

Evening Newspapers

<i>Newspaper</i>	<i>1941 circulation*</i>
Eufaula (Ala.) Tribune	3,824
Eureak Springs (Ark.) Times-Echo	710
Harrison (Ark.) Times	1,750
Siloam Springs (Ark.) Herald-Democrat	2,724
Cripple Creek (Colo.) Times-Record	1,187
Rocky Ford (Colo.) Gazette-Topic	2,500
Chicago (Ill.) Calumet	7,200
Effingham (Ill.) Record	¹ 1,894
Paxton (Ill.) Record	817
Wheaton (Ill.) Journal	2,752
[fol. 1453]	
Wood River (Ill.) Press	¹ 1,218
Woodstock (Ill.) Sentinel	3,882
Columbus (Ind.) Herald	¹ 950
Edinburg (Ind.) Courier	1,860
Jeffersonville (Ind.) News	2,724
New Albany (Ind.) Tribune	4,596
Rensselaer (Ind.) Republican	1,812
Spencer (Ind.) World	2,913
Cedar Falls (Iowa) Record	2,440
Augusta (Kans.) Gazette	1,876
Burlington (Kans.) Republican	2,463
Caldwell (Kans.) Messenger-News	1,538
Caney (Kans.) Chronicle	1,017
Columbus (Kans.) Advocate	2,340
Council Grove (Kans.) Republican	1,910
Goodland (Kans.) News	1,445
Hiawatha (Kans.) World	3,132
Larned (Kans.) Tiller & Toiler	1,350
St. John (Kans.) Capital	1,263
Glasgow (Ky.) News	2,837
Amesbury (Mass.) News	2,500
Chelsea (Mass.) Record	3,628
Malden (Mass.) News	10,014
Medford (Mass.) Mercury	4,263
Wakefield (Mass.) Item	3,484
Aurora (Mo.) Advertiser	800

See footnotes on page 1160.

<i>Newspaper</i>	<i>1941 circulation*</i>
Butler (Mo.) Democrat	¹ 407
Cameron (Mo.) News-Observer	1,020
Clinton (Mo.) Democrat	800
Independence (Mo.) News	¹ 100
Lamar (Mo.) Democrat	² 1,395
Rich Hill (Mo.) Review	533
St. Charles (Mo.) Banner-News	1,703
St. Charles (Mo.) Cosmos-Monitor	1,800
Webb City, (Mo.) Sentinel	400
West Plains (Mo.) Quill	1,296
Holdredge (Nebr.) Citizen	3,308
Ocean City (N. J.) Sentinel-Ledger	3,208
Dansville (N. Y.) Breeze	1,535
Medina (N. Y.) Journal-Register	2,418
Monticello (N. Y.) News	¹ 1,230
Saugerties (N. Y.) Post	903
Yonkers (N. Y.) Record	8,216
Dennison (Ohio) Paragraph	¹ 1,250
Geneva (Ohio) Free Press	2,011
Greenfield (Ohio) Times	3,510
Mechanicsburg (Ohio) Telegram	2,750
[fol. 1454] Toronto (Ohio) Tribune	2,243
Wellston (Ohio) Sentinel	² 1,850
Zanesville (Ohio) News	14,121
Claremore (Okla.) Messenger	¹ 1,500
Newkirk (Okla.) Reporter	617
Lansdale (Pa.) North Penn Reporter	3,836
Mechanicsburg (Pa.) Local News	² 1,060
Susquehanna (Pa.) Transcript	2,188
Cisco (Tex.) Press	3,147
Corpus Christi (Tex.) Chronicle	2,883
Dalhart (Tex.) Texan	3,873
Graham (Tex.) Reporter	1,184
Lampasas (Tex.) Leader	¹ 350
McKinney (Tex.) Courier-Gazette	1,843
Mart (Tex.) Herald	582
Navasota (Tex.) Examiner	700
San Benito (Tex.) Light	4,259
Timpson (Tex.) Times	¹ 220

See footnotes on page 1160.

<i>Newspaper</i>	<i>1941 Circulation*</i>
Keyser (W. Va.) Mineral News-Tribune.....	3,378
Menasha (Wis.) Record	2,011
Total	187,975
Total circulation morning papers	30,839
Total circulation evening papers	187,975
Total	218,814

* Of the newspapers listed in the Answer to Interrogatory No. 18, the following are omitted from the above exhibit for the reasons stated: Lamar (Mo.) Republican and Athens (Tex.) Review are among the AP members listed in Exhibit F, attached to the Government's Complaint; Rogers (Ark.) News and Ennis (Tex.) News are among the UP subscribers listed in Exhibit No. 7; Huntington (Ind.) News and Tipton (Ind.) Tribune are among the INS subscribers listed in Exhibit No. 11.

** Average daily circulation as reported in *Editor & Publisher's* "1942 International Year Book Number," except where noted otherwise. Other source used only where no figure is reported in said *International Year Book*.

¹ Average 1941 circulation as reported to the Department of Justice by the Post Office Department.

² *Editor and Publisher's* "1943 International Year Book Number."

EXHIBIT No. 13

Morning Daily Newspapers

Circulation Over 200,000

<i>Newspaper *</i>	<i>AP</i>	<i>Non AP</i>
New York (N. Y.) Daily News.....	x	
Chicago (Ill.) Tribune	x	
New York (N. Y.) Daily Mirror.....	x	

* Listed in order of circulation.

<i>Newspaper *</i>	<i>AP</i>	<i>Non AP</i>
[fol. 1455] New York (N. Y.) Times	x	
Philadelphia (Pa.) Inquirer	x	
Boston (Mass.) Post	x	
New York (N. Y.) Herald-Tribune	x	
Detroit (Mich.) Free-Press	x	
Boston (Mass.) Record	x	
Kansas City (Mo.) Times	x	
Chicago (Ill.) Sun		x
St. Louis (Mo.) Globe Democrat	x	
Philadelphia (Pa.) Record	x	
Pittsburgh (Pa.) Post-Gazette	x	
Cleveland (Ohio) Plain Dealer	x	
Los Angeles (Calif.) Examiner	x	
Los Angeles (Calif.) Times	x	
Total	16	1

Circulation 100,000 to 200,000

Des Moines (Iowa) Tribune-Register	x	
San Francisco (Calif.) Examiner	x	
Baltimore (Md.) Sun	x	
Portland (Oreg.) Oregonian	x	
Boston (Mass.) Morning Globe	x	
Washington (D. C.) Post	x	
New Orleans (La.) Times-Picayune	x	
Indianapolis (Ind.) Star	x	
Boston (Mass.) Herald	x	
Atlanta (Ga.) Constitution	x	
Cincinnati (Ohio) Enquirer	x	
Milwaukee (Wis.) Sentinel	x	
Memphis (Tenn.) Commercial Appeal	x	
Buffalo (N. Y.) Courier-Express	x	
Louisville (Ky.) Courier-Journal	x	
San Francisco (Calif.) Chronicle	x	
Dallas (Tex.) News	x	
Newark (N. J.) Star-Ledger	x	
Seattle (Wash.) Post Intelligencer	x	
Houston (Tex.) Post	x	
Total	20	0

Circulation 50,000 to 100,000

<i>Newspaper **</i>	<i>AP</i>	<i>Non AP</i>
Little Rock (Ark.) Arkansas Gazette	x	
Jacksonville (Fla.) Times-Union	x	
[fol. 1456] Miami (Fla.) Herald	x	
Tampa (Fla.) Tribune	x	
Fort Wayne (Ind.) Journal Gazette	x	
Sioux City (Iowa) Journal	x	
Wichita (Kans.) Eagle	x	
Shreveport (La.) Times	x	
Minneapolis (Minn.) Tribune	x	
St. Paul (Minn.) Pioneer Press	x	
Omaha (Nebr.) World-Herald	x	
Rochester (N. Y.) Democrat & Chronicle	x	
Syracuse (N. Y.) Post-Standard	x	
Charlotte (N. C.) Observer	x	
Greensboro (N. C.) News	x	
Raleigh (N. C.) News & Observer	x	
Columbus (Ohio) Ohio State-Journal	x	
Oklahoma City (Okla.) Oklahoman	x	
Tulsa (Okla.) World	x	
Nashville (Tenn.) Tennessean	x	
Fort Worth (Texas) Star-Telegram	x	
San Antonio (Texas) Express	x	
Salt Lake City (Utah) Tribune	x	
Norfolk (Va.) Virginian-Pilot	x	
Richmond (Va.) Times Dispatch	x	
Spokane (Wash.) Spokesman-Review	x	
Charleston (W. Va.) Gazette	x	
Total	27	0

* Listed in order of circulation.

** Newspapers listed according to State in which published, with States in alphabetical order.

Circulation 25,000 to 50,000

<i>Newspaper **</i>	<i>AP</i>	<i>Non AP</i>
Birmingham (Ala.) Age-Herald	x	
Montgomery (Ala.) Advertiser	x	
Phoenix (Ariz.) Arizona Republic	x	
San Diego (Calif.) Union	x	
Denver (Colo.) Rocky Mt. News	x	
Hartford (Conn.) Courant	x	
Macon (Ga.) Telegraph	x	
Savannah (Ga.) Morning News	x	
Rockford (Ill.) Morning Star	x	
Springfield (Ill.) Illinois State Journal	x	
Evansville (Ind.) Courier	x	
Terre Haute (Ind.) Star	x	
Topeka (Kans.) Capital	x	
[fol. 1457] Bangor (Maine) News	x	
Portland (Maine) Press-Herald	x	
Springfield (Mass.) Union	x	
Worcester (Mass.) Telegram	x	
Grand Rapids (Mich.) Herald	x	
Duluth (Minn.) News-Tribune	x	
Jackson (Miss.) Clarion-Ledger	x	
Joplin (Mo.) Globe	x	
St. Joseph (Mo.) Gazette	x	
Union City (N. J.) Hudson Dispatch	x	
Albany (N. Y.) Times-Union	x	
Binghamton (N. Y.) Sun	x	
New York (N. Y.) Daily Worker		x
New York (N. Y.) Morning Telegraph		x
New York (N. Y.) Wall Street Journal	¹ x	
Schenectady (N. Y.) Gazette	x	

** Newspapers listed according to State in which published, with States in alphabetical order.

¹ Receives AP service under contract between AP and Dow Jones & Co., Inc., providing for exchange of news. A copy of this contract was attached as Exhibit No. 10 to the interrogatories served by the plaintiff on The Associated Press in *United States v. Associated Press*, and AP's answer to Interrogatory No. 93 admitted said exhibit was a correct copy of AP's contract with Dow Jones & Co., Inc.

<i>Newspaper **</i>	<i>AP</i>	<i>Non AP</i>
Asheville (N. C.) Citizen	x	
Winston-Salem (N. C.) Journal	x	
Dayton (Ohio) Journal	x	
Toledo (Ohio) Times	x	
Allentown (Pa.) Morning Call	x	
Reading (Pa.) Times	x	
Scranton (Pa.) Tribune	x	
Wilkes-Barre (Pa.) Record	x	
Providence (R. I.) Journal	x	
Charleston (S. C.) News & Courier	x	
Columbia (S. C.) State	x	
Greenville (S. C.) Daily News	x	
Chattanooga (Tenn.) Times	x	
Knoxville (Tenn.) Times	x	
Beaumont (Texas) Enterprise	x	
El Paso (Texas) Times	x	
Roanoke (Va.) Times	x	
Total	44	2

	<i>AP</i>	<i>Non-AP</i>	<i>Total</i>
Circulation over 200,000	16	1	17
Circulation 100,000 to 200,000	20	0	20
Circulation 50,000 to 100,000	27	0	27
Circulation 25,000 to 50,000	44	2	46
Total	44	2	

[fol. 1458]

EXHIBIT No. 14

Instances in which only one daily newspaper is published in a city and such newspaper is an AP member and has an asset value contract with both UP and INS.

Fresno (Calif.) Bee.
 Modesto (Calif.) Bee.
 Stockton (Calif.) Record.
 Gary (Ind.) Post-Tribune.

** Newspapers listed according to State in which published, with States in alphabetical order.

South Bend (Ind.) Tribune.
 Cedar Rapids (Iowa) Gazette.
 Waterloo (Iowa) Courier.
 Fall River (Mass.) Herald-News.
 Lansing (Mich.) State Journal.
 Pontiac (Mich.) Press.
 Omaha (Nebr.) World-Herald.
 Passaic (N. J.) Herald-News.
 Akron (Ohio) Beacon-Journal.
 Canton (Ohio) Repository.
 Lorain (Ohio) Journal.
 Mansfield (Ohio) News Journal.
 Youngstown (Ohio) Vindicator.

Instances in which only daily newspapers published in a city are under common control and such newspapers are AP members and have asset value contracts with both UP and INS.

(Mobile (Ala.) Press.)
 (Mobile (Ala.) Register.)
 (Phoenix (Ariz.) Gazette.)
 (Phoenix (Ariz.) Republic.)
 (Wilmington (Del.) Journal.)
 (Wilmington (Del.) News.)
 (Savannah (Ga.) News.)
 (Savannah (Ga.) Press.)
 (Springfield (Mo.) News.)
 (Springfield (Mo.) Leader and Press.)
 (Johnstown (Pa.) Democrat.)
 (Johnstown (Pa.) Tribune.)
 [fol. 1459] (Providence (R. I.) Journal.)
 (Providence (R. I.) Bulletin.)
 (Charleston (S. C.) News and Courier.)
 (Charleston (R. C.) Post.)
 (Beaumont (Tex.) Enterprise.)
 (Beaumont (Tex.) Journal.)

Instances in which only morning newspaper, or only evening newspaper, published in a city is an AP member and has an asset value or an exclusive contract with both UP and INS.

Pasadena (Calif.) Star-News.
 Sacramento (Calif.) Bee.

San Jose (Calif.) News.
 Bridgeport (Conn.) Post.
 Hartford (Conn.) Times.
 Miami (Fla.) Herald.
 Peoria (Ill.) Journal-Transcript.
 Rockford (Ill.) Register-Republic.
 Dubuque (Iowa) Telegraph Herald.
 New Bedford (Mass.) Standard Times.
 Trenton (N. J.) Times.
 Albany (N. Y.) Knickerbocker News.
 Rochester (N. Y.) Democrat & Chronicle.
 Allentown (Pa.) Chronicle.
 Harrisburg (Pa.) Patriot.
 Greenville (S. C.) Piedmont.
 Austin (Tex.) American.
 El Paso (Tex.) Times.

AFFIDAVIT OF JOHN HENRY LEWIN

DISTRICT OF COLUMBIA,
City of Washington, ss:

John Henry Lewin, being duly sworn, deposes and says:

I am a Special Assistant to the Attorney General of the United States and one of the attorneys for the plaintiff in the above entitled case. On March 26, 1943, I wrote and caused to be mailed to Timothy N. Pfeiffer, Esq., one of the attorneys for the defendants the letter, a correct copy of which is attached hereto and made a part hereof and marked Exhibit A. As appears from the letter, I requested counsel [fol. 1460] for the defendants to augment the answer which The Associated Press had served on March 24, 1943, to plaintiff's Interrogatory No. 120 served January 26, 1943, to include therein the number of string reporters of each of the members of The Associated Press specifically named defendants.

On or about May 17, 1943, I received by mail from Timothy N. Pfeiffer, Esq., the document entitled STRING MEN, the original of which is attached hereto and made a part hereof and marked Exhibit B. Exhibit B was enclosed in a letter received by me from Timothy N. Pfeiffer, Esq., dated May 15, 1943, the original of which letter is attached hereto and made a part hereof and marked Exhibit C.

In answer to Interrogatory No. 102 served by plaintiff upon the attorneys for The Associated Press January 26, 1943, the attorneys for The Associated Press furnished the plaintiff with the 25th volume of the annual reports of The Associated Press. Certain excerpts from this volume dealing with or relating to consideration of the application for membership in The Associated Press by the owner of the Baltimore Evening Sun are correctly set forth in Exhibit D, attached hereto and made a part hereof.

John Henry Lewin.

Subscribed and sworn to before me a Notary Public of the District and City aforesaid this 28th day of May, A. D. 1943. Witness my hand and notarial seal. Dorothy Heale, Notary Public. (Seal.)

EXHIBIT A

225 Broadway, New York, New York

60-127-19

March 26, 1943.

Timothy N. Pfeiffer, Esquire, Milbank, Tweed & Hope, 15
Broad Street, New York, New York

Re: United States v. The Associated Press.

DEAR MR. PFEIFFER: I wish to call your attention to the fact that we do not regard Interrogatory No. 120 as having [fol. 1461] been fully answered by the response to that interrogatory which you served upon me March 24th. You explained to me that the number of full-time reporters and part-time reporters given in the answer does not include the reporters of these newspapers commonly known as "string men", who are regarded by the papers as independent contractors. Clearly the word "reporters" is a broader term than the word "employees" and the information relating to these string men was called for.

Will you be kind enough to augment the answer to this interrogatory so as to supply the indicated information at your earliest convenience.

Very truly yours, (S.) John Henry Lewin, Special
Assistant to the Attorney General.

EXHIBIT B

String Men

Des Moines Register	260
The Adrian Telegram	24
Buffalo Evening News	None
Baltimore Sun	86
Philadelphia Bulletin	182
Cleveland Plain Dealer	107
Atlanta Constitution	175
Spokane Spokesman-Review	120
Washington Star	13
Kansas City Star	115
Oklahoman	81
Rocky Mount Telegram	19
St. Louis Globe Democrat	60
San Angelo Evening Standard	41
Times Picayune	119
Chicago Tribune	947
Oakland Tribune	None
Worcester Telegram	None

[fol. 1462]

[Copy]

EXHIBIT C

Milbank, Tweed & Hope,
New York, May 15, 1943.

Re: United States vs. Associated Press, et al.

John Henry Lewin, Esq., Department of Justice, Antitrust
Division, Washington, D. C.

DEAR MR. LEWIN: In accordance with our telephone conversation of May 14, I am enclosing the answers of The Associated Press to plaintiff's interrogatories Nos. 45 and 46. It is agreeable to us as counsel for the specifically named defendants, other than the Tribune Company and Robert R. McCormick, that the enclosed answers to these interrogatories be considered as included among those previously verified by Mr. McLean.

Very truly yours, (S.) Timothy N. Pfeffer.

EXHIBIT D

The following discussion took place:

President Noyes: The first application for membership is on behalf of The Baltimore Evening Sun, the applicant being Van Lear Black. This is subject to the protest rights of the Morning Sun, the Baltimore American and the Baltimore News. Mr. Brisbane and Mr. Cullen, of the Baltimore American and the Baltimore News, have not waived their protest, and have stated that they wished to appear before the Annual Meeting to object.

Mr. Patterson!

Mr. Paul Patterson (Baltimore Sun). Mr. President and Gentlemen:

* * * * *

The Sun papers, morning and evening, are the only newspapers published in Baltimore whose owners do not have [fol. 1463] any financial interest in news-services competing with The Associated Press. There are five papers published in Baltimore—two morning and three evening. One of the morning papers is the Baltimore American, owned by Mr. Hearst. This is a copy of it (showing paper).

The other morning paper is The Sun. I hope it needs no further introduction.

The evening papers are The Evening Sun, The Post and The News. This is The Evening Sun (showing paper), published by the same people that publish the Morning Sun—Baltimore ownership all the way through.

This is The Post (showing paper), a tabloid paper, owned by the Scripps-Howard organization. It is very closely allied, therefore, with the United Press.

This is The News (showing paper), owned by Mr. Hearst: It is the only evening Associated Press newspaper in Baltimore.

The Baltimore News is the paper which, under the direction of Charles H. Grasty, became one of the great evening Associated Press newspapers of the country. Under the management of Mr. Grasty, and later under the ownership of Mr. Munsey, it stood with The Washington Star, The Philadelphia Bulletin, The Cleveland News, the Indianapolis News, The Chicago Daily News, The Buffalo News—all that great series of papers under that name—in maintain-

ing the prestige of the evening Associated Press newspapers.

