

(c) The Supreme Court has restricted an association of manufacturers holding a commanding position in an industry—though by no means controlling the entire industry—from taking the law in its own hands to the injury of persons not belonging to it and not abiding by its ideas.

(d) Numerous cases have been decided by the Supreme Court wherein the federal anti-trust laws have been held to be violated by trade associations which have not gone so far as to exclude from their facilities persons needing them, but merely to impose burdensome conditions upon their use.

(e) The fact that a trade association does not have complete monopoly or that there are substitute facilities available has been held no answer to the charge that a trade association has violated the federal anti-trust laws by excluding persons from the facilities of its members or by imposing burdensome restrictions upon the use of those facilities.

I conclude that the power given to the members of the AP under its by-laws to exclude persons from its unique facilities [fol. 379] arises from a continuing contract and combination in restraint of interstate commerce which is in violation of the Sherman and Clayton Acts. I have reached this conclusion with full knowledge of the contrary opinion rendered by United States Attorney General Gregory in 1915 at a time in our national life when the concepts of public interest and restraint of trade had not been developed in the manner and to the extent now prevailing.

Very truly yours, (Signed) Louis S. Weiss.

LSW/BK

[fol. 380]

EXHIBIT No. 34

Marshall Field, Founder. Silliman Evans, Publisher. Rex Smith, Editor.

The Chicago Sun, The New Morning Newspaper, 400 West Madison Street, Chicago, Illinois

Andover 4800

December 8, 1941.

Mr. Robert McLean, President, Associated Press, % The Bulletin, Philadelphia, Pa.

DEAR MR. McLEAN: May I not inquire if it is not true that the Associated Press did sell or offer to sell wire photo service to non-member papers in the early development of the wire photo service? I am advised that in cities in which a member did not desire wire photo service in the first few months it was offered by the Associated Press and in some instances sold to non-members.

The Associated Press recently purchased The Times Wide World photo service from the New York Times. This was the only wire photo service independent of press association ownership. You are still serving several papers, I am advised, who had contracts with Times Wide World. I am now requesting of you, if you can do so, the Times Wide World photo service.

Sincerely, Marshall Field.

[fol. 381]

EXHIBIT No. 35

January 28, 1942.

Mr. Silliman Evans, Publisher, The Chicago Sun, Chicago, Illinois.

DEAR MR. EVANS: When you were in New York you inquired as to the status of the application of The Chicago Sun for membership in The Associated Press. I told you on the telephone at that time that the Board was still in session and I was unable to add anything to the information previously conveyed to you.

Since the application of The Sun was not accompanied by waivers, the Board is still in a position where it is unable to elect and the application is therefore referred to the annual meeting in accordance with notification which went to you before. In accordance with a provision of the By-Laws notice of the application is to be sent out to the full membership list at the time that notice of the meeting goes to them, that is, at least thirty days before the annual meeting. Vote at the annual meeting may be in person or by proxy. In previous cases when applicants have desired and sought admission they have industriously set about obtaining proxies in favor of the application.

The Board and members thereof, no matter how much they might favor the admission of the member, have not been and are not in a position to function in the matter of getting proxies for such a purpose. It is something which the applicant has to do for himself. In this connection the Secretary is authorized to furnish to you for that purpose both a list of the members and the form of proxy [fol. 382] heretofore used in an effort of this kind. If you wish these you can communicate directly with Mr. Cooper.

Yours very truly, Robert McLean.

Robert McLean, President.

[fol. 383]

EXHIBIT No. 36

Marshall Field, 400 West Madison Street, Chicago

March 7, 1942.

Mr. Lloyd Stratton, Assistant General Manager, The Associated Press, 50 Rockefeller Plaza, New York, N. Y.

DEAR MR. STRATTON: You will find enclosed a letter, which I have sent to the members of The Associated Press, and the proxy in the form which you sent me. I have attempted to comply with all the rules, regulations, and practices of The Associated Press, both in the application for membership and in the proxy solicitation.

You, as secretary of The Associated Press, are familiar with the application and the proxy forms. As you know, I am not a member of The Associated Press and I realize that you have authority only to pass on the form, but may I

ask if I have entirely complied with the rules and regulations, and if my application is now in the proper and legal form?

Sincerely, (Signed) Marshall Field.

Enclosure

[fol. 384]

EXHIBIT No. 37

Marshall Field, Founder. Silliman Evans, Publisher. Rex Smith, Editor.

The Chicago Sun, The New Morning Newspaper, 400 West Madison Street, Chicago, Illinois

Andover 4800

March 5, 1942.

As the owner of The Chicago Sun, I have applied for membership in the Associated Press.

Under the by-laws of the Associated Press, its board of directors found itself unable to vote on my application because I was unable to file with the application appropriate waivers of the right of protest. Consequently, the application has been referred for action to the annual meeting of members and I am told that a vote on the application will be taken at that time.

Pursuant, I understand, to the regular practice of the Associated Press in like circumstances, it has been suggested that it would be appropriate for me to request proxies from the members in support of my application and, to that end, the Secretary has made available to me both a list of the members and the form of proxy to be used. In the circumstances, I have felt free to send you this letter.

The Chicago Sun is, I believe, the only standard size exclusively morning newspaper in the United States published in a city of over 100,000 population which is without an Associated Press membership. That is a matter of vital importance to The Chicago Sun and to the people of the [fol. 385] Middle West who it is seeking to serve. Its membership in the Associated Press will enable it to more properly and more adequately fulfill its function to the public.

In the light of the foregoing, my duty, as I see it, is clear. I have made every possible effort to obtain for the readers

of the Sun the facilities which only the Associated Press provides, including an attempt in good faith, which has proved fruitless, to purchase an existing Chicago morning membership. I must and will continue to make every such effort. That being so, I am enclosing herewith a proxy in support of my application for membership and I very earnestly and respectfully ask you to sign (whether or not you intend to be present in person at the annual meeting) the proxy in the space indicated therefor and to return it to me % The Chicago Sun, Chicago, Illinois. I shall appreciate very much your support.

Sincerely, (Signed) Marshall Field.

Enclosure.

[fol. 386]

EXHIBIT No. 38

Times Herald, Washington, D. C.

Eleanor Patterson

November 3, 1941.

The Associated Press, 50 Rockefeller Plaza, New York, N. Y.

Attention: Mr. Kent Cooper, Secretary

GENTLEMEN: Pursuant to the By-Laws of The Associated Press, the undersigned, Eleanor M. Patterson, hereby applies for regular membership in The Associated Press for the afternoon editions of the Washington Times-Herald, a newspaper printed in the English language, published in the City of Washington, District of Columbia. The undersigned expects, under the membership hereby applied for, to receive from The Associated Press a service of news, six days a week, for publication in the afternoon editions of said newspaper, as provided in the By-Laws of The Associated Press.

The undersigned is the sole owner of the newspaper for which this application for membership in The Associated Press is made. The undersigned will file with the Secretary of The Associated Press such proof as may be required by its Board of Directors of the sole ownership of said newspaper by the undersigned.

If and when the undersigned is elected to membership for said newspaper, the undersigned, for said newspaper, will

sign the roll of members of The Associated Press in person and will in writing assent to the By-Laws of the Associated [fol. 387] Press and agree to be bound thereby and by any amendments thereto, which may be thereafter regularly adopted.

The undersigned undertakes to supply any additional information she may be required to supply, and to perform any further conditions of the By-Laws of The Associated Press. Accordingly, should this application be deemed by the Board of Directors of The Associated Press to be insufficient or incomplete in any respect, the undersigned requests that she be notified immediately.

The undersigned asks that this application be acted upon as expeditiously as is permissible under the By-Laws of The Associated Press.

Very truly yours, Eleanor Patterson, Sole Owner, of
the Washington Times-Herald.

[fol. 388]

EXHIBIT No. 39

Times-Herald, Washington, D. C.

Eleanor Patterson

April 8, 1942.

Mr. Robert McLean, Philadelphia Evening Bulletin, Philadelphia, Pa.

DEAR MR. McLEAN: I am the sole owner of the Washington Times-Herald, a newspaper published all day, six days a week, and on Sunday mornings. For the six months' period ending September 30, 1941, the Times-Herald reported to the Audit Bureau of Circulation an average net paid circulation of 209,105 daily and 210,925 Sunday—by far the largest in Washington. The report to the ABC for the period ending March 31, 1942, will show an average net paid daily in excess of 220,000 and Sunday in excess of 225,000, still by far the largest circulation in the Capital.

On November 3, 1941, I applied to The Associated Press for a regular morning seven-day membership and a regular afternoon six-day membership on behalf of the Times-Herald. Enclosed is a proxy which I hope you will sign and return to me so you may be counted in my favor on these applications.

The Washington memberships in The Associated Press are now divided as follows:

1. The Washington Post, a morning and Sunday newspaper, has a seven-day membership.
2. The Washington Star, an evening and Sunday newspaper, has both a six- and a seven-day membership. The [fol. 389] Star does not use its daily morning membership. The Star does not pay for that daily morning membership.

On the basis of the latest estimates by the U. S. Census Bureau, the population for the metropolitan district of Washington is now in excess of 1,000,000. I am sure you will agree this figure will grow greater, and remain greater, for Washington has become literally the Capital of the world.

It seems to me insufficient that Washington should be served by only one morning and one afternoon Associated Press membership. It seems to me unfair that the Washington Star's unused, non-contributing membership in The Associated Press should have protest rights against my application for membership. I believe you, as a member of The Associated Press, would receive added news protection by having the largest daily and Sunday newspaper in Washington a contributor to The Associated Press.

The Star and the Post have declined to say whether they will waive their protests. I, therefore, ask you to sign and return to me the enclosed proxy, which would be used if my applications for membership in The Associated Press come before the members for a vote.

Very truly yours, Eleanor Patterson, Editor and
Publisher, The Washington Times-Herald.

[fol. 390]

EXHIBIT No. 40

Agreement made this 25th day of July 1941, by and between The New York Times Company, a New York corporation, having its place of business at 229 West 43rd Street, New York, N. Y., hereinafter called the "Times," The Associated Press, a New York corporation, having its place of business at 50 Rockefeller Plaza, New York, N. Y., hereinafter called "Associated," and Wide World Photos, Inc., a New York corporation, having its place of business

at 229 West 43rd Street, New York, N. Y., hereinafter called "Wide World."

Witnesseth:

The Times owns the entire capital stock of Wide World and Associated is desirous of acquiring the news photograph and picture business of Wide World in North, Central, and South America and in the territories and possessions of the United States and in connection therewith the right to use the name "Wide World" and the descriptive term "Wired Photo."

Now, therefore, in consideration of the premises and of the mutual promises hereinafter contained, the parties hereto hereby agree as follows:

1. The Times will sell to Associated and Associated will purchase from the Times all the issued and outstanding capital stock of Wide World for the sum of \$250,000. Delivery of said stock duly endorsed for transfer, with stock transfer stamps affixed, and payment of \$50,000 on account of the said purchase price, shall take place contemporaneously on July 31, 1941, at two o'clock in the afternoon, Eastern Daylight Saving Time (hereinafter called the "time of [fol. 391] closing"), at the offices of the Times at 229 West 43rd Street, New York City. The balance of the said purchase price shall be paid in four equal installments of \$50,000 each, payable without interest on August 1, 1942 and on each August 1st thereafter until the full amount of the purchase price has been paid. Associated may, at its option, anticipate said payments and make full payment at any time. At the time of closing, the Times will also deliver or cause to be delivered to Associated written resignations effective forthwith from all the present officers and directors of Wide World. Associated undertakes to cause Wide World, as soon as convenient after the time of closing, to execute and deliver, pursuant to due corporate authority, general releases in favor of the present officers and directors of Wide World.

2. Prior to the time of closing, Wide World will have divested itself of all its assets (including, without limiting the generality of the foregoing, its trade-mark registrations of the name "Times Wide World," its patents and patent rights and its contracts with Austin G. Cooley, dated September 4, 1935, as heretofore amended, with the West-

ern Union Telegraph Company, dated October 28, 1938, and with American Telephone & Telegraph Company, dated September 30, 1938), excepting the news photograph and picture business now and heretofore carried on by Wide World under the name "Wide World" or any other name and the good will of the said business, including its trademark registrations of the name "Wide World," its list of customers, and its contracts with subscribers to its picture service or services (a schedule of said contracts marked "A" is hereto annexed). Associated agrees that Wide World will from and after the time of closing carry out and perform each of said subscription contracts in accordance with its terms. Neither Associated nor Wide World [fol. 392] will at the time of closing or at any time thereafter question the propriety of any action taken by or on behalf of Wide World prior to the time of closing.

3. Prior to the time of closing, Wide World will pay and discharge all its known liabilities, and the Times assumes liability for any claim, cause of action, or suit arising out of or in connection with the operation of the business of Wide World prior to the time of closing, including, without limiting the generality of the foregoing, any liability of Wide World for taxes on the operation of its business prior to the time of closing whether the tax returns thereon are filed before or after the time of closing, and the Times agrees, at its own cost and expense, to defend, satisfy, discharge or dispose of any such claim, cause of action, or suit.

4. Prior to the time of closing, Wide World will dispense with the further services of its present employees listed in Schedule "B" hereto annexed, and Associated agrees that it will prior to the time of closing pay to Wide World the sum of \$109,025.58, and Wide World agrees that it will promptly after receipt of said sum from Associated pay to each of said employees the severance payment set forth on said Schedule "B." The Times may advance the said sum of \$109,025.58 to Wide World and if it does so, Associated will reimburse such payment at the time of closing.

5. For a period of fifteen years from the time of closing, the Times will not, in North, Central, and South America and in the territories and possessions of the United States,

either directly or indirectly, through ownership of any subsidiary or in any other manner,

(a) sell news photographs or pictures or engage in the news photograph or picture business;

[fol. 393] (b) use the names "Times Wide World," or "Wide World" or any similar name or names;

(c) use or authorize others to use the terms "Wired Photo" or "Wire Photo" in connection with any news photograph or picture-transmitting equipment now used or owned or hereafter to be used or owned by it or any subsidiary or in connection with any news photographs or pictures transmitted or received by means of such equipment.

Nothing herein contained prohibits or shall be deemed to prohibit the Times from:

(a) taking and producing news photographs and pictures for publication in the newspaper The New York Times, published in the City of New York.

(b) taking, producing, selling, or making available news photographs and pictures for publication in the newspapers controlled by The Times Printing Company of the City of Chattanooga, Tennessee, so long as the controlling stock interest of the Times shall have a controlling stock or financial interest in the said Printing Company.

(c) taking, producing, making and selling news photographs and pictures, or using the names "Times Wide World" or "Wide World" in connection therewith outside of North, Central, and South America and the territories and possessions of the United States, either directly or through a subsidiary.

(d) selling and making available to its subscribers outside of North, Central, and South America and the territories and possessions of the United States, its picture service for publication in newspapers, and for such other use as the pictures of the Times or Wide World are ordinarily used, including such pictures as the Times may select for that purpose from the full supply of pictures of Associated.

[fol. 394] (e) including photographic illustrations with any article which it may sell to newspapers or other periodicals.

6. The Times hereby agrees that commencing at the time of closing and until the expiration of a period of fifteen (15) years from the time of closing or until the termination of the membership of the Times in Associated, whichever shall first occur, Associated shall have access, at all times, without charge, to the files of news photographs and pictures taken, produced or owned by Wide World or the Times prior to the time of closing, and that the Times will either furnish to Associated copies of any news photographs or pictures contained in the said file, which may be selected by Associated, or permit Associated to make copies thereof at the offices of Associated, the cost of making such copies, in either case, to be paid by Associated.

During the aforesaid period, the Times may offer to Associated, at a price to be mutually agreed upon, news photographs and pictures taken, produced, or owned by the Times at and after the time of closing, which the Times is not obligated to furnish to Associated without charge by reason of or pursuant to its membership in Associated or under separate agreement between Associated and the Times.

Associated shall have the right to use and publish, and to make available to its members, the subscribers to its picture services, and the persons, firms and corporations with which it now has or may hereafter have picture exchange agreements, for publication in newspapers and for such other use as the pictures of Associated are ordinarily used, the news photographs and pictures furnished or sold by the Times to Associated, as herein provided, except that [fol. 395] Associated shall not use or publish, or authorize or permit others to use or publish, the said news photographs or pictures, or any of them, in any newspaper published in the City of New York, without the consent of the Times first obtained.

7. This agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto as well as to the parties themselves.

In Witness Whereof, the parties hereto caused this agreement to be executed by their respective officers thereunto duly authorized, and their corporate seals to be hereunto affixed, the day and year first above written.

The New York Times Company, by (S.) Arthur Hays Sulzberger, President.

Attest: (S.) Godfrey N. Nelson, Secretary.

The Associated Press by (S.) Lloyd Stratton, Assistant Secretary; (S.) L. F. Curtis, Treasurer.
Wide World Photos, Inc., by (S.) Arthur Hays Sulzberger, President.

Attest: (S.) Godfrey N. Nelson, Secretary.

