

*Newspaper Industry* ✓  
SOME ASPECTS OF RELATIONS BETWEEN  
THE AMERICAN NEWSPAPER GUILD(CIO)  
AND THE ASSOCIATED PRESS

by

Lawrence A. Wallace

Business Administration 297

January 14, 1949

SOME ASPECTS OF RELATIONS BETWEEN  
THE AMERICAN NEWSPAPER GUILD(CIO)  
AND THE ASSOCIATED PRESS

by

Lawrence A. Wallace

Submitted For  
Business Administration 297  
Van Dusen Kennedy, Instructor in Charge  
January 14, 1949

Berkeley, California  
January 14, 1949

Dr. Van Dusen Kennedy  
Assistant Professor of Industrial Relations  
University of California  
Berkeley, California

Dear Dr. Kennedy:

Herewith is enclosed the report which is submitted in fulfillment of the requirements for Business Administration 297.

Many persons have had a part in permitting the writer to complete this report. Grateful acknowledgment must be made to you for reading the report, offering constructive criticism and giving helpful advice. For useful suggestions and invaluable assistance in the matter of procurement of materials most sincere thanks are due Mr. Leonard Milliman, member of the AP National Negotiating Committee for the American Newspaper Guild. The Production Credit Corporation of Berkeley willingly donated their typewriters and office space.

Special recognition must be given to Carol Wallace for her encouragement and assistance in the technical preparation of this report.

Yours very truly,

*Lawrence A. Wallace*

Lawrence A. Wallace

Enc.-1

LIST OF TABLES

	<u>Page</u>
Table 1--Top Reporter Minimums in Daily Newspaper Contracts, 1946-48.	51
Table 2--Status of Principal Guild Contracts, 1946-48.	52
Table 3--History of AP Minimums For Newsmen.	87
Table 3A--History of AP Minimums For Newsmen.	88
Table 4--AP Newsmen and Photographer Top Minimums(Weekly).	89
Table 5--Comparison of Size of City and Cost of Living	97



## TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal . . . . .	ii
List of Tables . . . . .	iii
 INTRODUCTION . . . . .	 1
THE AMERICAN NEWSPAPER GUILD . . . . .	5
History of the ANG . . . . .	5
Background . . . . .	5
The Genesis . . . . .	7
The Jennings Case . . . . .	11
The Newark <u>Ledger</u> Strike . . . . .	13
Development of a Trade Union Consciousness . . . . .	15
Conclusion . . . . .	30
San Francisco-Oakland Newspaper Guild Local No. 52--A . . . .	
Case Study . . . . .	34
 THE ASSOCIATED PRESS . . . . .	 47
Description of Operations . . . . .	47
History and Development . . . . .	48
Locus of Control . . . . .	63
Sources of Revenue . . . . .	67
Position in the Product Market . . . . .	68
Demand for the Product . . . . .	74
 ANALYSIS OF AP-ANG BARGAINING . . . . .	 78
Introduction . . . . .	78
History of Bargaining . . . . .	78
Methods of Bargaining . . . . .	82
Basic Issues of . . . . .	85
Wage Differentials . . . . .	85
The Appropriate Unit . . . . .	98
Basis For Wages . . . . .	109
Union Security . . . . .	117
Job Security and Worker Security . . . . .	120
Determinants of Bargaining Relationships . . . . .	122
 A FREE PRESS VS. TRUTH IN THE NEWS . . . . .	 142
Introduction . . . . .	142
Position of the AP . . . . .	144
Position of Organized Labor . . . . .	155
Position of the Guild . . . . .	157
Summary . . . . .	165
 CONCLUSIONS . . . . .	 170

## INTRODUCTION

This paper, as the title indicates, deals with several aspects of relations between the American Newspaper Guild and the Associated Press. In general, the investigation followed two lines of development. First, a good many facts regarding the background of the parties were examined. Second, the basic issues which have arisen out of their collective bargaining relationships were analyzed as completely as possible. The emphasis throughout is placed on the absolute necessity for the study of the background and of events which led to the basic issues. Understanding of labor issues, as in other fields of endeavor, is born of knowledge. This knowledge is gained through the compilation of a plethora of pertinent facts and the systematic study of these facts. In this manner, an opinion based on reasoned judgment can be formed.

In an investigation of this type it is extremely difficult to follow the impartial, objective, and unbiased approach so necessary to scholarly research. The issues presented in this paper are discussed in the classroom, in the columns of the daily newspapers, and on the street corner; as a consequence, one must guard against forming an opinion on the basis of inadequate knowledge. A perusal of the paper would seem to indicate that the writer tended to favor the Guild; at least, the preponderance of evidence favors the Guild's case. It should be pointed out, however, that this state of affairs arose from the lack of information regarding the AP, its background, and its policies. The AP is a non-profit corporation and issues few public statements of any type. On the other hand, the Guild cooperated wholeheartedly and furnished any and all information requested.

The relations between the AP and the ANG have been covered previously by other agencies and writers. The Division of Economic Research of the National Labor Relations Board published, in 1938, a bulletin entitled Collective Bargaining in the Newspaper Industry.<sup>1</sup> This publication is still an excellent source of information, as it contains chapters on the AP and the Guild. It was published, however, in 1938, before the parties had engaged in collective bargaining. Oliver Gramling, in his book AP - The Story of News, published in 1940,<sup>2</sup> recounted the formation and development of the AP and devoted one chapter to a discussion of the AP's labor problem. At the time that the book was written, Gramling was on a leave of absence from the AP; his product was, therefore, not as critical as it could have been.

The present inquiry into the parties and their relations attempts to bring the discussions up to date and to present material which has not been reported in other writings. The success of this venture will be determined by persons other than the writer.

Part I is a recital of the history and development of the American Newspaper Guild. The emergence of a trade union consciousness is stressed throughout. While the Guild started as a professional association, over the years it has modified its policies so that today it is essentially an economic trade union with a few political or professional functions. This transition is best seen from a scrutiny of the resolutions adopted by the ANG conventions. A case study of a typical Guild local concludes the opening section.

In Part II the history of the AP, story of its expansion, and an economic analysis of its operations is presented. A detailed history is submitted because it offers a key to the understanding of the present.

An economic analysis has been made, since it is only through intensive study of facts that the present bargaining issues can be explained and the future actions of the AP anticipated.

The basic issues of collective bargaining are discussed in Part III. An insight into these issues can best be gained by inquiring into the arguments advanced by both parties. These arguments are presented in considerable detail, because the issues themselves are extremely complex.

Ordinarily, the material presented in Part IV is beyond the scope of a paper purporting to investigate labor problems. The topic of "news integrity" or a "free" press is usually handled by reformers, philosophers, anthropologists, journalists, etc. After scanning the public statements of both parties and talking with representatives of the parties, however, one is forced to conclude that there is a difference of opinion on the meaning of the term "a free press." An analysis of the record reveals that the really basic issue is not concerned with whether we should have external governmental control of the press, but whether the news policy is to be controlled internally by the AP and its members alone or whether the Guild members are to determine what is news and what should be reported. Set in its proper context, the issue of freedom of the press transcends the ordinary AP-ANG bargaining. Inasmuch as control over the press and other media of mass communication means control of public opinion, the issue of a free press is part and parcel of the larger labor-management struggle in America. In a democracy where the government purports to follow public opinion, control over opinion is tantamount, in the long run, to control of the government, or will determine in a general way whether the administra-



tion will be friendly to organized labor or to business. It is for this reason that the issue is discussed in this paper.

Part V contains some pertinent observations, conclusions, and suggestions and is admittedly the least valuable section of the paper. Part V is offered in a spirit of temerity born of inexperience, in the hope that these chance remarks by a neophyte in the field may stimulate possible readers to adopt new methods of thinking on the problems herein presented.

#### Footnotes

1. Washington, 1938, 143 pp.
2. Oliver Gramling, AP-The Story of News (New York: Farrar and Rinehart, Inc., 1940). 506 pp.

## THE AMERICAN NEWSPAPER GUILD

### History of the ANG

The American Newspaper Guild was a product of the Great Depression of the 1930's. If one were to speak in terms of general theory, it could be said that the Guild had its origin in the lowering of human dignity and loss of self-respect that accompanied the depreciation of living standards of newspaper employees during the early 30's. In terms of the social psychologist, the job situation no longer satisfied all of the needs of the individuals performing those jobs; therefore, a new institution was created that would perform some of the accessory functions of the old institutions. In accordance with the ideas expressed by Hoxie,<sup>1</sup> one might say that the immediate social milieu impinged with uniformity upon workers in the same occupational group in such a manner as to cause them to become conscious of their common outlook on life and to adopt a common program.

### Background

More specifically, the depression brought home with startling reality the fact that most newspaper workers were, and had been, notoriously underpaid. Surveys made by the Bureau of Labor Statistics of the U. S. Department of Labor, the NRA, and the Guild revealed that, on the average, in 1933, a reporter with twenty years' experience received \$38 for a 48-50 hour week, and about 25% of them received less than \$20 per week.

In lieu of a monetary reward, newspaper workers were expected to be content with an undefinable psychological reward. William R. Hearst,

on several occasions, referred to the "romance of the newspaper game." Isabelle Keating wrote in Harpers' that reporters "regarded themselves as footloose dogs, reporting the bizarre, the startling.....gave little thought to reward, felt that merit could not be ignored.....engaged in a sacred calling."<sup>2</sup>

Even Editor and Publisher, newspaper trade publication, criticized the publishers. An editorial appeared in 1933, soon after the birth of the Guild, noting that "during the boom period the high professional or artist ideal, to put one's whole being into the job and let the rewards take care of themselves, was disgustingly exploited."<sup>3</sup>

When the depression assumed catastrophic proportions, publishers saw their circulation and advertising revenues drop. Since fixed equipment costs could not be reduced and mechanical unions stood firm against wage cuts, the publishers turned to the unorganized editorial and commercial departments. As a consequence, the editorial and commercial workers found that they, like other white-collar workers, bore the brunt of the depression: wages were repeatedly cut,<sup>4</sup> hours were increased, jobs became more insecure, arbitrary staff reductions became more common, sudden announcements by management that "everybody on this side of the room is fired" spread across the country from newspaper to newspaper.<sup>5</sup>

Lloyd White, one of the promoters of the Cleveland Guild, reported that in Cleveland editorial wages dropped from 30 to 40 percent from 1929 to 1933, while organized printers were cut only 6 percent during this period. In the United States as a whole, according to White, union factory rates dropped only 7.7 percent, while nonunion wages decreased 40.9 percent.<sup>6</sup>

### The Genesis

In May, 1933 the National Industrial Recovery Act was passed, calling for the establishment of codes of fair competition in each industry by which it was hoped that purchasing power could be restored. The Cleveland Guild was organized on August 3, 1933 with units in the Cleveland Press, News, and Plain Dealer; <sup>7</sup> the promoters were Lloyd White and Garland Ashcraft of the Press.

On August 7, 1933, Heywood Broun, in response to a letter he received from an editorial worker, wrote in his syndicated column that "the fact that newspaper editors and owners are genial folks should hardly stand in the way of the organization of a newspaper writers' union. There should be one. Beginning at nine o'clock on the morning of October 1, I am going to do the best I can to help in getting one up."

The Cleveland Guild sent a telegram to Broun telling him of their prior organization and nominating him as president of what was hoped would be a national union. Guilds were organized in Minneapolis-St. Paul, Toledo, Columbus, Tulsa, Cincinnati, Detroit, and Rockford, Illinois, New York, Philadelphia-Camden, and Washington.

The NRA Code of the American Newspaper Publishing Industry was submitted by the American Newspaper Publishers' Association on August 8, 1935. Written wholly by employers, it did little to improve the lot of the newspaper worker, and it did not apply to employees of the wire services.

Employee dissatisfaction with the terms of this Code was manifested immediately. Newspaper workers held meetings in the larger cities during the months of August and September, with discussions centering



around the provisions of the Code and the feasibility of a trade union of editorial employees. These workers realized that there was a definite need for some type of employee organization to collect comprehensive data on wages, hours, etc. with which to refute the statistics presented by the employers, inasmuch as employers alone had written the Code.

Members of the local Guilds appeared before hearings held in the various cities on the proposed Code. Members of the New York Guild presented their demands to the Code Authority and specifically requested the inclusion of the press associations in the Code.<sup>8</sup> Due to the absence of a national newswriters' organization, however, these demands were generally disregarded.

The American Newspaper Guild was organized in Washington, D. C. on December 15, 1933 at a meeting attended by representatives from twelve local Guilds. Heywood Brown was elected president, and Lloyd White of Cleveland was elected first vice-president. The discussions at this initial meeting were centered around the need for organization.

From the outset, there was a wide diversity of opinion among the membership as to the type of union which would best satisfy the needs of newspaper reporters. The majority of members had a general distaste for trade union tactics and policies. Most of the editorial employees considered themselves as professional workers who should form a fraternal society which would gather statistics and discuss matters of wages, hours, and working conditions with the employers as an accessory function. Moreover, there was a rather general feeling among editorial employees that there were forces at work which, if allowed to operate, would render a trade union unnecessary. Many people pinned their hopes on the NIRA and other New Deal legislation designed to increase purchasing power.

Others sincerely felt that the publishers would meet them halfway in improving their economic status. Heywood Broun wrote that he had difficulty in accepting wholeheartedly "the conception of the boss and his wage slave. All my very many bosses have been editors and not a single Legree in the lot."

In general, newspapermen had a distaste or suspicion of trade unions but admired their bargaining strength. Accordingly, the first Guild constitution provided for modified federation of locals. The national union and national officers were given no important powers: contracts were signed between the locals and the employers, and there was no national intervention in local bargaining except upon the specific request of the locals. The National Executive Committee was given power to bargain with the press associations or syndicates, but no agreement was binding without a two-thirds referendum endorsement of the members involved. Other than that, individual members could bargain personally with employers, without the support of the Guild.<sup>9</sup> These provisions were included in the constitution so as not to alienate the unorganized newswriters from the Guild or arouse the opposition of the publishers. Editor and Publisher commented that this guild type of union might succeed where a true labor union would fail; in the main, the public statements of the publishers and the editorials of Editor and Publisher were not unfriendly to the Guild.<sup>10</sup>

The Daily Newspaper Code was approved by President Roosevelt on February 17, 1934. It was evident that most of the publishers deprecated the attempts of the government to regulate the newspaper publishing industry. The publishers' disapproval found expression in a clause of the Code which stated unequivocally that no change could be made in

the Code without the specific approval of each of the twelve hundred publishers, lest the government infringe upon the freedom of the press. This clause prevented the Guild from obtaining a seat on the Newspaper Industrial Board; later, a representative of the Pressmen's Union resigned his seat so that the Guild could get representation.

Under the Newspaper Industry Code, the Guild obtained almost no provisions for improving the lot of the editorial employee. The Code, as finally approved, was substantially the same as that originally submitted by the Code Authority. Furthermore, the Guild was frustrated at almost every turn by the NIB. The Board held no regular meetings; it met only when it was convenient to all members; the meetings were seldom held in the city in which the dispute originated. The rules of evidence adopted by the Board were such as to render it almost incapable of taking any action on disputes,<sup>11</sup> and the chief result was that the Board was perpetually deadlocked on most issues. Keating acidly observed that the NIB settled into a "Sargasso Sea of Inaction."<sup>12</sup>

The Guild also found that the publishers were extremely reluctant to increase wages or shorten hours, even though the stated policy of the New Deal was to increase purchasing power. Whereas Broun and the Guild had expected to deal with the editors, who were journalists, they were confronted by the publishers, who were businessmen often with investments other than those represented by their newspapers. Furthermore, the publishers had a cohesive employers' association, having formed the ANPA in 1887 to look after the business interests of their papers. As a consequence of publisher opposition, the Guild signed only one important contract before September, 1934. The Guild's first contract was signed with the Philadelphia Record, whose owner, J. David Stern, had

been friendly to the Guild. The contract provided for the closed shop with a check-off; the 5-day, 40-hour week for all editorial employees earning less than \$4500 per year; two weeks' annual vacation with pay; increased educational standards for copy boys and apprentice reporters; dismissal notices ranging from two weeks to three months; scale pay for overtime or equal time off; restoration of a 10 percent wage reduction, 60 days after the payment of the next dividend; wage and arbitration committees; provision for sickness and accident disability and a training school wherein cubs were compelled to perfect their educational qualifications. Editor and Publisher publicly lauded the contract and commented that "these bargaining reporters have demonstrated our point that it is possible for Guilds, properly officered, to make better deals with publishers than could any labor union."<sup>13</sup>

It is evident from the record that the Guild did not share the optimism of Editor and Publisher. The second Guild convention, which met in St. Paul in June, 1934, was in a more favorable mood to adopt trade union methods. Although much of the discussion at the convention centered around the ethics of the industry,<sup>14</sup> delegates returned to the world of reality long enough to perfect a trade union organization. A bargaining program was approved, local guilds were advised to consult more frequently with national officers, and individual members were forbidden to negotiate "for a wage or other standard of employment inferior to that secured by the Guild in any collective action." The Guild constitution was amended so as to require the submission of proposed local contracts to the National Executive Committee for recommendations.

The Jennings Case

It was in connection with the St. Paul Convention that there arose



the Jennings Case, the disposition of which indicated to the Guild that it could not rely too heavily upon government assistance under Section 7A of the NRA.

Dean Jennings was a rewrite man for the San Francisco Call-Bulletin; due to a rescheduling of vacations, he had been forced to resign from the staff in order to attend the 1934 Guild Convention. The Guild appealed the case to the National Labor Board, inasmuch as Jennings' resignation had caused Guild membership among the staff to drop from forty to four.

The Hearst attorneys did not dispute the facts of the case but challenged the jurisdiction of the Labor Board. The case was heard before several government agencies, and on December 3, 1934 the NLRB, which had supplanted the old Labor Board, handed down its decision in which it ordered the Hearst management to reinstate Jennings. The publishers, through the ANPA, threatened to withdraw from the NRA, and NRA counsel prevailed upon the NLRB to reopen the case solely on the question of the Board's jurisdiction. On December 17, 1934 the NLRB reaffirmed its original decision.

The Hearst management refused to comply, and the NLRB recommended that the NRA remove the Blue Eagle from the paper; whereupon, Howard Davis, president of the ANPA called a mass meeting of the publishers to be held in Chicago, the purpose of which was to discuss the advisability of withdrawing from the NRA. At this point, Donald Richberg, NRA counsel appealed to President Roosevelt for assistance.

President Roosevelt then reversed his previous position by ruling that henceforth the NLRB would have no jurisdiction in newspaper cases under Section 7A and could not even hear them on appeal; the rulings of the Newspaper Industry Board would be final and exclusive. Many Guild

members thought it significant that one hour before the President's decision was issued from the White House, ANPA president Davis sent a telegram to all members advising that the proposed mass meeting had been cancelled, inasmuch as there no longer existed a need for such a meeting.

Jennings was never reinstated by the Call-Bulletin, although the Guild was instrumental in his being appointed a regional information officer for the Federal Resettlement Administration. The Guild thus learned a lesson from the Jennings Case--prior to passage of the Wagner Act, property rights were more important than human rights, and the Federal laws were of less use than economic strength, except to those already in power.

Late in 1934 the Guild decided to use economic strength in a dispute with the anti-labor publisher of a Newark paper. This strike was typical of later strikes engaged in by the Guild and was notable in that it was the first time that the Guild came out victorious in its attempts to increase the economic well-being of its members.

#### The Newark Ledger Strike

The Guild's first major strike was against the Newark Ledger, and it lasted nineteen weeks. It was precipitated when the publisher, L. T. Russell, fired eight Guildsmen and announced his intention of firing others in the future.

The Guild employed various self-help devices, including mass picketing of the paper, labor boycott, a consumption boycott of the paper, and picketing and boycott of advertisers. At the height of the strike, the employer obtained a temporary injunction which prohibited the Guild, its strikers, and sympathizers from "molesting present employees of the Ledger, from using all forms of picketing and boycotting, from distribut-

ing handbills and flysheets, and from uttering threats of violence, insults, and annoying language in any broadcasting device."<sup>17</sup>

The injunction gained widespread support for the Guild from union labor in the Newark area and attracted well-known legal counsel to the case. In addition, a mass meeting of Ledger stockholders demanded the removal of Russell from the paper.

Besides the injunction, the employer used other self-help devices. According to the Guild Reporter, the publisher imported strikebreakers and then hired bodyguards to protect the strikebreakers.

The strike ended on March 28, 1935, after a conciliator for the U. S. Department of Labor had secured an agreement which was signed by the employer and the Guild strike committee and ratified by the court.<sup>18</sup>

The Ledger strike illustrated to the Guild that there was a definite need for a strong central organization reinforced by sufficient financial reserves. Most Guildsmen realized that the victory could not have been won without the support of other segments of organized labor; in other words, the Guild was, and is, dependent upon other unions for support. The Ledger could have been published with only a skeleton editorial staff, as long as the business office and mechanical department workers remained on the job. It was learned that a well-organized boycott was a necessary concomitant to a Guild strike. Mr. Russell's use of various ANPA services, including the importation of strikebreakers, proved to the lukewarm Guildsmen that a professional association was not the answer to economic insecurity. The use of the injunction pointed up the necessity for the development of a political arm of the labor movement.

To a student of labor, the Ledger strike, in retrospect, is an elucidation of a statement made by Hoxie. In his Trade Unionism in the

United States, Hoxie commented that in all matters regarding the craft or industry, unionists are "bread-and-butter" unionists, but that attempts at coercion will change them into militant unionists and will often attract support from persons not immediately affected by the dispute.<sup>19</sup> Assuming that the injunction was an instrument of coercion, Hoxie's theory offers an explanation for the determination shown by the Guild strikers and for the support of unions, lawyers, and private citizens who were not even remotely concerned in the dispute.

#### Development of a Trade Union Consciousness

In 1935 the Guild conducted strikes against the Amsterdam News in New York and the Jewish Daily Bulletin in New York. The success of the Guild in these strikes was further proof that trade union methods were not incompatible with a union of editorial employees. Nevertheless, it is apparent that there were at least three factions within the Guild, all of them competing for dominance in the new union.

Heywood Broun led a group which wanted both a professional and a labor organization, similar to Actors' Equity. Writing in The Nation, Broun commented that the "unionization of actors and their AFL affiliation has been a happy circumstance.....but even the class-conscious Thespians avoided the word 'union' and organized under the title 'Actors' Equity.'<sup>20</sup> This group further believed that the slowness of the newswriters to organize was due more to inability than reluctance—newswriters had had neither the tradition nor the training for trade union organization. Most of the non-members, argued Broun, "claim a disbelief in unionism that is only a rationalization of his fear of being discriminated against because of his rashness."

There was also a diminishing minority who still wanted a purely



professional association. This group abhorred the traditional trade union methods and wanted a press association dedicated to persuasion with the publishers rather than collective action. In light of the failure of the NRA and determined publisher resistance, Keating remarked that "romance dies hard even at \$20 a week."

A third group felt that the AFL had proved its futility under the Recovery Program and was not worthy of further consideration. These people deprecated a union based on craft distinctions and wanted to form a vertical union of all newspaper employees, or at least a union composed of all newspaper employees who did not come under the jurisdiction of any other union. This clique was easily the most vocal of the three and ultimately achieved its goal when the ANG affiliated with the CIO in 1957.

When the second Guild convention met in Cleveland in June, 1935, opinion had crystallized to the extent that a report was adopted favoring affiliation with the AFL; however, in a referendum vote, slightly less than the required 2/3 majority voted in favor of affiliation.

A trade union consciousness was further evidenced when the convention changed the constitution to include as a purpose of the ANG: "To promote industrial unionism in the newspaper industry." However, the convention turned down a proposal to organize non-editorial departments at that time.

Jonathan Eddy, national executive secretary of the Guild, probably spoke for a majority of the members when he stated that the "Newark strike taught us the weakness of our finances and of our whole internal constitutional structure..... To make (support) effective a disciplined organizational machine is required."<sup>21</sup> Eddy recommended that the union

strengthen itself by creating a real defense fund and by revising the constitution so that there would be a smaller and more concentrated executive board. The convention voted to create a defense fund based on assessments, but was suspicious of a centralized executive board; this suspicion was given recognition when the convention voted to create a National Council which consisted of the presidents of all local guilds, empowered to review all decisions of the NEB with respect to the suspension of members of the NEB.

Other resolutions endorsed an independent Labor Party, favored the release of all prisoners imprisoned for labor activities and political beliefs, and pledged stubborn opposition to Fascism in whatever guise it should take.

In 1936, the Guild called its first strike against one of the Hearst papers, the Wisconsin News in Milwaukee. This strike attracted nationwide attention because of Mr. Hearst's outspoken opposition to the Guild. Heywood Broun marched in the picket lines, and he and other pickets were arrested and fined. To the amazement of the publishers, the Guild won the strike and forced Hearst to capitulate by guaranteeing the reemployment of all strikers, a minimum wage, maximum hours of work, dismissal notices, overtime, and vacations with pay.

#### Affiliation With the AFL

Flushed with this victory over Hearst, the Guild convention met in New York in June, 1936, determined to further strengthen the organization. The question of affiliation was decided when the convention voted 83 to 5 in favor of it, directing the officers to seek immediate affiliation as an international union with jurisdiction over all workers eligible for membership in the ANG. Disregarding the publishers' promise

of even stronger resistance if the Guild voted for affiliation, Broun argued that the publishers "convinced the members of the necessity and encouraged the union to affiliate with the Federation not by words but by deeds."<sup>22</sup>

The 1936 convention adopted a resolution favoring industrial unionism and a resolution urging improvement of relations with other unions in the newspaper industry; another resolution urged locals to cooperate with other labor groups for the promotion of independent political action. The convention also raised the national per capita payment from 50¢ to 75¢ per month to make possible an expansion of organizing activities; however, a movement toward a highly-centralized Guild was checked when the convention voted against the creation of a paid vice-presidency in charge of organization, on the grounds that organization should be conducted on a district basis.<sup>23</sup>

On August 7, 1936 William Green presented a charter to the ANG at an open meeting of the International Executive Board (formerly the NEB) of the ANG. At the conclusion of the presentation ceremonies, Broun announced that he intended to resign as president the following day and would stand for reelection on the issue of affiliating the Guild with the CIO; however, Broun finally acceded to the requests of his friends and agreed to remain as president with the understanding that he would attempt to influence the next convention to change its affiliation.<sup>24</sup>

The next strike was conducted against the Seattle Post-Intelligencer, another Hearst paper. The strike was strongly supported by all labor in the Seattle area; Seattle was without a morning paper except for the Guild Daily, a temporary local guild publication. The long strike ended with another victory for the Guild over Hearst, and with its end came

agreements with Hearst papers in other sections of the country. An agreement was immediately signed between the Guild and the major San Francisco Bay Region newspapers.

It is manifest from the record that there was growing dissension among the membership over some of the practices and policies conducted by the Guild national officers. On the one hand, a small group led by Jonathan Eddy and Carl Randau, president of the New York local, with Brown as a not-too-willing accomplice, favored a highly-centralized Guild with control centered in the hands of a few members of the IEB. On the other hand, the rank-and-file of the Guild generally favored a democratic, loosely-knit union with the locus of control among the membership; Robert Buck of the Washington local was the main spokesman for the latter faction.

This disagreement threatened to split the Guild when it assembled in St. Louis for the 1937 convention. The dominant issues before the convention were the resolutions in favor of affiliation with the CIO and the extension of jurisdiction to cover the commercial employees--the formation of an industrial union. The two resolutions carried by a vote of 118 1/2 to 18 1/2; a resolution to submit these questions to a referendum vote of the membership failed to pass the convention.<sup>25</sup> The advocates of a centralized Guild also passed a resolution creating two new IEB salaried positions of executive vice-president and secretary-treasurer.

In order to further strengthen the union, the convention adopted a collective bargaining program for the guidance of locals and laid down mandatory rules to be followed by the locals, with automatic suspension of charters of locals violating these rules. The Guild shop and the



5-day, 40-hour week were made absolute requisites for local agreements. The use of arbitration by locals was restricted; the constitution was changed to read: "No contract shall provide for renewal by arbitration or for arbitration of the Guild's right to represent employees within its jurisdiction." To further solidify the union, the convention ended the constitutional requirement that one vice-president be elected from a wire service, but kept mandatory the appointment of a wire service committee including three IEB members. Morris Watson, wire service representative, explained the changes, stating, "since the ANG is now with the CIO, it is more essential than ever not to set up departments that tend to split one group of workers from another."<sup>26</sup>

The 1937 convention, however, adopted resolutions reaffirming the conviction that independent political action must be used along with economic action to advance the interests of labor and farmers, attacking Fascism as an anti-labor force and supporting the people of Spain in their fight against it, and backing FDR's Supreme Court plan and demanding a clarifying amendment to the Constitution.