It was a conservative newspaper that at all times emphasized and advertised the fact that it was the evening Associated Press newspaper of Baltimore. The Baltimore News in those days was one of the great group that, by their excellent newsgathering facilities, helped to build up the evening report of The Associated Press.

I am not in a position to say how the news service given by the Baltimore News of today to The Associated Press compares with that of former years; but I do know that your representative in Baltimore has gladly taken advantage of The Evening Sun's willingness to help him out in emergencies.

We know, too, that The Evening Sun is covering the field very thoroughly, we hope accurately—we try to be accurate [fol. 1464] — and nonsensationally. Our staff is made up of men who are thoroughly familiar with local conditions and local news sources.

I can say, however, that The Baltimore News no longer impresses the reader as the Associated Press paper in the evening field. Under former management the fact that The News was the only Associated Press newspaper in the evening field was always carried in a conspicuous announcement on the first page, and featured in all of their advertising. They were always pounding home the idea that The News was the great evening Associated Press newspaper. They dwelt on this so constantly that the whole city was impressed with the value and importance of the evening Associated Press service.

Now, this is all changed. The whole practice of advertising The Associated Press and emphasizing its value to the reader has been abandoned. A glance at its telegraph news any day is sufficient to bear out the assertion that The Associated Press is played down as much as possible, and all emphasis given to the International News Service and the Cosmopolitan News Service—the two evening news services owned by Mr. Hearst.

* * * * *

That these Hearst news services seek every opportunity to emphasize and claim their superiority at the expense of The Associated Press is shown by the circular recently sent out to newspaper publishers by the International News

Service, in which effort is made to show the inaccuracy of The Associated Press. You have a copy of this circular attached to the facsimile of the front page of The News.

* * * * *

Can The Associated Press afford to leave exclusive membership in the hands of a formidable competitor whose interests lie in breaking down, not building up, The Associated Press?

Is it not clear that the real interests of The Associated Press in Baltimore will best be served by admitting to membership The Baltimore Evening Sun, a paper that has no financial interest in any other news service; a paper that is associated with the ownership of one of the original members of this Association, a paper that has done everything it can to further the good of this organization?

[fol. 1465] We believe the facts we have submitted warrant this conclusion, and upon that basis we ask your favorable vote.

* * * * *

Mr. William A. De Ford: Mr. President and Gentlemen: I seek on behalf of the Baltimore American, the Hearst morning newspaper represented in the membership of this body, to call your attention to a few plain facts, and then submit them for your impartial consideration and action:

* * * * *

The admission of The Sun would strip The News of whatever value inheres in its exclusive membership in that field. And I might say, in passing, that if this body is acting upon principle as reflected in precedent, and assuming that the precedent that it establishes here today will be followed out hereafter, this body would establish a precedent which would have the effect of stripping whatever value inheres in exclusive membership for any particular field of any newspaper which is represented in this membership.

Third: The value of The News is property right. The News property right might and would be seriously impaired by granting membership to a competitor which would improve its service. This reasoning applies with equal force to a similar application made by any other newspaper, or an application for membership in this body, as against the property right and the privileges and benefits

that inhere in a newspaper represented in this body and operating exclusively in either the morning or the evening field.

* * * * *

My second reason for opposing the granting of this application is that the application of The Sun should be denied upon the precedent of the action taken by the Association upon other applications made under substantially similar conditions.

The City of St. Louis had by the Census of 1920, a population of 772,697. Only one morning paper in St. Louis is represented in the membership of The Associated Press.

The City of Cleveland, by the Census of 1920, had a population of 796,836. Only one morning paper in Cleveland is represented in the membership of this Association. [fol. 1466] The City of Detroit, by the Census of 1920, had a population of 993,739. Only one morning paper of Detroit is represented in the membership of this Association.

Only one evening newspaper is represented in two of these three cities in the membership of this Association.

Los Angeles, California, had by the Census of 1920, a population of 575,073. The Express is the only evening paper of Los Angeles represented in the membership of this Association. The application of the evening Hearst newspaper in Los Angeles for representation in the membership of this Association was denied.

The population of Detroit, as shown by the Census of 1920, was as has been stated, 993,739. The News is the only evening paper of Detroit represented in the membership of this Association. The application of The Times, a Hearst newspaper, for representation in the membership of the Association was denied.

The City of Atlanta, by the Census of 1920, had a population of 200,616. The Journal, a non-Hearst newspaper, is the only evening newspaper in Atlanta represented in the membership of this Association. The application of the evening Hearst newspaper published in the City of Atlanta for admission to the membership of this Association was denied, the application having been made under a preceding management.

The situation at Boston is practically identical in principle. The population of Boston, as shown by the Census

of 1920, was 747,923. The Globe, The Transcript and The Traveller of Boston were for many years the only evening newspapers represented in the membership of The Associated Press; while the American, the Hearst paper, was not admitted into the membership until it bought The Record, which was a member.

The situation in Washington is somewhat similar. The population of Washington, as shown by the Census of 1920, was 437,571. The Post is the only morning newspaper, and The Star is the only evening newspaper of Washington represented in the membership of this Association.

And I may pause here to ask this question: Is the Association ready to grant membership to the Hearst news-[fol. 1467] papers of Washington—the Herald and The Times—one a morning, and the other an evening paper?

* * * * *

Mr. John T. Lyons (General Manager, Baltimore News):

* * * * *

You know, when you figure your newspaper properties, you figure that your A. P. membership has a very definite value—and you have figured it yourselves for many years on that basis. But if you are going to allow a loyal member not to get the full benefit of it, then the financial asset which you consider the A. P. membership to be, cannot be considered as such by you in the future.

* * * * *

Mr. C. P. J. Mooney (Memphis, Tenn., Commercial-Appeal):

* * * * *

The common law of The Associated Press has been such that a member in a certain city, or in any city, had a right to protection in those privileges that his membership gave him. * * *

* * * * *

Colonel Ewing: I have some interest in this matter. I have two Associated Press newspapers, and I think that this affects every man who has a right to use The Associated Press. * * *

* * * * *

But I will say to the credit of The Associated Press Directorate that they have always, as far as I have any knowledge, refused to grant the right of the use of the service, or to elect to membership a member where that conflicted with the interests and welfare of the member in that city.

* * * * *

Mr. De Ford:

* * * * *

Now, it has been said—I think Mr. Ochs suggested that he cannot conceive, he cannot see how we can possibly be injured by the granting of this new evening membership in the city of Baltimore. And then he followed that up by saying that we were asked—and he said it was a matter for [fol. 1468] very careful consideration—that we were asked to grant to the Baltimore News a membership that was worth hundreds of thousands of dollars. Now, why is that membership worth hundreds of thousands of dollars? Why, it is because it brings something to the Baltimore News that the Baltimore News never had before. It is because it brings strength to the Baltimore News as a competitive factor in that field, that the Baltimore News never had before.

(Cries of “You mean Baltimore Sun.”)

Mr. De Ford: I mean the Baltimore Sun. I see that you are determined that the sun shall shine. And we want it to shine. But we want it to shine in Baltimore, but not as a member of this Association.

Now, just put this question to yourselves, Gentlemen: If you had a membership in the evening field in Baltimore and another paper was applying for a membership in that field, to run a newspaper in competition with you, would you think that your business was injured or that your property rights would be impaired? Of course you would. And you would be against it, as the membership of this Association has always been against applications of this character in supporting rights of protest properly exercised.

AFFIDAVIT OF VIRGINIA M. MARINO

STATE OF NEW YORK,
County of New York, ss:

Virginia M. Marino, of lawful age, being duly sworn, deposes and says:

That she is an employee of the Department of Justice of the United States of America, being a Senior Stenographer attached to the New York office of the Antitrust Division of said department; that she was appointed to such Division on September 16, 1942, and has been continuously employed with it since that date.

Deponent has personal knowledge that the following facts are true:

On or about March 13, 1943, deponent was directed by John Henry Lewin, Special Assistant to the Attorney General, of counsel for the Plaintiff in the case of United States v. The Associated Press, Civil Action No. 19-163, now pending in the United States District Court for the Southern District of New York, to examine documents produced by the defendant, The Associated Press, designated and known as "Comparisons" or "beat" records, relating to the instances in which The Associated Press was ahead of the United Press Associations, or "beat" said association, "scooped" it, anticipated it in time, or excelled it in accuracy or completeness in reports of news events furnished to newspapers. Said documents and said examination of same also covered instances, during the period covered by the "beat" records, where the United Press Associations was recorded as having been ahead of, having anticipated in time of release to newspapers, or as sometimes stated, having "beat" The Associated Press, in furnishing reports of news events to newspapers. Said "comparisons" or "beat" records of The Associated Press were produced for examination at the offices of the law firm of Messrs. Milbank, Tweed, and Hope, 15 Broad Street, New York, New York, attorneys for defendant The Associated Press, and were produced as being the original office records compiled and maintained by The Associated Press, relating to "comparisons" or "beats" occurring in the furnishing of reports of news events to newspapers. Deponent is informed and believes, and therefore avers, that said documents were produced by The Asso-

ciated Press, in answer to Interrogatories served upon it by the plaintiff, United States of America, on January 26th and 29th, 1943, and, particularly in answer to the following Interrogatories:

10. State whether, and to what extent, The Associated Press has, during the years 1938 to 1942, inclusive, kept reports or records of the "beats" or instances in which the reports of The Associated Press of news events have anticipated in time, or excelled in accuracy or completeness, the reports of the same news events by the United Press Associations or International News Service.

11. State whether, and to what extent, The Associated Press has, during the years 1938 to 1942, inclusive, kept reports or records of the "beats" or instances in which [fol. 1470] the reports of news events of United Press Associations or International News Service have anticipated in time, or excelled in accuracy or completeness, the reports of the same news events of The Associated Press.

and were further produced pursuant to the demands of Paragraphs 12 and 13 of said Interrogatories supplementing Paragraphs 10 and 11 set forth above.

The records so produced and studied by deponent and an assistant, as is hereinafter more fully described, consisted of so-called "Comparison" sheets made up on a daily basis. Said daily "comparison" schedules are grouped together and were submitted in thirty folders purporting to be records combined on a monthly basis pertaining to all the months of the period extending from May 1940 through December 1942. With the exception of some few instances in which daily "comparison" sheets did not appear to have been made up and were not submitted for particular days, said records reflected "beats" scored by each of the aforesaid news agencies over the other and they covered practically every day of each month of the period beginning May 1, 1940, and ending December 18, 1942.

Deponent was directed to study said "beat" records for the purpose of preparing a tabulation which would correctly set forth for each day covered by the records, the number of "beats" which each of said two press agencies was reported as having obtained over the other, and would set forth the

maximum and minimum length of time of the day's AP "beats" and of the day's UP "beats," and to arrive at a total for each month of the "beats" scored by each news organization over the other.

Deponent has continuously examined said daily "comparisons" or "beat" records of The Associated Press from the date said inspection first commenced, i. e., from on or about March 13, 1943, to April 4, 1943. Throughout the period of the examination of such records by deponent she was assisted during most of that time by Margaret M. Murray, Senior Stenographer employed by the Department of Justice and attached to the New York office of its Antitrust [fol. 1471] Division, who for the purposes of said examination of documents worked directly in conjunction with and under the observation and supervision of your deponent.

Examination of the "Comparisons" or "beat" records disclosed the data important to the preparation of a tabulation mathematically portraying the "beats" obtained by one press news agency over the other to be, first, the designation in the left-hand column of the daily comparison sheet showing the type of news story reported and, in some cases, other descriptive matter or data; second, the information contained in the last two columns on the right-hand margin of each daily comparison page, i. e., notations of the particular times, fixed in terms of hours and minutes, at which The Associated Press and United Press Associations respectively furnished news reports of the particular event.

A copy of such a daily comparison sheet is attached hereto and marked "Exhibit A."

Deponent is informed and therefore avers that "stars" or asterisks have been placed in nearly all instances opposite the earlier of the two times set out in the last two columns, to indicate which of the two press news agencies secured a "beat" in furnishing a news report of the particular event.

In the records produced by The Associated Press, the deponent counted the number of "beats" obtained by The Associated Press over the United Press Associations, and vice versa, and recorded the daily maximum and minimum range of time of the "beats" secured during that day by each of said organizations and made such count and such record separately for foreign news reports and domestic news reports. The information thus obtained is tabulated,

as to foreign news reports, in Exhibit B and, as to domestic news reports, in Exhibit C, which exhibits are attached hereto and made a part hereof. Each exhibit shows at the end of each month the number of "beats" obtained during the month by each of the organizations and at the end of each exhibit the monthly figures are totaled to show the number of "beats" obtained by each organization during the period of time covered by the "comparisons" records produced by The Associated Press.

[fol. 1472] In tabulating the information set forth in Exhibits B and C, deponent and her assistant, in order to avoid any possible overstatement of the "beats" of The Associated Press and in order to limit the results shown to clearly defined "beats," eliminated from the count of "beats" (1) all instances in which, while the "comparisons" records of The Associated Press reported a "beat" for The Associated Press, the record was incomplete in its substantiating data and (2) all instances which were susceptible of being interpreted as other than a clearly defined "beat" by one news agency over the other. The items or instances which were thus omitted from the tabulations are explained in the three following paragraphs.

(1) In many instances The Associated Press is indicated, by an identifying star, as having scored a "beat" over United Press Associations, but the time at which the latter furnished a news report of the event is not indicated. All such instances have been omitted from the tabulation.

(2) Reports of news events which were designated on the "comparisons" records as "exclusive" have been omitted from the tabulation.

(3) In some cases a question mark was placed opposite the times at which, as shown by the records, the news agencies reported an event. While deponent is informed, and therefore avers, that these question marks indicated a question as to the accuracy of the news report, rather than a question as to the accuracy of the times at which the news agencies reported the event, all such cases have been omitted from the tabulation.

After eliminating all the questionable items described above, the tabulations made by deponent and set forth in Exhibits B and C show that, of 13,680 foreign "beats," The

Associated Press was ahead on 9,625, or 70.4% ; of 5,067 domestic "beats," The Associated Press was ahead on 3,848, or 75.9% ; and of 18,747 foreign and domestic "beats," The Associated Press was ahead on 13,473, or 71.9%.

Virginia M. Marino.

Subscribed and sworn to before me this 6th day of
May, 1943. Leo Cohen, Notary Public. (Seal.)

[fol. 1473]

EXHIBIT A

This document has been omitted in printing.

EXHIBIT B

This document has been omitted in printing.

EXHIBIT C

This document has been omitted in printing.

AFFIDAVIT OF N. S. MACNEISH

STATE OF NEW YORK,
County of New York, ss:

N. S. Macneish, being duly sworn, deposes and says that he is Vice President and Assistant Secretary of the New York World-Telegram Corporation; that he has personal knowledge of the following facts and that the following facts are true:

Consolidated Newspaper Corporation was organized under the laws of the State of New York in 1931. On January 31, 1931 said corporation purchased The World, a daily morning newspaper published in the city of New York, The Evening World, a daily afternoon newspaper and The Sunday World, a Sunday newspaper, from the Press Publishing Company. Part of the assets so acquired was a

membership in the Associated Press which, under the by-laws of The Associated Press, would terminate if the member or its successor should cease to be the owner of a morning newspaper published in the city of New York. In order to prevent the termination of said membership in The Associated Press acquired by Consolidated Newspaper Corporation, it, on or prior to January 31, 1931, organized and owned all of the stock of The New York Repository Corporation which thereafter published and circulated in the city of New York a daily (except Monday morning) newspaper known as The New York Repository and to which was transferred [fol. 1474] the membership in the Associated Press formerly owned by The World.

Consolidated Newspaper Corporation entered into an agreement dated as of July 16, 1931 with News Syndicate Co., Inc., a New York Corporation, a correct copy of which is attached hereto and marked Exhibit A. The provisions of said agreement were carried out by the parties thereto except insofar as the provisions thereof were contingent upon events occurring on and after February 7, 1933. Prior to February 7, 1933 the name of Consolidated Newspaper Corporation was changed to New York World-Telegram Corporation.

New York World-Telegram Corporation entered into an agreement dated February 7, 1933 with News Syndicate Co., Inc., a correct copy of which agreement is attached hereto and marked Exhibit B. The provisions of said agreement were carried out by the parties thereto.

During the period from July 16, 1931 to February 7, 1933 the regular weekly assessment paid by the New York Repository Corporation to The Associated Press was \$645.76.

(Signed) N. S. Macneish.

Subscribed and sworn to before me this 14th day of January, 1943. (Signed) James E. Renne, Notary Public. James E. Renne, Notary Public, Columbia County. Cert. filed N. Y. Co. Clk's No. 964, Reg. No. 4-B-779. Commission Expires March 30, 1944. (Seal.)

EXHIBIT A

This Agreement, dated as of the 16th day of July, A. D. 1931, by and between Consolidated Newspaper Corporation, a New York Corporation (hereinafter sometimes referred to as CNC), First Party, and News Syndicate Co., Inc., a New York corporation (hereinafter sometimes referred to as the Syndicate), Second Party, witnesseth, that

Whereas, CNC is the owner and publisher of the daily (except Monday) morning newspaper published and circulated in the City of New York and known as The New York [fol. 1475] Repository (hereinafter sometimes referred to as the newspaper or as the Repository), and is also the holder of a membership in The Associated Press, in the name of Thomas L. Sidlo, entitling said CNC to the use of the news reports of said The Associated Press for publication in said Repository (which membership in said The Associated Press is hereinafter sometimes referred to as the membership); and

Whereas, the Syndicate desires to acquire a one-half interest in a corporation which shall own said newspaper and said membership, and CNC is willing to sell, assign and transfer such an interest to the Syndicate in the manner and upon and subject to the terms and conditions hereinafter set forth.

Now, therefore, in consideration of the Sum of One Dollar (\$1.00) paid to First Party by Second Party, and of the payments to be made as hereinafter provided, and of the several agreements of the parties as hereinafter set forth, it is hereby mutually agreed as follows:

(1) As soon as possible after the execution and delivery of this agreement CNC agrees to cause a corporation to be organized under the laws of the State of New York under the name of "The New York Repository Corporation," having a Board of four directors, and having such powers, number and class of shares, etc., as shall be satisfactory to CNC, to assign, transfer and convey, or cause to be assigned, transferred and conveyed, to said corporation the said newspaper and all right, title and interest of CNC in and to said membership in consideration of and in exchange for all of the shares of the authorized capital stock of said corporation, to cause said The New York Repository Corporation to succeed to the membership of CNC in said The

Associated Press, assigning and transferring to said The New York Repository Corporation its certificate of membership, to cause said The New York Repository Corporation to be formally elected to membership and qualify as a member of said The Associated Press as provided in the By Laws thereof, and to cause to be elected as two of the four directors of said The New York Repository Corporation two persons named for that office by the Syndicate. Immediately upon the issuance to CNC of said shares, CNC, agrees to sell, assign and transfer to the Syndicate fifty [fol. 1476] percent (50%) of all of the shares of the capital stock of said The New York Repository Corporation, and simultaneously with the delivery to the Syndicate of certificates of said The New York Repository Corporation, representing said shares (issued either in the name of the Syndicate or in the name of CNC and duly endorsed in blank for transfer), the Syndicate agrees to pay over to CNC the sum of Two Hundred and Twenty-five Thousand Dollars (\$225,000) in cash. Within ten (10) days after the delivery of said shares to the Syndicate and the payment of said sum, each of the parties hereto agrees to deposit in escrow with the National City Company as escrow agent, all of their respective certificates representing all of the authorized and issued shares of said The New York Repository Corporation to be held by such agent during the term of this agreement and to be delivered in accordance with the terms hereof. CNC agrees to provide for the maintenance of the corporate existence of said The New York Repository Corporation so long as this agreement shall be in effect.

(2) Both parties hereto agree to share equally all expenses (except counsel fees) incurred by either in the organization, maintenance and operation of said The New York Repository Corporation and/or in the publication and circulation of the Repository during the two-year period commencing July 16, 1931, and ending July 15, 1933, and to be mutually responsible for the continued publication and circulation of said newspaper and to keep the expenses in connection therewith at as low a figure as possible consistent with the proper publication and operation of said newspaper.