[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. 397]

EXHIBIT No. 41

Adelaide Advertiser	Columbia School of Journalism
Arkansas Gazette	ism
Baltimore Correspondent	Compton Herald
Bell Syndicate, Charleston	Daily Mirror, Melbourne,
Daily Mail	Australia
Benedictine Press	Denver Register
Boston Herald Traveller	Diario De La Marina
Brazil Times	Easton Express
Brisbane Courier	Edmonton Journal, Edmon-
British Press, Argentina	ton
British Press, Mexico	Elliot Service
Buffalo Courier Express	Estampa, Bogota
Capital News, Bismark, Md.	Fone River Newspaper Co,
Catholic Observer	Gloversville Leader, Repub-
Chattanooga Times	lican
Chicago Daily Times	Greek Daily Herald
Citrus Valley News	Holyoke Transcript

- | | |
|----------------------------|----------------------------|
| Ithaca Journal | [fol. 398] Catholic News, |
| Jewish Daily Forward | 369 Lexington Ave., NYC |
| Oscar Kersenbam | Catholic Transcript |
| Lancaster New Era | Chicago Daily News |
| La Prose | Christian Science Monitor |
| Le Soleil | Cleveland Plain Dealer |
| Los Angeles Examiner | Commercial Press |
| Jos Lyddon | Compton Printing Company |
| Melbourne Herald and | Danville Register |
| Weekly Times | Detroit News |
| D. A. Monitor, Bazanella | Duluth Herald and News |
| Nebraska State Journal | Tribune |
| New Britain Herald | Elizabeth Daily Journal |
| New York Times European | El Monte Independent |
| Service | Rio Earnst Printing Co. |
| a/c Pressinbild | Federated Press |
| News Day, Hempstead, L. I. | Fresno Guide |
| Ottawa Journal | Grand Rapids Times |
| Pasadena Starr—News | Greenville News |
| Jewish Morning Journal, | Illustrated Current News |
| Philadelphia | Jersey Observer |
| Pittsburgh Post Gazette | Jewish World |
| Providence Journal | La Jolla Weekly Light |
| Queens Evening News | La Prensa |
| The Record Newspapers, | Le Petit Journal |
| Troy, N. Y. | Life-Time, Inc. |
| All American Newspaper, | Lu'so Americano, 172 Ferry |
| Rep. | St., Newark |
| Auckland Advertiser, Auck- | Lynchburg News and Ad- |
| land | vance |
| Baltimore Sun | Minneapolis Tribune |
| Bell Syndicate, Bluefield | Montreal Standard |
| Daily Record | Nederlandsche Handel |
| Binghampton Press, Bing- | Maats, N. V., Batavia, |
| hampton, N. Y. | New World |
| Brastvo Slovak News | New York Times European |
| Bridgeport Herald | Serv. |
| British Press ASSN., 30 | a/c Nodisk Press |
| Rockefeller Plaza | Nu Method Matrix |
| British Press, Chile | O Journal |
| Brooklyn Daily Eagle | Pautuchet Times |
| Canadian Fruman, King- | Pico Post |
| ston, Ontario | Polish Everybodys Daily |

P. M. Publications Research	Salvation Army
Reading Times	San Francisco Chronicle
Remon Roces, Manila, P. I.	Scranton Times
St. Louis Globe, Dem.	Southern California Assn.
San Bernardino Sun-	News, San Pedro
Telegram	Spokesman Review
Schenectady Union Star	States Zerbung
Serbian Daily	Stefflse Type
Southwest Wave	Sidney Daily Telegraph
Springfield Republican	Time, Inc.
Standard Gravure	Todo
The Sun-Journal	Toledo Blade
Tel-Pic Syndicate	United Features, Los
Times Mirror Co., Los	Angeles
Angeles	United Features, San
Tohio Asahi	Francisco
United Features, NYC	[fol. 399] Valley Times
United Features, Seattle	Washington Star
U. S. News	West Los Angeles Weekly
Vancouver Sun	Independent
News Week	Wilmington News-Journal
West Coast Printers	Zanesville News
Youngstown Indicator	Philadelphia Record
Manchester Union Leader	Presse Diffusion
St. Petersburg Times	Il Nuovo Gurnale
Progress Journal	Illustrated Press
The News, 63 Wellesley St.,	
Toronto	

[fol. 400]

EXHIBIT No. 42

December 10, 1941.

Air Mail

Mr. Marshall Field, The Chicago Sun, 400 West Madison
Street, Chicago, Illinois.

DEAR MR. FIELD:

Replying to your inquiry of December 8, the Wirephoto
service of The Associated Press has been supplied only to
members of The Associated Press and, so far as I am able
to determine, has never at any time been offered to anyone
other than a member.

At the time of the purchase of the Times-Wide World, the supplying of photographs to other than members was discontinued except in the case of commitments which Wide World is obligated to fulfill until their expiration.

Yours very truly, Robert McLean, President.

K.

[fols. 401-403]

EXHIBIT No. 43

Wide World Photos, Inc.
50 Rockefeller Plaza
New York, N. Y.

December 10, 1941.

Mr. David M. Liberson, Picture Editor, The Jewish Daily
Forward, 175 East Broadway, New York, New York.

DEAR MR. LIBERSON :

This is to advise you that under the plans for the reorganization of Wide World Photos, Inc., now nearing completion following the change in ownership, it will not be possible for Wide World to serve your publication after December 31, 1941.

We are advising you now so that you will have ample time to make satisfactory arrangements otherwise.

With best wishes,

Sincerely yours, (Signed) Paul Miller.

[fol. 404] IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF NEW YORK

[Title omitted]

RESPONSES OF THE ASSOCIATED PRESS, ET AL., TO REQUEST FOR
ADMISSIONS

The defendants The Associated Press, Paul Bellamy, George Francis Booth, John Cowles, William Hutchinson Cowles, Edward King Gaylord, Houston Harte, Josh L. Horne, Clark Howell, Jr., Joseph Russell Knowland, Rob-

ert McLean, Leonard Kimball Nicholson, Frank Brett Noyes, Paul Patterson, Stuart Hoffman Perry, E. Lansing Ray, Edward Hubert Butler, The Adrian Telegram, The A. S. Abell Company, Bulletin Company, The Constitution Publishing Company, Cowles Publishing Company, The Evening Star Newspaper Company, Forest City Publishing Company, The Kansas City Star Company, The Oklahoma Publishing Co., The Register and Tribune Company, Rocky Mount Publishing Co., Globe Democrat Publishing Co., San Angelo Standard, Inc., The Times-Picayune Publishing Company, The Tribune Publishing Co., and Worcester Telegram Publishing Co. Inc., for the purposes of this action only and subject to all pertinent objections to admissibility which may be interposed at the trial, make [fol. 405] the following Responses to the 374 Items contained in the Request for Admissions served upon counsel for the above named defendants by the plaintiff.

Responses

1-a. Admit that The Adrian Telegram is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

1-b. Admit.

1-c. Deny.

1-d. Deny.

1-e. Admit.

1-f. Admit.

1-g. Deny.

2-a. Admit that The A. S. Abell Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

2-b. Admit.

2-c. Admit.

2-d. Deny.

2-e. Admit.

2-f. Admit.

2-g. Admit.

[fol. 406] 3-a. Admit that Bulletin Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

3-b. Admit.

3-c. Admit.

3-d. Deny.

3-e. Admit.

3-f. Admit.

3-g. Deny.

4-a. Admit that The Constitution Publishing Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

4-b. Admit.

4-c. Admit.

4-d. Deny.

4-e. Admit.

4-f. Admit.

4-g. Admit.

5-a. Admit that Cowles Publishing Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

[fol. 407] 5-b. Admit.

5-c. Admit.

5-d. Deny.

5-e. Admit.

5-f. Admit.

5-g. Admit.

6-a. Admit that The Evening Star Newspaper Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

6-b. Admit.

6-c. Admit.

6-d. Deny.

6-e. Admit.

6-f. Admit.

6-g. Admit.

7-a. Admit that Forest City Publishing Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

7-b. Admit.

7-c. Admit.

7-d. Deny.

7-e. Admit.

7-f. Admit.

7-g. Admit.

[fol. 408] 8-a. Deny, except that The Kansas City Star Company is engaged, and has been engaged since August 1, 1926, in the business of publishing and selling a newspaper

for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

8-b. Deny.

8-c. Admit.

8-d. Deny.

8-e. Admit.

8-f. Deny.

8-g. Deny.

9-a. Admit that The Oklahoma Publishing Co. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

9-b. Admit.

9-c. Admit.

9-d. Deny.

9-e. Admit.

9-f. Admit.

9-g. Admit.

10-a. Admit that The Register and Tribune Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

[fol. 409] 10-b. Admit.

10-c. Admit.

10-d. Deny.

10-e. Admit.

10-f. Admit.

10-g. Admit.

11-a. Admit that Rocky Mount Publishing Co. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose

of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

11-b. Admit.

11-c. Deny.

11-d. Deny.

11-e. Admit.

11-f. Admit.

11-g. Deny.

12-a. Admit that Globe Democrat Publishing Co. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

12-b. Admit.

12-c. Admit.

12-d. Deny.

12-e. Admit.

12-f. Admit.

12-g. Admit.

[fol. 410] 13-a. Admit that San Angelo Standard, Inc. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

13-b. Admit.

13-c. Admit.

13-d. Deny.

13-e. Admit.

13-f. Admit.

13-g. Deny.

14-a. Admit that The Times-Picayune Publishing Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

14-b. Admit.

14-c. Admit.

14-d. Deny.

14-e. Admit.

14-f. Admit.

14-g. Admit.

15-a. Admit that The Tribune Publishing Co. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

[fol. 411] 15-b. Admit.

15-c. Admit.

15-d. Deny.

15-e. Admit.

15-f. Deny.

15-g. Deny.

16-a. Admit that Worcester Telegram Publishing Co., Inc. is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

16-b. Admit.

16-c. Admit.

16-d. Deny.

16-e. Admit.

16-f. Admit.

16-g. Admit.

17-a. Admit that Tribune Company is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

17-b. Admit.

17-c. Admit.

17-d. Deny.

17-e. Admit.

17-f. Deny.

17-g. Admit.

[fol. 412] 18-a. Admit that Edward Hubert Butler, individually and as trustee under the Last Will and Testament of Edward H. Butler, deceased, is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to his subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

18-b. Admit.

18-c. Admit.

18-d. Deny.

18-e. Admit.

18-f. Admit.

19-a. Admit that each member of The Associated Press located in any of the States of the United States, and not specifically named as a defendant, is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

19-b. Admit.

19-c. Deny.

19-d. Admit.

19-e. Admit that each of a majority of the members of the Associated Press located in any of the States of the United States, and not specifically named as a defendant, is engaged, and has been engaged for a number of years, in the business of publishing and selling a newspaper for the purpose of disseminating to its subscribers and others, news of current events, information and intelligence, and also for the purpose of deriving a profit.

[fol. 413] 19-f. Admit.

19-g. Deny.

19-h. Admit.

19-i. Cannot truthfully either admit or deny the statements contained in Item 19-i, for the reason that there are more than twelve hundred members of The Associated Press located in various States of the United States, and not specifically named defendants, whose courses of business in respect of the sale and delivery of newspapers in states other than the state in which the same are published are unknown to these named defendants and the facts cannot be ascertained within the limit of time available to serve and file these Responses.

19-j. Cannot truthfully either admit or deny the statements contained in Item 19-j, for the reason that there are more than twelve hundred members of The Associated Press located in various States of the United States, and not specifically named defendants, whose courses of business in respect of the sale of newspapers within the State in which the newspapers are published for sale and delivery in states other than the state in which the same are published are unknown to these named defendants and the facts cannot be ascertained within the limit of time available to serve and file these Responses.

19-k. Cannot truthfully either admit or deny the statements contained in Item 19-k, for the reason that there are more than twelve hundred members of The Associated Press located in various States of the United States, and

not specifically named defendants, whose courses of business in respect of receiving and publishing news transmitted to them by news agencies other than The Associated Press or by reporters, correspondents or agents, from points located in states other than the state in which the same are published are unknown to these named defendants [fol. 414] and the facts cannot be ascertained within the limit of time available to serve and file these Responses.

20-a. Admit, but state that the said brief from which the quotation in Item 20-a is taken was an argument, made by Montgomery B. Angell, Esq., attorney for The Associated Press in the matter, in support of the contention that The Associated Press was exempt from the provisions of the Federal Social Security Act on the ground that it was "a corporation organized and operated exclusively for educational purposes" within the terms of the Federal statute.

20-b. Cannot truthfully either admit or deny the statement contained in Item 20-b, for the reason that the statements in Item 20-a are statements of opinion. What is "essential before one can be considered educated" and what is "vital to the efficient functioning of a democracy" are matters concerning which conclusions can only be based upon subjective experience not susceptible of precise evaluation as to truth or falsity.

21-a. Cannot truthfully either admit or deny the statements contained in Item 21-a for the reason that they are statements of opinion relating to comparisons of size, scope and comprehensiveness of operations of news agencies in the United States. These defendants are informed and believe that the three news agencies named are the largest in the United States, but they state that there are many other news agencies operating in the United States of considerable size, scope and comprehensiveness of operations.

21-b. Deny.

22-a. Admit.

22-b. Admit.

22-c. Admit.

[fol. 415] 22-d. Deny, but state that Melville E. Stone acted as General Manager of The Associated Press from 1900 to April, 1921.

22-e. Admit.

22-f. Admit.

22-g. Admit.

22-h. Admit.

22-i. Admit.

22-j. Admit.

22-k. Deny, and state that the pertinent provisions of the By-Laws of The Associated Press and the resolution of its Board of Directors, referred to in Item 22-K, are as follows:

By-Laws

Article V, Section 1

“Section 1. The affairs of the Corporation shall be managed by eighteen Directors, at least one of whom shall be a resident of the state of New York. * * *”

Article V, Section 4

“Sec. 4. The Board of Directors shall, in addition to the powers elsewhere granted by the By-Laws, or otherwise conferred by law, have the power to make contracts; to fill vacancies in their own number until the next annual meeting; to elect and remove officers and agents; to engage and discharge employees; to fix the compensation of officers, agents and employees; to borrow money; to issue bonds; to authorize a mortgage or mortgages in conformity with law; to expend the money of the Corporation for its lawful purposes, and to do all acts not inconsistent with the Certificate of Incorporation, or the By-Laws, which it may deem for the best interests of the Corporation, and in general shall have the control and management of all the affairs of the Corporation, except as otherwise provided in the [fol. 416] By-Laws. The votes of a majority of all the Directors shall be required to elect or remove an officer.”

Article VI, Section 3

“Sec. 3. The President shall preside over all meetings of the members and Board of Directors at which he may be present, and shall exercise general supervision and control over the affairs of the Corporation, subject to the direction of the Board.”

Resolution

Board of Directors of The Associated Press

“*Resolved* (1), That the General Manager be and he hereby is fully authorized to make and carry out the necessary arrangements for the service of news to the members of this Corporation.

“(2) That the General Manager be and he hereby is fully authorized to employ and discharge agents and employes and to govern and direct the collection and distribution of news, subject in the performance of the duties of his position to the supervision of the Board of Directors and the Executive Committee.

“(3) That the General Manager be and he hereby is fully authorized to draw upon each of the members of the Corporation for the regular assessment as the same may hereafter be fixed by the Board, in accordance with Section 2 of Article IX, of the By-Laws of this Corporation.

“(4) That the General Manager be and he hereby is fully authorized to pay from the funds of this Corporation the current expenses for the service hereinbefore authorized.”

22-l. Deny the statements contained in Item 22-l. The day to day business operations of The Associated Press in gathering and disseminating news are conducted by the newspaper members of The Associated Press and their [fol. 417] staffs of employees, together with the staff of employees of The Associated Press headed by Kent Cooper, the General Manager.

22-m. Deny the statement contained in Item 22-m. Article VI, Section 3, of the By-Laws of The Associated Press requires that “the President * * * shall exercise gen-

eral supervision and control over the affairs of the corporation, subject to the direction of the Board."

22-n. Admit.

22-o. Deny the statement contained in Item 22-n that "He (the General Manager) acts as executive head of the organization," except as provided by the By-Laws and resolution hereinbefore set forth in the responses to Items 22-k and 22-m and state that the said "Summary" did not purport to define with precision the powers of the General Manager of The Associated Press.

22-p. Admit, but state that the quotation in Item 22-p is a part only of a paragraph in the said affidavit. The paragraph in full is as follows:

"The affairs of the corporation are in the control of a board of directors. The directors are elected from among representatives of the individual member newspapers. The board of directors has conferred, however, upon the General Manager, executive control of, and responsibility for, the news service and personnel."
(Italicized portions omitted in Government Request.)

22-q. Deny the statement contained in Item 22-p that "The board of directors has conferred, however, upon the General Manager, executive control of, and responsibility for, the news service and personnel," except as provided by the By-Laws and resolution hereinbefore set forth in responses to Items 22-k and 22-m.

23-a. Admit.

[fol. 418] 23-b. Deny, but state that as of March 1, 1942 there were six regular members located in Alaska, two regular members in Hawaii, none in the Philippine Islands, five in Mexico, two in Peru, one in Argentina, one in Ecuador, and one in Panama.

24-a. Admit.

24-b. Admit.

24-c. Admit.

24-d. Admit.

24-e. Admit.

24-f. Deny, but state that The Associated Press made expenditures in the year 1941 for foreign and domestic news collection and news distribution in the sum of \$8,451,298.15.

24-g. Deny.

25-a. Admit.

