M. & Sunday, and P. M.) were as follows as of August 3, 1942:

Cities	A. M. and Sunday	P. M.
New York .....	\$477,380.91	\$365,001.07
Chicago .....	138,877.30	198,590.77
Detroit .....	91,309.97	100,234.22
Los Angeles .....	164,422.08	85,550.79
St. Louis .....	77,974.43	90,600.83

38-d. The current amount which The Associated Press members were assessed by The Associated Press in the following cities in the respective fields (A. M. & Sunday, and P. M.), based on the current weekly draft which includes news services and other obligations, were as follows as of August 3, 1942:

[fol. 248] Cities	A. M. and Sunday	P. M.
New York .....	\$477,380.91	\$365,001.07
Chicago .....	138,877.30	198,590.77
Detroit .....	91,309.97	100,234.22
Los Angeles .....	164,422.08	85,550.79
St. Louis .....	77,974.43	90,600.83

38-e. The annual assessments paid The Associated Press by members of The Associated Press in the following cities

in the respective fields (A. M. & Sunday, and P. M.) were as follows as of August 10, 1942:

Cities	A. M. and Sunday	P. M.
Baltimore .....	\$69,733.25	\$97,749.61
Boston .....	112,253.15	108,341.94
Cleveland .....	66,907.11	68,187.22
Philadelphia .....	130,391.04	142,639.40
Pittsburgh .....	63,901.08	61,731.93
Washington, D. C. ....	61,473.83	60,991.50

38-f. The current amount which The Associated Press members were assessed by The Associated Press in the following cities in the respective fields (A. M. & Sunday, and P. M.), based on the current weekly draft which includes news services and other obligations, were as follows as of August 10, 1942:

Cities	A. M. and Sunday	P. M.
Baltimore .....	\$69,733.25	\$97,749.61
Boston .....	112,253.15	108,341.94
Cleveland .....	66,907.11	68,187.22
Philadelphia .....	130,391.04	142,639.40
Pittsburgh .....	63,901.08	61,731.93
Washington, D. C. ....	61,473.83	60,991.50

38-g. On or about August 3, 1942, a duly authorized representative of The Associated Press supplied to the Department of Justice a statement, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 25.

38-h. The facts set forth in Exhibit No. 25 were true as of August 3, 1942.

38-i. On or about August 10, 1942, a duly authorized representative of The Associated Press supplied to the Department of Justice a statement, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 26.

38-j. The facts set forth in Exhibit No. 26 were true as of August 10, 1942.

38-k. Prior to April 1942, The Associated Press had never demanded of an applicant for membership in The Associated Press that he or it make any money contribution, di-



rectly or indirectly, to The Associated Press or to its members as a condition to becoming a member.

39-a. Marshall Field wrote the letter dated September 24, 1941, to the President of The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 27.

39-b. The general manager of The Associated Press wrote the letter dated September 25, 1941, to Silliman Evans, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 28.

39-c. Silliman Evans wrote the letter dated September 26, 1941, to Kent Cooper, general manager of The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 29.

[fol. 250] 39-d. Enclosed with the letter from Silliman Evans to Kent Cooper dated September 26, 1941, was a formal application by Marshall Field for membership in The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 30.

39-e. Lloyd Stratton, assistant secretary of The Associated Press, wrote the letter dated October 2, 1941, to Silliman Evans, a correct copy of which is annexed hereto and made a part hereof, marked Exhibit No. 31.

39-f. Marshall Field wrote the letter to Kent Cooper dated October 24, 1941, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 32.

39-g. Enclosed with the letter from Marshall Field to Kent Cooper dated October 24, 1941, was a copy of a letter from Louis S. Weiss, attorney for Marshall Field, to Silliman Evans dated October 23, 1941, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 33.

39-h. Marshall Field by letter dated November 15, 1941, addressed to the president of The Associated Press, transmitted to The Associated Press a copy of a letter in which he had offered to pay \$250,000 in cash for the Associated Press morning membership held by the Illinois Publishing and Printing Company for its newspaper, the Chicago Herald-American.

39-i. Marshall Field wrote the letter dated December 8, 1941, to the president of The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 34.

[fol. 251] 39-j. The president of The Associated Press wrote the letter dated January 28, 1942, to Silliman Evans, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 35.

39-k. Marshall Field wrote the letter dated March 7, 1942, to the assistant general manager of The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 36.

39-l. Enclosed with the letter of Marshall Field to Lloyd Stratton dated March 7, 1942, was a copy of a form of letter from Marshall Field dated March 5, 1942, to members of The Associated Press, a correct copy of which form of letter is annexed hereto and made a part hereof and marked Exhibit No. 37.

39-m. Eleanor Medill Patterson wrote the letter dated November 3, 1941, to The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 38.

39-n. Eleanor Medill Patterson wrote the letter dated April 8, 1942, to the president of The Associated Press, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 39.

40-a. The Chicago Daily Tribune, the newspaper owned and published by Tribune Company, a member of The Associated Press, was and is in competition with the Chicago Sun, the newspaper owned by Marshall Field.

40-b. Tribune Company solicited from other members of The Associated Press votes and proxies against the election of Marshall Field to membership in The Associated Press.

[fol. 252] 40-c. Votes and proxies obtained by the solicitation described in the preceding paragraph were cast, at the meeting of AP members held in April 1942, against the election of Marshall Field.

40-d. The Washington Post and The Evening Star published in Washington, D. C., were, and are, in competi-

tion with the Washington Times-Herald, a newspaper owned by Eleanor Medill Patterson.

40-e. Representatives of the owners of The Washington Post and The Evening Star addressed the meeting of AP members held in April 1942 in opposition to the election of Eleanor Medill Patterson to memberships in The Associated Press.

40-f. One of the reasons for the non-election of Marshall Field to membership in The Associated Press by the members of The Associated Press in April 1942 was the fact that the newspaper owned by Marshall Field and published in Chicago, Illinois, was in competition with newspapers owned by Associated Press members and published in Chicago, Illinois.

40-g. One of the reasons for the non-election of Eleanor Medill Patterson to memberships in The Associated Press by the members of The Associated Press in April 1942 was the fact that the newspaper owned by Eleanor Medill Patterson and published in Washington, D. C., was in competition with newspapers owned by Associated Press members and published in Washington, D. C.

40-h. An article by Walter E. Schneider entitled "AP, Facing U. S. Suit, Drops Right of Protest; Chicago Sun [fol. 253] Barred" published in the magazine "Editor and Publisher" in its issue of April 25, 1942, contains the following statements:

Col. McCormick did not speak at the meeting against the Sun application, but Arch Ward, Chicago Tribune sports editor, took the floor with the proxy of the *Norwich* (Conn.) *Record* to make an impassioned 15-minute plea against admission of the Sun. Ward said he represented the 3,500 Tribune employees whose job security would be threatened if the Sun were admitted in "one swift action".

Ward, who led the fight against the Sun, attacked Mr. Field as a rich man who had made his money in other Chicago business ventures, had gone elsewhere to spend it and had now returned to start a newspaper in competition with the Tribune "because some one doesn't like Col. McCormick's editorial policies".

Sports Editor Ward started his prepared talk in

a baseball vein, speaking of an "imported slugger" who after a few weeks finally convinced the Chicago Cubs that "he couldn't hit major league pitching." It concluded with his opinion that he was chosen by Tribune stockholders and other employees to present "their side of this case" because he came from the sports department and had spent his life "among men who play the game according to rules and who do not expect to have the rules changed in the middle of the game."

Tribune employees' salaries "may be affected sharply," Ward declared in charging that Mr. Field was using his wealth to sell advertising space at "give-away" rates and had offered three times the prevail- [fol. 254] ing wage scale to reporters. "Anything that hurts the Tribune hurts us," he said. "To my knowledge no one on the Tribune fears competition. All we ask is that our competition be clean, wholesome, and fair."

Ward declared the Sun was accepting abnormally high circulation returns at a total loss of "a couple of million dollars a year." The reason for this, he alleged, was that "most of Mr. Field's losses would be made up by his savings in income taxes." Ward also argued that if the application was granted "any rich man would be willing to start a paper in competition with yours if he knew in advance it would cost him little."

40-i. The statements ascribed to Arch Ward in the quotation set forth in the preceding paragraph were made in substance by Arch Ward at the meeting of The Associated Press members in April 1942.

40-j. The article by Walter E. Schneider referred to in paragraph 40-h contains the following statement:

Mr. Evans told the meeting the application was made after he had negotiated unsuccessfully to buy a membership from "a member of the Hearst organization" for \$250,000. "Whereupon," Mr. Evans said, "Mr. Field sent a letter to you all stating his desires for membership and asking for your proxies. I leave his statement with you."

Thomas J. White, *Chicago Herald-American*, clarified Mr. Evans' reference to the Hearst morning membership negotiations by Mr. Field by explaining that the offer was inadequate. A total of \$1,300,000 was paid for the morning membership and \$100,000 for Sunday.

[fol. 255] 40-k. The Mr. Evans referred to in the quotation set forth in the preceding paragraph is Silliman Evans, publisher of The Chicago Sun.

40-l. The statements ascribed to Silliman Evans and to Thomas J. White in the quotation set forth in paragraph 40-j were made in substance by Silliman Evans and by Thomas J. White, respectively, at the meeting of The Associated Press members in April 1942.

40-m. The article by Walter E. Schneider referred to in paragraph 40-h, contains the following statement:

During floor discussion regarding director's tenure, lengthy service by board members was criticized on the ground of "self-perpetuation" and defended on the basis that experience gained over years on the board is valuable to the AP membership.

40-n. Criticism of the lengthy service of members of the Board of Directors of The Associated Press on the ground of self-perpetuation was expressed on the floor at the meeting of The Associated Press members in April 1942.

41-a. The Associated Press, the New York Times Company, a New York corporation, and Wide World Photos, Inc., a New York corporation, entered into an agreement dated July 25, 1941, a correct copy of which agreement (except that Schedule "B" annexed thereto is omitted) is annexed hereto and made a part hereof and marked Exhibit No. 40.

41-b. The statements of fact recited in Exhibit No. 40 were true as of July 25, 1941.

[fol. 256] 41-c. The terms of the agreement set forth in Exhibit No. 40 have been performed or are being performed by the parties thereto in accordance with the terms of said agreement.

41-d. In the month of July 1941, Wide World Photos, Inc., was serving the customers listed on Exhibit No. 41 annexed hereto and made a part hereof.

41-e. Within the period of a year after July 25, 1941, Wide World Photos, Inc. (now Wide World News and Photos, Inc.), terminated its service to all of its customers listed on Exhibit No. 41, except certain AP members.

41-f. Wide World News and Photos, Inc., now renders photographic news service exclusively to members of The Associated Press.

41-g. The president of The Associated Press wrote the letter dated December 10, 1941, to Marshall Field, a correct copy of which is annexed hereto and made a part hereof and marked Exhibit No. 42.

41-h. The statements of fact contained in Exhibit No. 42 were true.

41-i. At the time of purchase of the capital stock of Wide World Photos, Inc., by The Associated Press, the supplying of photographs to other than members of The Associated Press by Wide World Photos, Inc., was discontinued except in the case of commitments which Wide World Photos, Inc., was obligated to fulfill until their expiration.

41-j. Paul Miller, a director and duly authorized agent of Wide World Photos, Inc., wrote a letter to David M. Liberson, picture editor of the Jewish Daily Forward, dated December 10, 1941, a correct copy of which is annexed [fol. 257] hereto and made a part hereof marked Exhibit No. 43.

41-k. On December 11, 1941, Paul Miller on behalf of Wide World Photos, Inc., a wholly owned subsidiary of The Associated Press, notified The Federated Press that picture service furnished by Wide World Photos, Inc., to The Federated Press would be suspended on December 31, 1941.

41-l. After the date of the notice referred to in the preceding paragraph Wide World Photos, Inc., notified The Federated Press that the picture service furnished The Federated Press would be continued until January 10, 1942.

41-m. On January 31, 1942, Wide World Photos, Inc., notified The Federated Press that the mat page service furnished The Federated Press by Wide World Photos, Inc., would be discontinued on February 6, 1942.

41-n. The picture service furnished The Federated Press by Wide World Photos, Inc., was finally terminated on February 6, 1942.

41-o. The directors of Wide World News and Photos, Inc., are Kent Cooper, L. F. Curtis, Alan J. Gould, Paul Miller, and Lloyd Stratton.

41-p. The officers of Wide World News and Photos, Inc., are as follows: President—Kent Cooper. Vice President—Lloyd Stratton. Secretary & Treasurer—L. F. Curtis.

John Henry Lewin, Charles H. Weston, Special Assistants to the Attorney General, Attorneys for Plaintiff.

[fol. 258]

## EXHIBIT No. 1

## Assets

## Current Assets:

Cash:		
On Deposit.....	\$692,964.33	
Petty Cash Working Funds and Advances.....	69,349.52	
		\$ 762,313.85
Investments—United States Government Securities—Book value.....		2,126,503.83
(Par value \$2,125,100.00.)		
Accounts Receivable:		
Supplemental Services, etc.....		42,616.64
Accrued Interest Receivable on Investments.....		5,259.33
Total Current Assets.....		2,936,693.65

## Investments in and Advances to Subsidiaries (Including results of operations):

Associated Press of Great Britain, Ltd., and Associated Press, G.m.b.H.....	\$40,092.07	
Press Association, Inc., La Prensa Asociada, Inc., and Wide World News & Photos, Inc.....	640,939.41	
		681,031.48

## Fixed Assets:

Teletype and Wirephoto Equipment, Furniture and Fixtures—At the nominal value of.....		1.00
Total.....		\$3,617,726.13

## Liabilities

## Current Liabilities:

Accounts Payable and Accrued Expenses.....	\$740,897.29	
Reserve for Federal and State Social Security Taxes.....	104,368.18	
Total Current Liabilities.....		845,265.47

## Gold Debenture Bonds—Due January 1, 2000 Interest at 4% waived.

Issued and Outstanding:		
Series "B".....	\$4,325.00	
Series "C".....	238,375.00	
		242,700.00

## Deferred Income:

Assessments for 1942 collected in advance.....		89,110.05
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[fol. 259]

## Reserves:

For Emergency Fund.....	\$2,200,000.00	
For Insurance.....	16,000.00	
		\$2,216,000.00

## Excess of Assessments Held for Credit to Members in 1942:

Balance, January 1, 1941.....	\$105,913.46	
Add: Excess of Assessments for the Year....	118,737.15	

Balance, December 31, 1941.....		224,650.61
Total.....		\$3,617,726.13



[fol. 260]

## EXHIBIT No. 2

Revenue:		
Assessments.....	\$11,424,218.41	
Interest on United States Government Securities.....	67,293.06	
		11,491,511.47
Expenses:		
Domestic News Collection.....	\$2,480,063.12	
Foreign News Collection.....	1,141,884.10	
News Distribution.....	4,829,350.93	
Supplemental Services.....	2,182,131.27	
Administrative:		
Salaries.....	\$215,948.78	
Employees' Insurance and Pension Premiums....	124,221.08	
Social Security Taxes and Expense.....	223,084.20	
Legal Fees and Expenses..	24,288.07	
Other Expenses.....	151,802.77	
	739,344.90	
		11,372,774.32
Net Amount Added to Excess of Assessments Held for Credit to Members.....		\$118,737.15

[fol. 396]

## Schedule A

Subscriber	Amount	Comment
Boston Herald Traveler....	\$50. weekly..	No fixed expiration date; an "open cancellation" clause.
Buffalo Courier Express.....	55. weekly..	Do.
Chicago Daily News.....	155. weekly..	Do.
Chicago Daily Times.....	150. weekly..	Do.
Detroit News.....	150. weekly..	Expires 12/29/41; contains a 30-day cancellation clause.
Los Angeles Examiner.....	65. weekly..	Expired 5/18/41; "open."
PM Publications Research.....	300. weekly..	Expires 6/6/42; cancellation clause requested.
Time Inc. (incl. wire service).....	200. weekly..	Expires 6/3/41; contains 60-day expiration clause for automatic renewal.
Washington Star.....	140. weekly..	Expires 4/7/42; contains a 30-day cancellation clause.
Pittsburgh Post Gazette....	90. weekly..	Expires 1/1/42; contains a 60-day cancellation clause.

[fol. 261]

## EXHIBIT No. 3

## The Associated Press—What it is and does

The Associated Press is a cooperative, non-profit association of more than 1,400 newspaper members. Its task is the swift collection and distribution of accurate, reliable and impartial information—the important news of the world. Stringent precautions are taken to assure freedom of The Associated Press news report from bias, prejudice or partisanship. Its news report is not for sale

to commercial or other interests. The cost is borne by the members on a pro rata basis.

Through facilities which it has created, the news of America collected by The Associated Press appears in virtually every newspaper in the world outside of the United States. In the United States its domestic world news appears in a select and exclusive group of newspapers which are members of the association.

Ninety-three domestic bureaus, usually one in each state and two or more in some, maintain contact with thousands of correspondents and member paper employes whose work supplements that of The Associated Press personnel. The last tabulation showed about 7,500 full-time and part-time correspondents in the United States and Canada, excluding member paper employes.

The Associated Press is exclusively entitled to the local news appearing in member papers, the effect being to make each member paper reporter also a reporter for The Associated Press. Aside from these, the association has its own reporters and editors at each bureau point, checking, verifying, and working with news very much as do reporters and editors of newspapers. Abroad there are bureaus and correspondents in all principal cities, and their contact with news sources everywhere interlaces the world.

The association uses more than 285,000 miles of leased wires, stretching across the continent from Bangor, Maine, near the Canadian border, to Seattle, Washington, and San Diego, California, and from Duluth, Minnesota, to New Orleans and Mexico City. From various points along these trunk lines the news is sent to adjacent cities. The membership spreads from Alaska to Argentina, and from the Philippines to Porto Rico. Daily use is made of thousands of miles of commercial cable and of wireless.