(3) Either party hereto shall have the right and privilege, during said two-year period, to negotiate for the sale of said Repository and of said membership (neither of which shall

be sold without the other), or of the shares in the corporation owning said newspaper and membership to any person, firm, association or corporation, except as hereinafter provided, but neither party shall make or execute any binding agreement of sale without the prior written consent of the other. Neither said newspaper and membership nor said shares shall be sold or transferred (directly or indirectly) to any morning tabloid newspaper circulating in the City of [fol. 1477] New York (other than the Syndicate), and neither party shall have the right to negotiate for such a sale or to receive any offer from any morning tabloid newspaper (other than the Syndicate). In the event either party hereto, with the consent of the other and during said two-year period, shall enter into a binding agreement of sale for said newspaper and membership, or said shares, and the same shall be sold and transferred pursuant thereto, the proceeds of any such sale shall be divided equally between the parties hereto and each party hereby agrees to execute and deliver such instruments, or to cause the same to be done, as shall be necessary to evidence the transfer and conveyance of, and to transfer and convey to the purchaser, all right, title and interest of both parties in and to said Repository and said membership, or in said shares. In the event, however, that either party hereto shall not assent to the consummation of any bona fide firm offer or agreement for the purchase of said newspaper and said membership, or said shares, received from a third party and submitted to the other party hereto for concurrence therein, the non-assenting party hereto shall thereupon be obligated to pay equivalent to one-half ($\frac{1}{2}$) of the purchase price proposed to be paid by such third party, and the party submitting said offer shall be obligated to transfer to said nonassenting to the party hereto submitting such offer to it a sum in cash party all its right, title and interest in said newspaper and said membership, or in said shares, whereupon this agreement shall be without further effect.

(4) In the event no satisfactory and acceptable offer to purchase said Repository and said membership, or said shares, is received by either party hereto and consummated in accordance with the provisions of this agreement within said two-year period ending July 15, 1933, CNC shall have the right or option on said date either (a) to require the Syndicate to pay to CNC the sum of Fifty Thousand Dollars

(\$50,000) in cash and to accept from CNC a conveyance in proper form of all right, title and interest of CNC in said newspaper and said membership, or in said shares, and thereafter to assume sole responsibility for the publication and circulation of said newspaper and for all further expenses in connection therewith and in connection with said The New York Repository Corporation, or (b) to extend [fol. 1478] the period of joint ownership and operation of said newspaper and of said membership (through equal stock ownership in said The New York Repository Corporation) for the further period of one (1) year ending July 15, 1934, in which event the provisions of paragraphs (2) and (3) hereof shall be effective during said third year.

(5) In the event that no satisfactory and acceptable offer to purchase said newspaper and said membership, or said shares, is consummated prior to the expiration of said third year, to wit, July 15, 1934, the Syndicate shall on said date, or within ten (10) days thereafter either (a) pay to CNC the sum of Fifty Thousand Dollars (\$50,000) and receive from CNC a conveyance of all the right, title and interest of CNC in and to said newspaper and said membership, or in said shares, which right, title and interest CNC hereby agrees to transfer at that time, or (b) transfer, assign and convey to CNC all the Syndicate's right, title and interest in and to said newspaper and said membership, or in said shares, and thereafter be relieved from all liability for any further expense or responsibility in connection with or on account of the publication of said newspaper and the ownership of any interest in said membership; and thereupon this agreement shall be without further effect.

(6) If for any reason it should be or become impracticable for CNC to have said The New York Repository Corporation formally elected to membership and qualify as a member of said The Associated Press as provided in the By Laws thereof and/or to have issued to said The New York Repository Corporation a certificate of membership in said The Associated Press, then and in that event it is agreed that if CNC shall, if possible, reacquire from said The New York Repository Corporation the said newspaper and membership and shall thereafter continue to own and hold said newspaper and membership for the period ending July 15, 1934, subject to all the other applicable terms and conditions of this agreement, and the Syndicate shall during said

period have an undivided one-half ($\frac{1}{2}$) equitable ownership interest in said newspaper and membership to the same extent as it would have had if this agreement had been fully consummated; and furthermore the parties hereto shall [fol. 1479] in all other respects perform their obligations under this agreement.

(7) This agreement shall bind and benefit the successors and/or assigns of each of the parties hereto.

In witness whereof, the parties hereto have hereunto caused their names to be signed in triplicate by their proper respective corporate officer, duly authorized thereunto, and their respective corporate seals to be affixed and duly attested, as of the day and year first above written.

Consolidated Newspaper Corporation, by Roy W. Howard (Sgd.), *President*.

Attest: W. W. Hawkins (Sgd.), *Secretary*. (Seal.)

News Syndicate Co., Inc., by J. M. Patterson (Sgd.), *President*.

Attest: J. W. Barnhart (Sgd.), *Secretary*. (Seal.)

STATE OF NEW YORK,
County of New York, ss:

On this 17th day of July, 1931, before me came Roy W. Howard, to me known, who being by me duly sworn, did depose and say that he resides in Pelham, New York, that he is the President of Consolidated Newspaper Corporation, the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

(Sgd.) Carl A. Espach, *Notary Public*, Nassau Co.

Certificate filed N. Y. Co.

[fol. 1480] STATE OF NEW YORK,
County of New York, ss:

On this 17th day of July, 1931, before me came J. M. Patterson, to me known, who being by me duly sworn, did depose and say that he resides in Ossining, New York, that he

is the President of News Syndicate Co., Inc., the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

(Sgd.) Carl A. Espach, *Notary Public*, Nassau Co.

Cert. filed N. Y. Co.

EXHIBIT B

Agreement made this 7th day of February, 1933, by and between New York World-Telegram Corporation, a New York corporation, formerly the Consolidated Newspaper Corporation, party of the first part, and News Syndicate Co., Inc., a New York corporation, party of the second part.

Whereas, the parties hereto made an agreement dated as of July 16, 1931, providing for the formation of The New York Repository Corporation, for the securing of membership in the Associated Press by said The New York Repository Corporation and for the publication by The New York Repository Corporation of the Newspaper "New York Repository"; and

Whereas, the said agreement provided that all expenses incurred in the operation of said The New York Repository Corporation and its publication should be shared equally by the parties to said agreement during a period of two years commencing July 16, 1931; and

Whereas, the said agreement provided that in the event the said newspaper and Associated Press membership be not sold during said two-year period, the New York World-Telegram Corporation, then the Consolidated Newspaper Corporation, should have the option of requiring News Syndicate Co., Inc., to pay to it the sum of Fifty Thousand Dollars [fol. 1481] (\$50,000) in cash and to accept from it a conveyance in proper form of all its right, title, and interest in said newspapers and said membership, or in the shares of said The New York Repository Corporation then owned by it, and thereafter to assume sole responsibility for the publication and circulation of said newspaper and for all expenses in connection therewith; and

Whereas, the parties hereto desire to terminate the said agreement dated as of July 16, 1931, upon the terms and conditions hereinafter set forth;

Now, Therefore, in consideration of the premises and of the mutual covenants of the parties hereto, it is agreed as follows:

I. The New York World-Telegram Corporation, party of the first part, agrees to sell and deliver, and hereby does sell and deliver, to News Syndicate Co., Inc., party of the second part, all of the right, title, and interest of New York World-Telegram Corporation (formerly Consolidated Newspaper Corporation) in and to fifty (50) shares of the capital stock of The New York Repository Corporation, represented by Certificate No. 3, dated March 1, 1932, standing in the name of New York World-Telegram Corporation and duly endorsed in blank, being one-half of the total capital stock of said The New York Repository Corporation.

II. The New York World-Telegram Corporation agrees to deliver, and simultaneously with the execution of this agreement does deliver, to News Syndicate Co., Inc., as the owner of all of the capital stock of The New York Repository Corporation, the following:

1. Minute book of The New York Repository Corporation, including minutes of meetings from the date of incorporation on July 16, 1931, to and including March 9, 1932.

2. Stock certificate book of The New York Repository Corporation, including cancelled Certificate No. 1 and showing Certificate No. 2 outstanding in the name of News Syndicate Co., Inc., and Certificate No. 3 outstanding in the name of New York World-Telegram Corporation for which an assignment is to be given News Syndicate Co., Inc., as above stated.

3. New York State franchise receipt for \$196.55, being receipt for franchise taxes for the year ending October 31, 1932, together with copies of franchise tax reports.

[fol. 1482] 4. Federal income tax report for the calendar year 1931 showing loss during said year of \$19,183.85.

5. Certificate of Membership No. 6259 in the Associated Press, issued in the name of The New York Repository Corporation under date of June 17, 1931.

6. Bond No. 167 in the face amount of \$1,000 issued by the Associated Press to The New York Repository Corporation under date of July 18, 1931.

7. Corporate seal of The New York Repository Corporation.

8. Books of account of The New York Repository Corporation now in the possession of News Syndicate Co., Inc.

9. Resignations of the following named persons as directors and officers of The New York Repository Corporation: Roy W. Howard, President and Director; W. W. Hawkins, Director; and Thomas L. Sidlo, Secretary.

III. News Syndicate Co., Inc., agrees to, and hereby does, pay to New York World-Telegram Corporation the sum of Fifty Thousand Dollars (\$50,000), receipt of which is hereby acknowledged.

IV. News Syndicate Co., Inc., hereby agrees to cause The New York Repository Corporation to cease publication of the newspaper "New York Repository," with the issue of February 7th, 1933, and to forthwith terminate the membership in the Associated Press of said corporation The New York Repository Corporation and/or said newspaper "New York Repository." News Syndicate Co., Inc., hereby agrees to, and does, indemnify and hold harmless New York World-Telegram Corporation from any and all liability, loss or damage whatsoever which may arise out of any liability that New York Repository Corporation may have or incur in connection with the termination of its membership in Associated Press and/or in connection with its discontinuing publication of said newspaper "New York Repository"; and News Syndicate Co., Inc., hereby agrees to, and does, indemnify and hold harmless New York World-Telegram Corporation from any and all liability, loss or damage which may arise out of its former ownership of shares of stock of The New York Repository Corporation by reason of any event hereafter occurring.

[fol. 1483] V. News Syndicate Co., Inc., agrees promptly after the execution of this agreement, to cause The New York Repository Corporation to be dissolved in accordance with the laws of the State of New York and to cause its corporation existence to cease.

VI. Both parties agree that all expenses incurred by the New York Repository Corporation up to and including the date when it ceases to publish the "New York Repository" shall be shared equally by the parties hereto and the News Syndicate Co., Inc., agrees to pay the New York World-Telegram Corporation an amount equal to one-half of the cash balance (including the cash value of the Associated Press bond, listed in Paragraph II, subdivision 6 thereof), after all such expenses have been paid, including reimbursement to the New York World-Telegram Corporation of the New York State Franchise taxes in the sum of \$196.55 for the year beginning November 1st, 1931, and \$205.82 for the following year.

VII. Upon the execution of this agreement, the said agreement between the same parties dated as of July 16, 1931, shall be without further effect.

In witness whereof, the parties hereto have caused this agreement to be executed by their respective officers thereunto duly authorized and their respective corporate seals to be hereunto annexed the day and year first above mentioned.

New York World-Telegram Corporation. By R. A. Huber, Vice President. (Seal) News Syndicate Co., Inc. By Roy C. Holliss, Second Vice President. (Seal.)

STATE OF NEW YORK,
County of New York, ss:

On the 7th day of February, 1933, before me came R. A. Huber, to me known, who being by me duly sworn, did depose and say that he resides in New York City, N. Y.; that he is the Vice-President of New York World-Telegram Corporation, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board [fol. 1484] of directors of said corporation; and that he signed his name thereto by like order.

Macdonald DeWitt, Notary Public, New York Co.

STATE OF NEW YORK,
County of New York, ss:

On the 7th day of February, 1933, before me came Roy C. Hollis, to me known, who being by me duly sworn, did depose and say that he resides in Bronxville, New York; that he is the Second Vice-President of News Syndicate Co., Inc., the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Macdonald DeWitt, Notary Public, New York County.

AFFIDAVIT OF SID MAUTNER

STATE OF ILLINOIS,
County of Cook, ss:

Sid Mautner, being duly sworn, deposes and says:

I began newspaper work in 1912. In 1914 I worked for the Chicago Bureau of the International Film Service, one of the first picture syndicates in America. Later, I went to work for the Hearst papers in Chicago, and continued with them for a period of twenty-four years, first as cameraman, later as art editor, photo editor and picture editor.

I joined the staff of The Chicago Sun about three months prior to the time it began publication as its photo editor, a position I have occupied ever since. In that capacity, I organized the picture staff, hired the personnel, purchased the equipment and set up the bureaus that were established throughout the country. In addition, it is and has been my duty to select and make assignments to procure pictures and otherwise to arrange for the obtaining of pictures for The Chicago Sun, in all fields, local and domestic.

At the time The Sun commenced publication, December 4, 1941, there were the following major news photographic [fol. 1485] services in the United States: Associated Press News Photo Service (The Associated Press had, in 1941, taken over Wide World Photos, Inc. from The New York Times); International News Photos, affiliated with the

Hearst papers; and Acme Newspictures, Inc., a subsidiary of the Scripps Howard organization.

Until the middle of December 1942, that is for a period of over one year, The Chicago Sun was without the services of any of these major syndicates. On December 8, 1942, The Sun made a contract with Acme Newspictures, Inc., under which services commenced on December 12, 1942.

Some time prior to the commencement of the publication of The Sun, I was informed by Mr. Rex Smith, then the Executive Editor of The Sun, that we would be unable to obtain the picture service of the Associated Press, hereinafter called AP, or any of the specified services. I thereupon endeavored to make all arrangements that would give The Chicago Sun the best photographic news coverage possible in the absence of access to the facilities of the major syndicates.

The following are some of the steps taken by me to supply The Sun with pictures, and some of the competitive difficulties under which The Sun operated:

1. We purchased pictures from some of the minor agencies. One of these, a foreign agency, had its offices in New York. From it I received pictures through a salesman in Chicago, who would bring them to us as he received them from New York—frequently opening up a mail package containing the pictures in my presence. A disadvantage of this arrangement was that many of these pictures had already been sold to major syndicates in New York before they were exhibited to us by the salesman in Chicago. I know this because, as part of my duties as photo editor, I regularly examined the pictures appearing in the other newspapers in Chicago and many of the pictures that were exhibited to us by the salesman referred to, had already appeared in the other Chicago newspapers, credited to one of the major syndicates. Some of the pictures offered to us were not original photographs, but were photographs of cuts that had appeared in foreign newspapers. The disadvantage in this was twofold. In many cases I observed that [fol. 1486] other newspapers in Chicago had published the original photographs as transmitted electrically, and the original photographs were superior to the photo facsimile, in sharpness and clarity. I had observed, too, that in many cases the original photographs had been published by Chicago papers before we were offered the photo facsimile.

2. I arranged through Mr. Rex Smith to lease from Times Telephoto Equipment, Inc., wirephoto transmitters and a recorder. These transmitters had formerly, I was informed, been used by Wide World Photos before its sale to The Associated Press. The wirephoto transmitters are machines, which when photographs are introduced to them, convert the photograph into a series of electric impulses which can be transmitted over a telephone or telegraph wire. The recorder is a machine which reverses the process and transforms the electric impulses received over the wire, into a photographic negative. I then arranged for the placing of these transmitters in various cities in the United States: Washington, New York, Miami, Minneapolis, Nashville, Fort Worth, Los Angeles, San Francisco, Seattle and Detroit. The recorder was placed in The Sun office.

Though we endeavored to obtain the best possible service in this way, our wire service was not as effective as the AP wirephoto service for the following reasons:

(a) We had transmitters only in the ten cities which I have enumerated.

(b) To man these transmitters I employed persons for part-time service. These operators were paid—on vouchers approved by me—a rental fee for housing our equipment plus a fee for transmitting pictures and for covering any assignments that I requested of them. The part-time photographers were, in the main, from picture studios, and were not news photographers, but I employed those that were available to us. I found in building up this organization that we were hampered by the fact that persons connected with newspapers could not render photographic services to The Sun, because they were connected with newspapers members of the AP and refused to serve nonmember papers.

[fol. 1487] (c) Compared with the leased wire service of AP, our wire-photo service operated at a substantial disadvantage. Where a wire is leased, the lessee, during the period for which it is leased, has the exclusive use of the wire. Pictures can be transmitted immediately. There is no likelihood of interferences or interruption in transmissions. Our pictures originally came to us entirely on an overhead basis, that is, they were transmitted over what-

ever telephone line was available at the time. In many instances there were delays because lines were not available. The quality was impaired because there were interferences on these lines. For a time, I arranged to obtain, for The Sun, the use of one and one-half hours of leased wire time from Washington to Chicago. This resulted in a considerable improvement in the Washington-Chicago transmission.

(d) Our bureaus were manned mostly by part-time employees whose principal occupation in most cases was not in the newspaper field. We were not in leased wire communication with these bureaus, nor were they abreast of the news. Frequently, it became necessary to telegraph or telephone our correspondent, acquainting him with the news event in his territory and assigning him to go out and take pictures related to the event.

(e) Under our contract with Times Telephoto Equipment, Inc., of New York, they were to take care of the maintenance. In cases where there was defective operation that would not be handled on the spot, the equipment was flown back to New York. On several occasions, owing to the fact that Times Telephoto Equipment, Inc., was tied up in Government work, the repair of the equipment was delayed. When the equipment was being repaired in New York, we were without the wirephoto facilities of the local station.

3. In the case of news stories that broke within a radius of 100 to 200 miles of Chicago, which because of their locality were not available for wirephoto transmission to the Sun, I had to canvass the locality to obtain a news photographer to supply our needs. I frequently discovered that the news photographer I sought to employ was employed by an Associated Press newspaper, and was then told by him that he could not serve us since we were not AP members. In most cases I had to obtain the services of a commercial or amateur photographer, inexperienced in handling newspaper pictures, with the result that the pictures were not of the quality, nor obtained with the promptness, as was the case with pictures supplied by Associated Press to its members.

4. Because of the importance of Washington as a news center, I arranged for the setting up of a complete Washing-

ton photographic bureau, to take and transmit pictures. After the war was under way and governmental restrictions upon the taking of pictures greatly limited the freedom that had theretofore existed, we closed the Washington photographic bureau. We then made arrangements with the Washington photographic agency of Harris & Ewing to send us news pictures and the Army, Navy and governmental photo handouts, and to cover special assignments for us beginning July 6, 1942. For these services we contracted to pay Harris & Ewing \$125.00 a week, with additional payments for the coverage of special assignments. The wire-prints that were prepared by Harris & Ewing were brought to our Washington news bureau and transmitted to us from there over the wire transmitter that was leased from the Times Telephoto Equipment, Inc. The contract with Harris & Ewing Photographic News Service was cancelled after we made our contract with Acme Newspictures, Inc. The cancellation was dated December 28, 1942, and became effective February 5, 1943.

5. In 1942 a war pictures pool was formed to get war pictures. Among the members of this pool were Associated Press, News Photo Service, International News Photos, Acme Newspictures, Inc., and Life magazine. AP members received pool photographs. We were without the pool photographs until we contracted for the Acme Service.

6. On December 8, 1942, we entered into a contract with Acme Newspictures, Inc., hereinafter referred to as Acme, to receive its telephoto service and its full daily mail service. For this service, the contract price was \$575.00 a week, with extra charges for pictures which would not otherwise be part of Acme's regular picture service. Since service commenced under that contract on December 12, 1942, we have received a daily wire photographic service, and daily pictures by mail from Acme. The lack, however, of Associated Press service is disadvantageous in at least the following respects:

(a) The Chicago Tribune has both Acme and Associated Press service. If Associated Press scoops Acme we are without the picture furnished by Associated Press. If Acme scoops the Associated Press, the Tribune will have the benefit of the Acme scoop as well as ourselves.

(b) Acme does not furnish as comprehensive service as Associated Press, especially from points west and South of Chicago. At the time the contract was under negotiation, I was informed by Mr. Arthur Newman, manager of Acme, that its leased lines lay generally to the east of Chicago—that west of Chicago, its service was furnished over ordinary telephone wires on an overhead or toll basis. On several occasions when I asked Acme to deliver to us a picture by wirephoto from the Pacific Coast, the picture was received by us from Acme but in most instances after it had been supplied to Associated Press members.

