

want him to use carbon copies of news stories written by members of our staff, nor would we want to use his wire service or news written by his staff members.

It is absolutely essential that a small daily newspaper have a reliable wire news service. I feel that the Associated Press is such a service, and was made so and is kept so by reason of the fact that it is entirely a cooperative enterprise to which I and all of the other members contribute as news-gatherers, and in which I and all of the other members have a voice in management and operation.

(Signed) Harris Ellsworth.

Sworn to and subscribed to before me this 17th day of June, 1943.

(Signed) Eva M. Young, Notary Public.

[fol. 2212] AFFIDAVIT OF HARRIS ELLSWORTH

DISTRICT OF COLUMBIA,
City of Washington, ss.:

Harris Ellsworth, having been first duly sworn, makes this affidavit:

Since March 1st, 1929, I have been editor and manager of the Roseburg News-Review, a newspaper published daily except Sunday in Roseburg, Oregon.

Before entering the publishing business at Roseburg, I served one year as associate professor in journalism at the University of Oregon, and at the same time was manager of the Oregon Newspaper Publishers' Association. Prior to that time, for a period of three years, I was business manager of the 4-L Lumber News, a lumber industry publication, published in Portland, Oregon.

I have held various offices in the Oregon Newspaper Publishers' Association, including one year as president. I also served one year as president of the Oregon Press Conference.

I have read affidavits made by Alfred McClung Lee, and have studied exhibits prepared by him in connection with the suit now pending against the Associated Press, et al.

Certain general statements made by Mr. Lee in his affidavit, dated May 20th, 1943, are obviously accurate.

I quote from Mr. Lee's affidavit:

"In view of the bearing of news and advertising information upon all kinds of decisions and actions by the American people, it is therefore a matter of vital importance to the national welfare that the American people should be able to obtain fresh, accurate, and world-wide news of current events and conditions through the means of newspapers and especially of daily newspapers."

"No single newspaper, however large and powerful, has been able independently and by means of its own [fol.2213] staff during the past three decades to gather and transmit to itself the outstanding news events of the entire world."

The problem of obtaining fresh, accurate and world-wide news has long been a difficult one for the newspaper publishing business. As so clearly pointed out in Mr. Lee's statements quoted above, it was necessary that this problem be solved in the best possible manner. Down through the years, various plans have been devised, organizations formed, and news services developed. The cooperative organization, known as the Associated Press, was established by a number of newspapers to meet the need for adequate news coverage. As the result of able management and sincere cooperation by the membership, this cooperative has been outstandingly successful. Other privately owned news gathering and distributing services have also succeeded, but the cooperative feature of the Associated Press has appealed to more publishers. Hence, as shown by Mr. Lee's exhibits, the Associated Press is now serving more newspaper readers than is any other news service.

I cannot agree with the premise apparently taken by Mr. Lee that the various wire services represent different shades of thought, and carry in their daily news report different interpretations or colorings of news events. News may be considered a product of known ingredients, the ingredients being the plain facts of events as they transpire. Whether this product is furnished by the United Press, the International News Service, Trans-Radio Press, or the Associated Press, the ingredients are the same. The

American style of news writing now in use is not only taught in schools of journalism, but is generally used by all news men who write straight news. Columnists and other "by-line" writers are not bound by this style, but such newspaper copy is not under consideration in this statement.

[fol. 2214] The content of the present-day newspaper is very definitely and clearly divided into departments which may be classified under the headings: Straight news, features, editorial comment, and advertising.

The straight news is written objectively and without regard to interests involved. The facts are set forth with such amplification as deemed necessary in accurate and complete reporting.

The editorial comment expresses the views of the editor or writer. In nearly all newspapers, the editorial opinions and the editorial policies of the newspaper exert no control whatever on the columns devoted to straight news. To illustrate this point, I cite the experience of the political campaign of 1940. A great many daily newspaper editors were bitterly opposed to President Roosevelt, and so stated emphatically in their editorial columns, but the news of the campaign published in the straight news columns was a complete and accurate report of the speeches and activities of all candidates.

The features classification includes special columnists, cartoons, comic strips, household hints, etc. This material is obtainable from various syndicate organizations and employees of the paper, and the selection of this material for reproduction in newspapers is made in accordance with the views and preferences of the editor.

The advertising columns contain information sponsored by the business community, local, regional and national.

When Mr. Lee states in his affidavit, "For current information, however, Americans must depend—other than for brief bulletins—upon the daily newspapers, and the rapidly decreasing competition in the daily newspaper field is fast narrowing the number of publics that are satisfactorily thus served in each publication area", he totally ignores, for the purposes of his argument, the fact that radio news broadcasts are available to a very high percentage of our total population, and that these broadcasts are complete and frequent.

[fol. 2215] Also for the purposes of his argument, Mr. Lee draws an unwarranted conclusion regarding the use of features. He states:

“Others, among whom I am numbered, point to the correlation between the rise of unified control of dailies in so many of our cities and the increase in non-controversial circulation “bait” in an economic or political sense in daily newspaper columns. The latter makes it possible to substitute comic strips, motion picture gossip, fiction, sports news, sensationalized murder stories, and sensational foreign news for more adequate and representative national, state and local news and views. Of these tested circulation-getting ingredients for a modern non-competitive daily newspaper, only the sensational foreign news has direct bearing upon public policies of any great political or economic significance, and in this area governmental controls are necessarily now operative.”

Every newspaperman knows that competition, and not the absence of it, has forced the wider use of the so-called “bait” which Mr. Lee mentions. The inclusion of such features in a modern newspaper is additional, and not, as stated by Mr. Lee, a substitute. The successful existence of any daily newspaper depends upon its complete, timely and accurate coverage of world, national, state and local news. No daily newspaper can exist for long without such news coverage, no matter how much or how excellent the feature content.

Mr. Lee's statement above that, “only the sensational foreign news has direct bearing upon public policies of any great political or economic significance, and in this area governmental controls are necessarily now operative”, is obviously absurd. Complete reporting of all political and economic news is found in nearly all daily newspapers every day. News of OPA, WPB, and the other governmental organizations is printed. News of the doings of [fol. 2216] Congress and of the Executive is printed. News of court decisions and of significant court actions, wherever they occur, is printed.

Mr. Lee makes a substantial amount of his argument around his own assumption that newspapers, particularly several newspapers in a single field, differ from each other

from the standpoint of "versions and selections of the facts adequate to satisfy the interests of all significant publics". It is a fact which may be verified by anyone who will take the trouble to purchase all of the papers published in his city on any given date that, so far as the straight news is concerned, there is very little difference in the selection and version of the news facts presented by the several papers.

A few publications bearing a general resemblance to newspaper format are published by special groups, such as the labor organizations, the Townsend Clubs, etc., wherein the "news" is tailored to fit the interests of the group concerned. I do not consider such a publication a newspaper, as the term is used in this statement and the statement made by Mr. Lee.

The Lee affidavit places great stress upon the fact that the number of daily newspapers published in the United States is decreasing, and apparently attempts to show that this is due to the fact that the Associated Press is a successful institution. The fact that the percentage of cities having only one daily newspaper has increased seems also to be laid on the doorstep of the Associated Press, and seems also to be considered by Mr. Lee a very bad trend for which the Associated Press is responsible.

When a newspaper ceases publication, either by complete suspension or as the result of consolidation with another newspaper, any one or several of a great many factors may cause such a development. The largest single influence toward elimination of daily newspapers, especially in the smaller fields, is the business community whose advertising pays most of the cost of publishing the newspapers. I know of instance after instance on the West Coast where consolidation have been effected as the result of insistence, either directly or indirectly, by the advertisers.

I am intimately acquainted with the facts underlying the consolidation of several newspaper fields in the State of Oregon, which resulted in these fields each being served by one strong newspaper, and I do not know of a single one wherein the wire news service used by either one had the slightest bearing on the transaction. However, it has happened that a great many consolidated newspapers have chosen to use the Associated Press news service rather than any other, thus increasing both the total circulation of AP. newspapers and the number of cities served only

by the Associated Press. In any consolidated field now served by only one newspaper, it is entirely possible for a competitor to begin the publication of a daily newspaper there. The least of the problems he faces when contemplating such a venture is the question of a wire news service. He has several excellent services to choose from. His greatest problem, of course, is to secure enough revenue from advertising and from the sale of subscriptions to make the venture pay. Mr. Lee has made the inference in his affidavit that newspapers have deliberately increased the cost of production for competitors and unreasonably decreased their return from publishing. Having had practical experience, so far as this subject is concerned and so far as small daily newspaper fields are concerned, I can say of my own knowledge that this charge made by Mr. Lee is not true. He might cite a limited number of individual examples, but I refer now to newspaper publishing in general. There has been little difference in cost in the last twenty years so far as the physical part of entering into competition with an established newspaper is concerned. The principal change that has taken place in the small daily fields, tending to make daily competition difficult, is the unwillingness of the local advertisers to pay double for advertising coverage of their retail area.

I now quote the final paragraph and summary in the Lee statement as follows:

[fol. 2218] "Huge and complex newsgathering agencies have thus become a necessity for daily newspaper operation, but they should not be permitted—through special arrangements with existing dailies—to aid in creating a steady trend towards local non-competitive daily newspaper situations and to make it practically impossible to initiate new profitable ventures in the daily newspaper field."

In the above statement, I hold Mr. Lee to be entirely correct, but if he means to imply that The Associated Press is aiding in creating a steady trend toward local non-competitive daily newspaper situations and to make it practically impossible to initiate new profitable ventures in the daily newspaper field, he is entirely wrong, as I believe the facts set forth in my foregoing statement tend to show. As a practical newspaperman with many years' experience

in publishing a small daily newspaper, I know that the organization and operation of the Associated Press has had nothing whatever to do with the trend toward local non-competitive daily newspaper situations, and that such trend is due almost entirely to local economic reasons, which reasons could not possibly be effected by any wire service. I also know that some other adequate wire service may be obtained, and that, therefore, the Associated Press cannot be considered a restraint to free competition in the daily newspaper publishing business.

(Signed) Harris Ellsworth.

Subscribed and sworn to before me this 17th day of
June, 1943. Eva M. Young, Notary Public.
(Seal.)

[fol. 2219] AFFIDAVIT OF CHARLES A. GUY

STATE OF TEXAS,

County of Lubbock, ss:

Charles A. Guy, first having been sworn, on his personal knowledge of the facts, makes this affidavit:

My name is Charles A. Guy. Since January of 1930 I have been editor and publisher of the Lubbock Morning Avalanche, the Lubbock Evening Journal, and the Lubbock Avalanche-Journal, (Sunday). My newspaper experience extends over a period of approximately 23 years, during which I have been engaged largely in editorial work and in the direction of others doing editorial work. I started as a part-time cub reporter on the old Tulsa Democrat when a high school lad. Later, I went to the Tulsa World, covering high school sports. Upon two different occasions I worked on the staff of the El Reno, Okla., American as a reporter and also did editing. I was a sports correspondent for the Daily Oklahoman, Oklahoma City and later a general news correspondent for that publication and its afternoon companion, Oklahoma City Times. At Bristow, Oklahoma, when oil changed that small town into a booming city, I worked on the Daily Record as sports editor, reporter and also edited some copy. I came to Lubbock, Tex., on January 4, 1924, as associated editor of a weekly paper called The Plains-Journal, and have been en-

gaged in the newspaper business here since that time, successively as editor of The Plains-Journal, editor of Lubbock Evening Journal which grew out of The Plains-Journal in 1925; as editor of Lubbock Morning Avalanche from September, 1926, when it was purchased by Lubbock Evening Journal. In addition to my editorial duties I took over the position as publisher, as well as editor, of Avalanche-Journal publications in January of 1930.

In addition to my interests in Lubbock, I have financial interests also in the Amarillo News (Morning) the Amarillo Globe, (Evening), the Amarillo News-Globe, (Sunday) all of Amarillo, Texas; and also have financial interests in the [fol. 2220] El Paso Times (Morning and Sunday) of El Paso, Texas. I am a member of the boards of directors of the papers herein listed in Lubbock, Amarillo and El Paso, Texas, and am vice-president of the El Paso Times. I am 41 years old and all my adult years have been spent in the newspaper business.

Since 1926 I have not missed a meeting of the Associated Press editors of Texas, including not only annual meetings, but special called meetings as well. These meetings are held in order that members and editors may receive reports from the Associated Press staff in Texas; may discuss their mutual problems; may shape development of news collection and distribution in the best interests of the papers affected. In short, they are business meetings for the maintenance of the Associated Press organizations in other states, and for the mutual exchange of ideas concerning how the Texas newspaper reading public may be better served by its newspapers, individually and collectively.

For the past 10 years I have served the Texas Associated Press editors' group as chairman of its single-wire group and as such chairman preside over meetings of that group which embraces about 40 of the small city daily papers of Texas. A single wire paper, as distinguished by the Texas Associated Press editors association, is one which is served by a single leased wire by the Associated Press which delivers approximately 35,000 words per day, and/or night, to each individual member paper. I think I know, as a harness Associated Press editor and one long active in Associated Press affairs, the general Associated Press picture the nation over. I know I know the picture in Texas. Therefore, I have no hesitancy in saying that the single wire

papers in Texas, as well as in the other 47 states of the Union, comprise the "backbone" of the Associated Press as a national news collecting and disseminating agency on a mutual, co-operative basis.

[fol. 2221] As an example of how policies are shaped by members and editors in state meetings, I submit the following from the record:

In 1938, the Texas Associated Press editors association met for its annual meeting in Waco. At that time I proposed an earlier opening hour for the day wire serving afternoon single wire point papers. I argued that since the first hour or more of the wire each day was given over to rewrites of overnight sports and some general news, that matter would be as readily available at 6 a.m., daily, as at 7 a.m., the then opening hour. Discussion was long, and pointed. Arguments were heard on both sides. A vote was taken and my proposal was buried under an avalanche of "nays." I, however, was not satisfied to let the matter rest there. Neither were the half dozen or so other editors who saw the suggestion as I did. For the next four years we continued our study and at each annual meeting further discussions were held. At the last state meeting, held in February, 1943, in Dallas, Texas, the earlier opening hour was voted by a majority as overwhelming as that which defeated the first proposal in 1938. Today, with the 6 a.m. opening in vogue, there is not a single known critic of the plan. This illustrates, perhaps, the slowness of co-operative operation. But, what is more important, it illustrates the fact that the Associated Press in Texas, as elsewhere, is a mutual, co-operative organization run by and for its members and editors in which the majority must not only be heard but positively satisfied.

While my interest in Associated Press affairs naturally has been primarily bounded by the borders of Texas, that interest by no means is confined to the Associated Press as it functions in Texas. From time to time I have aided in Associated Press affairs in the national field, more especially in Washington, and upon one occasion I attended a national meeting of Associated Press staffers, members and editors. The national meetings are held annually in peace-[fol. 2222] time; perform for the nation as a whole the same duties which state meetings perform for each individual state.

From time to time, usually twice annually, it is my policy to go to Washington and to Austin, the state capitol, in each of which places the Associated Press maintains a large and able staff. Under the Associated Press methods, there is available to me, and to every other member paper, special coverage by Associated Press staff members.

Members are urged—to ask for special protection by Associated Press staffers in both Washington and Austin, as well as elsewhere over the nation. This special news coverage permits the smaller Associated Press papers, such as our own, to get local and sectional news angles quickly and cheaply. In fact, without such arrangement we could not possibly serve our readers to the extent we serve them today—and have served them for years, thanks to our own, co-operative, non-commercial news collecting and disseminating organization.

Another example of the co-operative background in the Associated Press:

In Lubbock, the city in which I live and am actively engaged in day-to-day newspapering, we have a large state educational institution known as Texas Technological College. This college, prior to the war, had a widely known and highly publicized football team which played games from border-to-border and coast-to-coast. Usually, one of our own sports writers accompanied the Tech team wherever it played. However, upon occasions, illness or office problems made such trips impossible for a member of our staff. Under those conditions, we made advance arrangements with Associated Press offices, or member papers, in the far-away cities where games were played and received from these sources complete reports of the games—sometimes play-by-play reports as well as general roundups—at no cost to us other than wire charges. On the other side of the picture, we have performed similar services for other papers interested in games played here between Tech and [fol. 2223] other colleges far-removed from Texas. Although our membership in the Associated Press requires that we cover for it all important news occurring only within a 30-mile radius of Lubbock we have never measured miles in connection with our file. We frequently go much farther afield, normally cover a 100-mile radius and, upon occasion, have reached over hundreds of miles into neighboring New Mexico to cover for the Associated Press. We have done this on Sunday nights, for instance, despite

the fact that we do not print a morning paper on Mondays and the news involved—which we cannot print until Monday afternoon—comes into Lubbock by train from Fort Worth on Monday mornings.

We do this because all over the United States members of the Associated Press are doing the same thing and only by such unselfish operations on the part of all can the Associated Press continue to give its unique and unapproached news coverage to members everywhere.

Any fundamental changes in Associated Press co-operation which would rob its members and their circulation areas of the benefits of this kind of mutual effort would seriously damage the value of the Associated Press to our newspaper.

A sound business policy is the keystone of the success of Avalanche-Journal newspapers. As well as of the other newspapers with which I am associated. The non-profit character of the Associated Press is one of the greatest assets membership in the organization offers. At the present time, the over-all Associated Press assessment for Avalanche-Journal newspapers, morning, evening and Sunday, is \$148.25 weekly. This covers not only the Texas wires service from 6 a.m. to 1 a.m. each 24 hours, but also extra services including Texas legislative and sports; morning and evening national feature services with mats; tele-mats (pictures from wirephoto).

The affiant has had in the past and has at this time, dealings with one of the commercial news disseminating agencies, namely, United Press.

[fol. 2224] Lubbock Morning Avalanche (including Sunday) was founded in 1922 by one James L. Dow. At that time, it was the only newspaper in Lubbock. In 1926, affiant and his associates purchased Lubbock Morning Avalanche from Mr. Dow, consolidated it with our Evening and Sunday morning Journal into the present, round-the-clock, morning-evening-and-Sunday newspaper service. At the time we took over Lubbock Morning Avalanche it was being served by United Press' night wire, then called United News, although the morning Associated Press membership was open.

One of our first moves after acquiring the morning paper was to secure the night Associated Press membership and drop United News after negotiations with its owners. We

sought and received the night Associated Press membership because we felt it was the better service for us, although the preceding owner did not think so. United Press at that time was filing to Lubbock Morning Avalanche out of its Kansas City, Mo., bureau; Associated Press filed out of Dallas, Tex., and had a much greater coverage in Texas, making Texas news more quickly, easily and cheaply available to us. Four years ago, we entered into another contract with United Press, taking on its full leased wire, afternoon news report which we still receive and still use daily to supplement the afternoon Associated Press report. We consider the United Press report a good one. We know of numerous successful newspapers—one located in Sweetwater, Tex., just 120 miles south of us—which have been built solely upon United Press news reports. But we consider the Associated Press the more valuable news connection not only because it is the world's largest, and generally conceded world's best, but because it is (1) non-profit and non-commercial; (2) we have a voice in its operations and in setting its policies; (3) it affords easier, quicker and cheaper exchange of news; (4) it rewards us, and each member, for time and effort in building it up, and (5) it is a legitimate, co-operative effort, similar to other organizations in many fields of human endeavor, and through its [fol. 2225] co-operative methods of operation offers more security in collecting and disseminating the news than any other similar organization. Finally, all these elements accrue not only to the benefit of the newspaper owner and editor, but also to the reading public which, through the co-operative organization, is better served.