25-b. Admit that as of August 18, 1942 The Associated Press employed 1940 employees. Deny that The Associated Press as of August 18, 1942 employed in addition a large number of part-time employees. "String correspondents," so-called, are believed to be independent contractors.

25-c. Admit.

25-d. Deny the statement in Item 25-d that the "statements of fact contained in Exhibit No. 3 *are* true" as of the present time and state that the following statements contained in Exhibit No. 3 are not true as of the present time:

"The Associated Press is a cooperative, non-profit association of more than 1400 newspaper members."

"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."

[fol. 419] "The last tabulation showed about 7,500 full-time and part-time correspondents in the United States and Canada, excluding member paper employees."

"Abroad there are bureaus and correspondents in all principal cities, and their contact with news sources everywhere interlaces the world."

"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 * * * serves news pictures to most newspapers in * * * Europe and other parts of the world. Its news service, * * * is received daily by hundreds of newspapers in * * * 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."

"it (The Associated Press) has available the news of the following named agencies:

Belgium, Agence Telegraphique Belge, Brussels.
 Bulgaria, Agence Telegraphique, Bulgare, Sofia.
 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.
 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.
 Latvia, Latvian Telegraph Agency, Riga.
 [fol. 420] Lithuania, Agence Telegraphique Lithuanienne, Kovno.
 Norway, Norsk Telegrambyra, Oslo.
 Rumania, Rador, Bucharest.

26-a. Admit. Copies of the contracts referred to in Item 26-a have been supplied to the plaintiff. The contracts provide for the *exchange* of news by The Associated Press and the foreign news agencies named.

26-b. Admit.

26-c. Admit.

26-d. Deny.

27-a. Admit, but state that the quotation in Item 27-a is a part only of a paragraph in the said "Summary." The paragraph in full is as follows:

"The AP makes no profit from its activities and earns no income. All the expenses of the AP, including

the cost of collecting and exchanging the news, and all other expenses, are met by weekly assessments apportioned by the Board of Directors among the members. The basis of assessment is the population of the city in which the member publishes. If two members take the same services in two different cities of the same circuit their assessments will bear the same proportion to each other as the population of the one city bears to the other. An assessment is against a field and is prorated according to the number served therein, as for example two sharing members would each pay one half the assessment charged against the field. If one should terminate membership the other would bear the full amount. (Italicized portions omitted in Government Request.)

27-b. Admit.

27-c. Admit.

27-d. Admit.

28-a. Admit.

[fol. 421] 28-b. Admit, except that a dash should appear after the name of George F. Booth (at the end of page 2 of Exhibit No. 5) to indicate the fact that he is still serving as a director.

28-c. Admit, except that a dash should appear after the name of George F. Booth (at the end of page 2 of Exhibit No. 5) to indicate the fact that he is still serving as a director.

28-d. Admit.

28-e. Admit.

28-f. Admit.

28-g. Admit.

28-h. Admit.

28-i. Admit.

28-j. Admit.

28-k. Admit.

28-l. Admit.

28-m. Admit.

28-n. Admit.

28-o. Admit, but state there were at least four additional persons who, while serving as directors of The Associated Press, declined or refused nomination for election for a period beyond that for which they were then serving.

28-p. Admit.

28-q. Deny.

28-r. Deny.

28-s. Admit.

29-a. Deny.

29-b. Admit.

[fol. 422] 29-c. Admit, but state that the quotation of Exhibit No. 6, being the report referred to in Item 29-c, is a part only of the said report. The report in full is as follows:

"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 assessment 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.

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

[fol. 423]

"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. *Certain bond holders have expressed willingness to surrender a portion of their bonds and one bondholder owning a number of member newspapers has offered to surrender all of his bonds contingent upon similar action by other bond holders. Your Committee is unable to say how many bond holders would agree either to a total or partial redemption. While the Board of Directors has had the legal authority to resell any redeemed bonds and the balance of the authorized issue, it has never done so, not thinking it appropriate for it to take any action affecting the election of the Board itself although no member of the Board as constituted owes his election to the bond vote, and also believing that in taking any such action, it would be impossible to avoid the appearance of favoritism.*

"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 bond holders 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.

"The weekly assessments of members total \$161,348, paid by 1,222 members.

[fol. 424] *"357 members paying less than \$50 each pay \$9,457.27 of this total.*

"406 members paying between \$50 and \$100 per week contribute \$31,037 weekly.

"459 members each paying over \$100 weekly make total weekly payments of \$120,852.

so that thirty-seven per cent of the membership paying over \$100 a week contribute three-quarters of all the revenues.

"The sixty-one members who pay each more than \$500 a week provide \$46,211.50 weekly. Sixty-one members who pay less than \$15 a week provide \$768.17 weekly.

"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.

"Frank B. Noyes, Adolph S. Ochs, Robert McLean, Committee."

(Italicized portions omitted in Government Request)

29-d. Admit.

29-e. Admit, but state that the quotation of Exhibit No. 7, being the report referred to in Item 29-e, is a part only of the said report. The report in full is as follows:

"To the Board of Directors and Members of The Associated Press:

"Your committee created by resolution unanimously adopted at the annual meeting held in the city of New York, April 25, 1927, to study the questions of voting rights, and of protest rights, herewith report as follows:
[fol. 425] *"The resolution creating this Committee reads as follows:*

"Whereas, The Board of Directors has had under consideration the situation in regard to the outstand-

ing bonds of *THE ASSOCIATED PRESS* carrying voting privileges, and has found the distribution of the same to be, by reason of changed conditions, increasingly disproportionate; and

“Whereas, the Board has submitted to the membership a report of its committee on the subject with a resolution adopted by the Board in relation thereto; and

Whereas, it is advisable that said report and resolution and the matters therein discussed should be further considered; and

“Whereas, it is advisable that for like reasons the subject of protest rights shall be brought under review with the object of adjusting the same in a manner which shall be for the best interests of the entire membership;

“Now therefore be it resolved:

“(1) That the President do appoint a Special Committee on bond and protest rights to be composed of six members of this corporation of whom the President himself shall be one, to which committee there shall be referred in their entirety the several subjects mentioned in the preamble of this resolution (including the report made to the Board by its committee and the resolution adopted by the Board in relation thereto) with full authority to investigate and make report concerning the same, and to recommend to the Board of Directors and to the membership such action as should in its judgment be taken, whether by amendment of the by-laws or otherwise.

“(2) Said committee shall make report, as soon as may conveniently be done, to the Board of Directors and also to the membership in special or regular meeting assembled, but in no event later than the next regular annual meeting of the corporation.

[fol. 426] “(3) The Committee shall obtain the opinion of counsel for the corporation in regard to the legal aspect of any action that may be recommended by it.

“(4) Should a vacancy on said committee occur by reason of death, resignation or like cause, the President shall have the power to fill the same by appointment.

“Attention was first given to the question of voting rights. In respect to this matter it was found that any solution of the problem must recognize the existence of the outstanding bond issue under which certain rights have arisen and vested in the bondholders.

“A thorough survey of the legal and business aspect of the matter convinced the committee that equitable readjustment of the voting power could be accomplished more expeditiously and more certainly by adopting as a premise the fact that the present bond issue should not be disturbed.

“In addition, an examination of the balances and reserves of the Association convinced the Committee that the Association should have additional funds which should be allocated to the strengthening of reserves and the maintenance of liquid balances adequate to meet situations inevitably arising in the expansion of such a large organization as THE ASSOCIATED PRESS.

“In other words, it was found that two purposes could be served. First, to bring about a readjustment of voting power, and secondly, to strengthen the financial condition of the organization.

“To effectuate these two purposes, this committee unanimously recommends that any unissued 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.

[fol. 427] *“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 member, 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 bondholding in the election of directors.

“Your Committee has also given exhaustive consideration to the question of protest rights and is unanimous in recommending that the necessary changes in the By-laws be prepared by the General Counsel and adopted by the Annual Meeting and the Board of Directors to effectuate limitations on the powers of the Board of Directors so that

“Without the consent in writing of each member representing a newspaper printed in the English language which has been represented in membership for more than five years in Continental United States and published not less than six days a week the Board may not elect a new member (not entitled to a service of news under an existing contract with THE ASSOCIATED PRESS of Illinois on the 13th day of September 1900) in the same city of publication, the same field (morning or afternoon) and to be published on the days [fol. 428] on which the existing member regularly publishes except that consent to the election of a morning paper need not be obtained from an evening member the membership of which includes the right to a Sunday morning edition.

“Provided that this shall not affect the status of members who have protest rights as of the date of the adoption of this amendment (April , 1928) and it shall not have the effect of either enlarging or decreasing the right of such members as defined in their certificate of membership with such waivers as have subsequently been given.

“It will be noted that when and where the foregoing limitations on the powers of the Board are effective and

not waived new members can only be elected by a vote of four-fifths of those present in person or by proxy at an annual meeting or at a special meeting called for that purpose.

"Your committee wishes to express its gratification that our minds have met in the consideration we have given these important questions and that we are able to present a unanimous recommendation.

"Frank B. Noyes, Chairman; Robert Ewing, Robert McLean, John Francis Neylan, Adolph S. Ochs, Arthur H. Vandenberg."

(Italicized portions omitted in Government Request)

29-f. Admit.

30. Deny, but admit that the staffs of more than 1200 newspapers in the United States gather local news of their vicinages respecting unanticipated noteworthy events occurring therein, such as airplane accidents, train wrecks, tornadoes, or mine disasters, which news is furnished in each instance to the newspaper itself and, in turn, is made available to The Associated Press.

[fol. 429] 31-a. Admit.

31-b. Admit.

31-c. Admit.

31-d. Deny, but state that Press Association, Inc. is engaged in selling a newscast service to radio broadcasters and, in addition, it conducts a salvage business in news pictures and syndicate material. It also conducts a laboratory for scientific experimentation.

31-e. Admit.

31-f. Admit.

31-g. Admit.

31-h. Admit.

31-i. Admit.

31-j. Admit.

31-k. Admit.

31-l. Deny the statement in Item 31-l that "The statements of fact contained in Exhibit No. 8 *are* true" as of the present time, in that the following statement contained in said Exhibit No. 8 is not true at the present time:

"It (The Associated Press of Germany (GmbH)) operates a news photo service."

32-a. Deny.

32-b. Admit, and state that the brochure purported to be, and was, issued solely for advertising purposes.

32-c. Deny, except as to McCambridge, Gramling and Booth, and except that Cooper knew that a brochure was to be issued but had no knowledge of the text thereof.

32-d. Deny.

32-e. Deny.

32-f. Deny.

[fol. 430] 32-g. Admit, but state that the brochure was made and issued without the knowledge of the persons who then constituted the Executive Committee of The Associated Press.

32-h. Deny, except that Cooper knew that a brochure was to be issued but had no knowledge of the text thereof.

32-i. Admit, and state that the brochure was made and issued without the knowledge of any of the officers of The Associated Press, except that Cooper knew that a brochure was to be issued but had no knowledge of the text thereof.

32-j. Deny, except that Cooper knew that a brochure was to be issued but had no knowledge of the text thereof.

32-k. Deny.

32-l. Admit, but state that the brochure was made and issued without the knowledge of the Board of Directors of The Associated Press.

32-m. Deny.

32-n. Admit.

32-o. Admit.

33-a. Deny, on the ground that a position held by Stone prior to his employment by the defendant The Associated Press of New York is not relevant or material to any issue in this proceeding.

33-b. Deny, on the ground that the By-Laws referred to in Item 33-b are not relevant or material to any issue in this proceeding.

33-c. Deny, on the ground that the report referred to in Item 33-c is not relevant or material to any issue in this proceeding.

33-d. Deny, on the ground that the resolution referred to in Item 33-d is not relevant or material to any issue in this proceeding.

[fol. 431] 33-e. Deny, on the ground that the statement referred to in Item 33-e is not relevant or material to any issue in this proceeding.

33-f. Deny, on the ground that the statement referred to in Item 33-f is not relevant or material to any issue in this proceeding.

33-g. Deny, on the ground that the notice referred to in Item 33-g is not relevant or material to any issue in this proceeding.

33-h. Deny, on the ground that the statement referred to in Item 33-h is not relevant or material to any issue in this proceeding.

33-i. Deny, on the ground that the report referred to in Item 33-i is not relevant or material to any issue in this proceeding.

33-j. Deny, on the ground that the communication referred to in Item 33-j is not relevant or material to any issue in this proceeding.

33-k. Deny, on the ground that the communication referred to in Item 33-k is not relevant or material to any issue in this proceeding.

33-l. Deny, on the ground that the communication referred to in Item 33-l is not relevant or material to any issue in this proceeding.

33-m. Deny, on the ground that the resolution referred to in Item 33-m is not relevant or material to any issue in this proceeding.

33-n. Deny, on the ground that the resolution referred to in Item 33-n is not relevant or material to any issue in this proceeding.

33-o. Deny, on the ground that previous corporate relationships of the incorporators of The Associated Press of [fol. 432] New York are not relevant or material to any issue in this proceeding.

33-p. Deny, on the ground that previous corporate relationships of the members of The Associated Press of New York are not relevant or material to any issue in this proceeding.

33-q. Deny, on the ground that previous corporate relationships of the 278 members of The Associated Press of New York who were given "protest rights" in 1900, are not relevant or material to any issue in this proceeding.

33-r. Deny, on the ground that previous corporate relationships of the members of The Associated Press of New York are not relevant or material to any issue in this proceeding.

34-a. Admit.

34-b. Admit.

35-a. Deny, and state that the Board deferred action on the application of the Craven Publishing Co. for membership in The Associated Press and the applicant did not reapply.

35-b. Deny.

35-c. Admit.

35-d. Deny, and state that the Board deferred action on the application of the Moundsville Journal Co. for membership in The Associated Press and the applicant did not reapply.

35-e. Deny.

35-f. Admit.

35-g. Admit.

35-h. Deny, and state that the reason which determined the Board of Directors not to elect Vincennes Post, Inc. to membership was that it would not be for the best interests [fol. 433] of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-i. Admit.

35-j. Deny, and state that the Board deferred action on the application of Blackwell Tribune Publishing Co. for membership in The Associated Press because the applicant had not established a newspaper at Ponca City, Oklahoma.

35-k. Deny.

35-l. Deny.

35-m. Admit.

35-n. Deny, and state that the reason which determined the Board of Directors not to elect Athens Georgia Times & Georgian to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the [fol. 434] existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members

thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-o. Admit.

35-p. Admit.

35-q. Deny, and state that the reason which determined the Board of Directors not to elect Wallace Stevens to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-r. Admit.

35-s. Admit.

35-t. Deny, and state that the reason which determined the Board of Directors not to elect Valley News Company to membership was that it would not be for the best interests of The Associated Press and its membership so to do. [fol. 435] In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing members in support of his objection to the election of the applicant, and all other facts which in the judgment of

the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-u. Admit.

35-v. Admit.

35-w. Deny, and state that the reason which determined the Board of Directors not to elect Southwest Printing Company to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

[fol. 436] 35-x. Admit.

35-y. Admit.

35-z. Deny, and state that the reason which determined the Board of Directors not to elect J. L. Meeks, Jr. to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the

applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-aa. Admit.

35-bb. Admit.

35-cc. Deny, and state that the reason which determined the Board of Directors not to elect Sun Publishing Company to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the [fol. 437] applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-dd. Deny.

35-ee. Admit.

35-ff. Deny, and state that the reason which determined the Board of Directors not to elect Carlos P. Rumolo to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and finan-

cial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-gg. Admit.

35-hh. Admit.

35-ii. Deny, and state that the reason which determined the Board of Directors not to elect Moorhead News Co., Inc. to membership was that it would not be for the best interests of The Associated Press and its membership so to [fol. 438] do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-jj. Admit.

35-kk. Deny, and state that the Board referred the application to the annual meeting of the members of The Associated Press.

35ll. Deny and state that the reason why the Board referred the application of Peninsula Newspapers, Inc. to the annual meeting of the members of The Associated Press was that the By-Laws so required.

35-mm. Deny.

35-nn. Admit.

35-oo. Deny, and state that the reason which determined the Board of Directors not to elect W. A. Spence to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of news.

35-pp. Admit.

35.-qq. Admit.

35-rr. Deny, and state that the reason which determined the Board of Directors not to elect Feltus Printing Company to membership was that it would not be for the best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-ss. Admit.

35-tt. Admit.

35-uu. Deny, and state that the reason which determined the Board of Directors not to elect Oil Field Publishing Company to membership was that it would not be for the [fol. 440] best interests of The Associated Press and its membership so to do. In reaching their determination, the Board of Directors took into consideration the character of the operation of the newspaper owned by the existing member in the field, including its coverage of local news to The Associated Press, the prospect for the successful operation of another newspaper in the same field, the experience, character and financial ability of the applicant, statements of the existing member in support of his objection to the election of the applicant, and all other facts which in the judgment of the Board of Directors enabled the members thereof to determine whether the election of the applicant would tend to promote the best interests of The Associated Press and its membership as a cooperative association engaged in the collection and distribution of a complete, unbiased and accurate report of the news.

35-vv. Admit.

35-ww. Deny, and state that the Board deferred action on the application of the Endicott Bulletin, Inc. for membership in The Associated Press.

35-xx. Deny.

35-yy. Admit.

35-zz. Deny, and state that the Board referred the application of the Tribune Company to the annual meeting of the members of The Associated Press.