(c) Acme furnishes approximately only ten wirephotos per day.

7. In the case of stock or “morgue” pictures, the Sun was at a substantial disadvantage before it had the contract with Acme. Under their contract with the Sun, the Chicago Daily News made its “morgue” pictures available to it. But in the great majority of the cases the pictures in the “morgue” of the Daily News were AP pictures and were unavailable to the Sun. When stock pictures were needed, it became necessary to call up our New York agent to purchase these pictures from an agency and transmit them to us by wire transmission. This procedure has been costly and has involved a considerable loss of time.

8. The following are instances in which the Chicago Tribune printed cuts or photographs relating to news then current, crediting them to AP wirephoto. I was not able to procure these pictures for the Sun, or else did not procure them until after they had ceased to be live news items. As contrasted with the rapid and regular receipt of these pictures by the Chicago Tribune from the AP, I had either to do without these pictures for the Sun or else, as indicated [fol. 1490] below, to go to considerable effort and expense in order to procure them:

December 5, 1941. The collapse of a bridge at Hartford, Connecticut, where eight men lost their lives. In order to obtain a picture for the Sun, the following happened: I telephoned the Sun's New York bureau. The Sun's New York bureau telephoned a photographer in Connecticut, Larry Gordon, from whom the pictures were purchased. These pictures were then flown by plane to New York, from which point they were transmitted to the Chicago office.

December 6, 1941. The Navy's new flying warship Mars burning at Baltimore. By the time the Sun bureau in Washington was appraised of this, and our photographers arrived on the scene, the action was over.

December 10, 1941. Mickey Rooney and his fiancée.

December 13, 1941. First picture of Captain Colin B. Kelly and his widow and son.

December 16, 1941. First picture of the Japanese two-man submarine, of the type used at Pearl Harbor.

December 30, 1941. Churchill's visit to Ottawa. The Sun, in order to obtain these pictures, sent a photographer and transmitter operator to Ottawa from Washington, D. C. The pictures were then transmitted from Ottawa by the transmitting operator to Chicago, directly over telephone lines, toll lines.

December 31, 1941. Al Capone, son and bride at Miami, Fla.

January 1, 1942. The destruction occasioned in Norway by the English Commando raid.

January 2, 1942. Inter-sectional bowl games as follows: Oregon State versus Duke; Alabama versus Texas; Georgia versus Texas Christian and Fordham versus Missouri.

I obtained pictures for the Sun as follows:

Oregon State versus Duke: by sending a photographer and transmitter to Durham, N. C.

Georgia versus Texas Christian at Miami: by hiring a man at Miami to cover for us and transmit for us over the transmitter that was down in Miami.

Fordham versus Missouri at New Orleans: through a photographer and transmitter operator sent from Chicago.

[fol. 1491] Alabama versus Texas at Dallas: by our string-man in Dallas, over the Sun's transmitter.

January 4, 1942. First photographs of the United States forces landing somewhere in the Pacific war theater.

January 19, 1942. Four pictures of the air crash in which Carole Lombard was killed. Our bureau photographer flew from Los Angeles to the scene of the wreck at Las Vegas, Nev. The AP was represented on the scene by a group of photographers against one man representing the Chicago Sun.

February 5, 1942. Pictures showing the destruction in Malaya during the retreat to Singapore, the first action pictures from the war front at Singapore.

February 6, 1942. The first picture of Italian general Fidele de Giorgis, captured in Libya by the British.

February 9, 1942. Five pictures of American troops landing in Ireland, the first pictures showing such landing. Four of these were furnished by AP, one by Acme. None of the four were available to the Chicago Sun.

February 10, 1942. The Chicago Tribune carried an Associated Press wirephoto of the *Normandie* fire in its first edition.

I attempted to buy pictures of the *Normandie* fire from various services in New York City, but without success.

I finally obtained some pictures through our New York bureau, which were transmitted to us at considerable expense, and carried in our later editions. We had no picture of the *Normandie* fire in our earlier editions.

February 14, 1942. An eight-column picture of an entire submarine crew bobbing in the water after their submarine was destroyed.

February 28, 1942. The torpedoing of the Standard Oil Tanker *R. P. Resor* off Asbury Park, N. J.

In order to obtain a comparable picture, our New York Bureau hired an outside photographer to cover and transmit the picture to the Chicago Sun.

March 4, 1942. First pictures of the survivors of the destroyer *Jones*.

March 4, 1942. The early editions of the Tribune contained a photograph of Lt. Edward H. O'Hare, a Chicagoan, the first flyer to bring down six Japanese planes in the Pacific war and a photograph of his mother. After considerable effort, a photograph of the flyer was obtained from an aunt of Lt. O'Hare living in the Chicago district, in time to publish it in one of our late editions. We were unable to obtain a picture of the mother, who was then in the south.

March 14, 1942. First pictures of the Commando raid on Bruneval, France. One picture showing landing barges, the other, German prisoners taken on the scene.

March 17, 1942. Four pictures of the tornado scenes in the vicinity of Alvin, Ill., where many persons perished. I sent a cameraman who drove down from Chicago, but photographs could not be obtained in time for publication in the early editions of the Sun, nor until after such pictures had already appeared in the earlier editions of the Tribune.

March 21, 1942. First picture of surrender of Singapore.

March 25, 1942. First photograph showing General MacArthur in Australia after his escape from the Philippines.

April 7, 1942. First picture showing scorched earth policy applied by the Dutch in Borneo.

April 9, 1942. First action picture of Lt. O'Hare showing him in the cockpit of his plane with the Pacific fleet.

April 11, 1942. Jap prisoners taken on Bataan.

April 11, 1942. A picture of Mrs. Clara Wermuth and her daughter Talia, stated to have been obtained by AP from the mother and daughter, who were then visiting in Philadelphia. These ladies were the mother and sister of Arthur Wermuth, called the "one man army of Bataan," because he had singlehandedly destroyed a great number of Japs. Wermuth was a conspicuous news figure and of particular interest to Chicago readers, since he, his mother, and sister were residents of Chicago.

April 24, 1942. The Liberty Bell being moved to a place of safety in Philadelphia to protect against the contingency of a bombing attack.

April 28, 1942. Three pictures of the tornado at Pryor, Okla., resulting in 100 dead and 1,000 hurt.

May 1, 1942. First action picture of Admiral Stark, USN, arriving in England for a war conference.

[fol. 1493] May 8, 1942. The pictures of the suicidal death leap of a woman from a hotel in Buffalo, N. Y., one of which shows the suicide in mid-air. This picture has been described by U. S. Camera (1943), A. J. Maloney, Editor, as one of the outstanding pictures of 1942.

May 14, 1942. Pictures of General MacArthur in ceremonies at Melbourne, Australia, and also American troops with Australian natives.

May 19, 1942. First pictures showing actual landing of American armored troops in Ireland.

May 29, 1942. First pictures showing the Mexican president in the Mexican Congress declaring war on the Axis.

June 2, 1942. First picture of General Wainwright surrendering at Bataan.

June 8, 1942. First picture of the results of the bombing of Cologne, one of the heaviest air raids of the war.

June 17, 1942. Picture of Georges Carpentier and Max Schmeling as they met in Paris. A picture of great interest, since both pugilists were well known in the United States.

June 23, 1942. Three pictures of the first Jap shelling of the coast of Oregon.

July 11, 1942. First picture of the U-boat raid on Costa Rica. 23 killed. This was a daring U-boat surprise attack on the American vessel *Reurto Limo*.

July 18, 1942. Two pictures of the American Navy's air attack on Japanese ships in Kiska, Alaska. Transport shown burning in the harbor.

July 21, 1942. Picture of three children of a Scottdale, Ga., family, who were fettered together with huge chains as a punishment for a childish misdemeanor.

July 31, 1942. Picture of a Lake boat, well known to Chicago readers—the *CEE and BEE*. The picture showed the boat converted into an aircraft carrier.

August 1, 1942. Three pictures from Denver, Colo., of a story attaining national prominence. They were pictures of Theodore E. Coneys, who hid in the attic of the house of Philip Peters for nine months after Coneys murdered Peters. The picture showed Coneys and also the attic.

[fol. 1494] August 3, 1942. First pictures showing arrival of American tanks in Russia.

August 9, 1942. First WAAC review at Des Moines, Iowa. To cover this, the Sun sent its photographer from Chicago with photographic equipment and a transmitter in order to obtain the picture.

August 11, 1942. First picture of Gandhi and others at the All-India Congress party in connection with stories of rioting in India.

August 13, 1942. Two pictures—action pictures—showing surrender of American troops at Corregidor.

September 1, 1942. Action picture of the wedding of Gypsy Rose Lee, in which Gypsy is shown tossing her bridal bouquet.

September 2, 1942. Action pictures of Kurusu and Admiral Nomura, special Japanese peace envoys to the United States at dinner in Portugese East Africa, en route to Tokio after exchange of diplomats between the United States and Japan.

September 9, 1942. First picture of General George Marshall, Chief of Staff, on his first visit to Iceland on an inspection tour.

September 9, 1942. American bomber crash into an apartment house at Newark, Ohio.

September 12, 1942. An unusual action picture of test pilot landing in his parachute at Buffalo, N. Y., while his plane landed on a factory killing six and injuring forty-three.

September 12, 1942. Paul Trout, Detroit ball player, manhandling a spectator in the stands.

September 22, 1942. Two pictures showing work on the building of the highway to Alaska, the first pictures of the Alaska highway in Chicago.

October 1, 1942. Action picture showing the sinking of the United States ship *Colhoun* (a Naval Auxiliary vessel) after Japanese attack at Guadalcanal.

October 1, 1942. Action picture showing wreckage of two planes that collided in a take-off, killing two pilots at Burbank, Calif.

October 4, 1942. Pictures of the World Series game between the New York Yankees and the St. Louis Cardinals at St. Louis. To obtain comparable coverage, The Chicago Sun sent a cameraman and a transmitting operator from Chicago to St. Louis.

[fol. 1495] October 7, 1942. Two pictures showing views of General MacArthur in the field with American troops somewhere in the South Pacific war theater.

October 9, 1942. Adolph Hitler greeting Marshall Rommel on his victorious return to Berlin from the African campaign.

October 14, 1942. Wendell Willkie with Madame Chiang Kai-Shek in China.

October 17, 1942. Betty Hansen in the Errol Flynn case being carried from the court room.

October 17, 1942. Picture of Errol Flynn furnished to the Chicago Tribune on the day the Flynn story broke.

October 24, 1942. First picture of Mrs. Roosevelt being greeted by the King and Queen of England in London.

October 26, 1942. Elliot Roosevelt in London saluted by military police.

October 26, 1942. Action picture of Germans advancing on Stalingrad.

October 28, 1942. Picture of widow and son of Commander John J. Shay, who was lost with aircraft carrier *Wasp*. The five-year old son is shown reading a letter his father wrote to him before the battle.

October 28, 1942. The picture showing the beginning of the night barrage of the 8th Army's victorious counterdrive on Rommel.

October 30, 1942. Survivors of the United States destroyer *Blue* and the Australian cruiser *Canberra* being taken to a port of safety.

October 31, 1942. Striking action picture of a tornado destruction in Berryville, Ark.

November 2, 1942. Three photos of Lt. Howell Forgy and his family in Haddonfield, N. J. Lt. Forgy is one of the two men credited with coining the phrase "Praise the Lord and Pass the Ammunition."

November 2, 1942. Picture of Mrs. Roosevelt dining with the Royal Family in London.

November 4, 1942. Picture of Miss Alison B. Pfeiffer of North Hampton, Mass., fiancée of author of "See Here, Private Hargrove."

[fol. 1496] November 4, 1942. General MacArthur drinking coffee with staff officers.

November 9, 1942. Five women section hands on the Northern Pacific Railroad at Ravensdale, Wash.

November 10, 1942. On page 1, story of Roosevelt's note to the Bey of Tunis, picture of the Bey of Tunis and the French resident general at that place.

November 11, 1942. First action picture of Mrs. Roosevelt and her son, Elliott, meeting in London.

November 14, 1942. First action picture of the American invasion in Africa, showing the landing of American troops in Oran, Algeria.

November 15, 1942. Three action pictures comprising one-half page, showing American troops and various phases of their landing in Africa. On this same day the Sun was able to get but one picture of this action from the British Newsreel Association radioed from London available to us through Publix Syndicate, and then transmitted to the Sun.

November 16, 1942. Picture of Mrs. Eisenhower at Abilene, Tex., gazing at a picture of her son, the General, who commanded the invasion of Africa.

November 18, 1942. An action picture of MacArthur and his principal aides at New Guinea. On the same day, an action picture of the Stalingrad area in Russia. These possibly might have been available to the Sun had it not been for transmission trouble. On the same day, the Tribune

printed a remarkable aerial view of the convoy headed for Africa, credited to AP Wirephoto. This picture was available to the Sun but transmission line trouble made it unusable for reproduction.

November 21, 1942. An action picture of General Hanford MacNider getting his hair cut by a trooper while seated on a log, a picture of considerable news value since General MacNider was well known, having at one time headed the American Legion.

November 23, 1942. The Tribune published pictures of Captain Rickenbacker and his party after their rescue, crediting them to AP Wirephoto. These pictures it advertised as "First pictures of Captain Rickenbacker after [fol. 1497] his rescue." The pictures were stated to have been radioed from Honolulu. The Sun attempted, by cabling a correspondent in Honolulu, to obtain the pictures, but was unsuccessful.

November 27, 1942. A full page of pictures of various phases of the African invasion. Altogether there were eight pictures made on transports, at Oran, at Fedhala, at Algiers, and also showing General Mark Clark and some of the leaders of the expedition.

November 29, 1942. On Saturday night, November 28th, occurred the disastrous Cocoanut Grove fire in Boston. The Sunday Tribune furnished four action scenes of the fire (Associated Press Wirephoto). This appeared in the edition in which the page one banner line read "408 Die in Club Fire." No pictures were available of this event for the Sunday Sun.

December 7, 1942. A photograph from German sources which showed the first comprehensive perspective of the wreckage of Stalingrad.

December 10, 1942. Pictures of four naval officers being decorated at Pensacola, Fla. The pictures showed "Doggie" Gray who had disrupted the ceremony by rushing in and embracing her father, Lt. James S. Gray, around the knees.

December 10, 1942. A sectional view of wrecked Stalingrad. The picture was obtained by way of neutral Portugal.

December 13, 1942. A picture of the first wooden transport plane, a new era in airplane construction.

On December 15, 1942, our contract with Acme went into effect. The following are instances in which a picture of a news event was printed in the Tribune credited to AP Wire-

photo (in one of the instances specified to Wide World), but was not supplied to the Sun by Acme, or else was not supplied to the Sun until after it had appeared in the columns of the Chicago Tribune credited to AP Wirephoto:

December 16, 1942. A Western Airlines transport crash in which seventeen were killed near Fairfield, Utah.

December 18, 1942. A picture of Captain Rickenbacker on his arrival in San Francisco, Calif., on December 17th. Acme failed to deliver this picture to the Sun, although on the following day, Acme delivered to both the Tribune and Sun a superior picture of Rickenbacker in the arms of his [fol. 1498] mother in Los Angeles.

December 19, 1942. A picture of Mussolini which was received through neutral Portugal and described as one of his most recent, and pointed out his loss of weight.

December 23, 1942. Oil well fire at Russell, Kans.

December 24, 1942. A good feature picture of two orangutans and a chimpanzee born in a St. Louis zoo. Acme did not deliver the picture to the Sun by wirephoto but two days later we received a similar picture of the orangutans by mail.

December 28, 1942. A wirepicture from Dixon, Ill., 100 miles from Chicago, of a wreck on the Chicago-Northwestern's San Francisco Challenger. We received no service on this wreck from Acme but assigned our own photographer to Dixon and obtained our own pictures.

January 4, 1943. A picture of the marriage of Dorothy Kirsten, Chicago Opera Company singer, in New York.

January 5, 1943. A picture of the damage done to Bing Crosby's home in Hollywood by a fire. Also (a) a series of exclusive wirephotos of U. S. military operations in New Guinea, and (b) a wirephoto from Tunisia.

January 7, 1943. A spectacular rescue picture of a packing plant fire in Lowell, Massachusetts. We received nothing on this fire in the Acme wirephoto service that day.

January 8, 1943. An aerial view of Henderson Field, the airport on Guadalcanal Island, the most comprehensive pictures of the field published to that date.

January 13, 1943. The first pictures of the five Sullivan brothers of Waterloo, Iowa, who were lost on the same battleship. This was a major news story. On the same day, Acme told us that their nearest wirephoto transmission point was Omaha, and that it would be impossible to get the

pictures from Waterloo to Omaha in time for transmission. They got pictures to us the next day, by which time we received pictures of our own from Waterloo.

January 14, 1943. Action pictures of Frances Farmer, the movie actress, who was engaged in a wild escapade and landed in jail.

[fol. 1499] January 15, 1943. A better picture of Frances Farmer fighting with the police in Los Angeles.

January 20, 1943. An outstanding picture of an Australian Army chaplain planting a cross on the grave of a soldier killed near Gona, New Guinea.

February 1, 1943. Action pictures from Seattle, Washington, showing fire in a sanitarium in which twenty-nine lives were lost.

February 1, 1943. Picture from Coldwater, Michigan, of Donna Lee Simons, a young girl who had been in a coma for twenty-five days as result of an automobile accident, finally recovers.

February 3, 1943. Picture showing missionaries on Guadalcanal rescuing a baby from a ditch on Guadalcanal. Parents had been slain and baby mutilated.

February 9, 1943. Picture showing General Hanford MacNider, a prominent mid-westerner and former national commander of the American Legion, recovering from wound received in action.

February 12, 1943. First picture of Marine veterans of Guadalcanal, after they had been relieved by Army disembarking at a South Pacific port.

February 18, 1943. Spectacular picture of a train wreck at Marriottsville, Md., just fifteen miles from Baltimore.

February 26, 1943. Picture showing thousands of Boeing Aircraft plant workers who stopped work, staging demonstration in front of city-county building in Seattle, Wash.

February 27, 1943. Picture showing nuns being rescued from one of the Solomon Islands and landed at Guadalcanal.

March 2, 1943. Picture showing results of bombing by Japs in Manila.

March 2, 1943. Picture showing rescue work at Bearcreek, Mont., mine disaster in which seventy workers were trapped.

March 3, 1943. A series of pictures copied from German newspapers, showing German troops in action in Tunisia. These and similar pictures were offered to us three weeks

later by an independent picture syndicate but were never covered by Acme.

[fol. 1500] March 8, 1943. Picture showing General MacArthur's bomb-wrecked home on Corregidor Island.

March 11, 1943. Picture showing Russian antitank crew hammering Nazis in Vyazma.

March 13, 1943. Picture showing enthronement of a bishop in the Coventry (England) Cathedral, showing the church without roof.

March 16, 1943. After advance promise to cover, Acme failed to cover us with pictures of eight mid-western governors conferring on farm problems at Des Moines.

March 17, 1943. One of best action pictures of the month, showing bombing of an old work bridge at Grand Coulee Dam, Washington.

(Signed) Sid Mautner.

Sworn to before me this 7th day of May 1943. Ruth Herman, *Notary Public*. My commission expires Jan. 10, 1946. (Seal.)

AFFIDAVIT OF J. A. McNEIL

CITY OF TORONTO,

Province of Ontario, Dominion of Canada, ss:

J. A. McNeil, being duly sworn, deposes and says that he is the General Manager and Secretary of The Canadian Press, that he has personal knowledge of the following facts and that the following facts are true.

The names of all of the daily newspapers published in the Dominion of Canada which were represented by members of The Canadian Press as at September 15, 1942, with their respective circulations taken from Editor and Publisher 1942 International Year Book, except as otherwise indicated, are correctly set forth in Exhibit A, attached hereto and made a part hereof.