In addition to its great network of news wires, The Associated Press operates Wirephoto, by means of which news photos, maps, charts, and other illustrations which make the news clearer and more interesting, are sent to member papers with telegraphic speed over a circuit 16,000 miles long. A photograph of ordinary size is sent from New York to the most distant point on the circuit, for example, in eight minutes. Design and development of Wirephoto, which is an exclusive Associated Press service and owned by The Associated Press, proved to be the most

revolutionary step in American journalism since the invention of the telegraph. The news photo service also supplies the fastest known dispatch of news pictures in mat form—so rapidly delivered that members receive mats in time for use in connection with news stories on the same subject.

As a further function, The Associated Press feature service supplies subscribers with a complete feature budget, comprising news feature stories with and without illustrations, news cartoons, comic strips, and a full budget of departmental features.

The Associated Press of Great Britain, Limited, an affiliate, with headquarters in its own building at London, distributes news and news pictures throughout the Eastern hemisphere. Its news photo service is the largest and most extensive located outside the United States and serves news pictures to most newspapers in Great Britain, Europe, and other parts of the world. Its news service, which includes news of the United States and its possessions, is received daily by hundreds of newspapers in the British Isles, Australasia, Canada, and several countries in Continental Europe.

News pictures from Central Europe also are developed and distributed through The Associated Press GmbH, with headquarters in Berlin. This also is an affiliate of The Associated Press and maintains the largest photographic staff and output of any agency in that part of the world.

La Prensa Asociada, another subsidiary, with headquarters at New York, distributes news and pictures throughout Mexico, Central and South America and the West Indies, serving practically all of the important papers in that territory. It also covers the news of this area for The Associated Press and the papers it serves. Its wires extend to Cuba and Mexico and it has extensive radio distribution of the news report, transmitting more than 10,000 words daily to the participating Latin American newspapers.

The revenues reach an annual aggregate of more than 10,000,000 dollars, while the number of words daily received and transmitted at each of the more important offices is over 250,000, or the equivalent of 250 columns of the average newspaper.

[fol. 264] Its entire foreign service is passed upon and managed by Americans abroad who are exclusively in its

employ and practically its entire volume is from original Associated Press sources, although it has available the news of the following named agencies:

BELGIUM, Agence Telegraphique Belge, Brussels.  
 BULGARIA, Agence Telegraphique Bulgare, Sofia.  
 CANADA, Canadian Press, Toronto.  
 DENMARK, Ritzaus Telegraphic Copenhagen.  
 ESTHONIA, Esthonian Telegraphic Agency, Revel.  
 FINLAND, Finska Notisbyran, Helsinki.  
 FRANCE, The Associated Press of Great Britain Ltd.  
 (France), Paris.  
 Agence Havas, Paris.  
 Agence Telegraphique Polonaise, Paris.  
 GERMANY, The Associated Press G.m.b.h., Berlin.  
 Deutsches Nachrichtenburo, Berlin.  
 GREAT BRITAIN, The Associated Press of Great Britain, Ltd., London.  
 The Press Association, Ltd., London.  
 Reuters, Ltd., London.  
 The Exchange Telegraph Co., Ltd., London.  
 GREECE, Agence d'Athenes, Athens.  
 HOLLAND, Nederlandsch Telegraaf Agentschap, The Hague.  
 HUNGARY, Agence Telegraphique Hongroise, Budapest.  
 ITALY, Agence Stefani, Rome.  
 JAPAN, Domei Tsushin Sha, Tokyo.  
 YUGOSLAVIA, Avala Agency, Belgrade.  
 LATIN AMERICA, La Prensa Asociada, New York.  
 LATVIA, Latvian Telegraph Agency, Riga.  
 LITHUANIA, Agence Telegraphique Lithuanienne, Kovno.  
 NORWAY, Norsk Telegrambyra, Oslo.  
 RUMANIA, Rador, Bucharest.  
 [fol. 265] UNION OF SOVIET SOCIALIST REPUBLICS, Tass Agency, Moscow.  
 SPAIN, Agencia Fabra, Madrid.  
 SWEDEN, Tidningarnas Telegrambyra Aktiebolag, Stockholm.  
 SWITZERLAND, Agence Telegraphique Suisse, Berne.  
 TURKEY, Agence Anatolle, Istanbul.

The affairs of The Associated Press are in control of a Board of Directors, elected from among the representatives of the individual member newspapers. However, the Board of Directors, by resolution, has conferred upon the General Manager executive control of and responsibility for the news service and personnel.

The membership of The Associated Press includes persons of every conceivable political, economic and religious advocacy. The one thing upon which they are united, so far as The Associated Press news service is concerned, is that it shall be wholly free from partisan activity or the expression of any opinion whatever. It is the principle of the organization that, in a self-governing country the citizens, if given the facts, must be able to form their own opinions respecting them. The sole purpose of The Associated Press is to compile a daily record of world affairs which is reliable and non-partisan, and on which sound judgments can be based.

[fol. 266]

EXHIBIT No. 4

The Associated Press

General Office

50 Rockefeller Plaza

New York, N. Y.

To the Members of The Associated Press:

Since the organization of The Associated Press it has been the policy to prorate the expenses on the basis of the population of the cities served by Associated Press newspapers. Also it has been the policy decennially to reapportion the expenses on the basis of literate population as shown by the decennial federal census. In this way an equitable apportionment is obtained.

The Board has reviewed the operation of the assessment plan during the past twenty years and concluded that the formula, with minor adjustments because of changed conditions, continues to operate equitably. The plan is explained in the enclosed memorandum.

In particular the Board has studied the financial operation since the last decennial revision. At that time we were in the midst of the depression. To meet the needs

of members the Management over a period of several years instituted economies which were reflected in the general revision of assessments by reductions in an amount of \$1,200,000 per year and the return to members for several years of excess over requirements amounting to several additional hundreds of thousands of dollars a year. These savings related solely to the general news service and not to the special services subscribed for by members, which [fol. 267] frequently permitted them to enjoy economies in their individual operation.

The announcement at that time called members' attention to the fact that many of the economies were of such a nature that they could not be continued indefinitely without disadvantage to the service.

The Board of Directors has now come to the conclusion that restoration of part of the 1932 reductions can no longer be postponed if the interests of the service and of the members is to be served. It has therefore instructed the Management to include in the decennial revision, approximately one-half of the amount of the 1932 reduction of assessments, this sum to be included in the general apportionment under the new tables.

The extraordinary success of the Management in producing an unequaled domestic and world-wide service under conditions of utmost difficulty is attested by the innumerable expressions at state meetings and in communications to the Board and to the management. That the service must not be impaired through lack of additional funds which are absolutely necessary to maintain it at its present level of efficiency is, I am sure, the desire of every member.

By order of the board:

Robert McLean, President.

Private Circular.

The Associated Press

General Office  
50 Rockefeller Plaza  
New York, N. Y.

July 7, 1941.

To the Members:

The assessment plan first applied to the revision of assessments based on the census of 1920 and also applied

[fol. 268] following the census of 1930 has been retained for the revision based on the census of 1940. By the application of this formula the expenses of the corporation are equitably assessed among the members on the basis of the literate population in their respective fields.

The fundamental unit of distributing the costs is population as shown by the federal census of 1940. The population assigned to each city is that of the city itself and the territory within a radius of ten miles. This area is deemed the home field.

The elements which make up the assessment of each member receiving a leased wire service are:

- (a) Wire charge.
- (b) Local charge.
- (c) General charge.
- (d) Supplementary wire charge.
- (e) State news collection charge.
- (f) Feature and other special service charges.

The method of arriving at each of the six elemental charges is here outlined.

#### (a) Wire Charge

Each city served must have at least one wire to bring to it the news of the world. As it is not possible to operate a single wire connecting all The Associated Press cities in the United States it is necessary to arrange circuits that may efficiently serve the various sections of the country. Taking a state or group of states as the unit it is possible to operate a state or regional circuit connecting the various cities located therein, but to give a comprehensive news service it is necessary also to have trunk circuits to link together the several state and regional circuits. As the state and regional units could not receive a comprehensive [fol. 269] news service without the existence of these trunk lines, this plan assesses as a wire charge to each state a proportion of the cost of the trunk wire that serves it and the entire cost of the state or regional wire where one exists. This expense then is distributed according to population so that each city within a given state pays the same wire rate per 1,000 of population. The wire charge applied to evening and morning members is on the basis of circuit rental paid to telegraph companies plus the salaries of filing editors and sending operators.

## (b) Local Charge

The local charge is for the upkeep of the automatic printers required to deliver the news service to each city, and the personnel necessary for maintenance.

## (c) General Charge

Expenses of the organization not specifically covered otherwise, such as that of the entire foreign service, the general domestic service, and the administration are provided for in the general charge. The general charge in each state is allotted to and assessed against each state according to literate population. Then the state allotment is apportioned among the members in the state on the percentage of total population in each member's field.

Within the cities the apportionment is 6/13th or 46 percent to the evening field and 7/13th or 54 percent to the morning field. This is due to the fact that afternoon papers are served six days a week whereas service is available to morning papers seven nights a week, the sum of six days and seven nights being 13. As in the wire charge, each city in a state pays the same general rate per 1,000 of population.

## [fol. 270] (d) Supplementary Wires

Members in the larger cities receive one or more additional news wires, financial wires, and the news-photo wire. The cost of these facilities is divided among the cities served on the basis of population of each.

## (e) State News Collection Charge

The state service charge is the actual amount appropriated to be spent in each state for special machinery incident to the collection of state news, including special state editors, tolls, payments to string correspondents, etc. This expense is pro-rated equitably in each state.

## (f) Feature and Other Special Service Charge

Special services, optional in character, are charged for on a schedule based on the populations of cities taking such services.

By order of the Board of Directors:

L. F. Curtis, Treasurer.



## Years of Service of Directors Since 1900

Don. C. Seitz	1900
Charles P. Taft	1900-1901
Stephen O'Meara	1900-1902
Whitelaw Reis	1900-1904
George Thompson	1900-1907
Charles H. Grasty	1900-1908
M. H. de Young	1900-1909
Harvey W. Scott	1900-1910
Albert J. Barr	1900-1911
Thomas G. Rapier	1900-1913
Charles W. Knapp	1900-1915
Herman Ridder	1900-1915
W. L. McLean	1900-1923
Victor F. Lawson	1900-1925
Frank B. Noyes	1900-
Clark Howell	1901-1937*
William D. Brickell	1902
Albert P. Langtry	1903-1905
W. R. Nelson	1904-1913
Adolph S. Ochs	1905-1934
Charles H. Taylor	1906-1911
A. C. Weiss	1910-1920
V. S. McClatchy	1910-1923
Charles Hopkins Clark	1910-1926
W. H. Cowles	1911-
Frederick Roy Martin	1912
Samuel Bowles	1912-1914
Charles A. Rook	1912-1922
W. Y. Morgan	1914-1916
R. M. Johnston	1914-1920
D. E. Town	1915-1921
Oswald Garrison Villard	1916-1918
Elbert H. Baker	1916-1933
John R. Rathom	1917-1922
Frank P. MacLennan	1919-1932

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\*At the Annual Meeting of the members held on April 19, 1937, Clark Howell, Jr., was elected to fill the vacancy in the Board of Directors created by the death of Clark Howell, Sr.

## Years of Service of Directors Since 1900—Continued

D. D. Moore .....	1921-1922
H. V. Jones .....	1921-1928
E. Lansing Ray .....	1922-
Frederick I. Thompson .....	1923-1926
	1928-1932
B. H. Anthony .....	1923-1931
Stuart H. Perry .....	1923-
[fol. 272] J. R. Knowland .....	1924-
Robert McLean .....	1924-
Walter A. Strong .....	1926
Irwin R. Kirkwood .....	1927
Richard Hooker .....	1927-1933
Robert R. McCormick .....	1927-
Frederick E. Murphy .....	1920-1940
Paul Patterson .....	1932-
George B. Longan .....	1933-
L. K. Nicholson .....	1933-
Victor F. Ridder .....	1934
Paul Bellamy .....	1934-
John Cowles .....	1934-
Frank E. Gannett .....	1935-1940
W. J. Pape .....	1937-1939
Josh L. Horne .....	1937-
Houston Harte .....	1937-
Clark Howell, Jr. ....	1937-
Harry J. Grant .....	1940
Jerome D. Barnum .....	1940
E. H. Butler .....	1940-
E. K. Gaylord .....	1940-
George F. Booth .....	1941

[fol. 273]

## EXHIBIT No. 6

## History

The old Associated Press (Illinois Corporation) was a stock company and while no profits or dividends were allowed, the control of the organization was in the hands of the stockholders, the majority of the papers receiving the service having no voice in the management.

Broadly, in the old organization, the stock was issued to the more important papers of the organization though

some smaller papers in key positions were allowed stock, the maximum holding being limited to eight shares.

When the New York corporation was formed, the incorporators felt in honor bound to carry forward, so far as was legally feasible, the existing status and moreover the larger papers paying the great bulk of the assessments felt entitled to representation in proportion to their contribution to the operating revenues of the Association.

To facilitate this transfer and redeem the stock of the Illinois Corporation and to obtain money for operating purposes, a bond issue of \$150,000 was authorized and the stockholders of the Illinois Corporation were permitted to subscribe to these bonds in the same proportion in which they held stock. Approximately \$130,000 worth of bonds were sold having a voting privilege (as allowed by the New York law) in the election of directors only, the directors being vested in general with the management of the affairs of the corporation, including the news service and the assessments.

[fol. 274] Of the \$130,000 issued, \$29,425 have been redeemed because of consolidations, etc., so that there are now outstanding \$100,575.

#### Legal Situation

Your Committee is advised that neither the Board nor the Association has legal authority to enforce a redemption of the bonds, save as is provided in the Deed of Trust and in the By-Laws. \* \* \*

#### Conclusion

Your Committee cannot recommend that the Board of Directors change its attitude of regarding it as improper for that body to resell the redeemed bonds or to sell the unissued bonds unless the mandate shall come from the membership.

The Committee is unanimous as to this.

The Committee also feels that it would be advisable, if possible, to broaden the list of bondholders by issuing bonds to members not now holding bonds in proportion to the regular assessments that they pay. This would be in recognition of the fact that the general newspaper situation has changed greatly since the original issue of bonds and that many members do not have a voice in the election

of directors proportionate to their contributions to the organization.

\* \* \* \* \*

Your Committee recommends that the Board take such means as it sees fit to bring this question before the membership and obtain such mandate for a redistribution along lines that may be more representative of the proportionate assessments of members.

[fol. 275]

EXHIBIT No. 7

To effectuate these two purposes, this committee unanimously recommends that any missused bonds now remaining in the treasury shall not be issued save in substitution for bonds now issued.

Secondly, that a new bond issue be created of a sufficient principal sum hereafter to be fixed by the directors of The Associated Press to carry out the recommendations hereinafter made.

Thirdly, that every member of The Associated Press be given the right—but shall not be required—to subscribe for bonds of The Associated Press in an amount proportionate to the weekly assessment paid by said members, the present bond holdings being taken into account. It is the recommendation of the Committee that said bonds, when issued in denominations of twenty-five dollars (\$25.00), or multiples thereof, shall carry with them the same rights as are now enjoyed by the holders of existing bonds, provided that every member regardless of the amount of his assessment shall have the right to subscribe for sufficient bonds to give him a minimum of four (4) votes; provided further that for each twenty-five dollar additional assessment over and above fifty dollars per week a member shall have a right to subscribe for an additional sum of fifty dollars in bonds, carrying therewith the same rights as are now enjoyed by the holders of existing bonds, and provided further that no member shall have the right, regardless of the amount of assessment paid, to subscribe for more than one thousand dollars (\$1,000.00) in bonds or to cast more than forty votes by virtue of such bond holding in the election of directors.

The Associated Press today made the following announcement:

Press Association, Inc., all of the stock of which is owned by the Associated Press, has been launched by the latter organization to carry on certain activities, including salvage operations, which *experience has shown* can better be handled by a subsidiary company than directly by the news association itself. It will be familiarly known as P. A.

The new organization is the fourth subsidiary established and owned by The Associated Press. The first was The Associated Press of Great Britain, Ltd., which began operations, with head offices in London, in 1931. It is an administrative organization which delivers news and news pictures to England and is not to be confused with AP Bureaus abroad which gather news for use by Associated Press members in this country. The Associated Press of Germany (GmbH), was organized the same year, operating on the continent, with headquarters in Berlin. It operates a news photo service. In 1939 La Prensa Asociada (the Spanish equivalent for the name of The Associated Press) was incorporated to administer The Associated Press service in Latin America. The success that has attended the operations of these subsidiary companies has entirely proved the wisdom of the procedure.

P. A., among other things will arrange for and supervise the news availability of The Associated Press news to radio. Offices of the new company will be located on a separate floor in the building at 50 Rockefeller Plaza which has come to be known popularly as "the news center of [fol. 277] the world" since The Associated Press moved its New York headquarters to that address in December 1938 and gave its name to the building. The new company will begin operations as soon as the offices on the sixth floor of the building are ready for occupancy.

The executive head of P. A. will be William J. McCambridge, formerly Assistant General Manager and Assistant Secretary of The Associated Press. Mr. McCambridge's title will be that of General Manager.

There are eight directors. Seven of them constitute the present executive committee of the Board of Directors of The Associated Press. Kent Cooper, General Manager of The Associated Press, is also a director.

Additional activities of Press Association, Inc., will be decided upon by the Board of Directors as matters progress. Broadly, the obligation of the new company will be to relieve the parent company of the administration of details not intimately part of the regular news and news photo collection and distribution for publication by Associated Press member papers.