35-aaa. Deny

35-bbb. Admit.

35-ccc. Admit.

35-ddd. Admit.

35-eee. Admit.

35-fff. Admit.

[fol. 441] 36-a. Admit, but state that the quotation in Item 36-a is partial only and, moreover, is incorrect as to the

sequence in which the quoted matter appears in the report. The correct sequence and the context as contained in the report are as follows:

“Letters have been sent to all members during the year, and for the first quarter of 1933, announcing reductions and refunds in assessments. These communications form the record of accomplishment by the management through several years to put this cooperative association on a firm financial basis that it might withstand any emergency likely to confront it or its members.

“The policy of the present management has been to effect economies by justifiable retrenchments, 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 did not infringe upon the home territories of existing members, that the costs might be more widely proportioned.

“The whole theory of mutual cooperation and news collection, wherein the members exchange their news, work best by having direct reciprocal access to the news of any community large enough to support an Associated Press newspaper. Moreover, the larger the number of participants in a truly cooperative endeavor, the smaller the pro rata expense to each.” (Italicized portions omitted in Government Request.)

36-b. Deny the truth of the statement contained in the quotation in Item 36-a: “Moreover, the larger the number of participants in a truly cooperative endeavor, the smaller the pro rata expense to each,” on the ground that such statement is not and never has been true of The Associated Press except as read in connection with the sentence immediately preceding it in the report, which said preceding sentence is not quoted in Item 36-a of the Government Request for Admissions.

[fol. 442] 36-c. Admit.

37-a. Admit.

37-b. Admit,

37-c. Deny, on the ground that statements made by an applicant for membership in The Associated Press and statements made by an individual member of The Associated Press are not binding upon the defendants in this action, or any of them, other than the individual member making the statements, and are not competent or material to any issue in the proceeding.

37-d. Deny, on the ground that statements made by an applicant for membership in The Associated Press and statements made by an individual member of The Associated Press are not binding upon the defendants in this action, or any of them, other than the individual member making the statements, and are not competent or material to any issue in this proceeding.

37-e. Deny, on the ground that statements made by an applicant for membership in The Associated Press and statements made by an individual member of the Associated Press are not binding upon the defendants in this action, or any of them, other than the individual member making the statements, and are not competent or material to any issue in this proceeding.

37-f. Deny, and state that the report of the annual meeting of the members of The Associated Press in 1924 contained in the 25th volume of the annual reports of The Associated Press sets forth accurately the statements made at the said meeting concerning the application of the Baltimore Evening Sun for membership.

37-g. Admit.

37-h. Cannot truthfully either admit or deny the truth of the statements contained in Item 37-h, for the reasons that (1) the facts in respect thereof are not within the defendants' knowledge, and (2) the means of ascertaining the facts concerning the solicitation of votes and proxies by 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, are not available to the defendants.

38-a. Admit.

38-b. Admit, except for the typographical error in the column headed "A.M. & Sunday," which should read for Chicago "3,342,50.61."

38-c. Admit.

38-d. Admit.

38-e. Admit.

38-f. Admit.

38-g. Admit, except for the typographical error in the column at the top of page 2 of Exhibit No. 25 headed "A.M." which should read for New York "\$8,243,338.21."

38-h. Admit, with the correction set forth in the Response to Item 38-g.

38-i. Admit.

38-j. Admit.

38-k. Admit.

39-a. Admit.

39-b. Admit.

39-c. Admit.

39-d. Admit.

39-e. Admit.

39-f. Admit.

39-g. Admit.

[fol. 444] 39-h. Admit, and state that copies of the letters referred to in Item 39-h read as follows:

"Two Fifty Park Avenue, New York

November 15, 1941.

Mr. Robert McLean, President, Associated Press, Philadelphia Bulletin, Philadelphia, Pa.

DEAR MR. McLEAN:

The attached carbon copy of my letter to Mr. Gortowsky will be self-explanatory.

In view of your interest I wished to advise you of the offer I am making.

With kindest regards,

Yours sincerely, (Signed Marshall Field)".

“Copy

November 15, 1941.

Mr. J. D. Gortatowsky, Heart Newspapers, 959 Eighth Avenue, New York, N. Y.

DEAR MR. GORTATOWSKY :

Mr. Evans has advised me that you have been authorized by Mr. Hearst to negotiate the sale of the Hearst morning membership in the Associated Press of Chicago.

I am familiar with your and Mr. Evans conversations on this subject, and I assume you are, in a general way, familiar with subsequent conversations we have had with certain officials of the Associated Press. [fol. 445] I am anxious to purchase this membership at the earliest possible moment, provided the situation within your organization makes it practical for you to consider a price that I believe to be on the top side of a generous offer.

In an attempt to determine the amount of my offer, I have carefully considered all the factors involved. I am, in a general way, familiar with prices that have been paid in the past for somewhat similar memberships. Without going into all the details, I believe you would be interested in three major factors which have guided my judgment.

1. If I make this purchase I have an asset, which, except for my utility of it, has no probable value, because I believe that if we are unsuccessful in Chicago it will be a long time before new capital is again attracted for this venture.

2. The present attitude of the Courts makes the value of the membership far more hazardous than was the case prior to the last few years, and this hazard, to my mind, depreciates its value. It certainly is not my present desire to attempt to invalidate the Associated Press, but I have no assurance that someone else will not do so. And I am advised by competent legal authorities that any such attempt would almost surely be successful.

3. If I wait until the annual meeting in April I have perhaps better than an even chance of securing a membership through election rather than through purchase.

Based on the above and other considerations, I have decided to offer \$250,000. cash for your Chicago membership, subject of course to the transfer of it by the Board of Directors to me. This offer is good for ten days from date, and I trust my attempt at frankness will have convinced you that I am sincere in my belief that this is the maximum I should pay and that this offer is therefore subject only to acceptance or declination both as to price and time of the offer.

Due to Mr. McLean's interest on behalf of both of us, I am taking the liberty of sending him a copy of this letter.

Sincerely yours, (Sgd.) Marshall Field".

[fol. 446] 39-i. Admit.

39-j. Admit.

39-k. Admit.

39-l. Admit.

39-m. Admit.

39-n. Admit.

40-a. Admit.

40-b. Admit, and state that Marshall Field also solicited votes and proxies in favor of his election to membership in The Associated Press.

40-c. Admit, and state that proxies obtained by Marshall Field in favor of his election for membership in The Associated Press were voted in favor of his election.

40-d. Admit.

40-e. Admit.

40-f. Deny.

40-g. Deny.

40-h. Admit.

40-i. Admit.

40-j. Admit, but state that the quotation in Item 40-j, second paragraph, is incomplete and should read as follows:

“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. *The 7-day indivisible morning membership could not be sold, Mr. White explained, without losing the Sunday right which the Herald-American uses.*

“‘There was nothing lax or subversive in not accepting the offer,’ Mr. White declared. ‘FBI officers questioned me for 45 minutes and I explained the situation satisfactorily to them.’” (Italicized portion omitted in Government Request.)

40-k. Admit.

40-l. Admit.

40-m. Admit.

40-n. Admit, but state that approval of the years of service of members of the Board of Directors of The Associated Press, on the ground that experience gained over years on the board is valuable to The Associated Press membership, was also expressed on the floor at the annual meeting of the members of The Associated Press in April, 1942.

41-a. Admit.

41-b. Admit.

41-c. Admit.

41-d. Deny.

41-e. Deny.

41-f. Deny.

41-g. Admit.

41-h. Admit, except that the discontinuance referred to in the second paragraph of Exhibit 42 took place on December 31, 1941, as to others than members of The Associated Press, with the exception of The Federated Press, [fol. 448] The Jewish Daily Forward and The Catholic Observer as to which service was discontinued on February 7, 1942, and with the exception of Time, Inc. and certain foreign newspapers.

41-i. Admit, except that such discontinuance took place on December 31, 1941, as to others than members of The Associated Press, with the exception of The Federated Press, The Jewish Daily Forward and The Catholic Observer as to which service was discontinued on February 7, 1942, and with the exception of Time, Inc. and certain foreign newspapers.

41-j. Admit.

41-k. Admit, except that "December 11, 1941" should read "December 10, 1941".

41-l. Admit.

41-m. Admit, except that "February 6" should read "February 7".

41-n. Admit, except that "February 6" should read "February 7".

41-o. Admit.

41-p. Admit.

[fols. 449-450] *Duly sworn to by Robert McLean. Jurat omitted in printing.*

[fol. 451] IN THE DISTRICT COURT OF THE UNITED STATES FOR
THE SOUTHERN DISTRICT OF NEW YORK

[Title omitted]

SECOND REQUEST FOR ADMISSIONS

Plaintiff United States of America requests defendants The Associated Press, Paul Bellamy, George Francis Booth, John Cowles, William Hutchinson Cowles, Edward

King Gaylord, Houston Harte, Josh L. Horne, Clark Howell, Jr., Joseph Russell Knowland, Robert Rutherford McCormick, Robert McLean, Leonard Kimball Nicholson, Frank Brett Noyes, Paul Patterson, Stuart Hoffman Perry, E. Lansing Ray, Edward Hubert Butler, The Adrian Telegram, The A. S. Abell Company, Bulletin Company, The Constitution Publishing Company, Cowles Publishing Company, The Evening Star Newspaper Company, The Kansas City Star Company, The Oklahoma Publishing Co., The Register and Tribune Company, Rocky Mount Publishing Co., Globe Democrat Publishing Co., San Angelo Standard, Inc., The Times-Picayune Publishing Company, Tribune Company, The Tribune Publishing Co., [fol. 452] and Worcester Telegram Publishing Co., Inc., and each of them, to make on or before May 14, 1943, the following admissions for the purpose of this action only and subject to all pertinent objections to admissibility which may be interposed at the trial.

That each of the following statements is true:

1-a. Exhibit No. 1-A, annexed hereto and made a part hereof, is a correct copy of a statement, submitted to The Associated Press by its treasurer, of revenue and expense of The Associated Press for the months of November and December 1938, and for the years 1937 and 1938 (the red figure in said statement being set in italics in Exhibit No. 1-A).

1-b. Exhibit No. 1-B, annexed hereto and made a part hereof, is a correct copy of a statement, submitted to The Associated Press by its treasurer, of revenue and expense of The Associated Press for the months of November and December 1940, and for the years 1939 and 1940 (the red figures in said statement being set in italics in Exhibit No. 1-B).

1-c. Exhibit No. 1-C, annexed hereto and made a part hereof, is a correct copy of a statement, submitted to The Associated Press by its treasurer, of revenue and expense of The Associated Press for the months of November and December 1942, and for the years 1941 and 1942 (the red figure in said statement being set in italics in Exhibit No. 1-C).

1-d. Exhibits Nos. 1-A, 1-B, and 1-C are correct copies of certain financial statements furnished to the plaintiff by

counsel for The Associated Press in response to information called for by Interrogatory No. 117 of the interrogatories served by the plaintiff on The Associated Press on January 26, 1943.

1-e. A report to The Associated Press by its Treasurer dated February 16, 1938, covering the month of January 1938 contains the following statement:

The item of "departmental charges," entered as a deduction from general service expenses, represents the proportion of administrative salaries and expenses and Employees Benefit Fund contributions which is allocated to the feature, newsphoto, wirephoto, and state services.

1-f. A report to The Associated Press by its Treasurer dated April 16, 1941, covering the month of March 1941 contains the following statement:

Broadcasting revenue for the year to date amounted to \$60,000.00, compared with \$24,000.00 for the corresponding period a year ago. However, effective April 1, revenue from sponsored broadcasting is being transferred to Press Association, Inc., leaving unsponsored broadcasting assessments, which we shall continue to collect, of approximately \$3,000.00 monthly.

1-g. A report to The Associated Press by its Treasurer dated August 22, 1941, covering the month of July 1941 contains the following statement:

The decrease of state service expenses arises from the fact that editorial salaries experimentally charged to state service during the last two years have been reclassified as a general service expense.

[fol. 454] 1-h. A report to The Associated Press by its Treasurer dated May 19, 1942, covering the month of April 1942 contains the following statement:

Effective with April, a reserve fund is being accumulated at the rate of \$25,000.00 monthly which it is proposed to use to write down the investment in Wide World News and Photos, Inc.

1-i. A report to The Associated Press by its Treasurer dated November 19, 1942, covering the month of October 1942 contains the following statement:

On the basis of the new distribution of salaries between the general and state payrolls, which was reported to you last month, state service income, and costs have been brought into approximate balance. In the last two months revenue was \$162,184.97 and expense \$158,869.22.

1-j. The statements quoted in the preceding Requests for Admissions Nos. 1-e to 1-i, inclusive, are correct copies of portions of certain reports of the Treasurer of The Associated Press which were furnished to the plaintiff by counsel for The Associated Press in response to information called for by Interrogatory No. 117 of the interrogatories served by the plaintiff on The Associated Press on January 26, 1943.

2-a. Exhibit No. 2-A, annexed hereto and made a part hereof, is a correct copy of a letter dated April 8, 1941, written by Kent Cooper to the members of The Associated Press, which was printed as the first page of a folder which The Associated Press sent to its members on or about April 8, 1941.

[fol. 455] 2-b. Exhibit No. 2-B, annexed hereto and made a part hereof, is a correct copy of the first of the two inside pages of said folder, above which pages were printed the words "Beating the Challenge of Today With a Complete News Report."

2-c. A communication or document issued by The Associated Press in 1942 carrying at the top the following:

AP-WW No. 1

(Editors: This is the first of two stories for use in promoting your Wide World service.)

contains the following statements:

Every reader of this newspaper is familiar with the reliability of The Associated Press, the world's great-

est newsgathering organization. Now, every reader also benefits from the added coverage of AP's correlated service, Wide World.

Through The Associated Press and Wide World, the (Name of Your Paper) receives not only the latest and most comprehensive coverage of the world's spot news events, but also the behind-the-scene stories which report new trends, weigh the significance of current happenings and record the human side of a world at war.

Kent Cooper, general manager of The Associated Press, dreamed many years ago of a separate news, feature, and photo service for AP members that would provide new approaches to the world's affairs. His idea was that the new service would augment, but never duplicate, the spot news stories daily provided [fol. 455] by The Associated Press. The AP and the new service would give member newspapers everything outside of local requirements.

His dream was gradually realized. He first set up a special service for Sunday issues of leased wire members, dealing in behind-the-news features. This service was expanded two years ago to supply similar material to morning and evening dailies and was called the Special News Service.

In August 1941, The Associated Press bought the long-established Wide World Photos from the New York Times. In December 1941, the Special News Service took the name of Wide World and became associated with Wide World Photos. In February 1942, The AP Feature Service took the name of Wide World Features.

2-d. A printed circular to editors describing Wide World Features, issued by The Associated Press in 1942, carries two forms of promotional ads, one of which contains the following statements:

Two great services—The Associated Press and Wide World—provide this newspaper with the world's most complete coverage of news, photos, features. No other combination offers so much—so fast—so accurately—to American readers.

2-e. A printed circular by The Associated Press since January 1, 1937, and carrying at the top the words "A Profile of the AP Feature Service" contains the following statements:

The only feature service with full facilities for coverage—pictures, stories, columns, background—in every state and in foreign countries. AP Feature material [fol. 457] is obtained from Feature Service staff members and from members of The Associated Press general staff all over the world as well as from free lance writers and artists.

The only service offering a full budget—comics and cartoons, daily columns, news features and pictures—on a cooperative basis. *You have a say—and savings—in AP Features.*

The only service offering weekly a full-page matted picture story, a weekly matted news review, a weekly matted background map.

The only service offering a complete, separate budget for both morning and afternoon newspapers.

The only complete feature service available in whole or in part.

2-f. Exhibit No. 2-C, annexed hereto and made a part hereof, is a correct copy of certain statements contained in a circular issued by The Associated Press since January 1, 1937, which carries at the top the words "Wirephoto Promotion Story."

2-g. A printed circular relating to AP's telemat service which The Associated Press issued since January 1, 1937, and which carries at the top the words "A Staff That Never Sleeps" contains the following statements:

This is the newsphoto desk in the world's largest news room, The Associated Press office in New York.
* * * Here is the heart of the 20,000-mile Wirephoto system with picture-sending machines in 45 cities and with emergency facilities for picture transmission from other points. * * * It is the world's greatest picture service.

[fol. 458] 2-h. A printed circular relating to AP's telemat service which The Associated Press issued since January

1, 1937, and which carries at the top the words "The Indispensable Service" contains the following statements:

Telemats provide the world's fastest matted news pictures.

Telemats provide the only mat service which benefits from the AP Wirephoto system.

Telemats provide you with more than 40 spot news mats weekly, dispatched from the closest of six regional matting points—Chicago, Atlanta, Kansas City, San Francisco, Dallas and New York. Telemats may be sent also from other emergency matting points.

2-i. The statements contained in Exhibits Nos. 2-A to 2-C, inclusive, and the statements quoted in Requests for Admissions 2-c, 2-d, 2-e, 2-g, and 2-h are correct copies of portions of certain circulars, brochures, or other similar material which were furnished to the plaintiff by counsel for The Associated Press in response to information called for by Interrogatory No. 56 of the interrogatories served by the plaintiff on The Associated Press on January 26, 1943.

3-a. Exhibit No. 3-A, annexed hereto and made a part hereof, is a correct copy of a map bearing at the top the words "AP Wirephoto Network Operations" issued by The Associated Press and dated November 1, 1938.