Lubbock Avalanche-Journal newspapers, a defendant in this suit, are published morning, evening and Sunday in a city of approximately 45,000 population in a county of approximately 60,000 population. Last government circulation figures, sworn to in keeping with the law in September of 1942, were:

Lubbock Morning Avalanche (13,489); Lubbock Evening Journal (10,019); Lubbock Avalanche-Journal, Sunday, (21,287). These figures have been increased, due to war installations and rapid growth of the city and section, by slightly more than 10 per cent.

Lubbock, city of publication of Avalanche-Journal newspapers, has enjoyed a meteoric growth over the past 20

years, rising from slightly more than 4,000 people in 1920, to its present approximate size of 45,000. Wholesale and retail center of a vast Plains area of West Texas and Eastern New Mexico, it draws normal trade from a radius of 90 miles in all directions; from 120 miles or more to the West and Southwest. It is the cultural, banking, oil, education, cattle, farming, entertainment, sports, and medical capital of this territory; has the only morning newspaper in the sparsely settled area between Wichita Falls, Tex., on the East, to Albuquerque, N. Mexico, on the West—a stretch of approximately 550 miles; and between Amarillo, on the North, and San Angelo, on the South, a distance of approximately 350 miles.

This is a pioneer country. It so happens that affiant has been a part of the pioneering effort in the upbuilding of this newspaper and its influence in this section. The Associated Press has been a part of this pioneering effort. We have put into it our resources of time, effort and money [fol. 2226] and have seen the Associated Press organization grow as our own publishing enterprises have grown with the state and area. The Associated Press, therefore, is a part of us and we a part of it. Its values cannot be promiscuously scattered without injuring its efficiency and its services to members and the reading public. Any fundamental change without the full consent and agreement of its members is vital not only to its members but to the public as a whole.

The Associated Press, through its co-operating members, has proved itself; has builded itself to a high degree of efficiency. But the field is still wide open. Others can do the same thing. They should be permitted to do the same thing. Throughout my newspaper experience I have upon many occasions suggested to fellow publishers, mere acquaintances as well as old friends, to apply for Associated Press memberships because I wanted them to share in the benefits and also because their addition to Associated Press ranks would redound to our own papers' benefits. Some have taken this advice and have become enthusiastic Associated Press members. Others have not, yet they continue to publish successful newspapers.

(S.) Chas. A. Guy.

Sworn to and subscribed to before me this 15th day
of June 1943. Joreta Bardwell, Notary Public.
(Seal.)

[fol. 2227] AFFIDAVIT OF EARL E. HANWAY

STATE OF WYOMING,
County of Natrona, ss:

Earl E. Hanway, being duly sworn, makes this affidavit as to the following facts:

My name is Earl E. Hanway, residence, Casper, Natrona County, Wyoming. I have been in the newspaper business since 1912, starting as a reporter on the Sterling, Colorado, Advocate, and subsequently working in a like capacity in Loveland, Colorado, Cheyenne, Wyoming, and in Merino, Colorado, as editor and publisher of a weekly newspaper. In 1914 I came here to Casper to work as the news editor of the Natrona County Tribune, a daily; stemmed from that enterprise and on that date, I became interested in the ownership, and was made business manager. I am now a co-publisher with my father in the operation and management of the Casper Tribune-Herald which is published evenings (except Saturday) and Sunday mornings. The circulation is approximately eight thousand. Associated Press leased wire service is used, also the full budget of feature services of The Associated Press, in addition we subscribe to some features and comics of King Features, Bell Syndicate and so forth.

The 1940 census gave Casper a population of 17,964. The county population is about 25,000. Its literacy is between 95 and 100%. Casper and Natrona County depend principally on sheep and cattle and oil.

The Tribune-Herald has been a member of The Associated Press since about 1919. A small weekly is its only competitor immediately in Casper; however, the Denver newspapers come into Casper every day, serving several hundred subscribers. The Tribune-Herald serves an area of about 150 miles in diameter. Its circulation is largely concentrated in that area.

A news service which extends into practically every field of endeavor and activity is one of the essentials to the life of a newspaper in performing its daily functions of providing its readers with the news of the nations of the world. Such a service not only must be good, but it is equally important that its cost is not more than a small paper can pay and still return a reasonable profit. The Associated Press, according to my experience, sufficiently fulfills this necessity. It is supplied to its members at

rates representing a fair distribution of its expenses as a cooperative, and not on a basis of what the traffic will bear for the profit of private owners.

It is in fact, not merely in theory, a cooperative enterprise. Three members of the board of directors must be elected from cities having a population of not more than fifty thousand. They represent primarily the interests of the smaller members. The vote of one of these counts as much as the vote of a director from New York City or Chicago. At the annual meetings the small members are heard and freely participate. At any time that one of us either is dissatisfied or feels that an improvement can be made, the management gives him an attentive hearing and every consideration. To have a voice in the policy and management is an incentive to make the cooperative better. We are serving ourselves and we take pride in our association. The same proprietary feeling would not apply to a personally owned, commercially managed newsgathering association.

Of primary importance to our paper and to the other Associated Press members in Wyoming is the state and regional service. In fact, it is of the highest importance. It has been established and maintained through the cooperative endeavors and the initiative of member newspapers in The Associated Press. The Casper Tribune-Herald has furthered its own interests as well as that of its fellow members by being alert in the improvement of this service. Growth and expansion of the cooperative service led to the establishment in Cheyenne, Wyoming, of a state bureau in charge of a resident correspondent. This evolution of a state news service which has also become regional [fol. 2229] in scope is the product of a cooperative program, encouraged and promoted by the members. It supplants much special correspondence formerly handled by the Casper Tribune-Herald.

Let me try to illustrate: What is news of great reader interest in Wyoming would be of no interest say in Atlanta, Georgia, Boston, Massachusetts, or Cincinnati, Ohio. In proportion to the vast number of news readers throughout the United States, it would be of very little interest. However, if two or three thousand newly-born lambs or too-early sheared sheep were killed here in Wyoming by an unexpected freeze, such news would be of great reader interest and importance in this state. That kind of news

would be furnished by our state news service, coming perhaps from the Casper Tribune-Herald; if not, from some other Wyoming member of The Associated Press who realized its obvious importance and did his duty as a member. News of this sort is not frequently furnished by a privately owned service. It is of too little universal value to warrant the expense of its gathering, except through a co-operative.

In furtherance of its membership interests and as a contribution to state and regional news service, the day rarely passes when one or more news dispatches is not filed by the Casper Tribune-Herald to The Associated Press. This is done immediately on learning of the happening, and at once becomes available to members in this area. Hundreds of such dispatches are filed in the course of a year as Casper is the second largest population center in the sparsely settled state.

By hard, persistent, thoughtful work, we small members have created an asset which is of more than patronage interest because our labor, thought, and industry and some incidental expense paid by us has gone into it. This asset belongs to us. It is ours.

However, it takes more than an AP membership to make a newspaper successful. Wyoming has newspapers that at [fol. 2230] attained success without The Associated Press. The history of the Casper Tribune-Herald is illustrative. It started in 1916 as the Casper Tribune having only a United Press pony service. At that very same time, the Casper Press (a daily) had an Associated Press membership. The Casper Tribune with its UP pony service competed successfully. The Press failed to make a go of it and was absorbed by the Casper Herald. It also folded up while the Casper Tribune maintained a gradual growth. Later on the Herald was started again by another management. It had The Associated Press morning service while the Casper Tribune did not. The Herald changed hands several times until it was acquired by the Casper Tribune which was being served by the United Press. The Casper Tribune Herald as the Casper Tribune (as it was formerly known) continued the publication of its Sunday edition for several years without The Associated Press service and it has survived all others in the Casper field.

The Wyoming Eagle at Cheyenne is an outstanding example of a newspaper that relied upon United Press service

alone for years for its telegraph news. It grew from a weekly publication into one of the leading small dailies in the Rocky Mountain region.

(s) Earl E. Hanway.

Sworn to and subscribed to before me this eighth day of June, 1943. H. A. Terriere, Notary Public.
(Seal.)

[fol. 2231] AFFIDAVIT OF HOUSTON HARTE

STATE OF TEXAS,
County of Tom Green, ss.:

HOUSTON HARTE, first having been duly sworn, on his personal knowledge of the facts, makes this affidavit:

My name is Houston Harte; residence, San Angelo, Texas, where I am the publisher of the San Angelo Evening Standard and have been since I purchased it from its founder, J. G. Murphy, May 1, 1920.

I have been in the newspaper business since I was eighteen, when I worked as a reporter on the Los Angeles Examiner of Los Angeles, California. In 1914 I purchased the Knobnoster (Mo.) Gem, and in 1915, with John Donald Ferguson, now the Editor of the Milwaukee Journal, I purchased the Boonville (Mo.) Republican. In 1919 I sold both of these papers and came to Texas, where I have resided ever since.

In April 1935 I was elected vice-president of the Associated Press. I had attended only one previous annual meeting, that held in 1925. As a matter of fact, I was not present at the annual meeting in 1935 when I was elected vice-president. I had no acquaintance with any member of the Board of Directors with the exception of the late Mr. George B. Longan of the Kansas City Star, whom I had met in 1920 on a trip to Mexico.

In 1936 I was re-elected as second vice-president by the Board, and at the annual meeting in 1937 I was chosen by the membership as one of the three directors representing the smaller papers.

At and somewhat prior to the time when I was first elected to the Board of Directors, there had been some agitation for the election of directors from cities of small size, the theory being that it was necessary for the interests of these mem-

bers to be properly protected and guarded by members sitting on the board from similar sized fields who could better appreciate the problems of the smaller members. I had not been an officer very long before I realized from what I ob-[fol. 2232] served that small members, such as the San Angelo Standard Times, needed no special representation in order to receive fair and impartial treatment from the Board of Directors or to receive the thoughtful attention of their suggestions or complaints or of whatever matter they wanted considered.

In the two years that I was a vice-president and in the six years that I served as a director, the size of a paper never in any way affected the attitude of the individual directors. No director, according to my experience and careful observation, felt that he was on the Board to represent any certain group or size of newspapers.

Frequently, I believe that I may conscientiously say and I do say that at virtually every meeting the Board of Directors spent hours discussing problems of small members in an effort to help the member and to make him feel that his success would correspondingly add to the advancement of the Associated Press. The Board carefully discussed and analyzed problems that in any other sort of organization would have been handled by minor officials.

The Associated Press is a large and complex organization. Regular directors' meetings are held but three times a year. They last an average of from three to six days. It is hardly possible for a director to become familiar enough with the operations of the Association to make proper decisions until after a few years of experience on the Board.

A board with a shifting membership, meeting at such wide intervals and with no background of experience in dealing with similar problems, would be utterly lost in the managing of an organization such as the Associated Press. The inevitable result would be that the business, like a Chamber of Commerce, would be turned over to the full-time employees who, not possessing the responsibility of ownership, on occasions might not realize the full responsibility of the trusteeship of such an important organization.

[fol. 2233] Including Josh Horne and myself, eight new directors came on the board in the eight years of my service.

Only a few persons can fully account the value of the long service of Mr. Frank B. Noyes as president and director of the Associated Press. I have no way of knowing how

much time he has devoted to the Associated Press, but I would venture to guess that it was almost as much as he devoted to his newspaper, the Washington Star.

I assume Mr. Noyes had devoted all this time to the Associated Press for the same reason that I have taken time out to work for it, namely, because he had a membership in the organization and when he helped the Associated Press he added something to the value of his newspaper.

To devote time is of course one thing, but to get the time of a man of the sound judgment of Mr. Noyes is quite another. In critical periods in the history of the organization, I am convinced it has been his thoughtful leadership that has been of greatest value in determining the decisions of the board. In my limited service, I have been amazed at his memory and his ability to recall the specific circumstances which caused the organization to make a certain decision.

With my partner, Bernard Hanks, of Abilene, Texas, I have been active in the small-city newspaper field in this state. In the last twenty-three years we have either purchased or established eighteen daily newspapers; two of these newspapers were consolidated with papers we owned in the same field and six were sold.

Three of these papers had the leased-wire service of The Associated Press when purchased. Eventually all but *but* one became a leased-wire member of the Associated Press after contracts with other press services expired. This last paper, while not owned by us, expects to become an Associated Press member this year. We have taken an active interest in getting non-competitive newspapers into the membership of the Associated Press. New members bring two specific benefits (1) they increase the news coverage of [fol. 2234] the organization; (2) they decrease the cost, particularly the wire charge which is large in a vast state such as Texas.

We encouraged a state mat service, and when other papers seemed indifferent, worked up a group of eight papers in addition to our own with whom we exchanged mats each month. This soon developed into the present Associated Press state mat service which provides the smaller papers of the state with a morgue equal to that of the big-city dailies at a nominal cost. It is a noticeable fact that the big-city papers did not co-operate in the state mat service—recently most of the large papers have subscribed to this service—

feeling that they could go it alone and get their own state pictures.

Texas Associated Press members were among the first to provide a Texas reporter covering the news of Texans in Washington when this service was offered by the Associated Press. The big papers of the state had their own special Washington correspondents. They were not interested, but the small-city papers voted the assessment upon themselves to provide this additional service.

The same circumstances prevailed in establishing additional Associated Press reporters in the capital at Austin and in strategic points throughout the state. The board of directors, the management, and the little papers, all co-operated for a better service.

Texas Associated Press members wanted to get the news and pooled their resources to get it. But Texas newspapers would not have worked through the Associated Press to create these superior news features if they had felt that some day they might have to share the result of this pioneering and the fruits of this effort with some new-comer who, not satisfied with other world-wide news and picture services, might demand what they had built at great cost and with untiring effort.

I know nothing of the big-city newspaper field, but have studied newspaper operation in the 20,000 to 50,000 population fields. In buying a newspaper I have never wasted time worrying about what press service the paper had or the status of the Associated Press membership in the field. The basic consideration in the success of a newspaper is the community, its resources, its potential possibilities, and the ability of the management.

It is what the newspaper does with the news it gets, what it sees in the news and how it presents this news to its readers that is important. Headline writing is almost as important as the news itself.

Never before was there so little difference between the reports of all the press associations as reflected in newspaper front pages as today. We live in a world of "hand-outs" from our own OWI to "Radio Moscow with a London dateline" and Herr Goebbels via the Federal Communications Commission.

I prefer the Associated Press as a news service because in it I have a feeling of ownership. I feel that it is mine—something which I have helped build and which cannot be

taken from me like the local staff of a paper or the makeup and character of an editorial page—something which a hard-hitting group of American newspaper men has somehow got together and made into an economical, efficient, honest newsgathering organization.

Houston Harte.

Sworn to and subscribed to before me this 16th day of June, 1943. Alba McCreary, Notary Public.
(Seal.)

[fol. 2236] AFFIDAVIT OF C. H. HEINTZELMAN

STATE OF PENNSYLVANIA,
County of Chester, ss:

C. H. Heintzelman, first having been duly sworn, states under oath that the following facts are true:

My name is C. H. Heintzelman, (residence, Coatesville, Pennsylvania, editor and owner of The Coatesville Record. Most of the time since 1912 I have been actively in newspaper work. I was reporter on the old Altoona Times, and was news editor and later managing editor of the Times before coming to Coatesville in 1916. I bought the Coatesville Record in November, 1919. One of the inducements considered was that it was a member of The Associated Press, with which I was thoroughly familiar. The population of Coatesville is 14,186 and of Chester County, 130,000. It is one of the heavily populated sections of the country. The Coatesville Record is published daily except Sunday, in the afternoon. It has a circulation of 7,925 as of May 31, 1943. It uses no news service except Associated Press and none but Associated Press features, except for two daily features that we purchase from McClure Syndicate. There are two other daily newspapers in Chester County—The West Chester Daily Local News, and the Phoenixville Republican, the latter a member of The Associated Press. The Coatesville Record serves our section of Chester County west to the Lancaster County line; on the north it reaches the Berks County line; on the south it reaches the Maryland line; and on the east we reach about seven miles. We have attempted to keep our circulation as nearly as possible within the territory served by stores in our city.

The primary reason for The Coatesville Record's existence in this field is coverage of the local news. Nevertheless, we would lose many subscribers if we did not also furnish at least the highlights of world news. This is especially true in the country districts where we have a large following due to the fact that we do cover more than merely local territory with our news. If The Coatesville Record did not furnish something more than local news, it would be supplanted by the large papers around us in Philadelphia, Lancaster, Reading, and Wilmington. An important benefit to a small newspaper of being a member of The Associated Press is that it gives the small paper an opportunity to compete for circulation with larger papers. Since it is a cooperative, there is a measurable amount of security in having a say as to its policies and management. Having three members of the Board of Directors, our voice is heard and our membership is actually represented. Moreover, the smaller members can and do help to shape the policy at the annual meeting.

The Coatesville Record furnishes The Associated Press with such news as may be of interest. Being on the Lincoln Highway, there are frequent automobile accidents involving city people and reports of such accidents are made immediately. We have always covered election returns from the entire county. When there have been outstanding news stories we have protected The Associated Press. Among such cases were the Helen Moyer murder case in 1937 for which the death penalty was involved. This case made the first pages of many newspapers for several weeks and later was used by Magazines. We also reported the Evelyn Hoey death in 1935 which for some time was news of an important character due to the mystery that surrounded it. The Coatesville Record, like more than a thousand of its fellow members, has helped build The Associated Press into a splendid news gathering organization. This has been done by its members who contributed their share of the expense and who have furnished the news in a cooperative spirit.

While I decidedly believe there is a greater value in being a member of a cooperative, it is not a fact that a newspaper would be handicapped without The Associated Press. The Daily Local News at West Chester is Chester County's oldest paper. It never had an Associated Press membership, [fol. 2238] using International News Service and United Press at various times, yet it has the largest circulation in

the county. Prior to 1916 I lived in Altoona, Pennsylvania. There were two morning papers, The Times and the Tribune; both received Associated Press morning wire service. There were two afternoon papers, The Gazette and the Mirror, which had no wire service of any kind. The Mirror, without any outside news service whatsoever, had a larger circulation than either of the morning Associated Press papers. It was some years before The Mirror added United Press, which it still uses. It has never been a member of The Associated Press.

C. H. Heintzelman.

Sworn to and subscribed to before me this 9th day of
June, 1943. Harry S. Woodward, Notary Public.
(Seal.)

[fol. 2239] AFFIDAVIT OF FRANK S. HOAG

STATE OF COLORADO,
County of Pueblo:

Frank S. Hoag, first having been duly sworn, deposes
as follows:

My name is Frank S. Hoag. I am president and publisher in Pueblo, Colorado, of two independent papers. The morning paper is The Pueblo Chieftain. The evening paper is The Star-Journal. I have been in the newspaper business here in Pueblo about thirty-eight years. The history of both papers is as follows:

The Pueblo Chieftain: The Chieftain was established as a daily paper in Pueblo in 1872. I do not know when it became a member of The Associated Press of New York, but my belief is that it is a charter member. The Chieftain has operated under five or six ownerships, and lessees. The Chieftain's first recognized owner was a Captain Lambert. He operated the paper until the year 1902. The Chieftain was then bought by I. N. Stevens of Colorado Springs, the owner of The Gazette in that city. At the date of his purchase he was an aspirant for election to the United States Senate from Colorado. The Chieftain was a member of The Associated Press. Colonel Stevens tried to make a state paper out of it, but even with the alleged prestige of The Associated Press, The Chieftain lost money and he failed

of election. He then leased The Chieftain to Thomas H. Devine, a local attorney in Pueblo, under an option to buy. Mr. Devine ran the paper for three or four years during which time, he told me personally, he lost over \$20,000. The paper still had The Associated Press. He then sub-leased the Chieftain to two Pueblo newspaper men who had been employed on The Chieftain for several years—Mr. Fred Marvin and a Mr. Haubrick. They failed to run the paper successfully. During their lesseeship of three or four years, [fol. 2240] The Chieftain was put through voluntary bankruptcy and thus several thousand dollars of debts were wiped out.