The more notable Guild strikes of 1937 were those against the Long Island Daily Press and the Brooklyn Daily Eagle, which resulted in signed agreements between the Guild and the management. The Guild also signed agreements with many other paper, including the New York Daily News, the World-Telegram, the Post, the Cleveland News, the Scripps-Howard papers, and the Hearst papers in Chicago, Milwaukee, and Seattle. The Guild had at least won temporary, but negative, acceptance from the publishers.

Arthur Robb, editor of Editor and Publisher, attended the 1937 Guild convention and noted that the ANG was at long last a bona fide

trade union. Although Mr. Robb may have had an ulterior motive in that he wanted to frighten both the publishers and the lukewarm union members, he described the conclave as follows: "This was not a convention of newspaper-makers.....This was a convention of trade unionists, first, midway, and all the time.....The toughest kind of union discipline was written into the constitution to take care of individuals and units who don't relish that drastic program.....This Guild is potentially the toughest outfit in the newspaper setup.....In their present state, its members evince none of the loyalty to the craft traditions that you find in the mechanical shops....."27

When the 1938 convention met in Toronto, few Guildsmen regretted that they had decided to follow trade union tactics and techniques. The Guild had contracts with 82 newspapers and news and photo services; 40 of these contracts had been signed since the last convention. Membership in the Guild had increased from 8,830 in June, 1936 to 16,797 in June, 1938. This growth in membership may be attributed to at least four factors: increased activity on the part of Guild organizers, insistence upon Guild shop contracts, extension of jurisdiction of the Guild, and a favorable attitude on the part of the government toward unionization in general. Where in 1936 the jurisdiction of the Guild did not include the commercial department employees, in 1938 3,292 members of the Guild were employed in these departments. Furthermore, the ANG did receive active support from the NLRB in its drive for recognition; from 1935 through September, 1938, the Guild brought 30 cases before the NLRB, and the Board ruled in favor of the Guild in 19 of these cases. A secondary factor in the growth of Guild membership was its apparent success in the conduct of strikes. According to the Guild Reporter,

from February, 1936 to June, 1938, the Guild conducted 20 strikes, having a major strike in progress at all times. From the standpoint of the Guild, these strikes were classed as victories, because in all of them the basic demands of the Guild were met.

The year 1938 marked a high point in the entrance of the Guild into matters which pertained only very remotely to traditional trade union objectives. The convention of that year passed resolutions expressing a belief that foreign policy of the United States should not be based upon the protection of property interests of large corporations but should express the desire of the American people for international peace; urging unity of all trade unions and other groups of the population in defense of democracy and labor's rights against such industrialists as Henry Ford and Tom Girdler; supporting legislation to "punish these law-breakers, and cooperating in every way to arouse the people of the United States and Canada to defeat fascism and defend democracy in North America"; reaffirming its declaration of support of independent political action as means of advancing the interests of all industrial, agricultural, and professional workers; urging locals to participate in Labor's Non-Partisan League and other genuine expressions of independent political action; instructing the IEB to bring pressure to bear upon the dominion and provincial government of Canada to solve the unemployment problem; reaffirming its belief in the innocence of Tom Mooney and Warren K. Billings and demanding their full, immediate, and unconditional pardon; and endorsing the World Youth Congress and instructing the IEB to send a fraternal delegate to the next Congress at Vassar.

The 1938 convention spent most of its time discussing current political and social problems; however, two of the resolutions passed by

the convention attest to a growing trade union consciousness. One resolution instructed the IEB to study the possibility of the use of a Guild label and to establish a Guild label at its discretion. A second resolution was designed to make it more difficult for dissident groups within the union to call a referendum against the will of the leadership. It provided that a referendum could be initiated only after favorable action by at least eleven locals in five states, comprising 5% of the total national membership; Heywood Brown had demanded that the membership of these locals comprise at least 10% of the total membership.<sup>28</sup>

The sixth annual convention, held in San Francisco in 1939, was a milestone in Guild history. The San Francisco local presented the convention with the first Guild contract containing a Guild shop clause. The national organization was strengthened when the IEB was given power to suspend the charter of any local which, without its authorization, signed a contract containing "serious deviations from the Collective Bargaining Program" adopted by the national convention. Resolutions condemning the policies of W. R. Hearst's Chicago American and Chicago Herald and Examiner and the "reactionary labor policy" of the Associated Press were adopted.<sup>29</sup>

The Convention adopted other resolutions asking for the support of Harry Bridges in his deportation battle with the Immigration Service and the support of California governor Olson for his progressive administration. The convention condemned Father Coughlin as a Fascist and condemned all "propaganda" which tended to discriminate against persons or groups of persons by reason of race, color, creed, or religious belief.

The whole issue of factionalism erupted into a bitter battle.



Jonathan Eddy, executive vice-president, stated that he felt that all authority and responsibility should be vested in his office, which should in turn be responsible to an infrequently-convened IEB. "We must decide," said Eddy, "whether the executive officer, in administering collective bargaining policy, is to be responsible to an executive board elected on a broad, geographical basis, or to the functionaries whose duties are directed in other unions by the executive officer." Several delegates questioned the constitutionality of some of Eddy's past actions, and an executive session of the convention decided to settle the question by an election. The results were: Milton Kaufman, 68 votes; Julius Klyman, 55 votes; Eddy, 6 votes. The IEB immediately voted Eddy \$1,000 in severance pay.<sup>30</sup>

The Guild lost its great leader when Heywood Broun died in December, 1939. Although he had made some enemies because of his outspoken views, Broun was generally well-respected by all who worked with him. Of him, George Seldes said, "What Heywood Broun did was not so much to organize a union as to emancipate a profession. He took the most individualistic group possible, the self-deluded falsely cynical and frequently supercilious newspapermen out of their red light district and into the green pastures of ethical journalism, made them realize what it was to be free men and what human dignity meant."<sup>31</sup>

Kenneth Crawford of Washington was elected president to succeed Broun. Crawford's election was hailed as a victory against the domination of the Guild by the New York clique and the first step toward a more democratic union.<sup>32</sup>

Memphis was the meeting-place of the 1940 Guild convention, despite the fact that Boss Crump notified the Guild that it was not welcome. The

crucial issue of the 1940 convention was whether to endorse the President's preparedness program or not. After considerable debate, the convention endorsed the CIO position for a defense program that would protect American institutions; other resolutions reaffirmed Guild loyalty to the Bill of Rights and pledged protection against attacks from within or without and protested the Allen Bill as a suspension of the Constitution so as to provide an avenue for the deportation of Harry Bridges. These statements of policy put the Guild behind the preparedness program but voiced the fears that the emergency would serve as an excuse for anti-labor forces to destroy unionism in America.

Other resolutions were more directly concerned with trade union objectives. The Guild placed itself on record as strongly opposed to the Smith amendments to the Wagner Act and all other attempts to emasculate the NLRA and pleaded for labor unity, instructing the IEB to use its full force toward the establishment of CIO-AFL unity. Donal Sullivan of Boston was elected president, and Milton Kaufman was returned to the office of executive vice-president.

Another type of opposition to the Guild appeared in 1940 in the form of an AFL rival union. Called the American Editorial Association, it was formed in Chicago as a national council of federal labor unions of editorial employees. The AFL, which had warmly welcomed the Guild in 1936, now charged that the Guild was Communist-dominated and given to coercing its members.<sup>35</sup> This threat to the Guild was more apparent than real; although the AFL still has a few federal locals of editorial employees, they have never made any substantial inroads against the Guild.

The charge of Communist domination was thoroughly aired on the floor of the 1941 convention which met in Detroit. Milton Kaufman, who

had been accused by some delegates of being a Communist and of writing for the Daily Worker under the name of Milton Kay and who had categorically denied the Communist charge, was given a vote of confidence by a very narrow margin.<sup>54</sup> A minority report criticized the policy of the Guild Reporter and accused it of being pro-Communist; the minority report was defeated by a vote of 91 to 80. Sam Eubanks, San Francisco candidate for the office of executive vice-president, accused the incumbent administration of being Communistic and was in turn accused of "union-busting"; however, Eubanks was cleared of this charge by a voice vote of the convention.

The convention amended the constitution to provide for the election of the IEB by membership referendum instead of by convention vote; the term of office was lengthened to two years; the incumbent officers were to continue until November 1, when the new officers were to take over. This amendment climaxed a movement among the rank-and-file for a democratic union in which the officers would be more or less directly responsible to the membership. It resolved, for the time being, the struggle between those desiring a highly-centralized union and those who wanted the leadership responsible to the membership.

The 1941 convention also pledged the allegiance of the Guild to the U.S.A. and pledged the Guild to fight against any attack whether it came from within or without. The Guild also opposed any involvement in war but reaffirmed its cooperation in preparation of an adequate defense, and pledged its continued cooperation with other unions on political and legislative fronts to protect labor's civil rights against any assault.

Following the convention, the Guild divided into two factions, those

supporting the administration forming a "United Guild" party and those opposing the incumbents forming a "Pro-Guild" party. The battle was waged mainly in the columns of the Guild Reporter with both sides buying space in which to present their cases.

In a pre-election move, five of the "United Guild" candidates, in the interest of Guild "unity", withdrew from the race, thereby guaranteeing the election of their rivals. However, the referendum election resulted in a sweeping victory for the "Pro-Guild" candidates who won 12 of the 13 offices, having no candidate for the 13th post. The election results for the office of president gave 5534 votes for Milton Murray and 3371 to the incumbent Donal Sullivan; for executive vice-president, Sam Eubanks received 5539 votes, and Milton Kaufman, 3348; the other "Pro-Guild" candidates won by substantially the same majorities.<sup>35</sup>

Since 1941 the conservative element within the Guild has maintained its dominant position and has forced a toning down of Guild activities; the Guild has modified its policies and has patterned itself more after the economic model of a trade union than the political model. Where prior to 1941 the Guild had taken a stand on many controversial economic, social, and political issues, there has been a subsequent shift of emphasis in that the Guild is now mainly concerned with furthering the interests of its members by the direct method of collective bargaining rather than by the indirect method of political reform. The goals of the Guild are those that can be attained immediately through the medium of collective bargaining rather than in the more distant future by social amendment. In short, the Guild is now more interested in the job situation than in the complex social situation.

Hitler invaded Russia on June 21, 1941, and on December 8, 1941,



the United States declared war against the Axis. These two events had the general effect of resolving most differences between the two Guild factions. The theme of the 1942 convention in Denver was one of unity, compared to the previous years of bitter strife. The convention, in the main, pledged its wholehearted support to President Roosevelt's 7-point war economy program and criticized all those, including John L. Lewis and the United Mine Workers, who were disrupting the war effort. Other resolutions urged the passage of legislation to prevent American industrialists from entering into international cartels, commended Henry A. Wallace for his forthright stand on human liberties, and pleaded for greater CIO-AFL cooperation.<sup>36</sup>

During World War II the Guild reaffirmed its support of FDR and his prosecution of the war and opposed any and all threats to labor. Wartime conventions adopted the following resolutions as a part of official Guild policy: reaffirmed the CIO no-strike pledge; endorsed the Office War Mobilization and urged that labor be given a voice at the top level; demanded that the OPA roll prices back to "just" levels; called upon FDR to give the NWLB full authority to deal with wage adjustments based upon gross inequities; demanded tax legislation based upon ability to pay;<sup>37</sup> urged modification of the Little Steel Formula; pledged the use of every facility to help bring about a unity of all labor forces in the United States to defeat the enemies of labor who were the enemies of democracy;<sup>38</sup> condemned and deplored attacks on the NLRB as threats to peaceful labor relations; urged the guaranteed annual wage as the best protection of workers against a postwar depression; demanded that the Labor Department give the working people service and assistance which was comparable to that given farmers and businessmen by their respec-

tive departments; pledged support of price control and rationing, the Truman policy of full employment and abiding peace, and the War Bond Program.<sup>39</sup>

At the war's end the Guild joined the rest of the CIO in demanding that purchasing power be maintained and that free collective bargaining be resumed. In general, the Guild was united to the extent that there was a common goal; there was a difference of opinion on the methods to be employed. This disagreement split the IEB into two opposing factions and resulted in action in which a majority of the members of the IEB voted to censure President Murray for statements which he made before a Congressional committee relative to Communists in the Guild. Murray also sponsored a movement to create a full-time, paid presidency; this issue was voted down in a membership referendum in 1946, and the 1947 convention rejected it by a vote of 245 to 91. The unfavorable convention vote caused Murray to withdraw from the race for presidency; in the referendum election, Harry Martin of Memphis was elected president, and Sam Eubanks was returned to the office of executive vice-president.

The issue of Communism precipitated a convention battle when it met in San Francisco in June, 1948. A member of the Washington local, Thomas G. Buchanan, Jr., had admitted that he was a Communist in discussions with Ben McKelway, editor of the Washington Star, and McKelway had fired him. The Washington local voted 251 to 163 not to support Buchanan in his protest to the Star against his summary discharge; Buchanan made no appeal to the Guild national convention. The ANG has no constitutional power to order a local to reverse its action; however, after a heated debate, a majority resolution was adopted which stated that "the Guild refuses to condone the dismissal of its members from employment during

competent performance of their duties for reasons or allegations of adherence to any political party or theory." A minority resolution was overwhelmingly defeated.

### Conclusion

The past fifteen years have witnessed the growth of a trade union of professional workers. In that time, the American Newspaper Guild has achieved remarkable progress, despite employer resistance and internal dissension. As of January 1, 1948 the total dues-paying membership of the Guild stood at 25,911; Sam Eubanks, in his report to the convention, stated that the Guild had thus far organized about 33% of the employees who were eligible for Guild membership. The Guild has attained a degree of union security; of a total of 207 contracts in force on June 10, 1948, 109 provided for the Guild shop, and 28 provided for maintenance of membership. Job security has been strengthened; 107 contracts provided for some type of severance pay, 145 contracts provided for no dismissals except for just and sufficient cause, 143 contracts provided for advance dismissal notice, and 182 contracts provided for no pay cuts. Guild members have also received more direct economic benefits; where in April, 1934 an estimated 55% of all editorial employees received less than \$40 per week, in 1948 the Guild had 118 contracts which provided for minimums of \$65 or more.<sup>40</sup>

Coincident with the growth of the American Newspaper Guild there has been a very decided change in the organization and aims of the Guild. In 1934 the leaders and a majority of the members envisaged their union as a professional association with a few economic functions; however, over time this type of organization proved its ineffectiveness. Therefore, it is not surprising to one who has studied the newspaper industry that the

Table 1-- Top Reporter Minimums in Daily Newspaper  
Contracts, 1946-48.

	Number of Contracts		
	<u>1946</u>	<u>1947</u>	<u>1948</u>
Contracts with Reporter Minimums	139	141	137
\$100 and up	none	15	16
90 and up	9	20	35
85 and up	9	30	45
80 and up	9	35	62
75 and up	12	48	77
70 and up	16	69	105
65 and up	47	91	118
Under 65	92	50	19

Source: Officers' Report to 15th Annual ANG Convention,  
June 28, 1948, p. 6.



Table 2--Status of Principal Guild Contracts, 1946-48.

	<u>6-10-46</u>	<u>6-10-47</u>	<u>6-10-48</u>
Total contracts	207	220	207
Guild shop	108	119	109
Maintenance of Membership	47	45	28
Dues checkoff	73	104	97
Over 2 weeks' vacation	66	107	102
Night differentials	109	129	130
30 weeks' severance pay limit	56	74	71
Over 30 weeks' severance pay limit	11	16	17
No limit on severance pay	20	26	20
Severance pay on retirement (or pension plan)	44	58	61
1½ cash for overtime work	201	216	204
Shorter work week for one or more depts.	26	38	35
No dismissals except for just and sufficient cause	128	150	145
Advance dismissal notice	121	150	143
No pay cuts	184	191	182
Holiday clause	193	214	204
Extra pay for holiday work	103	136	139
Leaves for Guild work and/or conventions	137	167	163
No struck work and/or strike-breaking	110	120	106

Source: Officers' Report to 15th Annual ANG Convention,  
June 28, 1948, p. 8.

1948 Guild convention adopted a collective bargaining program which called for the 5-day, 35-hour week; an industry-wide retirement and pension system; prepaid hospital care to be provided by management; differential pay for overtime, night, and holiday work; and a contract clause barring discrimination against Negroes. Where the conventions of 1934, 1935, and 1936 were concerned with the morality of some journalistic practices and the threat of fascism, the 1948 convention discussed the efficacy of collective bargaining under the Taft-Hartley Law, the threat of newsprint monopoly to the publishing industry, and the necessity of political action in favor of candidates who are friendly to trade unions and their objectives.

San Francisco-Oakland Newspaper Guild Local No. 52--A Case Study

Prior to 1933, efforts to organize the newspapermen of San Francisco met with as little success as similar activities elsewhere, despite the fact that the Bay Region had long been known as a good union area. The ITU tried on two occasions to organize the newsmen of San Francisco, in 1902 and in 1919, but in each instance the union lasted only a year. The reasons for the reluctance of Bay Area newsmen to form a trade union were generally the same as those accounting for the absence of a national trade union of editorial workers.

The San Francisco and Oakland newspapers were not immune from the Great Depression of the 1930's; circulation fell off, and advertising was cut. Faced with a loss of revenue, the publishers determined to reduce expenses. Since the fixed costs of plant and equipment could not be curtailed, labor costs were the only other practical alternative. The mechanical department employees had long since formed strong unions pledged to oppose wage cuts; however, the commercial and editorial department employees had looked with disdain on trade unions. Accordingly, in these two departments wages were cut, hours were lengthened, and other terms and conditions of employment were made more onerous.

It was the general consensus of opinion that, while all Bay Area newsmen suffered during this period, the employees of the Hearst papers were probably the hardest hit. The top executives of the Hearst chain seemed to enjoy an immunity from salary reductions, but the middle- and lower-salaried employees took three pay cuts in rapid succession.<sup>41</sup> The practice of allowing celebrities to work on the newspapers without pay further weakened job security.

When the NRA failed to restore wage cuts or to stabilize conditions in the newspaper industry, Bay Area newsmen followed the pattern set by newswriters in other parts of the country. On March 4, 1934 seventy-one persons gathered in the San Francisco Press Club to discuss the organization of a San Francisco Bay chapter of the American Newspaper Guild. Redfern Mason, veteran music critic for the San Francisco Examiner, acted as temporary chairman. A second meeting was held on March 11, at which time a constitution was ratified and work was begun on the by-laws. On March 25 184 dues-paying members elected officers; at this time there were five units: San Francisco Examiner, San Francisco Call-Bulletin, San Francisco News, Oakland Post-Enquirer, and the Associated Press.

The San Francisco Bay Region Guild, as it was known in its early days, was immediately attacked by the publishers. People suspected of being active in the Guild were fired or forced to resign; many editors warned their staffs against joining the Guild. Meetings were held in secret, out-of-the-way places: private homes, restaurants, and the University of California Extension offices. In the first two years, seven local officers lost their jobs or were forced out of them. Many martyrs were thus created:

(1) Louis Burgess, chairman of the Examiner unit, was fired from his position as editorial writer, ostensibly because "he was no longer needed around the newspaper." The Bay Guild charged violation of Section 7A of the NRA, and the case was appealed to the National Labor Relations Board. The Board eventually ruled that Burgess "had not established his case."

(2) Redfern Mason, music critic of the Examiner, succeeded Burgess



as chairman of the Examiner unit. In the course of his duties, Mason wrote a letter to all members of the local urging them to contribute to the defense fund; the next day Mason was transferred to the hotel beat. In newspaper work, this transfer was tantamount to dismissal, so Mason quit. An appeal to the NRA was fruitless.

(3) Dean Jennings was another local Guildsman who lost his job as a result of publisher action. His case attracted nation-wide attention.<sup>42</sup>

Despite strong publisher resistance and internal dissension, the local continued to make headway. A drive for the five-day, forty-hour week was commenced, following President Roosevelt's request in February, 1934 for the shorter work-week as a means of alleviating unemployment. Gradually, the San Francisco and Oakland papers put the five-day week into effect, and in September, 1934, the AP announced that the five-day week would prevail in all of its bureaus in cities where its member newspapers had adopted it. However, the five-day week was not guaranteed until the "bulletin board" collective agreements appeared in 1936.

In June, 1935 the Supreme Court held the NRA to be unconstitutional, and several Bay Area papers returned to the six-day week, notably the Examiner, the Call-Bulletin, and the Oakland Tribune. The Guild immediately requested collective bargaining, and meetings were held with the management of most of the papers. In November, 1936 the Guild negotiated a bulletin board announcement with the News, setting top minimums of \$50 per week for employees with five years of experience. Flushed with victories in the Wisconsin News and Seattle Post-Intelligencer (Hearst) strikes, the Guild pressed for agreements with other papers. The Chronicle unit approved a bulletin board agreement with top minimums of \$250 per month for reporters and desk men, terms which the Examiner

quickly met. The Call-Bulletin and the Post-Enquirer agreements set top minimums of \$50 per week for more than five years of experience.

In 1938 the Guild determined to negotiate written contracts, fortified by an NLRB ruling that bargaining in good faith included a signed, written contract if verbal agreement had been reached.<sup>43</sup> Local publishers balked at granting most of the demands on this basis. Drawn-out negotiations resulted in the taking of a strike vote, in which the local voted 247 to 16 to authorize the negotiating committee to call a strike. Strike authorization speeded up the negotiations, and a city-wide contract, satisfying most of the Guild demands except the Guild shop, was signed in April, 1938. This contract was a milestone in Guild history in that it was the first negotiated on an industrial basis in any major city which included all the papers in the city and was the 1st major multi-employer agreement signed by the Guild. The contract provided for increased minimums and severance pay, among other things.

The Guild shop dominated the 1939 negotiations between the San Francisco Newspapers Publishers' Association and the San Francisco-Oakland Newspaper Guild. Early in May the Publishers' Association had recognized the Guild as the bargaining agent for the full commercial and editorial staffs. In the last week of May, Mr. Sam Kagel of the Pacific Coast Labor Bureau presented the Guild's case to the publishers. A contract was signed on July 24, just one week before the national convention of the Guild in San Francisco. The contract covered all commercial and editorial employees of five Bay Area daily newspapers and provided for the Guild Shop, the first time that Scripps-Howard and Hearst newspapers had ever signed a Guild Shop contract.<sup>44</sup>

In 1940 political considerations threatened to split the local.

While all Guildsmen recognized that there were anti-labor forces at work, there were considerable differences of opinion as to the implications of the President's preparedness program. Some members saw the European War as a tool by which certain elements threatened to crush unionism;<sup>45</sup> other Guildsmen felt that there was a necessity for the preparedness program. SFONG eventually followed the lead of the national Guild in supporting the preparedness program.

The Hearst Peace Formula was another product of 1940; it was the result of negotiations between the Guild and Hearst management, covering 14 Hearst newspapers in Albany, San Antonio, Los Angeles, Seattle, Milwaukee, New York, Boston, Pittsburgh, Detroit, and San Francisco. The Formula represented an advance over the SFONG city-wide contract in that it provided for guarantees against the speedup, a discharge consultation clause, improved severance pay, death benefits equal to severance pay, and a Guild Shop clause which required 9 out of 10 employees to join the union. The local Publishers' Association used the Hearst Formula as a counter-proposal to the Guild demands; negotiations extended over into 1941, mainly because the Guild insisted upon wage raises and a clause for the protection of draftees' rights. When the local contract was signed on January 28, 1941, it provided for \$60-top minimums for morning papers, \$57.60 for evening papers, guaranteed reinstatement of returning service draftees, severance pay to incapacitated service men, and death benefits based on severance pay to draftees' families.

The AP unit attempted to bargain with management for 18 months and finally took a strike vote in early 1940. There were charges of irregularities in the voting, however, and the votes were impounded. The move did have some effects on bargaining; the AP and the Guild signed a local

agreement late in March, following the signing of an agreement for the New York bureau; top minimums were set at \$55 for New York, and \$50 for San Francisco.

The United Press unit also took a strike vote in 1940, which action caused the UP management to make concessions and to come to an agreement.

The second AP-ANG local contract was signed on September 15, 1941; it was a one-year contract, arrived at after five months of intensive bargaining. It provided for a \$55-top minimum, a military service clause, and a stepup in severance pay. The contract was patterned after the one covering the New York bureau, signed on August 30, 1941.

When the SFONG contract expired in 1942, the Guild demanded substantial increases of 35 percent for employees receiving less than \$40 and 25 percent for those receiving more. The publishers countered with a best offer of \$2.50 across the board, and it was decided to arbitrate the matter. When the parties could not agree on a panel of three arbitrators, negotiations were resumed, during which the publishers raised their offers to \$3.75 for the higher brackets. The Guild accepted this offer, plus an extension of the war clause benefits.

The AP-ANG local contract expired on September 15, 1942. No new contract was signed until March 7, 1944; it was a retroactive contract arrived at after the WLB had indicated its ruling in the six AP cases. The effective date of the new agreement was September 15, 1942; the expiration date was May 1, 1944. The contract raised the top minimum for the San Francisco bureau to \$60.

In 1943 the contract was reopened by the Guild to request wage increases. The publishers offered a maximum increase of \$3 and granted three paid holidays instead of the six demanded by the Guild. The case



was taken to the War Labor Board and, although neither party was satisfied with the subsequent ruling, it was accepted with "comment" and shifted from a "disputed" to a "non-disputed" status in order to avoid the threat of complications created by the passage of the Smith-Connally Act. The final agreement between the parties called for increases of \$5, retroactive to March 9, with top minimums of \$83.50 for editorial workers, display salesmen, promotion and advertising artists, and promotion writers of five years' experience.

The Little Steel Formula hampered efforts of the Guild to negotiate wage increases in 1944; SFONG finally had to be content with an increase of about \$1.25, but demanded that the government grant food subsidies and price rollbacks.

In 1945 SFONG joined the rest of the ANG in fighting for a National Wage Program.<sup>46</sup> The program called for increases of 20 percent for employees earning less than \$50 per week and \$10 for those earning more than the \$50, plus a night differential. The publishers balked, and the case was referred to the WLB. After V-J Day, President Truman removed wage controls, and the case was referred back to the parties. Agreement was finally reached on increases ranging from 12½ percent to 25 percent with an average of approximately 20 percent and a night differential of 50 cents per shift. In return for the increases, SFONG agreed to make no new demands on the interim opening date of January 26, 1946.

The AP unit was without a contract during 1945; however, the AP national management and the national Guild signed an agreement on December 28, 1946, the terms of which provided for a cash bonus in place of a contract. The 1946 and 1947 contracts were also a result of

national bargaining.

The ANG goal of a \$100 top minimum was not realized by SFONG in 1947, although the new agreement provided for top minimums of \$90, a night differential of \$1 per shift, three-week vacations after five years' employment, and a dues checkoff.

The AP and the Guild resumed local bargaining in 1948. In San Francisco, the AP bureau chief and the Guild negotiators met in several sessions, but little was accomplished in the way of arriving at a contract. According to veteran Guildsmen, management attempted to stall until such time as the rival UP and the Guild signed a contract. Due to the failure of local bargaining to produce a contract in any bureaus, the AP and the Guild resumed national bargaining on July 19, 1948.

The 1948 contract reopening saw a fruition of the ANG National Wage Program. SFONG obtained increases in all classifications to the extent that the contract provided for a top minimum of \$100 and a floor of \$50 for experienced employees. As William Grattan, veteran Guildsman, pointed out, the new top minimums represented a 100-percent advance over those recited in the bulletin board agreements of 1936.

#### Summary

The main efforts of SFONG have been directed toward the achievement of economic security and the enhancement of human dignity and self-respect. While the economic aspects of trade unionism have been the dominant motives, political considerations have come in for their share of attention, as regards both internal Guild affairs and external political activities.

At the 1939 ANG convention, SFONG strongly supported its own candidate, Sam Eubanks, for a position on the IEB and, in the main, urged a third term for FDR and approved his peace policy. Franck Havenner was

SFONG's choice for mayor, although he lost out to Angelo Rossi.