3-b. Exhibit No. 3-B, annexed hereto and made a part hereof, is a correct copy of a map of the AP news wire system issued by The Associated Press during the last 10 years.

[fol. 459] 3-c. Exhibits Nos. 3-A and 3-B are correct copies of maps which were furnished to the plaintiff by counsel for The Associated Press in response to information called for by Interrogatory No. 116 of the interrogatories served by the plaintiff on The Associated Press on January 26, 1943.

4-a. During the years 1901 to 1910, inclusive, applications for membership in The Associated Press filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-A, annexed hereto and made a part hereof, were rejected or denied by the Board of Directors of The Associated Press in the year or years shown on Exhibit No. 4-A.

4-b. Statements made in the annual reports of The Associated Press covering the years 1901 to 1910, inclusive, dis-

close or state that during said years the Board of Directors of The Associated Press rejected or denied applications for membership in The Associated Press filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-A.

4-c. During the years 1901 to 1910, inclusive, the Board of Directors of The Associated Press denied or rejected applications for membership in The Associated Press filed by at least 29 different applicants for membership, in cases in which the Board had jurisdiction to elect the applicant.

4-d. During the years 1911 to 1920, inclusive, applications for membership in The Associated Press, filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-B, annexed hereto and made a part hereof, were rejected or denied by the Board of Directors of The Associated Press in the year or years shown on Exhibit No. 4-B.

4-e. Statements made in the annual reports of The Associated Press covering the years 1911 to 1920, inclusive, disclose or state that during said years the Board of Directors of The Associated Press rejected or denied applications for membership in The Associated Press filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-B.

4-f. During the years 1911 to 1920, inclusive, the Board of Directors of The Associated Press denied or rejected applications for membership in the Associated Press filed by at least 71 different applicants for membership, in cases in which the Board had jurisdiction to elect the applicant.

4-g. During the years 1921 to 1932, inclusive, applications for membership in The Associated Press filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-C, annexed hereto and made a part hereof, were rejected or denied by the Board of Directors of The Associated Press in the year or years shown on Exhibit No. 4-C.

4-h. Statements made in the annual reports of The Associated Press covering the years 1921 to 1932, inclusive, disclose or state that during said years the Board of Directors of The Associated Press rejected or denied applications for membership in The Associated Press filed by or on behalf of the owners of the newspapers listed in Exhibit No. 4-C.

4-i. During the years 1921 to 1932, inclusive, the Board of Directors of The Associated Press denied or rejected [fol. 461] applications for membership in The Associated Press filed by at least 57 different applicants for membership, in cases in which the Board had jurisdiction to elect the applicant.

5-a. Exhibit No. 5-A, annexed hereto and made a part hereof, is a correct copy of the provisions of a contract dated October 9, 1902, entered into between The Associated Press, Reuter's Telegram Company, Limited, Agence Havas, and Continental Telegraphen Compagnie.

5-b. Exhibit No. 5-B, annexed hereto and made a part hereof, is a correct copy of the provisions of a contract or treaty dated August 26, 1927, entered into between The Associated Press, Reuters Limited, Havas Agency and Continental Telegraphen Compagnie (Wolff's Telegraphisches Buro).

5-c. Exhibit No. 5-C, annexed hereto and made a part hereof, is a correct copy of a letter dated August 26, 1927, from Roderick Jones, Chairman and Managing Director of Reuters Limited, to Kent Cooper, General Manager of The Associated Press, relating to the contract or treaty, a copy of which is set forth in Exhibit No. 5-B.

5-d. The contract or treaty, a copy of which is set forth in Exhibit No. 5-B, remained in effect until December 31, 1931.

5-e. Exhibit No. 5-D, annexed hereto and made a part hereof, is a correct copy of the provisions of a contract or treaty dated February 13, 1932, entered into between The Associated Press, Reuters Limited, Havas Agency, and Continental-Telegraphen-Compagnie Wolff's Telegraph-[fol. 462] isches Buro Aktiengesellschaft.

6-a. Exhibit No. 6-A, annexed hereto and made a part hereof is a correct copy of the provisions of a contract dated February 8, 1934, entered into between The Associated Press and The United Press Associations.

6-b. Exhibit No. 6-B, annexed hereto and made a part hereof, is a correct copy of a letter dated October 5, 1936, from Kent Cooper, General Manager of The Associated

Press, to Hugh Baillie, President of The United Press Associations.

6-c. Exhibit No. 6-C, annexed hereto and made a part hereof, is a correct copy of a letter dated October 6, 1936, from Hugh Baillie to Kent Cooper.

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

[fol. 463]

EXHIBIT No. 1-A

Form TR 171M-10-38-T.

The Associated Press

Statement of Revenue and Expense, Month of December
1938

	Current month	Last month	Year to date	Last year to date
Revenue:				
General service:				
General news.....	629,555.23	606,615.04	7,394,683.44	7,269,795.93
For Social Security taxes..	18,676.66	18,657.28	224,294.56	130,251.63
Broadcasting.....	2,850.27	2,697.38	34,252.71	30,337.37
Differentials and penalties.	4,921.75	4,889.12	61,480.19	77,472.61
Interest.....	6,528.04	6,527.87	78,335.09	80,560.38
	<u>662,531.95</u>	<u>639,386.69</u>	<u>7,793,045.99</u>	<u>7,588,417.92</u>
State service.....	76,867.67	82,484.07	752,073.29	762,819.72
Feature service.....	35,689.01	34,560.20	421,671.82	405,931.68
Wirephoto.....	97,366.78	93,988.96	1,137,774.55	1,119,447.25
News photo.....	65,064.58	62,783.10	758,852.76	653,098.10
Supplemental sports.....	27,507.69	12,385.19	197,789.86	216,554.52
Total revenue.....	<u>965,027.68</u>	<u>925,588.21</u>	<u>11,061,208.27</u>	<u>10,746,269.19</u>
Expense:				
General service:				
Domestic news collection..	131,344.38	128,841.88	1,568,565.22	1,527,364.69
Foreign news collection...	76,132.56	70,247.27	757,820.49	765,616.43
News distribution.....	386,043.01	359,526.08	4,488,763.31	4,356,061.76
Membership.....	4,609.13	4,411.51	99,458.24	115,819.21
Administrative.....	90,908.88	27,089.48	470,076.08	329,277.81
Employes benefit fund...	119,173.85	24,858.48	357,361.57	386,424.06
Social Security taxes.....	16,456.55	18,657.28	222,074.45	132,495.85
	<u>824,668.36</u>	<u>655,631.98</u>	<u>7,964,119.36</u>	<u>7,613,059.81</u>
Less departmental charges	14,400.00	14,400.00	165,225.00	.....
	<u>810,268.36</u>	<u>619,231.98</u>	<u>7,798,894.36</u>	<u>7,613,059.81</u>
State service.....	76,382.00	99,581.08	920,640.52	814,239.79
Feature service.....	36,130.92	33,602.91	420,341.48	424,038.68
Wirephoto.....	92,479.85	89,261.96	1,117,147.90	1,117,544.32
News photo.....	53,107.80	59,298.93	694,988.19	664,162.23
Supplemental sports.....	11,993.00	7,406.40	109,195.82	113,224.36
Total expense.....	<u>1,080,361.93</u>	<u>908,383.26</u>	<u>11,061,208.27</u>	<u>10,746,269.19</u>
Net excess.....	115,334.25	17,204.95	.....	.....
Carried forward.....	.....	.....	48,632.25	48,632.25
Balance.....	.....	.....	48,632.25	48,632.25

[fol. 464]

EXHIBIT No. 1-B

Form TR171M 4-40-T.

The Associated Press

Statement of Revenue and Expense, Month of December
1940

	Current month	Last month	Year to date	Last year to date
Revenue:				
General service:				
General news.....	645,899.83	625,858.83	7,582,397.13	7,427,001.66
For Social Security taxes..	18,649.68	18,658.82	223,788.55	223,655.19
Broadcasting.....	24,718.08	16,004.37	144,866.51	57,256.65
Differentials and penalties.	4,706.81	4,607.27	57,208.76	58,799.78
Interest.....	5,167.63	5,167.58	90,380.90	63,300.61
	<u>699,142.03</u>	<u>670,296.87</u>	<u>8,098,641.85</u>	<u>7,830,013.89</u>
State service.....	88,469.68	72,439.41	783,393.21	727,128.96
Feature service.....	39,085.52	37,282.81	444,518.00	432,066.08
Wirephoto.....	77,674.53	75,094.53	904,287.91	1,039,680.69
News photo.....	73,552.71	73,493.04	867,105.12	791,816.69
Supplemental sports.....	15,910.73	16,108.90	206,963.54	192,521.97
Total revenue.....	<u>993,835.20</u>	<u>944,715.56</u>	<u>11,304,909.63</u>	<u>11,013,228.28</u>
Expense:				
General service:				
Domestic news collection..	89,182.45	89,940.29	1,091,688.75	1,323,758.19
Foreign news collection...	85,277.65	72,236.98	1,047,383.81	1,013,897.91
News distribution.....	383,331.20	393,167.12	4,662,706.52	4,532,980.89
Membership.....	7,087.70	6,397.31	55,972.47	51,183.30
Administrative.....	20,336.85	36,292.63	411,924.02	429,286.71
Employee benefits.....	20,493.81	11,861.90	142,069.34	127,558.78
Social Security taxes.....	649.68	18,658.82	205,788.55	222,021.63
	<u>606,359.34</u>	<u>628,555.05</u>	<u>7,617,533.46</u>	<u>7,700,687.41</u>
Less departmental charges	<u>17,650.00</u>	<u>17,650.00</u>	<u>204,750.00</u>	<u>211,650.00</u>
	<u>588,709.34</u>	<u>610,905.05</u>	<u>7,412,783.46</u>	<u>7,489,037.41</u>
State service.....	120,046.52	148,206.51	1,472,016.58	1,188,507.99
Feature service.....	30,963.08	31,562.98	373,521.39	402,083.25
Wirephoto.....	77,393.73	86,497.88	948,208.73	1,075,124.42
News photo.....	73,375.48	74,074.36	865,868.65	823,695.41
Supplemental sports.....	9,271.66	8,076.51	107,136.84	102,784.57
Total expense.....	<u>899,759.81</u>	<u>959,323.29</u>	<u>11,179,535.65</u>	<u>11,081,321.05</u>
Net excess.....	<u>94,075.39</u>	<u>14,607.73</u>	<u>125,373.98</u>	<u>68,092.77</u>

[fol. 465]

EXHIBIT No. 1-C

Form TR 17 A 1M 6-42 D.

The Associated Press

Statement of Revenue and Expense, Month of December
1942

	Current month	Last month	Year to date	Last year to date
Revenue:				
General service:				
News, photos and features.	719,184.74	699,054.71	8,464,375.44	8,034,961.18
For Social Security taxes..	18,471.51	18,452.78	222,146.12	223,084.20
Broadcasting.....	1,024.67	1,099.22	14,378.19	84,805.95
Differentials and penalties	12,072.36	13,816.46	164,461.88	56,188.27
Interest.....	4,646.02	4,645.97	55,362.85	67,293.06
	<u>755,399.30</u>	<u>737,069.14</u>	<u>8,920,724.48</u>	<u>8,466,332.66</u>
State service.....	108,701.14	74,039.76	947,438.37	834,649.47
Feature mats and postage..	35,624.23	33,858.77	418,039.78	396,734.47
Wirephoto.....	76,125.16	74,639.69	892,907.80	889,438.62
Photo prints, mats and post- age.....	48,132.22	45,992.14	543,942.32	701,698.99
Supplemental sports.....	12,649.82	27,448.66	193,807.63	202,657.26
Total revenue.....	<u>1,036,631.87</u>	<u>993,048.16</u>	<u>11,916,860.38</u>	<u>11,491,511.47</u>
Expense:				
General service:				
Collection—				
domestic news, photos and features.....	220,923.92	208,137.89	2,663,953.96	1,863,274.06
foreign news.....	127,487.07	104,829.77	1,088,210.76	1,141,884.10
News distribution.....	391,954.70	368,025.58	4,605,927.37	4,763,384.53
Membership.....	14,604.45	7,174.54	67,718.84	65,966.40
Administrative.....	7,878.90	42,881.05	373,657.05	392,039.62
Employees' benefits.....	21,172.59	10,212.55	127,305.19	124,221.08
Social Security taxes.....	18,471.51	18,452.78	222,146.12	223,084.20
	<u>802,493.14</u>	<u>759,714.16</u>	<u>9,148,919.29</u>	<u>8,573,853.99</u>
Less departmental charges	14,275.00	15,698.93	140,691.79	181,350.00
	<u>788,218.14</u>	<u>744,015.23</u>	<u>9,008,227.50</u>	<u>8,392,503.99</u>
State service.....	67,132.85	102,717.92	714,715.39	1,108,259.52
Feature mats and postage..	33,402.42	28,864.65	374,774.17	336,393.42
Wirephoto.....	75,786.67	65,450.41	726,509.55	788,255.62
Photo prints, mats and post- age.....	37,667.98	18,981.81	367,369.34	632,352.37
Supplemental sports.....	12,808.03	8,631.66	113,981.89	115,009.40
Total expense.....	<u>1,015,016.09</u>	<u>968,661.68</u>	<u>11,305,577.84</u>	<u>11,372,774.32</u>
Net amount added to Excess of Assessments held for Credit to Members.....	21,615.78	24,386.48	611,282.54	118,737.15
Less refund.....			622,781.74	
			<u>11,499.20</u>	

[fol. 466]

EXHIBIT No. 2-A

The Associated Press

General Office

50 Rockefeller Plaza

New York, N. Y., April 8, 1941.

To Members of the Associated Press:

This letter and the pages which follow are in the nature of a report of progress. More and more we hear it said that newspaper readers not only demand prompt and accurate reporting of news events, but are eager also for interpretative and explanatory material to show how and why these events came about. To meet this need, your Association now is providing side by side two separate news services, the one devoted to spot developments, the other to the background.

In recent years many forward steps have been taken in the Associated Press spot news report, without special announcement to the members. The wire system has been streamlined to insure quicker delivery, the staff has developed a speed of operation unequaled anywhere, and writing has improved immeasurably. We all have grown accustomed to take superiority in this field for granted, but if anyone doubts the improvement he has but to turn back the pages, make comparisons, and see for himself.

Development of the sister effort to provide interpretative material through the Special News Service has now passed [fol. 467] far beyond the stage of experiment. Already this second service is recognized widely as the best in its field. It will continue to improve, with your help.

Some members have asked why this background service carries no A. P. credit. One reason is the desire to give the writers latitude of expression which, I regret to say, many members do not like to see in published dispatches credited to the A. P. The omission of the credit is partially in deference to that feeling. It is better that those who want this background material receive it without A. P. credit than not to receive it at all. If allowed to continue and improve it will ultimately take a fixed place in modern newspaper making as have many other developments which the present management has fostered.

Then, too, this is to be made a highly personalized service, belonging to the members themselves in the largest sense. We call it the S. N. S. for identification among ourselves and on the wires, but I suggest that any member who wants to take full advantage of the promotional possibilities either insert its own name in the credit line, such as "The (name of your paper) Special News Service," or use the writers' by-lines without further credit at all, thus building up these writers as its own. If you will do that, the service will eventually come to be as much of an asset to your property as, for example, the news picture service. The users thus will be the full beneficiaries.

I am happy to tell you that the Board has decided no special assessment will be imposed for the Special News [fol. 468] Service. This means that you are receiving and will continue to receive two news services, meeting expertly the two prime news needs of present-day newspapers, for a single assessment.

Sincerely yours, (Signed) K. C.

Kent Cooper.

[fol. 469]

EXHIBIT No. 2-B

The AP News Service

Foreign: When you read on March 1 that German troops drove into Sofia in grey armored cars wearing regulation battle dress, it's a safe bet that you were looking at an AP dispatch, because AP came through from one to three hours ahead of others.

Sixty-six American overseas staff men, aided by scores of stringers, have been turning up beats like that regularly in the eighteen months of the War.

Here are just a few: Torpedoing of the *S. S. Athenia*; assassination of Premier Calinescu of Rumania; sinking of the battleship *Royal Oak*; the *Graf Spee* battle; Hitler's visit to Paris; the bombing of *Croydon*; the evacuation of Namsos; Russian invasion of Finland; Japanese adherence to the axis; arrival of Australians at Singapore.

Domestic: Have you noticed recently how many *new* domestic stories are appearing in both the AP day and night reports?

They're there because AP men have gone out to get them—particularly the *lighter* and *brighter* happenings of this war-torn world.

Where are they coming from? All over—from Fargo as well as Washington; from Baton Rouge as well as New York. AP men have gone straight to the soil and are turning over a brand new crop of home news.

[fol. 470] Their reports are readable because they have no writing "rules" except to be accurate, unbiased, decent, truthful, and interesting.

There is speed, too. Elimination of relays has brought hundreds of newspapers into direct contact with Washington and other big news centers—on a single news wire carrying the cream of the general report.

The Sports Report: Twenty-three full-time sports specialists produce most of it. Scores of news staff men aid them. It runs, on trunk wires, according to the season, from 20,000 to 50,000 words around the clock.