As of September 15, 1942, The Canadian Press had in addition one associate member representing the Oshawa Times-Gazette (Ont.) with a circulation of 2,951, as appearing in Editor and Publisher 1942 International Year Book. Since September 15, 1942, there has been no change in the list of newspapers represented by members of The Canadian Press.

As of February 1943, the following daily newspapers published in the Dominion of Canada, with their respective [fol. 1501] circulations taken from Editor and Publisher 1942 International Year Book, were not members of The Canadian Press:

Quebec Chronicle-Telegraph (Evening)	4,669
Quebec L'Action Catholique (French language, Evening)	68,332
Amherst News (Evening)	2,434
New Westminster Columbian (Evening)	6,002
Lindsay Daily Post (Evening)	1,811
Montreal Matin (French language, Morning tabloid)	10,278
Vancouver News-Herald (Morning)	23,057

Except for the newspapers represented by the members of The Canadian Press and the 7 newspapers listed above, I know of no other daily newspapers published in the Dominion of Canada as of February 1943, except a Yiddish newspaper published in Montreal, a Chinese paper published in Toronto, a Chinese paper published in Vancouver, a grain trade paper published in Winnipeg and college dailies published in Toronto and Montreal, during the college terms.

(S.) J. A. McNeil.

Subscribed and sworn to before me this 30th day of April A. D. 1943. (S.) M. J. Duggan, a *Commissioner*.

EXHIBIT A

Daily newspapers represented by members of the Canadian Press as at September 15, 1942, with their respective circulations taken from Editor and Publisher 1943 International Year Book, except as otherwise indicated.

<i>Newspaper</i>	<i>1943 Circulation *</i>
Maritime division:	
Morning:	
Charlottetown Guardian	6,868
Halifax Chronicle	14,815

See footnotes on page 1209.

<i>Newspaper</i>	<i>1943 Circulation *</i>
Halifax Herald	42,427
Moncton Times	¹ 7,623
Saint John Telegraph-Journal	21,083
Evening:	
Charlottetown Patriot	4,826
Fredericton Gleaner	² 9,462
Glace Bay Gazette	¹ 7,769
Halifax Mail	33,549
Halifax Star	12,493
Moncton Transcript	7,438
[fol. 1502]	
New Glasgow News	4,202
Saint John Times-Globe	17,217
Sydney Post-Record	19,052
Truro News	2,133
Ontario and Quebec division:	
Morning:	
London Morning Free Press	32,854
Montreal Gazette	38,495
Montreal Le Canada	16,061
Ottawa Morning Citizen	8,174
Ottawa Morning Journal	9,596
Quebec L'Evenement-Journal	11,300
Toronto Globe and Mail	165,546
Evening:	
Belleville Ontario Intelligencer	6,809
Brantford Expositor	13,674
Brockville Recorder and Times	5,663
Chatham News	8,619
Cornwall Standard-Freeholder	6,554
Galt Reporter	7,415
Guelph Mercury	8,467
Hamilton Spectator	66,268
Kingston Whig-Standard	13,616
Kitchener Daily Record	16,551
London Evening Free Press	23,851

See footnotes on page 1209.

<i>Newspaper</i>	<i>1943</i>
<i>Evening—Continued</i>	<i>Circulation *</i>
Montreal Herald	17,014
Montreal Le Devoir	19,479
Montreal La Patrie	12,908
Montreal La Presse	174,179
Montreal Star	127,638
Niagara Falls Review	8,231
North Bay Nugget	7,291
Ottawa Evening Citizen	33,432
Ottawa Evening Journal	30,456
Ottawa Le Droit	21,461
Owen Sound Sun-Times	9,342
Peterborough Examiner	10,321
Quebec Le Soleil	66,084
St. Catharines Standard	14,507
St. Thomas Times-Journal	8,980
Sarnia Canadian Observer	7,768
Sault Ste. Marie Star	8,567
Sherbrooke Record	9,229
Sherbrooke La Tribune	9,740
Stratford Beacon Herald	8,941
Sudbury Star	¹ 8,273
Three Rivers Le Nouvelliste	12,350
[fol. 1503]	
Timmins Press	7,741
Toronto Star	250,758
Toronto Telegram	152,911
Welland-Port Colborne Tribune	6,092
Windsor Daily Star	53,293
Woodstock Sentinel-Review	7,318
Prairie Division:	
Morning:	
Calgary Albertan	14,372
Regina Leader-Post	
Saskatoon Star-Phoenix	
Evening:	
Brandon Sun	5,347
Calgary Herald	34,084

See footnotes on page 1209.

<i>Newspaper</i>	<i>1943 Circulation*</i>
Edmonton Bulletin	12,823
Edmonton Journal	35,559
Fort William Times-Journal	8,898
Lethbridge Herald	8,231
Medicine Hat News	2,290
Moose Jaw Times-Herald	5,143
Port Arthur News-Chronicle	7,334
Prince Albert Herald	3,476
Regina Leader-Post	32,180
Saskatoon Star-Phoenix	21,526
Winnipeg Free Press	74,432
Winnipeg Tribune	41,108

British Columbia Division:

Morning:

Nelson News	5,298
Victoria Colonist	15,074

Evening:

Nanaimo Free Press	¹ 3,750
Trail Daily Times	3,351
Vancouver Province	103,258
Vancouver Sun	76,529
Victoria Times	16,367

Total	2,305,203
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¹ Circulation appearing Editor and Publisher 1942 International Year Book.

² Circulation appearing in Ayer's Directory of Newspapers and Periodicals for 1942.

AFFIDAVIT OF THOMAS M. McNICHOLAS

STATE OF TENNESSEE,

County of Davidson, ss:

Thomas M. McNicholas, being duly sworn, says:

I am the Vice-President and Treasurer of Tennessean Newspapers, Inc., which publishes The Nashville Tennessean, a newspaper of daily circulation in the City

of Nashville, Tennessee. Tennessean Newspapers, Inc., owns an Associated Press Membership. Mr. Silliman Evans is the majority stockholder of Tennessean Newspapers, Inc., and is the designee of the newspaper in Associated Press matters.

Since December, 1941 Mr. Evans has been serving as publisher of The Chicago Sun and has spent most of his time in Chicago, Illinois. During that period I have been the principal executive officer of The Nashville Tennessean and have been in regular attendance at the offices of that newspaper in Nashville. I have during Mr. Evans' absence looked after substantially all of his business and personal affairs and have opened correspondence addressed to him.

In the latter part of March, 1942 an envelope addressed to Silliman Evans was received by me at the office of Tennessean Newspapers, Inc. I opened said envelope and found in it a letter addressed to Silliman Evans from the Illinois Publishing & Printing Company, such letter being dated March 25, 1942 and being signed by T. J. White. A copy of such letter is attached hereto and marked Exhibit 1.

I also received, enclosed with the letter, a proxy dated April 20, 1942, a copy of which is attached hereto and marked Exhibit 2.

(S.) Thomas M. McNicholas.

Sworn to before me this 19th day of May 1943.

(S.) H. B. Crump, Notary Public. My commission expires July 18, 1943. (Seal.)

EXHIBIT 1

Herald American,
Chicago, March 25th, 1942.

Mr. Silliman Evans, Nashville Tennessean, Nashville,
Tennessee.

DEAR MR. EVANS:

Mr. Marshall Field, the owner of the Chicago Sun, has addressed to members of The Associated Press a letter requesting a proxy wherein their votes are sought in favor

of granting to him a seven day morning membership in Chicago.

[fol. 1505] This is an effort to secure sufficient proxies to override the protests exercised by the undersigned. The right of protest has been in existence and has been provided in the By-Laws of The Associated Press ever since its inception, for the obvious purpose of protecting valuable property rights.

The undersigned is the owner of the Chicago Herald American, having an average daily circulation of 455,764 copies and an average Sunday circulation of 857,318 copies (A. B. C. figures for the six months' period ending September 30th, 1941).

The undersigned is also the owner of two Associated Press memberships for the City of Chicago, one a seven day morning membership and the other an evening membership.

The first regular edition of the daily paper with approximately 25,000 circulation, most of it in the City of Chicago, carries the Associated Press news by virtue of the morning membership. Without that membership, this important edition could not carry Associated Press news.

The remaining editions of the daily paper carry the Associated Press news by virtue of the evening membership.

The Sunday paper carries the Associated Press news by virtue of the morning membership. Without this morning membership, the Sunday paper, with a present circulation of approximately 900,000, would be deprived completely of Associated Press news.

We have therefore refused to sell the seven day morning membership because of the obvious value to us of the Associated Press news, daily and Sunday.

You as a member of The Associated Press enjoy in your own community rights of protest. We believe that you consider such rights of great value. Were Mr. Field successful in his effort to override our protests, the asset value of your membership would be immediately affected and your own property rights might be similarly imperiled at any time.

What we seek is to preserve the right and value which are inherent in all Associated Press memberships and in doing so we are protecting YOUR rights as well as our own.

A proxy dated April 20th, 1942, in favor of nominees of the undersigned is herewith enclosed which authorizes [fol. 1506] the proxy to vote AGAINST THE ELECTION OF MR. MARSHALL FIELD as a member of The Associated Press. By dating the proxy as of the date of the annual meeting you will avert the possibility of inadvertently revoking and superseding it by the execution of The Associated Press management general proxy which you will also have received and which is designed to authorize certain persons to vote for directors and to vote on the usual and general business which ordinarily comes before the annual meeting and which, you will note, does not specifically mention the application of Mr. Marshall Field. You understand of course that by executing the enclosed proxy you will not revoke any other proxy given by you except insofar as such proxy pertains to the application of Mr. Marshall Field.

We respectfully request you to sign (whether or not you intend to be present in person at the annual meeting) the enclosed proxy in the space indicated therefor and return to the undersigned at the above address.

We shall greatly appreciate your support.

Sincerely yours, Illinois Publishing and Printing
Company, by (Signed) T. J. White.

EXHIBIT 2

Proxy

To Vote at Meeting of The Associated Press

I,, hereby appoint T. J.
(Name of Member)

White and J. D. Gortatowsky, or either of them, to be my lawful attorney and proxy to vote in my name, with full power of substitution, at the Annual Meeting of the Members of The Associated Press, to be held on the 20th day of April 1942 and at any adjourned meeting thereof, with the same force and effect as I might do if personally present, against and opposed to the election of Mr. Marshall Field of the Chicago Sun, of Chicago (Ill.), as a member of The Associated Press.

[fol. 1507] I hereby revoke all other proxies by me made in connection with the application of Mr. Marshall Field

for membership in The Associated Press and specifically assert that no proxy given by me authorizing anyone to vote in my place and stead upon matters coming before the members of The Associated Press at the annual meeting of members for the year 1942 shall in any wise affect the power specifically granted hereby to T. J. White and J. D. Gortatowsky.

Witness my hand and seal, this 20 day of April 1942.

.....
(Signature of Member)

.....
(Name of Newspaper)

.....
(Place of Publication)

AFFIDAVIT OF HERBERT S. MOORE

STATE OF NEW YORK,

County of New York, ss:

Herbert S. Moore, being duly sworn, deposes and says:

That he is President of a news gathering and distributing organization known as Transradio Press Service, Inc., a corporation created and existing under the laws of the State of New York, and that since said corporation commenced business operations in March 1934, deponent has continuously held such office. In addition to knowledge gained by deponent as an executive officer of said corporation relative to commerce in the acquisition and dissemination of news reports, he is familiar with all phases of such business by reason of the following experience: Deponent first entered the newspaper business in the year 1923, in the capacity of reporter, staff correspondent and news editor with the Richmond (Va.) Times-Dispatch; thereafter he acted in the same capacity with the New Orleans (La.) Item, and later became a reporter and "rewrite man" for the Baltimore (Md.) American. In the year 1925 deponent joined the staff of United Press Associations at Washington, D. C., then transferred to its New York office as cable and foreign news editor, and about January 1931 was transferred to its London office, where until late in the year 1933 he functioned as staff correspondent, diplomatic correspondent, Parliamen-

tary correspondent, and acting manager of its London bureau. Upon returning to the United States about September 1933, deponent resigned from United Press Associations and became one of the editors of Columbia News Service, a news service organization owned and operated by Columbia Broadcasting System, Inc., and continued working for it as an editor until it discontinued operations in February 1934, when he entered upon his present duties with Transradio Press Service, Inc.

Deponent has read the complaint in the case of *United States v. The Associated Press*, Civil Action No. 19-163, now pending in the District Court of the United States for the Southern District of New York, and is familiar with the allegations in Paragraphs 44, 45, 46, and 47 which set forth the indispensability to newspapers of news agencies as there defined and allege that there are only three news agencies in this country falling within this category.

Deponent has likewise read the answers of The Associated Press and other defendants (particularly Paragraph 26) and the answer of Tribune Company and Robert Rutherford McCormick (particularly Paragraph 13) to the effect that while The Associated Press, United Press Associations, and International News Service are the largest existing news-agencies in this country today, there are many other news-agencies in this country and foreign countries; and deponent has read the names of the 75 agencies listed by The Associated Press, and the names of the 11 agencies listed by Tribune Company and Robert R. McCormick, in answering interrogatories propounded to them by the plaintiff requiring them to state the names of organizations engaged in selling news, as distinguished from features, to more than 10 newspapers published in the United States.

On the basis of deponent's personal knowledge, his study of letters recently written by a large number of the organizations listed by the defendants describing the extent and character of the services they furnish newspapers and deponent's general experience in the business of furnishing news services to United States newspapers, deponent denies that more than one of the organizations listed by the defendants in their answers to the foregoing interrogatories [fol. 1509] constitutes a news agency as defined in the government's complaint.

A news agency engaged in the collection and transmission of general news of the world to newspapers must,

under ordinary conditions, maintain a comprehensive wire service to deliver its news. A wire service is a system of leased telegraph lines utilizing automatic electric typewriters for message transmission and recording, commonly called "teletypes," which machines instantaneously print in typewritten form all communications sent or delivered by means of such system. The wire system maintained by a general news agency must be fairly extensive in character with respect to the area for which it reports news and must deliver news reports to client newspapers for at least eight hours per day with respect to the newspaper's "field" of operation, i. e., "morning" or "evening," and in order to serve newspapers in both "fields" such a general news service must operate its wire system at least sixteen hours per day, for a minimum of six days per week. Usually the wires comprising a wire service system are leased or rented by a news agency and connect its offices directly with the offices of client newspapers, and are used for the purpose of giving such customers immediate delivery of news reports. Such reports require the use of teletype equipment capable of delivering a minimum amount of 25,000 words very eight hours, in order adequately to supply daily newspaper clients, and must be continuously operated in order to meet the varying publishing "deadlines" of its newspaper clients.

Not only must such a general news-agency supply through its wire system the minimum daily service above set forth, but it must also meet the following standards: (1) furnish reports of all important news events occurring in the United States and its possessions, (2) furnish a fast and reliable coverage of all outstanding events occurring in foreign countries, (3) furnish a fast and comprehensive coverage of the major sports events, (4) furnish a fast and reliable coverage of the leading stock and commodity markets, (5) obtain, if possible, for redistribution, dependable reports of the most important regional news occurring within the vicinage of its client.

[fol. 1510] While the above specifications are essential to enable a news-agency to meet the minimum requirements of most daily newspapers, other types of news reports which the larger daily papers consider essential are: (6) State news, that is, concentrated coverage of legislative and administrative matters arising in State Capitols.

These elements, which are essential qualifications for a news-agency dealing in general news, are equally essential and indispensable in the production of a successful daily newspaper when augmented by local news. Local news is news pertaining to events of the locality, metropolitan or greater metropolitan area within which the newspaper circulates.

From the standpoint of newspapers published in the larger cities of the United States, a news-agency should be able to furnish general news of both domestic and foreign origin, with sufficient speed, in sufficient volume and variety, and of reliable character, covering the various categories named above, to enable such newspapers successfully to compete with other papers located in the same community.

The only news-agencies which are alone equipped to, and do, furnish the services described above to daily newspapers published in the United States are The Associated Press, United Press Associations and International News Service and, to the extent indicated below, Transradio Press Service, Inc.

Of the 75 organizations listed by The Associated Press in its answer to the plaintiff's interrogatories, Transradio Press Service, Inc. is the only one which is equipped to act as a general news-agency and as such serves the following daily newspapers: Zanesville (Ohio) News, Honolulu (Hawaii) Advertiser, Chicago (Illinois) Sun, Fairbanks (Alaska) Daily News Miner.

The largest number of the customers of Transradio Press Service, Inc. are radio stations. While it provides coverage of national and international news of a high quality, its reports are less voluminous and less detailed than those of The Associated Press, United Press Associations or International News Service.

Of the remaining 74 organizations listed, the following 16 do not now exist or are completely inactive: Anglo News [fol. 1511] Service, Central News of America, Columbia News Service, Columbia Press Service, Consolidated News Service, Crux News Service, General Press Association, Human News Syndicate, Labor News Service, National News Service, Negro News Service, New York News Bureau, Southern News Service, North Jersey News Bureau, Times Square News Service, Universal Press Association.

One of the remaining organizations listed, Service Star League, has never performed any news service function. It

has engaged in the free distribution of thousands of auto windshield stickers and window posters to the families of United States military service men and has never offered any news reports for sale. Similarly, Authenticated News has never functioned as a news agency, its business being to furnish news photos.

A large number of the remaining organizations listed, which release in this country certain information relative to their home countries or gather certain types of information here for export abroad, fall within a classification which may be called the "foreign group." Within this classification there are also some large foreign agencies which exchange news with one or more of the three principal American news-agencies. The names of the organizations in the "foreign-group" and a brief statement of their activities are set forth below:

1. Argentine Financial Service, collects news, much of A. P. origin, relating to the Republic of Argentina.

2. Australian News and Information Bureau, furnishes, without charge, irregular releases backgrounding Australian news and rarely, if ever, supplies spot news.

3. Australian Associated Press distributes no news in the United States. It collects supplemental news here for a number of papers in Australia.

4. Allied News Service and Allied Sports Syndicate supplies only a feature service which is more fully described under the subject of feature syndicates.

5. Balkan News Syndicate served, when it was active a small group of Balkan newspapers with articles on political and commercial affairs in this country.

[fol. 1512] 6. British Press Service furnishes to newspapers, without charge, news releases relating to official or semi-official activities occurring throughout the British Commonwealth of Nations.

7. Canadian Educational Press Assn. distributes no news in this country. It furnishes news of a broad national character solely for export.

8. Canadian Newsfeatures confines its operations to the Dominion of Canada.

9. The Canadian Press is tied up with AP through a contract for the interchange of news which denies to Canadian Press the right to redistribute general news in the United States.

10. Dominion News Bureau, Limited, does not operate in the United States. It is a syndicate operation distributing American features in the Dominion of Canada.

11. Greek News Syndicate, like the Balkan News Syndicate, is a small foreign agency which, at least before the present war, furnishes newspapers with articles about Greek developments, and sold features stories on Greece to American syndicates.

12. Jewish Telegraphic Agency is a small news agency which concentrates upon developments affecting Jewish welfare. It is a non-profit organization subsidized by outstanding Jewish leaders.

13. Overseas News Agency is in its activities in some respects synonymous with Jewish Telegraphic Agency, the directing executive personnel being the same. It is a news service concentrating upon affairs in the occupied or conquered countries of Europe and refugee victimization. It is not a comprehensive foreign service, but offers material of a supplementary character at space or per-article rates.

14. Panamerican Press Service is a service supplying articles for American newspaper consumption but its principal activity is to furnish to subscribers outside the United States material on features concerning Latin American affairs.

[fol. 1513] 15. Pan-Hellenic American Foreign Press Syndicate is a small syndicate operation which arranged exchange of news between papers in the United States and papers in Greece. Its operations have been nominal.

16. Trans Canada Press Service is a syndicate localized in Canada. It does not distribute or gather any general news in the United States, and does not sell news in the United States.

17. Reuters, Limited, is one of the principal World press services, comparable to the largest American news agencies in the scope of its operations. It distributes and sells in the United States only foreign news. It does not gather American news of a general character and such American news as it does gather is exclusively for export to subscribers outside the United States.