In 1940 the local was definitely in favor of the President's preparedness program when the issue was presented to the convention at Memphis. Later in the year a majority of the members of SFONG voted in favor of resolutions presented by the Youngstown and Los Angeles Guilds, decrying attempts of Communists, Nazis, or Fascists to gain control of the ANG. The local also favored the direct election of ANG officers by the membership instead of by the convention; this proposal was unanimously adopted by the 1941 convention. Milton Kaufman, Executive Vice-President of the ANG, precipitated a crisis when he wired support to the North American Aviation strikers in southern California; many members of the local agreed with FDR that the strike was only an attempt to sabotage our rearmament program. At the 1941 convention SFONG delegates voted "no confidence" in Kaufman, who denied on the convention floor that he was a member of the Communist Party. In the 1941 referendum election SFONG voted about 5 to 3 against the incumbent ANG officers; San Francisco's Sam Eubanks was elected to the post of Executive Vice-President, succeeding Kaufman.

The Taft-Hartley Act was bitterly opposed by all locals of the ANG in 1947, including SFONG, and since the passage of the Act, SFONG has followed Guild policy in attempting to ignore the National Labor Relations Board as far as practicable. SFONG also engaged in internal Guild politics in 1947, strongly supporting those ANG officers who were opposed to a full-time salaried ANG President. Incumbent President Murray, who favored this proposal, was defeated by Harry Martin.

Notwithstanding strong publisher resistance and differences of opinion among the membership, SFONG has shown a continued growth in

membership over time. 71 persons attended the first organization meeting on March 4, 1934; by March 25, 1934, the local counted 184 dues-paying members. Despite many setbacks, by May, 1936 the seven units of the local had 225 members. Since that time, there has been a positive correlation of unknown value between the increase of top minimums and growth of membership. In January, 1948 the local had 1550 active members and 50 associate members.

The only notable failure of SFONG has been its inability to organize the employees of the Oakland Tribune. In 1934 Guild efforts at organization resulted in the firing of the most active Guildsmen, including both the chairman and secretary of the unit. In the ensuing campaign, the well-organized Knowland interests kept the Guild from pleading its case by radio by threatening with a lawsuit any radio station which sold time to the Guild. Sound trucks operated by the Guild were halted at the city limits between Alameda and Oakland by the Oakland police; later, the Oakland city government raised the license fee for sound trucks to a prohibitive rate. Persons distributing handbills were arrested during the early days of the campaign by police in Oakland and surrounding cities. Eventually the Guild enlisted the aid of other labor organizations and succeeded in reducing the circulation of the Tribune, but the overall result was a defeat for the Guild. Immediately, an independent union was organized among the Tribune employees, a union highly reminiscent of the Tribune company union which appeared after the failure of the ITU to organize the newsmen in 1919. The Guild made sporadic attempts at organization in 1937, 1939, and 1942, but these endeavors were fruitless. Observant Guildsmen are quick to point out that the Guild is indirectly bargaining for Tribune employees to the extent that



Tribune management is quick to grant to its employees any concessions which the Guild is able to win from the management of the other Bay Area papers.

### Footnotes

1. Robert F. Hoxie, Trade Unionism in the United States (New York: D. Appleton and Co., 1917), p. XXI.
2. Isabelle Keating, "Reporters Come of Age," Harpers' Monthly, (April, 1935), pp. 600-12.
3. Editor and Publisher, November 4, 1933, p. 20.
4. For instance, unorganized employees of the Hearst papers were subjected to three ten-percent wage cuts in one year.
5. In newspaper circles, the story has often been told of the young, experienced, college-trained woman who was assigned by one of the New York dailies to write a story of the sweatshops in the garment district of the city, for which she was to be paid on a lineage basis. The woman secured a job in one of the shops, worked four days, and then quit to write up her story. When she collected from the cashier at the newspaper, she found that she would have made more money if she had finished out her week at the sweatshop.
6. Editor and Publisher, November 4, 1933, p. 20.
7. Benjamin Stolberg, The Story of the CIO (New York: The Viking Press, 1938), pp. 245-56.
8. NLRB, Division of Economic Research, op. cit., p. 115.
9. Editor and Publisher, December 23, 1933, p. 6.
10. See Editor and Publisher, November 4, 1933, p. 20; December 23, 1933, p. 22; April 14, 1934, p. 30. However, that there was at least a vestige of opposition to the Guild can be deduced from an editorial appearing on page of the November 4, 1933 issue, relative to the implied threat of the Guild to the freedom of the press.
11. "The Guild Gets The Runaround," The New Republic, (January 9, 1935), p. 236.
12. Keating, loc. cit.
13. Editor and Publisher, April 14, 1934, p. 30.
14. See Appendix C,D.
15. Article VII(See Appendix A) stated that each publisher must agree to a modification of the Code before he could be bound by such modification. The publishers charged that they had not voted to allow the NLRB to hear their disputes, and therefore, were not bound to observe the decisions of the NLRB. However, it should be noted that the National Labor Board, later superseded by the NLRB, was in existence and had unchallenged jurisdiction over all Section 7a cases, even in industries having special industrial boards, when the Newspaper Code was approved.
16. The President's ruling caused Heywood Broun to comment that "the government of the U.S. has been held up by the publishers of the U.S. The President surrendered at the point of a wooden gun."
17. Guild Reporter, March 15, 1935, p. 1.
18. Ibid., April 15, 1935, pp. 1,2.
19. Hoxie, op. cit., p. 186.
20. Heywood Broun, "Hand and Brain," The Nation, (March 6, 1935), p. 279.

21. Guild Reporter, July 1, 1935, p. 3.
22. Bruce Minton and John Stuart, Men Who Lead Labor (New York: Modern Age Books, Inc., 1935), p. 140.
23. Guild Reporter, June 15, 1936, pp. 1,3.
24. Ibid., August 15, 1936, p. 1. On June 10, 1936, Broun had joined the CIO as an individual and announced that he intended to bring about a speedy referendum of the entire Guild membership on the question of CIO affiliation.
25. After the convention, the opposition mustered enough strength to force a referendum under the provisions of the Guild constitution. In the ensuing election, in which only about 5100 out of a total membership of 11,000 voted, the CIO resolution carried by a vote of 3392 to 1691, and the resolution on extension of jurisdiction carried, 3013 to 2054.
26. Guild Reporter, June 20, 1937, p. 1.
27. Editor and Publisher, June 19, 1937, p. 56.
28. Guild Reporter, June 22, 1938, p. 1. Prior to this resolution, approval by ten locals in five states had been sufficient to call for a national referendum.
29. See Appendix B.
30. Guild Reporter, August 15, 1939, p. 3.
31. Ibid., January 1, 1940, p. 4.
32. Ibid., pp. 1,3.
33. American Federation of Labor, American Federationist, (November, 1940), p. 11.
34. Kaufman had created a furore within the Guild when he wired support to the strikers at the North American airplane plant in 1941.
35. Guild Reporter, October 17, 1941, p. 1.
36. Ibid., July 4, 1942, pp. 9,10.
37. Ibid., July 1, 1943, p. 1.
38. Ibid., August 15, 1944, p. 2.
39. Ibid., July 13, 1945, p. 12.
40. See tables 1 and 2 for specific data on contract minimums and clauses.
41. It was Hearst who scoffed at the Guild when he was questioned by a ship's reporter as he prepared to leave for Bad Nauheim and an interview with Hitler in 1935. Hearst retorted that he regarded all of his employees as a part of his large family and that he felt that he treated his newspapermen fairly and paid them a satisfactory wage.
42. See page 11, above.
43. Inland Steel Co. v. NLRB, 109 f.2d 9, 23-25(CCA 7, 1940).
44. The Guild Shop was a modified form of the union shop in which four out of five employees were required to join the Guild, and all current members were required to remain union members of good standing.
45. For example, the Baltimore Sun, an anti-Guild paper, used the war as an excuse to abolish the five-day week.
46. The ANG National Wage Program called for weekly top minimums of \$100 and a "floor" of \$50 for all experienced workers.

THE ASSOCIATED PRESSDescription of Operations

The Associated Press has often been called "the largest cooperative in the world outside of the Soviet Union." The AP is a membership association of newspapers and radio stations, engaged in the collection and interchange of news among its members and associate members. Originally, it was organized for the purpose of exchange of local news; eventually its operations were extended to a regional, interregional, and finally, an international basis. It provides complete editorial service to newspapers and radio stations, from local weather forecasts to the most important news of the nation, from spot news to feature stories, from recipes to radio news, from newsphotos to comic strips.

For the collection and distribution of the domestic news, the AP has established "bureaus" in the news centers throughout the United States. Staffed by employees of the AP, each bureau is responsible for the collection, preparation, and distribution of news originating in its area which is of interest or may be of interest to AP members anywhere in the world.

The AP utilizes all forms of communication for the distribution of its news--"leased wire", radio, telephone, cable, mail, and messenger. The bureaus and member newspapers are linked together by a complex system of telegraph wires. The principal intake and feeding lines of the wire service are the trunk lines. Subsidiary state or regional circuits reach out to the newspapers in the smaller towns.

Over the years the AP has developed rigorously high standards of



quality and performance. The news collected by its member papers and its correspondents is carefully rewritten and edited for accuracy, completeness, and style. The filing editor then transmits the news over the appropriate wire, having due regard for the capacity of the wire, the interests and the needs of the newspapers it serves, the varying importance of different news items, and the high AP standards.

In addition to the domestic news, the AP collects and distributes foreign news. Offices are maintained in the principal foreign cities, and the AP has hundreds of "foreign correspondents" stationed in many other spots. The AP also receives foreign news from the important news agencies in many foreign countries. It is now generally regarded as the undisputed leader in the field of world news, although it was only after a long and bitter struggle that the AP was able to displace the Reuters News Agency of Great Britain.

#### History and Development

In May, 1848 ten men from the six largest New York papers met in the office of the New York Sun to discuss cooperative newsgathering. The following papers were represented: Herald, Courier and Journal, Journal of Commerce, Tribune, Sun, and Express. Acrimonious debate reflected the ill feeling which had been engendered by years of cutthroat competition and news pirating. Though they were bitter rivals, these journalistic autocrats saw the advantages of forming a cooperative. The clinching argument was advanced by David Hale of the Journal of Commerce, who noted that the newly-organized telegraph companies were themselves dallying with the idea of setting up subsidiary organizations to gather

and sell news to anyone who would pay the price. The implications of such a move were evident: newspapers would be at the mercy of the telegraph companies. As a countermeasure, the six New York papers formed the first real cooperative newsgathering organization.

Compared to the present day operations, the beginnings of the AP were humble indeed. The entire staff was housed in a single office. The annual rental was only \$500 per year. Weekly administrative expenses amounted to less than \$50. The general agent's salary was \$20 per week. The entire cost of the first year's operations was about \$15,000, and the largest item was for foreign news. Arrangements were made to send telegraphic reports of foreign news from Boston, where many of the ships docked, to New York; in addition, the general agent engaged other string correspondents<sup>1</sup> or "agents" to telegraph their news to New York. The original six members selfishly refused to admit any other members; however, they did sell their dispatches to the Philadelphia Public Ledger and the Baltimore Sun.

Although beset by organizational difficulties and mechanical failures, the AP continued to grow and to expand its activities. In 1851, the newly-founded New York Times was accepted as a member. As population increased, the number of subscriber papers increased; these papers formed themselves into loose geographical groups, such as the Western AP, the Southern AP, New England AP, etc., although they were subscriber papers, not members. The invention of the rotary press by Hoe in 1846 brought an era of increased productions of newspapers. The laying of the Atlantic cable in 1858 by Cyrus Fields insured immediate receipt of foreign news by the AP. The extension of telegraph lines expedited handling of the domestic news. A recapitulation of accounting statements for the year

1862 reveals that the expenditures for that year amounted to the staggering sum of \$123,408. The seven morning papers paid weekly assessments of \$214 each; three afternoon paper paid \$119 each. Charges for out-of-town subscribers ran from \$7 up. In his annual report for that year, the general agent dutifully observed that the AP held a virtual monopoly on the telegraphic news of the country, thereby saving its members thousands of dollars.

In 1862 a rift appeared among subscribers of the New York AP. Dissatisfied with the sketchy news report they had been receiving, members of the Western AP determined to negotiate for better treatment. With Joseph Medill of the Chicago Tribune as the leading light, the western publishers formed a cohesive organization and sent a committee to New York to inform the AP that thereafter the Western AP would control its own news report and would obtain news from any source available. This move precipitated a battle between the two associations, ending in a peace treaty signed in 1866 by which the New York AP retained its mastery of the news, and the Western AP won a limited degree of recognition, a more satisfactory financial agreement, and some vague psychological advantages. In effect, the Western AP continued to buy its news from the New York AP, but under less odious terms. The AP's connections with Western Union were thoroughly aired during a Senate investigation in 1869. The charges were that the AP and WU were "co-conspirators in building a press monopoly"; these allegations arose from a combination of peculiar circumstances. As a customer of WU, the AP was expected not to send out any news items inimical to the interests of WU. At times the news was censored, colored, and selected; the criticisms of WU by AP client papers were prohibited from being carried over the WU lines. As a consequence,

the AP general agent was subpoenaed to appear before an investigating committee. Nothing came of these hearings, although it can be inferred that Congressional inaction was due not so much to the rebuttal offered by the AP general agent as to the political influence exerted by the controlling financier of WU, Jay Gould. Partly to allay the fears of critics and partly to speed up the transmission of news, the AP in 1875 negotiated with WU to lease a New York-Washington wire; the leased wire system eventually became standard practice in the AP network.

The formation of a rival news-gathering agency in 1882 threatened to split the AP. The newcomer was called the United Press, although it was in no way related to the present-day UP; it was organized principally among papers which had been unable to buy the AP news report. The still-discontented Western AP seized the opportunity to wring more favorable concessions from the New York AP, although according to the new five-year contract signed in January, 1883, the New York AP retained control of the five-man joint board of control by virtue of the fact that it had three members sitting on the board. The UP continued to expand its service and add clients and in 1883 created its own foreign news service.

From the very beginning the activities of UP were cloaked in a shroud of secrecy. Little was known of its financial backers, although a former AP employee had been installed as its operating head. The mystery deepened in 1884 when the manager of the UP foreign service quit his position and was immediately hired by the AP; on that same day the AP itself became a subscriber to the foreign news report of its rival.

In 1890 the Western AP decided to inquire into the reasons for the phenomenal growth of the UP and to establish any hidden connections between the AP and UP. A committee, headed by Victor Lawson of the Chicago



Daily News, was appointed to conduct the inquiry. Despite repeated attempts to unseat the committee and to discredit its efforts, the investigation was carried out.

Lawson's report was presented at a special meeting of the Western AP in 1891. It revealed that all of the news-gathering facilities of the whole country were controlled by the three owners of the UP. Control was exercised by virtue of a secret agreement between UP and the Joint Executive Committee of the AP. The agreement provided that the AP was to make its news report available to the UP. In return, the UP exchanged some of the news which it gathered; furthermore, four of the five members of the Joint Executive Committee were given large blocks of stock in the UP, and later the AP General Manager was also issued UP stock. The stock was held in trust by John Walsh, New York financier and treasurer of UP. AP members were then forced to buy the UP news report as well as the AP report, under threat that unless they did so, the UP report would be sold to rival papers in their areas. With operating costs cut to a bare minimum, the fabulous profits of the UP were distributed among the stockholders.

The Western AP immediately took steps to remedy the situation. Lawson was elected chairman of the Executive Committee of the Western AP, and he planned a campaign aimed at the destruction of the UP. He held conferences with other associations of AP subscribers to determine their attitude toward a new representative national association. To gain this end, on November 10, 1892, application was made for a charter of incorporation for The Associated Press of Illinois, a non-profit, cooperative, newsgathering corporation. Lawson also made a tentative contract with the UP by which the UP took over the old New York AP but

agreed to restrict future operations to territory east of the Allegheny Mountains and north of Virginia. However, the UP learned of Lawson's destructive intentions when on December 31, 1892 the old New York AP expired, and the majority of the staff obtained positions with the new AP of Illinois. Accordingly, the UP refused to sign a permanent agreement and the two forces met head-on in a battle for supremacy. The issue was finally decided on March 29, 1897 when the UP filed a petition of bankruptcy; two days later the UP suspended operations.

With the UP out of the way, serenity still did not prevail within the AP. In 1896, the Chicago Interocean brought a lawsuit against the AP, charging that it was a monopoly and that its charter and by-laws were unconstitutional. The litigation had its beginnings in 1897 when the Interocean and Lawson's Chicago Daily News found themselves on opposite sides of the political fence in a municipal election campaign. During the course of the election, the Interocean questioned the integrity of Lawson and accused him, as AP president, of bolstering a monopoly for the "selection, suppression, and manipulation" of news. With an eye for vengeance, Melville Stone, AP General Manager and former editor of the News, ordered the Interocean to cease using the news report of the Laffan News Bureau, an AP rival which had been declared "antagonistic" by the AP directors and whose news report AP members had been enjoined from using. The Interocean refused to comply, and the AP directors ordered the suspension of the AP news report received by the Interocean, whereupon the Interocean went into the state courts to secure an injunction. The Circuit Court held in favor of the AP, and the Interocean was suspended from membership and declared "antagonistic" to the AP. The case was then carried to the Appellate Court, which up-

held the Circuit Court. Finally, on February 19, 1900 the Illinois Supreme Court handed down its momentous decision.

The Court noted that, according to its charter, one of the purposes of the AP was the right "to erect, lease, or sell telegraph or telephone lines." Therefore, the Court regarded the AP as a public utility and held that "the appellee corporation.....can make no distinction with respect to persons who wish to purchase information and news for purposes of publication.....Its obligation to serve the public is not one resting on contract, but grows out of the fact that it is in the discharge of a public duty, or of a private duty which has been so conducted that a public interest is attached thereto."<sup>2</sup> The Court also held that the section of the bylaws which permitted the firectors to declare certain AP members "antagonistic" was in restraint of trade and declared it null and void.

Some of the members of the AP felt that they had been dealt a shattering blow by the Supreme Court. A few wanted to defy the Court ruling; others felt that their precious gains had been swept away or at least seriously jeopardized. Accordingly, steps were taken to change the state of incorporation from Illinois to New York.

On May 22, 1900 a certificate of incorporation for The Associated Press was filed in New York. The corporation was formed pursuant to an 1895 statute which provided for non-profit maternity hospitals, asylums, and organizations for the care of juvenile paupers or nursing children.<sup>5</sup> The articles of incorporation were carefully worded so as to avoid lawsuits similar to the one filed by the Interocean. The AP of Illinois paid off all claims, transferred its equipment to the AP of New York, and on September 3, 1900 sent its last report over the wires. The next

day, the new AP commenced operations.

The early years of the 20th century found the AP battling foreign propaganda and censorship. Up to this time, most of the AP foreign news was received from the foreign news agencies: Stefani (Italy, Havas (France), Wolff (Germany), and Reuters (Great Britain); however, these agencies proved to be little more than propagandists for their respective governments. Furthermore, AP correspondents located in various European cities were hampered by official censorship of their dispatches. To remedy the situation, General Manager Stone toured Europe in 1902-4, discussing with the heads of the various governments the necessity for uncensored AP reports. Fairly satisfactory arrangements were worked out, by which AP dispatches were sent out with only a minimum of restrictions.

Competition appeared on the scene in 1907 in the form of The Canadian Press and a New United Press Association. The Canadian Press was formed as a cooperative of Canadian papers, modelled somewhat after the AP. The UP arose as a consolidation of the Scripps-McRae Press Association, the Scripps News Association, and the Publishers' Press Association. The express purpose of the new UP was to supply news to papers ineligible or undesirous of becoming members of the AP.

In 1910 the AP employed a young man by the name of Kent Cooper for the explicit purpose of improving the news report, especially the report sent to the smaller, isolated papers in the hinterland. Cooper realized the problems of the small papers as he had previously organized a regional news service for small Indiana papers. After he joined the staff of the AP, Cooper set out to develop a telephone talking circuit serving news to several small papers simultaneously instead of individually by telegraph. Cooper's innovation improved both the accuracy and speed of the



news report to the smaller papers, and the telephone pony circuit was adopted by the AP. In 1913, Cooper was instrumental in getting the AP to adopt the Morkrum Telegraph Printer--a device by which news was transmitted and received at the rate of sixty words per minute, compared to the twenty-two words per minute possible with the Morse Key. However, it was several years before the Morkrum Printer completely replaced the Morse keys.

Another erstwhile competitor appeared in 1913 in the form of the International News Service. This commercial wire service was organized by William Randolph Hearst in order to supply a news report to those of his newspapers which were ineligible to become members of the AP.

The INS became involved in a lawsuit with the AP in 1917 regarding alleged pirating of AP foreign cable dispatches by the INS. In 1918 Great Britain, Canada, France, Portugal and Japan, because of "continued garbling of messages and breaches of faith", barred INS from securing news in their countries or using cable lines running therefrom. However, the INS continued to supply foreign news to its clients, and it developed that the INS was buying AP war news from an editorial employee of the Cleveland News. Armed with this information, the AP sued for a preliminary injunction to prevent the INS from pirating its news. An order of a Federal District Court, granting a preliminary injunction, was modified by the Circuit Court of Appeals. The INS appealed to the United States Supreme Court, and on December 23, 1918, the Supreme Court affirmed the action of the Circuit Court. In essence, the court order enjoined the INS from publishing AP dispatches until such time as their commercial, or exchange, value had expired; however, the final judgment was a mutual permanent injunction which forbade the appropriation

of each other's news by either the INS or the AP.

Melville E. Stone and Oliver Gramling<sup>4</sup> have since stated unequivocally that the Supreme Court decision upheld the theory of property rights in news; however, a careful analysis of the decision does not support such a conclusion. A majority of the Court noted that the issue of property in news had been raised by the AP, and the question was fully explored. Mr. Justice Pitney, writing for the majority, stated that "the news element.....is not the creation of the writer but is a report of matters that ordinarily are publici iuris, it is a history of the day. It is not to be supposed that the framers of the Constitution.....intended to confer upon one who might happen to be the first to report a historic event the exclusive right for any period to spread the knowledge of it.....We need spend no time, however, upon the general question of property in news matter at common law.....since it seems to us the case must turn upon the question of unfair competition in business.....Besides, except for matters improperly disclosed, or published in breach of trust or confidence, or in violation of law, none of which is involved in this branch of the case, the news of current events may be regarded as common property.....It is to be observed that the view we adopt does not result in giving to the complainant the right to monopolize either the gathering or the distribution of the news.....but only postpones participation by complainant's competitor in the process of distribution and reproduction of news that it has not gathered, and only to the extent necessary to prevent that competitor from reaping the fruits of complainant's efforts and expenditure, to the partial exclusion of complainant."<sup>5</sup> It can thus be seen that the case was decided upon the question of unfair competition in business, and not upon

the question of property in news. One must conclude, however, that the injunction effectively stopped the INS from pirating the AP dispatches. As an additional precaution, the Board of Directors of the AP insisted that all AP news be properly credited, and the practice of including the logotype (AP) with the dateline was commenced.

Several personnel changes took place in 1920. Melville E. Stone, General Manager for twenty-eight years, took a leave of absence, and Frederick R. Martin of the Providence Journal, became acting General Manager. Kent Cooper was made Assistant General Manager. In 1921 Stone resigned and was appointed to the position of "Counsellor", a newly-created advisory position. Martin became General Manager, and Jackson Elliott became Second Assistant General Manager.

In 1925 Martin resigned from the AP, and Kent Cooper was unanimously chosen to succeed him as General Manager. Almost from birth, Cooper was associated with newspapers. Born in Columbus, Indiana in 1880, the son of a Congressman, he became interested in newspapers. At 13 he was a carrier for the Columbus Republican; one year later, he became a reporter for the paper as well as a string correspondent for the Chicago Bureau of the AP. Cooper attended the University of Indiana until 1899, when his father died, and he was forced to leave school. He was employed by the Indianapolis Press for \$12 per week. Cooper joined the Scripps-McRae Press Association and established its Indianapolis office. In 1905 he set up his own state news service for small papers; he sold out to Scripps-McRae in 1906 and continued as Indianapolis bureau manager for Scripps-McRae. His success with telephone pony circuits caused the American Telephone and Telegraph Company to recommend him to the AP, and in 1910 he joined the staff of the AP as an employee of the Traffic



Department.

Upon assuming the post of General Manager, Kent Cooper took immediate steps to improve the quality of the news report. He decreed that AP reports should be written in a livelier and more interesting manner and that there should be more human interest stories concerning the humorous and the unusual in everyday existence.<sup>6</sup> Cooper also continued to expand the state services, a concession to the demands of the smaller papers for more local news. Several innovations were made: reporters' by-lines were put at the head of their stories, women reporters were hired, and the special feature department was enlarged to include stories on science, politics, fashions, Hollywood and Washington gossip, recipes, bedtime stories, and comics. Many of the old-time Board members opposed these novel ideas but changed their minds when they saw how popular these features became.

One of the most important accomplishments of Cooper was Wirephoto, a method of sending pictures over telephone wires. Early newspapers bought their photos from commercial agencies, but in 1927 Cooper inaugurated the AP News Photo Service, by means of which the AP supplied pictures to its members on an assessment basis. However, the pictures were sent by mail, and it took eighty-five hours to cross the continent. Cooper learned that the Bell Laboratories, an American Telephone and Telegraph subsidiary, had perfected the telephoto technique so that it was almost impossible to distinguish reproductions from the original. He investigated the possibilities and decided that this method of picture-transmission was feasible. In 1935 Bell Laboratories offered to let anyone interested take over the mechanism; the offer was made to the AP, UP, INS, and the New York Times' Wide World Service. The other services



turned down the proposal, but Cooper presented it to the full AP membership in 1934 for adoption. Over the protests of Hearst and Roy Howard,<sup>7</sup> AP members with photo services of their own, the AP membership ratified the actions of its Board of Directors. Installation of equipment proceeded slowly, but on January 1, 1935, the AP sent its first picture over wires, and Wirephoto was born.

During the latter part of 1935, the AP became embroiled in court proceedings with the NLRB. On October 18, 1935 the AP fired Morris Watson, an editorial employee in the New York bureau. Watson had been quite active in organizing the Guild unit among the AP employees, and he was summarily discharged by the AP, although his superior said the reason was "because we are dissatisfied with your work, you are dissatisfied with us, and I am convinced that you will be happier elsewhere." The Guild appealed Watson's case to the NLRB, charging that Watson had been discharged for union activity, an unfair labor practice.

The NLRB, through a Trial Examiner, found that Watson had been a newspaper man since 1924 and had joined the AP in 1928 as a reporter and rewrite man. His work had been commended by his employers, and on a number of occasions he had received the compliments of the newspaper world for "beats" or "scoops." Watson joined the Guild in November, 1933, and was active in its affairs. His superiors, however, tried to discourage his union activities. When the local Guild passed a resolution asking for a five-day week, Watson was transferred to less important work, this transfer being regarded by him and other employees as punishment for union activities. On October 7, 1935 the six-day week was restored, and on October 11, 1935 the local Guild asked the National Guild to conduct negotiations in its behalf. The National Executive Board of the Guild

wrote Kent Cooper on October 17, 1935, asking for an opportunity to discuss with him the subject of hours and conditions of employment. The next day Watson was fired.<sup>8</sup>

At the conclusions of the hearing, the NLRB ordered that Watson be offered full reinstatement with back pay. The AP refused to comply on the grounds that the Wagner Act was unconstitutional in that it violated the First, Fifth, and Tenth Amendments to the Constitution. The NLRB instituted proceedings in the federal courts to enforce compliance, and the AP appealed each ruling until the case reached the United States Supreme Court.

In its defense the AP did not attempt to rebut the clear implications of Watson's discharge, but chose rather to rely on its point that the NLRB was without jurisdiction. The AP has since stressed the fact that the case was lost solely because of the failure to emphasize that Watson was fired for unsatisfactory work and not for union activity. At any rate, the Supreme Court held that the Wagner Act did not violate the freedom of the press, did not deprive the AP of rights and liberties without due process of law, and did not undertake to deal with matters that were not included in the interstate commerce provisions of the Tenth Amendment of the Constitution. Watson was offered reinstatement with back pay by the AP, returned to duty on April 19, 1937, and resigned on May 17, 1937.

According to Oliver Gramling,<sup>9</sup> AP management was much concerned over the possibility of the public's misunderstanding the cooperative's motives in challenging the Wagner Act. It was feared that the AP's actions might lead to the belief that it was anti-union, anti-New Deal, anti-improved social order, etc. General Manager Cooper and Vice-presi-

dent McLean prepared a document for publication, stating in rather vague terms that the AP's reasons for challenging the Wagner Act was to make certain that management's right of supervision and control of employees was not being infringed upon; however, this document was never published.