In a statement respecting the creation of the subsidiary, Mr. Cooper said: "The complexities of news and news photo collection and dissemination in the year 1941 make it advisable for The Associated Press to relieve itself of many activities which, while related to news and news photo collection and dissemination, are more or less extraneous to the work of furnishing news to newspapers. This does not mean that The Associated Press is delegating the actual gathering and distribution of news and news photos—its prime mission—to any other agency. On the other hand, segregation of these extraneous matters to another company will facilitate more than ever this prime function of The A. P."

[fol. 278]

#### EXHIBIT 9

### It Started in a Rowboat and Led to the World's Largest News Service—AP

Boston Town one stormy night in 1811—

But one young man was about. He hurried down cobbled, rain-swept streets and across a slippery wharf. He untied a rowboat and pulled out into the night. He was one Samuel Topliff. His goal was an unknown craft attempting to make port at the height of the squall. The reason for his desperate adventure was NEWS—real, first-hand, authentic news, something unheard of anywhere in the world at that time.

Topliff got his news that stormy November night. It was a story of the impounding of Yankee seamen and mobilization of England's fleet off Halifax in preparation for the War of 1812. He brought it back to Boston's famed Exchange Coffee House and posted it for all to see in the Reading Room news books.

Habitues of the Reading Room, anxious for news in a world in which there was but little news, toasted him on

his return. But it is probable that no one realized the significance of his feat.

Topliff, in his rowboat, had started systematic news gathering.

By 1828 New York had outdistanced Boston in news as well as commerce. Sailboats had replaced rowboats in the collection of news. But the harbor was a perilous place. Rival news gatherers, hired by growing newspapers in the plague-ridden young metropolis, battled one another to be first with the highly important intelligence from abroad. The toughest boatmen brought in the news. The others collected only bashed heads and body bruises.

Such was the rough-and-tumble infancy of news gathering. And rough and unscrupulous it remained for many years.

Then came 1848. The first crude Morse Telegraph began to click in a dozen cities. News became more sought [fol. 279] after, and the first real news gathering organization was formed to divide the cost of collecting public information by the new fangled wire contraption.

The organizers were six New York newspapers. Their concept was limited and largely selfish. There was no immediate thought of benefiting any but their six papers. And there was no disposition to look upon the collection of news as a great public service.

The organization was by no means all that it might have been. But it was a beginning.

They called it The Associated Press.

The start of The AP brought the first real reporters—men trained to gather the news of the world as speedily as humanly possible. Among the first was Gobright. He covered the Civil War. One of his dispatches, more than any other, electrified and shocked the nation: "President Lincoln Was Shot in a Theater Tonight and Perhaps Mortally Wounded." Another was Kellogg. On a small, grey mule he trotted to death beside Custer in the battle of Little Big Horn.

And while men such as these were reporting the news, others sought to wrest the control of news gathering itself from a private News Trust and conduct it as a great public service.

Finally, after many years of internal strife, came the "revolution of 1893." It was an uprising against the

proprietary evils which threatened the news gathering system of the world.

Out of that struggle, emerged the modern Associated Press in 1893. At the time, it was the first and only world-wide, non-profit, cooperative news gathering association. *Today, it still is the first and only news organization of its kind*, dedicated to the sole task of collecting and distributing factual, unbiased news.

[fol. 280] Now the News of the Associated Press Speediest and Largest of All the News Services is Available to Radio Through Press Association, Inc.

The only organization of *its* kind, Press Association, Inc., was created by The AP to meet the exacting demands of modern Radio.

Especially designed and geared to adapt the vast news report of The AP for radio's listening millions, it offers a complete and unequalled news service for stations everywhere.

#### Operating the Only 24 Hour-a-day Radio News Wire in Existence

The studied decision of Press Association, Inc., was to man its special radio wire "around the clock"—no "dead" hours—no dull hours—a news service especially designed for the ear—speedy—authoritative—unbiased—easy to listen to.

This meant assembling the best staff of radio writers available anywhere—the employment of top men from radio stations over the country—augmented by AP men with radio news experience—no juniors—no beginners—all experienced and imaginative writers, capable of producing a radio report in keeping with the surpassing quality of AP news itself.

#### Here Are the Facts Behind AP Superiority

A news report of 1,000,000 words every 24 hours—larger than the combined daily reports of *all other American news agencies combined*.

A staff of 7,200, augmented by the staffs of member newspapers and affiliated news services in foreign countries—a total of approximately 100,000 men and women contributing, directly or indirectly, to each day's effort—a staff



many times larger than the staffs of *all other American news agencies combined*.

[fol. 281] 290,000 miles of leased news wires in this country alone—a network larger than the networks of *all other American news agencies combined*.

Operating the only state-by-state news circuits in existence—circuits that carry more state and regional news daily than *all other American news agencies combined*.

100 news bureaus in this country alone—offices in more than 250 cities over the world—more regularly established news connections by cities than *all other American news agencies combined*.

An annual budget of approximately \$12,000,000—every penny spent for the actual gathering and distribution of world news—a news budget larger than the news *budgets of all other American news agencies combined*.

Leased news wires connecting 727 domestic cities—a larger representation of cities than *all other American news agencies combined*.

When considering these facts, in relation to Radio News, it is easy to understand why—

#### AP is First With Headline News

With The Associated Press it is news only when AP is Not ahead.

An impartial survey of coverage for the past year showed that AP was ahead on 82 per cent of *all* important news events.

This fact is presented not as a boast but as evidence of AP's superior performance in all categories of the news—performance based on 93 years of experience and effort—performance which has built up a tradition of reliability and integrity.

To the sponsor who builds his radio program around news this is vital—vital because it offers assurance that in using AP he is using the best there is for result-getting broadcasts.

[fol. 282]

#### 5-Minute Roundups

Press Association, Inc., after analyzing existing methods of handling radio news, decided to go beyond anything being done by existing radio wire services.

It inaugurated 5-minute roundups of headline news—

After transmitting the news *as it breaks*, AP takes the same news and summarizes it in comprehensive five-minute programs—six or more transmitted at regular intervals, day and night—ready for the air without any station editorial effort whatever.

#### War News

Never before have news services been faced with such heavy responsibility. War news is exciting news—momentous news—colorful news—but it must be accurate as well—accurate and fast.

AP, controlling the only leased news cable in the world, occupies a top position in handling the reports of its 2500 correspondents abroad.

At sea and on all the war fronts of Europe these correspondents are in action—men such as Larry Allen, who dodged bombs for seven hours aboard the battleship *Illustrious*—Norman Lodge, bombed out of three rooms in three weeks—E. J. Kennedy, the only American correspondent with the British in North Africa. Month after month, while faced with censorship, privation and physical dangers, these men accurately report the War News—providing the fast-moving, exciting material for—

#### AP “Spot” War News

These reports provide minute-by-minute accounts of all war developments. Hot off the special leased cable, quickly prepared for the air by an alert radio staff, they offer stations an opportunity to keep listeners abreast of every change in the war picture.

#### [fol. 283] AP “Undated” War Round-Ups

These integrated summaries, sent out on the Radio wire ready for verbatim broadcasting, pull all spot developments into quick focus. There are several of them daily, spaced to keep listeners fully informed.

#### Washington News

The eyes of the world are on Washington. Daily newscasts must answer the thousand and one questions that come up in the minds of millions of people. To answer these questions and maintain its high standard of public service, Radio deserves the most comprehensive coverage available.

AP has that coverage. Its Washington staff of approximately 150 is the largest corps of news men ever assembled under one roof for the exclusive job of reporting governmental affairs. This group includes a special Regional staff representing each state and reporting by wire all news of regional interest with thoroughness and speed—the only staff of its kind anywhere. Together they gather the news for—

#### *AP Washington Roundups*

These summaries, transmitted day and night, provide the means of giving a quick picture of Washington happenings that is timely and complete. They come off the wire ready for airing without any editorial effort by stations.

#### *AP Washington "Spot" News*

Written for radio, Washington "spot" news reaches stations as it happens, packing all the punch of a blow-by-blow description of a championship match.

#### *Sports News*

Away back in 1869, when the Cincinnati Reds ran up a score of 103 to 8 against the famous old Buckeyes, an AP man was there—an AP man, in fact, a special AP train, [fol. 284] brought out coverage on the celebrated bared-knuckle bout between John L. Sullivan and Jake Kilrain in the woods near Richburg, Miss., on July 8, 1889—the AP not only covered the Olympic games at Stockholm in 1920, but one member of its staff doubled in brass by winning the world's figure-skating championship.

Such thorough sports coverage has been reflected in AP reports from all over the world since 1848.

Today, in addition to a general sports staff on roving assignments, AP maintains at least one sports expert in each of its 100 domestic bureaus. Irrespective of the nature of a sports event, an AP specialist is on the scene. The job these men do keeps AP radio news out in front with—

#### *Spotlight on Sports*

A daily fixture, highly sponsorable—provides quick results on major sporting events—Comes off the wire grouped for easy broadcasting. A 5-minute feature.

### *Dinnertime Sports Gossip*

Lots of information and a full quota of conversation for the sporting enthusiast—Background stories on clubs and players—Latest gossip from training camp, dugout and gridiron. For a 15 minute program.

### Women's News

Women's place is in the news—definitely.

Politics, machine shops, hospitals, defense clubs or engineering jobs, nothing stops them. From Queen Elizabeth in England to the girls in national defense, more and more they are making radio news.

Every day AP correspondents—both men and women—are on the alert all over the world for this type of news. Daily, AP wires carry enough women's news to fill the average women's magazine—news that is delivered to listeners while it is still fresh and vibrant with interest, not a month later—not a week later—but Today.

### *Women Today*

Authoritative news of women and what they are doing—Daily reports on women in the news, especially prepared for the feminine ear. Easily adaptable for a daily 5-minute program.

### Fashion News

They say that lemon juice whitens milady's elbows—that fashion designers are sparking ideas inspired by museum pieces—and that bomb shelters are the inspiration for a new hair-do.

You probably don't care—but how the women love it!

They look first to Hollywood and then to New York for the latest in clothes, coiffures and cosmetics.

The AP maintains a bevy of fashion editors to report this news. Their stories of the fashion world present the the very latest modes of today, emphasizing the tricks and trends that make for economy while retaining fashion-smartness.

### *Listen Ladies!*

An exciting and different feature for women listeners presenting gossip on fashions, diets and economy shopping—helpful hints on interior decorating and a hundred and

one other subjects that hold a woman's interest. Designed for women—no matter where. A daily 5-minute feature.

#### Stage and Screen News

All about the diamonds, diets and dates of the stars—all about the brass bands, brass hats, the wacks and wags—all the chatter about the lights, ladies and laughs in the hot spots and bright spots from coast to coast.

[fol. 286] Hollywood and Broadway specialists, assisted by a large and theater-wise AP staff in both places, know all the answers and answer all the queries.

Their job is exciting, different, colorful. They inject these qualities into a daily report that sparkles with entertainment and interest—

#### *Hollywood and Broadway*

A day-by-day story of the two entertainment capitols, especially prepared for listeners. It is background on backstage, containing everything about everyone who is anybody—or nobody. A daily 5-minute feature.

#### Financial News

War and defense have increased radio's interest in financial and business news. This makes the accuracy and speed of AP financial news an important consideration.

*Here are facts about the biggest financial news department in the world:*

It has 200 writers, editors and statisticians in New York, Washington, Chicago, San Francisco and foreign capitols—no juniors, no inexperienced trainees; all stories are by writers who are recognized authorities.

All market quotations are transmitted within two minutes after the markets close.

More than 40,000 miles of leased wires are used exclusively for reporting on more than 8,000 issues of stocks and bonds; together with a daily price index on basic commodities, both domestic and foreign.

#### *Money to the Millions*

Daily digests of business and financial news, prepared especially for listening—includes defense news and other

subjects related to industry at a time when interest is at its peak. Easily adaptable to a daily 5-minute program.

[fol. 287]

#### Science News

The AP was the first press association to specialize in science news. Years ago its general manager consulted with the president of Stevens Institute of Technology.

"People even sleep better because of the scientific study of bed-springs," he said. "Don't you agree there is a field for science news in a language the average person can understand?"

"Yes," replied the scientist, "but you may need a scientist as your reporter."

"No," the general manager decided, "we'll make a scientist of a reporter. He'll be smart enough to learn science, and he'll also know how to write!"

From this beginning The Associated Press developed its present-day corps of science specialists. Now The AP report carries the daily stories of these men, all expert in their field—one captured a Pulitzer prize—still others have received honorary degrees and recognition from the men about whom they write.

#### *"Spot" Science News*

The radio wire daily carries the material produced by the science staff, especially written for the layman. There is sufficient to permit selection, based upon varied broadcasting requirements—Easily adaptable for a daily 5-minute program.

#### Farm News

More than 40% of all retail sales are made in the Rural market. Almost 15,000,000 families are active buyers.

This makes the Farm market one of the largest in the world, warranting the comprehensive coverage given it by AP.

One segment of the staff specializes in Farm News. These writers work under the general supervision of a Farm Editor with headquarters in Chicago. They write about crops and crop control—about the dust bowl and migratory workers.

[fol. 288] Still others, in Washington, are particularly concerned with farm legislation and allied farm subjects as

they develop at the nation's capitol. The volume of news they gather, treated for radio and put on the wire, presents the day to day word picture of agricultural America.

### *Farm Fair*

A striking presentation of farm news. Written for the man with a garden—or a thousand acres. Interesting, informative and dramatic. A daily 5-minute feature.

### Human Interest News

Gabriel, living in a Western town, is very sad since his arrest for blowing a horn—a second-hand car dealer blinked in amazement when he found that a stranger had paid for a car with confederate money, and counterfeit at that—Christopher Columbus of Albany is spellbound by his draft number—1492.

Items such as these, laughs from real life, wacky, whimsical happenings, pop up in the daily AP news report to provide welcome relief for a world harassed by the disquieting flow of war news.

### *Flashes of Life*

A daily series of amusing items selected from the news wires and brilliantly treated for the air. Highly sponsorable—

### Election News

*Only The Associated Press covers elections on a nationwide scale.*

Whether heard on the radio, seen in newspapers or anywhere else, the *only* source of all national election returns is the AP election service.

Six months of intensive preparation is necessary to cover major elections. Over 65,000 workers are required. Every district, every precinct, is covered by an AP representative. The returns are sped throughout the country by special [fol. 289] election wires—over the massive 290,000 mile AP news network—and over the special AP radio wire.

In this tremendous operation, The AP reports the results on every contest for office in the country—all the way from dogcatcher in some remote town to governor of the state or president of the nation.

The Federal Government, winners and losers alike, all accept the AP figures as authentic. A few hours after the polls close, weeks before the official count is completed, the people hail a new president on the basis of AP returns—returns shown by a recent survey to be 99.7 per cent accurate.

*That is the story of AP election coverage—coverage available first hand, to radio, only off the AP radio wires.*

#### Add These AP Radio “Plus” Features

##### *Background of the News*

A fast-moving feature designed to take listeners behind the lines of the world’s newsfronts—explaining big interesting facts and sidelighting the news of each day. In two 5-minute daily installments—adaptable to one 15-minute program.

##### *The World this Week*

An interesting, fast-moving summary of the week’s news. Developments in Europe, Washington, and in the Far East. Prepared to bring listeners up to date with the news and set the stage for the coming week. Transmitted each Sunday. For a 15-minute program.

##### *The Headline of the Hour*

A brand new feature—a quick resume of the most compelling story of each hour—Designed as an “every hour on the hour” feature, sponsored or unsponsored. Runs twenty seconds to half a minute.

##### [fols. 290-291] *Advance Calendar*

Calendar of the week’s coming events. Helpful to stations in planning and preparing for special programs.

##### *Number Schedules*

A quick “key” for use by stations in preparing their own broadcasts from The AP wire. A system of numbers suggesting which stories should be used, and in what order. Simplifies the station’s job of handling the news.

And You’ll Agree—



One First with the News is Interesting but 12 Firsts Are  
12 Good Reasons For:

- a faster newscast
- a more complete newscast
- a more accurate newscast and
- Increased profits—

These are the things that Press Association's superior AP radio news can do for you.

Today listener interest in news is higher than ever before.

Insure the character of your broadcasts by presenting news that people can and do trust. The integrity of the spoken word is all-important on Radio.

You may already be using news on the air—you may plan to use news on the air—but in either case be sure it is AP news.

*Now You Can Have the Best  
Why Be Satisfied with Less?*

[fol. 292]

EXHIBIT No. 10

Bylaws of the Associated Press (of Illinois) Relating to  
Stockholders

I. Rights and Privileges of Stockholders

1. *Powers of Stock.*—The capital stock of this company shall possess all the ordinary powers attaching to stock issued by stock companies incorporated under the laws of the State of Illinois, but shall not in itself entitle the holders thereof to receive a news report from the company. The right to receive a news report shall be acquired for a newspaper only by its proprietor becoming a member of the Associated Press, as hereinafter provided in these bylaws.

2. *Treasurer to Hold All Stock.*—The original subscriptions to the capital stock of the company having been accepted upon the distinct agreement that the whole issue to each subscriber shall at all times be held by the proprietor of a newspaper which is on the Membership Roll of the Associated Press, each stockholder shall transfer to the treasurer of the association, for its benefit, any shares of its capital stock in excess of the allotment of stock made to him in the original issue which may subsequently come

into his ownership, by assignment or otherwise, upon the association paying the par value thereof. These covenants and agreements of the original subscribers shall bind their heirs and assigns to the end that the stock shall be at no time assignable by its owner to any person not the proprietor of a newspaper which is or shall be placed, by the consent of the Board of Directors, on the Membership Roll of the Associated Press.