Baseball accounts for the heaviest run, but almost any sport you can name gets on the wires, including football, boxing, racing, basketball, golf, tennis, track and field, hockey, polo, rowing, swimming, wrestling, yachting, winter sports, and, yes, even badminton. More than a hundred papers are on special football wires; almost as many take a racing service.

Naturally, that means a lot of statistics, but that sports staff is turning out grand reading matter, too.

The Market Report: It's supreme in its field—this AP market and financial service—a recognized authority wherever papers are published. There is nothing comparable to it in speed, accuracy, quality or quantity.

Eighty percent of American papers using complete market tables print AP security prices. Two hundred trained employees prepare them, and 34,000 miles of leased wire carry 95,000 stock and bond quotations daily—the [fol. 471] biggest and fastest statistical job in newspaperdom.

Accompanying the statistics goes expertly written business and economic news by financial experts.

[fol. 472]

EXHIBIT No. 2-C

The huge network of wires, set aside for use by The Associated Press WIREPHOTO alone, operates 18 hours daily,

constantly ready for any news break and ready to transmit news pictures to the (Name of Paper).

The identification or "caption" explaining the material contained in the picture is typed by an editor at the sending station on a strip of gummed paper and pasted to one end of the photographic print. The typewritten material in this caption is transmitted along with the picture in the same manner as the picture itself and at the same time.

Not more than 45 minutes time is consumed between the time a photographer steps into his darkroom at a sending station until a picture is in an editor's hands many miles away. This includes the time required for the news photographer coming in from his assignment to develop his film and print the picture, for the Wirephoto attendants at the sending point to transmit it and for other attendants at the receiving end to develop and print from the negative exposed by the clever combination of light and electricity that goes to make up Wirephoto.

All receiving stations on the network—serving 120 newspapers—can receive the same picture at the same time from the one print at the sending station. And there are about [fol. 473] 50 sending stations available to transmit pictures, a number of portable sending machines, also, being provided at strategic points, whence they can be rushed to any location.

Each station on the network is in direct connection with any or all the others by the same wire that carries the pictures and staff men can talk with one another about pictures planned to accompany the news, like this:

"New York," says an editor, "this is San Francisco. How soon do you expect to have those English pictures ready to move?"

"In about four minutes," replies the New York editor, continuing, "Did you hear that, Chicago? You were asking a moment ago."

"Yes, thanks," says the Chicago editor.

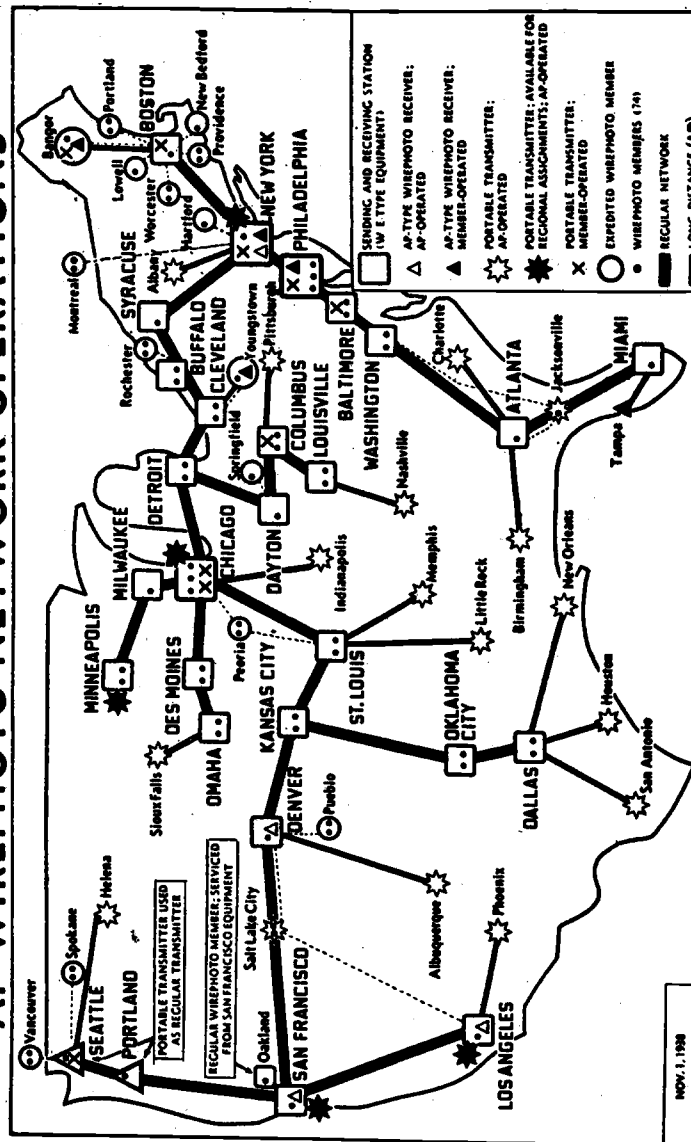
(Name of City) is in close touch with the main network station at (Insert Name of Your Transmitting Station) by telephone. After a quick call The (Name of Paper) receiver can be connected and in eight minutes a picture will be in The (Name of Paper) office to go with the news story that has come by another wire.

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(Here follow two photolithographs, side folios 474 and 475)

EXHIBIT NO. 3-A

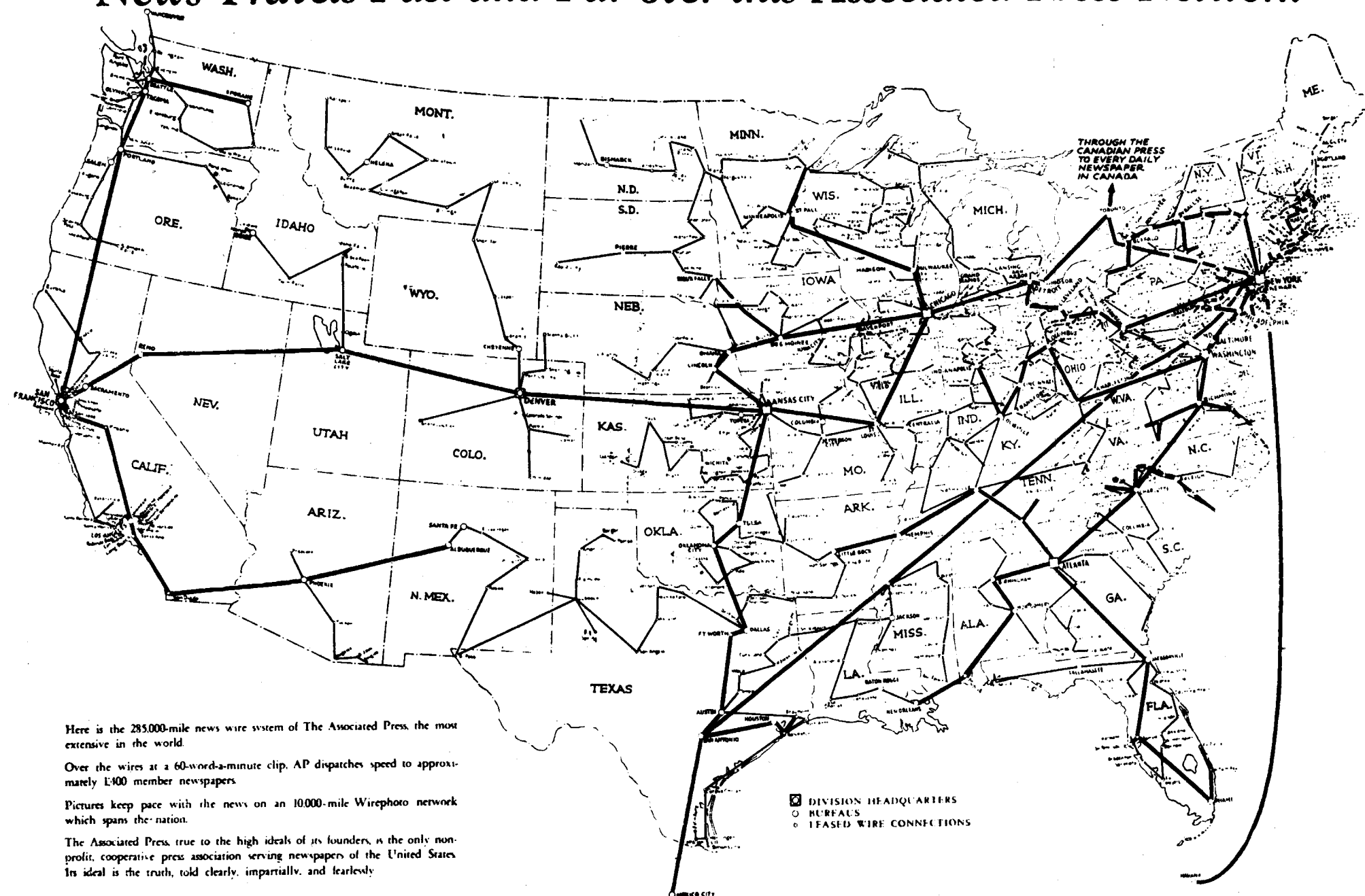
AP WIREPHOTO NETWORK OPERATIONS



NOV. 1, 1958

EXHIBIT NO. 3-B

News Travels Fast and Far over this Associated Press Network



Here is the 285,000-mile news wire system of The Associated Press, the most extensive in the world.

Over the wires at a 60-word-a-minute clip, AP dispatches speed to approximately 1,400 member newspapers.

Pictures keep pace with the news on an 10,000-mile Wirephoto network which spans the nation.

The Associated Press, true to the high ideals of its founders, is the only non-profit, cooperative press association serving newspapers of the United States. Its ideal is the truth, told clearly, impartially, and fearlessly.

The Associated Press Reports the News of the World Daily for This Member Newspaper

534287-42

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[fol. 476]

EXHIBIT No. 4-A

Newspaper	Year in which Board of Directors denied application
New Bedford (Mass.) Times.....	1902
Norfolk (Va.) Dispatch.....	1904
Parkersburg (W. Va.) Dispatch.....	1905
Pittsburgh (Kans.) Times.....	1905
Lead (S. D.) Register.....	1905
Missoula (Mont.) Herald.....	1905
Meridian (Miss.) Dispatch.....	1905
Tampa (Fla.) Globe.....	1906
Hutchinson (Kans.) Times.....	1906, 1907
Freeport (Ill.) Bulletin.....	1906
Hattiesburg (Miss.) News.....	1906
Lowell (Mass.) Evening Telegram.....	1907
Chillicothe (Mo.) Tribune.....	1908
Fargo (N. D.) Morning News.....	1908
Prescott (Ariz.) Courier.....	1909
Courtland (Ariz.) Arizonian.....	1909
Ithaca (N. Y.) News.....	1909
San Angelo (Tex.) Press-News.....	1909
Pensacola (Fla.) Evening Review.....	1909
Lake Charles (La.) Press.....	1909
Richmond (Va.) Virginian.....	1909
Hutchinson (Kans.) Gazette.....	1910
Wenatchee (Wash.) Republic.....	1910
Minot (N. D.) Daily Reporter.....	1910
Rapid City (S. D.) Daily Gate City Guide.....	1910
White Plains (N. Y.) Morning Reporter.....	1910
Pottsville (Pa.) Journal.....	1910
Allentown (Pa.) Democrat.....	1910
Jersey City (N. J.) Jersey Journal.....	1910

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EXHIBIT No. 4-B

Waco (Tex.) Tribune.....	1911
Portland (Oreg.) Journal.....	1911, 1912, 1913, 1917, 1919
Richmond (Va.) Virginian.....	1911, 1914, 1915
Ithaca (N. Y.) Cornell Daily Sun.....	1911
Portland (Oreg.) Examiner.....	1911
Roswell (N. M.) Evening News.....	1911
Devils Lake (N. D.) Morning Call.....	1911

EXHIBIT No. 4-B—Continued

Newspaper	Year in which Board of Directors denied application
Allentown (Pa.) Democrat	1911, 1913
Marion (Ohio) Star	1911
Bridgeport (Conn.) Two Herald	1912
Hot Springs (Ark.) New Era	1912
Palestine (Tex.) Record	1912
Laurel (Miss.) Chronicle	1913
Fitchburg (Mass.) Daily News	1913
Phillipsburg (N. J.) Press	1913
Hutchinson (Kans.) Gazette	1913
Mesa (Ariz.) Mail	1913
Dixon (Ill.) Leader	1914
Richmond (Va.) Evening Journal	1914
North Bend (Oreg.) Coast Daily Tide	1915
Jersey City (N. J.) Journal	1915
Jersey City (N. J.) News	1915
Brownsville (Tex.) Sentinel	1915, 1917, 1919
Idaho Falls (Idaho) Register	1916
Mitchell (S. D.) Gazette	1916, 1917
Wilson (N. C.) Dispatch	1916
Rochester (N. Y.) Herald	1916
Lakeland (Fla.) Star	1916, 1917
Tonopah (Nev.) Times	1916
Pittsburg (Kans.) Sun	1916
Fall River (Mass.) Independent	1916
Cairo (Ill.) Herald	1916
Bryan (Tex.) Herald	1916
Newark (N. J.) Morning Ledger	1917
New Bern (N. C.) New Bernian	1917, 1918
Enid (Okla.) Morning News	1917
Charleston (W. Va.) Leader	1917
Staunton (Va.) Daily News	1917
Lynn (Mass.) Telegram	1917
Nogales (Ariz.) Daily Morning Oasis	1917, 1918
Parsons (Kans.) Republic	1917
Fairmont (Minn.) Martin County Independent	1917
[fol. 478] Watertown (S. D.) Daily News	1918
Port Angeles (Wash.) Evening News	1918
Casper (Wyo.) Daily Tribune	1918
Moberly (Mo.) Daily Index	1918
Palm Beach (Fla.) News	1918

EXHIBIT No. 4-B—Continued

Newspaper	Year in which Board of Directors denied application
Port Arthur (Tex.) News	1918
Wichita Falls (Texas) Morning News	1918
Sheridan (Wyo.) Post	1919
Ybor City (Fla.) La Prensa	1919
Webb City (Mo.) Daily Sentinel	1919
Marietta (Ohio) Daily Journal	1919
New Kensington (Pa.) Star	1919
Palatka (Fla.) News & Advertiser	1919
Ashland (Pa.) News	1919
Pocatello (Idaho) News	1919
Oklahoma City (Okla.) Tribune	1919
Huron (S. D.) Daily News	1919
Austin (Tex.) Daily Texan	1919
Northampton (Mass.) Daily Herald	1919
Concord (N. H.) Patriot	1919
Mesa (Ariz.) Southside Union	1919
Gainesville (Fla.) News	1919
Eastland (Tex.) Chronicle	1920
Pawhuska (Okla.) Osage Journal	1920
Pocatello (Idaho) Idaho World	1920
Winchester (Ky.) Sun	1920
Norfolk (Va.) Tribune	1920
Nampa (Idaho) Free Press	1920
Oklahoma City (Okla.) Capital	1920
Paris (Tex.) Advocate	1920

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EXHIBIT No. 4-C

Elgin (Ill.) Daily Courier	1921
Greensburg (Pa.) Review	1921
Hagerstown (Md.) Daily Mail	1921
Hugo (Okla.) Free Press	1921
Elgin (Ill.) News	1921
Merced (Calif.) Star	1921
Nogales (Ariz.) Times	1921
Madison (Wis.) State Journal	1921
Winona (Minn.) Leader	1921
Winter Park (Fla.) Post	1921
Ft. Myers (Fla.) Tropical News	1921

EXHIBIT No. 4-C—Continued

Newspaper	Year in which Board of Directors denied application
Monterey (Calif.) Peninsula Daily Herald.....	1922
Bluefield (W. Va.) News	1922
Lakeland (Fla.) Star-Telegram	1922
Alexandria (Va.) Gazette	1923, 1924, 1925
Abbeville (S. C.) Medium	1923
New Bedford (Mass.) Times	1923, 1926
Nogales (Ariz.) Democrat	1923
Huntsville (Ala.) Star	1924
Bowling Green (Ky.) Times-Journal	1924
Danville (Pa.) Morning News	1924
Hattiesburg (Miss.) Morning Herald	1924
Hendersonville (N. C.) Daily Times	1924
Mooreville (N. C.) Sentinel	1924
Norwalk (Conn.) Hour	1925
Lawrence (Mass.) Eagle	1925
Lawrence (Mass.) Tribune	1925
Palm Beach (Fla.) World	1925
Hollywood (Fla.) News	1925
Key West (Fla.) Sun	1925
Key West (Fla.) Press	1925
Tallahassee (Fla.) State News*	1925
Tampa (Fla.) Telegraph	1925
Vero Beach (Fla.) Journal	1926
Columbus (Miss.) Discoverer	1926
Corpus Christi (Tex.) Times	1926
Parsons (Kans.) Republican	1926
Lima (Ohio) Republican-Gazette	1926
Poplar Bluff (Mo.) Interlake American	1926
Tallahassee (Fla.) Morning State	1926
Plattsburg (N. Y.) Republican	1927
[fol. 480] Lake Worth (Fla.) Leader	1927
Hopewell (Va.) News	1928
Palestine (Tex.) Press	1928
White Plains (N. Y.) Reporter	1929
Gallu (N. Mex.) Times	1929
Goose Creek (Tex.) Tribune	1929
Waynesboro (Va.) News-Virginian	1930

* Elected by Directors in 1926.