In keeping with the spirit of the Supreme Court decision, the AP entered into negotiations with the Guild concerning working conditions in the New York AP office. No contract was signed, but there was a meeting of minds on most points.

Late in 1957 a complaint was filed by the Commercial Telegraphers' union against the Independent Employees Guild, Inc., charging that it was in fact a company union dominated by the AP. The Guild entered the case when it appeared that the unfair practices had been directed against Guild members and potential Guild members. The NLRB ordered the disestablishment of the independent union and the cessation of the unfair practices.

With the outbreak of World War II, the AP augmented its staff and increased its coverage of world news. To meet the increased costs, the AP set up a wholly-owned, profit-making subsidiary known as Press Association, Inc. The new corporation became a member of the AP and engaged in the business of selling news and photos to magazines and other non-members, writers, public speakers, and radio broadcasters; also, the firm is authorized to write radio shows and movie scripts. The profits obtained from this venture were, and are, used to reduce assessments to AP members.<sup>10</sup>

Since 1941 the operations of the AP have continued without notable incident. In 1945 the government charged that the AP was a combination in restraint of trade, and the United States Supreme Court ruled that



the AP should modify its by-laws to admit all bona fide newspapers to membership. In 1945 Kent Cooper was given the title of Executive Director of the AP while retaining his position as General Manager. Cooper continued in his dual role until October 21, 1948, at which time Frank J. Starzel was named as general manager.

### Locus of Control

In actuality, control over the AP system is exercised by one person--the General Manager. The AP membership elects an eighteen-member Board of Directors, which in turn delegates most of its duties to a seven-member Executive Committee chosen by the directors from their own number. The directors appoint the General Manager, who thus becomes the Administrative head of the organization.

### News Policy

There is little doubt but that the important decisions regarding the AP news policy are made in New York. In the AP building in New York are located the offices of the AP executives, the headquarters of Wirephoto, Wide World, the AP feature service, and the foreign service. The NLRB observed that "the principal office of the AP is in New York City",<sup>11</sup> that the AP "has a foreign service operating from its New York office",<sup>12</sup> and that the AP of Great Britain has a branch office in Paris, "whose function it is to obtain news pictures of news events abroad to be supplied to the AP in New York."<sup>13</sup> The importance of the New York office as the nerve center of the AP system is revealed in the fact that electric power utilized by the office can be supplied by any one of five widely-separated power stations; such an arrangement is designed to preclude the possibility of a power failure.



Kent Cooper has admitted that the AP news policy is highly centralized. In testimony before the NLRB, he testified that "before he took charge of the AP system, there had been superintendents over different sections of the organization.....this led to sectional rivalry and inefficiency....it was not until he succeeded in integrating the whole system that it obtained its present efficient mode of operation."<sup>14</sup>

### Labor Policy

In matters concerning labor policy, a similar situation prevails. Although the Board of Directors does have the final word, the General Manager is the administrative head of the organization and formulates general personnel and collective bargaining policy. The NLRB concluded, in 1938, that the "national office represents the AP in its bargaining with its 1,700 employees. The general manager is the agent for all bureaus, subject only to decisions of the board of directors upon major issues." Continuing, the Board quoted a letter written in 1907 by General Manager Stone to the AP wire operators, stating in effect that he could not increase their salaries without authority from the Board of Directors.<sup>15</sup>

In 1921 the General Manager was given power to readjust salaries without recourse to the Board of Directors. This move was made at the behest of the President of the AP, the General Manager, the First Assistant GM, and the Second Assistant GM, all of whom wanted to halt the personnel raiding by the other wire services and commercial enterprises. The rising cost of living in 1921 led the AP employees to accept more lucrative positions elsewhere, and the action was a defensive measure more than it was a step toward the economic betterment of the AP employees.

Commencing in 1935 and continuing until 1945, the AP appeared before the NLRB in several representation and unfair labor practice cases. On

the basis of these several hearings, the NLRB decided that the personnel policies of the AP were included within the province of those handled by the General Manager. The following is a quotation from a case decided in 1938:

"At present, Cooper keeps in the New York office personnel files and pay roll records for all employees, and keeps close control over the hiring and discharging of the employees of the AP. A man may be taken on by one of the local offices if he submits three satisfactory references. It is then considered that he is employed on a temporary basis. At the end of six months' probationary period, the employee so hired must write to Cooper about his work and aspirations with the AP. Cooper decides whether he wishes to put the man on a permanent basis.

"The chief of bureau, the employee in each office who is in charge, only has authority to suspend an employee. The suspended employee then is given the opportunity to write to Cooper and argue his case. The final decision as to whether the man should be discharged is again in Cooper's hands."<sup>16</sup>

In handling requests for transfer from bureau to bureau, the General Manager alone makes the final decision. In 1934 Cooper told Morris Watson that he "could not give him a foreign assignment so long as he was active in the Guild."<sup>17</sup> In testimony before the NLRB in 1938, Cooper admitted that "under the present method of operations, he transfers men from office to office, according to their wishes or abilities."<sup>18</sup> Subsequent inquiries have revealed that the General Manager still retains control over the hiring, firing, assignment, promotion, and transfer of personnel.

There are other evidences of centralized personnel policy. In 1918 Kent Cooper instituted a system-wide pension plan with provisions for sick pay, disability allowances, pensions, and death benefits; in 1947 it was Cooper who decided whether retirement was to be voluntary or compulsory.<sup>19</sup> In 1948 it was Cooper who announced that Frank J. Starzel was the new General Manager, despite the fact that Cooper had promised Melville Stone that he would not try to tell the Board who should be his successor.<sup>20</sup>

The continued growth of the Guild during 1934 and 1935 made it necessary for the AP to adopt some policy toward collective bargaining. In July, 1934 the Guild wrote to Cooper, requesting a bargaining conference on the subject of shortening the workweek from six days to five in the New York bureau; this request was withdrawn when Cooper intimated that, if Guild activities were curtailed, the five-day week would be instituted. On October 7, 1935 the five-day week was withdrawn, and again the Guild requested a bargaining conference, although none was granted.<sup>21</sup> It is important to note that all correspondence and discussions were carried on between the Guild and Kent Cooper, who was General Manager over the AP system, and were not addressed to the chief of the New York bureau. Even at this early date it was recognized that the collective bargaining policy was formulated in the office of the General Manager.

Later developments have tended to strengthen the belief that collective bargaining decisions were made by the General Manager. In 1938 Cooper told the NLRB that if he had to bargain with each bureau separately (instead of bargaining on a national basis), most of his time would be taken up with collective bargaining.<sup>22</sup> The Division of Economic Research of the NLRB made an exhaustive study of the AP with regard to its centralization of labor policy. The position of the Board is contained in its observation that "Cooper repeatedly asserted that a single and unified labor policy was essential to the functioning of a press association like the AP.....It (the AP) has gradually and finally grown into a national institution and could not possibly be administered any other way except on a national basis without wholly destroying its effectiveness."<sup>23</sup>

It must be recognized that Cooper's desire for a national labor policy is not in and of itself conclusive evidence that such policy is

determined by Cooper alone. It is conceivable that the policy could be formulated by the Board of Directors or a conference of AP executives and then administered by Cooper. Such has not been the case, however. Even though Cooper does not actually participate in the bargaining conferences, it is evident to even a casual observer that the AP negotiators are not free to arrive at a decision of their own; they continually receive their instructions from the office of the General Manager. Similarly, the bureau chiefs, who have recently conducted local negotiations, regularly receive "advice" and instructions from the national office.

#### Summary

An accurate evaluation of all the available information will inevitably lead to but one conclusion: the locus of control of both the news and labor policies of the AP is the national office in New York. Of all the individuals who serve as executives of the AP, Kent Cooper is the dominating figure. Even though Cooper has vacated the office of General Manager and has assumed the title of Executive Director, this is regarded by many Guildsmen as a prestige-enhancing move of a person who disdains being called an "employee." Cooper has surrounded himself with men who have adopted his point of view; therefore, one can only conclude that actual and potential control of the AP is exercised by Cooper, subject only to review by an infrequently-convened Board of Directors.

#### Sources of Revenue

The AP, being a non-profit corporation without capital stock, derives the bulk of its revenue from assessments levied against its members. The assessment formula, while adjustable to the type and amount of service



received, is based fundamentally upon the plan of distributing the annual costs of operation among the members in proportion to the literate population of the community served by them (the community is defined to include the population within a radius of ten miles). As an example, the 1937 cost for the New York area was approximately \$6,000 per week; Louisville, \$1,000. The assessments for radio stations with associate memberships are based on the population of the listening area, station power, and similar measurement standards.

Minor sources of revenue include interest from loans and income from AP subsidiaries. In 1935, the AP income was a bit over \$9 million, of which \$63,000 came from interest on U. S. Government bonds. In 1942, the AP formed PA, Inc. and now realizes a fairly sizeable income from the sale of photos and feature articles by PA, Inc. and Wide World Photo.

#### Position in the Product Market

Functioning as a cooperative, newsgathering organization, the AP does not actually have a product for sale. The news which is gathered by the AP members and AP correspondents is collected and edited and then distributed to all members; therefore, in a technical sense there is no sale since there is no offer, acceptance, or consideration.

In a broader sense, however, the AP "produces" a product, just as General Motors collects materials, equipment, and parts and produces an automobile. The AP faces competitors as any producer does. Moreover, the AP has long expounded the theory of "property in news"—a rather nebulous idea, not widely accepted, that an item of news collected by the AP is the property of the AP and, as such, cannot be used by any

non-member or other press association either in form or in content. Thus, in many respects, the AP has a position in the product market which it seeks to retain. It is in connection with this broader view of the term "product" that the position of the AP is analyzed.

#### Description of the Product

The AP has two staple products: news and news pictures. With the development of telephoto and radio-photo processes, the news-pictures have become almost as important as the news report itself. By-products of the AP include the following: various feature services, comics, hints to housewives, recipes, financial services, sports, etc.

The outstanding characteristic of news is its perishability. The AP has, from time to time, changed organizational procedures and developed technical facilities so that the flow of its news report will not be impeded. Delay in reporting and transmitting the news decreases its value, and it is possible, though not probable, that the AP would lose members if it did not continually furnish fresh news.

Another feature of the product is quality. Quality in the news report involves accurate, factual, unbiased reporting and editing, facility with words, and an interesting style. The AP has continually striven to develop a distinctive style of its own in order to insure a small degree of product differentiation. To achieve this end, Kent Cooper, according to Fortune, humanized the news; according to George Seldes, he "jazzed up the news" so as to give it a mass appeal. At any rate, the product offered by the AP was perceptibly different from that offered by the other wire services. That this trend has continued down to the present day can be deduced from a statement issued in November, 1948 by the American Society of Newspaper Editors, which complimented the AP on the

manner in which it reported and interpreted the news for its readers.

### Competition in the Product Market

The AP has long been accused of being a monopoly. In his book The Brass Check, Upton Sinclair stated unequivocally that the AP was "the most iron-clad monopoly in the world." George Seldes has regularly denounced the AP as a "tool of reaction" and a monopoly-fostering influence in America. Such charges make interesting reading, but, as is often the case, little concrete evidence is offered to substantiate the allegations. Nevertheless, reflective thinking on the subject reveals there is at least a grain of truth in these charges.

### The AP-A Wire Service

In the wire service business there exists a national market for the product, and there are three major producers, namely the AP, the UP, and INS, together with their respective newsphoto and feature services. It is immediately apparent that, according to strict economic interpretation, there exists not a monopoly, but an oligopoly, situation.

Of the three wire services, the AP is the unquestioned leader, a fact which newspapers have recognized for some time. In 1935, according to the NLRB, there were 1,972 English language newspapers in the United States. Of this number, 60%, representing 78% of the circulation, used the AP service; 40% of the papers, with 20% of the circulation, used AP service exclusively.<sup>24</sup>

Since 1935 the AP has maintained its leadership. In 1942 the AP had 1274 member newspapers, a staff of 5,394, an annual budget of \$12 million, 290,000 miles of leased wires, and 94 domestic bureaus. The UP had 981 subscribers, a staff of 2,885, an annual budget of \$7 million, 176,000 miles of leased wires, and 61 U. S. bureaus. INS had 592 sub-

scribers, 2,100 employees, annual expenses of \$2.6 million, and 32 domestic bureaus.<sup>25</sup> By 1948 the AP served 1,713 newspapers and 935 radio stations<sup>26</sup> in the U. S.,<sup>27</sup> comparable figures for the other wire services were not available, but undoubtedly the AP has increased proportionately more than the other services. An AP official recently estimated that the AP was roughly twice as large as UP and about three times as large as INS.

It is evident that there is no basis in fact for the charge that the AP, as a wire service, is a monopoly. The AP is the dominant figure in the wire service business, which comprises three major services and numerous smaller services. Small newspapers often subscribe to only one service, but the larger metropolitan dailies subscribe to two or more. This desire for more than one service has tended to stimulate competition among the wire services.

#### The AP--A Membership Corporation

If, however, the AP is studied as a membership corporation, one comes to the conclusion that there is a trend today which might lead to the establishment of the AP as a monopoly. Just as all businessmen dread the idea of free and unrestrained competition, newspaper publishers have attempted to restrict entrance to the trade by erecting various types of barriers. Probably the most effective method of discouraging newcomers was to deny them membership in the AP, thus depriving them of access to the news, without which newspapers cannot hope to survive.

When the AP was formed in 1848, the only charter members were six of the New York dailies. Later, a few other New York papers were taken in as members, but the AP remained a very closely-held organization. News reports were furnished to papers other than those with AP membership,



but such arrangements were on a contract basis, subject to cancellation at any time. Thus, the early AP was a closed corporation, but since the papers of that day were concerned mainly with matters other than news, the situation was not deemed harmful to the public welfare.

When, however, the AP of Illinois was formed in 1893, the by-laws of the corporation provided for two classes of memberships--"A" and "B". The Class "A" members were given the right to veto the application of new candidates for membership if the applications came from papers located in territory served by the older Class "A" members. Furthermore, all members agreed to supply their local news exclusively to the AP and were forbidden to have any traffic with agencies declared antagonistic by the Board of Directors. These restrictive by-laws were declared monopolistic by the Supreme Court of the State of Illinois in the famous Interocean Case.

The AP moved from Illinois to New York in 1900 and changed its by-laws; nonetheless, in the so-called "Chicago Sun Case" of 1945, the U. S. Supreme Court declared that the AP, as constituted, was a combination in restraint of trade and a violation of the Sherman Act. The Court found that the by-laws had been designed to stifle competition in the newspaper publishing field. First, a newspaper was required to become a member of the AP in order to receive its news report or that of any member paper. Second, if an applicant for membership was a competitor of an AP member, the applicant was required to "pay to the AP 10% of the total amount of regular assessments received by it from old members in the same competitive field (i.e., morning, evening, or Sunday) during the entire period from 1900 to the date of application."<sup>28</sup> Then, the applicant had to receive a majority vote of all AP members before he

could be taken in as a member.<sup>29</sup> Third, the new members were required to relinquish any exclusive rights that they held to news or news picture services. These three clauses, plus several others, were held by the Court to be repugnant to the provisions of the Sherman Act, and the AP was ordered to alter its by-laws accordingly.<sup>30</sup>

The AP members were understandably disappointed, and several, including Col. McCormick, threatened to lobby for amendments to the Sherman Act. However, the AP operating executives were secretly pleased over the turn in events and hastened to modify the by-laws so that today any bona fide newspaper with general paid circulation, excluding political papers, trade union organs, shopping news publications, etc., can become an AP member.

#### Summary

The implications of the decision are quite manifest. The Supreme Court, in breaking up a monopoly among the newspaper publishers, has laid the groundwork for a monopoly in the wire service business. Whether this situation will ever come to pass or not depends upon other considerations; however, it is quite possible that the UP, INS, and other services may fall by the wayside. If all papers joined the AP, the AP would collect and distribute a report on practically every single news event in the United States; not many events would transpire about which some AP member did not make a report. Conceivably, there would be no good reason for papers to subscribe to any other domestic news service. Similarly, with the combined resources of all papers behind it, the AP could just as easily dominate the foreign news situation, whereupon competing news services would sink into oblivion.

It is also possible that the newspapers will want to continue to

subscribe to other wire service reports so that the AP report can be checked for accuracy, in which case the AP will not drive the other services from the business. There is, however, no dodging the realization that the AP dominates the product market and now has been offered the opportunity of becoming a complete monopoly.

### Demand For The Product

While little is known regarding the ultimate reaction of newspapers to increased AP assessments, it is an established fact that the demand for the product of the wire services is increasing. The people of today are certainly better informed than their forefathers of one hundred years ago; man's insatiable desire for knowledge has increased the demand for news. Moreover, developments in politics, the social sciences, and the physical sciences will demand reporting, so that there will be a corresponding increase in the number of events to be reported.

The newspapers of today are almost completely dependent upon one or more wire services to furnish them with the news; thus it might be said that the total demand for the product would be almost as great even if the assessment to the individual newspaper were increased a moderate amount. Because of the enormous expense involved, no newspaper could hope to maintain correspondents in all parts of the country and throughout the world. Even in the large metropolitan areas the newspapers have formed associations for complete local news coverage. The publishers are quick to agree as to the indispensability of press associations.<sup>31</sup> The U. S. Supreme Court observed that "it is practically impossible for any one newspaper alone to establish or maintain the organization requi-

site for collecting all the news of the world."<sup>52</sup> It can readily be seen that there will be a continuing demand for wire services.

There is still a third factor to be considered in regard to demand for the product, besides the two mentioned previously: the readers are demanding more news, and the newspapers have a definite need for a wire service. It appears that technical developments in the industry will have certain effects on demand. For instance, the development of facsimile publishing, the invention of the Ultrafax process, and the perfection of television offer many possibilities. Through these new media, news reports will be made available at all hours in all places; this in turn should necessitate more wire service staff men to collect and edit the news. In addition, the extension of radio stations to the smaller cities and towns should increase the demand for the product. In sum total, there should be an increase in the demand for the product with a concomitant expansion in the industry. This should tend to increase and stabilize total income at a high figure and provide a firm basis for collective bargaining.



### Footnotes

1. A string correspondent is not a staff employee of the AP; generally, he is engaged on a loose contractual basis and is paid according to the amount of news which he sends to the AP.
2. Inter-Ocean Pub. Co. v. AP, 184 Ill. 438(1900).
3. In 1901 the statute was modified to include non-profit fish and gun clubs and wire services.
4. Gramling, op. cit., p. 285.
5. INS v. AP, 248 U. S. 215(December 23, 1918).
6. In 1927, Silas Bent reported "the disquieting truth is that the AP has succumbed to what I may call United Pressure. It has bobbed its hair and got out its lipstick in order to keep up with a flapper."
7. Eventually, the other wire services developed telephoto processes of their own. Competitors of Wirephoto were NEA-Acme's(Scripps-Howard-UP) Telephoto, INP's(Hearst-INS) Soundphoto, and Wide World's(New York Times) Wired Photo. The AP eventually bought out Wide World.
8. In re the AP and ANG. 1 LRRM 50.
9. Gramling, op. cit., p. 438.
10. Time, February 3, 1941, p. 40.
11. In the Matter of AP and ANG. 5 NLRB 43. February 2, 1938.
12. Ibid., 1 NLRB 686. May 6, 1936.
13. Loc. cit.
14. Ibid., 5 NLRB 43. February 2, 1938.
15. NLRB, Division of Economic Research, op. cit., p. 6.
16. In the Matter of AP and ANG. 5 NLRB 45, 46. February 2, 1938.
17. Ibid., 1 NLRB 788, 795. May 21, 1936.
18. Ibid., 5 NLRB 43, 47. February 2, 1938.
19. Newsweek, May 5, 1945, pp. 65-6. Cooper stated that "if a man still retains his health and his punch(at 65), wants to stay and we want him to stay, I think he should go on working." Cooper was 65 on March 22, 1945 and has been asked by the Board of Directors to stay on; another AP executive, junior to Cooper, was forced to retire upon reaching 65.
20. Loc. cit.
21. In the Matter of the AP and the ANG. 1 NLRB 692, 693.
22. Ibid., 5 NLRB 43, 47. February 2, 1938.
23. NLRB, Division of Economic Research, op. cit., pp. 6-7.
24. Ibid., p. 39.
25. AP v. U. S. 65 S.Ct. 1416.
26. Radio stations are now taken in as associate members, with no voting rights.
27. Editor and Publisher, April 24, 1948, p. 13.
28. For instance, it was found that under these terms a new applicant in 1943 could not have entered the morning field in New York without paying \$1,432,142.73, and in Chicago, \$416,631.90. For entering the evening field in the same cities it would have cost \$1,095,003.21 and \$595,772.31, respectively.

29. In 1900 the members were given the right to "protest" against an applicant if the applicant was a potential competitor. Very few applicants were admitted if the protest right was exercised; from 1900 to 1928, of 100 applications subject to protest rights voted on by the members, only 6 obtained the required approval and these were due to special circumstances. The easiest method of obtaining AP membership was to buy out a paper which was already an AP member; in this case, the purchaser actually bought an AP membership. That many papers were consolidated for the sake of the AP membership is attested to by the number of newspapers with double-names. Until 1945, the AP advertised that the value of AP franchises could be considered a capital asset and so handled for tax purposes; Hutchinson called this a monopoly value. See The Nation, February 6 and 13, pp. 190-4, 224-8.

30. AP v. U.S. 65 S.Ct. 1416(1945).

31. ".....there is not a newspaper in the U. S. today with sufficient resources to give its readers the world-wide coverage of news now supplied by our press associations." See brief for the ANPA as amicus curiae in AP v. NLRB, U.S. Sup.Ct., No. 365, October term, 1936, p. 8.

32. AP v. U.S., 65 S.Ct. 1416(1945).

## ANALYSIS OF AP-ANG BARGAINING

### Introduction

#### History of Bargaining

The Guild and the AP have, in a sense, been bargaining for fourteen years and have barely passed from the stage of belligerency to temporary acceptance.<sup>1</sup> During the relatively short period of their dealings, the parties have nearly run the gamut of bargaining experiences. The Guild has filed unfair labor charges, accused the AP of bad faith bargaining, has been forced to drop its request for collective bargaining, and has been recognized as bargaining agent only after an abnormal amount of legal proceedings; in fact, the Guild has been accorded almost every treatment except complete and unqualified recognition. The AP, during this same period of time, has been haled before the NLRB, the WIB, the various state courts and state labor boards, and the Federal courts, in efforts to force it to accede to the letter of the laws.

In 1934 the Guild first requested that the AP bargain with it in regard to conditions in its New York bureau. Immediately, the AP employees were interviewed about their Guild connections, after which unit membership fell off and the unit voted to suspend its request. The six-day week was later reinstituted, and the Guild unit asked the National Executive Board of the Guild to begin bargaining on its behalf. When the NEB pressed for collective bargaining, Morris Watson, who had been active in the unit, was fired. Kent Cooper thereupon wrote the NEB that he could not bargain with outsiders without instructions from the AP Board of Directors. Prior to the Board meeting, the Guild filed unfair

labor charges against the AP, and the AP declined to enter into collective bargaining, pending a decision in the case.<sup>2</sup>

The Watson Case was decided in April, 1937, and in June, 1937 the parties met in bargaining sessions. Proposals were made and discussed, the most notable being one by the AP which provided for a \$35 top minimum and another by the AP which provided for an automatic cancellation of the contract in the event that the Guild or the CIO supported any political action.<sup>3</sup> Nothing came of these negotiations except an interchange of opinions; the AP did not sign a contract until three years later.

The first contract between the AP and the Guild was signed in March, 1940, covering the employees of the New York bureau. A few days later, another contract was signed which covered employees in the San Francisco bureau. A contract for the Boston bureau was signed in May, 1940.

In 1941 separate agreements covering the bureaus of New York, San Francisco, Philadelphia, Boston, and Kansas City were signed; the terms of these agreements provided for expiration dates falling in the months of August, September, October, and December in 1942. When these contracts expired in 1942, the AP exhibited an unwillingness to negotiate new ones. As a consequence, the only 1942 contract between the parties covered the New York bureau and was signed on September 1, 1942 with an expiration date of August 31, 1943.

In the meantime, however, the Guild appealed to the National War Labor Board for a ruling on grievance cases involving the San Francisco, Philadelphia, Boston, Kansas City, Atlanta, and Detroit bureaus. On April 13, 1944 the WLB handed down its decision; it directed that the new terms and conditions of employment recited in its order be incorporated in a supplementary agreement signed by both parties and that the



agreements be made effective as of the expiration date of the last contract between the parties. Since the parties were negotiating their first contract for the offices of Detroit and Atlanta, the effective dates were December 17, 1942 for Detroit and February 11, 1943 for Atlanta, these being the dates when the Secretary of Labor certified the disputes to the WLB.<sup>4</sup> Accordingly, the parties signed such an agreement, the terms of which provided for an expiration date of May 1, 1944.

The New York agreement expired on August 31, 1943, and negotiations for a new contract began on August 18; the parties were assisted in conciliation by Commissioner Harry Young of the Federal Conciliation Service. Nothing was accomplished, however, and a dispute case was certified to the WLB on January 11, 1944. The WLB released its decision on November 27, 1944,<sup>5</sup> and the parties incorporated its terms in an agreement which was retroactive to August 31, 1943 and expired on December 31, 1944.

Negotiations between the AP and the Guild, on both a local and a national level, were continued from time to time, but no agreement was signed until October 2, 1945. It covered twenty-four bureaus outside of New York City; the effective date was May 1, 1944, and the expiration date was December 31, 1944. The execution of this contract thus provided a common expiration date for all AP-ANG contracts.

The Guild in 1945 took steps to stabilize its bargaining relationships. At that time the Guild was before the WLB in dispute cases involving the AP, UP, INS, INP, and Central Press. On August 4, 1945 the Guild petitioned the WLB for a consolidation of all existing disputes on the ground that it was desirable to eliminate wage differentials and other differences between the wire services. The war ended suddenly, however, and the powers of the WLB expired soon thereafter. The WLB,

therefore, did not consolidate the cases but handled them on successive days. No decisions were handed down, but the panel chairman acted as conciliator in attempts to get the parties to settle the disputes themselves. No settlements were effected, however.

No contract was signed during 1945; however, an agreement was signed on December 28, 1945 by which the employees received cash bonuses in lieu of a formal contract. The bonuses ranged from \$80 to \$160, dependent upon the size of the general increase to which the employee was entitled under terms of the 1946 proposals.

The 1946 contract became effective on January 15, 1946; the expiration date was December 31, 1946. It was, in effect, the first national bargaining agreement signed between the parties, inasmuch as it covered the thirty-four AP bureaus in which the Guild was recognized as bargaining agent.

Another national agreement was signed in 1947; the effective date was January 5, 1947, and the expiration date was February 28, 1948. The 1947 contract covered forty-eight bureaus. No new contract has been signed since that time, due principally to the fact that the parties have been unable to agree on the methods of bargaining. The Guild has insisted on national bargaining, and the AP is desirous of returning to bureau-by-bureau bargaining. As a consequence, the contract has been extended from time to time; at the present time, negotiations are being conducted in New York City.

By comparison, the Guild has had more stable collective bargaining relationships with the AP's principal competitors, the United Press and the International News Service. In view of the nation-wide integration of each wire service, the Guild has long desired to negotiate with each

service on a system-wide basis and has, since 1945, proposed that all wire service bargaining be conducted on an industry-wide basis. While the AP has often been reluctant to enter into national bargaining, the UP and INS have been more realistic and have recognized the advantages to be gained from this method of bargaining. The UP signed its first contract with the Guild on June 27, 1938, covering all bureaus in which the Guild was recognized as bargaining agent. Since that time, the UP has regularly signed contracts with the Guild. Although these contracts have provided for wage differentials, as has been the case in the AP contracts, they have been national agreements and have applied to all bureaus which have been organized by the Guild. The INS, on the other hand, did not sign a contract with the Guild until April 26, 1944, and then only after a directive by the WLB. INS management, however, posted a bulletin board schedule of minimum wages in all bureaus on January 15, 1937; according to Guildsmen, this move was an obvious attempt to forestall a Guild organization drive among INS employees. Since the signing of the 1944 contract, INS management has, in general, evinced a willingness to deal with the Guild on a basis of mutual recognition of rights and responsibilities; the agreements have been arrived at through national bargaining and have applied to all Guild-organized bureaus.