[fol. 293] 3. *Forfeiture of Stock*.—The association shall have the right to acquire for its own use any stock pledged with it as collateral to any contract, upon the termination or breach of such contract, by paying to the owner thereof the par value thereof, or giving to such owner credit for such par value, in case he is indebted to the association; and if the membership of any stockholder in the association shall be forfeited under the provisions of the bylaws of the association such forfeiture shall of itself, without any payment terminate all interest of such stockholder in the stock pledged by him with the association to secure the performance by him of his contract with the association, and such stock so forfeited shall belong absolutely to the association for its own use; *Provided*, however that nothing herein contained shall interfere with the right of the holder of stock to transfer the same with his newspaper, as may be provided in his contract.

4. *Transfers*.—Stock shall only be transferable on the books of the company in accordance with the regulations provided by the bylaws.

## II. Stock Certificates

1. *Form of Certificate*.—Certificates shall be issued by the company as an evidence of the ownership of stock. Each certificate shall set forth the number of shares which it represents and shall bear on its face a covenant that it shall be owned at all times by the proprietor of a newspaper which is on the membership roll of the association. All certificates shall be signed by the president and secretary and bear the seal of the company.

2. *Certificate Book*.—Certificates of stock shall be numbered and registered as they are issued, and proper entries [fol. 294] of their issue and transfer shall be made in a certificate book, which shall be in the charge of the secretary

of the association. The certificates and stubs shall exhibit the holder's name and place of residence, the date of issue, number of shares, from whom transferred and to whom transferred.

3. *Transfer Books*.—All transfers shall be made in a book to be kept for that purpose at the office of the company and in charge of its secretary. They shall be made by the owner of stock in person, or by a duly authorized attorney, upon the surrender of the old certificate.

4. *Lien on Stock*.—The association shall have a lien upon its stock held by each stockholder for the payment of all indebtedness due from him to the association, and for the performance by him of all contracts between him and the association; and no stock shall be transferable during the existence of any such lien.

5. *Stock Ledger*.—A stock ledger shall be kept in the charge of the secretary, in which an account shall be kept with every person to whom shares of stock shall be issued. Each stockholder's account shall show the number of shares issued to, or transferred by, such stockholder and the number of the certificates.

### III. Meetings of Stockholders

1. *Annual Meetings*.—The annual meeting of the stockholders of The Associated Press shall be held in the City of Chicago at 11 o'clock A. M., on the third Wednesday in the month of May in each year after 1895 to elect directors and transact such other business as may be presented.

2. *Special Meetings*.—Special meetings shall be called by the president and secretary upon the order of the Board [fol. 295] of Directors, or whenever a request in writing therefor shall be received by the secretary bearing the signatures of fifteen holders of the stock of the company, as of record in its stock ledger. No business shall be transacted at a special meeting except such as may be embraced in the call therefor, and such as may be transacted by the affirmative vote of a majority of all the outstanding stock of the association at a meeting at which there shall be represented two-thirds of all the outstanding stock of the association.

3. *Notice of Meetings*.—The secretary shall give notice of all meetings of the stockholders by mailing to each

stockholder a written or printed notice, stating the time and place of meeting, and the business to be considered, if a special meeting. Such notices shall be mailed thirty days before regular meetings and ten days before special meetings, and in the case of members too distant to be reached by mail within forty-eight hours, such notices shall be telegraphed.

4. *Proxies.*—Stockholders may be represented at meetings by properly authorized proxies, who shall file a lawful power of attorney with the secretary, showing what stockholders and the number of shares they are empowered to represent. No salaried officer or employee of the association shall hold a proxy or vote the same.

5. *Books to be Closed.*—The stock shall be closed for thirty days preceding the annual meeting and for ten days preceding the day fixed for any special meeting. They shall also be closed for ten days preceding the payment of any dividends.

6. *List of Stockholders.*—Before any vote shall be taken it shall be the duty of the secretary to make a true list of all the stockholders present, designating those represented [fol. 296] in person and those represented by proxy, and when a division is called upon any question submitted to a *viva-voce* vote, he shall call the roll and enter the votes at large on the journal of the association.

7. *Quorum.*—A majority of all the stock of the corporation owned by members of the association must be represented to constitute a quorum for the transaction of business at a stockholders' meeting.

#### IV. Board of Directors

1. *Number of Directors.*—The affairs of the association shall be managed by eleven directors.

2. *Who May be Directors.*—Each director shall be a stockholder of this association, or a partner in copartnership which shall be such stockholder, or a stockholder or an officer of a corporation which shall be such stockholder, and any director who shall cease to be qualified as aforesaid shall thereby cease to be a director.

3. *Three Classes.*—The nine directors first selected shall be divided by lot into three classes of three each. The

first class shall hold office until the first annual meeting of the stockholders after their election; the second class shall hold office until the second annual meeting of the stockholders after their election, and the third class shall hold office until the third annual meeting of the stockholders after their election.

*Resolved*, That one additional director be added to the second class, and one to the third class.

4. *Election of Directors.*—At each annual meeting the stockholders shall elect directors to succeed those whose terms expire at such meeting and also to fill any vacancies in the board which may have occurred since their last annual meeting. Directors elected to fill the places of those whose terms have expired shall be elected for a term of [fol. 297] three years, and directors shall in all cases continue in office until their successors are elected.

5. *Powers of Board.*—The Board of Directors shall have the power to make contracts; to elect and remove officers, and to employ and discharge agents; to fix the compensation of officers and agents; to make assessments upon members, and modify assessments from time to time; to make and refund rebates on the same; to expend the money of the association for its lawful purposes, and to do all acts, not inconsistent with the act of incorporation and the by-laws, which they may deem for the best interests of the association. The votes of at least six directors shall be required to elect or remove an officer.

6. *Executive Committee.*—They may appoint an Executive Committee of not less than three of their own members, who shall have the same power as the board, except as to the trial of members as provided in Article XIV. The Executive Committee shall report all action taken by it to the next meeting of the board for its approval.

7. *Auditing Committee.*—They may appoint an auditing committee of not less than two persons, not members of the board, to examine the accounts of the treasurer.

8. *Other Committees.*—They may, by resolution, appoint other committees for special purposes, designating their duties and powers in the resolution of appointment.

9. *Reports.*—They shall make a printed report of all their doings and of the business of the association for each

calendar year, which shall be mailed to each stockholder at least five days prior to each annual meeting.

[fol. 298] 10. *Seal*.—They shall have power to adopt a corporate seal and alter the same at their pleasure.

11. *Meetings*.—The board shall hold a regular meeting the day preceding the annual meeting of the stockholders, and also another regular meeting to elect officers, and for other purposes, immediately after the annual meeting of the stockholders. It shall fix by resolution the date of the other regular meetings of the board, of which there shall not be less than one in every year in addition to the two regular meetings herein provided for. Special meetings may be called by the president or any two directors. Notice of all special meetings shall be given by telegraphing and by mailing a notice thereof to each director at least two days before the date of meeting, which notice shall be sent either by the secretary, the president, or the directors calling the meeting. A majority of the board shall constitute a quorum, but in case there be no quorum present a minority may adjourn from time to time until a quorum be obtained. The meetings of the Board of Directors shall be held in the city of Chicago or the city of New York, as may be specified in the resolutions of the board fixing the date of regular meetings and the notices calling special meetings.

12. *Vacancies*.—All vacancies in the board shall be temporarily filled by the directors until the next annual meeting of the stockholders.

## V. Officers

1. *Election*.—The officers of the company shall be a president, a first vice-president, a second vice-president, a secretary, an assistant secretary, and a treasurer, who shall be elected by ballot by the board, at its first meeting after the annual meeting of stockholders.

2. *Term of Office*.—All officers shall hold their respective offices until the next annual meeting of the stockholders [fol. 299] after their election, and until their successors are elected and qualified, unless removed by the Board of Directors.

3. *Duties of President*.—The president shall preside over all meetings of the stockholders and Board of Directors, at

which he may be present, and shall exercise general supervision and control over the business of the company, subject to the direction of the Board of Directors.

4. *Duties of Vice-Presidents.*—It shall be the duty of the first vice-president, in the absence or inability of the president to act to exercise all his powers and discharge all his duties, but in case of the absence or disability of both the president and first vice-president it shall be the duty of the second vice-president to exercise all the powers and discharge all the duties of the president, and in case of the absence or disability of the president, the first vice-president, and the second vice-president, a president pro tempore shall be chosen by the board.

5. *Duties of Secretary.*—The secretary shall attend all meetings of the stockholders and Board of Directors, and shall keep a true record of the proceedings thereof; he shall cause to be kept in the office of the company all letters, contracts, leases, assignments, and other instruments in writing and documents not properly belonging to the office of treasurer; he shall execute all bonds, contracts, and other instruments authorized to be made or executed on behalf of the company; provided, that all instruments requiring the seal of the corporation shall also be executed by the president. He shall also perform such other duties as may be assigned to him by the Board of Directors.

6. *Duties of Assistant Secretary.*—It shall be the duty of the assistant secretary, in the absence or inability of the [fol. 300] secretary to act, to exercise all his powers and discharge all his duties.

7. *Duties of the Treasurer.*—The treasurer shall receive all moneys of the association, safely keep the same, and pay out such sums as may be authorized by the Board of Directors. He shall keep full and accurate accounts of the receipts and disbursements, and take and preserve vouchers for all moneys paid out. He shall render a statement of the financial condition of the company at every annual meeting of the stockholders, and shall produce vouchers and make special and complete reports whenever so requested by the Board of Directors. He shall give a bond in such amount as the board may require, and his books shall be open at all times to the inspection of any stockholder.

## Relating to Members

### VI. Members

1. *Who Are Members.*—The proprietors of the newspapers receiving the news report of The Associated Press shall constitute its membership and be designated as “Members of The Associated Press.”

2. *Membership Roll.*—The secretary of the company shall keep a record of all newspapers entitled to a news report from the association, and be known as the Membership Roll, and no service of news shall be rendered to any newspaper until it shall have been properly enrolled.

3. *Who Are Eligible.*—Memberships shall not be confined to newspaper proprietors who are the owners of stock, but may be issued without regard thereto to any newspaper proprietor in accordance with the terms and conditions provided in these by-laws.

### VII. Admission of Members

[fol. 301] 1. *How Admitted.*—Application for admission to be a member of this association shall be made by a communication in writing addressed to the Board of Directors, and signed by the proprietor of the newspaper for which the news report is desired. The application shall be accompanied by the consent in writing of all persons whose consent is necessary under the by-laws, to authorize the board to grant the application. Applications may be acted upon at any meeting of the Board of Directors of the Executive Committee, the affirmative vote of a majority of those present being necessary to elect.

2. *Consent of Local Board.*—No new member shall be admitted except in accordance with the provisions of the bylaws relating to Local Boards, where publication is proposed in a city or town having at the time one or more members holding certificates of Series A. Newspapers which were entitled to a service of news under existing contracts with The Western Associated Press or The United Press on the 15th day of October, 1892, shall not be considered new members within the meaning of this article. In case of any membership contract issued under the consent of a local board, no change in the class of such contracts shall



be made without the consent originally required again being obtained.

3. *Membership Contract*.—Every member shall be required to execute a contract with the association before the name of the newspaper of which the member is the proprietor shall be entered upon the Membership Roll. The form of this contract shall be prescribed by the Board of Directors, and it shall conform to the requirements of the bylaws, embodying the substance of their provisions respecting the rights and duties of members.

[fol. 302] 4. *Stock Deposit to Secure Contract*.—Each membership contract with a stockholder shall obligate the member to deposit with the treasurer of the company all shares of the stock of the company of which he shall be the owner.

5. *Ratification*.—No membership contract shall be finally executed or binding upon the Association until it shall have been approved or ratified by the Executive Committee or a majority of the members of the Board of Directors.

#### VIII. Certificates of Membership

1. *Form of Certificate*.—The evidence of membership shall be a certificate signed by the president and secretary of The Associated Press and bearing its seal. It shall set forth the language in which the newspaper admitted as a member shall be printed; it shall state whether the newspaper is a morning or an afternoon paper; and the place of its publication; it shall entitle the holder to receive for publication in the newspaper named a day or night report, as may be specified upon payment of a weekly toll, to be fixed by The Associated Press, acting through its Board of Directors. Certificates shall be issued in two classes, to be designated Series A and Series B, and shall state the substance of the franchise obligations included in the contract of the members, as provided in these bylaws.

2. *Series A*.—The holder of a certificate of membership of Series A shall be entitled to receive the news report provided for in his contract, and no new membership shall be created in his city, or such additional territory contiguous thereto as may be specified in his contract, without the consent in writing of all the holders of certificates of Series

A in such city and additional territory, except as may be otherwise provided in these bylaws.

[fol. 303] 3. *Series B.*—The holder of a certificate of membership of Series B shall be entitled to the report specified in said certificate, and shall not be deprived of the same, except as may be provided in these bylaws. It shall not carry with it any exclusive or restricted privileges whatsoever, except as provided by specific contract otherwise, and its sole object shall be to establish the fact that the newspaper holding it is a member of The Associated Press, entitled to receive the specified service upon payment of the weekly toll fixed by the association through its Board of Directors.

4. *Divisions of Series A.*—Certificates of Series A class shall be of three kinds, to be designated as Series A, Series A Morning, and Series A Afternoon. Series A certificates shall be issued in all cases where the contracts do not specifically restrict and limit the veto power to the morning field alone, or to the evening field alone, and such Series A certificates shall entitle the member who holds them to all the powers of veto in respect to the admission of new members heretofore specified in section 2 of this article of the bylaws; Series A Morning certificates shall entitle the members holding them to the power of veto in respect to the admission of morning papers only; Series A Afternoon certificates shall entitle the members holding them to the power of veto in respect to the admission of afternoon papers only.

## IX. Rights and Privileges of Members

1. *Use of News.*—A membership shall only entitle the holder to publish the news of The Associated Press in one newspaper and in one language, as specified in the certificate, and to the use of the news received within stated hours.

2. *Hours of Publication.*—Morning papers shall be entitled to all despatches received in any office of The Associated Press before 5 A. M., standard time; with the privilege of publication between 11 P. M. and 11 A. M., standard time; and afternoon papers shall be entitled to all despatches received in any office of The Associated Press before 4 P. M., standard time, with the privilege of publication between 11 A. M. and 11 P. M., standard time; *Pro-*

*vided*, the Board of Directors or general manager may authorize, upon extraordinary occasions, the use of Associated Press despatches in extra editions outside of the hours named.

3. *Duration of Membership*.—No membership shall be issued or contract made for a term of years longer than the period for which The Associated Press is incorporated.

4. *Method of Withdrawal*.—A member may be permitted to withdraw by a vote of a majority of the Board of Directors, upon the payment of all assessments, the surrender of all shares of stock hypothecated as security for the membership contract, and the cancellation of his contract certificate of membership. All shares of stock so surrendered and all other stock of the association owned by the association shall be held in the treasury of the association, and be available for sale to new members by order of the Board of Directors under the provisions of the by-laws.

## X. Local Boards

1. *Charter*.—In every city where there shall be more than one member holding a membership certificate of Series A, of either of the three kinds, as hereinbefore provided for in By-Law VIII, there shall be a local board acting under a charter issued by the Board of Directors of the Association, which shall be signed by the president and secretary, and bear the seal of the company.

[fol. 305] 2. *Composition and Power*.—Every member in such city holding a certificate of Series A, of either of the three kinds, shall be entitled to a representation and one vote at all meetings of the local board, and no new membership shall be issued authorizing the publication of the news of the Association in any city without the unanimous consent in writing of the members of the local board in that city, whose consent may be required under the conditions of their membership certificates.

3. *How Organized*.—The local board shall organize within thirty days after the Board of Directors shall issue a charter, by electing a president, a secretary, and such other officers as it may elect to appoint. The secretary of the local board shall transmit the names of the officers so elected by communication in writing to the secretary of The As-

sociated Press, and if such notification shall not be received by the secretary of The Associated Press within sixty days after the date the charter is issued, he shall fix a day at which the members of such city or town shall meet for organization, and shall mail a notice to each member advising him of the date so fixed.

4. *To Furnish Information.*—The president of the local board in any city shall, upon a request received from the Board of Directors of The Associated Press, or from its president or general manager, furnish any information asked for regarding the members in that city, and shall convene the board to investigate any violations of these by-laws, and upon ascertainment of the facts shall report the same without delay to the officer or party making the request.

5. *Where Only One Member.*—In any city in which there shall be only one member holding a Series A certificate of membership, or either of the three kinds, such member shall [fol. 306] have and exercise all the powers of a local board under any of the by-laws, with respect to the specific privileges conferred by the class of membership certificate held by such member.

## XI. Duty of Members

1. *General Obligation.*—The contract made by The Associated Press with its members, whether holding under certificates of Series A, or either of the three kinds, or Series B, shall obligate the members of continuous publication of the paper named on the days of its regular publication; to take the service of the Association for a stated period; to publish the same in whole or in part; to pay a stated weekly assessment; and to furnish to the Association, subject to the mutual and common use of its members, all the news, local and telegraphic, of their respective districts, the area of which shall be determined in each case by the Board of Directors, but in the case of a member holding a certificate of Series A, either of the three kinds, this obligation shall not extend beyond the territory covered by his franchise.

2. *How News Shall Be Furnished.*—In cities where The Associated Press has an agent the members of the Association shall afford such agent convenient access at all times

to the news in their possession, which they are required to furnish as aforesaid, and in cities where the Association has no agent the members of the Association shall transmit to the Association the news required to be furnished by them in such manner as may be directed by the Board of Directors of the association or its general manager.

3. *What News To Be Furnished.*—The news which members shall furnish as herein required shall be all such news as is spontaneous in its origin, but shall not include any news that is not spontaneous in its origin, but which has [fol. 307] originated through deliberate and individual enterprise on the part of the newspapers first securing the same. Such original news shall be held to be individual and special to that newspaper.