EXHIBIT No. 4-C—Continued

Newspaper	Year in which Board of Directors denied application
San Benito (Tex.) Light	1930
Camden (Ark.) Morning Times	1930
Malone (N. Y.) Franklin County Times	1930
Pampa (Tex.) Morning Times	1930
Sisterville (W. Va.) Daily Review	1930
West Chester (Pa.) Daily Local News	1930
Wenatchee (Wash.) Morning Sun	1930
Elizabeth (N. J.) Times-Herald	1930
Patchogue (N. Y.) Villager	1931
Huntsville (Ala.) Register	1932

[fol. 481]

EXHIBIT No. 5-A

This Agreement, made and entered into this ninth day of October 1902, by and between the Reuter's Telegram Company, Limited, of London, England, a corporation incorporated under the laws of Great Britain, Party of the First Part; the Continental Telegraphen Compagnie of Berlin, Germany, a corporation organized under the laws of Prussia, Party of the Second Part; the Agence Havas of Paris, France, a corporation organized under the laws of France, Party of the Third Part; and The Associated Press, a corporation organized under the laws of the State of New York, United States of America, Party of the Fourth Part, Witnesseth:

That, in consideration of the sums of money hereinafter agreed to be paid, and of the covenants entered into by each of the contracting parties as hereinafter set forth, the parties hereto have covenanted and agreed by and with each other in manner following, that is to say:

1. The Party of the First Part shall from the first day of June 1903, and during the continuance of this agreement, supply to the agent or representative of the said The Associated Press in London, copies of all telegrams or other news matter furnished by the said Party of the First Part to any newspapers, periodicals, associations or individuals, simultaneously with the delivery of such news service to such newspapers, periodicals, associations or individuals.

[fol. 482] 2. The Party of the Second Part shall from the first day of June 1903, and during the continuance of this agreement, supply to the agent or representative of the said The Associated Press in Berlin copies of all telegrams or news matter furnished by said Party of the Second Part to any newspapers, periodicals, associations or individuals simultaneously with the delivery of such news service to such newspapers, periodicals, associations or individuals.

3. The Party of the Third Part shall from the first day of June 1903, and during the continuance of this agreement, supply to the agent or representative of the said The Associated Press in Paris, copies of all telegrams or other news matter furnished by said Party of the Third Part, to any newspapers, periodicals, associations or individuals, simultaneously with the delivery of such news service to such newspapers, periodicals, associations, or individuals.

4. The Party of the Fourth Part shall, from the first day of June 1903, and during the continuance of this agreement, supply to the agent or agents, representative, or representatives of the said Parties of the First, Second, and Third Parts in New York, copies of all telegrams or other news matter furnished by the said Party of the Fourth Part to any newspapers, periodicals, associations, or individuals, simultaneously with the delivery of such news service to such newspapers, periodicals, associations, or individuals.

5. Neither the said Party of the First, Second, or Third Part shall, during the terms of this contract, supply any news matter or telegrams, directly or indirectly, to any [fol. 483] person or newspaper in the United States of America or British North America except as hereinbefore provided, namely, to the agent or representative of the said Party of the Fourth Part, except that it shall be permissible for the said Party of the First Part to send British news to British North America on receiving the written authority of the said Party of the Fourth Part.

6. The said Party of the Fourth Part shall not, during the term of this contract, supply any news matter or telegrams directly or indirectly to any person or newspaper outside of the boundaries of North America, Cuba, Porto Rico, Central America, St. Thomas, St. Croix, Hawaiian Territory, the Philippine Islands, or any territory

which may hereafter be acquired by the United States of America, except as hereinbefore provided, namely, to the agents or representatives of the said Parties of the First, Second, and Third Parts in New York.

7. The said Party of the Fourth Part shall, during the continuation of this contract, pay to the said Party of the First Part, for and on account of the Parties of the First, Second, and Third Parts, the yearly sum of Two Thousand Four Hundred Pounds Sterling clear of all deductions, in equal monthly instalments of Two Hundred Pounds each, payable on the first day of July 1903, and on the first day of each subsequent month, up to and including the first day of January 1910, the said instalments to be payable to the said Party of the First Part in London or to such person or bank in New York as said Party of the First Part shall designate.

[fol. 484] 8. The said Party of the Fourth Part shall be entitled to have news forwarded free of commission direct to North America or to the London Office of the Party of the Fourth Part, solely for transmission to North America, from any of the regular or salaried correspondents of the Parties of the First, Second, or Third Parts, and the said Parties of the First, Second, and Third Parts reciprocally shall have the like right to have news forwarded free of commission direct to the head office or branch office of any of the First, Second, or Third Parts, by the regular salaried correspondents of the said Party of the Fourth Part.

9. All telegraphic expense for transmitting news intelligence to the United States or direct to the London Office of the said Party of the Fourth Part for the use and benefit of the said Party of the Fourth Part, shall be borne and paid by the said Party of the Fourth Part, and all telegraphic expense for transmitting intelligence to Europe or elsewhere on account of and by order of all or any of the said Parties of the First, Second, or Third Parts, shall be borne and paid by the party on whose order the news is transmitted.

10. The parties hereto shall have the right each to call upon each or all of the others for any telegraphic news analogous to but not comprised in the ordinary services of any of the parties so called upon, and to have such news solely on payment of the telegraphic tolls thereon from the point

of origin to the point where such news is delivered to the agent or office of the party ordering the same, and on paying the extraordinary expenses of obtaining the same when [fol. 485] there is no salaried agent of such party stationed at the point from which such news is to be sent.

11. Each of the parties hereto shall provide, gratuitously, suitable accommodation in the chief office of each at London, Berlin, and Paris, and New York, for the agents or representatives of each of the other parties hereto, and such agents or representatives shall be given free and unrestricted access to the news services at such offices as well as every facility for the prompt transmission of messages.

12. All questions, disputes or differences which may arise under this agreement shall be settled by arbitration; and should any such question, dispute, or difference arise between the said Parties of the First, Second or Third Parts on the one hand and the said Party of the Fourth Part on the other hand, then the said Parties of the First, Second and Third Part or the majority of them shall appoint one arbitrator and the said Party of the Fourth Part shall appoint another arbitrator, and the two arbitrators so appointed shall choose a third arbitrator, and the decision of the majority of such arbitrators shall be final and binding upon the parties to the controversy.

13. This agreement shall take effect upon the first day of June 1903, and shall terminate upon the 31st day of December A. D. 1909.

In witness whereof, the Party hereto of the First Part has hereunto affixed its corporate seal and has caused these presents to be signed by its Managing Director, and the Party hereto of the Second Part has hereunto affixed its [fol. 486] corporate seal and has caused these presents to be signed by its Director, and the Party hereto of the Third Part has hereunto affixed its corporate seal and has caused these presents to be signed by its Directeur, and the Party hereto of the Fourth Part has hereunto affixed its corporate seal and caused these presents to be signed by its President and Secretary, the day and year first above written.

[fol. 487]

EXHIBIT No. 5-B

Treaty

This Treaty made and entered into on the twenty-sixth day of August anno Domini 1927, at Geneva, between

(a) Reuters Limited, a Private Company with its Head Office in London, represented by Sir Roderick Jones, its Chairman and Managing Director, specially authorized by a resolution of the Board of Directors dated October 4, 1927, hereinafter styled Reuters;

(b) The Associated Press of America, a Corporation organized under the Laws of the State of New York with its Head Office in New York, represented by Mr. Kent Cooper, its General Manager, specially authorized by a Resolution of the Board of Directors dated April 22, 1927, hereinafter styled The Associated Press;

(c) The Havas Agency of France, a Limited Company with its Head Office in Paris, represented by Monsieur Andre Meynot, one of its Administrative Delegates, specially authorized by a Resolution of the Board of Directors dated September 14, 1927, hereinafter styled Havas; and

(d) The Continental Telegraphen Compagnie (Wolff's Telegraphisches Buro) of Germany, a Corporation organized under the Laws of Germany, with its Head Office in Berlin, represented by Dr. Heinrich Mantler, specially authorized by a Resolution of the Board of Directors dated [fol. 488] 12 November 1927, hereinafter styled Wolff, Witnesseth that:

Whereas the four Parties above-mentioned have regulated between themselves the exploitation of the world's news by a Convention which expires at the end of December 1927;

They have agreed to continue their joint and several relations as from January 1, 1928, in accordance with the following Articles:

Article I

Reuters shall have the exclusive news distribution field of the following territories:

The British Isles, Holland, Egypt, India, The Straits Settlements, Dutch East Indies, The Far East, South

Africa, Australia, New Zealand, and all other parts of the British Empire and British Mandated Territories,

with the reservation that The Associated Press shall have a free hand in British North America and the British West Indies.

Article II

The Associated Press shall have the exclusive news distribution field of the following territories:

North America and United States Possessions,

with the reservation that Reuters and Havas shall have a free hand in Canada and Mexico.

Further, The Associated Press shall have a free hand in Central America, South America, and Cuba.

[fol. 489]

Article III

Havas shall have the exclusive news distribution field of the following territories:

France, Spain, Morocco, Portugal, Italy, South America (subject to the right of The Associated Press mentioned in Article II), and the Possessions, Colonies, and Protectorates of these countries, and French Mandated Territories.

Article IV

Wolff shall have the exclusive news distribution field of Germany.

Article V

Countries not embraced in the preceding four Articles and Central America and Cuba shall be reserved to Reuters and Havas, except as is provided in Article II above.

Article VI

In case any region becomes the Possession, Colony, or Mandated Territory of Great Britain, the United States, France, or Germany, or passes under the protection of any of these countries, that region shall become ipso facto incorporated in the territory reserved to the Party to whose country the region passes.

Article VII

(1) Each of the four Contracting Parties shall have the right to enter into direct relations for the exchange of their own territorial news with any Agency allied to one [fol. 490] or more of the other three Contracting Parties with the knowledge and consent of the Contracting Party in whose territory the Agency is situated, and such relations shall be governed by and be in strict conformity with the principles of this Treaty.

(2) The four Contracting Parties, individually and collectively, shall not supply political, social, general, financial, or commercial news to Agencies or other organizations which compete directly or indirectly with any one of the four Contracting Parties or their allies or which assist or are otherwise associated with competitors of the four Contracting Parties or their Allies.

Article VIII

(1) Each of the four Contracting Parties undertakes to place with the utmost possible expedition in its Head Office at the disposal of the three other Contracting Parties all the news political, social, and general which it possesses or receives, no matter whence the news may emanate. In so far as such news originates in the contractual territory of the Party, each of the other three Parties shall enjoy the exclusive rights to such news in its own contractual territory subject to the stipulations of Article X; but the utilization by the other three Parties of news which is received by one of the Parties from beyond its own contractual territory shall be the subject of a special arrangement between the Parties concerned. Where Financial and Commercial Services are desired they shall be the subject of a special arrangement between the Parties concerned.

[fol. 491] (2) So Far As Existing Contracts Permit, each of the four Contracting Parties undertakes that the Head Office of each Allied Agency within the territory of that Party shall place without charge and with the utmost possible expedition in its Head Office at the disposal of the representatives of the other three Contracting Parties all the news political, social, and general which the said Agency possesses or receives from its own contractual territory, and

each of the other three Contracting Parties shall enjoy the exclusive rights in its own territory of such news.

Article IX

(1) Each of the four Contracting Parties undertakes, if called upon to do so by one of the other Parties, to send to the Head Office or to one other office in the territory of that Party, from all points in the sending Party's own exclusive territory as defined in Article I, II, III, or IV as the case may be, where it has a branch office or a resident staff correspondent, such local news, political, social, and general at the disposal of the said branch office or correspondent as may be required by one or more of the other three Contracting Parties.

(2) This service (with the exception of what is provided in paragraphs 3 and 5 of this Article and in Article XI) shall be made without charge to the receiving Parties other than the cost of transmission from the point of despatch to the point of destination and disbursements, if any, incurred specially in the interests of the receiving Party or [fol. 492] Parties in respect of the collection or handling of the said news. The extent and the nature of the service shall be determined solely by the receiving Party whose instructions must be scrupulously observed.

(3) The foregoing shall apply only to points where the despatching Party has either a branch office or a resident staff correspondent. Where the Party has at the place from which news is desired only a correspondent who is paid according to the work done the receiving Party shall refund to the despatching Party its proportionate share of the payment made or, where the service is provided exclusively for the receiving Party, the whole payment, in addition to the other charges incurred in connection with the service.

(4) It is agreed that the obligation upon each Party to make to the other Parties a direct service from all points where it has a branch office or a resident staff correspondent, does not apply to points situated in countries which are not reserved to a Party but where, nevertheless, that Party maintains offices or correspondents. Where direct services from such points are required they shall be the subject of a special arrangement between the Parties concerned.

(5) A special representative despatched by one of the Parties whether to its own territory or outside its territory on a special mission (journey of the Chief of State, International Conference, military operations, etc.) is not a resident staff correspondent. Consequently he will not be bound to despatch direct services to the Head Offices [fol. 493] of the other Parties as set out above except by special arrangement between the Parties. But this shall not affect the rights which each Party enjoys under Article VIII, Clause 1, to all the news available at the Head Offices of the other three Contracting Parties.

Article X

(1) So far as existing contracts permit, each Party shall have the right of supplying supplementary services to newspapers in the territories of the other Parties, provided that such newspapers are subscribers to the full service of the Party in whose territory the newspapers are situated and are not approached or canvassed until the latter Party has been consulted. The charge to be made to each newspaper shall be fixed by the Party furnishing the service in consultation with the Party to whose territory the service is made and shall conform to the standard of subscriptions generally recognised in that territory. Fifty percent of the net subscription (being the subscription received from the newspaper less any extra expenses directly and specially necessitated by the conducting of the service to the newspaper) shall be credited to the Party in whose territory the receiving newspaper is situated and the remaining fifty per cent shall be retained by the despatching Party.

(2) In no case shall such services be other than supplementary to the main service of the Party to whose territory they are made; nor must the conducting of such services infringe directly or indirectly at any time the principle [fol. 494] fundamental to this Treaty that each Party for the purposes of exploitation in its own territory has, in its own territory, the first claim to and the exclusive rights of the news of the other three Parties originating in the contractual territories of the respective Parties.

Article XI

(1) In the case of a war or other happening which obliges one or more of the four Parties to establish a special service involving extraordinary expenditure by an Allied Agency, not being one of the four Contracting Parties, upon a correspondent or correspondents, telegraph charges, and other costs, the other Parties shall be entitled to receive such special service only if they bear a share of the expenditure. Such share shall be settled by agreement between the Parties concerned.

(2) In the event of no agreement being come to, the obligation shall remain upon the Party or Parties conducting the special service promptly to place in its or their Head Office or Head Offices at the disposal of the other Parties a general service summary which shall contain the essential facts carried in the special service.

Article XII

(1) Each of the Parties pledges itself to maintain a complete and efficient news service from various points in its own territory, but it shall not be under obligation to increase such service beyond its own requirements for the benefit of one or more of the other Contracting Parties [fol. 495] unless the latter undertakes to bear the additional cost incurred.

(2) Each Party undertakes to do its utmost to prevent its news falling into the hands of any correspondent, newspaper, or news organization which competes directly or indirectly with one or more of the other Parties or their allies.

Article XIII

Each of the Contracting Parties undertakes not to retransmit either directly or indirectly beyond the limits of its own contractual territory, the news which it receives from the other Parties either in its original form or otherwise, unless authorized to do so by the sending Party or Parties.

Article XIV

Each Party, compatibly with the proper working of its own organization, promises its goodwill to facilitate the work of the correspondents accredited to its Head Office by the

other Parties, but on the formal condition that these correspondents be the exclusive collaborators of one of the Parties, employed solely by and working only for the latter and consequently making no service, political or other, whether for the account of others or for the correspondents' own personal account either in the territory of the Party to whom they are accredited or elsewhere.

Article XV

(1) The four Contracting Parties pledge themselves to ensure the utmost cooperation not only between their Ad-[fol. 496] ministrations but also between their correspondents, with the object of presenting a united and vigorous front to all agencies and others who are in competition with the four Contracting Parties or their Allies.

(2) In fulfillment of this pledge each of the Parties undertakes to place its organization and its correspondents in its own contractual territory energetically at the disposal of the other Parties if and when they are confronted with competition or a news situation the handling of which appears to be outside the limitations of this Treaty, provided that any consequent expenditure is borne by the Party, or is allocated between the Parties, in whose interest action is taken.

Article XVI

All correspondence between one Party and the branch offices or correspondents of the other Parties is prohibited. All communications and instructions must be exchanged directly and solely between the Head Offices of the four contracting Parties.

Article XVII

Accounts shall be rendered by the Parties to each other every month, and settlement of such accounts shall take place at the latest one month after they have been rendered.

Article XVIII

Trade services such as Reuters' existing Trade Service are excluded from the operation of this Treaty.

[fol. 497]

Article XIX .

The four Contracting Parties undertake where necessary to execute new contracts with Allied Agencies within their

own territory so soon as the existing contracts can be terminated, and to introduce in such new contracts a provision for the carrying out of any obligations undertaken in this Treaty for the performance of which provision has not already been made.

Article XX

It is agreed that any two or more of the four Contracting Parties may make separate and subsidiary Agreements between themselves provided that such Agreements relate solely to the territories of the Parties making the Agreements and are consistent in all respects with the interests of the other Parties and with the spirit as well as the letter of this present Treaty.