#### Methods of Bargaining

From June, 1937, when the AP and the Guild first met in bargaining sessions, until the present date, the parties have employed various types of bargaining. Prior to 1944, the actual bargaining was done on a local, or bureau-by-bureau, basis. During the period 1944-1947, the parties bargained on a national basis for all bureaus in which the Guild was recognized as the bargaining agent. Negotiations for the 1948 con-

tract were originally conducted on a local basis, but are now being conducted on a national basis in order to bring about agreement on all unsettled issues.

When conducted on a local basis, the negotiations for the Guild are handled by three or more negotiators from the local Guild, none of which, according to the Guild constitution, may be a member of the AP shop unit involved, except in extraordinary circumstances.<sup>6</sup> The chairman of the AP unit usually attends the proceedings in the role of consultant. Members of the unit are present as witnesses and as such, are often called to offer testimony; in addition, their presence lends moral support to their negotiators.

The local negotiator for management is the bureau chief, usually assisted by the traffic bureau chief, the second in charge. In the smaller bureaus there is often only one management representative.

National bargaining for the Guild is handled by one or more paid employees of the ANG, plus rank-and-file negotiators who are elected on a regional representation basis. Contract demands are drafted by "grass roots" regional conferences of elected wire service representatives; these conferences are held in conjunction with regional ANG collective bargaining conferences. These demands are put into final shape by a national wire service coordinating committee, consisting of one elected representative from each conference area, and three nationally-elected representatives from the New York area—one from the AP, one from the UP-NEA-ACME, and one from INS-INP-Central Press. The demands are then presented to the AP management. Preliminary negotiations on general methods and procedure and union-oriented clauses are managed entirely by the ANG employees, principally Mr. Joseph Colangelo, Guild Director



of Wire Services. The rank-and-file bargaining committee, consisting of five representatives elected on a regional basis, is then called in to discuss worker-oriented provisions, such as wages, hours, and other specific conditions of employment. The bargaining sessions are held in New York; the 1948 Guild convention directed that all rank-and-file bargaining committees be kept in New York until the negotiations are completed, instead of sending them home when an impasse has been reached.

For the AP, national negotiations are conducted by the Assistant General Manager in Charge of Personnel, and other executives. In some of the preliminary discussions, authority is delegated to lesser executives, who attempt to find issues on which the parties agree in principle and are, therefore, easily settled. Kent Cooper has never participated in the conferences.

Due to the variation in the methods of bargaining, the grievance machinery has not been developed to the extent that there is a national pattern. The earliest contracts provided merely that the Guild had a "right to discuss grievances with the Employer." The 1944 contracts added that the Guild would name a grievance committee of its own choosing and that the employer would meet with the committee within five days. The 1946 and 1947 agreements were identical; the clause provided that the employer, or his authorized agent, would meet with the Guild committee within five days to discuss grievances arising under the contract or "any matter affecting the relations of the employees and the employer." Under these rules, practically all complaints were handled on a local level by the bureau chiefs; the Guild has repeatedly charged that the bureau chiefs have not been given the authority necessary to settle the grievances, and there was no provision for appealing the decision

to a national level. To remedy the situation, the 1948 Guild proposals added a qualification that the employer's agent be "vested with authority to make a decision binding upon the Employer."

The Guild maintains an extensive research department whose function it is to gather facts and intelligence in support of the Guild's position in negotiation, arbitration, etc. The research department publishes an annual summary of all Guild contract clauses and numerous other reports, surveys, etc. This information is available to all officials and is used by locals in their bargaining. The research department has been greatly expanded in recent years; department expenses for the fiscal year 1946-47 were \$11,235. Expenses for 1947-48 were \$17,389, and the 1948-49 budget allowed \$23,080 for research out of a total budget of \$268,945.

### Basic Issues of Bargaining

In the short time during which the parties have been engaged in collective bargaining, there has slowly evolved a definite pattern in which the basic issues can be identified. While the discussions are centered around such topics as wages, hours, and conditions, the fundamental problems are wage differentials, the appropriate unit, and an equitable basis for determining wages and merit raises.

### Wage Differentials

Since the AP is engaged in the business of collecting, writing, rewriting, and editing the news received from the various sources, the

key classification is that of newsman, defined to include employees who perform any or all of the above-named functions. Closely related to the newsmen and recognized by the contract as being on a level equal to them are the classifications of radio newsmen, photographers, artists, retouchers, and cartoonists.<sup>8</sup> There are many other classifications listed in the contract; a few are common to all bureaus, and many are unique to the New York bureau. The point to be made is that the principle of wage differentials applies to any and all classifications; however, the wage data to be presented will apply to only the key classification newsmen.

#### History of Differentials

The first differential was set in 1940 when the first contracts were signed. The New York and San Francisco contracts were signed just a few days apart; the contracts were identical except that the top minimum for newsmen in New York was \$55 and in San Francisco, \$50. A Boston contract, signed a little later, also had a top minimum of \$50.

A scrutiny of Tables 3 and 3A will show how the differentials for all experience ratings have developed since 1940. Table 4 indicates that the differentials between top minimums in the various bureaus have increased during the period 1940-48. In 1940, the first class bureaus received a differential of \$5, or 10%, while in 1948 this differential was \$12.50, or 14.3%. Continuing the comparison, from 1940 to 1948 the first class bureaus received increases in minimums of \$45, or 82%; the corresponding figures for second class bureaus was \$37.50, or 75%

#### Arguments of the AP

The AP has offered the following as justification for the maintenance of differentials between the different bureaus:

TABLE 3--HISTORY OF AP MINIMUMS FOR NEWSMEN

BUREAU	DATE OF AGREEMENT	TERM OF AGREEMENT	-----NEWSMEN MINIMUMS-----			
			STEPUPS	N.Y.	SAN FR.	OTHERS IN COLUMN 1
NEW YORK	4-1-40	4-1-40 TO 3-31-41	START	\$25.00	\$25.00	\$25.00
SAN FRAN.	4-1-40	4-1-40 TO 3-31-41	AFTER 1 YR.	30.00	30.00	30.00
BOSTON	5-22-40	5-22-40 TO 5-22-41	" 2 YRS.	35.00	35.00	35.00
			" 3 "	40.00	40.00	40.00
			" 4 "	45.00	45.00	45.00
			" 5 "	50.00	50.00	50.00
			" 6 "	55.00		---
NEW YORK	8-30-41	8-30-41 TO 8-30-42	START	25.00	25.00	25.00
SAN FRAN.	9-15-41	9-15-41 TO 9-15-42	AFTER 1 YR.	32.50	32.50	32.50
BOSTON	9-4-41	9-4-41 TO 9-4-42	" 2 YRS.	37.50	37.50	37.50
KANS. CITY	10-2-41	10-2-41 TO 10-1-42	" 3 "	42.50	42.50	42.50
PHILA.	12-1-41	12-1-41 TO 12-1-42	" 4 "	47.50	47.50	47.50
			" 5 "	55.00	55.00	55.00
			" 6 "	62.50	---	---
NEW YORK	9-1-42	9-1-42 TO 8-31-43	START	27.50	27.50	27.50
SAN FRAN.	3-7-44	9-15-42 TO 5-1-44	AFTER 1 YR.	35.00	35.00	35.00
BOSTON	2-11-44	9-4-42 TO 5-1-44	" 2 YRS.	42.50	42.50	42.50
KANS. CITY	4-7-44	10-2-42 TO 5-1-44	" 3 "	47.50	47.50	47.50
PHILA.	2-29-44	12-1-42 TO 5-1-44	" 4 "	52.50	52.50	52.50
DETROIT*	4-4-44	12-17-42 TO 5-1-44	" 5 "	60.00	60.00	60.00
ATLANTA	2-14-44	2-11-43 TO 5-1-44	" 6 "	70.00	---	---
NEW YORK	9-1-44	9-1-43 TO 12-31-44	START	30.00	27.50	27.50
SAN FRAN.	1 CONT- TRACY 5-1-44	5-1-44 TO 12-31-44	AFTER 1 YR.	35.00	35.00	35.00
BOSTON			" 2 YRS.	42.50	42.50	42.50
KANS. CITY			" 3 "	50.00	47.50	47.50
PHILA.			" 4 "	57.50	52.50	52.50
DETROIT*			" 5 "	65.00	60.00	60.00
ATLANTA			" 6 "	75.00	---	---

\*INCLUDES OUTSTATE MICHIGAN BUREAUS OF LANSING, GRAND RAPIDS,  
ANN ARBOR AND BATTLE CREEK

SOURCE: MAIN BRIEF ON BEHALF OF THE ANG BEFORE THE NWLB, DAILY NEWSPAPER  
AND PUBLISHING COMMISSION, OCTOBER 1945, P. 12.



TABLE 3A--HISTORY OF AP MINIMUMS FOR NEWSMEN

-----NEWSMEN MINIMUMS-----					
<u>DATE OF AGREEMENT</u>	<u>TERM OF AGREEMENT</u>	<u>STEPUPS</u>	<u>1ST CLASS</u>	<u>2ND CLASS</u>	<u>3RD CLASS</u>
1-15-46	1-15-46 to 12-31-46	START	\$32.50	\$32.50	\$32.50
		AFTER 1 YR.	37.50	37.50	37.50
		" 2 YRS.	45.00	45.00	45.00
		" 3 "	52.50	52.50	52.50
		" 4 "	62.50	62.50	62.50
		" 5 "	72.50	72.50	---
		" 6 "	82.50	---	---
1-22-47	1-5-47 to 2-28-48	START	40.00	40.00	40.00
		AFTER 1 YR.	45.00	45.00	45.00
		" 2 YRS.	55.00	55.00	55.00
		" 3 "	65.00	65.00	65.00
		" 4 "	77.50	77.50	77.50
		" 5 "	87.50	87.50	---
		" 6 "	100.00	---	---
<u>1ST</u>	<u>2ND</u>	<u>3RD</u>	<u>1ST</u>	<u>2ND</u>	<u>3RD</u>
NEW YORK	LOS ANGELES	SALT LAKE CITY	NEW YORK	LOS ANGELES	SALT LAKE CITY
	ATLANTA	ANN ARBOR	CHICAGO	ATLANTA	ANNAPOLIS
	BOSTON	BATTLE CREEK		BALTIMORE	ANN ARBOR
	CLEVELAND	BIRMINGHAM		BOSTON	BATTLE CREEK
	DENVER	BISMARCK		CHICAGO	BIRMINGHAM
	DETROIT	BUFFALO		CLEVELAND	BISMARCK
	KANSAS CITY	CHEYENNE		DENVER	BOISE
	LOS ANGELES	FARGO		DETROIT	BUFFALO
	MINN.-ST. PAUL	GRAND RAPIDS		KANSAS CITY	CHARLOTTE
	NEW ORLEANS	HARRISBURG		LOS ANGELES	CHEYENNE
	PHILADELPHIA	HELENA		MINN.-ST. PAUL	FARGO
	PITTSBURGH	LANSING		NEW ORLEANS	GRAND RAPIDS
	SAN FRANCISCO	NEWARK		NEW YORK	HARRISBURG
		PIERRE		PHILADELPHIA	HELENA
		PORTLAND, ME.		PITTSBURGH	LANSING
		RICHMOND		SAN FRANCISCO	MONTGOMERY
		SACRAMENTO			NEWARK
		SAN DIEGO			OKLAHOMA CITY
		SIOUX FALLS			OLYMPIA
		TRENTON			PHOENIX
					PIERRE
					PORTLAND, ME.
					PORTLAND, ORE.
					RENO
					RICHMOND
					SACRAMENTO
					SAN DIEGO
					SEATTLE
					SIOUX FALLS
					SPOKANE
					TRENTON
					TACOMA
					WICHITA

Table 4--AP Newsmen &amp; Photographer Top Minimums\* (Weekly)

Contract Term	1st Class Bureaus	2nd Class Bureaus	3rd Class Bureaus
1940-41	\$ 55.00	\$50.00	\$ ---
1941-42	62.50	55.00	---
1942-43	70.00	60.00	---
1943-44	75.00	60.00	---
1946-47	82.50	72.50	62.50
1947-48	100.00	87.50	77.50
Increase			
1940-47	\$ 45.00-82%	\$37.50-75%	---

\*Compiled from Main Brief On Behalf of the ANG Before the NWLB, Daily Newspaper and Publishing Commission, October, 1948, p. 12.

(1) These differentials were accepted in the first signed contracts and have since become part of the internal wage structure of the AP, and it would be pure folly to upset the balance of this structure. The Guild is now attempting to destroy time-tested historical relationships which the Guild helped to create and maintain.

(2) There is a precedent in WLB rulings. In several cases involving the AP and the Guild, the WLB recognized the validity of these differentials.<sup>9</sup>

(3) There is no uniformity of job content between all bureaus. One cannot make a valid comparison between the functions performed by employees of the New York bureau and those performed by employees in the Phoenix bureau.

(4) It is undeniable that the large bureaus are more important than the small bureaus. The large bureaus handle more important stories and a greater volume of work than small bureaus. In addition, a certain amount of prestige is attached to the larger bureaus, so that newsmen in the small bureaus are motivated to improve their work in hope of being assigned to the large bureaus. Wage differentials are in reality, a reward for extra effort.

(5) Wages cannot be based on seniority alone, which is the stand the Guild has taken. An editorial employee does not increase his worth to the AP solely by virtue of his being employed a number of years; his value as an employee depends upon his creative ability and initiative. Most persons overlook the fact that AP employees are performing professional work, and, therefore, the principles which apply to industrial workers do not apply to AP employees.

(6) Greater skill and experience is required of personnel employed

in larger bureaus. The most talented employees are assigned to the important large bureaus; wage differentials are a means of rewarding skill.

(7) The AP cannot raise wages above the levels paid by the local newspapers in cities in which the AP bureaus are located. To pay more would jeopardize the wage structure of AP members; an unbalanced wage structure would threaten their AP membership and, in the long run, would create lower wages and decrease employment in the AP.

(8) The cost of living is higher in the larger cities than in the smaller cities, so there must be wage differentials to reflect the cost of living differences.

#### Arguments of the Guild

In the main, the Guild contends that what it is seeking to do is to set minimum wages for the different classifications and experience ratings. No attempt is being made to establish a scale of earnings, or maximum wages. Otherwise, the Guild has disputed the AP arguments with the following line of reasoning:

(1) The "historical relationship" principle presents a distorted picture of the motives of the Guild. In 1940 the Guild was interested in creating a basic wage structure that would eliminate substandard wage rates in the wire service industry. The first contracts were directed toward getting higher wages for more people; little thought was given to the elimination of wage differentials.

After the first contracts were signed, the Guild became interested in achieving uniformity within the wage structure itself, with special emphasis upon the elimination of glaring inequities. A program of uniform minimums was adopted but was never achieved because of World War II, the "Little Steel" Formula, the President's "Hold That Line" Executive



Order, and the concomitant WLB wage stabilization policies which allowed wage adjustments only upon proof of the most obvious of injustices.

In retrospect, Guild policies were directed toward the economic betterment of the AP employees, and the concept of wage uniformity was not of paramount importance at the time of the signing of the first contracts. To imply that the Guild actually assisted in the creation and support of these differentials is not a correct interpretation of the facts.

The final argument on this point concerns the validity of the principle of historical relationships itself. The AP is attempting to say that what has happened in the past is the best and only method of handling the wage question, a thesis which is open to debate. The courts of our country, who often decide cases on precedent alone, recognize that the social, economic, and political situation is changing constantly; therefore, courts often will overrule old cases or "distinguish" new ones on the basis that a new situation warrants a change. With this theory the Guild is in perfect agreement, and the AP is "out of step."

(2) It is true that the WLB handed down rulings in several AP-Guild cases, the net result of which was an apparent approval of differentials. Before one can assume that the WLB "approved" the differentials, however, the raison d'etre of the Board must be examined. The WLB was created to administer the wartime Wage Stabilization Policy; to implement this Policy, the Board approved wage increases in five types of cases: those coming under the "Little Steel" Formula; those necessary to eliminate interplant inequities within the same labor market area; those necessary to eliminate intraplant inequities and sub-standards of living; and increases in "rare and unusual" cases. Thus,

the Board could not, under this policy, allow increases solely on the basis of bringing one AP bureau up to the level of another. The WLB was constituted to stabilize wages and stated on several occasions that it would not endeavor to create new wage structures but to maintain old ones, as far as possible.

In 1945, the WLB was asked to eliminate all wire service differentials; however, the case was returned to the disputants without a ruling. No one can properly claim that the Board either approved or disapproved the AP wage structure.

There were several occasions in which the Board recognized that some national firms were so organized and operated that they in effect constituted a single unit and geographic wage differentials amounted to interplant differentials which should not have existed.<sup>10</sup>

(3) The AP to the contrary, there is a uniformity of job content in all bureaus. A news report is written up, edited, and transmitted in the same general way regardless of the point of origin. It must meet the exacting AP standards of accuracy, style, judgment, and editing. A job analysis of the AP newsman reveals that he must be able to perform the following functions: gather news in the field; check material received as to completeness, accuracy, etc.; write news reports from facts supplied by other persons; determine whether a local story should be sent to other bureaus and whether a report received over the wire should be reduced or enlarged to meet local needs; edit and write captions for photographs; correct final copy and put it on the wire for filing; determine which wire the report should be sent over and the order of its transmission. These functions are performed in all bureaus irrespective of size or geographic location.

It is true that in the large bureaus there is a division of labor, so that there is a certain amount of specialization. A newsman may be classified as a reporter, editor, rewrite man, rewrite editor, news employee, or a wire editor; the fact remains that all newsmen must be able to perform all of these jobs. Even in bureaus where there is a division of labor the personnel are rotated from job to job. The important point to remember is that, regardless of job title, the personnel who perform the duties are all classified as newsmen and are subject to newsmen's minimums.

(4) The fact that the larger bureaus in New York, San Francisco, Washington, Chicago, etc., handle a larger volume of work and a greater number of important stories does not justify the differentials for at least four reasons. One, the large bureaus have larger staffs than the small bureaus; as a consequence, the per capita volume of work is probably greater in the small bureaus. Two, since the AP is an integrated system, increased activity on the part of any one bureau means increased activity for all bureaus. On every story sent out by the AP, every bureau must perform some function, either to develop it more fully, develop a sidelight or local angle, or simply to read it and discard it. The small bureaus thus handle as many stories as the large bureaus. Three, news is no respecter of size or location of AP bureaus. Many of the disasters, discoveries, inventions, labor troubles, etc are covered by the small bureaus. Moreover, the bureaus of New York, San Francisco, Detroit, Denver, Chicago, etc. all occupy a leading position in some special type of news, but some of these bureaus are given a differential, and some are not. Four, to the member papers of the AP the local, state, or regional news is usually just as important as the national or international news,

which means that the small bureaus handle stories which are just as important as those emanating from the large cities.

In regard to the idea that differentials are necessary as a reward for the extra effort, minimums should apply to the average newsman in the AP. Extra effort and initiative should be rewarded by above-minimum wages.

(5) The Guild does not contend that seniority is the sole criterion for wages; here again the question is not whether there is a sole criterion for wages but what standard should be used to set minimums. By contract, the AP and the Guild have agreed that experience ratings are a fairly adequate measure by which minimums can be applied. The actual wage which a newsman receives will depend upon factors other than seniority, but there should be an absolute floor for each level of experience, without regard to the geographic location of the bureau to which the man has been arbitrarily assigned.

(6) Extraordinary skill and talent should be rewarded, but contract minimums are not the proper medium by which this should be accomplished. The minimums should reflect only average ability to perform the work, and any remarkable talent should receive above-the-minimum merit increases. The AP contends that its best talent is concentrated in the large bureaus, and therefore, the large bureaus should receive a differential; how then does the AP account for the fact that the average weekly wage is higher in the San Francisco bureau than in the New York bureau, when, according to the scale of minimums, the highest wage should be paid in the New York bureau?

(7) The AP has repeatedly attempted to compare the AP newsman to the newspaper reporter, the key classification in newspaper contracts.



Job analysis reveals that the two classifications cannot properly be compared. The wire service newsman performs the functions of the newspaper reporter, plus those of the higher newspaper editorial employees, viz., assistant city editors, city editors, telegraph and cable editors, financial editors, foreign editors, and news editors. Few of these positions are subject to minimums.

When a comparison is made between AP minimums and reporter minimums, the AP compares unfavorably. In New York City, for instance, the AP top minimum on June 15, 1948 was \$100, and the top minimum for newspaper reporters was \$110.<sup>11</sup> The AP newsman sits in editorial judgment on the material of reporters whose minimums are higher than his own.

A comparison with newspaper reporters also overlooks the fact that the small AP bureau produces not only for that town's papers but for the metropolitan dailies and radio stations scattered all over the world. Such a comparison is obviously unfair to the AP newsman, who should be compared with the highest classification of editorial employee on the large metropolitan dailies.

(8) The assertion by the AP that there is some connection between the size of the city and the cost of living is not subject to statistical verification.

A comparison of the size of the city and the cost of living is presented in Table 5. The cost of living figures used are of the budget type, because the budget figures lend themselves better to comparison than the cost of living index figures. A study of this table reveals two things: there does not appear to be any connection between the size of the city and the cost of living; there does not appear to be any stability in rank of cost of living over time. Cities tend to change

Table 5—Comparison of Size of City and Cost of Living

	Rank in population <sup>1</sup>	Rank in cost of living		
		1938 <sup>3</sup>	1943 <sup>4</sup>	1947 <sup>5</sup>
New York	1	7	1	3
Chicago	2	6	5	8
Philadelphia	3	14	22	20
Detroit	4	5	4	6
Los Angeles	5	8	25	15
Cleveland	6	4	6	17
Baltimore	7	12	23	10
St. Louis	8	9	11	11
Boston	9	11	7	5
Pittsburgh	10	10	12	7
Washington	11	3	3	1
San Francisco	12	1	2	9
Milwaukee	13	(2)	14	4
Buffalo	14	16	21	28
New Orleans	15	24	27	32
Minneapolis	16	2	8	8
Cincinnati	17	13	18	27
Kansas City	18	22	32	30
Indianapolis	19	29	28	29
Houston	20	11	7	5
Seattle	21	18	9	2
Denver	22	4	6	17
Portland, Ore.	23	19	15	23
Atlanta	24	15	20	24
Memphis	25	28	19	14
Birmingham	26	30	31	16
Richmond	27	20	26	16
Jacksonville	28	27	24	25
Norfolk	29	26	10	13
Seranton	30	17	17	21
Savannah	31	(2)	(2)	22
Mobile	32	31	33	12
Manchester	33	(2)	16	26
Portland, Me.	34	23	13	18

<sup>1</sup>Based upon the 1940 Census<sup>2</sup>Data not available<sup>3</sup>U. S. Dept. of Labor, BLS, Monthly Labor Review, March 1939, p. 535.<sup>4</sup>Ibid., Oct. 1943, p. 804.<sup>5</sup>Ibid., Feb. 1948, p. 152.

their relative positions in regard to cost of living, so that no one can categorically state that a city has a consistently high or low cost of living.

A correlation between the ranks in population and the ranks in cost of living further indicates that there is little connection between population and cost of living. Using ranks based on the 1940 and cost of living figures for 1938, 1943, and 1947, the coefficients of correlation were .34, .43, and .33, respectively. By statistical standards these coefficients were so low as to be almost meaningless. The coefficients of determination, a better measure of correlation, which were obtained were .120, .183, and .107. This means, for example, that for the year 1947, 89.3% of the variations in rank of cost of living were due to factors other than variations in rank of populations.

While it is admitted that the foregoing is not conclusive evidence of lack of relationship between population and cost of living, the figures presented were the best available ones, and would most certainly lend some weight to the assertion that there is no necessary correlation between population and cost of living.

(9) The AP, in 1944, signed a contract with the Commercial Telegraphers' Union by which the few remaining differentials were removed. Since the telegraphers and the newsmen work side by side in the same bureaus, there is no good reason why the AP should not remove this intra-plant inequity by eliminating the differential for newsmen.

### The Appropriate Unit

#### Introduction

A review of bargaining relations between the parties discloses that,

prior to 1944, the bargaining was conducted on a bureau-by-bureau basis. The Guild had been certified by the NLRB as exclusive bargaining agent in only a few bureaus, and the AP recognized the Guild as bargaining agent in a few others. The negotiations were carried on locally, however.

The retroactive interim contract which was signed on October 2, 1945 covered twenty-four bureaus outside of New York; its effective date was May 1, 1944, and it expired on December 31, 1944. The New York contract, negotiated with the assistance of the WLB, also expired on December 31, 1944.<sup>12</sup> There was no 1945 contract, and the 1946 agreement was the first such one arrived at after national bargaining. The 1947 contract likewise was a national agreement. No contract for 1948 has as yet been signed, and one of the main issues has been the propriety of national bargaining.

It is evident that there are differences of opinion on this issue, but an examination of the record shows that these differences are certainly not irreconcilable. In the early days of AP-ANG bargaining, the Guild, struggling to organize, requested local bargaining, knowing full well that it would lose an NLRB certification election if the AP national system were declared to be the appropriate unit. The AP, realizing the weakness of the Guild, testified before the NLRB that the AP system was integrated on a national basis and that the complete system should be the appropriate unit. Kent Cooper asserted, in 1938 that "if the employees in some of the offices were engaged in collective bargaining while others were not, sectional jealousies would be the result." Continuing, Cooper maintained that "if the claim of the Guild is granted, it will seriously impair the operation of the AP system."<sup>13</sup> Over time, however,



the situation has changed, and now it is the Guild who wants to bargain on a national basis, while the AP demands local bargaining.

#### Development of the Issue

From the outset, the Guild has been desirous of bargaining on a company-wide national basis, even looking forward to the eventuality of industry-wide bargaining, covering at least the three major wire services and their respective photographic agencies. Organized as an industrial union, the Guild is interested in the establishment of uniform conditions throughout the wire service industry. The AP has always administered its labor policy on a national basis, and the Guild has now asked that it have a voice in the determination of such policy. The Guild has charged that the AP request for local bargaining is aimed at the destruction of Guild bargaining strength by a policy of "divide and rule." To understand completely all facets of the problem, one must examine in detail the chronological developments.

The first official mention of national bargaining was made in the minutes of the ANG National Wire Service Conference held May 13-14, 1944 in Chicago. This meeting was attended by the ANG officers and staff and twenty delegates representing wire service bureaus in all parts of the country. Various topics were discussed, and the advisability of having a national program was generally agreed upon. In regard to the handling of grievances, it was suggested that each service adopt a uniform grievance form for the whole country, in order to facilitate the filing of grievances. The conference also decided that, in the case of the AP, bureaus outside of New York City would request interim contracts which would expire on the same date that the New York contract expired, after which the Guild would attempt to consolidate all AP con-

tracts or demand system-wide negotiations. Many other problems were discussed, and in each case, it was agreed that the Guild would adopt a national policy on each issue, from which no deviations would be allowed.<sup>14</sup>

The Guild has insisted that the first move toward national bargaining was made by the AP. On October 20, 1944, Mr. Claude Jagger, AP negotiator, wrote a letter to Sam Eubanks, ANG Executive Vice-President, in which he stated that "as I told you in our recent discussion, we are entirely favorable in principle to covering the organized bureaus in a single contract, and making supplemental agreements to the contract for such additional bureaus as you may organize.....What I am proposing with the enclosed is a means to make the presently organized bureaus run concurrently with the New York contract, so a consolidated contract may be written to take effect next January." Mr. Jagger followed up with another letter on October 25, 1944, in which he said, "I earnestly hope you will submit this offer to your units and recommend its acceptance. That will permit us to negotiate for a general contract for all organized bureaus to take effect January 1."<sup>15</sup> During the negotiations in 1944 Jagger commented that he felt that the parties should bargain on a national basis since "it is the only sensible thing to do."

In keeping with the desires expressed in these letters, the next contracts were negotiated on a system-wide basis, covering all bureaus in which the Guild was recognized as bargaining agent. The 1947 contract was not due to expire until February 28, 1948; however, in April, 1947 the AP sent a letter to all bureau chiefs advising them that all future AP-ANG negotiations would be conducted on a bureau-by-bureau basis; the contents of this letter were made known to the Guild.<sup>16</sup>

The next move was made by the Guild. On November 7, 1947, the Guild filed a suit in equity in the New York State Supreme Court, charging that the AP had breached its contract by: (1) Refusing to hear grievances at the national level and insisting that they be heard locally by bureau chiefs, with no right of appeal to national management; (2) Failing to give the general increase negotiated in the contract to radio script writers in New York; and (3) Announcing on April 3 that at the expiration of the current agreement negotiations would be conducted on a bureau-by-bureau basis instead of nationally for all Guild-represented bureaus as had been the practice since 1944.<sup>17</sup> The AP appeared in court on November 28, 1947 and requested an extension of time in which to file a reply; the extension was granted under protest.