4. *Association To Protect Specials.*—No news furnished to the association by a member shall be supplied to any other newspaper published within the district which the Board of Directors shall have described in defining the obligations of such newspaper to furnish news to the association.

5. *Change of Language.*—The language of publication of a newspaper for which a membership certificate shall have been issued shall not be changed without the consent of the Board of Directors of The Associated Press and the approval of all the members of the local board, if there be one, in the city or town in which such paper is published.

6. *Change of Name.*—Whenever the name of any newspaper, for which a membership certificate has been issued, shall be changed in any respect, the proprietor of such newspaper shall immediately thereafter give written notice of the change to the Board of Directors of the association and shall return its certificate of membership to be cancelled, whereupon a new certificate shall be issued in the new name and the contract with such member shall be changed to conform to such change of name.

7. *To Guard News Report.*—No member shall furnish the news of the association in advance of publication to any person who is not a member, or furnish to another member any news received from the association which the association is itself debarred from furnishing to such member.

8. *Sale of Purchase of Specials.*—No member shall furnish or permit any one to furnish its special or other news to, or shall receive news from, any person, firm, or corporation which shall have been declared by the Board of [fol. 308] Directors or the stockholders to be antagonistic to the association. And no member shall furnish news to any other person, firm, or corporation engaged in the business of collecting or transmitting news, except with the written consent of the Board of Directors. And no member shall pay any money or other valuable consideration to any person or association declared to be antagonistic to The Associated Press, under any contract, agreement, or understanding with such person or association in relation to or in connection with his or its business of furnishing news.

9. *To Print Credits.*—Members shall print in their newspapers such credit to The Associated Press, and to any paper or other source from which news may be obtained, as shall be required by regulations to be adopted from time to time by the Board of Directors.

## XII. Publication

1. *What Constitutes.*—The publication required of members shall be that a *bona fide* newspaper continuously issued, as contemplated in the specifications of the contract, to a list of genuine paid subscribers. A publication conducted for the purpose of preserving a membership, and not for public sale and distribution, shall not be regarded as sufficient compliance with those by-laws. The cessation of publication or irregular publication shall not be sufficient ground for suspension of a member, in the discretion of the Board of Directors.

## XIII. Assessments

1. *Payable Weekly in Advance.*—All regular assessments levied against members shall be payable weekly in advance, and the treasurer or general manager of the association shall draw on each member therefor every Monday. Such [fol. 309] assessments shall be paid promptly, and if any assessment draft shall be unpaid at the end of three days after presentation a penalty of 10 per cent. shall be added thereto, and it shall be the duty of the secretary to at once notify the member in default that the news service will be

discontinued at the expiration of two weeks from the date of the notice unless all overdue assessments and penalties shall have been paid to the treasurer of the association before that date.

2. *Redistribution of Assessments.*—In all cases where the assessment levied against a member is a fixed *pro rata* part of a total assessment required to be returned unimpaired as to the aggregate sum, from the city or town in which such newspaper is published, the whole assessment shall be redistributed *pro rata* among the remaining members in that city or town when any member is suspended or withdraws. All such additions to the assessments of the remaining members as they may have paid because of the discontinuance of a member shall be refunded to them before the board shall have power to restore a member who has withdrawn or been suspended from the privileges of membership.

#### XIV. Suspension of Members

1. *Board May Suspend.*—The Board of Directors shall have the power, by a two-thirds vote of the whole board, to suspend a member or impose upon him a fine not exceeding \$1,000 for furnishing news to any person or association antagonistic or in opposition to The Associated Press; or for purchasing news from any person or organization formally declared by the Board of Directors, or by the stockholders of the association at any annual or special meeting, to be in such antagonism or opposition, or for any other [fol. 310] violation of the by-laws or his contract; provided, always, that ten days' notice in writing of a complaint be first served upon the offending member, and said member shall have an opportunity to be heard in his own defense, and if said member shows that the offence was unintentional and shall have discontinued the same he shall not be suspended or fined.

2. *Report to Stop.*—Upon the suspension of a member the news report shall be discontinued and the facts in the case shall be reported to the stockholders of the association at their first regular or special meeting thereafter.

3. *Hearings.*—All hearings shall be at the general office of the association in the city of Chicago, unless otherwise arranged with the consent of the offending member.

4. *Opportunity to Appeal.*—No order of suspension by the board shall operate as a forfeiture of membership until the next annual meeting of the stockholders shall have been held, and until six months shall have elapsed after the order of suspension.

5. *Public Documents.*—Any member of this association who shall anticipate the publication of any documents of public concern confided to this association for use on a stipulated date, however said member may have secured said document, may be suspended from the service of this association for a period not exceeding one week, and may be fined by the Board of Directors not exceeding \$1,000, and be suspended until the same be paid. Provided, that no member shall be so suspended or fined without due opportunity for explanation.

6. *Board to Specify Prohibitions.*—Nothing in this or other bylaws shall be taken to prohibit any member from purchasing news from any person or organization which has not been formally declared by the Board of Directors [fol. 311] or the stockholders of the association to be antagonistic or in opposition to The Associated Press. Notice of such formal declaration as to any person, newspaper, or news organization shall be promulgated by a written or printed notification to all the members of The Associated Press so that they shall be equally bound by it before a cause of complaint shall be considered as having arisen.

## XV. Forfeiture

1. *Right of Appeal.*—If for any cause the Board of Directors shall suspend a member such member shall have the right to appeal from the board to the stockholders at any time within six months or at the next annual meeting after the suspension shall have been ordered. Appeals may be heard and determined by the stockholders of the association at any regular or special meeting.

2. *Forfeiture Takes Effect.*—If the action of the board shall not be reversed within six months or at the next annual meeting the membership of the suspended member shall be forfeited and it shall be the duty of the secretary to forthwith expunge the name of the newspaper from the membership roll.



3. *Readmission*.—A newspaper, whose membership shall have been forfeited, shall be eligible for readmission only upon the terms and conditions applicable to new members.

#### XVI. Reservations

1. *Powers Reserved*.—The Associated Press reserves the right to continue any service which it may be rendering at the time a certificate of membership is issued. It also reserves the right to combine, make working arrangements and exchanges of news and wire facilities with other press [fol. 312] associations; provided, two-thirds of all the stockholders holding certificates of Series A signify their consent in writing.

#### XVII. Construction

1. *Words Interpreted*.—The words “he,” “his,” “him,” and “who,” wherever occurring in these by-laws and referring to any member of this association, shall be understood to include any person, firm or corporation owning a newspaper which is on the membership roll of this association.

The words “owner” and “proprietor,” wherever occurring in these by-laws, shall be understood to be synonymous.

The words “company,” “corporation” and “association,” wherever occurring in these by-laws, shall be understood to be synonymous.

#### XVIII. Amendments to By-Laws

1. *How Amended*.—These by-laws may be amended by the Board of Directors at any regular meeting of said board by an affirmative vote of two-thirds of all the directors of the association; but no amendment shall become operative or take effect until the same shall have been recommended or ratified by a vote of three-fourths of all the stock represented at a meeting of said stockholders regularly convened; provided, that the amendment shall have received the affirmative vote of a majority of all the issued stock.

[fol. 313]

## EXHIBIT No. 11

Report of Board of Directors to Associated Press on May  
16, 1900*To the Stockholders of the Associated Press:*

GENTLEMEN: The general work of gathering and distributing the news service of the association during the past year has been of a satisfactory character and has met with the approval of the membership at large. Your board desires to impress upon your attention a change that has been going on in the demands of the reading public and hence of the members. Until the outbreak of the Spanish-American war interest in news from the foreign field was limited and the expenditures for service by cable were comparatively moderate. Suddenly, however, not only were the operations of the American army and navy in the Philippines and the Antilles of the greatest moment, but a keen desire was awakened for detailed information from every point of the globe. It thus became imperative to cover such events as the Dreyfus case and the South African war to an extent that had never been the policy there-fore. A marked increase in the expenses of the association has been inevitable, and the board has found it necessary to maintain increased assessments as a consequence.

As will be seen from the report of the general manager, there has been paid during the year the sum of \$57,104.82 of the principal and \$34,262.88 of the interest on the obligations issued to repay voluntary increases of assessment. Since the close of the fiscal year there have been further [fol. 314] payments on the principal to the amount of \$57,104.82, making a total reduction of this obligation of \$114,209.64.

The scheme of organization of the Associated Press, adopted in 1892, was believed at that time to be not only a lawful one but one which contributed in the largest measure to the proper and effective service of the general news of the world to the newspapers of the country. It was intended to be a scheme of cooperation, which would at once call forth the best energies of the management, bring into membership strong, healthful newspapers, and *put under close check all of the agencies employed for the collection and distribution of information to be published.*

Unfortunately it transpires that there were serious defects in the plan. All press associations were admittedly anomalous in their character; so much so that both in New York city and in the New England States the predecessors of this organization had been voluntary and unincorporated associations, while in the Western territory it had been found necessary to secure a special charter (enacted by the General Assembly of Michigan) for the organization of the Western Associated Press. There was no law in existence in Illinois or elsewhere in 1892 which, so far as we were advised, was precisely adapted to our needs. Under the circumstances an incorporation was effected under the general laws of Illinois and an earnest effort was made to bring the association in harmony with its provisions.

A Chicago member who had shared in the work of organizing the corporation seized upon the defects and a prolonged litigation followed, resulting finally in a decision by the Supreme Court of Illinois that the business of the Associated Press has become so impressed with a public interest that it becomes our duty to admit to membership [fol. 315] any newspaper applying, and that the rule in force for many years in all news gathering organizations, and providing for an alliance, offensive and defensive, between member and association, *was void as in restraint of trade*. This decision has been followed by a decree in obedience to a mandate from the Supreme Court, and your board has no alternate but to recommend to you the adoption of such amendments to your by-laws and contracts as will bring the corporation and its methods into conformity with the law as now declared by the court of last resort in the State from which we hold our charter. It will be necessary to strike from the by-laws the following:

1. The phrase in Article VII, section I, as follows: "The application shall be accompanied by the consent in writing of all persons whose consent is necessary under the by-laws to authorize the board to grant the application.

2. Section 2 of Article VII.

3. The following phrase at the close of Section I of Article VIII, reading: "Certificates shall be issued in two classes, to be designed Series A and Series B, and shall state the substance of the franchise obligations included

in the contract of the member, as provided in these by-laws."

4. All of Sections 2, 3, and 4 of Article VIII.

5. Article X entire.

6. The phrase in Article XI, Section I, as follows: "Whether holding under certificates of Series A of either of the three kinds, or Series B," and "to continuous publication of the paper named on the days of its regular publication; to take the service of the association for a stated period; to publish the same in whole or in part," and "but in the case of a member holding a certificate of Series A [fol. 316] of either of the three kinds, this obligation shall not extend beyond the territory covered by his franchise."

7. All of Section 8 of Article XI.

8. All of Article XII.

9. The phrase in Section I of Article XIV, reading, "for furnishing news to any person or association antagonistic or in opposition to the Associated Press; or for purchasing news from any person or organization formally declared by the board of directors or by the stockholders of the association at any annual or special meeting to be in such antagonism or opposition," and the words "or" and "other," immediately following thereafter.

10. All of Section 6 of Article XIV.

Your board recommends that all of the contract forms of the association be amended so as to conform to the changes in the by-laws indicated above.

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[fol. 317]

EXHIBIT No. 12

*Whereas*, In the formation of the Associated Press, under its present charter, it was the intention to organize a mutual cooperative associaiton, having for its purpose the gathering and exchanging of news among its members and not contemplating in any way the assumption of any other attribute that would attach to it a public use; and

*Whereas*, The Supreme Court of Illinois held that the nature of the charter and extent of its business had im-

pressed it in the view of the court with a public interest, such as would require it to serve all comers; and

*Whereas*, It is deemed impracticable to conduct a press association on the basis indicated by the court, the exclusive character of news being an essential element of its value and incentive to its collection;

*Resolved*, That the board of directors be instructed to take the necessary steps to wind up the service and affairs of The Associated Press, having always in view that ample time should be given all members to arrange for other news facilities.

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[fol. 318]

EXHIBIT No. 13

The Associated Press

The annual meeting of The Associated Press (New York corporation), which by the bylaws is fixed for Sept. 19, will be necessarily adjourned to a later date, of which due notice will be given hereafter. It has been found that the details incident to the perfection of the organization and the commencement of its new service are of such a character as to render it impossible to complete them in the time available before next Wednesday. A number of the newspapers served by The Associated Press of Illinois have not as yet forwarded their applications, and it will facilitate matters to have them in hand at once.

Frank B. Noyes, President.

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[fol. 319]

EXHIBIT No. 14

Confidential Communication to Publishers

In execution of instructions given by the stockholders of The Associated Press, conveyed in various resolutions adopted at their meeting in Chicago, on September 13th, the Board of Directors have arranged to wind up the affairs of the association, and to sell and transfer its assets to the corporation organized under the laws of the State of New York, and known as The Associated Press. Assurance has been given the Board in a satisfactory form that The Associated Press, of New York, will purchase and

take over the assets of the Illinois corporation, and furnish an adequate and complete service of news to all its members immediately upon the discontinuance of the service now rendered.

The Boards of the Illinois and New York corporations have entered into a written agreement in connection with the transfer of assets covering the full payment of all liabilities for which the association, its officers or its members may be responsible. The Boards of the two associations have also arranged that the news report of the Illinois corporation shall stop at midnight on Sunday, September 30th, and the news report of the New York association shall begin on the same day and at the same hour. In view of the early date at which the Illinois association will discontinue its news report, all its members are earnestly urged to immediately complete the necessary arrangements for securing the news from the New York association, to which end applications for membership in that organization should be filed without delay. The Board of that association has undertaken to admit all members of the Illinois [fol. 320] corporation with rights and privileges as nearly as practicable, exactly the same as those they now enjoy.

It has also arranged for the purchase at par of all stock held by stockholders of The Associated Press, of Illinois, and the details as to the manner in which stock will be redeemed under this arrangement will be communicated to the stockholders at an early date.

Charles W. Knapp, President, The Associated Press.

[fol. 321]

EXHIBIT No. 15

#### Notice

The Associated Press (New York corporation) will begin the service of news to all who have qualified as members, at midnight of September 30, 1900. To qualify it is necessary that the application for membership be sent at once in order that the applicant may be duly elected.

A general meeting of the members of the New York corporation for the election of directors will be held in the City of New York in the near future, and due notice will be given of the same.

Frank B. Noyes, President.

## Confidential to Members of the Associated Press

New York, September 21.—In view of the early discontinuance of the news report of The Associated Press, the Board of Directors has authorized the General Manager to cancel the membership contracts of all members making request to that effect. Upon application of a member and presentation of the membership contract, it will be duly indorsed as cancelled, and the member will be released from all obligation thereunder. It is desirable that all the membership contracts should be cancelled, the stockholders having ordered the Board of Directors to wind up the affairs of the corporation. The contracts should be forwarded at once to Charles S. Diehl at the Chicago office, so that the liabilities of the members thereunder may terminate at the time their new obligations as members of the New York corporation begin.

It can be stated for the information of all who are interested that the claim of the Inter-Ocean Publishing Company, for which a suit for damages is pending in the Illinois courts, has been amicably adjusted by arbitration, awarding a payment in final settlement. As a part of this settlement the Inter-Ocean Publishing Company has agreed to dismiss all suits which it has instituted against The Associated Press and its officers. Satisfactory arrangements have also been made with the New York Sun for the dismissal of all suits which it has heretofore begun against the association.

The New York papers, members of the Illinois corporation, decided unanimously at a meeting held today to be-[fol. 323] come members of the New York corporation, and there is every indication that the same course will be followed uniformly by all the members of the Illinois association, so that there will be no hiatus in their news service when the report of the Illinois association stops at midnight on Sunday, September 30.

Charles W. Knapp, President.

[fol. 324]

## EXHIBIT No. 17

Report of Committee to Associated Press Dated September  
21, 1900

The committee resumed its session on September 18 in New York and kept continuously in session till the evening of the 21st. While most of that time was devoted to an examination of the by-laws of New York, it has also carefully examined all subjects presented to it; it has had the advantage of the presence of and suggestions from a large number of interested Associated Press members; has had the legal views of all sides as presented by Messrs. John P. Wilson of Chicago and F. W. Lohman of St. Louis for the Associated Press of Illinois; by F. B. Jennings of New York for the Associated Press of New York; by Clarence A. Knight of Chicago for the Chicago *Inter Ocean*, and by James W. Gerard of New York on behalf of some of the New York papers. It has had conferences with the directors of both the New York Association and the Illinois Association.

It feels that each important detail of the questions submitted to it has been given thorough investigation and has in consequence, the fullest confidence in the correctness of its findings and recommendations, which are herewith unanimately submitted.

The Associated Press of Illinois should be disincorporated as soon as the interests of the members permit and the legal requirements can be satisfied. Action taken by the stockholders at Chicago in line with the recommendation of this committee empowers the directors of the organization to wind up its affairs and to arrange for a transfer of its assets to some other corporation.

[fol. 325] The news rights of members can, in our judgment, be better protected under a plan of organization followed in the New York Association than under any other which has been suggested.

With the amendments to the bylaws suggested by this committee the present rights and privileges of all members of the Illinois Associated Press who care to join it are maintained as nearly as possible under the laws of the State of New York. And this seems to be the only way in which they can be maintained.



After careful deliberation the committee unanimously decided to recommend various amendments to the bylaws of the Associated Press of New York, all of which have been accepted by the directors and members of that association and will be found in revised copies of its bylaws.

The committee found that the charter and bylaws of the Associated Press of New York embodied the same general plan as the bylaws of the Associated Press of Illinois, with such changes as had been necessitated to remedy legal defects, which experience had disclosed in that plan.