Article XXI

In case of dispute among the Parties, each shall nominate within three months an Arbitrator, and the Arbitrators shall forthwith appoint an Umpire. The Arbitration Board thus constituted shall fix the place of its meeting and shall decide without appeal all differences which may arise between the Parties.

Article XXII

This Treaty shall be effective as from January 1, 1928, and shall terminate on the expiry of one year's notice given by any one of the four Parties on June 30 or December 31 in any year.

[fol. 498]

EXHIBIT No. 5-C

Strictly Confidential

Geneva, August 26, 1927.

DEAR MR. KENT COOPER:

As the Treaty which you and I have now completed here with Havas and Wolff supersedes the Understanding we came to in New York last October, I have pleasure in confirming that I accept on behalf of Reuters the following Condition as a supplement to the Treaty:

The Associate Press to have free entry into Japan to serve only Reuters' ally in Japan or/and its members or/and clients with the consent of Reuters' ally.

If Reuters' ally in Japan should elect to replace Reuters' service wholly or in part with the Associated Press service then the Associated Press shall pay Reuters the whole or the proportionate amount of the service charge as the case may be which the Japanese Agency pays Reuters at the time of the replacement and the Associated Press will continue to pay wholly or proportionately this service charge to Reuters as long as the Japanese Agency continues to take the Associated Press service. Any news that the Associated Press sends to Japan shall be available to Reuters in Japan for Reuters to disseminate elsewhere in their Far Eastern territory.

It is agreed that in any negotiations between the Associated Press and the Japanese under the above Condition, Reuters' [fol. 499] territoriality in Japan shall be recognized; that such negotiations shall be initiated through the intermediary of Reuters in London; and that Reuters shall be kept duly informed of any arrangements come to from time to time with their Japanese ally or with Japanese newspapers by the Associated Press.

Yours sincerely, (Signed) Roderick Jones, Chairman and Managing Director.

Kent Cooper, Esq.

[fol. 500]

EXHIBIT No. 5-D

Four Party Treaty

This Treaty made and entered into on the thirteenth day of February, Anno Domini 1932, in London, Between

(a) The Associated Press of America, a Corporation organized under the Laws of the State of New York, with its Head Office in New York, represented by Mr. Kent Cooper, its General Manager, specially authorized by a Resolution of the Board of Directors dated January 14, 1932,

(b) Reuters, Limited, a Private Company, with its Head Office in London, represented by Sir Roderick Jones, its Chairman and Managing Director, specially authorized by a Resolution of the Board of Directors dated March 8, 1932,

(c) The Havas Agency of France, a Limited Company, with its Head Office in Paris, represented by M. Andre Meynot, one of its Directors, specially authorized by a Resolution of the Board of Directors dated February 1, 1932,

(d) The Continental-Telegraphen-Compagnie Wolff's Telegraphisches Buro Aktiengesellschaft, with its Head Office in Berlin, represented by Dr. Hermann Diez, one of its Directors, specially authorized by a Resolution of the Board of Directors dated January 29, 1932,

Witnesseth That:

Whereas the four Parties above-mentioned have regulated between themselves the collection and dissemination [fol. 501] of the world's news by a Treaty which expires at the end of December 1931;

They Have Agreed to continue their joint and several relations as from January 1, 1932, in accordance with the following Articles:

Article I

(1) Each Contracting Party undertakes to deliver to the other Contracting Parties the general news which it receives from its National Territory as well as the national news reaching it from the News Agencies known as Allied Agencies which are in contractual relation with the said Party and which hereafter are styled Allied Agencies. The news shall be delivered with the utmost possible expedition to the accredited representatives of the other Contracting Parties at the Head Office of the Delivering Party and, in the case of Allied Agency news, either at the said Head Office or at the Head Office of the Allied Agency or at both. The accredited representatives shall handle the news in accordance with the conditions laid down in Article III.

(2) If any Contracting Party requires commercial or financial news from another Contracting Party the supplying of it shall form the subject of a special arrangement.

Article II

The National Territory of each Contracting Party shall be the Home Territory thereof, its Possessions, Dominions, Colonies, Protectorates, and Mandated Territories. The [fol. 502] Home Territory shall be the country in which the Head Office of the Contracting Party is located.

Article III

The news of a Contracting Party or of an Allied Agency which is placed at the disposal of a Contracting Party in terms of Article I shall not be transmitted by one of the other Contracting Parties from the National Territory of the first Contracting Party or of the Allied Agency except to the other Contracting Party's National Territory but it may be relayed from the latter Party's territory to any other territory, so far as existing Contracts permit and in conformity with the stipulations of the present Treaty, except the National Territory from which the news originates.

Article IV

(1) Each of the Contracting Parties has the right of making (directly or through a subsidiary Company) arrangements relating either to an exchange of news with differentials independently agreed upon or, if it prefers, to the sale of its own services, with newspapers who are now or later become clients or members of any of the Contracting Parties or, insofar as present Contracts permit, with newspapers who are now or later become clients or members of Allied Agencies. It is understood that the aim of the Contracting Parties will be to bring all their Contracts with Allied Agencies into line with this Treaty.

(2) The news to be delivered to the newspapers under this Clause shall be such news as is collected from any place in the world independently by the correspondents of the Agency making the delivery.

[fol. 503]

Article V

The four Contracting Parties, individually and collectively, shall not supply any information or news whatsoever, political, social, general, sporting, financial, or commercial, to Agencies or other organisations which compete directly or indirectly with any one of the four Contracting Parties or their Allies or which assist or are otherwise associated with competitors of the four Contracting Parties or their Allies.

Article VI

Subject to the stipulations of Article IV, each of the Contracting Parties and each of the Allied Agencies shall

enjoy, in its own National Territory, the exclusivity of the news which is supplied to it by the other Contracting Parties originating in the National Territories or in the national territory of an Allied Party, in conformity with Article I.

Article VII

(1) Each of the four Contracting Parties undertakes, if called upon to do so by one of the other Parties, to send to the Head Office or to one other office in the National Territory of that Party, from all points in the sending Party's National Territory where it has a branch office or a resident staff correspondent, such news, political, social, and general originating in such National Territory at the disposal of the said branch office or correspondent as may be required by one or more of the other three Contracting Parties.

[fol. 504] (2) This service (with the exception of what is provided in paragraphs 3 and 5 of this Article and in (Article VIII)) shall be made without charge to the receiving Parties other than the cost of transmission from the point of despatch to the point of destination, and disbursements, if any, incurred specially in the interests of the receiving Party or Parties in respect of the collection or handling of the said news. The extent and the nature of the service shall be determined solely by the receiving Party whose instructions must be scrupulously observed.

(3) The foregoing shall apply only to points where the despatching Party has either a branch office or a resident staff correspondent. Where the Party has at the place from which news is desired only a correspondent who is paid according to the work done the receiving Party shall refund to the despatching Party its proportionate share of the payment made or, where the service is provided exclusively for the receiving Party, the whole payment, in addition to the other charges incurred in connection with the service.

(4) It is agreed that the obligation upon each Party to make to the other Parties a direct service from all points where it has a branch office or a resident staff correspondent, does not apply to points situated outside that Party's National Territory but where, nevertheless, that Party maintains offices or correspondents. Where direct services from

such points are required they shall be the subject of a special arrangement between the Parties concerned.

[fol. 505] 5. A special representative despatched by one of the Parties whether to its own territory or outside its territory on a special mission (journey of the Chief of State, International Conference, military operations, etc.) is not a resident staff correspondent. Consequently he will not be bound to despatch direct services to the Head Offices of the other Parties as set out above except by special arrangement between the Parties. But this shall not affect the rights to the news available to each Party at the Head Office of the other three Contracting Parties, as specified in Article I.

Article VIII

(1) In the case of a war or other happening which obliges one or more of the four Parties to establish a special service involving extraordinary expenditures by an Allied Agency, not being one of the four Contracting Parties, upon a correspondent or correspondents, telegraph charges, and other costs, the other Parties shall be entitled to receive such special service only if they bear a share of the expenditure. Such share shall be settled by agreement between the Parties concerned.

(2) In the event of no agreement being come to the obligation shall remain upon the Party or Parties conducting the special service promptly to place in its or their Head Office or Head Offices at the disposal of the other Parties a general service summary which shall contain the essential facts carried in the special service.

[fol. 506]

Article IX

(1) Each of the Parties pledges itself to maintain a complete and efficient news service from various points in its National Territory but it shall not be under obligation to increase such service beyond its own requirements for the benefit of one or more of the other Contracting Parties unless the latter undertakes to bear the additional cost incurred.

(2) Each Party undertakes to do its utmost to prevent its news falling into the hands of any correspondent, news-

paper, or news organisation which competes directly or indirectly with one or more of the other Parties or their Allies.

Article X

Each Party, compatibly with the proper working of its own organisation, promises its goodwill to facilitate the work of the correspondents accredited to its Head Office by the other Parties, but on the formal condition that these correspondents be the exclusive collaborators of one of the Parties, employed solely by and working only for the latter and consequently making no service, political or other, for the account of others or for the correspondents' own personal account either in the territory of the Party to whom they are accredited or elsewhere.

Article XI

(1) The four Contracting Parties pledge themselves to ensure the utmost cooperation not only between their Administrations but also between their correspondents, with [fol. 507] the object of presenting a united and vigorous front to all agencies and others who are in competition with the four Contracting Parties or their Allies.

(2) In fulfillment of this pledge each of the Parties undertakes to place its organisation and its correspondents in its own National Territory energetically at the disposal of the other Parties if and when they are confronted with competition or a news situation the handling of which appears to be outside the limitations of this Treaty, provided that any consequent expenditure is borne by the Party, or is allocated between the Parties, in whose interest action is taken.

Article XII

All correspondence between one Party and the branch offices or correspondents of the other Parties is prohibited. All communications and instructions must be exchanged directly and solely between the Head Offices of the four Contracting Parties.

Article XIII

Accounts shall be rendered by the Parties to each other every month, and settlement of such accounts shall take place at the latest one month after they have been rendered.

Article XIV

The following are excluded from the operation of this Treaty: (a) Trade Services such as Reuters' Trade Service: (b) Special Feature Services such as the Associated Press Feature Service: (c) News Photo Services such as The Associated Press News Photo Service: (d) any news [fol. 508] which each Contracting Party collects from outside its National Territory and which does not originate with an Allied Agency. The foregoing may be the subject of special agreements between the Parties.

Article XV

It is agreed that any two or more of the four Contracting Parties may make separate Agreements between themselves or with an Allied Agency provided that such Agreements are consistent in all respects with the interests of the other Parties and with the spirit of this present Treaty.

Article XVI

In case of dispute among the Parties, each shall nominate within three months an Arbitrator, and the Arbitrators shall forthwith appoint an Umpire. The Arbitration Board thus constituted shall fix the place of its meeting and shall decide without an appeal all differences which may arise between the Parties.

Article XVII

This Treaty shall be effective as from January 1, 1932, and shall terminate on the expiry of six months' notice given by any one of the four Parties on June 30 or December 31 in any year.

[fol. 509]

EXHIBIT No. 6-A

This Contract made and entered into this eighth day of February 1934, Between The Associated Press, incorporated in the State of New York, with its principal office in New York City, N. Y., and The United Press Associations, incorporated in the state of New York, with its principal office in New York City, N. Y., Witnesseth That:

Whereas both parties hereto not approving nor wishing to sustain the practice of European agencies which at the

dictation of one or more of them hinder international news exchange by making exclusive arrangements for the availability of their news, and not desiring to seek a selfish advantage which, if acquired, would only contribute to prevent the fulfilment of the object herein sought, and for the purpose of obtaining a freer flow of international news exchange, do hereby unite in a common effort to open up a free and unhampered availability of the news of Europe and the British Isles. In order to bring this about, and for that purpose and to that extent only, they both in a spirit of common welfare agree:

Definitions

The term "European Agency" shall be construed to include, other than the signatories hereto, any news agency or governmental activity located in any European country, [fol. 510] or in the British Isles, which collects or issues news of such European country or countries, except that it shall not include The Associated Press of Great Britain, The Associated Press of Germany, The United Press Duetschland, The British United Press, or any subsidiary or affiliate or either party now existing or hereafter established.

The term "Contract" shall mean an agreement, arrangement, or treaty of any kind, whether in writing or not, for the purpose of Obtaining news in contra-distinction to the Dissemination of news by sale or otherwise.

Article I

Neither party shall endeavor to contract, nor contract nor operate, directly or indirectly, through any subsidiary, affiliate, or otherwise, with any European agency for availability of such European agency's news to the exclusion of availability to the same extent to the other party and upon the same terms.

Article II

Neither party will make a contract with any European agency that cannot be terminated on ninety (90) days' notice, except by written consent of the other party.

Article III

If a European agency has or makes a contract with an outside party through which outside party one of the parties

hereto might have, or may later have rights to or availability of the news of such European agency thus indirectly, whether availed of or not, the party hereto having such [fol. 511] rights and availability guarantees that it will either not avail itself thereof in any particular or will obtain equal availability for the other party at any time the latter so desires. Such availability shall be upon terms consistent with the terms of this contract, and the procedure in the endeavor to secure such availability shall be followed as specified herein, but pending satisfactory conclusion of such procedure neither party will avail itself of such European agency's news in any manner.

Article IV

Either party which may now have a contract or arrangement with any European agency which prohibits the other party hereto equal access will notify such European agency that it waives any objection and cancels any right of protest to the other party having equal access to such European agency's news but upon the same terms. If upon application of the other party hereto such European agency refuses or delays to contract with the applicant in the manner herein outlined, the party having such contract shall, upon the request of the applying party, promptly proceed in conformity with Article V.

Article V

If any European agency with which one of the parties hereto may have, or shall at any time acquire a contract, shall impose such terms or delays as the other party not contracted therewith and desiring equal availability, asserts to be unfair, the party having such contract shall seek [fol. 512] equal terms of availability for the other party hereto, and upon failing to obtain them shall promptly take appropriate action to cancel and discontinue its contract with such European agency. But if such contract is cancelled neither party shall thereafter contract with that European agency without the consent of the other party hereto in writing first having been given.

Article VI

If as a result of any action it takes because of this contract either party shall be denied traffic facilities or suffer

traffic delays, or be subjected to unfair censorship or to any other disadvantage, the party not thus affected will not seek, accept, or maintain any advantage denied the other party.

Article VII

This contract does not include Rengo or Nippon Dempo of Japan, unless and until these two Japanese agencies are merged, or until there exists a monopoly by a Japanese agency, or unless there is only one dominating or leading news agency in Japan; when either of those two things happens both parties to this agreement shall cooperate to see that each party hereto that desires it shall promptly receive rights and privileges to the news of such Japanese agency in the same manner, and to be affected in the same terms as apply herein to European agencies.

Article VIII

The Associated Press, party hereto, declares that all of its present exclusive arrangements with European agencies, [fol. 513] with the exception of Stefani of Italy, and Tass of Russia, terminate on March 31, 1934. No provisions of this contract can, therefore, apply to the unexpired terms of such contracts as expire on that date. If, for any reason, the termination date of such contracts is extended beyond March 31, 1934, such extension shall positively terminate not later than June 30, 1934. Thus, the terms of this contract shall apply to relations with the foregoing agencies not later than June 30, 1934. The Associated Press contract with Stefani, of Italy, and Tass, of Russia, may be terminated at the end of 1934, but meanwhile The Associated Press agrees it shall notify Stefani of Italy, and Tass, of Russia, that it waives objection to The United Press Associations, party hereto, having equal terms of availability to the news of Stefani and Tass. Thus, the terms of this contract shall apply to relations with Tass and Stefani at once, if the latter are agreeable, or in any case, not later than December 31, 1943. The Associated Press, party hereto, declares it has no other exclusive news availability contracts in Europe or the British Isles.

Article IX

The United Press Associations, party hereto, hereby declares it has no contracts for the exclusive availability of

the news of any European agency and that any future contracts shall be made in conformity with this agreement.

Article X

The Associated Press, party hereto, guarantees that its subsidiaries, or affiliates, The Associated Press of Great [fol. 514] Britain, and The Associated Press of Germany, or any subsidiary, or affiliate, that it may create, will not make exclusive news availability contracts for any territory with any European agency; and further that they will not in any respect operate inconsistently with the terms and intent of this contract.

Article XI

The United Press Associations, party hereto, guarantees that the British United Press, United Press Deutschland or any subsidiary or affiliate of United Press Associations, of British United Press, or of United Press Duetschland, now existing or hereafter created, will not make exclusive news availability contracts for any territory with any European news agency, and further that they will not in any respect operate inconsistently with the terms and intent of this contract.

Article XII

Whenever either party shall enter into a contract or arrangement with a European agency, such party shall, as soon as possible and not later than sixty (60) days after the execution thereof, file a copy of such contract with the other party.

Article XIII

If the International News Service shall at any time desire to join in this agreement its signature hereto shall constitute it a party hereto with the same force and effect as The Associated Press and The United Press Associations.

[fol. 515]

Article XIV

This contract shall continue in effect for five years from the date hereof and shall renew itself thereafter unless notice of a desire to terminate it shall have been given by either party to the other by registered mail two years before the expiration of the initial five-year term, and shall be ter-