18. Teleradio is the former Agence Havas, called Havas News Agency, which is French-controlled. It performs a function similar to Reuters. When it was in active operation here, it sold, distributed, or interchanged only foreign news originating through its facilities.

Among the organizations cited by the defendants are the following special services which provide particular types of news service for racial, scientific, trade, religious, and labor publications:

1. Associated Negro Press, Inc., is a small news service which supplies material to Negro papers, most of which are weekly papers. Its purpose is to concentrate on news emanating from Negro sources, or pertaining to Negro activities and welfare.

2. Federated Press is a well established labor news service which has at times served as many as 100 or 150 newspapers, most of which are identified with labor groups or labor unions. It is not a general news service; on the contrary, it devotes its entire energies to gathering and distributing news concerning labor problems, activities, and movements.

[fol. 1514] 3. International Labor News Service is a specialized service placing labor news with weekly and monthly labor publications. At one time it served one daily paper; but does not now serve any paper in the daily field.

4. N. C. W. C. News Service, is a church-affiliated service with headquarters in Washington, D. C., which distributes articles and news material, chiefly to weekly Catholic publications, regarding activities and developments affecting Catholics.

5. Religious News Service serves religious articles and news of an inspirational character to less than a dozen newspapers. It also mails to between 50 and 100 papers articles devoted entirely to religious topics and having no general news character.

6. Science Service is a syndicate which develops and distributes news and feature articles devoted to scientific developments.

7. Technical News Service mails articles to a small group of newspapers and magazines. It is apparently a one-man press bureau.

8. Heath News Service, located in Washington, D. C., is a one-man office specializing in articles for certain trade papers and trade magazines, particularly about legislative matters. It is not a general news service and does not attempt a thorough coverage of the major events in Washington.

9. Heintz Radio News Service is a service from Washington, D. C., respecting legislative and regulatory proceedings affecting its clients in the radio and broadcasting industry.

The position of "syndicates" in the news industry is that of supplementing wire services by furnishing interpretative or descriptive material, or special stories which have been disregarded by the regular news agencies as unimportant. Such supplemental service is not absolutely essential to a successful newspaper, but is valuable for the purpose of quoting authorities or making definitive statements on [fol. 1515] specialized subjects. There are also syndicates which market the byproduct of the larger leading papers. In this group comes The Chicago Tribune-New York News Syndicate, Inc., the Chicago Daily News Foreign Service, the Chicago Sun Syndicate, the New York Times News Syndicate, Los Angeles Times News Bureau and the New York Herald Tribune News Service. There are likewise news bureaus of various kinds which supply supplemental feature or query reports and New York news bureaus made up of a few employees whose main work is to provide human interest stories to out-of-town papers concerning visits of dignitaries of those localities in New York. The principal

syndicates, with a brief statement as to the character of their operations, are set forth below:

The Chicago Daily News Foreign Service, the Chicago Sun Syndicate, and the Chicago Tribune-New York News Syndicates all offer their supplemental services by mail or telegraph, principally respecting foreign, Washington, and Chicago information of an exclusive, descriptive or interpretative cast, and they do not in any sense give general coverage of the news. Another of their syndicate functions is the furnishing of cartoons and comic features.

The Los Angeles Times News Bureau is a syndicating division of the Los Angeles Times, the sole purpose of which is to market its own writings and features to daily or Sunday newspapers in other localities far removed from Los Angeles. It is not a general news-agency.

NEA Service, Inc., syndicates and distributes columns, features, photos, comics and the like to newspaper clients. Practically all such material is delivered by mail. It is devoid of the character of "spot" or general news.

The New York Herald Tribune News Service is one of the larger newspaper syndicates established to distribute and sell its own articles, special despatches and features to newspapers located outside the principal circulation area of New York Herald-Tribune.

The New York Times News Syndicate, through its connection with the Chicago Tribune-New York News [fol. 1516] Syndicate, Inc., operates in the same fashion as the New York Herald Tribune News Service. At certain hours they may use telegraph or telephone lines to deliver a certain portion of their rush material, but generally they simply market the byproduct of that paper among large distant papers, and their operations do not constitute a general news service.

North American Newspaper Alliance is a syndicate that develops and markets among a selected group of well-established papers certain types of special news articles, or a series of articles, for which relatively high rates are assessed. It is a supplemental news and financial news feature service supplying occasional pictures

but not dealing in spot news. It is closely identified with the New York Times.

Central Press Association originated from a local news bureau. It has a certain amount of syndicate activity, dealing in articles and features, but is not a general press service covering all daily events in any one place, much less the whole world.

The following sets forth the names of other smaller syndicates listed by the defendants and states the character of their activities:

Daily Sports News Service furnishes material of a supplemental character and has no general news function.

Jordan Syndicate furnishes special articles and features from Washington, D. C., to out-of-town papers requiring special coverage over and above wire service.

David Lawrence's National Dispatch distributes the daily article, sometimes called column, written by David Lawrence, and sold by him to a number of newspapers.

Park Row News Service supplies out-of-town newspapers with New York City coverage on the visits of persons of local prominence, and concerning matters affecting those localities, on a space rate basis.

Twentieth Century News Syndicate's chief, if not entire business, consists of the distribution of one or more columns written by one individual, Mr. Barney Glazer. [fol. 1517] It is not a press service nor, strictly speaking, is it a feature syndicate.

Washington Post News Service syndicates the by-product of that paper, in supplemental form.

Woehrle News Service is one of the better known news bureaus in New York City catering to out-of-town newspapers which desire special coverage of events in New York City, most of their clients paying on a space rate basis.

Worldover Press, of Wilton, Connecticut, supplies a mail service of background information on international affairs not ordinarily obtainable from the larger service. Its clients are mostly weekly newspapers and monthly magazines.

World-Wide News Service of Boston, Massachusetts, furnishes by mail, or in a package variety, copy on sub-

ject matters of a wide range, but it does not function as a general news-agency.

Most of the other companies listed in the answers to the interrogatories fall in the class of local bureaus engaged solely in the collection of news of their localities. Thus City News Bureau of Boston, Massachusetts collects news in the metropolitan area of Boston for local newspaper subscribers and possibly gives incidental coverage of such matters to out-of-town papers. The following agencies function in this manner :

Connecticut News Association having headquarters in Bridgeport provides out-of-town papers a special coverage of society news and events in that and nearby Connecticut cities.

Intercity News Service, whose subsidiaries are Economy News Service and Interstate News Services, renders a special kind of service in New York City by furnishing local-angle spot news and features to client papers both in response to queries and by prearrangement. Its service is of a limited nature.

New Jersey Press Bureau is a local news organization concentrating upon local New Jersey news which it con-[fol. 1518] tributes mostly for consumption of New York and Newark papers.

Yards' News Bureau is a small business supplying special news of a local news character not carried by the big news agencies, and which is usually sent out on an approval basis to be paid for if used.

The remaining two names listed in the answers to interrogatories may be separately treated.

Dixie News Service of Hendersonville, N. C., is not in the general news service business nor has it sought daily newspaper business.

British United Press, Ltd., of Toronto, Canada, is a companion or affiliate of United Press Associations. Its news gathering activity in the world at large, other than in Canada and other British dominions or British colonies, are synonymous with those of United Press Associations in this country. British United Correspondents sometimes supplement ordinary UP coverage by acquiring in Australia, Canada and other British states, intelligence of a peculiarly

local interest to British Empire readers. British United Press, Ltd., however, does not sell news in the United States, except through mutual arrangement with United Press Associations.

Herbert S. Moore.

Sworn and subscribed to before me this 12th day of May, 1943. Muriel Rosenwald.

Muriel Rosenwald.

AFFIDAVIT OF R. E. MOORE

STATE OF NEW YORK,
County of New York, ss:

R. E. Moore, being duly sworn, deposes and says:

That he is Press Service Manager for the Long Lines Department of the American Telephone and Telegraph Company, a New York corporation; that he has personally examined or supervised the examination of the records of said corporation relating to its charges for private line telegraph and telephone service to press associations; that he has personal knowledge that the following facts are true:

The monthly interexchange channel, drop service and local channel charges made by American Telephone and Telegraph Company, including those made by it acting as [fol. 1519] agent for the Pacific Telephone and Telegraph Company (a partially owned subsidiary of said corporation) for private line telegraph and telephone service (other than that used for the transmission of pictures) to the organizations named below were as follows as of the month of December 1942:

The Associated Press (including Press Association, Inc.)	\$125,324
United Press Associations	113,731
International News Service	50,488
Transradio Press, Inc.	4,206

The approximate annual charge, arrived at by multiplying the foregoing monthly charges by twelve, would be as follows:

The Associated Press (including Press Association, Inc.)	\$1,503,888
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1225

United Press Associations	1,364,772
International News Service	605,856
Transradio Press, Inc.	50,472

As of December 1942, the number and type of stations served by the private line telegraph and telephone services under contract with the above organizations were as follows:

	News- papers	Radio stations	Primary and second- ary bureaus	Other locations	Total
The Associated Press (in- cluding Press Association, Inc.)	786	305	172	19	1,282
United Press Associations.	566	462	110	28	1,166
International News Service	171	127	55	8	361
Transradio Press, Inc.	2	21	7	5	35
Total	1,525	915	344	60	2,844

(Signed) R. E. Moore.

Subscribed and sworn to before me this twenty-first day of May, 1943. (Orig. Signed) William J. Keener, *Notary Public*. (Seal.)

Notary Public, Nassau County, No. 856, Cert. filed in New York County. New York County Clerk's No. 320, Reg. No. 4K-146. Commission expires March 30, 1944.

[fol. 1520] AFFIDAVIT OF JOHN J. PADULO

STATE OF ILLINOIS,
County of Cook, ss:

John J. Padulo, being duly sworn, deposes and says:

I am the Comptroller of The Chicago Sun. The Sun keeps books of account in which are currently and regularly recorded in the due course of business, by employees whose duty it is to make the entries, the financial transactions of The Sun including its receipts and disbursements.

As Comptroller of The Sun, I am in charge of the accounting department, and the accounting books and records are kept under my supervision.

I have prepared from the said accounting records of The Sun the transcripts hereto attached as Exhibits "A" and "B."

Exhibit "A" contains a correct description and summary of entries on the accounting records as in said Exhibit set forth.

Exhibit "B" is a correct transcript of the sums paid by The Chicago Sun to the United Press Associations for services for the fifty-two weeks ending December 26, 1942.

The item marked "miscellaneous" under "photographs purchased" includes only items of expenses in connection with the purchases of photographs and does not include expenses in connection with photographs made by the local photographic department of The Sun.

Except for a portion of the telegraph and cable charges, the figures shown in Exhibits "A" and "B" do not include any of the expenses in connection with the Chicago office of The Sun or any allowance for general overhead expenses.

(Signed) John J. Padulo.

Sworn to before me this 7th day of May, 1943. Ruth Herman, Notary Public. My commission expires January 10, 1946. (Seal.)

[fol. 1521]

EXHIBIT A

The Chicago Sun

News Services, Etc., for Year 1942

News Services:	<i>Total cost</i>
Transradio Press Service, Inc.	\$3,923.80
Overseas News Agency, Inc.	135.00
Reuters	2,926.19
Press Wireless, Inc.	5,381.17
Halifax Radio Station	239.70
New York Herald Tribune, Inc.	31,017.06
Washington City News Service	1,270.65
North American Newspaper Alliance, Inc. ...	18,450.00
Illinois Telegraph News Co.	1,200.00
Howe News Bureau	585.00
Western Union Sports News	613.00
Telegraph and Cable Charges	45,238.81

Leased Wires :

American Telephone and Telegraph Co.	¹ 26,057.72
Western Union Telegraph Company	² 6,959.21
United Press Association	109,725.32
	<hr/>
	253,722.63
	<hr/>

Photographic Services:

Times Telephoto Equipment Co.:

Rental of photo equipment throughout the country	6,788.82
Housing equipment and other photographic charges throughout the country	3,942.76
Acme Newspictures, Inc.	1,714.16
Illinois Bell Telephone Co., transmission charges	4,363.25
	<hr/>
	16,808.99
	<hr/>

Photographs Purchased:

British Combine Photos Ltd..	4,584.52
Publix Pictorial Service	2,885.00
Black Star	712.50
Sovoto	2,640.00
Movietone News	850.90
Miscellaneous	4,195.84
	<hr/>
	15,868.76
	<hr/>

¹ Chicago-Washington; Chicago-New York; Chicago-Washington-New York; Chicago-London circuits.

² Chicago-Washington private wire.

[fol. 1522] Washington Bureau (Photographic):

Salaries	\$12,048.17
Traveling and Incidental Expenses	1,267.83
Rent	420.00
Photographic Supplies	1,909.88
Photographic Services	4,002.51
Equipment and Remodeling Photographic Laboratory	5,286.50
	<hr/>
	24,934.89

Los Angeles Bureau (Photographic):	
Salaries	2,950.00
Traveling and Incidental Expense	1,363.64
Photographic Supplies	637.93
Miscellaneous	841.62
	<hr/>
	5,793.19
	<hr/>
Other Expenses:	
Baseball Box Score Correspondents and wire charges	5,002.50
Sports Correspondents and wire charges	12,088.45
Regional Correspondents and wire charges ..	7,444.33
	<hr/>
	24,535.28
	<hr/>
Washington Bureau (Other than Photographic):	
Salaries	100,660.48
	<hr/>
New York Bureau (Other than Photographic):	
Salaries	18,765.53
Traveling and Incidental Expense	5,123.08
	<hr/>
	23,888.61
	<hr/>
Los Angeles Bureau (Other than Photographic):	
Salaries	5,636.99
Traveling and Incidental Expense	1,272.28
Rent	1,285.71
	<hr/>
	8,194.98
	<hr/>
San Francisco Bureau:	
Salaries	575.00
Other Expenses	383.38
	<hr/>
	958.38
	<hr/>
Roving and Foreign Correspondents:	
Salaries	75,925.77
Expenses	46,970.55
	<hr/>
	122,896.32

(Here follows one paster, side folios 1523-1524)

[fol. 1523]

EXHIBIT B

United Press Association charges to the Chicago Sun for fifty-two weeks ended December 26, 1942

Week ending—	Total	Wire service	Assessment	Day wire	Over-time wire	Under-time service	Spring-field coverage	Financial wire	Financial wire overtime	Financial forms	Race chart	Three copy paper	Special draft lottery wire	Election service	Football service
January:															
3.....	\$2,027.71	\$1,000.00	\$150.00	\$126.75	\$191.62	\$211.00	\$35.00	\$113.69	\$51.89	\$7.18	\$129.74	\$10.84			
10.....	2,027.71														
17.....	2,027.71														
24.....	2,027.71														
31.....	2,027.71														
February:															
7.....	2,027.71														
14.....	2,027.71														
21.....	2,027.71														
28.....	2,027.71														
March:															
7.....	2,027.71														
14.....	2,027.71														
21.....	2,162.71	1,000.00	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84	\$135.00		
28.....	2,027.71	1,000.00	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			
April:															
4.....	2,027.71														
11.....	2,027.71														
18.....	3,527.71	1,000.00	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84		\$1,500.00	
25.....	2,027.71	1,000.00	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			
May:															
2.....	2,027.71														
9.....	2,027.71														
16.....	2,027.71														
23.....	2,027.71														
30.....	2,027.71														
June:															
6.....	2,027.71														
13.....	2,027.71														
[fol. 1524]															
20.....	2,027.71														
27.....	2,027.71														
July:															
4.....	2,027.71														
11.....	2,027.71														
18.....	2,027.71														
25.....	2,027.71														
August:															
1.....	2,227.71														
8.....	2,027.71														
15.....	2,062.68	1,034.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			
22.....	2,062.68														
29.....	2,062.68														
September:															
5.....	2,062.68														
12.....	2,062.68														
19.....	2,062.68														
26.....	2,087.68	1,034.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			\$25.00
October:															
3.....	2,087.68														
10.....	2,087.68														
17.....	2,087.68														
24.....	2,087.68														
31.....	2,087.68														
November:															
7.....	3,587.68	1,034.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84		1,500.00	25.00
14.....	2,087.68	1,034.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			25.00
21.....	2,087.68														
28.....	2,087.68														
December:															
5.....	2,062.68	1,034.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			
12.....	2,062.68														
19.....	2,062.68														
26.....	2,262.68	1,234.97	150.00	126.75	191.62	211.00	35.00	113.69	51.89	7.18	129.74	10.84			
Total.....	109,725.32	52,899.40	7,800.00	6,591.00	9,964.24	10,972.00	1,820.00	5,911.88	2,698.28	373.36	6,746.48	563.68	135.00	3,000.00	250.00

[fol. 1525] AFFIDAVIT OF HAROLD L. SCHILZ

CITY OF WASHINGTON,
District of Columbia, ss:

Harold L. Schilz, being duly sworn, deposes and says:

Deponent is, and has been for a number of years, a Special Assistant to the Attorney General in the Antitrust Division of the Department of Justice.

In the case of *United States v. The Associated Press, et al.*, Civil Action No. 19-163, now pending in the United States District Court for the Southern District of New York, The Associated Press, pursuant to Interrogatories Nos. 1, 2, 3, and 4 of the interrogatories served upon it by the plaintiff on or about January 26, 1943, made available for inspection by attorneys for the plaintiff its record of stenographic reports of meetings of its Board of Directors, of its Executive Committee, and of its members, and furnished to the plaintiff, pursuant to the request of attorneys for the plaintiff, photostatic copies of certain pages of said stenographic reports. Deponent avers, on the basis of his personal examination and comparison, that all extracts from the reports of meetings of the Board of Directors of The Associated Press or of its Executive Committee or of its members which are quoted in this affidavit or in the exhibits annexed thereto are correct copies of portions of the reports of such meetings. Deponent further avers, on the basis of his personal examination and study of said reports, that all summaries of the contents thereof included in this affidavit accurately state the contents of the reports to which the summaries relate.

(1) Exhibit No. 1, annexed hereto and made a part hereof, is a correct copy of certain statements made by Kent Cooper at a meeting of the AP Board of Directors held on April 14, 1942, as set forth in the stenographic report of said meeting.

(2) At the meeting of April 14, 1942, Charles B. McCabe, AP representative of the New York Daily Mirror, was permitted to appear before the Board of Directors in support of the New York Daily Mirror's protest against being compelled to pay the additional assessment which AP imposed on it by reason of AP's undertaking to furnish news for-

merly furnished by the New York City News Association, [fol. 1526] and Exhibit No. 2, annexed hereto and made a part hereof, is a correct copy of portions of a statement, prepared by Mr. McCabe's attorney, which Mr. McCabe read at the meeting of April 14, 1942, as set forth in the stenographic report of said meeting.

(3) As set forth in the stenographic report of the meeting of April 14, 1942, Mr. McCabe made the following statement at said meeting:

Before I had the A. P., I couldn't buy it from the City News Association because—as I said, some feat of legerdemain—all the members were subscribing to it, and therefore, I couldn't get it, because I wasn't a member of the A. P. Then, when I did get the A. P. membership I took on the City News. I tried it, and I said it was no good.

(4) As set forth in the stenographic report of the meeting of April 14, 1942, the Board of Directors adopted a motion, with reference to the New York Daily Mirror's protest, that no exception should be made to the rule that, where a majority of the members in a given territory desire special service, the General Manager shall arrange to furnish that service to all of the members affected and distribute the expense thereof equitably among them.

(5) As set forth in the stenographic report of the meeting of April 14, 1942, Robert McLean, president of The Associated Press and of Bulletin Company, made the following statements with reference to the purchase by Bulletin Company, publisher of the Philadelphia Evening Bulletin, of the evening AP membership formerly held by Public Ledger, Inc.:

What I think the Board should consider and concern themselves with is this new situation of whether the Associated Press shall approve a dealing in franchising—the right to go out and purchase in the open market a membership in the Associated Press and keep it alive and to comply with the by-laws to such a degree as appears to the member appropriate—the purchaser appropriate.

There are three Philadelphia newspapers fully complying with the by-laws; there is one that isn't. That

[fol. 1527] one is complying with the by-laws technically and in part so that the Board and the A. P. are starting down a new road, or a new avenue.