The New York AP unit of the Guild wrote to Kent Cooper during the latter part of November, 1947 and asked that he rescind the AP announcement relative to the proposed change in bargaining procedure; the letter pointed out that national bargaining was the most effective method in this case and that unless it is carried out in the most effective manner, "it bears no more relation to collective bargaining than a dinner does to a menu." The AP declined to reply on the grounds that the Guild had undertaken to allow the courts to settle the matter.<sup>18</sup> The AP unit promptly drafted another letter, the main thesis of which was the idea that, if the AP was genuinely interested in harmonious relations, there was no reason why the case could not be settled out of court.

On December 8, 1947 Mr. F. J. Starzel, AP Assistant General Manager, replied to the letter from the New York unit. His reply was addressed to all AP department heads, chiefs of bureau, and traffic bureau chiefs; it attempted to state management's viewpoint on the issue. The main

points of the letter are as follows:<sup>19</sup>

(1) Ordinarily, the AP would refuse to answer the Guild Letter as a reply would dignify their attack.

(2) The ANG seeks to force the AP, through court action, to bargain on a basis for which it has not been certified by the NLRB. Originally, the NLRB ruled that the single bureau was the appropriate unit for the AP; moreover, the Guild wants to bargain on a national basis, but the Guild has not been designated as the bargaining agent for all bureaus.

(3) In retrospect, the national basis for bargaining was only a wartime expediency to which the AP agreed in time of stress. The WLB always handled the AP cases as local cases, one at a time. By 1945, however, the industry panels of the WLB were forced to consolidate the many cases into single case. This was reasonable in the war emergency, and the AP agreed. To expedite matters and reach a settlement in time of stress, the AP agreed to enter a contract with the Guild covering all bureaus for which the Guild was the designated bargaining representative. Since relatively normal conditions have returned, it has been decided that there is no longer any reason for continuing a wartime expediency.

(4) The AP cannot bargain on a system-wide basis with a representative of only a portion of that system. To do so would disregard the legal and moral rights of the employees outside the Guild. It would give erroneous color to the actual situation by conceivably inferring a form of coercion upon those employees in offices which have not empowered the union to represent such offices. The interests of all employees (management and staff alike) are best served by obeying the decisions of the NLRB.



(5) There are several distinct advantages to be obtained from local negotiations: the negotiations are handled at a point where the matters directly affecting the employees can be settled on a local basis; local negotiations afford an opportunity for the greatest possible participation by the employees in the bargaining, in that these employees can sit in either as principals or as observers. In addition, there are great administrative difficulties to dealing for several dozen cities at a great distance from the bureau where the contract is to apply.

(6) The AP, in order to assure the greatest possible discretionary authority locally to deal with local problems, has restored to the chiefs of bureau full responsibility over personnel matters which had been concentrated in the office of the General Manager.

(7) It is true that the AP bargains with the CTU on a national basis, but it is also true that the CTU represents all of the employees of their department.

(8) The Guild has now suggested that the parties sit down with an unofficial panel of mediatory advisors, which move baffles the writer. The U. S. and New York State governments have set up machinery to settle labor disputes and grievances to avoid getting such issues into the courts. Why are we haled into court one day to defend a suit and asked the next day to sit down with mediators and advisors? Since the AP did not bring the suit, it has no choice in the matter. The Guild has.

The Guild's reply was drafted by Joseph Colangelo, ANG Director for Wire Services. In an open letter to Mr. Starzel,<sup>20</sup> Colangelo summed up the Guild's views, as follows:

(1) Through its action in the New York Supreme Court, the Guild is not seeking to enlarge its bargaining jurisdiction; the Guild asks

that the bargaining for the 1948 contract be conducted on the same basis as it has been since October, 1944 when the interim contract was signed. At that time, Mr. C. A. Jagger, AP negotiator, said that henceforth the AP desired to negotiate a single contract covering all Guild-represented bureaus.

(2) The AP claim that the NLRB ruled that the bureau was the appropriate unit is not entirely correct. The NLRB ruled that the fact that the AP wanted to bargain on a national basis was not a valid reason for depriving the separate bureaus of their bargaining rights. No NLRB decision said, however, that bargaining had to be on the basis of the representation certification.

(3) The WLB did not consolidate the separate AP cases as a war emergency move. The AP cases were handled jointly in October, 1945, after the war was over, after the AP and the Guild had agreed on a single contract covering all organized bureaus outside of New York in 1944, and after the parties had agreed to negotiate a single contract covering all Guild-represented bureaus for 1945.

(4) Bureau chiefs have never had "full authority over personnel matters which have been concentrated in the office of the General Manager", authority which the AP now proposes to restore to the bureau chiefs. The Philadelphia bureau chief, in 1941, had to withdraw his agreement to a contract which was more favorable to the Guild than the one negotiated for the New York bureau. In 1943 the chief of the Boston bureau agreed to an hours and overtime clause more liberal than the one proposed by the AP negotiators for the New York bureau; the Boston bureau chief was immediately supplanted, and the Boston contract eventually contained the same hours and overtime provisions that went into the

New York agreement.

(5) The Guild's filing of a lawsuit need be no bar to an amicable settlement of differences between the parties. The Federal Conciliation Service and the State Mediation Board were set up to prevent strikes and work stoppages, not to keep contract violations out of the courts. The Guild attempted to settle the dispute by negotiation and conciliation, but failed. Representatives of AP employees agreed in June, 1947 that a suit in equity was the best means at hand to settle the issue. However, many lawsuits are settled out of court, and the Guild is willing to attempt further negotiation in an effort to obtain a settlement. Attorneys for the AP, on November 27, 1947, were asked by Guild counsel if they would agree to arbitration, to which they replied that they had no authority to do so, that it was up to the AP. Therefore, the next move is to be made by the AP.

The 1947 contract expired on February 28, 1948, and the procedure governing negotiations for a new contract was agreed upon by the parties. An exchange of letters between L. H. Thomason, AP representative, and Colangelo set the tenor of future relations and contained substantially the following information:<sup>21</sup>

(1) The 1947 contract was extended to March 31, 1948 with a provision that if no agreement on a new contract or contracts had been reached by March 25 there was to be a further extension to May 1, with the understanding that retroactivity remained subject to bargaining.

(2) The negotiations were to be conducted at New York on all terms and conditions of a new agreement or agreements with the exception of minimum wages which were to be bargained locally. The AP stated that "this is so because any wage scales must be governed by prevailing wage

scales in each city.....The newspaper owners of the AP are going to expect that we not make a higher minima than you have agreed to with them." In its reply, the Guild reiterated that "it does not concur with your position on the necessity for bargaining locally on wage minima and the reasons you assign therefor."

(3) In agreeing to this procedure the ANG did so without prejudice to any action it might take to maintain its previously stated position on national bargaining or the negotiations for a stipulation of a consent election.<sup>22</sup>

Over the protests of many Guild members, local bargaining on minimum wages was entered into by the parties, with national bargaining on the other general clauses. None of the conferences resulted in any substantial agreement on the important issues. Local negotiations on wages were stalled, because at this time the Guild was also negotiating with the UP on a national basis, and the AP bureau managers privately admitted that they could do nothing until the UP had signed a contract. National AP-ANG negotiations produced agreement on minor clauses, but efforts to resolve differences on other issues were not successful. In the meantime, the Guild withdrew its lawsuit. Management's final offer made on April 23, 1948 regarding the preamble, security, dismissal indemnity and vacation clause was submitted by the Guild to its membership without recommendation and was voted down by a ratio of twenty to one.

Since local negotiations had produced no agreements the contract was extended several times; Colangelo and Thomason, in an exchange of letters in early June, agreed to attempt a settlement in one fell swoop.<sup>23</sup> The procedural agreement provided:

(1) That the 1947 contract be extended until July 25 so the Guild's



AP National Negotiating Committee (rank and file) could be brought into New York for participation in the negotiations.

(2) That the Committee meet in intensive sessions with AP national representatives beginning July 19 and continuing until accord could be reached on all terms and conditions, upon which no agreement had been reached, including minimum wages for all bureaus represented by the Guild.

The July negotiations failed to produce a settlement after a week of intensive bargaining between the parties. After a number of proposals and counter-proposals had been discussed, the parties were still without agreement on many of the important issues. Federal Conciliator Dougherty was called in by the Guild in an effort to break the deadlock, but his endeavors were likewise unproductive. At the final bargaining session on July 27, it was decided that the AP's final offer would be submitted to the membership without recommendation for either acceptance or rejection.<sup>24</sup> The final offer duplicated the 1947 contract, with the following exceptions: it increased the top minimums in Boston, Detroit, and San Francisco so that they would receive \$95 in the seventh year of experience; it left all other minimums unchanged; it wrote a ten percent "cost of living bonus" into the contract with a floor of \$5 and excluding employees making more than \$100 a week; it provided for a differential for employees working the early (midnight) shift. The final offer was rejected by a ratio of fifteen to one.

The contract has since been extended to December 31, 1948, and negotiations are being conducted in New York. Following the rejection of the AP's last offer by the membership, the AP unilaterally put into effect the ten percent "cost of living bonus" and the "early" differ-

ential. Both parties have made proposals in regard to bargaining on merit increases;<sup>25</sup> the AP has offered to bring the top minimums in the Boston, Detroit, and San Francisco bureaus up to \$95, and the Guild has demanded that these bureaus, plus Los Angeles, be brought up to the \$100 level.

### Summary

A recapitulation of recent developments reveals that, although the parties have varied from local to national to local bargaining, they are at present negotiating on a national basis. The Guild is meanwhile holding in abeyance a proposal for the consent election in the AP system. The various AP units have empowered the IEB of the Guild to call the election "at such time as is deemed proper." There is a difference of opinion among Guild members as to whether the Guild could win such an election. In the meantime, the Guild would like to eliminate any doubts about the matter and is intensifying its organizing campaign accordingly. This election could conceivably settle the issue of the appropriate unit; however, at the present time, the parties have not fully reconciled their differences on this controversial question.

### Basis For Wages

#### Inadequacy of Criteria

Although the AP and the Guild have agreed in principle that length of service, or work experience, are valid criteria by which minimum scales can be established, they are in complete disagreement as to an equitable basis for determining above-minimum wages. Much of this disagreement stems in large part from the fact that in the wire services

the ordinary criteria of job proficiency do not apply. The inadequacy of criteria has been discussed in an earlier section, but it is mentioned again to point up its importance.

Prior to the advent of the Guild, wage scales for editorial employees did not present much of a problem to the AP. Minimum scales were decided upon by management, and persons who merited a higher wage were recommended by their superiors. Dissatisfied employees were given the opportunity of appealing to Kent Cooper who kept a complete record of each man's service, his successes and setbacks, salary increases and promotions, the reports of superiors on his work, and a confidential letter from the employee himself setting forth his ambitions in the organization. Cooper himself had devised this plan of dealing with each employee on a personal basis and felt that this system maximized merit, encouraged initiative, and provided the stimulus of opportunity.

The Guild introduced a disturbing element into this relationship by demanding that wages be arrived at by the processes of collective bargaining. Over the years it has been Guild policy to maintain a steadily-advancing scale of minimums for each experience rating. This policy has had the obvious effect of limiting management's "merit area", the area above the minimums where wages are still based on merit ratings by superiors.

A careful analysis reveals that the crux of the problem is the inability of the parties to agree on criteria by which an employee can be judged. The Guild has consistently advanced the argument that it wishes to set minimum scales based upon the average employee, but there has been no agreement as to which persons can be classed as average employees; for instance, no one has been able to state precisely just how much work

and of what quality an average employee of the AP should turn out in an eight-hour shift. Management has contended that the awarding of merit raises has always been one of its historical prerogatives, and that it can select its deserving employees better than "outside union agents" can.

This apparent lack of valid criteria has caused the Guild to shift from a frontal attack on the problem to more indirect methods of solution. The Guild is interested in the highest possible wage for the greatest number of its members; since the method of steadily-advancing minimum scales has its limitations, the Guild is now seeking to increase wages by two other methods which may be discussed broadly as collective bargaining on general increases and on merit increases. The AP has just as consistently resisted advances in these two areas.

#### General Increases

Speaking in generic terms, a general increase may be defined as one which is given to all of the employees of a firm or to all of the employees who are represented by a union.<sup>26</sup> Thus, the following may be classed as types of general increases found in the AP wage structure: higher minimums where the differential above the minimum is maintained; cost of living; adjusted increases, etc.<sup>27</sup>

Kent Cooper, in his 1944 Annual Report to the AP Board of Directors, set the stage for discussions regarding general increases. He asserted that "the combined policies of wartime governmental authorities in controlling wages, and at the same time ordering general cost of living increases, has to a considerable degree restricted the policy of paying newsmen on a merit basis.....The present tendency is to treat editorial employees on a basis similar to industrial workers. The result of this, in a profession requiring creative ability and initiative, can have



extremely deleterious consequences."<sup>28</sup>

For purposes of classification, it might be said that the cash award which was granted to Guild-represented bureaus in lieu of a 1945 contract was a general increase; at least, it was so regarded by the recipients. The 1946 contract contained a provision for a general increase based upon the salary which the employee was receiving; the increases varied from four dollars per week to eight dollars per week. A clause in the 1947 contract provided for an "adjusted increase" which was also based upon the salary the employee was receiving; the increases varied from five dollars per week to seventeen dollars and fifty cents per week. Both the 1946 and 1947 contracts contained the following phrase: "An employee shall not receive an increase both from the change in minima and from the special increase, but shall receive whichever is higher."

Thus, despite Mr. Cooper's earlier protestations, the parties have accepted the principle of general increases. Acceptance by the AP was evidenced by the fact that early in 1948 the AP unilaterally granted a cost of living bonus to all employees. The Guild proposals for the 1948 contract contained three types of general increases: (1) An increase in minimums with an express provision that "any dollar differential above the minimums shall be maintained when minimums are increased or when an employee is advanced through the operation of the experience progression schedule," (2) A length of service increase which provided that "all employees at or above the top minimum for their classification for one year or more shall receive annually an increase of \$2.50," and (3) A proposal for a general increase so that "all employees not raised by the increase in the minimums provided herein, shall receive an increase

equal to that by which the minimum for their classification and experience has been increased by this agreement."

A management counter-proposal was offered and eventually submitted to the membership for a vote. It provided for a ten percent special cost of living payment to employees receiving not more than \$100, with a flat \$5 to those receiving less than \$50. There was to be no general increase or cost of living payment to employees earning more than \$100. Payment was to have been by separate check and represented an increase over the cost of living payments granted by the AP earlier in the year (January 1948), not in addition thereto. This proposal was submitted to the membership and was rejected by a vote of 429 to 38; however, the AP unilaterally put the cost of living payment plan into effect.

In negotiations management has asserted that it does not favor general increases, other than cost of living bonuses, because they "are an obvious device to control salaries in the merit area." Guild negotiators have pointed out that general increases are an accepted practice in the newspaper business and the other wire services; recent contracts have provided for general increases ranging from two dollars in the lowest classifications to a fifteen-dollar increase granted by the New York World-Telegram.<sup>29</sup> The AP remained adamant in its attitude, stating it felt that salaries in excess of \$100 were in the merit area. Recent developments on the question of merit raises have thus made them a proper subject for collective bargaining.

#### Merit Increases

The parties have never disagreed on the necessity for merit raises but have always disagreed over the method of awarding them and the methods of selecting recipients. Kent Cooper, in 1944, issued a plea for a return

to the practice of paying newsmen on a merit basis. To do otherwise, he opined, would create two classes of newspapermen as in England, and "would limit the field of opportunity and impair the general performance. It is hoped that any influences which restrict advancement for meritorious performance and which limit the field of opportunity, will be overcome."<sup>30</sup>

In 1945 an AP unit in Detroit wrote to the bureau chief, commenting that "it is likewise the desire of the Guild that no obstacles be allowed to stand in the way of recognition of merit on the AP." However, the letter went on to state that "the problem of merit increases for AP personnel in Detroit "while contract negotiations still were in progress" caused considerable concern in Guild quarters. In 1948 the staffers in San Francisco received merit increases just prior to the opening of negotiations for a new contract. The Guild complained that such practices caused trouble in two directions: it completely unstabilized bargaining relationships; and the merit raises varied in amount with the smaller increases, or none at all, going to those employees who had been most active in the Guild.

In the light of these developments, it is not surprising that the negotiations for the 1948 contract included discussions on the question of merit raises. In general, management contended that all increases to employees earning in excess of \$100 should be handled solely on a merit basis; the AP refused to consider general increases for these employees, stating that "anything above \$100 is the merit area." The AP negotiator remarked that "there are many average employees who are receiving above-minimum salaries; they got there by the general increase system."

In a letter to bureau chiefs, L. H. Thomason asserted that "A majority of the news staff receives merit pay. The individual members

of the staff know better than do Union agents where The AP stands on the matter of recognizing merit. They know also that there are limits. No business organization can indiscriminately make general wage increases and at the same time have left enough funds to reward adequately those who deserve more than minimum pay."<sup>51</sup>

The Guild negotiators attacked the AP arguments by charging that the AP had "wiped out the merit area in its application of unilateral wage increases," that the AP had "practically abandoned its previous policy of recognizing merit," and that the AP "fails to reward employees for long and faithful service." The Guild asked that salaries above \$135 be classed as the merit area; an AP refusal to consider this proposal brought a suggestion from the Federal conciliator to the effect that the parties should compromise upon a figure between \$100 and \$135. The Guild agreed to consider it; the AP refused, and the negotiations ended in a deadlock.

Following the July negotiations, a ruling by the U. S. Supreme Court to the effect that employers must bargain on merit raises if asked to do so by the unions added impetus to the Guild campaign to control merit raises. The Guild requested that the AP furnish it with full information on all merit increases granted since August 1, 1947. The AP launched a counter-campaign which took the form of soliciting letters of protest from non-Guild AP employees, letters protesting against the revelation of their salaries. The AP, upon receipt of advice from the NLRB, furnished the desired information to the Guild; no names were mentioned in the report, code letters being substituted.

Negotiations on merit raises are now being conducted in New York. The Guild has proposed that a ten percent merit raise be given to all



staffmen earning a salary in excess of \$100, less any amounts which have been received since August 1, 1947. The AP has countered with a plan to set aside \$200 per week for the first three months of 1949 for the purpose of creating a merit fund, from which merit increases would be paid. Under the plan offered by the AP, the date of the last merit increase would not be the determining factor in the awarding of new increases.

In the meantime, the Guild has filed three unfair labor practices against the AP, charging that:

- (1) The AP has refused to bargain in good faith on merit increases.
- (2) The AP notified its bureau chiefs and the staff employees involved in November, 1948 that fifteen merit increases were being held up because the ANG refused to waive their bargaining rights on them; on December 16, 1948, the Guild waived its bargaining rights on these fifteen increases but stated specifically that it did so without prejudice to its right to bargain on future increases.
- (3) The AP actually granted a general increase disguised in the form of merit raises, without collective bargaining (the salary information divulged by the AP revealed that 92.46 percent of the AP staffmen have received merit raises since August 1, 1947; the NWLB in its wartime stabilization program, has adopted the rule that, if 10 percent of the employees receive merit raises, it was to be considered as a general increase); in addition, the AP, by unilaterally awarding cost of living increases, granted a general increase without collective bargaining.

There appears to be considerable doubt as to the outcome of the merit question. The fundamental issue involved is one concerning the

loyalty of the AP employees. The AP, by retaining complete control over merit increases, hopes to win the loyalty of its employees by promises of financial reward to those employees who remain faithful to the AP. On the other hand, the Guild demands that merit raises be negotiated. If successful, the Guild would thus, to a degree, determine the total wage which each employee would receive; the net result would be almost a total dependence upon the Guild as far as wages are concerned. In its proposals, the Guild has indicated that it would like to adopt a policy of percentage increases in lieu of varied merit increases; the adoption of such a plan would, in effect, constitute a general increase. The AP has implied that it still has not accepted completely the principle of bargaining on merit raises. The parties are engaged in negotiatory discussions, and the issue has also been presented to the NLRB for a decision. The final outcome will necessarily depend upon future developments.

#### Union Security

Union security has never become one of the basic issues of bargaining between the AP and the Guild. The ANG Constitution recognizes the importance of union security; Article XVIII, Section 9 states that "no contract shall fail to provide for the Guild Shop.....unless the IEB gives specific permission." Accordingly, in its negotiations with the AP, the Guild has regularly made a proposal for a Guild Shop; the AP has just as consistently turned down this proposal, and the Guild has thus far been satisfied with a lesser degree of union security.

### Development

The 1940 contracts provided for an agent shop, wherein the Guild was recognized as exclusive bargaining agent for employees within its jurisdiction; a similar provision was contained in the 1941, 1942, and 1943 contracts.

In a bitterly-contested case involving the Guild and The Patriot Publishing Company, the WLB, on March 3, 1944, ruled that maintenance of membership in the newspaper industry did not violate the constitutional guarantees of a free press.<sup>52</sup> In a subsequent case involving the Guild and the AP bureaus of Atlanta, Detroit, Boston, Kansas City, Philadelphia, and San Francisco, the WLB held that "the issue of union security (maintenance of membership) is remanded to the Regional War Labor Board for immediate transfer to the Newspaper Commission. The Commission shall consider the merits and render a decision in accordance with the instructions given it in the Harrisburg Patriot Company (Case)."<sup>53</sup> On November 27, 1944, the Newspaper Commission of the WLB granted maintenance of membership with a fifteen-day escape clause to the Guild in the New York bureau of the AP but denied it the checkoff and preferential hiring.<sup>54</sup>

Both parties appealed the various rulings of the WLB agencies. The Guild proposed that AP-ANG contracts recite provisions for a Guild Shop and the checkoff; the AP was reluctant to grant any form of union security. Hearings were postponed from time to time, and there was no substantial agreement between the parties on the issue of union security.

On August 4, 1945, the Guild petitioned the NWLB for a directive order consolidating the existing disputes between the ANG and the AP, the UP, and King Features Syndicate, Inc. (INS-INP). In its brief, the

Guild proposed that all wire service contracts contain the WLB standard maintenance of membership clause plus the dues checkoff. As previously stated, the WLB did not consolidate these cases but handled them separately on succeeding days of the week; the WLB did not hand down any decisions in the cases, but the panel chairman acted as a conciliator in an attempt to get the parties to come to an agreement.

The AP and the Guild did not sign a contract during 1945. The 1945 agreement provided for a voluntary dues checkoff, revocable at the employee's request, plus a provision which stipulated that the AP would furnish the Guild with a list of employees covered by the contract and would keep the list up to date. The 1947 AP-ANG contract contained essentially the same provisions. The 1948 Guild proposals called for the Guild Shop, preference in hiring to Guild members, dues checkoff, and a list of employees covered by the contract; the 1947 contract was extended from time to time and, as of December 31, 1948, no new contract had been signed.

#### Summary

There are many reasons why union security has never become one of the crucial issues of AP-ANG bargaining. Guild spokesmen have contended that, in a democratic union like the Guild, the union or closed shop can be obtained only if the membership thoroughly understands the necessity for it and if the union possesses the economic strength with which to enforce its demand. For reasons which will become more apparent as the determinants of collective bargaining relationships are discussed, the Guild has thus far fulfilled neither of these essential conditions. In general, many AP employees still tend to think as individuals; a group consciousness, necessary for the development of a cohesive union,



has not matured. Many Guildsmen still feel that the Guild should not attempt to force all AP employees to belong to the Guild, especially if such a demand would mean sacrificing a wage increase for institutional security. For this and other reasons, the Guild has been content with the voluntary checkoff as the principal form of union security. The checkoff insures the collection of union dues from a scattered membership; maintenance of membership implies a coercion which many Guildsmen find repugnant to their individualistic philosophies.

The AP has been just as cautious in its handling of the question of union security. With the knowledge that the Guild lacks the bargaining power to enforce its demand for the Guild Shop, the AP has seen fit to grant only a modicum of union security. Nevertheless, the AP has hesitated to challenge the Guild to a show of strength. While the NLRB has conducted representation elections in a few AP bureaus, the AP has generally recognized the Guild as bargaining agent on the strength of a card check, or a showing of applications for Guild membership. To force an election would create an issue where none existed beforehand and might imply that the AP was seeking to change employment conditions; thus, an election might cause employees to join the Guild who would not do so otherwise and might change "bread-and-butter" Guildsmen into militant Guildsmen.

### Job Security and Worker Security

While job security and worker security are not fundamental issues in AP-ANG bargaining, they have come in for their share of attention. Since the costs of AP operation are apportioned among its members and

since the AP is still expanding, job security is not a real problem. Accordingly, the AP-ANG contract does not provide for a strict seniority system, equal division of work, rehiring according to seniority, or employment guarantees; neither has the Guild attempted to enforce make-work policies. The contract provides only that seniority shall be used in computing severance pay, vacation allowances, and sick leave; in addition, the AP has on several occasions considered seniority a factor in awarding desirable assignments (e.g., in the San Francisco bureau no twenty-year employees are to be assigned to the early shift, from midnight to 8 a.m.). A clause of the contract stipulates that "part-time employees shall not be employed where, in effect, such employment would eliminate a regular or full-time employee;" according to the Guild, this proviso is more of a precautionary measure than it is the result of a real problem. Another minor job security clause states that "there shall be no imposition of unreasonable duties upon any employee constituting, in fact, a speed-up."

As concerns worker security, both the AP and the Guild declare that it is of paramount importance. The AP contends that it has always had the deepest concern for "the security of its employees against the hazards of life and security in work competently performed and fundamentally free from arbitrary influences." The Guild has just as consistently proclaimed itself champion of worker security. The principal differences of opinion have arisen over the methods of obtaining worker security, and these differences have not been great.

Guild leaders have asserted that the mere existence of a contract is of primary importance in considering worker security, since it is entirely possible that in the absence of a contract several AP employees

might be summarily discharged. The Guild has alleged that the AP has repeatedly discriminated against active Guildsmen with respect to merit raises, work-shift assignments, etc.; therefore, says the Guild, in the present climate of labor relations it is conceivable that the AP would not be averse to the dismissal of active Guildsmen.

Under the contract, worker security is enhanced by the following: A military service clause; a dismissal indemnity clause by which dismissed employees are paid roughly one week's salary for each six months' service with the AP, excepting those discharged for gross insubordination, gross neglect of duty, or repeated willful misconduct in the performance of duties; a security clause which provides for no discharge except for just cause, two weeks' dismissal notice with opportunity for Guild appeal, no dismissals or pay cuts by reason of putting the contract into effect, and no discrimination because of Guild membership or activity.

#### Determinants of Bargaining Relationships

Any study of collective bargaining relationships should be premised on the idea that there exist in the industry certain basic conditions which determine, in a general way, the type of collective bargaining system to be used and the end result of bargaining, i.e., whether there will be industrial peace or warfare. This observation is not "the iron law of collective bargaining," because the only certainty about industrial relations is that they are always in a state of flux and uncertainty. Furthermore, these factors are interdependent, and any one factor taken by itself will not provide a true perspective of its real importance. Experience has shown, however, that a certain situation generally pro-

duces a fairly certain result in the majority of cases. It is on this basis that the determinants of AP-ANG bargaining relationships are discussed.

### The Effects of AP Labor and Personnel Policies

In the formulation and administration of labor and personnel policies, many employers will make a conscious effort to compete with the union for the loyalty of its employees. The AP has attempted to do this through several devices. The AP has long had a system-wide plan for sick pay, disability allowances, and death benefits. In 1944 the AP contracted with the Aetna Life Insurance Company to provide for AP employees life insurance and insured pensions on more favorable terms than the employees could obtain individually. While one could not charge that the AP was "paternalistic" in its personnel policy, it might be said that the institution of these various employee services could have the effect of demonstrating to the employees that the AP was definitely interested in their welfare and security.