The president of the New York association explained to the committee that the attempt of the framers of its bylaws was not to improve on the present regulations and bylaws of the Associated Press of Illinois but to adhere absolutely thereto, as far as could be done under the laws of New York and judicial decisions. They assumed that the bylaws of the Illinois organization, in intent, had the approval of the stockholders thereof and should not be changed save by the stockholders themselves. The committee agreed with this view of the case, and, in the amendments proposed by it, sought to safeguard the rights of members more effectually without departing from the general plan of the organization, with which members are familiar.

[fol. 326] The most radical change made in the bylaws of the New York association as compared with the bylaws of the Illinois organization is the conversion of the unqualified veto power of members as regards local admissions to news service into a right of protest, which completely restrains action in that respect by the board of directors, but may be overruled by the affirmative vote of four-fifths of all the members of the association. The committee received emphatic warning from counsel that this was the extreme limit to which an embodiment of the old veto power could be safely attempted in the new organization.

This right of protest is further qualified by the proviso that the board of directors may elect to membership the proprietor of any newspaper which was entitled to a service of news under an existing contract with the Associated Press of Illinois on the thirteenth day of September, 1900.

The committee unanimously approves of the conversion of the veto power into this qualified right of protest.

By an amendment made at the instance of this committee the exercise of authority under the antagonistic

clause (Section 7 of Article VIII) is guarded by the requirement that the affirmative vote of two-thirds of all the members of the board of directors shall be necessary, and it is expressly provided that the authority of the board of directors in the election and discipline of members cannot be delegated to the executive committee, but is reserved to the full board.

Other amendments made at the instance of this committee are intended to assure members of early and complete information of all the proceedings of the association.

The directors are required to send their annual report for each fiscal year to each member at least twenty days [fol. 327] prior to each annual meeting. The directors are also required to mail to each member a report of the proceedings at the annual meeting and also of the proceedings at each meeting of the board of directors as soon thereafter as shall be practicable. The number of directors is increased from six to fifteen.

The holding of special meetings of the members is facilitated by requiring the call to be issued on the demand of fifty members instead of one-fifth of the membership as originally provided in the bylaws.

As the membership of the New York Association will be nearly 700 and may be increased it was thought that the one-fifth requirement might be too onerous a condition, while members should not be subjected to the trouble and expense of a special meeting unless the matter were of sufficient moment to obtain the signatures of fifty members to the call.

Other amendments made at the instance of the committee insure additional precautions against allowing bonds of the association to get into outside hands by divesting the bonds of voting privileges in such cases and making it mandatory upon the board of directors forthwith to call in and redeem such bonds.

Any newspaper entitled to the service of the Associated Press of Illinois on or before September 13, 1900, will be admitted to the New York organization with rights and privileges equivalent to those which it enjoyed under the Illinois corporation.

No members have been admitted as yet and no advantage will accrue to anyone simply because he has applied prior to this date, nor for any reason save the possession by him

of some privilege under his existing contract and in conformity with the bylaws of the Illinois Association.

[fol. 328] Applications for membership received prior to the date fixed by the New York association will be acted upon at the same time, granting to each applicant the particular right to which he may now be entitled. Your application should, therefore, be forwarded at once, with power of attorney to some one to sign the bylaws for you in New York City.

Applicants who apply later than the date fixed for admission can be received, but if they desire veto rights may find it difficult to secure from a large membership the seven-eighths vote necessary to confer such rights. This and the probability of early discontinuance of the Illinois association service sufficiently explains the committee's reasons for sending out its telegraphic statement of September 19 advising publishers of the committee's conclusion and urging speedy action in sending in applications.

Present stockholding members of the Illinois Associated Press may subscribe for bonds of the new association in proportion to the number of shares they hold in the Illinois association, \$1,000 in bonds for each eight shares of stock. Check or cash should accompany the subscription. If all who may should avail themselves of this privilege it will take up \$143,000 of the \$150,000 bonds authorized. Bonds not subscribed for in this manner will be held in the treasury till the annual meeting and await then the disposition of the members themselves.

These bonds carry with them the privilege of voting (for directors only), one vote being allowed to each \$25 in bonds, provided that the holder has formally waived interest thereon twenty days before the election, and provided that no holder is permitted to vote on more than \$1,000 in bonds.

The annual meeting and election of directors of the new association will be held in New York after the presidential [fol. 329] election—about the middle of November. Due notice thereof will be given and the chairman of the Chicago publishers convention, under whose authority this committee is acting, has issued a call for that body to meet in New York on the day preceding the meeting of the Associated Press to take such action as it may deem proper as to this committee's report and other matters that may be presented.

It should be remembered that at this convention and at a meeting of the new Associated Press every newspaper which has signed the bylaws and is receiving the news service is entitled to vote, either personally or by proxy.

An arrangement has already been perfected between the two associations under which the Associated Press of New York assumes all the legal liabilities, debts and obligations of the Associated Press of Illinois in consideration of receiving all its assets. According to the itemized statements examined by this committee the Associated Press of Illinois is in good condition, the present monthly revenues yielding sufficient to pay off all indebtedness, actual and possible, within a year and a half from this date.

As to liabilities of members of the Associated Press of Illinois, there is no stockholders' liability, the capital stock issued being fully paid up. Under the arrangements before referred to between the Illinois and New York corporations there will be no moral liability to stockholders, the debts and obligations being assumed by the New York corporation.

There is no liability for members under the present news contracts signed by them, since at the stockholders' meeting in Chicago, September 13th, the directors were instructed, under recommendation of this committee, to cancel any member's contract on his request, and to issue to [fol. 330] him a contract terminable upon ten days' notice from either party.

There will be no liability to the Illinois association itself under these news contracts, since all holders thereof are offered the same rights in the New York Association.

The suit brought by the Chicago *Inter Ocean* against the Associated Press and which threatened to prove a serious obstacle in the adjustment of the main issues has been brought to a conclusion through a settlement satisfactory to all parties, and the *Inter Ocean* has applied for membership in the new association.

The objections raised by the New York City Associated Press newspapers have been met by the committee's amendments to the by-laws and by local adjustments, and on September 21st, such newspapers formally notified the committee that they had decided to join the new association in a body. The committee knows now of no newspaper among the 670 members of the Associated Press of Illinois, that has

grounds for dissatisfaction with the new arrangement as finally perfected.

The committee in the course of its labors has had abundant opportunity to recognize the zeal, patience and fidelity with which the trustees of the corporate interests of members have labored in behalf of those interests, and the committee desires to record its profound appreciation of the value of the services of those gentlemen.

The committee unanimously adopted the following:

*Resolved*, That this committee recommends that when the members of the Associated Press of New York meet for the purpose of electing the full board of directors the following resolution be adopted:

*Resolved*, That the board of directors is hereby directed at the earliest practicable moment, to make a fair and reasonable [fol. 331] sonable adjustment of the assessments to the end that such modified rates may be based on reading population, proximity to news centres, cost of collection and transmission of news, or such other elements as may properly enter into the cost of the report and its value in the respective cities of publication, but treating each locality and each newspaper on the same basic principle.

The committee feels that it is justly able to congratulate the members upon the disappearance within ten days of the graver dangers that menaced the perpetuity of a united association and upon the favorable prospect of the safe reestablishment of a news service upon the principles of mutual ownership for the exclusive use of members.

The results accomplished are due in large part of the desire shown by all members of the association to promote the common good and to the earnestness with which they aided the committee in its responsible duties.

The committee, while adjourning on this day, holds itself ready at the call of the chairman to reconvene should the interest of the members seem to demand such action.

There seems to be no good reason, however, why its further services should be necessary and why it may not be discharged when the convention shall meet again in November.

H. W. Scott, Chairman. V. S. McClatchy, Secretary.

[fol. 332]

## EXHIBIT No. 18

## The Associated Press

(Incorporated under the laws of the State of New York,  
Frank B. Noyes, President, etc.)

New York, N. Y., September 18, 1900.

GENTLEMEN:

The Stockholders of the Associated Press, of Illinois, have directed the Board of Directors to wind up its affairs, and with that object in view the undersigned have been appointed by the Board as a Committee with power to submit a proposition for the sale of the assets of this corporation.

We believe it is practicable to make an arrangement for the sale of such assets to your corporation which will be of mutual advantage to both corporations concerned, and their members, and in accordance with our conferences with you and your co-Directors upon the subject, we now submit the following proposition:

We hand you herewith a copy of our balance sheet of July 31, 1900, from which it appears that the tangible cash assets of our corporation are nearly but not quite sufficient to meet its current recognized liabilities.

In addition to these assets as you are aware, our Corporation has many leases and contracts which will be of great value to your corporation, while it is also subject to certain contingent or possible liabilities not shown upon our balance sheet.

We propose to sell and transfer to your corporation all our contracts, leases and assets of every description other [fol. 333] than cash, and accounts and bills receivable, provided that you will agree in such form as our counsel may advise:

1. To pay to us upon demand such sum or sums as may be necessary to enable us to meet and discharge the liabilities shown upon said balance sheet, and all expenses incurred by our corporation in its current operations so far as the cash assets in our hands may be insufficient, we agreeing to devote such cash assets to that purpose.

2. To pay to us upon demand such sum or sums as may be necessary to enable us to meet and discharge any judg-

ment or judgments that have been or may be obtained against us or against any of our past or present Directors, and officers, including our General Manager and Assistant General Manager, in any suits now pending, a list of which has been furnished to you, and any and all expenses incurred by us or them in defending the same, or in connection therewith.

3. To assume and agree to pay any judgments which may hereafter be obtained against any of our past and present Directors and officers, including our General Manager and Assistant General Manager, in causes of action arising out of anything done by them as such Directors and officers.

4. To pay to us upon demand such sums as may be necessary to enable us to pay any amount that may be found due from us to the Inter Ocean Publishing Company, in the arbitration proceedings now pending between it and our Company.

5. To assume all the obligations of all contracts and leases so sold and transferred to you.

6. To assume our liability to our members on account of a voluntary increase in their assessments during the period from 1893 to 1897, amounting to about \$186,000, and to [fol. 334] agree to discharge the same, with interest, on or before December 31, 1905.

We, upon our part, agree to proceed with all practicable speed to liquidate our corporation, and cause it to be dissolved.

If this proposition is accepted by your corporation a more formal agreement can be prepared in such form as our respective counsel may approve.

Yours truly, (Signed) Chas. W. Knapp, Victor F.  
Lawson, Charles H. Grasty, Committee.

[fol. 335]

## EXHIBIT No. 19

New York, September 20, 1900.

Messrs. Charles W. Knapp, Charles W. Grasty, and Victor  
F. Lawson, Committee.

GENTLEMEN:

Our Corporation has arranged for the purchase at par of any stock held by your stockholders in your corporation, which may be tendered on or before November 1, 1900, and you may announce to your stockholders accordingly that any certificates for such stock presented on or before that date at the General Office of the Associated Press in New York City, duly endorsed in blank, will be accepted and paid for at par.

Yours truly, (Signed) Stephen O'Meara, William  
L. McLean, Frank B. Noyes, Committee.

(133)

[fol. 336]

## EXHIBIT No. 20

New York, September 20, 1900.

Messrs. Charles W. Knapp, Charles H. Grasty, and Victor  
F. Lawson, Committee.

GENTLEMEN:

The proposition contained in your letter of September 18, 1900, has been duly considered by our Board, and by their authority we, as a committee duly appointed with power, hereby accept the same, provided, however, that it is distinctly understood that in making the purchase proposed we do not assume any liabilities except those specified in your letter, and particularly that we are not to be responsible for any liability or obligation growing out of demands made upon you for a news service, either through proceedings in court or otherwise.

Yours truly, (Signed) Stephen O'Meara, William L.  
McLean, Frank B. Noyes, Committee.

(134)



[fol. 337]

## EXHIBIT No. 21

*Resolved*, That the General Manager and President of this Corporation be and they are hereby authorized to make and deliver to the officers of The Associated Press of Illinois a check for the sum of Twenty-five thousand dollars, upon the receipt of such Bill of Sale and Assignment duly executed.

(135)

[fol. 338]

## EXHIBIT No. 22

*Resolved*, That the acts of the Special Committee appointed at the meeting held September 19th, as indicated in the foregoing letters written by said Committee, under date of September 20, 1900, be and the same hereby are in all respects adopted, ratified, approved and confirmed as the acts of this Corporation.

(136)

[fol. 339]

## EXHIBIT No. 23

In the Western Associated Press and in the Illinois Associated Press were established what were known as "veto rights" in which certain members were given the right of forbidding the service to additional newspapers in defined territories, ranging from a given city to the territory within a radius of 150 miles.

When the present organization was formed this was modified to a "right of protest" which provided that unless the protest right was waived the Board of Directors could not elect a member in opposition to a "right of protest" but that the general membership at meetings was entirely free to elect members anywhere if it so pleased.

At that time of a total of 603 members, 277 were granted protest rights of a greater or less degree. The mortality of newspapers is indicated by the fact that the number of protest rights now is but 219. No new ones have been granted since 1900, while the membership has increased from 603 to 1,272.

It long ago became apparent that these protest rights, when they affected territory other than the home city of a

member and the immediate suburbs, say a radius of ten miles, if insisted on, would seriously limit the usefulness of the organization generally, both as denying us quick access to news of the city refused membership and also as creating hostility on the part of the communities thus excluded.

The recognition of this situation has been singularly general, and taking the country as a whole, the points where protest holders have exercised their rights of protest on [fol. 340] outside territory have been almost negligible, six or eight at most.

In a few cases where after careful consideration your Board of Directors have felt that the interests of the general membership would be served and no substantial injury result to the protesting members, it has recommended as individuals that the general meeting elect the applicant.

Until the last meeting such recommendations have been followed by the meeting and the applicant elected. At that time the Board recommended individually the election of an applicant in a city more than forty miles from the protesting member and one which had for years supported profitable local newspapers which received news reports from opposition services and contributed money and, more important, news to the support of these services.

On this occasion while the vote was favorable to election by a very large majority, it was not sufficient under the by-laws and the applicant failed of election.

At the same meeting it was suggested by the Board that a resolution be adopted endorsing the opinion of the Board of Directors that it is to the best interest of the organization that members holding rights of protest extending beyond ten miles from the limits of the city of publication should not exercise such rights. The suggestion was laid on the table.

It would show a lack of frankness if I failed to say that I feel sure that these votes were not for the best interest of the organization.

The Board of Directors when acting on applications where no protest rights are involved gives most careful attention to the various interests concerned, the interests of the individual members and that of the collective membership.

[fol. 341] In the overwhelming majority of cases it decides that the field is already adequately filled and the applicant is not elected.

In no case has it elected or recommended election when it felt that real injury was done a present member.

In no case I think has an election by the Board or by the membership on its individual recommendation resulted in any real injury to a member.

[fol. 342]

EXHIBIT No. 24

Report of the Special Committee on Revision of the Bylaws

At the annual meeting of members of The Associated Press held in New York, April 21, 1941, the following resolution was adopted by unanimous vote:

*That a representative committee of three morning, three evening and three morning and evening combination newspaper members (the word "representative" meaning as between large and small membership) be appointed by the President, with power vested by this convention to present to the next Annual Meeting, or to a special meeting called for that purpose, such amendments or revisions of the Bylaws of The Associated Press as may be necessary or desirable in the interests of The Associated Press.*

Pursuant to this resolution, the President appointed the undersigned members of this committee.

At the conclusion of your committee's first meeting, held in New York, May 23, 1941, a letter was sent to all members of The Associated Press, which,—after reciting the resolution authorizing the committee's appointment, and its personnel,—read as follows:

The Committee met at the offices of The Associated Press in New York, Friday, May 23, all members being present except Messrs. Chandler, Gannett and Sulzberger.

In all-day session, we considered at length the possibility of amendment and revision of the By-laws that might be desirable in the interests of The Associated Press. We considered conditions confronting the [fol. 343] Management and the members today, differing from those existing at the time of the last general revision of The Associated Press By-Laws forty years ago.

At this meeting we reached the general conclusion that to accomplish the purposes for which we were appointed, we should need in the fullest measure the comment and views of the membership upon the desirability of changes in the By-Laws to meet new and changing conditions.

It will be obvious that any comprehensive revision or amendment of the By-Laws involves rights and privileges and benefits accruing to individual members. We are therefore not only inviting but urging that you collaborate in our effort by:

1. Carefully scrutinizing the existing By-Laws, copy of which we enclose.
2. Advising us promptly of any changes in the By-Laws which you think needed to provide more adequate service or greater use of existing services of The Associated Press.
3. Sending us fully your comments upon the *the* implications of such changes to you and to the membership as a whole.

It is the purpose of your committee to meet again late in June. So that we may have the benefit of your views, we urge that you send them not later than June 15. Please address John S. Knight, Chairman, Detroit Free Press, Detroit, Mich.

Less than 2% of the membership having replied to this communication, on June 26, 1941, the following wire was sent to all members:

Detroit, June 26.

The Special Committee on Revision of By-Laws sent to you on May 23 an important letter relative to any suggestions you may have for amending or revising the regulations of The Associated Press and bringing the [fol. 344] By-Laws up-to-date. The Committee regards this matter as extremely important and requests that your views be forwarded at once to the Chairman. They will be given every consideration by the Committee. If by chance you have misplaced the original letter, please advise and another will be forwarded.

John S. Knight, Chairman, Care of Detroit Free Press, Detroit, Michigan.