Subsequently The Chieftain was turned over to Mr. Walter Wilder and Mr. Gus Withers, long-time employes on it, who also tried to make it pay, but couldn't. Eventually they turned it over to George Sweeney, a local real estate operator, who obtained the backing of the late Senator Alva B. Adams. After five or six years of unsuccessful management and the loss of many thousands of dollars, The Star-Journal Publishing Corporation, which had been in business in Pueblo since 1900, was induced to take The Chieftain over. We did not pay a thin dime for its Associated Press membership, its circulation accounts, its equipment, or its goodwill, if it had any. We did make a contract with Senator Adams to give him a small proportion of the NET profits of the *combined* operation of the Star-Journal and Chieftain, if, as, and when profits were made.

The Chieftain never paid its stockholders, its lessors or lessees any dividends from the time Captain Lambert sold it to Colonel I. N. Stevens until we acquired it. It was always an operating liability, notwithstanding the fact that it was and still is the only Morning daily newspaper in Southern Colorado with an Associated Press membership. Its NET PAID circulation was never what it might have been if The Chieftain had been properly managed. When we took it over in 1933 The Chieftain was sending about 5,000 papers to Colorado Springs for political purposes, for which it did not receive the cost of the white paper used in printing them. Its NET PAID circulation at the time we took over was about six thousand. Today it is approximately twelve thousand and it is steadily growing.

During the George Sweeney regime which was during the years of 1926 thru 1932, The Chieftain had both The Associ-

ated Press and the United Press—and could not or rather did not make money. When we took it over it owed the [fol. 2241] United Press about \$1,400 which was eventually paid out of collections by its former owners. We received none of its accounts collectable and were careful to assume none of its liabilities. The accounts collectable were used to liquidate its debts in part by its former owners.

The Pueblo Star-Journal: The Star-Journal first had a pony Associated Press report; later it had the full day report. It was established as a consolidation of The Star and The Journal in about 1900. The undersigned affiant became manager of The Star-Journal in the fall of 1904. At that time the company owed a local bank about \$35,000 incurred as a result of mediocre management and the failure to build circulation whereby advertising could be obtained. At that time The Chieftain had about two-thirds of the advertising and about the same proportion of the total circulation of both papers, while The Star-Journal had about one-third. After eight or ten years of the most careful management I could give it, we were able to pay off the note at the local bank and The Star-Journal had at least one-half the total advertising and at least one-half of the total circulation in Pueblo. From then on The Star-Journal gradually forged ahead while The Chieftain was suffering under changing managements.

About the year 1910 or 1911 The Star-Journal started a Sunday morning paper. It obtained the Consolidated News Service and some years later, the United Press Service. The Sunday issue of The Star-Journal flourished without The Associated Press for several years. Eventually, I think after the Consolidated News Service went out of business, we got The Associated Press morning report. Since about 1918 or 1920 The Star-Journal has had both The Associated Press and the United Press, although being unable to use more than 30 or at the very most 40 per cent of the news both services furnish. The Star-Journal always has been a successful newspaper, both from a circulation and from a financial standpoint.

[fol. 2242] We took over the Chieftain—not paying anything for its assets however,—for two primary reasons. First we felt that we could turn it to a good advantage by publishing it (morning) in combination with the Star-Journal, an evening paper. This has proved to be the case.

Second, we wanted to keep someone else from tinkering and experimenting in a field that had continuously proved unsuccessful from a financial standpoint.

During my entire newspaper experience of about thirty-eight years in Pueblo there never has been a time when news was not sent out by correspondents of ALL news services to their respective services, although employees of our papers send news only to The Associated Press. This does not prevent other news gathering and distributing organizations from obtaining the same news at the same time we get it. They do it right along.

At this time we are using both The Associated Press and the United Press on the Chieftain and we are using The Associated Press alone on The Star-Journal. In November, 1942, we discontinued the United Press on The Star-Journal. Our action was based on the theory that the Rocky Mountain News, a Denver morning paper, is a United Press paper. While it has an Associated Press membership, it habitually plays United Press news much more than Associated Press news. We thought, therefore, that to combat the Denver Rocky Mountain News we should retain the United Press on the Chieftain and for reasons of economy under decreased advertising revenue, to get along with our Associated Press service on The Star-Journal and too that we could compete with the Denver Post, an evening paper which uses United Press, Associated Press, and International News Service.

The Star-Journal operated for several years with only a pony service from The Associated Press, and it made money from the start. During the George Sweeney regime of about six years The Chieftain had both The Associated [fol. 2243] Press and the United Press. Still it could not be made to break even financially. It lost money.

In other words, it is not whether a paper has an Associated Press report or not that is a controlling factor in its success. It is MANAGEMENT UNDER ANY NEWS REPORTS that determines whether a paper makes money or not, and whether it adequately serves its community. If an alleged newspaper publisher merely wishes to find an outlet for his surplus funds and wants to play with a newspaper to help spend his money and to experiment, he might like to obtain as many news services as there are. But none or all of them would determine his ultimate success or failure. There are too many avenues for obtaining news

and news features to make any one of them absolutely necessary.

As a matter of fact, I regard this condition as also true in the radio field. Now there are three or four broadcasting systems, each and every one of which obtains **EXACTLY** the same news reports from recognized news centers, and I know local radio stations which do not take more than one service which are eminently successful. They do not need the services of more than one radio network. They may have special news correspondents, but news from **ALL** news centers is available to them if they want to duplicate much of what they already receive.

Frank S. Hoag.

Sworn to and subscribed to before me this 17th day
of June, 1943. Gertrude M. Roy, Notary Public.
(Seal.)

[fol. 2244] AFFIDAVIT OF JOSH L. HORNE

STATE OF NORTH CAROLINA,
County of Nash, ss:

JOSH L. HORNE, having been duly sworn, makes the following affidavit:

My service with The Associated Press began, following election as a member in 1914, by my being named Chairman (or President) of the North Carolina Associated Press group. I was elected by the membership in North Carolina.

My next service was that of membership for several terms on the Southern Advisory Board (later abolished), being elected by the regional membership from the Southern division at the annual meetings in New York.

At the election of officers in April 1920 I was elected second vice-president of The Associated Press by the Board of Directors serving only one year. Seventeen years later, or in 1937, when the by-laws of The Associated Press were amended to provide for membership on the Board of three directors from cities of less than 50,000 population, I was elected for a one-year term and was re-elected in 1938 for a three-year term, and re-elected in 1941 for the term that I am now serving.

My services to The Associated Press have included my attendance at the meetings of the Board and attendance at regional and state meetings in my section, while I have had extensive correspondence with members, bureau chiefs, and employees, as well as other directors and officers on matters of policy and details of operation of the organization. I have always found the officers, employees, and my fellow directors willing to discuss and advise on any question tending to the betterment of The Associated Press or to the advantage of the smaller members either individually or as a body.

Smaller members carry on an active correspondence with me as one of their directors by personal conferences, letters, telephones and wires. In other words, my correspondence manifests that the membership as represented by the news-[fol. 2245] papers published in 793 cities of less than 50,000 population of my class are cooperative in spirit and in act, and that on the one hand they are alive to the benefits that they receive as members of The Associated Press, while on the other they aim and constantly strive to make it a better news gathering agency.

(Signed) Josh L. Horne.

Sworn to and subscribed to before me this 17 day
of June 1943. C. Virginia Smith, Notary Public.
(Seal.)

[fol. 2246] AFFIDAVIT OF JOSH L. HORNE

STATE OF NORTH CAROLINA,
County of Nash, ss:

JOSH L. HORNE first having been sworn, makes the following affidavit on his personal knowledge of the facts:

I have been in the newspaper business since 1908; my residence is Rocky Mount, Nash County, North Carolina, in which county I was born and raised. I am 56 years of age.

Rocky Mount is located in Nash and Edgecombe Counties and its population in 1940 was 25,568, it being the largest city in North Carolina east of Raleigh and north of Wilmington. The only city in the state of more than 100,000 population is Charlotte. The state's population is 3,571,623.

Our town is supported by a rich agricultural back country; its tobacco market sells 40,000,000 pounds annually. The counties produce more than 60,000 bales of cotton. We ship more than 1,000 car loads of hogs annually. Our manufacturing extends to cotton yarns, plush, silk, mattresses and fertilizers. Rocky Mount is the location of the Atlantic Coast Line Railroad shops and divisional headquarters.

The Rocky Mount Telegram was founded by me in 1911 as the Morning Telegram. It became the Evening Telegram in January 1912 as which it has been published continuously afternoons except Sundays) since that time. The circulation is 7,812. It is confined largely to Rocky Mount and the areas adjacent.

For the greater part of time after January 1912 the Evening Telegram used the United Press report during which time the paper was successful. In 1914, the Evening Telegram became a member of The Associated Press and has been a member ever since.

The change came about in this wise:

In 1914-1915 a number of the smaller daily afternoon papers in North Carolina concluded that it was to their respective interests to belong to a cooperative news gathering association. Theretofore, each of us was taking a news service of a sort. While receiving the same news we were paying different rates for the same report and this service could and might arbitrarily increase our rates as it saw fit and we had no means of protecting ourselves. The Associated Press as a democratic cooperative service appealed to us severally since it would allow us a voice in its management whereby we could do our own governing. All of us were desirous of building a state news service and The Associated Press was the only service affording this facility in the newspaper field whereby our efforts would inure to the building up of our own property and be within our control.

The following eleven papers—separately owned—made applications for membership in The Associated Press, nine in 1914 and two in 1915. Each application was granted and so each of the following papers became a member:

New Bern Sun
Rocky Mount Telegram
Concord Tribune

Salsbury Post
Wilson Times
Durham Sun
Greensboro Record
Henderson Dispatch
Fayetteville Observer
Hickory Record and
High Point Enterprise

All of these are still members with possibly some change in names. The Associated Press as a mutual organization provided the vehicle for a realization of an ambition for an interchange of state news among these papers. We could govern ourselves.

North Carolina was the first state to transmit a part of its news report in the mails through the medium of news events mailed in by the individual member and compiled [fol. 2248] and dispatched from a state office of The Associated Press to others around the state. These small papers could not afford extensive wire tolls and correspondents and The Associated Press provided a medium whereby advance material could be sent to members. These eleven papers could not have afforded to do this individually because of the expensive items of gathering, compiling, typing, mailing and so forth, whereas The Associated Press provided the facilities and a bureau correspondent to do the job at a central point.

The Associated Press with our very earnest and continuous cooperation made the plan work and its continued growth is attested by the fact that whereas in 1914, prior to the election of these members, there were less than a dozen members of The Associated Press in North Carolina, at the present there are 35 members within the state. It is an attestation of the fine service that has been rendered by The Associated Press to the daily papers of North Carolina that we have trebled its number and enlarged the scope of its activities to include not only the state letter, but a morgue, mat and other services.

A typical accomplishment of the cooperative in behalf of smaller newspaper members was the printerization of news circuits in the early '20s. Small city newspapers were then receiving a short and limited report of 500 to 1500 words daily and could not take advantage of the new printer—telegraph machines, because of the high rental charged for

them (\$75 a month or \$900 a year). Because of its large-lot purchasing power and because we had the capital, The Associated Press was able to buy enough of the machines outright at a figure (approximately \$400 each, total outlay exceeding \$300,000) which permitted amortization of the cost by assessing the members only a nominal amount weekly over a period of years. As a result, small city newspapers were able to obtain a greatly improved news report running upwards of 20,000 words daily at a cost they could afford. The fact that a great many newspapers had joined [fol. 2249] together in a cooperative effort enabled them to do what none or a few of the individuals could have accomplished.

The Associated Press has increased the number of its employees from possibly two or three in 1916 to 29 in 1943 and the number of its bureaus from one to two.

Small papers lack the facilities and resources for news gathering on a national and world wide scale that metropolitan papers have, but the small town paper must have some amount of other than local news. The Associated Press through its careful service furnishes a wider selection and far more of this sort of news than any paper can find space to use.

Perhaps the factor next in importance to local news is state news. In North Carolina there are only six cities of more than 50,000. We have Associated Press bureaus located in Charlotte and in Raleigh. Of the five cities of over 50,000 in population, three have a population of less than 61,000.

From the member papers in the state outside these two bureau points, The Associated Press in October 1942 furnished 1,013 stories of which 177 went on the regional or trunk wire. In November, 1,011 stories were furnished outside the bureau points and 206 of these went on the trunk wire.

As instances of how a small newspaper fulfills its obligations as a cooperative, I cite the following:

The death of Senator Thomas J. Walsh, the newly appointed Secretary of State in President Roosevelt's Cabinet, who died on a train while en route through North Carolina to Washington. Being on the scene enabled The Associated Press to get this story.

The draft status of Kay Kyser, a celebrated orchestra leader and a native of Nash County, was disclosed through the Rock- Mount Telegram's initiative.

At 2:30 on April 15th this year, our office came into possession of information that a tornado had struck Roxobel, a little town in Bertie County, with some loss of life. [fol. 2250] Although the afternoon wire closed at 4:00 P. M. and Roxobel was more than 50 miles distant, we had this story in the afternoon report of The Associated Press. There would have been no incentive to have done this for a privately owned commercial enterprise.

If our Associated Press news report was made available generally to any applicant who had done nothing to build upon the service the cooperative feature would be irretrievably impaired. This necessarily would result in such a devalued report as to be practically worthless.

Josh L. Horne.

Sworn to and subscribed to before me this 17th day of June, 1943.

C. Virginia Smith, Notary Public. (Seal.)

[fol. 2251] AFFIDAVIT OF TOM H. KEENE

STATE OF INDIANA,
County of Elkhart, ss.:

Having been duly sworn, Tom H. Keene, on his own personal knowledge of the facts hereinafter set forth, deposes as follows:

My name is Tom H. Keene, residence, Elkhart, Elkhart County, Indiana. I am vice-president, editor, and general manager of the Elkhart Daily Truth, a six-day evening paper published in Elkhart, Indiana, by Truth Publishing Co., Inc.

For thirty-five years I have been in the newspaper business, practically all of that time in Elkhart. My first connection with a newspaper was in 1908 as a reporter on the Elkhart Review, which ceased operation in 1920. I worked for the Review for about four years. I became a reporter on the Elkhart Daily Truth in 1912. March 24, 1913, I became a city editor, occupying that position until 1917, when I became editor. In 1924 I was elected secretary, becom-

ing vice-president in 1936, still retaining the posts of editor and general manager.

The 1940 census shows Elkhart city's population as 33,434 and Elkhart county's population, 72,634. The city depends economically upon its manufactures, the county is mainly agricultural.

The Truth's circulation now runs about 17,200 daily. It has Associated Press wire service, feature and photo service, United Press radio wire in both the newspaper office and radio station. It also has Newspaper Enterprise Association feature and picture service. The Elkhart Daily Truth has been a member of The Associated Press since 1920. There is no other daily newspaper in Elkhart, however, South Bend, Indiana, with a population of more than 150,000, is only eighteen miles west. The South Bend Tribune has a bureau in Elkhart and circulates widely throughout the county.

[fol. 2252] As to the benefit The Associated Press is to a smaller member like the Elkhart Daily Truth, if such smaller member had no press association to collect state, national, and international news, it would be under a tremendous disadvantage. No small newspaper can afford to have correspondents outside its own locality. Without state, national, and international news, the small town paper would have to confine its news coverage to the happenings in its own locality and immediate environs. Such news is the more important, but it is not sufficient. Readers wish to know and need to know, particularly in times such as these, what is going on over the world and they demand outside news. If a small paper were deprived of wire service, the readers, to keep abreast of the times abroad as well as at home, would be obliged to take two newspapers—his community paper and a metropolitan paper.

It is true that the small town paper if without The Associated Press, would have available United States and International News Service, both of which are good services. But The Associated Press also has a reputation for accuracy, and unbiased, complete, comprehensive news coverage. It serves newspapers of all political complexions. It is operated by the members themselves who have a voice in its management. These members get together in state groups and discuss what can be done for improvement of service. It is not a commercial organization and the fact that it is a cooperative organization is an important reason

why the members take more interest in it than they they would in a commercial news service. It belongs to them. When they work for it, they are working for themselves. The Elkhart Daily Truth protects its fellow members with the news it feels they want to have. I file news for other members and they file for me. Everybody is benefitted. The newspaper would not be so enthusiastic toward a commercial organization.

It is a distinct advantage to know that if an Elkhart man distinguishes himself in some other community served [fol. 2253] by The Associated Press—and Associated Press covers most communities in the land—the news is made available promptly to the Elkhart Daily Truth. It is of such service that newspapers are made.

A great many Elkhart people are employed in South Bend war industries, hence our readers have a deep interest in South Bend as well as in Elkhart. South Bend files daily news of general importance. This is promptly available to the Elkhart Daily Truth. If South Bend failed to protect us by its Associated Press wire, The Daily Truth would be compelled to have a correspondent in South Bend, and this one correspondent would cost my paper nearly one-half as much as the whole Associated Press wire service costs.

The obligation is reciprocal. When news of general or particular interest transpires in our field, the Daily Truth at once makes it available to the state Associated Press bureau for general dissemination. We are required to do this. It is a part of our obligation to our fellow members and if we expect them to serve us we must serve them. Here is a recent example that any editor or publisher of a paper not metropolitan in size will appreciate: the Ben-Hur state organization had its annual convention in Elkhart two weeks ago, when it elected officers and selected its 1944 convention city. The Daily Truth sent the news out immediately. It was of interest to all Ben-Hur organizations over the state, to the home towns of the newly elected officers as well as the 1944 convention city. This sort of interchange goes on daily.

I want to add this: no press wire service can make or break any newspaper. To survive, a newspaper must have real business management. It must be managed by a man who by experience knows the business from top to bottom. It is no place for a novice. The paper must have an

alert civic conscience and stand for something in its community. It must be clean and honest and above all it must be fair in its report of the news.

[fol. 2254] Before the Daily Truth obtained its Associated Press membership—which was when the Elkhart Review closed down—The Truth had been using United Press or International News Service—always one or the other, and it was a good paper, in my judgment. At the same time, the Elkhart Review had had an Associated Press membership for several years. Notwithstanding this membership, the Review failed in business. The Daily Truth was growing without The Associated Press and has continued to grow.

Tom H. Keene.

Sworn to and subscribed to before me this — day of
June, 1943. Jay G. Wallick, Notary Public.
(Seal.)

[fol. 2255] AFFIDAVIT OF EDWARD LINDSAY

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

Edward Lindsay, being duly sworn, deposes and says:

I reside in Decatur, Illinois, and am now the editor and a director of the following newspapers, all of which are owned by Decatur Newspapers, Inc.: Decatur Herald, (morning), Decatur Daily Review, (evening), and Decatur Sunday Herald & Review; the Evening & Sunday Courier published at Urbana, Illinois; the East St. Louis Journal, daily and Sunday, published at East St. Louis, Illinois. All of these newspapers are members of The Associated Press, except the East St. Louis Journal, which subscribes to the services of the United Press.

I have been connected with newspapers since 1923 as a reporter, advertising solicitor, assistant to publisher, editorial director, and editor. My family has been in the newspaper business for three generations. My grandfather published the first six-day labor newspaper in the United States with Ethelbert Stewart, former United States labor statistician, as his editor. Two of my uncles have been identified with newspaper publishing since 1905. One

of them, F. M. Lindsay, has been publisher of the Decatur Herald since 1912. This newspaper was a member of The Associated Press of Illinois and since 1900 has been a member of the defendant The Associated Press. In 1929, the Herald began publication of an evening paper using the telegraphic news services of the United Press and in 1931, the Decatur Herald and its evening competitor, the Decatur Review, were consolidated.