In regard to the handling of transfers, promotions, and foreign assignments the AP has made an obvious bid for the loyalty of its employees. Since these matters are determined almost exclusively by the AP, it is evident to the many employees who are interested in a professional career with the AP that a record of active, militant participation in the Guild is not a good recommendation. An employee assigned to a small, isolated bureau would necessarily consider carefully all of the possible consequences before he would become a Guild member. In 1934, Kent Cooper told Morris Watson point-blank that he could not be considered for a desirable foreign assignment as long as he was active in the Guild.<sup>35</sup>

The collective bargaining policy of the AP has been administered



in such a manner as to lessen worker loyalty to the Guild. In the first place, the prevalence of relatively high wages in the newspaper and wire service industry, compared to other industries, tends to remove some of the sting from union charges of inequitable treatment of employees. In the second place, the AP's maintenance of wage differentials creates rivalries and jealousies between the various Guild units. In the third place, the AP's insistence upon local bargaining threatens to produce dissension among the Guild members. Some AP bureaus are more highly unionized than others, hence, they have greater bargaining strength. Bargaining on a local level implies that some of the Guild units would receive better contracts than if they sacrificed part of their bargaining power in order to help the weaker units under a system of national bargaining. In the final analysis, this argument loses much of its face, in view of the centralized labor policy of the AP. There is, nevertheless, always the possibility that the New York, Chicago, and San Francisco units may decide to follow this line of reasoning. In the fourth place, it must again be emphasized that the basic issue involved in the discussions about merit raises is concerned with worker loyalty. Unilateral determination by the AP in this matter not only produces jealousies among the employees but also tends to identify the interest of the employees more with the AP than with the Guild. For that reason, the Guild is anxious to bargain over merit raises.

#### Owner-Manager Relationship

In a National Planning Association study of the causes of industrial peace, released in 1948, Nathan Straus observed that one reason for peace between the Hickey-Freeman Company and the Amalgamated Clothing Workers could be found by studying the owner-manager relationship. In the Hickey-

Freeman Company, the stock is held by the active managers of the company; thus, management is under no pressure from the stockholders and is able to adopt a long-range viewpoint on industrial relations.

A reverse owner-manager relation is found in the AP. The owners of the AP are the member newspapers, and, in the final analysis, the managers are strictly accountable to the owners. There exists in the AP a peculiar situation which may help to explain why the AP and the Guild have had unstable bargaining relations; all of the many owners of the AP have a direct community of interest in that they are all engaged in the newspaper publishing business, and many of the publishers bargain with the Guild over conditions in their newspapers. Thus, those publishers who are anti-union in outlook are able to fight the Guild both in their newspapers and in the AP. It seems significant that, of the eighteen members of the AP Board of Directors, only seven have agreements with the Guild covering their newspapers.

#### Traditional Hostility Toward Editorial Unions

The antipathy which the AP has manifested toward the Guild may be said to stem in part from the traditional hostility which publishers have generally accorded the Guild. During the formative period of organization, the Guild was subject to a sustained and bitter attack by the publishers; even though it has subsequently been recognized by the publishers as bargaining agent for editorial employees, it has never received the full and unqualified acceptance which the mechanical unions have received. As an example, when C. D. McKinnon was considering the purchase of PM in March 1948, one of the conditions of sale was the suspension of the Guild's contract for a period of three months;<sup>36</sup> there was no thought of suspension of the contracts of the mechanical unions.

By comparison with the Guild, the mechanical unions have become established in the publishing business. According to Lester,<sup>37</sup> the printers' union and the publishers were bargaining before 1880, and since that time the Typographical Union, the Printing Pressmen, the Stereotypers Union, and the Photo-Engravers' Union have regularly signed contracts with the publishers. That these unions have achieved a remarkable degree of institutional security can be deduced from the fact that, prior to the Taft-Hartley Act, the closed shop was found in the printing trades of the newspaper establishments in the large cities.<sup>38</sup>

Probably the most important reason for the failure of the Guild to achieve a secure status comparable to that enjoyed by the mechanical unions is that the Guild is a pervasive threat to the security of management. Where the mechanical unions are interested in bargaining over the terms and conditions of employment, the Guild has come to be regarded by the publishers as an instrument of economic and political reform as well as a trade union. If the Guild could organize all of the editorial workers in the United States and could insist on the union shop, it would be in a position to exert some type of control over public opinion. Thus, as long as there is a union of editorial employees, there will be a potential threat to management's most sacred prerogative—that of reporting, editing, and publishing the news as it sees fit. For this reason, the publishers, individually in their newspapers and collectively through the AP, have never completely accepted the Guild. This lack of union security has caused the Guild to adopt an intransigent attitude on many issues of AP-ANG bargaining.

#### Divisive Nature of the Work

The very nature of the work performed by the AP employees has a

divisive effect upon the Guild. An outstanding characteristic of news-writing is that it is creative. The persons performing this function, whether they are reporters or editors, necessarily differ in skill, ability, and writing style. There is a great deal of individual responsibility attached to the writing of a news story, and there are substantial differences in job satisfaction. Furthermore, the newsmen vary in their ambitions and aspirations as regards a career with the AP; many have hopes of becoming feature writers with their own by-lines, bureau chiefs, foreign correspondents, or executive editors. The individualism engendered by the nature of the work does little toward the development of a cohesive union.

#### Analysis of Personality Factors

Prior to the formation of the Guild, most people in newspaper work looked upon their activities as part of a romantic "game"; the wages, hours, and working conditions did not matter, but the high adventure involved did matter. Newsmen, according to Stolberg, regarded themselves as freebooters who knew no law; they would quit their jobs at the drop of a hat and, if fired, would proceed to tell their employer just what they thought of him. Such a temperamental mutual relation, reasoned Stolberg, "did not lend itself particularly to contractual dealings."<sup>59</sup>

There can be little doubt but that, over the years, the work performed by newsmen has appealed to persons having a very definite type of personality. No space need be devoted to a theory of personality; however, it is evident that people possessing certain traits are generally selected for newspaper work. In ferreting out the news or developing a story, a newsman must have an innate curiosity for facts, must be brash, resourceful, self-reliant, and individualistic. Needless to say,



persons of this type often find it difficult to be intensely loyal to the Guild in all matters.

The fact that the Guild is one of the most literate trade unions also has a bearing on the loyalty of the members to the Guild. Many of the newsmen are college-trained and, as such, are independent thinkers; accordingly, they have indicated from time to time that they do not wish to be coerced by either the Guild or their employers. To remedy the situation, the Guild has launched a subtle invasion of the journalism schools. The Guild Constitution states that students and teachers of journalism are eligible for associate membership in the Guild.<sup>40</sup> By June 28, 1948 the Guild had enrolled 570 associate members and had organized 25 associate member units at the various schools. In addition, the Guild distributed the pamphlet "There's A Guild Card in Your Future" among students and initiated special classes and special journalism conferences. The attempt throughout has been to acquaint the prospective journalists with the Guild and its aims, to give the students practice in trade union administration, and to generally demonstrate that the Guild is an accepted part of the newspaper industry.

In summary, the important point to be emphasized is that many AP employees are not fitted, either by psychological makeup or training, to be steadfastly loyal to the Guild. For this reason, it has been difficult for the Guild to present a united front to the AP at all times.

#### Incomplete Unionization of the AP System

Another factor which has a bearing on the collective bargaining relationship between the parties is the apparent inability of the Guild to organize completely the AP system. The AP has consistently argued that it cannot bargain with the Guild on a system-wide basis until the Guild

has organized all of the AP bureaus. According to the Guild, on March 1, 1947, of 1,350 AP employees eligible for Guild membership, 716 were Guild members, of whom 477 were on the checkoff; in 53 of the 92 AP American bureaus, the Guild was recognized as bargaining agent. In an attempt to alleviate the situation, the Guild, in March 1948, received permission from the NLRB to conduct a consent election in the AP, by which the Guild would become bargaining agent for all AP bureaus or none at all. Up to the present time, however, the election has not been held, due to the fact that the IEB of the Guild felt that the chances of winning were not great enough to warrant the risk at this time. No time limit on the holding of the election has been set, although consent might be withdrawn on the grounds that the situation has become materially altered over time.

There appear to be several reasons for incomplete unionization of the AP system; in the first place, the bureaus are widely separated, which fact makes organization more difficult than is ordinarily the case. In the second place, the scattered character of employment and the smallness of many AP bureaus tends to mitigate against the development of strong feelings of loyalty to the Guild. In the small, scattered bureaus there is a good deal of personal contact between the few employees and their chief, who represents the AP. These personal relationships often cause the employees to play down the worker-boss animosities which a union attempts to emphasize.

#### Difficulty of Economic Action by the Guild

In 1938 the NLRB concluded that a strike in a wire service system would impede the distribution of domestic news in the United States and might obstruct the flow of foreign news.<sup>41</sup> While no one could doubt the

seriousness of such a strike, a moment's reflection reveals that a truly effective strike by the Guild against the AP would be extremely difficult, if not impossible.

The Guild, in order to halt the operations of the AP, would necessarily be forced to conduct a strike against the complete AP system. If a few bureaus were left open, the news report could be rerouted through the unstruck bureaus. Even if all bureaus were struck, supervisory employees and the telegraphers of the CTU could still handle a portion of the work.

A complete shutdown of the AP system, almost an impossibility in itself, would not bring the owners to terms or halt the flow of news. The owners of the AP, the member newspapers, could still receive news through the other wire services. Even if the Guild were able to shut down all of the wire services, the newspapers could exchange news on a temporary basis of some sort.

In totality, the Guild could engage in effective economic action against the AP only by shutting down all of the wire services and virtually all of the newspapers in the United States. Such a move would involve insurmountable administrative obstacles, since the Guild would be dependent upon the CTU and the mechanical unions on the newspapers for support. Needless to say, such an undertaking would be unmanageable and infeasible.

#### Labor as a Per Cent of Total Cost

Since the AP does not publish public financial statements and is reluctant to divulge this information, little is known about their labor cost-total cost relationship. However, on the basis of figures given to the NLRB in 1935, the ratio of labor cost to total cost was computed

at 32 per cent.<sup>42</sup>

Definite conclusions can not be drawn on the basis of such scanty information, but in view of the relatively high wage levels paid by the AP, it is evident that labor costs have not been burdensome over time. It is often the case in industrial relations that if labor is a low per cent of total cost, there are usually high wages and good relations between the parties. In the case of the AP and the Guild, the fairly low ratio could, in the long run, give a substantial base upon which to build peaceful relations.

#### Employee Responsibility

According to the more sophisticated theories of collective bargaining, good relations are frequently found in situations where there is a comparatively high ratio of financial investment per worker. In the cleaning and dyeing industry, pulp and paper industry, and the oil industry, for example, a worker is responsible for a fairly large amount of expensive equipment and/or materials and is thus in a position to vitally affect this investment if he is not "happy in his work." In the AP in 1942 the ratio was only \$1,300,<sup>45</sup> compared to the \$33,000 found in the pulp and paper industry. Nevertheless, the AP employee is probably more responsible for the final product than is the pulp worker so that, in totality, the effect would be the same as if there were a high ratio of investment per worker in the AP. Here, then, is another factor favorable to the maintenance of good relations.

#### Ability to Substitute

The substitution of machinery for men has never constituted a real problem for the AP employees. There has not as yet been invented a device which will replace the human brain in reporting, editing, and re-



writing the news. While some of the commercial employees may be displaced by labor-saving office equipment, the editorial employees, who really control the Guild, have never been seriously affected by technological change. In reality, as was pointed out in another section, new and faster methods of transmitting the news will require more editorial employees. Ordinarily, under these conditions, the parties find it mutually advantageous to preserve harmonious relations.

#### Ability to Change Locations

From an economic standpoint, the AP is almost completely product market-bound and labor market-bound. While the market for the product is national in scope, the AP is forced to maintain bureaus in the larger cities, wherein are concentrated both the people who make the news and the newspapers which demand the services of the AP. The AP may continue to decentralize its operations in the interests of improving service to the smaller cities, but there can be no runaway shops, as found in the garment industry. As a consequence, according to past standards of performance in industrial relations the parties should get along well together.

#### Crisis Period

In general, there is no isolated crisis period in the industry but a single one which lasts for 365 days of the year. News is no respecter of place or time; as soon as the news is made, it must be reported. Consequently, the AP, as a fountainhead of news, has a deadline for each minute of time. The effects of this continuous crisis period on the AP-ANG relations are probably indeterminate, because a rupture of relations would not be likely to have more serious consequences at one time than at any other. Thus, it makes little real difference at what

time of the year the contract expires. There is, however, no escaping the fact that this continuous crisis period has definite implications as far as relations between the parties are concerned. The NLRB, in 1938, studied the situation and concluded that "interruptions.....in the distribution of news items, resulting from a stoppage at one of the key points in the network of a press service, are serious matters for its members and for the readers dependent on the service for news and information."<sup>44</sup> Both parties can exploit this state of affairs to the utmost: the Guild, to use it as a bargaining weapon (dependent upon other factors, however); the AP, to appeal to the loyalty of its employees by pointing out the public service they are performing by conscientiously remaining on the job.<sup>45</sup>

#### Inadequacy of Criteria

One point on which there is little meeting of the minds is the validity of the criteria of job proficiency. In the internal wage structure of any business firm there must be some means of measuring the proficiency of all workers so that wages will reflect the worth to the firm of the various workers. According to Ghiselli, the following measures are ordinarily used in industry: amount and quality of output, work-sample tests, length of service, amount of training necessary, and ratings of superiors.<sup>46</sup>

The AP feels that reporting and editing the news is in the nature of creative work and, as such, is not subject to evaluation in terms of any of the usual criteria. An AP official stated recently that "I might like an article written or edited by one of our employees but another bureau chief wouldn't think it worth much; if we ourselves can't agree on quality of a person's work, how can the Guild tell us that all of

our employees should be lumped together and paid a flat rate?" The Guild's reply is that it isn't setting absolute standards but only minimum wage scales. It is obvious, however, that this inadequacy of suitable criteria of job proficiency will continue to be a point of contention.

#### Seasonal Fluctuations and Business Cycles

From the record, it does not appear that income, production, and employment of the AP are vitally affected by either seasonal fluctuations or business cycles. This is probably due to the fact that a small increase in price does not decrease the total demand for the news product.

Inasmuch as the revenue of the AP is received from newspapers on a modified pro rata basis, the AP is fairly well insulated from the vicissitudes of the business world. With the newspapers almost completely dependent upon the wire services for their news, the cost of the AP news report is now generally regarded as a fixed cost. The AP is thus able to operate on a yearly budget and to make long-term plans, reasonably free from financial worry. Accordingly, this certainty of income should be reflected in a greater degree of agreement between the AP and the Guild.

#### Government Policies

The AP has justifiably been concerned over governmental policies on labor and taxes, among others. There has been consistent AP opposition to the request by the State Department that it be allowed to buy the AP news report for rebroadcast by the Voice of America. The AP members have urged that the government aid them in procuring newsprint from Canadian suppliers at a reasonable cost. Concern has been expressed by the AP over the enforcement of the anti-trust statutes, and on many other matters the AP has not been reluctant to voice an opinion.

The attitude of the government toward labor undoubtedly has had more

direct bearing upon AP-ANG relations than any other government policy. It would not be incorrect to state that the AP has, from time to time, made use of government agencies to thwart the Guild and, at other times, has defied the government when it attempted to enforce statutes which were admittedly favorable to labor. In 1933 enough pressure was exerted so that press associations were not included under the terms of NRA Code for the newspaper industry; in this manner, the newly-formed Guild was prevented from using the NRA as a means of improving conditions for AP employees. Kent Cooper, however, stated that he was in accord with the NRA policy of decreasing hours in order to increase purchasing power; however, in all fairness to the facts it must be observed that the New York bureau went on the five-day week only after the Guild unit agreed to drop its demand for collective bargaining and that the six-day week was re-instituted on October 7, 1935, following the demise of the NRA in May, 1935. The AP subsequently opposed both the Wagner Act and the FLSA, and the Watson Case was an outgrowth of the AP's refusal to recognize the jurisdiction of the NLRB. In recent years the AP has followed the trend of political events rather closely; in October, 1948 the AP requested that AP-ANG bargaining sessions be postponed until November 9, 1948. According to a Guild spokesman this move was based upon the belief that in the November 2, 1948 elections, a national administration more favorable to management would have been elected. The election of an administration pledged to support legislation favorable to labor will have indeterminate effects on relations between the parties; however, there is no reason to believe that the AP's attitude toward government "interference" in labor relations has been altered.

Government tax policies may indirectly affect the dealings between



the AP and the Guild. One of the more obvious ways concerns allowable deductions for income tax purposes. At the present time advertising expenses are 100% deductible. Since advertising is a major source of revenue for newspapers and thus the ultimate source of revenue for the AP, if the tax laws were changed so that advertising was only 50% deductible, as was done in England recently, it is reasonable to assume that the newspapers and the AP would be forced to retrench or to seek alternative sources of revenue. There are, in addition, many other ways in which the AP is affected by tax policies.

### Personalities

It has been established in an earlier section that control of the AP system is exercised by Kent Cooper; if Mr. Cooper does not set the policy himself, he has chosen the person who does. Most people who are familiar with the AP situation will readily agree that Kent Cooper dominates the scene, both in person and in spirit.

Cooper is 68 years of age and has been an employee of the AP since 1910. He started in the Traffic Department and remained in traffic work until he was appointed general manager in 1925. Melville Stone, general manager until 1920, felt that Cooper was too flashy and could not be trusted with news reports. As a consequence, Cooper was given the job of travelling around the United States,<sup>47</sup> talking to editors about wire service improvements, working out satisfactory assessment plans, reducing costs where possible, and handling details--in general he performed the tasks which Stone found distasteful. When he became general manager; he made many innovations, his most important accomplishment to date being the development of Wirephoto.

Cooper has worked his way up through the ranks, and he evidently

wants his top executives to do likewise. He is a stickler for details, evidenced by the fact that when he applied to Stone for a job, he was able to show Stone how the costs for the pony circuits could be reduced, quoting mileage and rates for out-of-the-way places in Maine and Michigan.

According to persons who have had dealings with him, Cooper is brusque to his subordinates and brooks no opposition from them. In general, it has been said that he has an authoritarian manner of conducting business, much in the fashion of Sewell Avery of Montgomery Ward. He seems to feel that the Guild is a personal challenge, aimed at taking away some of his sacred prerogatives. In 1935, when approached by the Guild on the question of collective bargaining he stated that he would quit his job rather than bargain with "an outsider."<sup>48</sup> Since that time he has sought to contain the Guild within a well-defined sphere, and his actions have been such that he cannot be considered a positive factor in the improvement of AP-ANG relations.

For the Guild, there is no one person who dominates the scene. Joseph Colangelo is Wire Service Director for the Guild, but since the Guild is a democratic union, real control over policy and strategy is vested in the rank-and-file, especially the rank-and-file negotiating committee. According to a spokesman for the Guild, the negotiating committee is fairly representative of the AP employees. Some members are cautious and conservative but determined in their outlook. The majority, however, are young, ambitious, intelligent, aggressive, and energetic. The one word which would best describe these negotiators and their philosophy is fearlessness. All of them anticipate successful careers with the AP; Hal Boyle writes a column under his own by-line. With their careers at stake, these men have undertaken the thank-

less task of bargaining with a management which possesses admittedly superior bargaining strength.

#### Summary

It is manifest that there are many factors which bear on industrial relations between the AP and the Guild; these factors have had and will have diverse effects. In the past the bargaining relationships of the parties have not been too stable, due principally to the fact that the AP has never accorded the Guild the full recognition which it desires. The AP has competed with the Guild for the loyalty of its workers, which has tended to further disrupt their relations. The Guild has been hampered in its efforts to create a cohesive union by the divisive nature of the work performed by the workers and by the fact that journalists are individualistic by tradition and training; furthermore, certain other conditions have made it difficult for the Guild to effect complete unionization. Other factors generally unfavorable to peaceful relations include: the absence of adequate criteria for job proficiency; incompatible personalities; difficulty of effective economic action by the Guild; and traditional employer hostility to editorial unions.

The following factors may be said to be generally favorable to the establishment of peaceful relations: increase in demand for the product and gradual expansion of the AP system; inability of the AP to substitute machinery for labor; inability of the AP to change locations; technological change does not threaten worker security; high degree of employee responsibility; labor is a relatively small per cent of total cost; seasonal fluctuations and business cycles have little real effect on AP

income.

Certain elements have had and will have indeterminate effects on AP-ANG relations: there is a continuous crisis period in the industry; government policies on labor, taxes, enforcement of anti-trust statutes, etc.; and the possibility of an AP monopoly in the wire services.



### Footnotes

1. Dr. Kerr of the University of California has stated that, in general, union-management relations may be classified according to four stages of development: belligerency; temporary acceptance of the union; permanent but negative acceptance of the union; and active cooperation between the parties.
2. In the Matter of the AP and the ANG. 1 LRRM 435.
3. Guild Reporter, July 1, 1937, p. 3. The AP took the stand that it could not go beyond the worst contract of a New York member paper; as a comparison, the Guild asked for \$100, and INS was paying a \$70 top minimum, Havas, \$75.
4. In re AP(Boston, Kansas City, Philadelphia, San Francisco, Atlanta, Detroit) and ANG, 13 WLR 782(January 21, 1942), 15 WLR 743 (April 13, 1944).
5. In re the AP(New York Bureau) and the ANG. 20 WLR 450(Nov. 27, 1944).
6. ANG Constitution, Article XVIII, Sections 2,3. The Guild adopted this rule for two reasons. First, it was felt that an employee would be "more likely to give in to his boss than would an outsider." Second, experience has shown that in cases where the unit chairman has been a member of the negotiating committee, management has often subsequently discriminated against this employee.
7. Officers' Report to Fifteenth Annual ANG Convention(June 28, 1948).
8. Artists, retouchers, and cartoonists are found only in the New York bureau.
9. Apparently, reference is made to the following dispute cases: 15 WLR 743, 20 WLR 450, 23 WLR 115, 16 LRRM 1882.
10. See Atlantic v. Gulf Coast Agents, 16 WLR 23; Southeastern Area Employees Negotiating Committee, 12 WLR 686; Petroleum Industry Press Releases: B1048, October 18, 1943; B 1408, March 8, 1944.
11. Research Department ANG, Report on Two Years of Collective Bargaining Under the National Wage Program of the ANG. June 15, 1948.
12. See 20 WLR 450(November 27, 1944).
13. In re The AP and the ANG. 1A LRRM 468(February 2, 1938).
14. Official Minutes, National Wire Service Conference, ANG, May 13-14, 1944.
15. ANG Wire Service News, December 31, 1947, pp. 1-2.
16. Loc. cit.
17. Guild Reporter, November 14, 1947, p. 1.
18. The AP Unit, Local 3, ANG, 17, December 3, 1947, pp. 1,2.
19. Letter from F. J. Starzel to AP Department Heads, Chiefs of Bureau, and Traffic Bureau Chiefs, dated December 8, 1947.
20. Colangelo, Joseph G., An Open Letter to Frank J. Starzel, December 10, 1947.
21. Letter from L. H. Thomason to J. G. Colangelo, dated March 2, 1948, and reply, dated March 5, 1948.
22. The ANG was considering the advisability of asking the NLRB to consent to a system-wide election, by which the Guild would become bargaining agent for all AP bureaus or none at all.

23. Letter from J. G. Colangelo to L. H. Thomason, dated June 2, 1948, and reply, dated June 3, 1948.
24. Letter from AP National Negotiating Committee(Guild) to AP Unit Chairmen, dated July 29, 1948.
25. See page 113 below.
26. The AP has stated that it grants to all bureaus the same conditions which obtain in the Guild-represented bureaus.
27. The Guild, in 1948, made a proposal for length-of-service increases. This proposal, if it had been adopted, would have been another type of general increase. It provided that "all employees at or above the top minimum for their classification shall receive an increase of \$5 after two years' service, an additional \$5 after 5 years' service, an additional \$10 after 10 years' service, and an additional \$10 after 15 years' service in their weekly salary."
28. Guild Reporter, April 27, 1945, p. 5.
29. For specific data, see ANG, A Report on Two Years of Collective Bargaining Under the National Wage Program, June 15, 1948, Table 3 and 3A.
30. Guild Reporter, April 27, 1945, p. 5.
31. Letter from L. H. Thomason to all bureau chiefs, dated May 27, 1948.
32. In re The Patriot Co. and ANG. 14 WLR 355. March 3, 1944.
33. In re the AP and ANG. 15 WLR 743. April 15, 1944.
34. Ibid., 20 WLR 450. November 27, 1944.
35. In the Matter of the AP and the ANG. 1 NLRB 788, 795. May 21, 1936.
36. Guild Reporter, March 26, 1948, p. 1.
37. Richard A. Lester, Economics of Labor (New York: Macmillan Co., 1946), pp. 860-4.
38. Loc. cit.
39. Stolberg, loc. cit.
40. Constitution of the ANG, Article II, Section 6.
41. NLRB, Division of Economic Research, op. cit., pp. 37-44.
42. In the Matter of the AP and the ANG. 1 LRRM 435(1936).
43. Computed from figures presented to the Supreme Court. AP v. U.S., 65 S.Ct. 1416(1945).
44. NLRB, Division of Economic Research, op. cit., p. 42.
45. See O. Gramling's account of the abortive walkout of the AP telegraphers in 1907, op. cit., pp. 426-7.
46. Edwin Ghiselli and Clarence Brown, Personnel and Industrial Psychology (New York: McGraw-Hill, 1948), p. 64.
47. Cooper has stated that in one year he spent one hundred and thirty-five nights on sleepers.
48. In the Matter of AP and the ANG. 1 LRRM 435(1936).

A FREE PRESS VS. TRUTH IN THE NEWS

"A newspaper is not supposed to enlighten its readers but to supply them with congenial opinions"-Balzac

Introduction

Freedom of speech and press have long been rallying cries for liberal and right-thinking people the world over. Philosophers have written volumes exploring all of the ramifications of these rights. Their essential features have been incorporated into the constitutions of democratic countries all over the world. Successful dictators have long known that power over opinion is as essential to political success as military power and economic power; therefore, freedom of speech and press are among the first rights which a subjugated people are forced to relinquish. Thus, in free countries where most persons take these rights for granted, one has only to intimate that freedom of speech or press is being endangered, and the citizenry becomes aroused.

The issue of freedom of the press has been raised a number of times by the Associated Press and the newspaper publishers, particularly during the 1930's against reform and regulation and against the American Newspaper Guild. A moment's reflection brings to mind several searching questions in regard to this philosophical issue. Just what is meant by freedom of the press? What does the Guild mean when it uses the term? To what are the employers referring when they proclaim themselves guardians of a free press? What did the writers of the Constitution have in mind when they included freedom of the press in the Bill of Rights? By what means and in what manner has the concept of this free-

dom changed over time? Some of the answers will be found in an analysis of the various ways in which the term has been used both by the Guild and the AP. These answers will raise another question: are the AP and the Guild really arguing over whether there should be any control over the press, or is the issue concerned with which faction shall control the press?

There are at least two ways of studying the AP. First, the AP is a wire service, engaged in the relatively simple business of collecting and distributing the news. From the standpoint of operations, the AP is a staff of employees whose activities are directed by a hierarchy of managers. Second, the AP is an association of member newspapers, who, in reality, are the owners of the AP and the consumers of its product. Not only do the newspapers consume the product of the AP, but they are also a major factor in the production process, since much of the AP's domestic news is received from its members. It can thus be seen that there is a close relationship between the AP as a wire service and the AP as an association of member newspapers.

In studying the issue of a free press vs. truth in the news as regards the AP, one is forced to admit that the AP is, in the last analysis, the press itself. Since the AP receives much of its news from its member newspapers, such news has been slanted to fit the news policy of the individual papers. The AP then either rewrites the news or sends it on without revision if it meets the AP standards. After the news has been distributed by the AP, the member papers are then free to ignore it, bury it on a back page, delete certain portions, or change the meaning by a number of methods (e.g., the writing of captions, adding to the original story small comments, often called "editor's note."). In sum



total, the AP is important to news objectivity, not so much because of the fact that the AP distributes the news, but more so because of the manner in which the news is handled by the member papers and the effect of such handling on the molding of public opinion. For this reason, the position of the AP will be analyzed in the light of the AP as a membership association as well as a wire service.

### Position of the AP

The First Amendment to the Constitution of the United States contains a guarantee of freedom of the press; at first glance, this would seem to indicate that a person is free to print anything he chooses so long as it does not violate the laws of obscenity, libel, slander, treason, sedition, contempt of court, and the provisions for wartime censorship of newspapers and broadcasts. The publishers, owners and operators of the AP, generally adopted this thesis as their modus operandi, although later some few publishers realized that along with this privilege they had a responsibility to present factual, objective, unbiased news.