(6) The following is an extract from the stenographic report of the meeting of April 14, 1942:

Mr. Perry. Does this statement of yours, Mr. Cooper, recognize a power of the court to sell that membership without the newspaper?

Mr. Cooper. That was the point. We said that the Board would have to approve any such irregularity, and that was what broke up the deal.

Mr. Perry. Couldn't the Board approve it?

Mr. Cooper. The Board can do anything, yes. It has done such things as that.

Mr. Bellamy. The Board recognizes that.

(7) As set forth in the stenographic report of the meeting of April 14, 1942, Richard W. Slocum, general manager of the Philadelphia Evening Bulletin, appeared before the AP Board of Directors and stated that Bulletin Company had been circulating, only in the sense that it was "available for purchase in the business office," the token newspaper which it had been publishing in order to keep alive the AP membership formerly held by Public Ledger, Inc.

(8) As set forth in the stenographic report of the meeting of April 14, 1942, Kent Cooper made the following statements with reference to the AP membership purchased by Bulletin Company:

Looking at it purely from the A. P. standpoint, I think the Board should have the situation in Philadelphia in its own control, rather than the control of the Bulletin, for two reasons:

First, there is the advantage of taking the onus off of the Bulletin and keeping the membership alive there, in order to keep out competition or to select its competition, which might be a disreputable competition, you see, or something that we wouldn't want to have, [fol. 1528] and so forth. The other is that the welfare of the Associated Press would seem to benefit if the Board should dispose of its affairs rather than leave it to an individual member with a selfish attitude.

(9) As set forth in the stenographic report of the meeting of April 14, 1942, Mr. Moynihan, counsel for The Associated Press, made the following statements with reference to the Bulletin Company's purchase of an AP membership from the trustees in bankruptcy of Public Ledger, Inc.:

Now, Mr. McLean, I think, because of his position, is inclined to place too much emphasis on what the members of the court said in a private hearing up in their chambers, because they were mad—that's all; but they recognized, of course, when they got down to cases, that they couldn't sell this franchise apart from the newspaper. And the most serious remark I heard was that one of the judges was going to take me down to Thurman Arnold, but he never did it.

(10) Exhibit No. 3, annexed hereto and made a part hereof, is a correct copy of certain statements made by Kent Cooper at the meeting of the AP Board of Directors on April 15, 1942, as set forth in the stenographic report of said meeting, which statements were made with reference to a proposed amendment of the AP by-laws under which a newspaper owner might become an AP member under certain conditions, including the condition that he pay 10% of the total regular assessments received by The Associated Press, since October 1, 1900, from members in the same city and field.

(11) As set forth in the stenographic report of the meeting of April 15, 1942, Mr. Moynihan made the following statement:

Unless we can establish a value for an Associated Press membership that is exclusive and independent of the protest right, the sum that you are going to exact will be declared to be the valuation of a restrictive right.

[fol. 1529] (12) The following is an extract from the stenographic report of the meeting of April 15, 1942:

Mr. W. H. Cowles: Well, let us illustrate and bring it out clearly. If they have this resolution which did away with the protest right entirely so that it did not exist any more would that answer the objection as you have described it?

I just want to get this clear in my mind.

Mr. Moynihan. Well, you are still going to make them pay the money, are you not?

Mr. W. H. Cowles. Yes.

Mr. Moynihan. Well then, it is the same thing.

(13) As set forth in the stenographic report of the meeting of the Board of Directors on April 16, 1942, Robert R. McCormick made the following statements:

I had been thinking about a number of undesirable members we had in the past and how to prevent it in the future. We had Jim Hill who was a secret owner of the Minneapolis Journal; Fairbanks who was the secret owner of the Indianapolis News. In Chicago, we had Yerkes who was hoodling streetcar legislation in the state legislature. We had Samuel Insul who succeeded him. We had John R. Walsh who would be hard to include because his open profession is banking and he used political influence to get deposits and finally wound up where he belongs in Leavenworth Penitentiary, and I don't know what others there may have been.

(14) As set forth in the stenographic report of the meeting of April 16, 1942, Robert McLean made the following statements:

The newspapers are part of the whole public scene. We utilize the service of transmission and communication lines and I don't believe we can maintain a position which denies to a legitimate applicant in the big cities admission unless we have better grounds than we have today.

[fol. 1530] (15) As set forth in the stenographic report of the meeting of April 16, 1942, Paul Bellamy stated that a provision that an applicant for membership would be required to make a money payment for becoming a member "is definitely illegal."

(16) As set forth in the stenographic report of the meeting of April 16, 1942, Kent Cooper stated that 10% of the regular assessments paid by the members since 1900, in the city and field would be more than the contributions which these members had made to AP's reserve fund and employees benefit fund.

(17) The following is an extract from the stenographic report of the meeting of April 16, 1942:

Mr. John Cowles. Kent, is there some psychological argument in your opinion for going way back to 1900. I was going to say something like an amount equal to the last three years' total assessments.

Mr. Cooper. Well, you say three years. This organization started operation in October, 1900. If you took the last three or five years you would increase the percentage which looks punitive. I wanted to take something that looks like a little. Ten percent doesn't sound like much.

(18) As set forth in the stenographic report of the meeting of AP members held on April 20, 1942, John S. Knight, AP representative of the Miami (Fla.) Herald, made the following statements with reference to the proposed amendment to Article III of the AP by-laws relating to admission of members:

While I am on my feet, I should like to point out, so far as paragraph (b) of Section 2 is concerned, that I have no feeling about an applicant being compelled to relinquish any exclusive right that he may have; but I am just wondering if someone from the Board will explain to me how the applicant would be able to "require the said news, news picture and newspaper feature services, or any of them, to be furnished to such member or members, upon the same terms as they are made available to the applicant."

[fol. 1531⁹] I don't believe the applicant would have that much control over the other news or feature services, and I would think that that paragraph should be eliminated.

(19) The following is a correct copy of part of the stenographic report of the meeting of April 20, 1942, covering certain statements made by Basil Brewer, AP representative of the New Bedford (Mass.) Evening Standard Times and Paul Patterson, an AP director, with reference to paragraph (b), section 2, of the proposed amendment to Article III of the by-laws:

Mr. Brewer. I think that is the only good part of the paragraph (laughter), because, if he can't deliver, he doesn't get the A. P. membership.

Mr. Patterson. Mr. Brewer, that is exactly the point, as brought out in the Board's discussion of it: if he can't deliver, he can't get the membership. Why should he get it? He is getting everything the A. P. member has. If he can't deliver everything he has, why should he qualify as a member? (Applause.)

(20) Exhibit No. 4 annexed hereto and made a part hereof, is a correct copy of certain statements relating to the proposed amendment to Article III of the AP by-laws made by E. K. Gaylord, an AP director, at the meeting of April 20, 1942, as set forth in the stenographic report of said meeting.

(21) As set forth in the stenographic report of the meeting of April 20, 1942, Paul Patterson made the following statement with reference to a proposed amendment to the AP by-laws relating to the election of directors:

We had precisely this in mind: That, in our judgment, there is nothing that so deadens the interests of the members of a voluntary association such as ours in the affairs of their association, and in the value to them and significance to them in the election of Directors that serve their purposes, as a Board automatically succeeding itself; and I think everyone here knows and will agree with me that this Board does automatically succeed itself.

[fol. 1532] We have seen year after year, when Directors were to be elected, that the opposition has withdrawn at the last minute. We don't like the idea of having to contest Directors. It is assumed that the Directors shall succeed themselves for term after term; and I believe you will all agree with me that our present method has successfully, let us say, greatly diminished the interest of members in the election of their Directors.

(22) The following is a correct copy of a portion of the stenographic report of the continued meeting of AP members on April 21, 1942, covering certain statements made by

Robert McLean and S. E. Thomason, publisher of the Chicago Times and a member of the committee on revision of AP by-laws, appointed in 1941:

Mr. Thomason. But the fact is that the amendments to which the Committee has agreed substitute for "Protest rights" the "values of memberships"?

President McLean. That is right.

Mr. Thomason. I think it is a matter of great concern to everybody here what is being done with protest rights.

President McLean. That is right.

Mr. Thomason. Nobody wants to lose them, and they aren't lost by these amendments as we understand them.

The amendments which you have suggested are those which, generally speaking, eliminate the use of the words "protest rights," and for "protest rights," substitute "values in memberships," is that correct?

President McLean. That is correct. Are you ready for the question?

(23) As set forth in the stenographic report of the meeting of April 21, 1942, S. E. Thomason made the following statements:

We have drawn our amendments throughout upon the theory that protest rights of members must be preserved and that theory was recognized yesterday. Protest rights were defined as values inherent in membership rather than in protest for reasons which I understand were based upon the advice of counsel and certain shudders which the board experienced after receiving a communication from the officers of the Attorney General in Washington.

(24) At the April 1942 meeting the members rejected a proposed amendment to the by-laws which would have authorized the Board of Directors to elect an existing member to membership in a "field" in which he did not have membership but in which there were one or more existing members, upon paying to such member or members the

amount specified by Section 2 of Article III of the by-laws as amended at the April 1942 meeting.

(25) As set forth in the stenographic report of the continued meeting of AP members on April 21, 1942, J. N. Heiskell, AP representative of the Little Rock, Arkansas, Gazette, made the following statements with reference to the proposed amendment to the by-laws referred to in the preceding paragraph:

We are asked this morning to adopt an article providing that a present member can, as a matter of fact, become a new member in another field in your city merely by application to the Board of Directors. One incidental effect might be this. In many cities, there are say two papers. One of them is a strong, powerful, wealthy, paper and the other is a much weaker paper. Under this iniquitous and inequitable Article VII, the stronger and more powerful paper could, merely by application to the Board of Directors, invade the field of the evening paper and probably put it out of business.

(26) As set forth in the stenographic report of the meeting of AP members held on April 21, 1941, S. E. Thomason, in discussing the question of amending Section 6 of Article VII of the by-laws relating to the time limits for receipt and publication of news by members, made the following statements:

This whole thing, gentlemen, is shadow boxing. It is not reality, and as soon as the Chairman will advise me that it is in order to do so, I should like to present either [fol. 1534] a motion, or an amendment, that this thing be referred back to the committee for further study, to consider the discussion here last year, which went along what I believe is this highly practicable line: that the A. P. is coming inevitably (and our present practice indicates it) to an organizational method which will permit the A. P. to sell its news service at the standard price whenever anybody wants to buy it.

(27) As set forth in the stenographic report of the meeting of AP members held on April 22, 1940, Robert McLean,

in discussing the question of amending Section 6 of Article VII of the by-laws relating to the time limits for receipt and publication of news by members, made the following statements:

The facts of the matter are that in Chicago, in order to clarify the situation, papers have entered into a local agreement. Wherever such local agreements exist, and embrace all the members of the Associated Press in that community, and no vital interest of any other member outside the community is adversely affected, the Board has—and they have been consistent in this for a great many years—accepted the local agreement as a modification of the by-laws locally.

(28) As set forth in the stenographic report of the meeting of April 22, 1940, Robert R. McCormick made the following statements:

When the Tribune moved its early edition, nine years ago, to 7 P. M., it did not use Associated Press news; it bought service from the United Press.

* * * * *

From time to time, the management decries those members of the Board who contribute financial assistance to the other news services.

I have been the recipient of these criticisms, now, for nine years, and have only answered, "I took the United Press because I couldn't get the Associated Press."

* * * * *

* * * The afternoon papers also had a difference of opinion about publishing hours. They reached an [fol. 1535] agreement, and the present release time agreement was ratified.

It was not until after that, that the management again threw in my face the fact that I was subscribing to United Press service, and said that under the new release time agreement, I no longer had to, because I could use Associated Press service. I thereupon abandoned United Press service.

(29) As set forth in the stenographic report of the meeting of April 22, 1940, Paul Patterson made the following statements:

The Associated Press rules that we are living under are archaic. They were devised at a time far different from what the present conditions are.

They are wrapped up with tradition, and we are giving the opposition the free field.

They can sell at any time. You can take the United Press, or the International News Service, and publish any time in the twenty-four hours. If you are an Associated Press member, and don't take any other service, you cannot publish between six and nine o'clock except for the present time.

(30) At the meeting of the AP Board of Directors of April 16, 1931, there was discussion of an application for membership and for a limited-service report by an Athens, Tennessee, newspaper. The AP management had queried the member newspapers at Chattanooga, which is 40 miles from Athens, as to whether they objected to this application; following the objection of one of these members, the Board of Directors had postponed action upon the application; and the application had thereafter been withdrawn. As set forth in the stenographic report of the meeting of April 16, 1931, the President of The Associated Press made the following statements in discussing this matter:

Time after time there have been cases where, as far as the Board is concerned, there has not been any question that they would elect the men where it was [fol. 1536] outside the news territory of another member and where we ought to have a member in there. But by reason of the fact that if there is an objection by the nearest member—and the nearest member in this case was 40 miles away—we have held it up and in the meantime they have been obliged to make some news connections and have done it with someone else.

I suppose that in the course of five years we have had 20 cases where we have lost members that the Board would have liked to have had, by reason of the fact that we are asking a man 40 miles away whether he objected to the applicants' coming in or not. Everybody waived for more than 10 miles away, and had left it to the discretion of the Board as to what should be done.

(31) Exhibit No. 5, annexed hereto and made a part hereof, is a correct copy of certain statements relating to

the contract relationships between The Associated Press and certain foreign news agencies, as set forth in the stenographic report of said meeting, made by Melville E. Stone, the Secretary of The Associated Press, at the meeting of the AP Board of Directors of April 16, 1920.

(32) As set forth in the stenographic report of the meeting of the AP Board of Directors of April 19, 1919, the President of The Associated Press stated that an increased assessment levied on a member paper at Nashville, Tennessee, by reason of its having exercised its protest right against an application for membership by a newspaper in another city, was justified because the Nashville paper was thereby obtaining "the beneficial use of very much larger territory."

(33) As set forth in the stenographic report of the meeting of the AP Board of Directors of April 24, 1918, Oswald Garrison Villard, an AP director, in discussing AP's contracts with foreign news agencies, made the following statements:

The whole point is this, that you are tied up with three Government-owned, probably Government-subsidized, propaganda services. You, a non-money-making organization, are tied up with three money-making organizations, and it is an unholy alliance.

[fol. 1537] and the president of The Associated Press made the following statement:

We are doing the most foolish thing the Lord ever permitted grown men to do, if we close our relations with Havas and with Reuter.

(34) The following is an extract from the stenographic report of the meeting of the AP Board of Directors of December 12, 1917, relating to a membership application by a Montana newspaper:

Mr. Booth: I am looking for information. Would it be unusual to vote a franchise to a paper that is not already in existence?

The President: I do not want to make undue trouble but for a Vice President to talk about a franchise—it is bad enough for the Executive Committee to do it.

Mr. Booth: I mentioned that because I have a paper in my pocket which values one at \$200,000.00 and I am just reading it.

(35) As set forth in the stenographic report of the meeting of the AP Board of Directors of October 3, 1917, the Secretary of The Associated Press made the following statements:

Now, all of those agencies being proprietary agencies and more or less governmental agencies have been used for years to sow propaganda through the world. * * * —the world was divided and as part of the territory allotted to Havas agency was South America.

* * * * *

The Havas agency has not been altogether fair to the United States. In its service of news not only in France but for its service of news to South America the United States has been pictured as a country which practically was engaged in race riots. It developed no news whatever except railway accidents and tornadoes, and the great spirit of the American nation was never portrayed.

(36) As set forth in the stenographic report of the meeting of the AP Board of Directors of April 23, 1913, Adolph [fol. 1538] Ochs, an AP director, made the following statements in connection with a discussion of Federal and State antitrust laws:

I question the right of a contract made by an organization with any organization and making a condition of the membership that no other organization can be admitted into that membership. It seems to me that it is a conspiracy in restraint of trade.

* * * * *

But we have had a decision here in some of these trust cases where they have been influenced in their decision by the fact whether or not that corporation controls, we will say, 50 percent of the output. They arbitrarily fixed certain figures which they think indicated the control. I think if the matter were brought up the court would say the restriction we put in here is simply a device by which we tried to meet the conditions of the law, but it is absolutely effective in closing the doors to any person entering.

(37) Exhibit No. 6, annexed hereto and made a part hereof, is a correct copy of certain statements which were made, as set forth in the stenographic report of the meeting of the AP Board of Directors of March 10, 1909, by the publisher of the Toledo (Ohio) News-Bee in a hearing before the Board at said meeting, following citation of the Toledo News-Bee for violation of the AP by-laws in that it had furnished local news to another news agency.

(38) The following is a correct copy of a portion of the stenographic report of the meeting of the AP Board of Directors of September 18, 1906, relating to a discussion of exercise of a protest right by a member against a membership application by a Wisconsin newspaper:

Mr. Lawson: I do not know why Hicks should object.

The Secretary: Because he has done what Richardson has done. He has sold his right of protest to another paper. Richardson did the same thing in the Moline case. It is not an uncommon thing.

The President: No; and I do not think that it is immoral.

[fol. 1539] (39) As set forth in the stenographic report of the meeting of the AP Board of Directors of May 15, 1902, Melville E. Stone made the following statements during a discussion of leased wire rentals to be paid by The Associated Press to the Western Union Telegraph Company and others:

There are two things that I think it is my duty to say to the Board. One is that in 1893, when I became General Manager and looked over the situation, I very soon became convinced that the best interests of The Associated Press did not lie in very low telegraph rates, and that conviction grew on me; that it opened the way to cheap and rival associations, and made the road to monopoly that we are trying to travel, a very much more difficult one, and I expressed myself frequently on that subject.

(Sg'd) Harold L. Schilz.

Subscribed and sworn to before me this 24th day of May 1943. (Sg'd) Beryl E. Lewis, Notary Public.
My commission expires June 1, 1946.

EXHIBIT 1

I reported that since the last directors' meeting, the New York City News Association, after having gone through many vicissitudes that nearly wrecked its life, finally had its life wrecked, and left the Associated Press confronted with the problem of what it was going to do with local news.

* * * * *

And then they¹ asked me whether the Associated Press would cover the local news for them, and I said, "Certainly," if they wanted us to, they to pay the cost of it. That would have to be in conformity with the principle of the board that where seventy-five per cent of the membership in a given situation or circuit voted an increase in their assessments to do certain things and the management [fol. 1540] of the Associated Press is willing to undertake to do them, as consistent with the obligations of the management, that all would be involved—that the full one hundred percent of the membership would be involved.

* * * * *

My concern was that the membership away from New York get proper protection on New York City news. So I established a New York AP local service, and had the publishers—members of New York—here, and told them what I wanted to do: that first I would keep the thousand dollars and over that we were now collecting from them, and which we no longer would pay to the City News, and I would put a thousand dollars a week of Associated Press general funds in it, and I would coordinate the New York City local staff that we had in it, and they would have to furnish \$2,600 a week of additional revenue.

* * * * *

Now, I'll tell you why it was a great thing for the Associated Press to do this: they had proposals—one of which the city editors greatly favored—from three other concerns, that the local news of New York be collected by them. One of the concerns was the Standard News, one was the Inter-

¹ The word "they" refers to AP members publishing newspapers in New York City.

national News Service, and one was the United Press.

* * * It would have been tragic for the Associated Press if the UP would have the money that they were going to spend—even \$2,600 a week, to collect the local news, and the Associated Press had no such facilities, because they could say we would not be entitled to the news of the UP; and therefore we would have no local news except we'd have to go out and get it ourselves, and that would duplicate the effort, and they would be buying it from the UP, and you would assess them also for getting it for ourselves; so there would be considerable antagonism in the Associated Press on the part of all the New York members, and the United Press would have been considered their friend and the one who found the solution. It would have been the same with the INS and with the Standard News.

The United Press offer would have saved the New York members \$1,000 more than I was willing to do it for. I mean, I was willing to do it on the basis of \$2,600 a week; the UP would have done it for \$1,500 a week. The members of the UP would then have had the advantage of advertising [fol. 1541] throughout the country that it was the only local news service for the members of the Associated Press of New York.