In September, 1932, Decatur Newspapers, Inc. purchased the East St. Louis Journal and in August, 1934, the Evening Courier at Urbana, Illinois. Since 1923, and especially since 1931, I have been familiar with the news reports of The Associated Press, United Press, International News Service and since 1938, with the services of Trans-Radio Press.

[fol. 2256] At the time Decatur Newspapers, Inc. purchased the East St. Louis Journal, its total paid circulation reported by the Audit Bureau of Circulations (for September, 1932) was 8,972 daily.

The A. B. C. publishers statement for March, 1943, gives the Journal a total paid circulation figure of 16,047 daily. Moreover, the circulation of the East St. Louis Journal, the only daily newspaper published in East St. Louis, is larger than the paid circulation of any other newspaper circulated in that city. The three daily newspapers published in St. Louis, Missouri, just across the river from East St. Louis, Illinois, maintain home carrier distribution service in East St. Louis and in several instances the metropolitan St. Louis newspapers and East St. Louis Journal are delivered by the same combination carriers.

The A. B. C. circulation figures for the East St. Louis city zone of these newspapers, according to the audit reports of September 30, 1942, are:

St. Louis Star-Times	7,542
St. Louis Globe Democrat	6,101
St. Louis Post Dispatch	5,584
East St. Louis Journal	12,896

In September, 1932, the East St. Louis Journal used the telegraphic news reports of the United Press and continued to do so until January, 1935. The Journal used the telegraphic news reports of International News Service from October, 1933, until November, 1938; between January,

1935 and June, 1938, it used the telegraphic news reports of the International News Service exclusively.

Between June, 1938 and April, 1941, the Journal received telegraphic news reports of Trans-Radio Press and between November, 1938 and April, 1941, it used the telegraphic news reports of Trans-Radio Press exclusively. Since April, 1941, and up to and including this date (June 9, 1943) it has used the telegraphic news reports of the United Press exclusively.

[fol. 2257] During all this period, since September, 1932, the paid circulation of the East St. Louis Journal moved upward and is today continuing to gain.

In September, 1932, and for a year after that date, the East St. Louis Journal operated at a deficit. Since 1934, and for each year since up to and including this date (June 9, 1943) the East St. Louis Journal has operated at a profit.

From my experience as editor and a director of the East St. Louis Journal since 1932, I state that the news service of the United Press which has been delivered to the East St. Louis Journal is adequate for the successful publishing of that newspaper in East St. Louis.

Moreover, the news reports of the International News Service and Trans-Radio Press each have been used exclusively by the Journal in East St. Louis without any loss in circulation or advertising patronage. The circulation of the Journal continued to increase during the periods when the news reports of the International News Service and of Trans-Radio Press were used exclusively.

The second largest paid circulation in East St. Louis city zone according to the reports of the Audit Bureau of Circulations is that of the St. Louis Star-Times, which is not a member of The Associated Press. The two Associated Press member newspapers offering daily home delivery carrier services in East St. Louis have approximately half of the circulation of the East St. Louis Journal and substantially less than the circulation of the St. Louis Star-Times.

The East St. Louis Journal has subscribed to news photo mat service of the Acme Newspictures, Inc. since 1938. The delivery of picture mats by mail and by express has been prompt and the picture coverage offered by Acme has been satisfactory in quality and in subject matter.

In August of 1934, the Evening Courier at Urbana was using news reports of the United Press and had been for many years. It was not a member of The Associated Press. Late in 1935, this newspaper made application to the Board [fol. 2258] of Directors of The Associated Press for election to membership in that organization. The Champaign News-Gazette, a member of The Associated Press, objected to the election of the Courier. Champaign and Urbana are twin cities with population of 20,000 and 12,000, respectively. In spite of the Champaign News-Gazette objection, the Board of Directors elected the Courier to membership in The Associated Press on January 9, 1936. I have been familiar with the news services received by the Evening Courier at Urbana since that paper has been published by Decatur Newspapers, Inc., since 1934. At the present time, the Decatur Herald, morning, the Decatur Daily Review, evening, and the Sunday Herald & Review are using the telegraphic news reports of The Associated Press exclusively.

At various times in the past, these newspapers have used, in addition to The Associated Press, the telegraphic news services of the United Press and the International News Service. Both papers were original members of the defendant The Associated Press in 1900 and both were members of the Associated Press of Illinois. The Decatur Herald had a contract for the telegraphic news reports of the United Press for the day reports and night reports from October, 1927 to December, 1933. Between January 1, 1929 and September 1, 1933, this was the only telegraphic news report available for use in its evening edition. The Decatur Daily Review used the telegraphic news reports of the International News Service from September, 1933 to November, 1938. Both the Decatur Herald and the Decatur Daily Review used day and night telegraphic news reports of the United Press from January, 1935 to June, 1936. During this period three telegraphic news services were available to the evening Daily Review (AP, UP and INS) and two telegraphic services were available to the morning Decatur Herald (AP and UP). During all of this period, I have been familiar with the news services used by these newspapers in connection with my duties as their editor. I have [fol. 2259] been familiar with the news services used in the publication of morning newspapers since 1923, and espe-

cially since 1927, when I became director of the Decatur Herald.

As an editor and director of a morning newspaper, I have been impressed with the difficulties of getting adequate telegraphic news services from any of the news agencies whose services are available.

In Illinois, the state capital bureaus of all of the news agencies of AP, UP and INS are closed at night. The Chicago and St. Louis bureaus of all news agencies operate at night with skeleton staffs. Most of the 7 newspapers in the State of Illinois publishing morning editions have skeleton staffs. Chicago, Decatur, Rockford, Springfield and Urbana, (during most of the year the morning student paper at the University of Illinois, "The Daily Illini", is published) are the only cities in which morning papers operate with full staffs that attempt to cover all of the news of their communities. This makes it necessary for any morning newspaper operating in Illinois to maintain a large staff of string correspondents throughout the territory in which it circulates and to make exchange of news arrangements with other morning newspapers, without regard to membership or contracts for telegraphic news agency reports in order to get prompt and adequate coverage of many amateur sporting events and minor league baseball reports.

No picture agency, with its staff photographers or through its member or client newspapers, makes any pretense at giving adequate news-picture-coverage of Illinois outside of Chicago. No news picture agency has a staff photographer assigned to even the state capital city during legislative sessions or at any other time. From my experience as editor and a director of four newspapers located in three cities in Illinois, it is my opinion that the success or failure of a newspaper is not dependent on the news agency service or the picture agency service that the newspaper receives or does not receive.

[fol. 2260] I have been the representative of Decatur Newspapers, Inc. in The Associated Press for the Decatur Herald since 1931, and for the Evening Courier, Urbana, since 1936. I have been in intimate touch with the personnel of The Associated Press, including both members and employees, during all that period. I regularly attend the Illinois state meetings of The Associated Press, the annual meetings of The Associated Press and the annual

meetings of The Associated Press Managing Editors' Association.

It is my opinion that the comprehensiveness of The Associated Press news and picture services is dependent in large measure upon the willingness of its members to expend time, effort and money in getting the news and pictures of their respective territories and in furnishing them to The Associated Press.

An instance of this was the coverage of a plane crash in February, 1943, in Clinton, Illinois. The first report of this accident came after the morning Decatur Herald had gone to press. Since no report could be published until the next afternoon, I had decided not to send a reporter or photographer to the scene until the following morning. All men who were available would have to be paid time and a half to cover the story. However, in response to a telephoned request from The Associated Press Chicago bureau, I sent both a photographer and reporter to the scene. The Decatur Newspapers, Inc. bore the entire cost of this extraordinary coverage for The Associated Press after it had decided it would not expend the time and money for this news coverage for itself. The Decatur Newspapers, Inc. was willing to perform this service because it knows that the comprehensiveness of the news coverage of a cooperative news agency like The Associated Press is dependent upon the loyalty and cooperation of its members and their willingness to expend time, effort and money in gathering news and pictures even beyond their obligation under the by-laws to do so.

[fol. 2261] Another example is the election news coverage supplied to The Associated Press on election nights by the Decatur Herald & Review. On election nights, the Decatur Herald & Review covers ten central Illinois counties, a territory far larger than 30 miles from the city of Decatur. It is necessary for these newspapers to employ special representatives at their own expense to gather election reports promptly. These returns are telephoned to The Associated Press bureaus at Springfield and Chicago as they are received and many hours before their first publication in the morning edition of the Decatur Herald.

If The Associated Press were forced to admit to membership any and all newspapers which applied, it is my opinion that it would not be possible for the organization

to retain the loyalty and cooperation of the individual members nor would it be able to maintain its standard of news coverage. The result would be a gradual deterioration in the completeness, accuracy and unbiased character of the present report. This, in turn, would require that individual newspapers spend large sums of money in order that the news published by them continue to be complete, accurate and unbiased.

(S) Edward Lindsay.

Sworn to before me this 9th day of June, 1943. Pearl
E. Loeber, Notary Public. (Seal.)

[fol. 2262] AFFIDAVIT OF WILLIAM R. MATHEWS

STATE OF ARIZONA,
County of Pima, ss.:

First having been duly sworn, William R. Mathews, from his personal knowledge, deposes that the following facts are true:

My name is William R. Mathews. I am the editor and publisher of the Arizona Daily Star of Tucson, Pima County, Arizona. I have been more or less raised in the newspaper business but my professional experience began in San Francisco on the San Francisco Chronicle in 1919, as an advertising solicitor. In the fall of 1920 I went to Santa Barbara, California, where for four years I was business manager of the Santa Barbara Morning Press. In the fall of 1924 I joined Ralph Ellinwood in buying The Arizona Daily Star. I was general manager, he was editor. At his death in 1930 I became the editor and publisher.

There are two newspapers published in Tucson: The Arizona Daily Star, a morning paper with a circulation of 14,180 and a 16,995 Sunday circulation. The evening paper, Tucson Daily Citizen, has a circulation of 13,669.

The 1940 census gave Tucson a population of 37,000. This does not present an accurate picture because most of the growth between 1930 and 1940 really went on not in, but just beyond, the Tucson city limits, so that the population of what may fairly be called our city carrier limits would amount to between fifty and fifty-five thousand in

1940. Until about that year, Tucson's biggest asset was as a health resort and as a winter resort. The recognition of Tucson as a health resort has accounted for its great growth in the last twenty years.

The University of Arizona, with a normal enrollment of twenty-five hundred students, the Southern Pacific shops, nearly a dozen private schools catering largely to children seeking health, and the fact that this is the center of a vast cattle raising district accounts, in a great measure, for the size and prosperity of Tucson.

[fol. 2263] It is about the best place in the country for air training since practically no time is lost on account of weather. Tucson has an enormous operational training base for B-24 Liberators, a Ryan primary school, an army basic flying school and two private schools, one of them under contract with the navy. In addition, it has a navy indoctrination school, located at the University, with 1,000 officers maintained there at all times.

As a result of this development, Tucson and Pima county have issued over 80,000 ration books.

The Star was a member of the Illinois Associated Press and it is a charter member of The Associated Press, defendant in this suit. For the past twenty years The Star has taken the regular wire service of The Associated Press. As a member it has a voice in the policies and management. As a member of the smaller group it has representatives on the Board of Directors.

I have been particularly interested in The Associated Press because I have at all times taken seriously its cooperative nature and the democracy of its management. I have found not only the district bureau offices but the New York offices extremely sensitive to small papers such as my own. Almost invariably when I ask anything in the way of news coverage I get it.

The regional news service which was developed by The Associated Press a few years ago and upon which there is no patent or copyright, has been particularly appealing to the small papers, but even more important is its long established reputation for reliability. Another news service might establish a similar reputation but it would take time and in my judgment and experience it would not be as satisfactory due to the fact that ours is a cooperative and not a commercial enterprise. There is an assurance of permanency in being a member of The Associated Press.

The important cooperative feature depends on real cooperation. Sending out local news of regional or national importance affords the smaller papers the opportunity to [fol. 2264] cooperate and balance the small monetary cost as compared to the assessments on the great metropolitan papers. The records of our Phoenix bureau will show what a good job of cooperation the Arizona papers have done year after year. I can cite several instances in which I was personally involved. The two following illustrations are sufficient:

When the Dillinger gang was captured in Tucson in January, 1934, I was at the police station when John Dillinger and two of his mates were being booked. When he was being searched, finger printed and mugged, I was beside the identification officer who was going through a pile of pictures of wanted criminals. Through these pictures and a scar on Dillinger's left side and one on his wrist, the identification was certain. The United Press man and the Chicago Tribune representative were outside in the general police lobby. I called one of our men, whispered to him that we had Dillinger and told him to get The AP in Phoenix on the telephone and give them the news. By this means The Associated Press made a clean thirty-minute beat on the other news services. It was able to do this because as a publisher I took seriously the cooperative feature that enjoins each member paper to strong news service by doing its share. There is an appeal about a cooperative—an organization in which you are and own a part—that simply does not exist in a commercial news agency.

The illness of General Pershing is another instance. It happened that I knew the family intimately. I was able to give The Associated Press beat after beat despite the fact that there was a mob of special correspondents waiting in a building fifty yards away, and this included men from as far east as the New York Times. The Associated Press was able to do this because a member took seriously the fact that much of the success and prestige of The Associated Press is due to the emphasis upon the cooperative spirit exemplified by each member regularly doing his part.

[fol. 2265] I could give a long list of less important instances where The Associated Press was able to make its beat, notwithstanding the other news services maintained local correspondents.

However, it is thrift, enterprise, and sound management and knowing news and sensing reader appeal that makes a successful newspaper. The Associated Press cannot make it.

At the period when I was working in California, 1920-1924, an outstandingly successful paper, the Santa Ana Register, used United Press in the face of the hottest kind of competition from the great city of Los Angeles only fifteen miles away. The Pasadena Star News built its successful enterprise on the United Press alone, in spite of Associated Press competition in Los Angeles only a few miles away. Later the Pasadena Star-News bought up the unsuccessful Pasadena Post which had an Associated Press membership.

The San Jose Mercury-Herald, during that same period, was a most successful paper, and it used only the United Press.

The Riverside, California, Press, an evening paper with only United Press service, has always been a conspicuous success. Some time after 1926-1927 the Riverside Press took on The Associated Press. Within recent years it has dispensed with The Associated Press and uses only the United Press. I repeat that it is a success.

Getting back to Arizona, the Yuma membership of The Associated Press, both morning and evening, has gone begging for years. The Yuma Sun has gotten along with a United Press membership. The old morning paper that would have an Associated Press membership was switched to an evening paper with The Associated Press membership dropped in favor of a United Press membership. Yuma is a city of approximately eight thousand. In Douglas, a city of about 8,700, the evening Associated Press membership is open to anybody. In Prescott, the population a [fol. 2266] little better than 6,000, the morning Associated Press membership is open; the same is true of Nogales, a city of something over 5,000.

As a working newspaper editor and publisher, I say that I have contributed my share to the building up of Associated Press and part of it is mine. What I have helped to build up here at Tucson is worth something. It is an earned value. If membership in a cooperative organization which I have helped to build up over a long period of years can be made available to any applicant who wants to launch a paper for the purpose of accomplishing some

selfish end, e. g., political ambition, public utility, spite, or the furtherance of the Ku Klux Klan, then I must share freely a business asset that I have helped to create by hard work. This would place small publishers throughout the country at the mercy of unscrupulous business and political interests who could come in and make use of and enjoy a valuable asset that they have done nothing to create.

William R. Mathews.

Sworn to before me and subscribed to this 5th day
of June, 1943. Lenna H. Burges, Notary Public.
(Seal.)

[fol. 2267] AFFIDAVIT OF FRED SCHILPLIN

STATE OF MINNESOTA,
County of Stearns, ss:

Having been sworn, Fred Schilplin, on his personal knowledge of the facts set forth, deposes as follows:

My name is Fred Schilplin, I have been in the newspaper business all my life—filling every position from a press apprentice at \$2.50 a week, through foreman, reporter, editor, business manager, and part owner.

I started in the newspaper business when I was thirteen years old and I have been in it ever since. The building of the St. Cloud Daily Times has been my life work. I am now president, Editor, and publisher of the Times Publishing Company, which publishes the St. Cloud Daily Times, an evening paper in St. Cloud, Stearns County, Minnesota.

The population of Stearns County is, in round numbers, 67,000; that of St. Cloud about 25,000. Ours is the largest butter producing county in the world. Agriculture is its first and greatest industry. St. Cloud is on the Mississippi. Much hydro-electric power is developed. It is the second largest granite center in the United States, has a large paper mill, aeroplane replacement parts factory, and the general repair shops of the Great Northern Railway System.

The St. Cloud Daily Times is a member of the Associated Press. A value of such a membership is that the members realize that the Associated Press is their own news service.

It belongs to us. It is not conducted for the purpose of making money for somebody else. In my long life I have seen and studied many co-operatives. This one comes nearer approaching my ideal of a co-operation than any of the numerous others with which I have been closely acquainted. It is not conducted for the purpose of making money for some private individual or corporation. The smaller members take a pride in it and even at no little occasional expense are proud to furnish the news from [fol. 2268] their own vicinage because they know that other members do the same for them. Experience has given them confidence that the news disseminated is correct, truthful, and without bias.

A great value of an Associated Press membership to the smaller newspaper is that it places the smaller newspapers in position to give their subscribers and the community they serve exactly the same kind of a news service that is furnished the metropolitan members throughout the land. It is of further value because of its pictures, feature service, and its comics. I want to comment on this matter of comics: comics become valuable to newspapers and become popular only through continued repetition. The readers insist upon having comics. To a larger proportion than maybe I would like to admit, comics are the most important part of the paper. This is a fact and there is no use trying to fight it with the theory that it ought not to be so. If I use the Associated Press Comics, because of my membership I am assured that they will not be taken away from me.

Being adjacent to a metropolitan center which is competitive, both in business, trade, and news discrimination, a distinct advantage to the smaller paper lies in the fact that it can boldly and truthfully say to the people of its community, we can serve you with the same news as the big metropolitan newspapers, whether in Twin Cities or anywhere else as far as world, nation, and state news is concerned, *but* in addition to that we furnish you with local news of your people and mine, your interests and mine, and we can afford to give you this additional local service because we distribute news of transcendent importance about our community to all the other member newspapers of the Associated Press, who in the same way serve our paper.

It is not true that a daily newspaper cannot be successfully published without an Associated Press membership. From 1892 and for a period of many years two daily news-

1844

[fol. 2269] papers were published in St. Cloud—The St. Cloud Daily Journal Press and The St. Cloud Daily Times. Neither of them had an Associated Press membership. Both were served by the United Press.

Fred Schilplin.

Sworn to and subscribed before me this 19th day
of June 1943. Otto A. Rupp, Notary Public.
(Seal.)

[fol. 2270] AFFIDAVIT OF JAMES TODD

STATE OF MISSOURI,
Randolph County, ss:

James Todd, having been duly sworn, deposes as to the truth of the following facts:

My name is James Todd. I have been in the newspaper business since 1907. My father died that year and I succeeded him to the management of the Nodaway Democrat, a weekly newspaper published in Maryville, Nodaway County, Missouri. In 1910 the Democrat, the Nodaway Forum, and the Maryville Republican were merged into one paper named The Maryville Democrat-Forum, with both daily and weekly editions. Maryville in 1910 had a population of about 5,000. During world war one it had the Western Union bulletin for a short time and then secured the International News Service—pony report. In 1925 we purchased the Tribune there in Maryville, thus making the Democrat-Forum the only daily paper. In that merger we took over the United Press service and had it until we disposed of the Maryville property in June 1928.