Approximately 5% of the membership addressed replies to your committee following the dispatch of this wire, and on September 29 and 30, your committee met again in New York to consider the content of the replies received from the membership to its letter and wire (which covered a wide range of suggestions) and to discuss and formulate recommendations. A subcommittee was appointed to prepare a draft of the recommendations agreed upon, and December 9th and 10th, 1941, your committee met in New York for full consideration of this draft. In view of the scope of the By-Law changes we had concluded to recommend to the membership, it had been our original intention to present our conclusions in general terms, without undertaking to suggest the phrasing of specific bylaw amendments. At our December meeting, however, it became apparent that the membership could not be expected to act upon suggestions for By-Law Amendments, without opportunity to examine the specific provisions of amendments proposed. Our subcommittee was requested to prepare a new draft of report including therein the amendments necessary to make effective By-Law changes we deem necessary and expedient. A revised draft was presented to the full committee December 18th. January 5 and 6, 1942, our subcommittee met in [fol. 345] New York with the By-Laws Committee of the Board of Directors, and in conferences with both the Directors' Committee and the management exhaustively explored all phases of the By-Law changes this report proposes.

This report, as now presented to the membership was adopted by unanimous vote of your committee meeting in New York February 3d, 1942.

We have given full consideration to all communications received and to all matters submitted by the management for our consideration and study, pursuant to the resolution authorizing our appointment. We now present the following report and recommendations for such consideration and action *on each suggested amendment* as the membership of The Associated Press may determine:

\* \* \* \* \*

In our consideration of the desirability of revision of the By-Laws of The Associated Press, we have concluded that no adequate recognition of the need of such revision can be accomplished without reviewing the changes in the

character and extent of our Association's *service to its members* which have been brought about in the past three decades. We believe these changes have, in every instance, been made to meet the requirements of members. Members' requirements have in turn expanded to meet the demands of changing habits, changing interests and needs of the public we serve. At every step in the history of the past thirty years, member newspapers have *themselves* met new demands for reader service, new demands for rapid mechanical production and quick distribution to growing populations, new demands for the fast transmission of news presented in type, pictures, and over the air. To keep abreast of these demands, the management of The Associated Press [fol. 346] has had to exercise ingenuity well beyond that required of the managements of privately owned press service organizations, which are not restricted by the limitations imposed by complicated bylaws.

In our *individual* enterprises as members of The Associated Press we have been called upon to acknowledge,—and have acknowledged,—validity of the maxim that: "Nothing is changeless but change." In our great *common* enterprise as an "Associated Press," we have restricted our collective ability by hesitating to recognize and meet the changes, that *individually* we have acknowledged and met without hesitation.

The objects and purposes for which the present Charter of The Associated Press was granted in May 1900 were stated to be:

*"to gather, obtain and procure by its own instrumentalities, by exchange with its members and by any other appropriate means, any and all kinds of information and intelligence, telegraphic and otherwise, for the use and benefits of its members and to furnish and supply the same to its members for publication in the newspapers owned or represented by them, under and subject to such regulations, conditions and limitations as may be prescribed by the By-Laws; and the mutual cooperation, benefit and protection of its members."*

The By-Laws of The Associated Press were adopted to implement these objects and purposes stated in the Charter. But the By-Laws haven't worked that way; and *in carrying out the objects and purposes of our association*, the Board

of Directors and the management have repeatedly found it necessary to adopt procedures required by changed conditions and circumstances.

We can best illustrate this fact by reference to the following "Note to Editors," sent to all members January 24, 1941:

[fol. 347] The Associated Press today made the following announcement:

Press Association, Inc., all of the stock of which is owned by the Associated Press, has been launched by the latter organization to carry on certain activities, including salvage operations, which *experience has shown* can better be handled by a subsidiary company than directly by the news association itself. It will be familiarly known as P. A.

The new organization is the fourth subsidiary established and owned by The Associated Press. The first was The Associated Press of Great Britain, Ltd., which began operations, with head offices in London, in 1931. It is an administrative organization which delivers news and news pictures to England and is not to be confused with AP Bureaus abroad which gather news for use by Associated Press members in this country. The Associated Press of Germany (GmbH), was organized the same year, operating on the continent, with headquarters in Berlin. It operates a news photo service. In 1939 La Prensa Asociada (The Spanish equivalent for the name of The Associated Press) was incorporated to administer The Associated Press service in Latin America. The success that has attended operations of these subsidiary companies has entirely proved the wisdom of the procedure.

P. A., among other things, will arrange for and supervise the news availability of The Associated Press news to radio. Offices of the new company will be located on a separate floor in the building at 50 Rockefeller Plaza which has come to be known popularly as "the news center of the world" since The Associated Press moved its New York headquarters to that address in December 1938 and gave its name to the building. The new company will begin operations as soon as the offices on the sixth floor of the building are ready for occupancy.

[fol. 348] The executive head of P. A. will be William J. McCambridge, formerly Assistant General Manager and Assistant Secretary of The Associated Press. Mr. McCambridge's title will be that of General Manager.

There are eight directors. Seven of them constitute the present executive committee of the Board of Directors of The Associated Press, Kent Cooper, General Manager of The Associated Press, is also a director.

Additional activities of Press Association, Inc., will be decided upon by the Board of Directors as matters progress. Broadly, the obligation of the new company will be to relieve the parent company of the administration of details not intimately part of the regular news and news photo collection and distribution for publication by Associated Press member papers.

In a statement respecting the creation of the subsidiary, Mr. Cooper said: "The complexities of news and news photo collection and dissemination in the year 1941 makes it advisable for The Associated Press to relieve itself of many activities which, while related to news and news photo collection and dissemination, are more or less extraneous to the work of furnishing news to newspapers. This does not mean that The Associated Press is delegating the actual gathering and distribution of news and news photos—its prime mission—to any other agency. On the other hand, segregation of these extraneous matters to another company will facilitate more than ever this prime function of The A. P."

In August of 1941, a desirable improvement in The Associated Press Newsphoto Service was accomplished by the purchase of all the stock of Wide World Photos, Inc., another wholly owned subsidiary. This subsidiary also has its own directors nominated by our Board and its own By-Laws, and the A. P. Board holds that the operations, of Wide World service must be "in harmony" with the A. P. By-Laws.

These subsidiaries have all been acquired and their activities promoted with but one end in view,—*improvement of the service* to members with a minimum of added cost,—in other words: "promotion of the objects and purposes of The Associated Press." Through them A. P. service has



been spread all over the world, its prestige immeasurably enhanced, its news and picture service to members vastly improved, its news made available to radio.

Years ago the General Manager was authorized "*upon extraordinary occasions*" to permit the use of A. P. dispatches outside regular hours of publication. In the war of 1914-18, by this expedient, A. P. news was made available for *special editions* and *extras* printed by morning papers in the evening hours, and evening papers in the morning hours. Shortly after the outbreak of the present war, Associated Press news reports were again placed upon an EOS basis, *and at the present time the day report is fully available for morning papers, as is the night report for evening papers.* This circumstance and the undoubted desirability of its continuance for some time to come, must be considered a substantial factor in the consideration of the questions referred to us.

In the light of the history briefly sketched above, and in consideration of all available data bearing upon specific questions to which we shall refer hereafter, we submit to the membership the following recommendations:

## I. Membership

Article III of the By-Laws provides (Section 1) that members may be admitted to The Associated Press "by the [fol. 350] affirmative vote of not less than four-fifths of all the regular members of the corporation" present at any regular meeting, or at a special meeting called for that purpose.

Members may also be elected by the Board of Directors under provisions of *Section 2, provided that existing rights of protest have been waived.* Section 7 defines those holding protest rights and describes the right as empowering "the member holding it to demand a vote of the regular members of the Corporation on all applications for the admission of new members" in the same field. Thus the By-Laws clearly provide a means, *by membership vote*, for the election of new members over the protest rights of member newspapers. Though the membership of The Associated Press has approximately doubled since its charter was issued in 1900, there have been but few instances where new members have been admitted by vote of the membership in fields where protest rights exist.

In the early history of The Associated Press the limitation upon admission of additional members provided by the By-Laws brought about an enhancement in the values of Associated Press memberships. In metropolitan centers Associated Press memberships were often carried on the books of member newspapers at values upwards of a million dollars; and in the early twenties, transfers of such memberships were made upon considerations well into the hundreds of thousands.

But in the last twenty years, there has been growing evidence of a decline in membership values. A number of considerations have brought about this decline, but noteworthy among them has been the same circumstance that,—in the earlier years of The Associated Press,—promoted the high [fol. 351] values attached to membership. ~~Unwilling to acquire memberships through the cumbersome processes set up in our By-Laws, newspapers have resorted to the use of other services for their news reports.~~ The privately owned services, prospering with this added patronage, have provided a news report which, though inferior, has often been found adequate for successful newspaper operation. In some instances, “non-member” newspapers have even demonstrated their ability to serve their communities and achieved dominant circulations, without Associated Press service. Though these results have been accomplished by superior management in other elements of the newspaper enterprise than those involving news service, the result has been the same,—*a lowering of values ascribed to our own superior service.*

We are persuaded that among the membership there is growing recognition that limitations on the availability of our news service has only served to build the effectiveness of competitive services, and is therefore undesirable.

That there are values inherent in Associated Press membership, no member will deny. There can be no question that in all instances these values have been built in large part by members themselves. The newspaper which, through adequate presentation of Associated Press news in any territory, has promoted public acceptance of the integrity of The Associated Press, has thereby built into its own membership some part of the intangible values which accrue with the public acceptance of any product, tangible or intangible. That these inherent values—these “prop-

erty-rights" in A. P. membership *can* (by vote of four-fifths of the membership) be taken away from any member who refuses to relinquish them for the good of *all* members—is [fol. 352] also undeniable. The framers of the original By-Laws undertook to provide means for the protection of the interests of the *whole* membership against those of the *individual*. The method they devised has not withstood the pragmatic test—it hasn't worked. Now only by amendment of the By-Laws can the needed *protection for all members be accomplished*.

It is the opinion of our committee that the provisions of Article III should be amended to take recognition of the desirability of admission to membership of those otherwise qualified and prepared to pay for demonstrated values of membership; recognizing at the same time the need to retain for members holding protest rights the values reasonably to be ascribed to their rights.

To accomplish this purpose we submit amendments to Article II and Article III and other articles of the By-Laws which we believe provide:

1. A standard and uniformly-applied method of recognition of the values of A. P. membership, based upon the amount of the assessments theretofore paid in the area in which the membership is located, together with such other legal and equitable standards as the Board may determine.
2. Payments by the applicant for membership to The Associated Press for the benefit of members in the area whose service and assessments have contributed to the values recognized by the right of protest as defined in the By-Laws.
3. For the election of new members by a majority of the membership present in person or by proxy in annual or special meeting called for such purpose; or by the Board of Directors; *provided only* that payment by the applicant has been made as above provided.

[fol. 353]

#### Hours of Publication

At the Annual Meeting, April 21, 1941, a "Special Committee on Hours of Publication" recommended adoption of a change in hours of publication as provided in Article VII of the By-Laws dealing with "Rights and Privileges of Members." Proxies were collected from the membership in advance and after vigorous debate the recommended

amendment was adopted by a majority vote. The amended hours for publication of "morning papers" were fixed from 7:00 P. M. to 9:00 A. M. and those for "afternoon papers" from 9:00 A. M. to 7:00 P. M.

Among the replies to your committee's request to the members was one requesting that this amended By-Law be further revised to provide for morning paper publication from 8:00 P. M. to 8:00 A. M. and evening publication from 8:00 A. M. to 8:00 P. M. Some fifty afternoon papers wrote to your committee favoring this revision, and the arguments presented in these letters have had our full consideration.

The communications we have received as well as the arguments presented in the debates over the "Rights and Privileges of Members" during the past two annual meetings convinced us that this whole Section of the By-Laws was deserving of close scrutiny and careful consideration. We doubt if any division of hours can be devised under existing conditions, which will be satisfactory to both "morning" and "afternoon" newspapers. This is true particularly where evening papers publish "non-member" Sunday editions. We have concluded that the problem of division of hours, and the problem presented by papers holding "afternoon" memberships and publishing "non-member" Sunday editions, are so alike in character that they must be treated together.

[fol. 354] When the present charter of The A. P. was issued and its original By-Laws adopted, "morning newspapers" were published (i. e., made available to the public and placed on sale) *in the morning*, afternoon newspapers were published *in the afternoon*, and Sunday papers *on Sunday*. Hours of morning and evening publications were so generally accepted that it was not found necessary anywhere in the By-Laws to define what was meant by "morning" or by "afternoon" papers. This fact accounts for much of the difficulty we believe exists today.

Weekday "morning" papers are now frequently printed and on sale as early as six o'clock in the afternoon preceding the morning whose date they bear; "afternoon" papers are available to purchasers as early as 8:30 A. M.; many Sunday newspapers are on sale the preceding Wednesday everywhere except in the city of publication, and there in mid-afternoon Saturday. The "hours of publica-

tion" of these newspapers are now fixed in the By-Laws with some recognition of the change in member concepts of "morning" and "afternoon"; but the *actual hours of publication* of members' newspapers vary all over the dial. The "extra" for which the By-Laws in 1911 provided EOS news service has practically disappeared. Every day is extra—a fact wisely recognized by the Board in its present provision for EOS—extraordinary service every extraordinary day—and every day "extraordinary."

Removal of the restrictions imposed upon A. P. management concerning the sale of radio, by action of the membership at its annual meeting in 1939, has contributed a factor which, we believe, is clarifying membership thought in interpreting publishing restrictions which we have imposed [fol. 355] upon ourselves. It was to implement availability of A. P. news to radio that Press Associations, Inc., heretoreferred to, was organized as an Associated Press subsidiary. We adjusted *news broadcasting* to the pressure of *news publication* (the primary purpose for which we are associated together) to the realities.

Under the By-Laws as amended last year morning papers received The Associated Press "night report" for publication from 7:00 P. M. to 9:00 A. M.; afternoon papers the "day report" for publication from 9:00 A. M. to 7:00 P. M. But both morning and afternoon papers may receive either the day or night report for *broadcasting purposes* twenty-four hours a day. Members may themselves *broadcast* news during their "non-member hours," or even sell the broadcasting rights to sponsoring advertisers.

We have created a paradox in which an advertiser, one with no interest in the validity of the news broadcast, a complete "outsider," may acquire the benefits of our Associated Press news facilities, and publish the news by radio *during hours in which the publisher member himself is forbidden to use his own presses*. We penalize ourselves if we use the mechanical facilities in which we have made heavy investments, and reward ourselves, or others, for publishing the same news with our own or someone's else radio equipment.

The Associated Press was primarily *an organization of printers*. Our members employ thousands in the printing and allied crafts. With complete lack of logic in the hand-

ling of our own associated interests, we impose inhibitions upon our great printing enterprises and discourage the use of our traditional plant equipment. In making an adjustment to the always shifting social and competitive scene, we have sped the obsolescence of our own capital assets.

[fol. 356] We have found inescapable the conclusion that the modernization of our By-Laws involves recognition of the facts that our members should be given means to enjoy the opportunity to receive and use Associated Press news reports for *printing* on some basis similar to that by which we have made them available for *broadcasting*. The suggested amendments are designed for that purpose.

All the arguments pertinent to existing difficulties in restricting publication hours of morning and afternoon papers apply with equal force to the Sunday newspaper situation.

Recognizing the validity of the tradition that there are established values in Associated Press memberships, unquestionably the values of those memberships are affected by the value of Associated Press prestige and efficiency in comparison with the prestige and efficiency of privately owned competitive news services. And when the business of The Associated Press is handled in a manner directly calculated to build the prestige and efficiency of rival organizations, the value of Associated Press memberships is bound to decline.

Instances have multiplied in which six-day afternoon papers have been forced to realize that Saturday,—a full work day in 1900, and almost universally a half-holiday in the last decade,—has become a whole holiday for millions of workers. Saturday issues of afternoon papers in almost all cases and in almost all communities have been published at a loss. As a result afternoon papers, members of The Associated Press, have found it necessary to publish technically “non-member” editions on Sunday,—both to reach their afternoon readers on equal terms with Saturday afternoon editions of *Morning-Sunday papers*,—and to meet the competition of radio broadcasts of local and A. P. news on Sunday.

[fol. 357] Under the existing By-Laws afternoon members are denied the right to utilize the service of The Associated Press for Saturday night service for use in Sun-

day editions. They may broadcast A. P. news service during forbidden Sunday publication hours, but they can't put it on their presses. Here also the result of By-Law restrictions has been constant accretion to the revenues of competing news services and constant loss of prestige and competitive values to The A. P. To make it possible for members of The Associated Press owning Sunday "non-member" newspapers to acquire the right to publish the Sunday report, we have suggested amendments to Article VII of the By-Laws. These amendments provide a method by which the Sunday reports shall be made available to *members* owning afternoon papers upon payment by such members (to those now entitled to protest rights in the Sunday field) and payment of the Sunday assessment, in substantially the same manner as is provided by the amendments to Article II of the By-Laws for *new members* to acquire such rights.

#### Board of Directors

It was suggested by several members that amendment should be made to the By-Laws limiting the number of successive terms to be held by Directors and providing for better geographic distribution of the residences of Directors. We have hesitated to suggest an amendment to limit the number of a director's successive terms. That valuable service has been rendered by the present Board of Directors; that the administration of our Association's affairs has been ably conducted by the Directors in the past, we do not question. But we do believe that reasonable provision to provide for changes in the constitution of [fol. 358] the Board from time to time without destroying reasonable continuity of service will increase the interest of the membership in the annual elections, decrease the reluctance of members to submit their candidacies for membership on the Board, and insure for the future the high quality of director's service that good fortune has brought in the past.

We are submitting amendments to Article V of the By-Laws to accomplish this purpose.

#### Other Amendments

In the replies to our letters to members, we receive a number of valuable suggestions for amending the By-Laws,

all of which we have considered. Among them was a suggestion that the method of amendment as provided by the By-Laws is unduly restrictive. With this we agree, and accordingly we have proposed an amendment making possible By-Law amendments without the necessity of the four-fifths vote required in the present By-Laws.