* * * * *

We are paying \$1,000 a week now, but it's worth \$1,000 a week to 1,200 members all over the country to get better New York protection.

EXHIBIT 2

When the City News bureau discontinued, the AP decided it would cover the field theretofore covered by the City News bureau. At a meeting of the New York AP publishers, the majority suggested its intention of accepting such service. The Mirror voted against acceptance of such service, and thereafter notified the AP that it did not desire it. Despite all the protestations of the Mirror, the machines were installed, and service begun, and the Mirror was billed for its share of the cost.

This action was based upon a provision in the by-laws of the AP to the effect that if a majority in a particular territory decide to accept the specific service of the AP, all mem-

bers in that territory must likewise accept such service and pay the assessment levied by the Board of Directors in its sole discretion.

* * * * *

Insistence upon this provision and declaring it applicable to the present state of facts seems to be an unconscionable practice, since newspapers are forced suddenly to pay considerable sums of money when their budgets may not warrant it nor their financial condition permit it in the exercise of good business judgment. By living up to the letter of this provision, the will of important newspapers can be forced upon less important ones, in some instances, conceivably, putting their competition out of business by the imposition of increased costs, which the lesser newspapers cannot stand.

EXHIBIT 3

Now, if as you say, "Should it be eleven per cent", the answer is no. It should not even be nine per cent either. I want it to be an arbitrary amount, and a nominal amount, because I do not know what the result will be. I have not [fol. 1542] asked the treasurer what that would mean, but it is an amount, and ten per cent does not seem punitive, and I can say—and I know, that Jack Knight would probably get \$20,000 or \$25,000 for the Miami News, which I think the Miami News would pay and figure that it was a good bargain, and so would Jack Knight.

* * * * *

* * * It is true that in several places that the applicant for Sunday service has an exclusive contract with the United Press, and with me it is exclusive if the penalty for getting a service is so great that it is not good business to buy it. I have called that the franchise contract.

* * * * *

Now, since I have been connected with the Associated Press we have been getting things done and broadening them, but in mutual membership relations we have stood still. Now, I am just expressing a personal opinion, and

I am not making any personal recommendation, but is out of harmony with the times. I am not speaking so much for the fellow who wants to get in, but I am interested in the fellow who is half in and who is being penalized because he cannot get all the way in.

EXHIBIT 4

Mr. President, if it is all right to continue this discussion while the Committee is working, I should like to call attention to something which does not seem to have reached the minds of most of us, and that is the fact that, all during the past history of the Associated Press, no member has ever received a majority vote in a field where there was a protest right, with two exceptions.

In other words, it is extremely difficult, even if a man is willing to pay the ten per cent of all the moneys paid in for a forty-two year period, and is still a big hurdle, for him to get a majority vote of the members of this organization.

There were two instances in which a majority vote was obtained, and an 80 per cent vote was not obtained. I will cite one of them: the Baltimore "Sun" applied for AP membership. They received more than fifty per cent vote, but did not receive the eighty per cent vote; but the sole reason that they obtained a majority vote, in my judgment, [fol. 1543] was because Mr. Hearst had competing papers, had the Associated Press, and had his own service, and they had neither; and that created a special condition.

I think I am willing, as far as my own field is concerned, to rest absolutely content on the fact that no competitor can come into my field without receiving a majority vote of this Association, instead of an eighty per cent vote. I think it is ample protection in ninety-nine out of a hundred cases, if not in all cases, and I think we ought to take that into consideration.

* * * * *

* * * If you adopt this, you have no right of protest, but you have a right to expect the majority membership of this Association to stand by you if an unjust attempt is made to drive you out of your field by a membership which is not needed.

EXHIBIT 5

We had a quadrilateral contract with three agencies over there, the terms of which are that we should pay \$15,000 a year; that that should be paid to the Reuter Agency and distributed by the Reuter Agency to the Havas Agency and the Wolfe Agency, and their relations to each other had never been disclosed. What proportion of this \$15,000 was to go to the Wolfe Agency or what was to go to the Havas Agency had never been disclosed in any of our discussions. The Associated Press was dealing *en bloc* with these three agencies, and their subordinates. I knew that there was over there a division of territory, by which the Latin countries were under the immediate control of the Havas Agency, the Scandinavian and Russian and Austrians were under the immediate control of the Wolfe Agency. The Reuter Agency had immediate responsibility for all the British Colonies and for certain continental countries like Holland.

* * * * *

The Stephanie Agency, with which there had been some talk of our making a direct contractual relation—the Stephanie Agency of Italy, is controlled financially by the Havas Agency. The Swiss Agency is controlled by the Havas Agency. The Fabri Agency of Spain is owned by the Havas Agency. The Portuguese Agency is owned by the [fol. 1544] Havas Agency. The Belgian Agency is owned one-half by the Reuter Service and one-half by the Havas people, and Mr. Hurst, the representative, is the joint employee of those two organizations.

* * * * *

Now I ought to say in passing that there are no agencies of any consequence anywhere in Europe competing with these organizations.

* * * * *

Moreover, the situation is this, that as to any of those smaller countries, if they were not owned, if they were not financially under the control of these two larger agencies, they would still be at the mercy of them. * * * In most of those cases there were two things, apart from anything else, that bound these newspapers absolutely to these agencies. There is no monopoly in the world equal to it.

* * * * *

EXHIBIT 6

But I would very much prefer personally to go out of the newspaper business and go into some other business if any sort of men, however able they may be, can dictate to me where I shall buy news for my paper, and I want to say to you gentlemen that I am also connected with the United Press. I think you ought to know, in a very small way, and not in an official way, but through our concern. The United Press is trying to do for the newspapers of the country just what you gentlemen according to the question of Mr. Howell here are trying to undo. We are trying to make a newspaper business in this country a free business that gentlemen can engage in. It is a gentlemen's business and we do not know of any reason why we should have to sign away our rights and our privileges to go out and meet the other fellow by buying news and supplying news, so long as we deal fairly with the Associated Press. I don't know, as I say, much about the law of the case.

* * * * *

I believe that the precedent which may possibly be established by this board of directors of squeezing down on this [fol. 1545] thing and limiting instead of paying a premium on enterprise and progress in the newspaper business, squeezing down on it and getting it tighter and tighter and making it harder and harder for men who think they ought to go into this business, as they have a right to do, I think it is wrong policy and it is wrong business policy, and I don't think the association will profit by it, and I am quite sure that the United Press won't lose by it, and if there is any purpose back of this—I don't say that there is—if there is any idea back of this that perhaps such a policy is going to do something to interfere with the United Press, I want to say further that no such policy can interfere with the growth of the United Press.

AFFIDAVIT OF HAROLD L. SCHILZ

CITY OF WASHINGTON,
District of Columbia, ss:

Harold L. Schilz, being duly sworn, deposes and says:

Deponent is, and has been for a number of years, a Special Assistant to the Attorney General in the Antitrust Division of the Department of Justice.

In the case of *United States v. The Associated Press, et al.*, Civil Action No. 19-163, now pending in the United States District Court for the Southern District of New York, counsel for The Associated Press augmented the answer of The Associated Press, served on or about May 23, 1943, to plaintiff's Interrogatory No. 61 served January 26, 1943, by furnishing to the attorneys for the plaintiff photostatic copies of the minutes of the meetings of the directors and members of The Associated Press referred to in said answer. I have personally examined these photostatic copies. They contain the following facts relating to the applications for membership in The Associated Press and elections of the newspapers below named:

Santa Rosa (Calif.) Press Democrat.—Elected to AP membership April 24, 1917.

This was an application for a morning membership for a paper which was then receiving INS service. It was within the protest area of the San Francisco members all of whom, except Mr. Hearst of the San Francisco Examiner, waived. Mr. Ochs of the New York Times said at the Board meeting that it was "a very fine record for us to have this agitation, [fol. 1546] this application, from a member taking the Hearst service, who is being kept out of this organization under Mr. Hearst's own protest." (Minutes of meeting of Board of Directors December 18, 1916.) The President of AP, in stating at the annual meeting that it was the unanimous recommendation of the Board that the applicant be elected, said that "Mr. Hearst, while conducting a rival news service, has declined to waive the protest to the applicant." (Minutes of annual meeting April 24, 1917.)

Palo Alto (Calif.) Daily Times.—Elected to AP membership April 23, 1918.

This was an application for an evening membership from a paper published in a town 28 miles from San Francisco and then getting INS service. All the San Francisco members, which had a right of protest, waived except Mr. Hearst of the San Francisco Examiner, a morning paper. In discussing the application before the AP Board of Directors meeting, the secretary of AP stated that if the application went to the membership without a recommendation by the Board of favor of election, "Then, of course, it would be voted down instantly." (Minutes of Board meeting of April 22, 1918.)

Warren (Ohio) Tribune.—Elected to AP membership April 23, 1918.

The answer to Interrogatory No. 61 is incomplete and referred only to the Directors meeting of October 3, 1917, at which the AP Board of Directors deferred action on the application.

The applicant, which was receiving INS service, published an evening paper in a city of 25,000 population. The applicant, a woman, was granted the privilege of supporting her application before the annual meeting. One of the two Youngstown, Ohio, members had waived protest and the other had not although it had a daily circulation in Warren of only about 150. The member which failed to waive, although notified that the application would come before the membership meeting, was not present. The representative of the Cleveland Plain Dealer, having a daily circulation in Warren of about 3,000, recommended election, Cleveland papers, because of train service, being received in Warren earlier than the Youngstown papers coming [fol. 1547] there by streetcar. A rising vote on the application showed 214 favorable and 18 plus one proxy opposed, being more than four-fifths without counting the proxies held by those voting for the application.

Trenton (N. J.) Times and Sunday Times Advertiser.—Elected to AP membership April 22, 1919.

The application was for day and Saturday night reports, the only AP member in Trenton publishing a morning paper without a Sunday edition. Protest rights of Philadelphia papers cover the capitals of two other States, New Jersey and Delaware. All the Philadelphia members except one, representing a morning paper, had waived and the latter member had waived in 1912 for the paper in question subject to the limitation that its membership be perfected within three months but due to the fact that the applicant was tied up with contracts with other press associations the membership had not then been perfected.

San Jose (Calif.) News.—Elected to AP membership April 20, 1920.

This was an application by an evening paper which desired to give up UP service and receive AP. All the San Francisco members except the Hearst member had waived.

Redwood City (Calif.) Tribune.—Elected to AP membership April 24, 1923.

This was an application for an evening membership in a city 25 miles from San Francisco and all the San Francisco members except the Hearst paper had waived. The president, in supporting the application before the membership meeting, said "the Board of Directors thought that the Hearst interests had a press association of their own, and that it was hardly fair that they should deny a paper membership when the protests of the other members in San Francisco had been waived." (Minutes of annual meeting of April 24, 1923.)

(Sg'd) Harold L. Schilz.

Subscribed and sworn to before me this 27th day of May, 1943. (Sg'd) Dorothy J. Heale, Notary Public. My commission expires October 1, 1944. (Seal.)

[fol. 1548] AFFIDAVIT OF OTTO M. SMUCKER

STATE OF ILLINOIS,
County of Cook, ss:

Otto M. Smucker, being duly sworn, deposes and says:

I am and have been since November, 1941, the financial editor of The Chicago Sun. My newspaper experience commenced on The Herald and Examiner, of which I was for fifteen years financial editor. When The Herald and Examiner went out of business, I joined the financial department of The Herald-American where I remained until coming with The Sun. As financial editor of The Sun, I receive financial news reports when and as they come in, and arrange for their publication in The Sun.

The Herald and Examiner was a member of The Associated Press (herein called "AP"). As financial editor I received—when on The Herald and Examiner—as part of our AP service, news concerning the financial reports of the large corporations. Prompt publication of news concerning these reports is of great importance to the readers of the financial columns of a newspaper.

In the following instances the news items referred to below appeared in The Chicago Tribune on the days indicated. Many of these items were printed without specific credit to The Associated Press but they were the same kind of

information furnished by AP to The Herald and Examiner and frequently run without an AP credit line. In at least one instance, the item was printed with an AP credit line. In each of the instances, the news item was either not furnished to The Sun by UP, or was not furnished to it by UP until after the item had been published in The Chicago Tribune:

February 3, 1942. The preliminary 1941 earnings figures of the E. I. du Pont de Nemours & Co.

February 4, 1942. Vultee Aircraft report for year ending November 30, 1941.

February 6, 1942. Republic Steel Corporation earnings for 1941.

February 7, 1942. Johns-Manville Corporation report for 1941.

February 15, 1942. Youngstown Sheet & Tube, 1941, report.

[fol. 1549] March 1, 1942. Standard Brands, Inc., 1941 earnings report and dividend omission.

March 12, 1942. Eastman Kodak earnings report for 1941.

April 21, 1942. Curtiss-Wright 1941 earnings report.

May 11, 1942. Quarterly report of Celanese Corporation.

May 27, 1942. Remington-Rand, Inc., earnings for fiscal year ended March 31, 1942.

July 21, 1942. General Electric Company earnings for first six months of 1942.

July 31, 1942. United States Rubber Company report for the first six months of 1942.

February 8, 1943. Report of McKesson & Robbins for the year 1942.

February 18, 1943. Report of Crucible Steel Company for the year 1942.

March 27, 1943. Report of Glenn L. Martin Aircraft Company for 1942.

In the following instances, items were printed in The Chicago Tribune which were expressly credited to the Associated Press. None of them were supplied by UP to The Sun until after they had been published in The Tribune:

On the morning of December 31, 1941, The Tribune printed a story under a Washington date line, giving the information that the Securities and Exchange Commission

had ordered the American Light & Power to liquidate. This company is a subsidiary of The North American Company, one of the largest public utility companies in the nation.

On the morning of February 26, 1942, under a Washington date line, The Tribune printed a story stating that the Securities and Exchange Commission had ordered that the United Light & Power Co. could redeem \$15,000,000 of its debentures without paying a 9-point premium.

On the morning of April 10, 1942, The Tribune printed a story out of Washington stating that the Securities and Exchange Commission issued an order restricting the Commonwealth & Southern Corporation to a single class of stock in its reorganization, branding the company's capital structure as inflated.

[fol. 1550] On the morning of April 15, 1942, the Tribune printed a story, under a Washington date line, revealing that the Securities and Exchange Commission had ordered the North American Company to dispose of 56 of its subsidiary companies.

On the morning of June 6, 1942, under a Philadelphia date line, the Tribune printed a story stating that United Corporation had been denied suspension of the death sentence by the Securities and Exchange Commission.

On the morning of June 21, 1942, under a Washington date line, the Tribune printed a story to the effect that the Office of Price Administration had cut the ceiling prices on beef.

On the morning of July 22, 1942, The Tribune carried a story under a Washington date line, saying that the Department of Agriculture had announced an increase of 3 cents in its butter buying prices; and $\frac{3}{4}$ of a cent in its cheese purchasing level.

On the morning of July 24, 1942, under a Washington date line, the Tribune published a story to the effect that the Office of Defense Transportation had slashed long distance truck mileage 25 percent.

August 4, 1942. The Tribune carried the story of the filing of a suit in Washington against the Middle-West Utilities Co.

February 2, 1943. The Tribune published a story concerning a hearing before a three-judge court against the Pullman Company which was charged with being a monopoly in restraint of trade.

March 29, 1943. Report of Lockheed Aircraft Corporation for 1942.

To supplement its financial news service The Chicago Sun has been forced to install a Dow-Jones ticker; also to arrange with its New York correspondent to send out a lengthy query each night on stories appearing in the New York Herald-Tribune. Through these additional sources we receive many important news items that are furnished by the AP as a matter of routine service.

(Sgd.) Otto M. Smucker.

Sworn to before me this 7th day of May, 1943. Ruth Herman, Notary Public. My commission expires January 10, 1946. (Seal.)

[fol. 1551] AFFIDAVIT OF MANFRED K. TOEPPEN

CITY OF WASHINGTON,
District of Columbia, ss:

Manfred K. Toeppen, being duly sworn, says that he is employed by the Federal Communications Commission of Washington, D. C., as Assistant Chief Engineer in Charge of the Common Carrier Division of the Engineering Department, and as such is responsible, among other things, for all engineering work relating to all phases of common carrier communication service by wire; that he is a graduate of Washington University, St. Louis, Missouri, class of 1908, with the degree of Bachelor of Science in Electrical Engineering and has been engaged continuously since that time in the design, construction, and regulation of public utilities, primarily communication utilities, as an employee or as a consultant; that he has been successively student member, associate, and since 1920, member of the American Institute of Electrical Engineers, and also, since 1922, is a registered professional engineer under the laws of the State of Michigan; that in the course of his work he has acquired a comprehensive knowledge of telephone and telegraph communication, both as to the operation of various types of service and the location and extent of such types of facilities throughout the Nation;

He further says that there have been furnished him certain statements prepared by American Telephone and Tele-

graph Company and The Western Union Telegraph Company showing, as of December 31, 1942, the location, type of line, hours of use, points of connection, character of use, etc., of communication facilities furnished by these carriers to divers press associations for use in their business of collecting and disseminating news to their correspondents or customers, such news being furnished primarily to newspapers, and secondarily, to radio-broadcast stations; that he has studied and analyzed this information and is familiar with the location and the relative magnitude of private line telegraph operations of The Associated Press and of the United Press Associations; that he has examined the responses of The Associated Press to Interrogatory Nos. 122 and 123 of the Interrogatories served upon it by the plain-[fol. 1552] tiff in the case of *United States v. Associated Press*; that he has been furnished by the Department of Justice with a statement of the number of bureaus and of the number of editorial employees of The Associated Press and of United Press associations as of August 1942; that from the foregoing data he has prepared the following table designed to indicate the nature and extent of the wire services and facilities of the two named press associations used in disseminating news to newspapers:

	Associated Press	United Press Association
Number of bureaus	92	61
Number of editorial employees.....	714	319
Number of cities served by wire lines	765	472
Number of papers served by wire lines	1,002	578
Number of printers connected.....	1,774	1,057
Number of intercity leased channels	149	41
Number of channel miles (air line) ..	110,724	71,602
Weekly mile hours	9,372,727	3,265,518
Number of mile hours per city served	12,252	6,918
Number of mile hours per paper served	9,354	5,650
Number of mile hours per editorial employee	13,127	10,237

He further calls particular attention to the two figures entitled "Mile Hours." These figures, determined as shown in Exhibits A and B attached hereto and made part hereof,

are the product of the air-line length of each portion of leased telegraph line and of the number of hours per week that such line is available for use of each press association or its correspondents and customers; The Associated Press thus makes available for use in serving its correspondents 9,372,727 mile hours of telegraph service each week. This is almost three times the 3,265,518 mile hours of facilities used each week in serving the customers of United Press Associations. In this compilation, leased lines predominantly used for serving radiobroadcast stations and those provided for the exclusive use of certain correspondent papers of The Associated Press, amounting to 11,585 miles and 561,508 mile hours weekly, have been excluded from the comparison; similarly two United Press Associations lines (AT&T Nos. 7551 and 7552) used for news dissemination to 400 cities, principally serving radiobroadcast stations, but incidentally serving 53 newspapers in communication [fol. 1553] ties remote from other newspaper lines, have also been excluded. These cities are listed on Exhibit C attached hereto and made part hereof. The cost of providing service into these communities from other newspaper lines, probably would be in excess of the cost under the present method of service. This higher cost perhaps would have deprived them of any service whatsoever had not these radiobroadcast lines been available. If these radiobroadcast lines did not serve the 53 newspapers their total lengths would be decreased slightly, as would be the mile hours of use. This difference would be a measure of the quantity of service provided for, and on account of, these newspapers. In view of the large amount of work necessary to determine this differential use and its relatively small size as compared with the United Press Associations' system total, it has not been computed.

The networks of The Associated Press and United Press Associations each extends from Coast to Coast and from the Gulf to the Canadian Border; each maintains numerous bureaus of varying sizes, but the total mile hours per week of facilities provided by The Associated Press, total number of communities served, number of newspapers served, and the number of telegraph printers operated are substantially in excess of the same measures of quantity of service as found to exist in United Press Associations' facilities; the facilities of The Associated Press and United Press