At his death in May 1929, I succeeded the late W. C. Van Cleve as president and general manager of the Moberly Index Printing Co., Moberly, Mo. I had been associated with Mr. Van Cleve in the Moberly property since July 1, 1919, when we had purchased and merged the Moberly Monitor and the Moberly Index. In 1925 we purchased the Moberly Evening Democrat. The name of the paper is Moberly Monitor-Index. It is published each evening except Sunday. According to Audit Bureau of Circulation, the present circulation is 6,975. It is a member of the Associated Press and has its service as well as its

features and comics. It has been a member since 1919, when it took over the membership of the former Moberly Monitor. Full wire service was taken in 1922. The Monitor-Index serves a territory comprising Randolph and the adjoining Counties of Monroe, Chariton, and Howard. There is no other daily newspaper in this County, but the [fol. 2271] great St. Louis and Kansas City papers circulate in Randolph County. They have to be reckoned with and serve to keep the Monitor-Index on its mettle. According to the 1940 census, the population of Moberly was 12,920 and that of Randolph County was 24,455. The industries of the County are agriculture, live stock, poultry, large bituminous coal mines, a strip coal field, silk hosiery plant, shoe factory, cheese, and other dairy products. It is a division point of the Wabash Railroad System.

A newspaper in a small town such as Moberly, to be successful, must be operated with constant economy. It must at all times have what I would call thrifty business management. Such a paper stresses local news coverage, but it must have enough national and world-wide news to accurately acquaint its readers with the great movements, military and civil, throughout this country and overseas. Without such news, the paper could not be successful if it were forced to depend upon its local news. Of course, such a paper could not afford to have representatives in Washington or to have reporters on the war fronts in foreign countries. To survive in the newspaper business, a paper must make a profit. Whether it should be or not, nevertheless it is a fact that a small paper must have comics and, further, it must have some features. This is true even though the paper constantly stresses the local news. For instance, the Monitor-Index for years has had a farm page each Wednesday and a church page each Saturday. This is good business, but the space thereby taken up makes it the more necessary that the outside news should be carefully filtered and then selections made. (The Monitor-Index is published every evening except Sunday.) Definitely it is not of primary importance whether the paper is a member of the Associated Press or whether it is a subscriber to the International News Service or to the United Press service. A paper can utilize but a very small part of the very large amount of news furnished by any of these services. All three of them are good. We operated the Maryville Democrat-Forum successfully with the International

News Service pony report. Later we operated it with success using the United Press service.

Our experience is not an isolated illustration. Kirksville, Mo. has a population of 10,080. The Daily Express in Kirksville has a circulation of 4,938. It is a good paper and for years it has used only the United Press news. It could have the Associated Press service. Independence, Mo. has a population of around 17,000. The Examiner—and it is right in the Kansas City area—is successfully run with the United Press news service. So is the Lexington, Mo. Advertiser-News. The population is about 5,500.

The definite value of a membership in the Associated Press is that it is a membership in a cooperative organization. A member even as small as my paper has a vote in the management of the Associated Press. It is a part owner. Among the directors are three who are its special representatives. If we have any complaints—and we do—we can present them and get action. We can rely on every other paper that is a member working in the interest of our paper. We do the same for them. The by-laws exact this of its members. The pride of ownership and the very fact that it is a co-operative has built up a most valuable organization. We are working for ourselves but in a spirit of loyalty that redounds to the benefit of our fellow members.

We have laboriously built up a splendid state organization. Because it is mutual, it serves us well.

A small paper that is fighting for its livelihood and competing with large papers in great cities has so much competition that it is entitled to some protection on its investment and on the reputation that it has taken years to build. If someone wishes to start a paper in a rural locality through spite at the Mayor or school board or to foster a public utility or to send his boy to Congress, our paper is jeopardized. This newcomer may not really be a newspaper man. His intent may be to run the paper [fol. 2273] temporarily and then quit. Nevertheless, we are hurt. There is a definite insurance in being able to say we have the prestige of a membership in the Associated Press and in knowing that such an adventurer cannot enjoy that service. Such an aspirant as I have described could afford the immediate financial cost of a small paper

but our membership in the Associated Press to some extent is a protection. The smaller members are entitled to protection against such fly-by-nights. They get it.

James Todd.

Sworn to and subscribed before me this 10th day of June, 1943. E. F. Gutekunst. Notary Public. (Seal).

[fol. 2274] AFFIDAVIT OF PAUL MILLER

CITY OF WASHINGTON,
District of Columbia, ss:

Paul Miller, being duly sworn, says:

I am employed by The Associated Press as Chief of Bureau at Washington, D. C. I have been connected with The Associated Press for over 10 years.

On or about August 1, 1941, at the time The Associated Press acquired Wide World Photos, Inc., from the New York Times, I became Vice President thereof and was actively in charge of its operations until the latter part of June, 1942.

The New York Times, shortly after The Associated Press acquired Wide World, furnished a list of customers which had been served by Wide World when it was operated by the New York Times. This list showed that Wide World had been furnishing a news picture service either in print or mat form to approximately 120 clients who more or less regularly subscribed to its service. Of these approximately only 60 were daily English-language newspapers published in the United States.

Of the approximately 60 daily English-language newspapers being served by Wide World, approximately only 20 subscribed to a photoprint picture service and about 40 to the mat service. We further learned that of the 40 daily English-language newspapers subscribing to the mat service only about 25 received a full matted page of news pictures every day, approximately 4 received a full page of news picture mats 3 days a week, and the balance of subscribers 1 page of mats either semi-weekly, weekly or monthly.

The clients, other than English-language newspapers published in the United States, consisted mainly of maga-

zines, news picture services, religious publications and foreign newspapers. Of the total of subscribers, only 10 had contract arrangements with Wide World.

[fol. 2275] Some time after the acquisition of Wide World, around March 1942, The Associated Press was furnished with certain financial statements of Wide World for the period January 1941 to July 30, 1941. Copies of these are attached hereto and marked Exhibits A and B. From these statements it appeared that Wide World Photos, Inc., under New York Times operation, had suffered a loss for the first six months of 1941 of a total of \$11,109 and that its deficit was \$141,035.33.

In contacts with the customers of Wide World, it soon was learned that the New York Times had charged very low rates for its mat service—rates which in many cases appeared to bear no relation to the actual cost of furnishing the service but to be fixed on more or less of a salvage basis.

When the service was taken over, plans were devised for specialized development of the matted pages of Wide World, and the editors undertook to shape the service into one of greater appeal and value. Meantime, higher rates were fixed consistent with the high quality of the service and cost of production. Subscribers and prospective subscribers were advised of the plans for the service with the frank explanation that whether it went ahead as planned depended altogether on whether it received sufficient response and support.

In analyzing the costs of the mat service, it was found that, despite operational economies immediately effected, it still was operating at a loss of more than \$90 a week in November 1941. Actually, the loss was greater, as was found in due course, because some of the subscribers taken over from the old Wide World were in arrears at the time of acquisition and continued as irregular accounts until it was found that they could not be brought to a regular payment basis.

By December 1941, analysis of the operating cost and income of the mat service as reported by the Treasurer showed that the operating cost was running at approximately \$656 per week with an income from subscribers of [fol. 2276] approximately \$481 a week, resulting in a deficit of approximately \$175 a week. It was decided, however, to

continue with the reorganization and attempted improvement of the service, the plans involving its further development as a quality-picture page mat, the value of which would lie chiefly in its merit in augmentation of a mat service in the spot picture field.

On December 10, 1941, notice was given to the mat subscribers who were not members of The Associated Press that the mat service could not be continued to them after the end of the year.

Every effort was made, however, to accommodate all of these customers in every way feasible.

Some of the customers to whom notice was given said that the notice was too short in that they feared they could not arrange for another service in the length of time. Accordingly, all such were told that they would be carried longer.

Deficits continued, and after Pearl Harbor salesmen for the mat service reported that the war and prospects of restrictions to come had sharply restricted interest in the full-page matted feature. This led to the conclusion that the deficits could not be overcome in a foreseeable reasonable period, and it, therefore, was decided to discontinue the mat service entirely as of February 7, 1942, to all customers, whether members of The Associated Press or not.

The photoprint service of Wide World, which as noted was the principal and primary service, was continued to all subscribers, whether members of The Associated Press or not.

To the best of my recollection, no newspaper customer of Wide World was ever informed that he could not be serviced by Wide World after its acquisition by The Associated Press solely because of the change in ownership. In fact, some of the customers of Wide World print service who continued to take the service were not members of The Associated Press, such as the newspaper PM, owned and [fol. 2277] published by Marshall Field in the City of New York. Some of the subscribers to Wide World voluntarily discontinued the service of Wide World after The Associated Press acquired it, and took other services, such as Acme or International News Photos.

Paul Miller.

Sworn to before me this 16th day of June, 1943. W.
J. Quinn, Jr., Notary Public. (Seal.)

EXHIBIT A

Wide World Photos, Inc.

Statement of Income and Profits and Loss, Seven Months
Ended July 31, 1941

Income

Wide World	\$194,892.31	
Studio	15,111.64	
Wire Photos	20,259.92	
Commercial	14,024.11	
Suspense Accounts	169.82	
Profit on Sale of Equipment	35.97	
Service	87,493.00	
Miscellaneous	547.26	
		<hr/>
		332,590.30

Expenses

Wide World	262,109.40	
Studio	22,198.76	
Wire Photos	43,202.27	
Commercial	13,624.30	341,134.73
		<hr/>

Operating Loss

8,544.43

Profit & Loss Charges

Adjustment Foreign Accts..	827.28	
Adjustment		
City Gross Receipt Tax ...	558.75	
Legal Fees—		
Patent Protection	1,178.54	2,564.57
		<hr/>

Loss for the Period 11,109.00

Auditing Dept.

Oct. 21, 1941

SJB/AM

[fol. 2278]

EXHIBIT B

Wide World Photos, Inc.

Balance Sheet
July 31—1941

Assets

Cash	\$15,775.95	
Notes Rec.		
Accts Rec. Photos	37,601.22	
Suspense	1,183.22	
Coll. Atty.	371.30	
Loans, N. Y. T.	58,100.00	
Deposit Ledger	1,232.08	
Invest N. Y. T. Ltd.	24,251.25	
N. Y. T. S. A.		
Advances	1,377.51	
Byrd Expedition	6,102.11	
Vichy Disbt. A/C	528.09	
Prepaid Expense	1,799.06	
Stationery	452.01	
Stores	3,192.09	
Photo Trans, Proc.	1,704.16	
Patent Protection	83.84	
Equipment	53,628.39	
Times Tele. Equipment Inc. .	57,067.19	\$252,234.75

Liabilities

Acct. Payable	18,954.97	
Taxes Payable	2,614.02	
Payroll Accr.		
Loans—N. Y. T.	190,534.90	
Royalty Reserve	1,375.00	
Uncredited Cash	432.98	
Reserve Bad Debts	770.00	
Reserve Coll. Atty.	371.30	
Reserve Depreciation	38,683.33	
Capital	122,469.80	
Surplus For. Corp'n.	28,183.18	
Surplus or Deficit	141,035.73	
Profit or loss	11,109.00	\$252,234.75

Auditing Dept.
Oct. 20, 1941
SJB/AM

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[fol. 2279] AFFIDAVIT OF MARY BAUER

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

Mary Bauer, being duly sworn, says:

I am employed by The Associated Press and have been so employed for the last eleven years. I am at present in charge of the assessment records of The Associated Press.

I have read Exhibit D referred to in the answer of The Associated Press to plaintiff's interrogatory No. 103, described therein as the names of customers of Wide World Photos, Inc., at the time The Associated Press acquired the stock of Wide World Photos, Inc.

I have checked the names of all English-language daily newspapers published in the United States appearing on Exhibit D against the assessment records of The Associated Press to determine which of such newspapers other than the New York Times were members of The Associated Press as of August 1, 1941, and of such, whether or not they took as of that date the newsphoto service of The Associated Press.

Attached hereto and marked Exhibit A is a list of the English-language daily newspapers published in the United States listed on Exhibit D which the records of The Associated Press show were members thereof as of August 1, 1941, and whether or not such newspapers were taking any form of news picture service of The Associated Press, such as Telemats, Wirephoto or Print Mail Service.

The name of "Southern California Associated Newspapers" which appears on Exhibit D as a client of Wide World has not been included in the check I made for the reason that I have no information available indicating which Associated Press member papers, if any, are included in that description and if there are, whether or not they received Wide World Service from the New York Times.

Mary Bauer.

Sworn to before me this 17th day of June, 1943. William M. Duson, Notary Public. (Seal.)

[fol. 2280]

EXHIBIT A

Daily English Language Newspapers—Customers of the Photo Service of Wide World Photos, Inc., Which Were Members of The Associated Press as of August 1, 1941 and AP Newsphoto Service Then Subscribed to by Such Associated Press Members:

Baltimore Sun	AP Wirephoto
Boston Herald Traveler	AP Wirephoto
Buffalo Courier Express	AP Wirephoto and Telemats
Chicago Daily News	AP Wirephoto
Chicago Daily Times	AP Wirephoto
Christian Science Monitor	
Cleveland Plain Dealer	AP Wirephoto
Detroit News	AP Wirephoto
Duluth Herald & News	
Tribune	AP Telemats
Los Angeles Examiner	AP Wirephoto
Minneapolis Tribune	AP Wirephoto
Pittsburg Post-Gazette	
Providence Journal	AP Wirephoto and Telemats
Springfield Republican	
Los Angeles Times	AP Wirephoto
Toledo Blade	AP Telemats
Youngstown Vindicator	AP Wirephoto
St. Louis Globe Democrat	AP Wirephoto

Daily English Language Newspapers—Customers of the Mat Service of Wide World Photos, Inc., Which Were Members of The Associated Press as of August 1, 1941 and AP Newsphoto Service Then Subscribed to by Such Associated Press Members:

Arkansas Gazette	AP Wirephoto
Charlestown Daily Mail	
Binghamton Press	AP Telemats
Chattanooga Times	AP Telemats
Danville Register Bee	AP Telemats
Easton Express	AP Telemats
Elizabeth Daily Journal	AP Telemats
[fol. 2281] Gloversville Leader	
Republican & Herald	AP Telemats

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Greenville News	AP Telemats
Ithaca Journal	
Lancaster New Era	AP Telemats
Lynchburg News & Advance	AP Telemats
Nebraska State Journal	AP Telemats
Reading Times	AP Telemats
The Record newspapers	AP Telemats
San Bernadino Sun-Telegram	AP Telemats
Schenectady Union Star	AP Telemats
Scranton Times	
Spokane Spokesman-Review	AP Wirephoto
Lewiston Sun Journal	
Wilmington News Journal	AP Telemats
Philadelphia Record	AP Newsphoto
New Britain Herald	AP Telemats
Pawtucket Times	AP Telemats
Pasadena Star News	AP Telemats

[fol. 2282] AFFIDAVIT OF BRUCE RAE

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

Bruce Rae being duly sworn, deposes and says:

I am and have been for some years assistant managing editor of The New York Times. I have been in the employ of The New York Times since 1909, and since 1939, included among my duties as assistant managing editor, I have been in charge of pictures used in the daily New York Times and the Sunday News Section of The Times. I am accordingly familiar with Wide World Photos, Inc. (hereinafter called Wide World), particularly during the latter years prior to its sale by The New York Times to the Associated Press.

Wide World was a wholly owned subsidiary of The New York Times. It was formed many years ago by the late Adolph S. Ochs, primarily for the purpose of furnishing pictures for use by The New York Times. As one of its operations, Wide World developed and printed pictures that were collected. The expense of the operation of such a picture-gathering agency and the collection, development and printing of such pictures was so substantial that Wide

World, in order to reduce the cost to The New York Times, proceeded to sell and offer for sale a picture service to newspapers and other agencies throughout the United States and in other parts of the world.

After Arthur Hays Sulzberger, the present publisher of The New York Times, succeeded the late Adolph S. Ochs, he proceeded to urge The New York Times to dispose of or to discontinue the various activities theretofore engaged in by The Times and not directly involved in the publication of the newspaper. For example, Current History Magazine, Midweek Pictorial and The Annalist were all divorced from Times operation. This left only Wide World and The New York Times Index, the latter being a monthly and annual digest of the news appearing in The New York Times, and [fol. 2283] therefore an integral and important part of the maintenance of The New York Times as the newspaper of record.

At the time Wide World was organized and for many years thereafter it rendered a most important service to The New York Times, of a character which The New York Times could not obtain from the Associated Press. However, in the 1930s the Associated Press developed its own picture service and was thereafter in a position adequately to service The New York Times with necessary pictures.

It should be noted that to all practical intents and purposes there is today no such thing as an exclusive picture. It may, it is true, occasionally happen that some lone photographer is on the spot and obtains a unique picture, but this is such a rare occurrence that it can be disregarded in the day-to-day operation of a newspaper. Normally, a whole group of photographers are on the scene of any important event and no one has an exclusive picture. This became an important factor in concluding that the Associated Press service would be entirely adequate for The Times. Furthermore, and perhaps most important, The Times was paying much more for its pictures through the operation of Wide World than The Times would have paid by subscribing to the Associated Press picture service plus the Associated Press wire photo service. The Times also could always supplement its pictures if necessary through purchases from International News Photos and many other picture agencies.

The pictures which The Times obtained from Wide World were excellent pictures. From the technical standpoint the operation was of the highest order. Wide World had developed its own system of wire transmission of photographs which in many respects was superior to the system employed by the Associated Press. The customers to whom Wide World sold pictures were satisfied customers. But the cost to The New York Times of the Wide World operation was unnecessarily excessive.

[fol. 2284] I personally conducted a survey, at the request of the publisher of The Times, of the Wide World operation and the cost to The New York Times thereof. I reached the conclusion that the Wide World operation was costing The New York Times from \$200,000 to \$500,000 a year over a number of years. At no time was Wide World a profitable operation, since in every year its expenditures exceeded its income. I was convinced and recommended that by subscribing to the Associated Press wire photo service in addition to the regular picture service The New York Times would save approximately \$200,000 a year on pictures. It was, therefore, concluded to endeavor to dispose of Wide World.

One valuable asset of Wide World was its picture file built up over the years. When some person dies who has not been prominent in the news during recent years but who once was, it is possible to turn to such a file and obtain a picture. When a news event occurs in some out of the way place, it is often possible to procure some picture from such a file. Wide World had a very complete picture file, while the Associated Press file, due to its late start, was considerably less adequate.

There ensued negotiations between the Associated Press and Wide World, which culminated in an agreement whereby the Associated Press purchased from The New York Times for the sum of \$250,000 all of the capital stock of Wide World, The Times retaining its wire photo transmission equipment and manufacturing process and also retaining free access to the picture file it was transferring to the Associated Press. The Associated Press obtained through its purchase of the stock and news photograph business of Wide World, the name and good will of Wide World, and its trademark registration, as well as Wide World's then existing

picture contracts. The Times agreed for a period of fifteen years following July 31, 1941, the date of the sale, not to sell news pictures in North, Central and South America and [fol. 2285] the possessions of the United States, and to discontinue the use of the name Wide World Photos throughout that area.

I believe that since July 31, 1941 The Times has been adequately serviced with pictures at much less cost than if it had continued to operate Wide World.

Bruce Rae.

Sworn to before me this 21st day of June, 1943.
Samuel Black, Notary Public. (Seal.)

[fol. 2286] 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:

Annexed hereto and marked Exhibit 1 is a copy of the charter and by-laws, as amended to the present time, of The Canadian Press, a corporation organized under the laws of the Dominion of Canada.

In addition to the refusal of applications for membership made prior to 1917, when The Canadian Press assumed its present form, and in addition to applications refused because not in proper form or not accompanied by tender of admission fees or not considered eligible for membership at all, the following applications for membership in The Canadian Press have been refused at the times and for the reasons stated:

April 30, 1923—Application by Andrew Haydon for membership of the projected Ottawa Evening Capital. This was refused on the ground that a sixth daily paper

was not required in Ottawa in the interests of the citizens and was not a commercially feasible proposition.