It has been suggested that the Board of Directors should have the power to relieve from their assessments members who are forced to suspend because of causes beyond their control. We have prepared an amendment to empower the Board to permit continuance of memberships where publication is temporarily found by the Board to be beyond a member's control.

### Conclusion

In addition to the suggestions for amendments to the By-Laws upon which we have based recommendations in the foregoing section of our report, we received a number of suggestions calling attention to the need of clarification in the language of a number of By-Laws not otherwise requiring amendment. A number of the By-Laws could [fol. 359] readily be made more clearly applicable to existing conditions.

It has been the practice of the management to issue new pamphlets whenever the By-Laws or Charter provisions have been amended; and some twenty-seven of these issues have been printed and distributed to the membership since The Associated Press' organization. In our study, we have frequently been brought to face the fact that only in the bound volumes of the annual proceedings of The Associated Press is it possible to find recorded the history of The Associated Press' present By-Laws and of their amendment through the years.

We earnestly recommend to the Board of Directors the wisdom of preparing a completely codified history of the Association's charter amendments, By-Law amendments and resolutions of the Board and of the membership in annual meetings. These documents represent not only the rules governing the relationships of members with their Association (problems about which questions frequently arise in the offices of all members) but they provide a history of the growth of what has become the world's greatest newsgathering organization. It is in the interest of every



member of the Association to have available at all times a thorough codification of rules so important in the administration of his newspaper.

We should not conclude this report without taking cognizance of circumstances in connection with our proposals for broadening the opportunity of the acquisition of Associated Press memberships, which have arisen since its preparation was commenced.

Members of The Associated Press, in common with those engaged in all other enterprises throughout the country, [fol. 360] are becoming increasingly aware that changes have taken place within the last decade in the judicial interpretation of the "rights of property." Whether members sympathize with more recent decisions of the highest courts or not, the fact remains that recent judicial interpretation has recognized new meanings in old laws, and upheld the validity of new laws imposing new obligations upon "private property." The obligations of the members of The Associated Press toward applicants for membership may hardly be expected to be freed of the implication of what may seem to many to be a new philosophy.

We do not assert that these considerations should be controlling of the action of members in the thinking of members about amendments that we have suggested. But unquestionably they may well be considered in directing the attention of members to the importance of the attention to which we believe these amendments are entitled. Probably in no period of the history of The Associated Press has the need of scrutiny of our relations by all of our members been as apparent as now.

Appended are the By-Laws amended in accordance with the suggestions herein outlined. So that our proposed amendments may be considered in connection with the provisions of the existing By-Laws, we have printed the existing By-Laws in full in the second column, indicating in CAPITAL LETTERS any portions omitted in the amendments. In the first column we have indicated our amendments in each case by the use of CAPITAL LETTERS.

Respectfully submitted, John S. Knight, Chairman,  
Detroit Free Press; S. E. Thomason, Tampa  
(Fla.) Tribune; Chas. P. Manship, Baton Rouge

[fol. 361] (La.) State Times; Howard C. Rice, Brattleboro (Vt.) Reformer; Frank E. Gannett, Rochester (N. Y.) Times-Union; Oscar Stauffer, Arkansas City (Kans.) Traveler; Norman Chandler, Los Angeles (Calif.) Times; Arthur Hays Sulzberger, New York Times; Curtis B. Johnson, Charlotte (N. C.) Observer; Special Committee for Revision of the By-Laws.

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[fol. 362]

EXHIBIT No. 25

In a letter dated May 26, 1942, as modified by a letter dated July 1, 1942, the Department of Justice requested:

A statement of the total amount of the regular assessments received by Associated Press from members in the field (morning, evening, and Sunday) during the period from October 1, 1900, to date, and also the current annual regular assessments received by Associated Press from all members, in the 10 largest cities in the United States.

The compilation of these figures has required a great deal of work, but the data is now compiled for five of the cities in question, and this data is given hereunder. Work on the figures for the other cities is in progress.

In the tables given below, "A. M." gives the assessments in the morning field, with which the Sunday field is here included, and "P. M." gives the assessments in the evening field.

In view of the fact that no membership application under the By-Laws as amended has been received, the "current annual regular assessment" has not been defined by the Board of Directors. The tabulation hereunder embraces:

(1) A statement of the total amount of the current weekly drafts received by Associated Press from members in the field—morning, evening, and Sunday—during the period from October 1, 1900, to July 1, 1942.

[fol. 363] (2) The current amount which members are assessed in the cities in question, based on the current weekly draft which includes news services and other obligations.

Assessments paid by members in the following cities, from October 1, 1900, through June 30, 1942, in the respective fields are as follows:

Cities	A. M.	P. M.
New York .....	\$8,234,338.21	\$5,750,034.93
Chicago .....	3,342,504.61	3,423,103.54
Detroit .....	1,527,896.82	1,546,068.63
Los Angeles .....	2,281,268.15	1,347,098.02
St. Louis .....	1,823,234.15	1,868,822.32

The present annual assessments paid by members in the following cities in the respective fields, are as follows:

Cities	A. M.	P. M.
New York .....	\$477,380.91	\$365,001.07
Chicago .....	138,877.30	198,590.77
Detroit .....	91,309.97	100,234.22
Los Angeles .....	164,422.08	85,550.79
St. Louis .....	77,974.43	90,600.83

[fol. 364]

#### EXHIBIT No. 26

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A statement of the total amount of the regular assessments received by Associated Press from members in the field (morning, evening, and Sunday) during the period from October 1, 1900 to date, and also the current annual regular assessments received by Associated Press from all members, in the 10 largest cities in the United States.

On August 3, 1942, the figures were furnished for five of the cities in question: New York, Chicago, Detroit, Los Angeles, and St. Louis.

The data has now been compiled for the five other cities requested, and also for the City of Washington, this last being added in accordance with a supplemental request of the Department of Justice.

The figures given below are compiled on the same basis as those furnished on August 3, 1942. Attention is again called to the fact that, as no membership application under the By-Laws as amended has been received, the "current annual regular assessment" has not been defined by the Board of Directors.

Assessments paid by members in the following cities from October 1, 1900 through June 30, 1942, in the respective fields are as follows:

Cities	A. M.	P. M.
Baltimore .....	\$1,691,637.79	\$1,486,581.29
Boston .....	2,536,801.56	2,189,179.24
Cleveland .....	1,448,656.32	1,314,741.82
Philadelphia .....	2,867,193.45	2,881,152.64
Pittsburgh .....	1,885,988.70	1,476,064.07
Washington, D. C. ....	1,189,300.77	882,931.98

[fol. 365] The present annual assessments paid by members in the following cities in the respective fields, are as follows:

Cities	A. M.	P. M.
Baltimore .....	\$69,733.25	\$97,749.61
Boston .....	112,253.15	103,341.94
Cleveland .....	66,907.11	68,187.22
Philadelphia .....	130,391.04	142,639.40
Pittsburgh .....	63,901.08	61,731.93
Washington, D. C. ....	61,473.83	60,991.50

August 10, 1942.

[fol. 366]

#### EXHIBIT No. 27

#### Estate of Marshall Field

Marshall Feld, George Richardson, Continental Illinois National Bank and Trust Company, Trustees.

135 South LaSalle Street,  
Chicago, September 24, 1941.

Robert McLean, Esquire, President, The Associated Press,  
50 Rockefeller Plaza, New York, New York.

DEAR SIR: As soon as practicable, I will begin the publication in Chicago, Illinois, of a morning newspaper in the English language. The name as yet has not been determined. According to present plans, I shall be the sole owner of the newspaper and Mr. Silliman Evans will be its publisher. I desire to obtain for this newspaper the news service furnished by The Associated Press to its regular members owning and publishing morning newspapers and the regular wire photo service of The Associated Press.

Accordingly, pursuant to the By-Laws of The Associated

Press, I hereby apply for a regular membership in The Associated Press on behalf of the above-mentioned newspaper and I ask that this application be granted and that the news service of The Associated Press and the wire-photo service of The Associated Press be furnished to the above-mentioned newspaper from and after the date upon which publication is commenced.

[fol. 367] I shall be glad to furnish any additional information you may desire in connection with this application for membership and, if it is your practice to require any particular form of membership application, I shall be glad to execute such form.

Very truly yours, Marshall Field.

MF:EW.

Received by Registered Mail, Return Receipt Requested  
Via Air Mail, Special Delivery 9/25/41.

[fol. 368]

EXHIBIT No. 28

September 25, 1941.

Mr. Silliman Evans, 1260 Field Building, Chicago, Illinois.

DEAR MR. EVANS: In conformity with our telephone conversation today and in connection with Mr. Marshall Field's letter of September 24, I enclose application papers which should be executed and returned to me.

Sincerely yours, Kent Cooper.

K

Enc.

Copy to Mr. Marshall Field.

[fol. 369] EXHIBIT No. 29  
ANDover 5656

Silliman Evans

In the Pre-Publication Office of the Chicago Morning News-  
paper, Suite 1260—Field Building—135 S. La Salle  
Street, Chicago, Illinois

Sept. 26, 1941.

Mr. Kent Cooper, Vice Pres. & Gen. Mgr., Associated Press,  
50 Rockefeller Plaza, New York, N. Y.

DEAR KENT:

I am enclosing herewith formal application of Mr. Mar-  
shall Field for membership in the Associated Press and his  
blanket proxy authority. I will appreciate its early sub-  
mission to the Board of Directors.

With kind personal regards, I am

Sincerely, Silliman Evans.

SE:ks. 2 enc.

[fol. 370] EXHIBIT No. 30

The Associated Press, Incorporated Under the Laws of the  
State of New York

Application for Membership and Proxy to Sign Member-  
ship Roll and By-Laws

(to be designated later)

The undersigned, the sole owner of .....  
(Name of Paper)

Morning

a ..... newspaper published in  
Morning, Evening or Sunday

English

Chicago, Illinois

the ..... language in the City of .....

(Language)

(Place of Publication)

does hereby apply for membership in THE ASSOCIATED  
my

PRESS and signature hereto witness — agreement fully  
its

to qualify by beginning service, if elected, not later than  
Jan. 15, 1942

my 26th Sept.  
Witness Hand and Seal this .... day of ..... 1941.  
..... (Name of Owner of the News-  
paper Specified in the above Application and  
Proxy) Marshall Field (Signature of Qualified  
Officer). (Seal.)

Dated Sept. 26, 1941.

\* This proxy may be signed in blank, or either of the following named gentlemen will serve as proxy if desired.  
✓ Robert McLean, Kent Cooper, Lloyd Stratton.

[fol. 372]

EXHIBIT No. 31

October 2, 1941.

(Air Mail)

Mr. Silliman Evans, Field Building, Suite 1260, 135 S. La-Salle Street, Chicago, Illinois.

DEAR SILLIMAN EVANS:

As Mr. Cooper has been daily engaged with the Board of Directors, please let me acknowledge receipt of the application of Mr. Marshall Field for membership in The Associated Press.

Mr. Cooper had expected to communicate with you, but as there was no further information that he could give you, it was necessary to wait until the matter came to the attention of the Board, which occurred only today.

The Board received the application, but upon inquiry learned that membership interests of other Chicago members were involved. There being no waivers of these interests attached to the application, the Board found that under the By-Laws it did not have authority to act and therefore the application must be referred to the next Annual Meeting of the membership, which will be held April 20, 1942, in New York.

With personal good wishes, I am

Sincerely yours, Lloyd Stratton, Assistant Secretary.

K (nm) cc Mr. Hackle—Chicago.

[fol. 373]

EXHIBIT No. 32

Two Fifty Park Avenue,  
New York, October 24, 1941.

Mr. Kent Cooper, Vice-President and General Manager,  
Associated Press, 50 Rockefeller Plaza, New York, N. Y.

DEAR MR. COOPER:

I understand that you conferred with Mr. Silliman Evans this morning concerning my application for membership in the Associated Press and in your conference reviewed the status of that application and the steps which I have taken in connection therewith. As a result of your talk,



Mr. Evans suggested that I write you a letter summarizing my position in regard to the application, and this letter is sent forward to you pursuant to that suggestion.

As you know, I am proposing to establish in Chicago a morning newspaper in the English language. I shall own the paper and Mr. Evans will be its publisher. Recognizing the unique and exclusive facilities of the Associated Press, I feel it absolutely necessary to acquire an AP membership in order that the contemplated newspaper shall be in a position to serve the interests of the people of Chicago with maximum effectiveness and shall be able to compete with other newspapers having AP services.

With this end in view, and under date of September 24th, I formally applied for membership in the Associated Press on behalf of the proposed new newspaper, addressing my letter to Mr. Robert McLean, President of the Associated [fol. 374] Press. Under date of September 26, 1941 this letter was forwarded to you with a covering letter addressed to you by Mr. Evans. Under date of October 2, 1941, Mr. Lloyd Stratton, Assistant Secretary of the Associated Press, replied to Mr. Evans' letter in a communication reading in part as follows:

"The Board received the application but upon inquiry learned that membership interests of other Chicago members were involved. There being no waivers of these interests attached to the application, the Board found that under the By-Laws it did not have the authority to act and therefore the application must be referred to the next annual meeting of the membership which will be held on April 20, 1942 in New York City, New York."

The receipt of Mr. Stratton's letter seemed to me to defer any possibility of my becoming a member of the Associated Press until after April 20, 1942. In view of the fact that I propose to begin publication of the new paper within the next few weeks, such a delay entails the most serious consequences. To begin publication and to seek the support of the public without the benefit of Associated Press facilities is perhaps to risk the entire future of the enterprise since the initial reader reaction to a newspaper may well be determinative of its situation over a long period. Moreover, when I announced the publication

of this paper I led the people of Chicago to believe that it would be in all respects a standard and complete newspaper; my performance cannot and must not fall short of my promise. Finally, the postponement of action on the application until April 1942 may well constitute more than a postponement; there is no assurance under your by-laws, as I understand them, that I will be elected to membership [fol. 375] at that time and consequently I cannot at the outset or at any time assure my readers that in due course the paper will have the benefit of all the standard press services available to other papers. It is these factors, among others, which have been causing me such grave concern.

In the light of the foregoing, immediately upon receipt of Mr. Stratton's letter Mr. Evans and I consulted my attorney, Mr. Louis S. Weiss, of 61 Broadway, New York, to obtain his opinion in the premises. He undertook to study the matter and under date of October 23, 1941, wrote a letter to Mr. Evans, a copy of which I enclose herewith. I am forwarding this copy to you in compliance with the request made to Mr. Evans by you at your conference this morning.

Mr. Evans advises me that there is likely to be a meeting of the Executive Committee of the Board of Directors of the Associated Press within the next week, at which the matter of my application for membership will be further considered. I shall greatly appreciate it if you will advise me with the utmost promptness of any action taken by the Executive Committee in this regard. The impending commencement of publication of the new newspaper makes it vital that I know the position of the Associated Press at the earliest possible moment. I need hardly add that if either Mr. Evans or I or both can be helpful to you either before or at the coming meeting of the Executive Committee, we shall hold ourselves at your disposal.

Very truly yours, (S.) Marshall Field.

(Copy)

October 23, 1941.

Mr. Silliman Evans, 135 South LaSalle Street, Chicago,  
Illinois.

DEAR MR. EVANS:

You have asked my opinion as to whether the Associated Press, a New York membership corporation, in its refusal to permit any non-member access to the facilities of the association on the same terms with its members, is violating the Sherman or Clayton Acts. You have furnished me with data leading to the following conclusions: that the AP is unique among newsgathering agencies, and the greatest of them all; that no metropolitan daily can function with maximum effectiveness without access to those news-gathering facilities.

The 1941 bylaws of the Associated Press (AP) disclose that:

If a person purchases a newspaper that already has an AP membership, such person has an absolute right to membership in the AP regardless of his character, ability, location, or financial standing. On the other hand, a person not owning such a newspaper, and intending to establish a new newspaper, must, to be admitted to membership, receive the votes of 4/5ths of the members of the association unless the so-called right of protest is waived, in which event he may be admitted upon vote of the Board of Directors. The members holding such right of protest include specifically those with whom the new newspaper would compete.

[fol. 377] The determination to admit to membership, whether by the Board of Directors or by the members, is purely an arbitrary matter not based on any established requirements. Indeed, the provisions governing admission are worse than arbitrary since they are so constructed in certain aspects as to aid member newspapers in keeping out potential competitors.

In my opinion a reading of the by-laws in connection with the assumptions stated above and against the background

of authoritative court decisions, leads to the following conclusions:

(1) The AP is engaged in interstate commerce.

(2) So long as the structure of the AP permits the exclusion from the use of its facilities of existing or future newspapers, arbitrarily, or if not arbitrarily, for the benefit of competitors within the association, it constitutes a contract or combination in restraint of trade and an attempt to monopolize a part of the trade or commerce among the several States or with foreign nations.

Such a power is particularly subject to criticism when it is directed against newspapers, for the public interest requires that new newspapers should come into the field. Judicial decisions as well as legislation passed on in the various States requiring that press associations serve all who demand their services without discrimination reflect that public interest. The AP itself has in its published statements stressed its "public importance." The American conception of freedom of the press can have its full fruition only if new newspapers can freely enter the field and effectively compete with those already in it.

(3) The right of an association to select its own members—the right of a person to refuse his products to whom ever he chooses—is no answer to the charge that an association of newspapers is restraining competition and tending to monopolize a portion of the field of commerce.

(a) The Supreme Court has authorized the award of treble damages to a non-member of an association, the by-laws of which arbitrarily authorized his exclusion, where the effect of his non-admission to membership was to cut him off from sources of supply.

(b) Where some, but not all of the members of an industry have been associated together in the control of facilities needed by all members, the Supreme Court has permitted the continuance of the association only upon the condition that it reconstruct its structure so as to admit all the interested persons to the control of those facilities on equal terms.