October 8, 1923—C. Cliffe's application for membership of the Sault Ste. Marie News, Ontario, refused because the Board of Directors did not think there was sufficient reason for a second member at Sault Ste. Marie.

April 28, 1925—A protest by the St. John Telegraph-Journal was sustained and the application of Messrs. O'Leary and Conlon for morning membership was not granted.

April 28, 1930—Application by R. A. Addison, of Sudbury Citizen, for evening pony paper membership. This was refused on the ground that the field was already being covered by an existing member who had requested a leased wire service in order to resume daily publication.

October 22, 1934—Application of M. O. Campbell for an evening paper leased wire membership in Windsor, Ontario, was refused because the Board of Directors was convinced the granting of the application would not be compatible with sound business principles and that an establishment of the proposed newspaper was not possible as a commercially profitable organization.

/s/ J. A. McNeil.

Sworn to before me this 11th day of June, 1943.
John Robinette, Notary Public. (Seal.)

[fol. 2288]

EXHIBIT 1

The Canadian Press
[charter and by-laws]

Charter

Statutes of Canada
13-14 George V, Chapter 102

An Act Respecting
Canadian Press Limited
(Assented to 13th June, 1923)

Whereas Canadian Press Limited has by its Preamble.
petition represented that it is incorporated under
the *Companies Act*, chapter seventy-nine of the
Revised Statutes of Canada, 1906, by Letters
Patent dated the eighteenth day of November,
nineteen hundred and ten, for the purposes and
with the powers therein mentioned and has prayed
that its name may be changed to "The Canadian
Press," and that it may be converted into a corpo-
ration without share capital, that the terms of
membership therein may be defined, and its pow-
ers otherwise amended; and it is expedient to
grant the prayer of the said petition: Therefore
His Majesty, by and with the advice and consent
of the Senate and House of Commons of Canada,
enacts as follows:

1. The name of the Company mentioned in the Change of
name and
rights saved.
preamble, hereinafter called "the Corporation",
is changed to "The Canadian Press", but such
change of name shall not in any way impair, alter
or affect the rights, powers or liabilities of the
Corporation, nor in any way affect any suit or pro-
ceeding now pending or judgment existing either
by or in favour of, or against the Corporation
which, notwithstanding such change of name, may
[fol. 2289] be prosecuted, continued, completed
and enforced as if this Act had not been passed.

2. (1) The Corporation is hereby converted Share
capital
from a company with share capital to a corpora-
tion without share capital.

Qualification
for membership.

(2) Every person who at the time of the passing of this Act is the holder of one share of its capital stock of the par value of one hundred dollars and who has paid ten per centum of such par value shall be a member of the Corporation without further payment.

Membership
in the
Corporation.

3. Membership in the Corporation shall be confined to sole or part owners of daily newspapers published in Canada, to specially appointed employees of such owner or owners, and to executive officers or other specially appointed officers or employees of incorporated companies, being the owners of daily newspapers published in Canada, and the membership of such sole or part owners, executive officers or other specially appointed officers or employees shall continue only so long as the newspapers which they represent comply with the by-laws of the Corporation from time to time in force regarding membership, news service and the affairs generally of the Corporation, and each daily newspaper published in Canada shall be entitled to only one representative as a member of the Corporation at any one time.

Business
not to be
for gain

4. The business of the Corporation shall not be carried on for the purpose of gain and any surplus or profit arising from the Corporation's business shall not be distributed among its members but shall be applied in furtherance of the Corporation's activities in such manner as the directors shall decide.

Provisions of
Companies Act
not applicable
to Corporation.

5. The provisions of sections seven, seven A, seven B, eight, nine, twenty-six, thirty-three, thirty-eight to forty-three, both inclusive, forty-[fol. 2290] three A to forty-three D, both inclusive, forty-five to fifty-four, both inclusive, fifty-four A to fifty-four F, both inclusive, fifty-five to sixty-eight, both inclusive, sixty-eight A, seventy to seventy-eight, both inclusive, eighty to eighty-four, both inclusive, eighty-six to eighty-eight, both inclusive, paragraphs (d) and (e) of section eighty-nine, section ninety, ninety-four A to ninety-four C, both inclusive, one hundred and one to one

hundred and four, both inclusive, paragraphs (j) and (k) of subsection two of section one hundred and five, and sections one hundred and fourteen, one hundred and fifteen of the *Companies Act* shall not apply to the Corporation; provided however, that any amendments which may hereafter be made to the *Companies Act* which are applicable to Corporations without purpose of gain shall apply to the Corporation.

6. The remaining provisions of Part I of the *Companies Act* shall apply to the Corporation and in applying such sections:

- (a) the word "company" shall, be deemed to include the Corporation; Provisions of Part I of the Companies Act applicable.
- (b) the word "shareholder" shall be deemed to mean a member of the Corporation;
- (c) a provision that the votes of shareholders representing a specified proportion in value of the stock of the company shall be requisite for any purpose shall be deemed to mean that the votes of a like proportion in number of the members of the Corporation are requisite for that purpose.

7. The Corporation shall have the following powers in lieu of those conferred by the Letters Patent by which it was incorporated: Powers of Corporation.

- (a) to carry on the business of a news agency in all its branches and for that purpose to collect and gather news by cable, telegraph, [fol. 2291] telephone, wireless or any other means either through its own agents or through its members and the newspapers owned or represented by them or by any other appropriate means and to distribute such news on a co-operative basis among and for the use of its members for publication in newspapers owned or represented by them subject to such rules, regulations and conditions as may be prescribed from time to time by the by-laws of the Corporation; Business of news agency, etc.

- | | |
|--|--|
| Contracts,
etc. | (b) to enter into contracts and arrangements with any other person, firm or corporation carrying on a like business for the exchange of news; |
| Means for
transmission
of news, etc. | (c) to purchase, install, lease, own and operate means for the transmission of news including telephones, telegraph instruments, wireless instruments and other apparatus for long distance communication; |
| Shares, etc.,
in other
companies. | (d) to purchase, take or otherwise acquire by original subscription or otherwise, and to hold, sell or otherwise dispose of shares of capital stock whether common or preferred, debentures, bonds, and other securities in any other company or corporation having objects and powers similar in whole or in part to the objects and powers of this Corporation, or carrying on any business capable of being conducted so as to directly or indirectly benefit this Corporation and while holders of such shares to exercise all the rights and privileges of ownership including the right to vote thereon through such agent or agents as the directors may appoint notwithstanding the provisions of section forty-four of the <i>Companies Act</i> ; |
| Amalgamation. | (e) to amalgamate with any other company or corporation having objects similar to those of this Corporation; |
| General. | [fol. 2292] (f) to do all such acts, matters, and things as are incidental or necessary to the due attaining of the above objects or any of them. |
| By-laws. | 8. The Corporation may from time to time make, repeal, amend, or re-enact by-laws or regulations, not contrary to law or inconsistent with the provisions of this Act, providing for the conduct of the affairs of the Corporation, and particularly for the following matters: |
| Membership. | (a) conditions of membership; |

- (b) mode of holding meetings, rights of voting and of making, repealing or amending by-laws or regulations; Meetings, etc
- (c) appointment and removal of the directors, trustees, committee of officers, and their respective powers and remuneration; Appointments and remunerations.
- (d) provision for audit of accounts and appointment of auditors; Audit.
- (e) determination whether or how members may withdraw from the Corporation; Withdrawal of members.
- (f) provision for custody of seal and certifying of documents issued by the Corporation. Seal, etc.

[fol. 2293]

BY-LAWS

ARTICLE I

Objects

The Canadian Press is the mutual, co-operative and non-profit-making news gathering and distributing association of its members, being daily newspaper publishers of the Dominion of Canada, its functions being set forth in the Statute of Canada by which it was established as a corporation without share capital, 13-14 George V, Chapter 102, assented to June 13, 1923, as follows:

- (a) To carry on the business of a news agency in all its branches and for that purpose to collect and gather news by cable, telegraph, telephone, wireless or any other means either through its own agents or through its members and the newspapers owned or represented by them or by any other appropriate means and to distribute such news on a co-operative basis among and for the use of its members for publication in newspapers owned or represented by them subject to such rules, regulations and conditions as may be prescribed from time to time by the by-laws of the Corporation: To collect news for members.
- Basis being co-operative.

1864

To make
contracts.

- (b) To enter into contracts and arrangements with any other person, firm or corporation carrying on a like business for the exchange of news;

To buy
equipment.

- (c) To purchase, install, lease, own and operate means for the transmission of news including telephones, telegraph instruments, wireless instruments and other apparatus for long distance communication;

To hold
property
in similar
enterprise.

- (d) To purchase, take or otherwise acquire by original subscription or otherwise, and to hold, sell or otherwise dispose of shares [fol. 2294] of capital stock whether common or preferred, debentures, bonds, and other securities in any other company or corporation having objects and powers similar in whole or in part to the objects and powers of this Corporation, or carrying on any business capable of being conducted so as to directly or indirectly benefit this Corporation and while holders of such shares to exercise all the rights and privileges of ownership including the right to vote thereon through such agent or agents as the directors may appoint, notwithstanding the provisions of Section 44 of the Companies Act;

Or to
amalgamate.

- (e) To amalgamate with any other company or corporation having objects similar to those of this Corporation;

Also to do
necessary
things.

- (f) To do all such acts, matters and things as are incidental or necessary to the due attaining of the above objects or any of them.

ARTICLE II

Head Office

Head Office
at Toronto.

The head office of the Corporation shall be located in the City of Toronto.

ARTICLE III

Membership

Section 1. *Who are Eligible*—The sole or part owner of a daily newspaper published in Canada, an executive editor or other specially appointed employe of such owner or owners; an executive editor, an executive officer, or other specially appointed officer or employe of an incorporated company, being the owner of a daily newspaper published in Canada, shall, after sub-[fol. 2295] mitting the evidence hereinafter required, be eligible to election as a member of this Corporation, in the way and upon and subject to the conditions, limitations, restrictions and penalties hereinafter specified; provided that not more than one person at a time shall be elected by reason of connection with any one newspaper. No other person shall be eligible. One person can represent only one newspaper. Where two or more newspapers are in the same ownership, they must be represented by separate persons, each one of whom must be properly qualified.

Owners or their representatives eligible for membership.

One member for one newspaper.

Section 2. *Relation of Members to Newspapers*—Every member shall be eligible to election and to enjoy the privileges of membership solely by virtue of his relation to the newspaper named in his certificate of membership.

Newspaper relationship necessary.

Section 3. *Proof of Eligibility*—Every applicant for membership in this Corporation shall file with the General Manager such proof as may be required by the Board of Directors of his ownership or part ownership of a daily newspaper published in Canada, or of his specially appointed representation of such owner or owners, or of his official position as an executive or other officer or employee in an incorporated company owning such a newspaper. In case he shall be only a part owner of such newspaper he shall also file the consent of the co-owner or co-owners to his election. In case he shall be only an employe upon such newspaper, or shall be an exec-

Must prove ownership, representation or official position.

utive or other officer or employe of an incorporated company, owners as aforesaid, he shall file also a certificate to that effect in such form as may be required by the Board of Directors.

When member
ceases to be
qualified.

Section 4. *Change of Membership Representation*—In case a member shall cease in any way to be qualified for membership, due to death, change of ownership, resignation or any other [fol. 2296] cause whatsoever, he shall, forthwith and without action by this Corporation or by the Directors thereof, cease to be a member, and his certificate of membership shall be void. If however he was not at the time when he ceased to be a member under any process of discipline for violation of any By-law, rule, regulation or contract of the Corporation, then his duly appointed successor, if qualified for membership, shall become entitled to membership, and upon submitting such proof of his eligibility as may be required by the Board of Directors, the said successor shall at once become a member, with all the privileges and subject to all the duties of membership, and shall be entitled to receive a new certificate of membership without any consideration or remuneration being paid therefor.

Eligible
successor
entitled to
membership.

Membership
cancelled
with break
in connection.

Section 5. *Cancellation of Membership*—When a daily newspaper represented in this Corporation ceases to carry on business or withdraws its representative from membership in the Corporation or ceases to purchase a news service therefrom, then the certificate of membership in respect of such newspaper shall become void without any consideration or remuneration being paid therefor.

New
certificate for
changed name.

Section 6. *Change of Name*—When the name of any newspaper mentioned in any membership certificate shall be changed in any respect, the member holding such certificate shall thereupon give written notice of the change to the General Manager, and shall return his certificate of membership to be cancelled, whereupon a new certificate in like terms shall be issued, designating the newspaper by its new name.

Section 7. *Cessation of Rights and Interests*— All rights and interests of any member in the privileges of the Corporation shall cease with the termination of his membership for any cause whatsoever.

All rights end with loss of membership.

[fol. 2297] Section 8. *Continuous Publication*— The publication required to be made by every member shall be that of a bona fide daily newspaper, continuously issued, as specified in the membership certificate, to a list of genuine paid subscribers. A publication conducted for the purpose of preserving membership and not for public sale and distribution shall not be, or be regarded as, a sufficient compliance with this By-law. Cessation of publication for 30 days continuously shall automatically void membership. Cessation of publication for less than 30 days, followed by resumption of publication and another cessation of one week or more within the six months following, shall automatically void membership. Provided, however, that where cessation of publication has been due to causes beyond control of the member, such as a strike, fire, riot, or act of God, the membership shall be continued pending action by the Board of Directors.

Bona fide daily paper must be published.

Cessation for 30 days voids membership.

But not if cause beyond control of member.

Section 9. *Form of Certificate*—To each member there shall be issued a certificate of membership in the Corporation, signed by the President and by the Secretary and bearing the corporate seal. The certificate shall designate the newspaper for which the member shall be entitled to receive the news reports of this Corporation, until he shall cease to be a member, or until his right shall be suspended or terminated under these By-laws; it shall specify the language in which the newspaper is to be printed, whether it is a morning or evening newspaper, and the place of its publication, which shall be the place at which the paper is printed; it shall state the obligation of the member to furnish the news of a prescribed district, and to pay the regular dues and other assessments as from time to time they may be

Member to receive certificate.

Designating newspaper.

Also language, time and place.

fixed by the Board of Directors; it shall state that the holder thereof has assented to and is in all respects subject to and bound by the By-laws at any time in force; in other respects it shall be in [fol. 2298] such form and shall contain such provisions as shall be prescribed by the Board of Directors; it shall not be transferable.

And member's obligations.

Non-daily publishers may be associate members.

Section 10. *Associate Members*—Owners or publishers of newspapers published not more than five times each week, desiring a news service from The Canadian Press covering their days of publication, may be admitted to Associate Membership on terms to be laid down by the Board of Directors, subject to the unanimous consent of members within their district, but such Associate Members shall not have any vote.

ARTICLE IV

Admission of Members

Widest possible membership.

Considering conditions in district.

Elected by Board.

Two-thirds majority.

Amount of entrance fee.

Section 1. *Conditions Governing New Memberships*—Membership in The Canadian Press shall be open to the widest extent compatible with the expectation of an applicant being able to establish a newspaper as a self-sustaining business enterprise. No application shall be granted except under conditions which give reasonable assurance that the newspaper can be permanently established.

Section 2. *Election of Members*—Members may be elected at any regular meeting of the Board or at a special meeting called for that purpose. The affirmative vote of not less than two-thirds of the Directors present at such meeting and a majority of the whole Board shall be necessary for the election of the new member. The Board may require the presence of the applicant and of any member who has made representations for or against the application.

Section 3. *Membership Fee*—Applicants for membership or associate membership in a city or town in which there is an existing membership

[fol. 2299] shall pay an entrance fee equal to thrice the national assessment and fixed charges levied against the district in which he seeks membership, provided that for a Pony membership the entrance fee shall not be less than \$5,000.00 and for Leased Wire membership shall not be less than \$10,000.00 in a city or town the population of which is under 15,000; nor less than \$15,000.00 in a city or town the population of which is between 15,000 and 25,000; nor less than \$25,000.00 in a city or town the population of which is between 25,000 and 40,000; nor less than \$35,000.00 in a city or town the population of which is between 40,000 and 100,000, nor less than \$50,000.00 in a city or town the population of which is over 100,000, the population in every case to be determined according to the last Dominion census.

Scale according to population.

Applicants for membership or associate membership in a city or town in which there is no existing membership shall pay an entrance fee of \$500.00, but this shall not apply to applicants for membership for a morning newspaper in a city or town where there is an existing evening paper membership, nor to applicants for membership for an evening newspaper in a city or town where there is an existing morning newspaper membership, in either of which cases the full membership fee shall be payable.

Except where there is no other member.

There shall accompany every application for membership a marked cheque for the amount of such entrance fee which shall be returned to the applicant in the event of his application for membership being refused.

Marked cheque with application.

Section 4. *District of Application*—An applicant for membership to publish a newspaper within a radius of 10 miles from the corporate limits of a city or town where a membership is held, shall pay the same entrance fee as if he proposed to publish within that city or town.

District affected by new application.

[fol. 2300] Section 5. *Membership Committee*—At the first meeting in each year of the newly-

Committee on applications.

elected Board of Directors, a Committee of six Directors, including the President, shall be appointed to deal with applications for membership throughout the year. The territorial divisions of the Dominion of Canada shall be represented on such Committee in the following manner, namely, the Maritimes, one member; Ontario and Quebec, two English language members and one French language member; the Prairie, one member; British Columbia, one member. Any member of the Committee directly or indirectly interested in newspaper publishing in the city or town from which an application originates shall not act on the Committee with respect to that application, and his place shall be taken by a substitute to be appointed by the President from the same territorial division. Four members of the Committee shall form a quorum.

Interested member not to act.

Quorum of four.

Written application in advance.

Members to be notified.

Committee investigates conditions.

Section 6. *Application for Membership*—Each applicant for admission shall present an application in writing to the General Manager at least 30 days before the next ensuing meeting of the Board of Directors. On receipt of such application, the General Manager shall notify all members of the Corporation and shall arrange for a meeting of the Membership Committee to be held immediately in advance of the next ensuing meeting of the Board of Directors.

Section 7. *Duties of the Membership Committee*—It shall be the duty of the Membership Committee to consider every application. The Committee may require the presence of the applicant, who shall be prepared to furnish full information. At the conclusion of the inquiry the Committee shall report to the Board of Directors.

Member may make representations.

Section 8. *Members May Be Heard*—At any time not later than 10 days before the date of the meeting at which an application is to be considered, any member may file with the Secretary representations in writing against the application, which shall be considered by the

Membership Committee and by the Board of Directors, and such member may appear in person before the Membership Committee. Any member may make representations in writing or in person to the Board, either for or against the application.

Section 9. *Receipt of and Payment for News Service*—Upon acceptance of an application for membership, the Board of Directors shall fix a period not exceeding two months from the date of such acceptance within which the newly-elected member or associate member must accept the news service specified in his application. In the event of failure to do so the membership shall be automatically cancelled at the end of the period fixed by the Board, provided however, on proof of ability to begin publication within a further definite period, the Board may in its discretion extend the membership for such time as it may fix.

Time limit
for acceptance
of news
service.

Section 10. *Members' Assent to By-laws*—Whether or not they have signed the roll of members, all members shall be deemed to have assented to these By-laws and to have agreed to be bound thereby and by any amendments which shall be made thereto from time to time.

Members
deemed to
have assented
to By-laws.

Section 11. *Remission of Fee*—Where it is deemed to be in the interests of the Corporation to admit a new member, the Board of Directors may in its discretion, and with the concurrence of members within a 50-mile radius, remit or reduce the entrance fee payable for membership as fixed by Section 3 of this Article. The General Manager, with the concurrence of members within a 50-mile radius, and subject to the approval of a meeting of the Finance Committee, may at any time grant an interim news service to a non-member for a period of not more than six months or [fol. 2302] until the next meeting of Directors, upon such terms and conditions as the Finance Committee may deem advisable, and such interim news service may, with the approval of the Board of Directors, be renewed pending application for membership.

Directors may
reduce fee in
vacant field.

ARTICLE V

Voting Power of Members

Member has
one vote.

In person
or by proxy.

Decision by
majority
present.

Ballot may be
demanded.

Section 1. *Vote in Person or by Proxy*—At all annual and special general meetings of the Corporation each member may cast one vote by virtue of his membership, either in person, or by a duly executed proxy in the hands either of a person properly qualified to represent his newspaper, or of another member. No salaried officer or employe of the Corporation shall hold a proxy or vote upon the same.

Section 2. *Majority of Votes Governs*—All questions at the annual or special general meetings of the Corporation shall be decided by the majority of votes of the members present or represented by proxy.

Section 3. *Open Vote or Ballot*—The voting for the election of Directors and for all other purposes shall be by open vote, unless a ballot be demanded.

ARTICLE VI

Annual and Special General Meetings

Directors fix
annual meeting.

Public notice
not
necessary.

Notice in
advance.

Section 1. *Date and Place*—The annual meeting of the members shall be held at such place and on such day and hour in each year as the Directors may appoint, to receive the annual report, to elect Directors for the ensuing year, and for all other business and general purposes relating to management and affairs of the Corporation.

[fol. 2303] Section 2. *Notice of Members' Meetings*—No public notice or advertisement of members' meetings, annual or special, shall be required, but notice of the time and place of such meetings shall be given by the Secretary by circular addressed and mailed to each member at his last known post office address, and deposited in the post office at least 16 days before the holding of such meeting, or by telegraph at least

eight days before the holding of such meeting. Such notice may be in general terms, but if the meeting is a special general meeting, then such notice shall contain a statement of the purposes for which such meeting is to be held. Provided always that a meeting of members may be held at any time and at any place, without notice, if all the members are present in person or represented thereat by proxy, or if the absent members shall have signified their assent in writing to such meeting being held, and at such meeting any business may be transacted which the Corporation in annual or special general meeting may transact.

To state
purposes of
special meeting.

Notice may
be waived.

Section 3. *If Annual Meeting Not Held on Prescribed Date*—If for any cause the annual meeting of the members shall not be held on the day appointed, or shall be held without legal notice having been given, or if from any cause the election of Directors shall not take place on the day fixed by the By-laws for that purpose, it shall be the duty of the Directors, who shall remain in office until their successors are duly elected, to cause a special meeting of members to be called and held within one month from the date on which the annual meeting should have been held, for the purpose of transacting the business of the annual general meeting, and at such meeting the Directors may be elected, and all other matters and things may be passed upon and done as if such meeting were in fact the annual general meeting of the members of the Corporation.

Directors call
special meeting
if annual
meeting not
held or held
without notice.

Business of
annual meeting
may then be
transacted.

[fol. 2304] Section 4. *Meetings May Be Adjourned*—Any meeting of members may be adjourned from time to time, and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which the adjournment took place.

Adjourned
meeting may
transact
regular
business.

Section 5. *When Special General Meetings May Be Called*—Special general meetings of the members may be called whenever the Directors deem expedient, and it shall be the duty of the

Directors
may call
special general
meeting.

Must do so
when required
by 10
members.

Directors to call a special general meeting of the members when required in writing so to do by 10 of the members of the Corporation for the transaction of such business as shall be specified in such requisition and in the notice calling the meeting. Such requisition may consist of several documents in like form, each signed by one or more of the requisitionists.

Quorum of
nine members
in person.

Section 6. *Quorum at Members' Meetings*—The quorum for the transaction of business at all annual and special general meetings of the Corporation shall consist of nine members present in person.

President,
Vice-President
or Honorary
President to
take chair.

Section 7. *Who shall be Chairman*—The President of the Corporation, or, in his absence, or if he declines to take the chair or retires from the chair, one of the Vice-Presidents or the Honorary President shall be entitled to take the chair at every meeting of members. If the President, the Vice-Presidents and the Honorary President be not present at such meeting, the members present may choose one of their number to act as Chairman.

Secretary to
circulate
minutes.

And notify
members of
appointments.

Section 8. *Minutes of Members' Meetings*—The Secretary shall make an accurate report of the proceedings of the annual and special general meetings of the members of the Corporation which shall be certified by the Chairman, and shall mail [fol. 2305] printed copies to all members. The Secretary shall send notice of their appointments to members elected or appointed to any committee, divisional advisory board or deputation of the Corporation at any annual or special general meeting.

ARTICLE VII

Addresses of Members

Member's
name and
address to be
registered.

The name and address of each member shall be entered in the register, and the Secretary shall be notified of any change. Until such notice is

received the last known address appearing in the last register shall be deemed the last known post office address.

ARTICLE VIII

Board of Directors, Their Duties and Powers

Section 1. *Directors Elected by Members*—A board of 21 Directors, of whom five shall form a quorum for the transaction of business, shall be elected by resolution at the annual general meeting of the members and the Directors so elected shall choose from among themselves at the first meeting after their election, a President, a First and a second Vice-President. The Board shall also appoint such other officers as shall be deemed necessary for the management of the business.

Annual
meeting
elects
Directors.

Who choose
officers.

Section 2. *Who May be Directors*—Only members of this Corporation shall be eligible to serve as Directors.

Must be
members.

Section 3. *Territorial Representation on the Board*—The territorial divisions of the Dominion of Canada shall be represented on such Board of Directors in the following manner, namely, the Maritimes, three members; Quebec, four members, of whom two shall represent French language newspapers; Ontario, six members; Manitoba and that part of Ontario west of and including Port Arthur, two members; Saskatchewan, two members; Alberta, two members; British Columbia and the Yukon, two members.

Fixed number
for each
territorial
division.

Section 4. *Divisional Advisory Boards*.—For the purpose of appointing Advisory Boards the Dominion shall be divided into four territorial divisions, namely, the Maritimes, Ontario and Quebec, the Prairie and that part of Ontario west of and including Port Arthur, and British Columbia. The Advisory Board in each division shall consist of the Directors in that division, whose duty it shall be to elect a chairman with whom the General Manager may communicate on matters affecting that division.

Four divisions
for Advisory
Boards.

Board must
meet before
and after
annual
meeting.

Section 5. *Meetings of the Board*—Meetings of the Board of Directors shall be held at such place and at such time as the Directors may appoint, but a meeting of the Board shall be held on the day previous to the annual meeting and a meeting immediately after the annual meeting.

Five may
call special
meeting.

Section 6. *Special Meetings of the Board*—Special meetings of the Board shall be held upon the call of the President or any five Directors.

Notice to all
Directors
requisite.

Section 7. *Notice of Directors' Meetings*—Notice of all Directors' meetings, regular or special, shall be delivered or mailed and wired to each Director, not less than 10 days before the meeting is to take place, and in default of such notice the meetings as above fixed shall not take place except that meetings of the Directors shall be deemed regular when all of them are present without regard to notice thereof or when those who are absent waive in writing (including telegrams) notice of such meeting.

Unless all
are present
or assent.

Chairman.

[fol. 2307] Section 8. *Who Shall Preside*—At all meetings of the Board of Directors, the President, or one of the Vice-Presidents or the Honorary President, or, in the absence of all these, one of the Directors, to be chosen by the meeting, shall preside.

Board may
fill vacancy.

Section 9. *Filling of Vacancies*—In case of the death of a Director, or in the case of his becoming mentally or physically unable to act, or resigning, or ceasing to be a member, or ceasing to represent the newspaper for which he holds a certificate of membership, the vacancy thereby created may be filled for the unexpired portion of his term by the Board from among the qualified members in the territorial division affected, or the Board may in its discretion call a meeting of members for the election of a Director for the unexpired portion of the term of the Director so vacating office. The continuing Directors may act notwithstanding a vacancy on the Board.

Or call special
meeting
to elect
Director.

Section 10. *Execution of Contracts, etc.*—The Board of Directors shall, in addition to the powers elsewhere granted by these By-laws or otherwise conferred by law, have power to buy and sell news and to make and enter into contracts on behalf of the Corporation and exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by these By-laws directed or required to be done by the Corporation in general meeting.

Board's power to make contracts.

Other powers not reserved for general meeting.

Section 11. *Powers of Directors*—The Board of Directors from time to time may, by resolution, appoint committees for special purposes, designating their duties and powers. Without prejudice to the general powers conferred by the By-laws and the other powers conferred by the Corporation's charter, it is hereby expressly declared that the Board of Directors shall have the following powers, that is to say: To purchase or otherwise acquire for the Corporation or to sell, trade [fol. 2308] or exchange any property, service, privilege, license, right or concession which the Corporation is authorized to acquire at such price or consideration and generally on such terms and conditions as they think fit.

May appoint special committees.

And acquire property, etc., on terms they think fit.

Section 12. *Directors May Impose or Increase Assessments*—The Board of Directors may levy special assessments when and if the balance of the Contingency Fund is deemed by them insufficient to meet contingencies. The incidence of such additional assessment shall not vary from the population and other bases laid down in the plan set out in Article XXI of these By-laws.

May levy special assessments.

But not varying from plan in Article XXI

Section 13. *Minutes of Board Meetings*—The Secretary shall make a report of the proceedings of each meeting of the Board, which shall be certified by the Chairman of such meeting, and shall mail copies to all members.

Secretary to keep minutes.

Section 14. *Expenses of Directors*—Expenses of Directors attending special or extraordinary meetings of the Board, or meetings of special com-

Directors entitled to special expenses.

mittees or deputations appointed by the Board, shall be paid out of the general funds of the Corporation.

May
supplement
By-laws by
resolution.

Section 15. *Power of Board to Supplement By-laws*—The Board of Directors from time to time by resolution may provide for all matters in respect to which no provision is made by these By-laws, and the Board may from time to time, repeal, amend, or re-enact such resolutions, but every such resolution, and every repeal, amendment or re-enactment thereof unless in the meantime sanctioned at a special general meeting, duly called for that purpose, shall only have force until the next annual meeting, and in default of confirmation thereat, shall, at and from that time, cease to have force.

Committee
of three
officers.

[fol. 2309] Section 16. *Finance Committee*—The President, the First Vice-President and the Second Vice-President, two of whom shall form a quorum for the transaction of business, shall be the Finance Committee of the Board of Directors. The Finance Committee shall strike the estimates for the ensuing financial year and shall consider and pass upon the report of the Treasurer prior to meetings of the Board. The Finance Committee shall also have power to authorize interim extraordinary expenditures at any time.

Powers of
Committee.

ARTICLE IX

OFFICERS

Distinction
for past
Presidents
or Vice-
Presidents.

Section 1. *Honorary President*—The office of Honorary President may be conferred by the Board of Directors as a mark of worth for meritorious service to the Corporation on a Director who has held the office of President, First Vice-President or Second Vice-President.

President to
have general
supervision.

Section 2. *Duties of the President*—It shall be the duty of the President to preside at all meetings of the Board of Directors, to have general supervision and control over the management of the business of the Corporation; to see that all

orders and resolutions of the Board are carried into effect; to execute all contracts and agreements authorized by the Board. He shall have the general supervision of the affairs of the Corporation and direction of all its agents and employes and shall see that their duties are properly performed. He shall submit a report of the operations and conditions of the Corporation for the year to the Directors and to the members at their annual meeting each year, and from time to time shall report to the Directors all matters within his knowledge which the interests of the Corporation may require to be brought to their notice. He shall be ex-officio a member of all committees, and [fol. 2310] shall freely counsel and advise with the Directors and other officers in relation to the business and interests of the Corporation.

And report
to Directors
and members.

Member of all
committees.

Section 3. *Vice-Presidents*—It shall be the duty of the First Vice-President, in case of the absence of the President or of his inability to act, to exercise all his powers and discharge all his duties; in case of the absence or disability of both the President and First Vice-President, it shall be the duty of the Second Vice-President to exercise all the powers, and discharge all the duties of the President; and in case of the absence or disability of the President, the First Vice-President and the Second Vice-President, a President pro tempore shall be chosen by the Board of Directors.

Place of absent
President
taken by a
Vice-President.

Or by a
President
pro tempore.

Section 4. *The General Manager*—The General Manager shall be appointed by the Board of Directors and shall act as Secretary of the Corporation. He shall be the Chief Executive of the Corporation and shall have the appointment of all employes of the Corporation, except the Treasurer, and shall be generally charged with carrying out the policy laid down by the Board of Directors. He shall attend all meetings of the Board of Directors and of the members and shall keep a true record of the proceedings thereof. He shall cause to be kept in the office of the Corporation the corporate seal and all contracts and other instruments in writing and shall execute all certificates of membership, contracts and other instruments au-

General
Manager
appointed
by Board.

Secretary and
Chief
Executive.

To execute
membership
certificates
and other
instruments.

To be bonded
as required.

May appoint
deputy to act
in his stead.

Treasurer to
deal with
moneys as
authorized.

Seal of
Corporation.

Report twice
yearly on
monthly
audit.

thorized to be made or executed by or on behalf of the Corporation, provided that all instruments requiring the corporate seal shall also be executed by the President or one of the Vice-Presidents. He shall give such a bond and in such amount as may be required by the Board of Directors. The General Manager or the President shall have power to designate a member of the staff, who shall be similarly bonded, to act in his stead in the event of his absence or illness preventing him [fol. 2311] from discharging his ordinary duties, and such member of the staff shall be empowered to discharge all the functions of General Manager until such time as the General Manager is able to resume his duties, or until such time as the Board of Directors may take action to appoint a successor.

Section 5. *The Treasurer*—The Treasurer shall be appointed by the Board of Directors. He shall receive all moneys of the Corporation, safely keep the same, and pay out such sums as may be duly authorized by the Board of Directors. He shall give such a bond and in such amount as the Board may require.

ARTICLE X

SEAL

The seal, an impression whereof is made on these By-laws, shall be the corporate seal of the Corporation.

ARTICLE XI

AUDITORS

There shall be a monthly audit of the accounts and books of the Corporation by a firm of chartered accountants appointed by the members at the annual or special general meeting, and who shall twice yearly report to the President.

ARTICLE XII

MEMBERSHIP ROLL

The General Manager shall keep a membership book in which shall be recorded the names and addresses of all members, the names of the newspapers represented by them and particulars of all transfers and transmissions of membership.

Memberships
recorded.

[fol. 2312]

ARTICLE XIII

BANK ACCOUNT

A bank account or accounts shall be kept at a chartered bank or banks, and trust company or trust companies, to be selected by the Board of Directors, and cheques, notes, drafts and bills of exchange drawn upon or made by the Corporation shall be signed by such members of the Board or officials of the Corporation as the Board may from time to time specify, and who, on behalf of the Corporation, may also endorse notes, cheques or drafts for collection or discount.

Directors
select banks
or trust
companies.

Bills and notes
signed on
behalf of
Corporation.

ARTICLE XIV

CONTRACTS

All contracts, deeds and agreements made by the Corporation and required to be in writing shall be executed on behalf of the Corporation by the President, or one of the Vice-Presidents, and by the General Manager.

Contracting
officers.

ARTICLE XV

SOLICITOR

The Board of Directors shall appoint a Solicitor for the Corporation, who shall transact its general legal business and attend to such matters as shall be referred to him. The General Manager may also from time to time engage the services of such other counsel or solicitors as may be required.

Board to
appoint
Solicitor.

ARTICLE XVI

SPECIAL SERVICES

Board to
regulate
broadcasting
of news.

Section 1. *Radio Regulations*—The Board of Directors from time to time shall enact regulations governing the use of the Corporation's news in radio broadcasting by members or by commercial radio stations or by agreement with the Canadian Broadcasting Corporation or like governing body.

Limited
service may
be supplied to
commercial
companies.

Section 2. *Commercial Companies*—Subject to the approval of the Board of Directors and notwithstanding anything contained elsewhere in these By-laws, the General Manager shall have authority to supply a limited news service to commercial companies or other agencies, where such service does not conflict with the rights and interests of any member; and in the reporting of extraordinary news events, such as general elections, he shall have authority to make co-operative arrangements with telegraph companies or other agencies or organizations, for the benefit of the Corporation.

Co-operative
arrangements
on extra-
ordinary
occasion.

ARTICLE XVII

RIGHTS OF MEMBERS

News service
only for
newspaper
specified in
certificate.

Section 1. *Members Entitled to News Service*—Each member shall be entitled upon compliance with the provisions of the By-laws of the Corporation at any time made, and with the conditions and contracts attached to news service, to receive service of news for the purpose of publication in the newspaper specified by his certificate of membership, and for that purpose only.

Service
according to
ability to pay.

Section 2. *Character of News Service*—The news services to be supplied shall fall within two classes: Leased Wire and Pony. Every member shall be entitled to a service of the character and volume he desires, compatible with his ability to pay for the same, and with the co-operative prin-

ciples of news collection and news distribution, as defined by the Board of Directors. In no case shall a Pony service be supplied to a newspaper published in a city in which another newspaper having the same hours of publication has a leased wire service.

[fol. 2314] Section 3. *News Service to Members Only*—Subject to the exceptions contained in Article XVI, the news service of the Corporation shall be furnished only to members and to the newspapers represented by them and specified in the certificate of membership.

Regular service to members only.

Section 4. *Use of News*—A member shall publish news supplied by The Canadian Press only in the newspaper for which he holds a certificate of membership and under the conditions set forth therein, and he shall not permit any other use to be made of the news furnished to him or to the newspaper which he represents except as otherwise provided for in these By-laws or by resolution of the Board of Directors. The publication of Canadian Press news in a paper owned, controlled or directed by a member of The Canadian Press, but not being the paper named in the certificate of membership, is a violation of this Section of the By-laws, which the Board of Directors must enforce.

Restricted use of news.

A member is permitted to display content sheets at any time and in any place, provided they give no more than a bare outline of important news.

Content sheets permitted.

A member is permitted to display a news summary in the windows or on the bulletin boards or by any other device at his office of publication and at his recognized branch offices except within the corporate limits of another city or town at which a membership in the Corporation is held. A member is also permitted to display such news summary on the sky over his city or town of publication, provided it is within his hours of publication and is not connected with commercial advertising.

Also news bulletins at offices.

Or on sky overhead.

Results of Provincial or Federal elections in Canada, collected by The Canadian Press, or any

Announcements on extra-ordinary occasions.

other extraordinary news events within the discretion of the General Manager, may be displayed or announced by a member in one public building [fol. 2315] or theatre, but in only one such place, and no charge shall be made by the member for such service. In addition, or as an alternative, a member may display such election or other extraordinary news by means of a lantern on a screen attached to or convenient to his office of publication and recognized branch offices except within the corporate limits of another city or town at which a membership in the Corporation is held.

To print in
one place.

Section 5. *Place of Publication*—A member shall print the whole of the newspaper for which he holds a certificate of membership at the city or town specified in such certificate as his place of publication, provided, however, he may cause features such as magazine and comic sections to be printed outside his city or town of publication. No issue or part of an issue of such newspaper may be regularly labelled as the edition of a city or town in which there is another membership.

Standard time
except by
agreement
otherwise.

Section 6. *Hours of Publication*—The time limit for the receipt and publication of news by members shall be standard time, or daylight saving time when the latter is in effect, except that the time of publication may be changed by mutual agreement of all members affected, and hours of publication shall be as follows: Morning papers to receive not later than 6 a. m. and to publish between 9.30 p. m. and 9.30 a. m.; evening papers to receive not later than 6.30 p. m. and to publish between 9.30 a. m. and 9.30 p. m.; except that on Saturdays and Dominion statutory holidays evening papers be permitted to publish at 9 a. m. and morning papers at 9 p. m.; but this shall not be interpreted to prohibit the publication of either morning or evening papers at any hour, when published occasionally, on receipt from The Canadian Press of extraordinary (E. O. S.) news. Local news may occasionally, in the discretion of the member, be made the basis of an extra edition. Extra editions, whether founded on Canadian

Hours for
receiving and
publishing.

Except on
Saturdays and
holidays.

[fol. 2316] Press 'E. O. S.' or local news, may contain any Canadian Press news received up to the time of their publication.

The use of Canadian Press news by newspapers represented in the Corporation shall be within their respective time limits as above defined. Publication within the meaning of this Section shall be deemed to permit the printing of the sheets at any hour, but such sheets shall not be permitted to leave any part of the building in which the paper is printed prior to the time limit as above defined.

Publication defined.

But on the unanimous recommendation to the President of the members affected, the President and the two Vice-Presidents may suspend or modify the regulation contained in this section in any city in which a newspaper not a member of the Corporation is published.

But may be modified by consent.

Section 7. "*E. O. S.*" *News Bulletins*—Bulletins covering extraordinary news developments, whether domestic, British or foreign, shall in the discretion of the management or its editors be marked "E. O. S." (Extraordinary Service); such "E. O. S." bulletins shall be immediately available for all members, Pony as well as Leased Wire, day and night, irrespective of whether they develop in morning or evening paper hours; and such "E. O. S." bulletins may be made the foundation of extra editions in accordance with the provisions for the same laid down in Section 6 of this Article. Such extra editions shall be labelled *extra*.

E. O. S. bulletins may be published at any time.

Section 8. *Members Entitled to Full Report*—Every Leased Wire member is entitled to the complete leased wire report laid down in his city or town of publication; and for this purpose evening papers shall receive a full copy of the night report not later than 6 a. m., and morning papers shall receive a full copy of the day report not later than 6 p. m. This exchange shall be free as between morning and evening papers except where there is an unequal number of papers in the morning

Leased wire members entitled to full report for day and night.

Fee may be levied for supplying copies.

[fol. 2317] and evening fields, in which case the Board of Directors may in its discretion impose a fee upon the members of the larger group to compensate the members in the smaller group for the cost of supplying copies of the service they receive to the members of the larger group.

Member to
pay extra cost
where no
member in
other field.

In any city or town where only evening papers are published such evening paper members may receive the full morning paper service simultaneously with morning paper members elsewhere on payment of their full share of morning paper Inter-Divisional and Circuit Costs; likewise in any city or town where only morning papers are published such morning paper members may receive the full evening paper service simultaneously with evening paper members elsewhere on payment of their full share of evening paper Inter-Divisional and Circuit Costs.

How member
may withdraw.

Section 9. *Withdrawal of Members*—By the vote of a majority of the Board of Directors a member may be permitted to withdraw from membership upon payment of all dues, assessments and other obligations, and upon the surrender and cancellation of such member's certificate of membership and upon such other terms as the Board of Directors may fix. If any member shall apply to the Board of Directors for permission to withdraw, and the same shall be refused, such member may nevertheless give written notice to the Secretary of intention to withdraw and one year after such notice shall have been received, and upon payment of all assessments and other obligations to the date of final withdrawal, such membership shall terminate, but until that time, unless the membership is sooner terminated by vote of a majority of the Board of Directors as specified herein, the member shall continue to receive and publish in the newspaper represented by him the news service of the Corporation and pay assessments in the manner specified in these By-laws and in all respects comply with these By-[fol. 2318] laws, and failure so to do shall thereupon cause the membership to terminate and the

assessments for fifty-two (52) weeks to become due and payable in one aggregate sum.

ARTICLE XVIII

Duties and Obligations of Members

Section 1. *Members Must Comply with By-laws*—Each member shall comply with all the provisions of these By-laws and amendments thereto and with such resolutions as the Board of Directors shall from time to time enact.

Must comply with by-laws and amendments.

Section 2. *Must Pay All Dues and Assessments*—During the term of his membership, or until his right to the receipt of the news reports shall be terminated in the manner hereinafter provided for, each member shall pay all dues, assessments and other obligations as the same may be fixed and apportioned by the Board of Directors.

Must meet obligations as fixed by board.

Section 3. *Must Guard News Report*—No member shall furnish news nor permit any one in his employ to furnish news of The Canadian Press nor his own local news to which the Corporation has exclusive rights, to any person in Canada who is not a member of the Corporation nor to any United States news agency or newspaper other than The Associated Press and its members, nor

And guard news report from non-members.

to any British or foreign news agency or newspaper other than those with which The Canadian Press has or may have contractual arrangements and their members.

Section 4. *Other Publication*—Any member shall be deemed to have violated these By-laws if he represents a newspaper published by a person or corporation which also publishes in the same city or town a daily newspaper not represented by membership in The Canadian Press.

Must not publish any other paper.

[fol. 2319] Section 5. *Improper Use of the Report*—The publication in incorrect or perverted form of Canadian Press matter, or of any matter improperly designated as Canadian Press matter, shall be deemed harmful to the Corporation, and

Must publish Corporation's news correctly.

the member so offending shall be disciplined by the Board of Directors as provided for in Articles XIX and XX of these By-laws.

And must not
publish before
release.

Either in
English or
in French.

Unless
returned prior
to release.

Section 6. *Must Observe Terms of Release*—

No member shall anticipate the publication of any document of public concern confided to The Canadian Press for use on a stipulated date. The receipt by a member from The Canadian Press in English text of such document shall obligate him to observe the same release even should he secure the French text independently; similarly receipt by a member from The Canadian Press of the French text shall obligate him to observe the same release even should he secure the English text independently. Nor shall any member anticipate the publication of any matter whatsoever furnished him by The Canadian Press, its officers and agents, which is subject to a specified date of release; and acceptance by a member of such matter shall constitute an agreement by him to abide by the release date, irrespective of any other source of supply. But the return of Canadian Press copy to the General Manager prior to the time of release or a wire or telephone message to the General Manager prior to the time of release, shall relieve the member of any further obligation therein. The Board shall deal with all breaches of release brought to its attention by the General Manager under the terms of Articles XIX and XX hereof. The accidental or unintentional violation of this Section shall not be regarded by the Board as adequate defence for breach of release.

Publication within the meaning of this Section shall be deemed to permit the printing of the advance matter at any hour, but such advance matter shall not be permitted to leave any part of the building in which the paper is printed prior to the time of its release.

Member to
assist
correspondents.

Section 7. *Must Furnish News of District*—In places where The Canadian Press shall maintain a correspondent, members shall afford to such correspondent convenient access at all times to the routine news in their possession, and in a

place where the Corporation has no correspondent each member shall furnish the news of his district, the area of which shall be determined by the General Manager, subject to an appeal to the Divisional Advisory Board of the member's territorial division, and in such manner as may be directed, it being understood that the news to be furnished shall be news of a routine character. It is further understood that routine news being difficult to define in language that will not leave loopholes for evasion of a member's duty to his fellow-members, this section is to be broadly interpreted and in honorable understanding of the spirit of The Canadian Press. Routine news in the possession of a member must not be furnished to any newspaper or any news agency until it has been furnished to the Corporation, its accredited agents or correspondents. In no case shall a member be required to furnish news from points more than 300 miles from his office of publication.

Or furnish routine news of district.

Obligation to be broadly interpreted.

C. P. has prior right to news.

At important news centres where there is only morning paper membership or memberships, or only evening paper membership or memberships, such member or members shall on the request of the General Manager render the Corporation every possible assistance in covering the local or district news developing for the full 24-hour period.

To assist day and night if necessary.

Section 8. *Penalty for Failure to Supply District News*—Failure on the part of a member to supply such news as he is obligated to furnish may be reported by the General Manager to the Board [fol. 2321] of Directors, and the Board shall thereupon deal with the offence under Article XIX hereof, or may empower the General Manager to charge to the offending member any expense which the Corporation may incur in consequence of such failure.

Board may deal with failure to supply news.

Resulting expense may be charged to member.

Section 9. *Contractual Relations with British or Foreign Press Associations*—Members shall also give the agent or representative of any British or foreign press association with which the Corporation has contractual relations access to

Member must also assist agents of allied associations.

news of a routine character gathered by them in the Dominion of Canada with the right to transmit and deliver such news to such British or foreign association for use within the territory covered by such association in accordance with any contract now existing or hereafter to be made between The Canadian Press and any British or foreign association.

And guard
report, for
ally's
territory.

Section 10. *Protection for British or Foreign Association*—The news reports delivered to this Corporation or its members under any contract with any British or foreign news-gathering association shall not be transmitted by this Corporation, its agents or members, for use within the territory covered by such allied association.

Board may
require
credits.

Section 11. *Members Must Give Credit as Directed*—Members shall print in their newspapers such credit to The Canadian Press or to any paper or other source from which news may be obtained, as shall be required from time to time by the Board of Directors, or by the General Manager.

To show
time field.

Section 12. *Identification*—In a city where a morning and an evening paper are published from the same office it shall be indicated either in the title or elsewhere in every edition whether the newspaper is printed in the morning or evening.

[fol. 2322] ARTICLE XIX

MISCONDUCT DISCIPLINED BY BOARD

For violation
of By-laws.

Or conduct
harmful to the
Corporation.

May be fined
by Directors.

Or suspended.

Section 1. *Penalties for Violation of By-laws*—When the Board of Directors shall decide that a member has violated any of the provisions of these By-laws or that there has been conduct on his part, or on the part of any one in his employ or in the employ of or connected with the newspaper designated in his certificate of membership, which in its absolute discretion, the Board shall deem harmful to the Corporation and its members, it may, by a two-thirds vote of the Directors present and voting, impose upon such a member a fine not exceeding \$1,000.00, or suspend his privileges of membership, or present him for

expulsion, as hereinafter provided, or it may both suspend his privileges and present him for expulsion. Before any such action shall be taken, the member affected shall be given 15 days' notice in writing of the time and place of the Directors' meeting at which the matter will be dealt with and shall be entitled to be heard in his defence. Such notice shall be given by the General Manager by mail or telegraph upon instruction to that effect by the President, a Vice-President, or five Directors.

Or presented
for expulsion.

But may
defend himself.

Section 2. *If Fine Unpaid*—In default of the payment within 30 days of any fine imposed under the preceding section, the Board of Directors may suspend the privileges of membership, or present for expulsion any member who shall refuse or neglect to pay such fine.

For failure
to pay fine.

Board may
suspend or
present for
expulsion.

Section 3. *Notice to All Members*—When the privileges of a member are suspended, his news service shall be discontinued and notice of the suspension shall be sent at once by the General Manager to all the members. Any order of suspension may be repealed by the affirmative vote of a majority of the Board of Directors present and voting, and notice thereof shall be sent at once by the General Manager to all the members.

Notice of a
suspension
must be sent
to all
members.

As also notice
of repeal.

[fol. 2323] Section 4. *Term of Suspension*—The term for which a member may be suspended by the Board of Directors shall not extend beyond the next annual meeting of the members, or any special general meeting called for the purpose of dealing with such suspension.

Suspension
not to
extend beyond
next general
meeting.

Section 5. *Suspended Member May Resume or Withdraw*—Any member so suspended may at his option retain his membership, and at the expiration of the period for which he shall have been suspended, or upon the repeal of the suspension, he shall again become entitled to receive the news service called for in his certificate of membership, or such member may withdraw from membership upon paying all dues, assessments, and other obligations then due or incurred and unpaid, where-

May resume
after period of
suspension.

Or withdraw
after meeting
all obligations.

upon his certificate of membership shall be cancelled without any remuneration therefor.

ARTICLE XX

MISCONDUCT DISCIPLINED BY GENERAL MEETING

General meeting may suspend or expel any member.

Section 1. *Right of Expulsion*—The Members of the Corporation at any regular meeting, or at a special meeting called for that purpose, shall have the right by a majority vote of those present and those represented by proxy, to suspend or expel a member for any violation of these By-laws, or for any conduct on his part, or on the part of anyone in his employ, or in the employ of or connected with the newspaper designated in his certificate of membership, which in their absolute discretion shall be deemed harmful to the interests and welfare of the Corporation and its members.

For violating By-laws or harming Corporation.

Formal presentation before motion to expel.

Section 2. *Right of Defence*—Before the members may entertain a motion to expel a member there shall be a formal presentation of such member either by order of the Board of Directors after a hearing, as hereinbefore provided, or through a [fol. 2324] written notification signed by five members. The member affected shall have the right to be heard in his own behalf before the motion to expel is put to vote.

Member's right to be heard.

Notice three weeks in advance if case not heard by Board.

Section 3. *Due Notice to Members*—If a member is to be presented for expulsion without previous hearing by the Board of Directors, the notice of presentation shall be filed with the General Manager at least three weeks prior to the meeting of the members at which action is to be taken, and the General Manager shall forward a certified copy to the member affected within three days after receiving such notice. When the Board of Directors decide to present a member for expulsion at any regular meeting, such intention shall be notified to all members in the notice calling such meeting.

If presented by Board notice must be given.

Certificate cancelled at expulsion.

Section 4. *Expulsion Followed by Cancellation of Membership*—When a member shall be presented he may be expelled by the affirmative vote

of a majority of all the votes recorded, and thereupon the certificate of membership, without any remuneration therefor, shall be cancelled.

Section 5. *Expelled Member Loses All Standing*—A member who has been expelled may be readmitted only upon the terms and conditions determined by the Board of Directors.

Board decides
terms of
readmissions.

ARTICLE XXI

I. APPORTIONMENT OF COSTS

The entire expense of collection and distribution of news shall be divided into two classes: (A) National Cost; (B) Circuit Cost; on the following basis:—

(A)—National Cost shall comprise expense essential to national service from which all members of all divisions share the benefits.

[fol. 2325] (B)—Circuit Cost shall comprise all expense other than that chargeable to National Cost.

II. ASSESSMENT OF COSTS

A—National Cost shall be assessed as follows:—

(1) For Leased Wire Members a fixed charge per week on the basis of \$20.00 per week for cities of a population of under 15,000; \$30.00 per week for cities of a population between 15,000 and 30,000; and \$40.00 per week for cities of a population of 30,000 and over. But the Board of Directors may revise from time to time this fixed charge so that each Division shall contribute to National Cost through its fixed charge and National Cost Assessment a total sum in excess of all National Cost expenditures for its sole benefit.

(2) For Leased Wire and Pony members, a National Cost assessment to be computed on the basis of the ratio of the population of the individual Canadian cities or towns served by daily paper members to the collective population of them all, according to the figures of the current general official census of Canada to be revised

each decade effective for the first new financial year after the Dominion census returns involved are officially completed and announced; this National Assessment shall absorb the balance of National Cost not covered by the Fixed Charge against Leased Wire members, but in a field, morning or evening, where a French language member is exposed to the competition of an English language member in the same newspaper field as to hours of publication, such French language member may in his discretion make application to the Board of Directors for an annual grant up to one-third of his National Cost towards his cost of translation, and the Board may grant the same or any portion thereof in its discretion; the Board of Directors, on application and in its discretion, may reduce National Cost to a member whose publication conditions are abnormal; and the [fol. 2326] Board of Directors, on application and in its discretion, may make from National Cost an annual grant to an English language member whose circulation field is unduly limited by reason of extreme disparity of population as between English and French.

B—In the computing of Circuit Cost assessed against a City where two or more papers are published, the assessments shall be divided equally between the evening papers served therein by leased wire, or between the morning papers, as the case may be. But National Cost shall be divided equally among all papers of a city, morning and evening.

C—Circuit Cost shall be assessed as follows:—

(1) Cost of wire mileage of a member's circuit on the basis of the ratio of the population of his city (or his share thereof if there are two or more papers in his field) to the total population of the cities served by such circuit, provided that where any additional mileage is imposed on his circuit for the sole purpose of serving him, he shall be assessed the cost of such mileage if it be greater.

(2) Cost of drop or terminals in the member's city, or where there are two or more papers in his field, his equal share of such costs.

(3) Proportion on a similar population basis of sending cost including operator and mechanical wages, or the member's share thereof if there are two or more papers in his field; any overtime thus incurred being divided equally among Circuit members who benefit.

D—Assessment of Circuit Cost may be subject to revision by respective Sections so long as the total sum is not affected, and this to include the distribution of the additional revenues from the Pony members of the section as provided below.

[fol. 2327] E—For Pony paper members there shall be a fixed charge on the basis of \$10.00 per week for cities of a population under 15,000 and \$20.00 per week for cities of a population of 15,000 and over. Such fees shall go to Leased Wire papers within the same Section on a population basis similar to their assessment for National Cost. The General Manager may, with the approval of the President, or one of the Vice-Presidents, according to the territorial jurisdiction, remit in part or in whole the fixed charge of any Pony paper, but not for more than one financial year, at the end of which the case shall be reconsidered.

F—Where competitive conditions appear to demand an adjustment of cost, either in respect of an existing membership or a new membership, the General Manager may, with the approval of the Finance Committee, remit in part or in whole the fixed charge of such member, but not for more than one year, at the end of which the case shall be considered by the Board of Directors.

ARTICLE XXII

Collection of Assessments

Section 1. *By Sight Draft*—The General Manager shall collect all assessments and costs against all members by sight drafts. Collections from all

Assessments
collected by
sight drafts.

May be
required
one month
in advance.

Leased Wire members shall be weekly in advance, and collections from Pony members shall be twice a month. In the discretion of the General Manager, subject to the approval of the President, a member whose account is regarded by the management as doubtful, may be required to pay his assessments one month in advance instead of by weekly or twice-a-month draft.

No power for
General
Manager to
extend credits.

Section 2. *Service Discontinued if Draft Unpaid*—The General Manager shall not be permitted discretionary powers in the extension of credits, but shall regard all accounts as overdue [fol. 2328] when the weekly or twice-a-month sight drafts, as it may be, shall not have been paid within three days of presentation; whereupon he shall discontinue the news service without further notice, until all arrears are paid, including the full cost of the service during the period of suspension. If such period of suspension for non-payment extends to 30 days the membership of said member shall automatically lapse upon the 30th day, and the certificate of membership of such member shall be cancelled.

Certificate
cancelled on
30th day of
suspension.

ARTICLE XXIII

Disclaimer of Liability

Not liable for
member's loss
or damage.

Neither The Canadian Press nor the Officers nor Directors nor any of them shall in any event be liable to a member for any loss or damage arising by reason of the publication of any of the news received by him from the Corporation, or by reason of his suspension or expulsion.

ARTICLE XXIV

Amendments to By-Laws

General
meeting may
amend
By-laws.

These By-laws may be amended at any annual meeting or special general meeting of members of the Corporation by an affirmative vote of two-thirds of the members present in person or by proxy, at such annual or special general meeting, provided that notice of the proposed amendment

shall have been given by the General Manager by mail to all the members at least one month before the date of such meeting.

ARTICLE XXV

Repeal of Previous By-Laws

All By-laws previously enacted are hereby repealed.

[fol. 2329] AFFIDAVIT OF EINAR B. PAUST

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

EINAR B. PAUST, being duly sworn, says:

I am an attorney-at-law, associated with Messrs. Milbank, Tweed & Hope, attorneys for defendant, The Associated Press. I have been admitted to practice before this Court and the Circuit Court of Appeals for the Second Circuit.

Attached hereto and marked Exhibit A is a list of the newspapers and news agencies, other than the United Press Associations, International News Service and The Associated Press, represented in the press galleries of the House of Representatives and the Senate of the United States on May 26, 1942, as contained on pages 720-729 inclusive, of the June 1942 Congressional Directory, Second Edition.

Attached hereto and marked Exhibit B is a photostatic copy of a reprint of page 57 of the April 24, 1943 issue of Editor & Publisher.

(S.) Einar B. Paust.

Sworn to before me this 21 day of June, 1943. (S.)
Michael F. Moran, Notary Public. (Seal).