### AP Policy

The AP, almost from its very inception, espoused the cause of "truth in the news." Frank B. Noyes, AP president for 38 years, stated in 1900 that "news must be non-partisan in its highest sense. It must have no tinge of bias whether political, economic, or religious.....in view of the public trust which reposes in the press, no individual has a right to impose any sort of censorship upon the free dissemination of public intelligence."<sup>1</sup> Oliver Gramling, in his story of the AP, reported that the Board of Directors even went so far as to discourage social relation-

ships of General Manager Stone with some of the prominent people of the day lest it reflect upon the integrity and independence of the news.<sup>2</sup>

In 1937 Fortune Magazine published an analysis of the AP and concluded that in its news policy it was scrupulously impartial. Its columnists followed a middle-of-the-road line; the political writers expounded the theory of no special group; the financial writers offered no tips; the cartoons were masterpieces of muteness. Dispatches were filed in a detached manner; for instance, bank failures of 1932 were reported city by city instead of as a national figure so as not to unduly alarm its readers. In general, the AP was considered to be as unbiased as it knew how to be and considerably better than most of the journalists found in other countries.

Appearing before the Supreme Court in 1937, the AP pictured itself as an association whose membership "consists solely of persons who own and operate newspapers, that the news is gathered (by the AP) solely for publication in the newspapers of members." The AP, in its arguments before the Court, stressed the fact that this membership "consists of persons of every conceivable political, economic, and religious view, that the one thing upon which the members are united is that the AP shall be wholly free from partisan activity or the expression of opinion, that it shall limit its function to reporting events without bias in order that the citizens of our country, if given the facts, may be able to form their own opinions respecting them."<sup>4</sup>

Both the AP and the United Press have been condemned for refusing to sell their news report to the State Department of the United States Government. Kent Cooper reported to the AP membership in 1946 that when the State Department was given AP service during the war, it was stated

specifically that it would be withdrawn at the war's end. Since the State Department wanted to use the service for short-wave broadcasts for propaganda purposes, the general manager felt that this use of AP service would not be an objective presentation of the news. To persons who point out that the AP furnishes news to the Tass Agency, Russian propaganda service, Cooper retorted that the contract between the two services bars Tass from transmitting AP news outside of Russia, an arrangement to which Tass has strictly adhered. As a clinching argument, Cooper stated that the United States was the only country that in time of peace has asked for AP service for the purpose of propaganda and that if the AP surrendered its opportunity in the foreign field, the government would at once become the heaviest financial backer of the AP.<sup>5</sup>

Speaking to the annual membership meeting in 1947, Robert McLean of the Philadelphia Bulletin and President of the AP, remarked that newspapers have the power of persuasion and informing and that all papers agree that the AP report is as objective, impartial, and as accurate as possible.<sup>6</sup>

Judging from the conversation of responsible AP executives, one receives the impression that a desire for impartiality does enter into their mental processes. One of the bureau chiefs, on being interviewed by the writer, stressed that the reason the wire service editorial employees could not be compared with newspaper reporters was because the former had to be trained in objectivity, had to be able to sift the truth from the half-truth; in short, the wire service employee had to develop the wire service point of view.

#### The Watson Case

With a background such as this, it is not surprising that the AP

regarding the Guild as a threat to freedom of the press. The Code of Ethics adopted by the Guild in 1934 implied that the Guild was interested in reforming the publishing business. Consequently, when the Watson Case arose in 1935, the AP charged that the Wagner Act violated the First Amendment to the Constitution, because, ostensibly the AP would not be able to fire a Guildsman who might refuse to write anti-union articles.

The Supreme Court summed up the AP's case with the statement that "The conclusion which the petitioner draws is that.....it must have absolute and unrestricted freedom to employ and discharge those who, like Watson, edit the news, that there must be not the slightest opportunity for any bias or prejudice personally entertained by an editorial employee to color or distort what he writes, and that AP cannot be free to furnish unbiased and impartial news reports unless it is equally free to determine for itself the partiality or bias of editorial employees. So it is said that any regulation protective of union activities or the right collectively to bargain on the part of such employees, is necessarily an invalid invasion of the freedom of the press."<sup>7</sup>

The Supreme Court disposed of these arguments, ruling that the NLRA did not violate the constitutional guarantee of freedom of speech or the press. The court held that "the business of the AP is not immune from regulations because it is an agency of the press. The publisher of a newspaper has no special immunity from the application of general laws.....the act does not require that the petitioner retain in his employ an incompetent editor or one who fails to faithfully edit the news to reflect the facts without bias or prejudice. The petitioner is at liberty, whenever occasion may arise, to exercise its undoubted



right to sever his relationship for any cause that seems to it proper save only as a punishment for, or discouragement of, such activities as the act declares permissible.....The order of the Board in no way circumscribes the full freedom and liberty of the petitioner to publish the news as it desires it published or to enforce policies of its own choosing with respect to the editing and rewriting of news for publication, and the petitioner is free at any time to discharge Watson or any editorial employee who fails to comply with the policies it may adopt." By dictum, the Court held that the AP could require its employees to follow its editorial policy and could discharge those who refused to do so. The AP did not plead that Watson had shown bias in his writing but merely that Watson's work was "not on a basis for which he had shown capability." The Court thus held that the AP's charge of unconstitutionality on the grounds of violation of the First Amendment was irrelevant, of unsound generalization and was based on facts which merely "lurked in the record."

#### Legitimate Interpretations by Publishers

On many occasions the newspaper publishers have championed the cause of freedom of the press and have kept well within the intent of the Bill of Rights. In 1930 Col. R. R. McCormick, member of the AP Board of Directors and chairman of the ANPA Committee on Freedom of the Press, was successful in getting the U. S. Supreme Court to declare unconstitutional a Minnesota law which permitted the suppression of malicious and scandalous publications.<sup>8</sup> At other times publishers have raised the issue against contempt of court cases, taxes on advertising,<sup>9</sup> license taxes,<sup>10</sup> and statutes prohibiting the distribution of handbills without a permit.<sup>11</sup>

### Opposition to Governmental Regulation

While the cases cited are some examples of the legitimate interpretations of freedom of the press by the publishers, there have been many instances in which the publishers have employed a different kind of reasoning. In general, the publishers came to believe that the newspaper business was exempted by the Constitution from any type of government regulation; i.e., the publishers interpreted freedom of the press to mean freedom of enterprise, freedom to publish opinion, news, and advertising without any qualifications whatsoever. In short, theirs was an absolute right, immune from practically all restrictions. The publishers claimed a special exemption from every type of legislation which affected their business, not their ethical, interests, by virtue of their "trusteeship of a free press."

The American Newspaper Publishers' Association has, since its formation in 1887, been the leading spokesman for the publishers; therefore, it was only natural that the ANPA should lead the fight against any government regulation. Emery has amply documented the activities of the ANPA during the New Deal period;<sup>12</sup> his study shows that the ANPA raised the cry "freedom of the press" against the following proposed legislation: all bills which attempted to suppress false or misleading advertising; a bill to bar puzzles from the mails; a proposed thirty-hour week bill; a bill to regulate financial advertising in newspapers; the Food, Drugs, and Cosmetics Bill; Wagner Labor Disputes Bill; a child labor bill which did not exempt newsboys; the Social Security bill; a bill to regulate interstate motor carriers; a proposed tariff on newsprint and woodpulp; the Nye anti-war profits bill; the Fair Labor Standards Act; and the Wheeler-Lea bill giving to the FTC power to regu-

late unfair or misleading advertising of products in interstate commerce.

The establishment of the Newspaper Code of the NRA was probably the outstanding example of the lengths to which newspaper publishers would go in order to protect the freedom of the press from ordinary legislative restrictions. In writing a code of fair competition for the newspaper industry, the publishers exempted newsboys from child labor provisions, exempted editorial employees doing professional work from minimum wage and maximum hour provisions, provided for an open shop by assuring an employer and employee the right to bargain individually, and topped it off by including the classic "Freedom of Press" clause.<sup>13</sup>

This emasculation of the intent and purposes of the NRA caused one Guild member to complain bitterly that "that's no Code--that's a charter of exemptions." General Hugh S. Johnson, NRA Administrator, expressed his annoyance at the disproportionate amount of debate that was devoted to the "free press," observing that "rights under the First Amendment cannot be waived by submission to a Code in accordance with the provisions of the NIRA. From these molehills of fact a mountain of controversy has been made."<sup>14</sup> However, Johnson accepted the Newspaper Code after modifying the child labor and open-shop clauses, commenting, "I don't want to fight the press of America, but I can't lay down for them."

After hearings on the Daily Newspaper Code,<sup>15</sup> President Roosevelt approved the Code on February 17, 1934, commenting in an executive order that the freedom of press clause was "pur surplusage." The president gave further vent to his ire by acidly retorting that "of course, also, nobody waives any constitutional rights by assenting to a Code.....The freedom guaranteed by the Constitution is freedom of expression and that will be scrupulously respected, but is not freedom to work children,

or do business in a fire trap, or violate the laws against obscenity, libel, and lewdness."<sup>16</sup>

On at least one occasion, publishers have used freedom of the press to attempt to thwart the efforts of a Senate Investigation. In 1935 and 1936 the Black Committee, investigating lobbying practices, seized a block of telegrams during the course of its activities, included among which were several from W. R. Hearst to his Washington office. Hearst, McCormick, and Hanson immediately flew to the attack, charging that the freedom of the press was being imperiled. The District of Columbia Supreme Court, however, refused to enjoin the Committee from seizure or use of these telegrams, the Chief Justice holding that "freedom of the press.....is not imperiled by the committee action, and that newspaper publishers are amenable to ordinary judicial processes."<sup>17</sup>

A member of the Board of Directors of the AP once implied that any unions could be a threat to the free press even if it confined itself solely to wages and hours. In a speech before the Inland Daily Press Association, Col. McCormick said that "the freedom of the press would be abridged by any law passed by Congress.....which would do any of the following things: unreasonably raise the cost of production or unreasonably decrease by indirect means the return from publishing, as these would abridge its freedom as effectively as would excessive taxation."<sup>18</sup>

It was inevitable that the publishers would attack the right of workers to organize and bargain collectively. In 1934 the publishers challenged the jurisdiction of the old NLRB, operating under Public Resolution No. 44, on the ground that "the newspaper business is a thing apart, because of the publishers' trusteeship of the people's right to have a free press."



With the advent of the Guild, the publishers modified their stand on freedom of the press to include the term "objectivity in the news." Recognizing that any attempts to restrict publishers were distinctly attacks on the "free press", they saw the Guild as a more subtle form of invasion of the people's right to a free press. In the main, the publishers charged that if their editorial employees became members of a trade union, these newsmen would lose the objective, impartial, unbiased point of view they should maintain in order to do justice to themselves, the public, and the publishers. In view of the disproportionate amount of time which the early Guild conventions, especially the St. Paul Convention of 1934, devoted to the issues of freedom of the press and the ethics of journalism,<sup>19</sup> it is understandable why the publishers should adopt this viewpoint. The publishers were aroused, not so much because of the mere fact that the Guild discussed these issues, but more because the Guild was extremely critical of them and their handling of the news. To the publishers, it appeared that the Guild was attempting to alter the whole newspaper publishing business at one fell swoop. At any rate, the cries of the publishers that the Guild was infringing upon freedom of the press were not generally heeded by the general public, due to the fact that the publishers had indiscriminately used this issue as a shield from ordinary regulations.

Many publishers and editors secretly hoped and honestly felt that the Guild would not become a trade union but would remain as a professional association. In April, 1934, the American Society of Newspaper Editors, with Stanley Walker, city editor of the New York Herald Tribune, as keynoter, declared the Guild "unprofessional in its philosophy, unsound in its leadership and a menace to the well-being of reporters.

It has been one of the tragedies of this business.....that no group of newspaper men, certainly not more than six or eight, can agree among themselves on any project.<sup>20</sup>

The New York Daily News editorialized that "there is also the question of the freedom of the press. It is possible that.....if writers were thoroughly organized, they might object to writing from an anti-union point of view....."<sup>21</sup>

Editor and Publisher entertained serious doubts as to whether the writing man could join a union and still remain selflessly loyal to his paper and its public objects. Soon after local guilds were formed in 1935, the editor wondered if "guilds could submerge self-interest under severe tests, say something like the general strike in England in 1926? Trade unionists then put a censorship on the London press for twenty-four hours, objecting to editorial matter scheduled for publication on the ground that it was unfair to labor. Could that happen here?" Realizing that there are two sides to every controversy, the editor continued: "One might also remark that low wages and summary dismissals have also harvested a vile crop of alliances, in the form of press agency, shopping news publications, an army of professional press haters, and the driving of competent men to other fields."<sup>22</sup>

The ANPA, from the very outset, regarded the Guild as its mortal enemy. The membership was advised that, although the law stated that the publisher had to bargain with the Guild, there was no law that forced them to sign a contract. The 1935 ANPA convention was somewhat reassured when Harvey J. Kelly, Hearst counsel, stated that Heywood Broun was a "fat slob" and that the Guild would degenerate under his leadership.

It should not be inferred from the foregoing recital that the publishers were in perfect agreement on their ideas of freedom of the press. Arthur Hays Sulzberger, publisher of the New York Times, thought that many publishers were going too far afield in their efforts to protect this constitutional freedom. He stated that he was not convinced that "the present administration has or had designs upon the freedom of the press." He further suggested that "the responsibilities that the franchise entails are greater than the privileges it bestows.....if the press is in trouble, it might have some contributing faults: interpretations and inaccuracies in the reporting of news, putting of personal interests of publishers ahead of public service; failure to present both sides of arguments, especially in elections; and over-editorializing in news columns."<sup>23</sup>

Clyde Beals, editor of the Guild Reporter, observed that the public had generally discounted the cries of publishers, noting that even such a conservative paper as the Wall Street Journal had ridiculed the publishers for overworking these cries in the NRA days.<sup>24</sup>

The first signer of a Guild contract, J. David Stern, publisher of the Philadelphia Record, resigned from the ANPA when the ANPA Board of Directors suggested that anyone who signed with the Guild lost his freedom of the press guarantees. Stern commented bitterly that the Association was endangering the freedom of the press by its ill-considered actions.<sup>25</sup>

### Summary

It can be seen that the AP as a corporation and the publishers as individuals have tended to regard freedom of the press as an aura of immunity from any and all types of regulation. This constitutional

freedom was interpreted to mean freedom of business enterprise. Many publishers sincerely felt that the formation of the Guild presaged an attack on the objectivity of the news. Others cried "freedom of press" through the force of habit, and it was this indiscriminate use of the phrase that rendered the AP vulnerable in the Watson Case. In retrospect, it appears that the publishers' fears were unfounded; Chafee, in his book based upon the findings of the Commission on Freedom of the Press, reported that "(Guild) members among editorial and news writers are now keeping themselves independent and that nothing has yet happened to bring to pass the fears of management that the contents of newspapers would be moulded by the political aims of the CIO and the PAC."<sup>26</sup> At the time that these charges were made, however, they were only a natural reflection of man's innate resistance to change and fear of the unknown. Chafee recognized that the Guild had it within its power to influence the news when he noted that "the ideals of impartiality and objectivity lie in the hands of the members of the Guild themselves.....Everything depends on what Guild members think a newspaper ought to be."

### Position of Organized Labor

#### American Federation of Labor

Organized labor in general, and the Guild in particular, charged that the term "freedom of the press" had been perverted by the publishers. The AFL contended that it has always been seriously concerned about freedom of the press. In 1901 the AFL Convention authorized the Executive Council to oppose any legislation introduced in Congress curtailing free speech, freedom of the press, or freedom of organization.<sup>27</sup> During



1913 and 1914, the Federation suggested that state constitutional provisions guaranteeing a free press be introduced by legislators friendly to labor and urged wide support for amendments where necessary.<sup>28</sup> In 1921 the Poindexter Bill, which attempted to suppress the expression of certain viewpoints, was introduced into Congress. The AFL took a leading stand against this piece of legislation.<sup>29</sup> When the U. S. Supreme Court handed down its ruling in the case of *Near v. Minnesota*, the Executive Council of the AFL hailed the decision as a "great victory for free speech and free press."<sup>30</sup>

Appearing at an open meeting of the IEB of the Guild in New York, August 7, 1936, William Green, in presenting a charter to the Guild, commented that many newspaper publishers felt that if the Guild became affiliated with the AFL there would be an attempt to obtain domination and control of the press. Continuing, Green emphatically stated that freedom of press and speech were fundamental to the labor movement and that the AFL would never sponsor any movement which could be interpreted as an interference with freedom of the press.<sup>31</sup>

#### Congress of Industrial Organizations

The CIO, in its earliest days, realized the importance of freedom of the press to the organization. It observed that on June 29, 1937, the newspaper proprietors met behind closed doors under auspices of the ANPA and issued a "venomous attack in the name of freedom of the press upon the rights of their editorial and other employees to self-organization for the purpose of establishment of union standards." The CIO then passed a resolution calling upon "certain publishers to accord to their own workers the same rights of free and independent association and self-organization as are enjoyed by other citizens."<sup>32</sup>

### Position of the Guild

To most of the reporters and a few of the editors the cry of the publishers about impartial and objective news fell on deaf ears. The working newspapermen have long doubted that there ever was or ever will be a free press, that the utopian ideal of a completely factual news report will ever be realized. Haywood Broun, writing in The Nation, stated that "the First Amendment does not by any means promise each American citizen the right to get the news without bias or suppression--merely says that a publisher shall not be impeded by direct or indirect censorship which is not of his own choosing.....Perhaps the greatest joke is the eye-brow lifting of the publisher who regards some small leaflet or publication with disdain and says, 'Why this isn't news--it's propaganda.' Our present press is free to do as it pleases, and it always pleases to be on the side which carries the heaviest butter."<sup>55</sup>

### The Lorain Journal Dispute

A dispute involving the Guild, the AP, and a publisher will reveal the reasons for Broun's feelings on this matter. In 1935 Guild employees of the Lorain (Ohio) Journal were locked out by the publisher, Mr. Sam Horvitz, a paving contractor who bought out the paper after it had criticized his business policies. During the ensuing picketing, Frank Maloy, managing editor of the paper and local AP correspondent of the paper, was slapped in the face. Thereupon, the mayor proclaimed a riot zone, and a local judge issued an injunction forbidding Guild members from even walking down any street in the same direction as a Journal employee. Maloy reported these activities, and the AP thought them so important that it sent over its wires a story so vigorous that

it made front pages in two papers in distant New York City.

Maloy, however, did not report a labor protest meeting which followed, a meeting to which he had been specifically invited; whereupon Heywood Broun protested to Kent Cooper that the AP was not being impartial in its treatment of news and pointed out that a leader of lockout could not, at the same time, be a so-called neutral observer. In reply, J. S. Elliott, assistant general manager, evaded the general issue, commenting that if Broun had read all of the correspondence concerning the dispute, he (Broun) would "be convinced of the desire of our staff employees to deal with this controversy with entire fairness." This, Broun pointed out, was a prime criticism of the AP executives who refused to give full publicity to both sides of the case.<sup>34</sup>

#### Guild Reaction to Charges by the Publishers

As newswriters who had watched the freedom of the press misused at the behest of the business office of the newspapers, Guildsmen became outraged because they felt that the issue was being used as a smoke-screen to cover up economic injustice. Working newspapermen who saw the news became fired with a desire to report it as it happened but had to temper that desire by an understanding of the paper's policies. The Guild felt that as long as the publishers owned their papers, they would say what went into them, and as long as the publishers continued to be bankers, industrialists, merchants, and the like, there would be little doubt as to their news policy. The publishers were regarded as a sort of Johnny-come-lately in the newspaper business; most reporters and editors felt that people who looked upon the newspaper business as a career had more of a stake in honest, factual news than a person who regarded it as an investment. The AP, long regarded by the general public as the sacred

fountainhead of news, was seen by Guildsmen as a tool of the member publishers, since there was no doubt but that AP policies were formulated and approved by the member newspapers.

### Guild Policy

Accordingly, the early founders of the Guild became obsessed with a desire to protect the freedom and integrity of the press. Section 2, Article I of the Guild Constitution stated that "the purpose of the American Newspaper Guild shall be to.....guarantee, as far as it is able, constant honesty in the news, to raise the standards of journalism and ethics of the industry." The Guild also insisted upon freedom of speech and press within its own organization; Section 4A of the original Constitution gave ample protection: "No eligible person shall be barred from membership, suspended, fined, expelled, or discriminated against by reason of sex, race, or religious or political convictions or because of anything he writes for publication." The Guild thus took steps to maintain and develop a free press and asserted that its members were as much a part of the newspaper industry as the publishers.

The Guild adopted a Code of Ethics,<sup>35</sup> thereby reiterating its belief in the freedom of newswriters to tell the truth accurately, without distortion and suppression. The adoption of the Code of Ethics was met by a storm of disapproval and bitter denunciation, although some few papers regarded these principles as but a restatement of journalistic truisms. In general, the publishers came to regard the Guild as a definite threat to their security, the Code of Ethics being merely a statement of intention to gain control of public opinion.

At its national convention in St. Paul in 1934 the Guild adopted a resolution on the integrity of the press,<sup>36</sup> noting that the high call-



ing of news reporting "has fallen into disrepute because news writers have been.....degraded as hirelings." To most publishers and even a few editors, this was proof that the Guild had fallen under the sway of radical leadership.

In 1935 the Guild considered affiliating with the American Federation of Labor; the publishers immediately registered a strong protest. A middlewestern publisher told Heywood Broun that "if reporters attempt to join the AFL, the publishers are very likely to regard the move as definitely a warlike act and to fight it all along the line. Our strategy would be simple enough, and we would win public support. Naturally we would raise the cry of 'freedom of the press.' How could you send a reporter out to cover a textile, coal, or steel strike if the reporter were a member of the organization that called the strike? We will say that in the event of a general strike in any community, it is essential that the newspaper shall be in a position to function in its informative capacity. The only other choice is chaos."

There was a considerable amount of criticism within the Guild itself over the proposed affiliation. The Guild Reporter observed that, as regarded freedom of the press, there were three main arguments against any kind of outside affiliation. First, many persons felt that newsmen would lose the objective point of view. Second, others thought that if the Guild joined the AFL, the labor movement might demand propaganda instead of facts and that bitter dissension would follow the certain denial of this demand. Third, the labor movement would not understand that a news story undergoes a chameleon-like process before it actually appears in print, and unionists would accuse Guildsmen of falsehoods, inaccuracies, etc. The editor attempted to allay these fears, remarking

that, in the first place, newsmen are as honest as any group of men found anywhere and would tend to be more critical of labor activities as a father is more severe with his own child. In the second place, the writer felt that labor would not demand propaganda, because it had nothing to fear from the plain and honest truth. According to the editor, the third argument was probably somewhat valid, but in the main it constituted a challenge to the Guild to enlighten the public at every opportunity on the mysteries of the craft.<sup>38</sup>

Heywood Broun and other Guild leaders reasoned that the formation of a reporters' labor union would promote integrity of the news, rather than violate freedom of the press. Writing in The Nation in 1935, Broun argued that "most reporters who cover strikes, lockouts, union meetings, etc., are inefficient because they don't know what it's all about. They have not understood the psychology of the other fellow on the picket line. Any editor.....should welcome the existence of the ANG—it changes labor illiterates into reporters and commentators who are learning from experience the vital factors in the conflict."<sup>39</sup> Clyde Beals, editor of the Guild Reporter, contended that "in too many cases their (news reporters) own unfamiliarity with labor issues and problems has kept them from presenting the facts as accurately as the papers might allow. Their own experiences will now give them a better understanding. If any publishers object to that, they should be asked to explain why."<sup>40</sup>

Mr. Arthur Hays Sulzberger, New York Times publisher and member of the AP Board of Directors, opposed the Guild on the grounds that "we fear a uniformity of viewpoint. We merely wish to see that all members of our news department do not hold the same views. In that manner the human prejudices which we all possess are apt to be compensated

for." Broun raised the question as to "how the Times would create and maintain this mysterious balance, how many Republicans, Democrats, socialists, communists, fascists, Holy Rollers, and Free Thinkers are to be included so that all the prejudices can be compensated for." Continuing, Broun assured Sulzberger that his attendance at one meeting of the Representative Assembly (Guild local governing body) should convince him "that it is the Guild itself which has achieved the utopian state of compensating for all prejudices by matching one against the other."<sup>41</sup>

Although the Guild is now definitely an economic trade union, it is still concerned with the maintenance of freedom of the press. Following the 1946 ANG Convention the IEB appointed an "Honesty in the News" Committee, a working committee to investigate methods of implementing the secondary aims of the Guild as contained in Article I, Section 2, of the Constitution. The report of this Committee served as a basis for the appointment by the 1947 Convention of a Standing Committee on this subject. The Standing Committee submitted an outline of a survey which it felt should be undertaken in order to determine which publishers were deserving of recognition for meritorious publishing work. This survey would have centered on a judgment of the truth and lack of bias in the newspapers, using domestic problems, local problems, and foreign relations as bases for judgment; however, the Committee was discharged because it was so widely scattered geographically that effective functioning was impossible.

#### Guild Policy on Freedom of the International Press

The Guild has not confined its activities solely to the promotion of the integrity of the domestic press. President Harry Martin and the entire IEB actively participated in discussions of freedom of the press

on an international level. In January, 1948, Martin was named as a Vice-President of the International Organization of Journalists and was an ex officio consultant for the United Nations Sub-Commission on Freedom of Information, which held sessions at Lake Success during January and February. During the sessions of the Sub-Commission and the Conference which followed, Martin took a forthright stand in defense of the traditional American concept of a free press. The Conference adopted a tentative draft of Article 17 for the proposed World Covenant, listing a series of categories in which governments would be permitted to impose restrictions on the freedom of the press; Martin fought a losing battle as a leader of the American members who wanted all government restrictions included in a general clause instead of spelling them out in detail. After the IEB adopted a strong resolution supporting Martin's stand, the American State Department took a new position in opposition to the objectionable features of Article 17.<sup>42</sup>

ANG President Martin was named as an American delegate to the UN Conference on Freedom of Information held at Geneva only through the personal intervention of President Truman. In 1938 Martin was reported by the Dies Committee to have participated in the organization of the Southern Conference for Human Welfare, a group that the Thomas Committee had subsequently labeled as Communist, a charge which it has never been able to prove. Because of this stigma, the State Department hesitated to name Martin as a delegate; nevertheless, President Truman named Martin to the delegation the day before it was to sail for Europe. Ironically enough, the committee to which Martin was assigned was one of the first in which the Soviet-dominated countries attacked the press of the democratic countries. Martin immediately accepted the challenge;



his defense of the ideals of the democratic press and his reading of the Soviet press control law were highlights of the sessions.<sup>43</sup>

The Guild has become interested in yet another facet of this concept of a free international press. While in Europe, Martin decided to investigate charges that the IOJ Secretary General, a Czech, had given passive support, if not active assistance, to the purging of about one hundred Czech journalists from their jobs and their union after Czechoslovakia had "voted" to become a part of the Soviet bloc. Astounded to find that the Czech union officers virtually admitted all charges, the ANG President immediately moved that the IOJ Secretary General be removed from and that the IOJ headquarters be removed from Prague. The IEB of the Guild has pressed the demands and has received a promise from the IOJ president that they will be given consideration at a special meeting of the IOJ Executive Board.<sup>44</sup>

Concern over the dangers of Communism may have confused many Guildsmen as to the true meaning of freedom of the press. The 1948 ANG Convention, meeting in San Francisco June 28-July 2, censured both the Associated Press and the United Press for failure to sell their news report to the State Department for rebroadcast abroad. President Martin spoke in favor of the resolution, noting that the AP sold the report to the Tass Agency but refused to sell it to our own State Department. One of the delegates reasoned that if the State Department could not buy a news report it might be forced to set up a rival news-gathering agency of its own; President Martin remarked that "this point is well taken." It seems significant that no one pointed out that there is little difference between the European propaganda agencies, which the Guild has roundly criticized, and one dominated by our own govern-

ment, which might be the case if the government became a member of the AP.

### Summary

In retrospect, it appears that the term "freedom of the press" has had a slightly different meaning to the Guild on the one hand and to the AP and its member newspapers on the other. Both parties have opposed governmental restrictions which tended to work discriminatory hardships on the newspapers; they have fought all attempts at governmental censorship or limitation of the right to publish a newspaper. If one is to believe their published statements, however, the conclusion is inescapable that the parties differ widely on the question of whether this constitutionally-guaranteed privilege carries with it a responsibility to present objective, unbiassed news.

The AP has contended that its membership is composed of newspapers with widely-differing editorial policies and political beliefs and that members of the editorial staff of the AP and the newspapers should not all belong to a single trade union which has taken a stand on political issues and has agreed to support the various slogans of the CIO-PAC and affiliated political groups. The Guild has charged in rebuttal that the present press is not free to report the news as it happens, that the news is slanted to fit the bias entertained by the publisher and/or principal advertisers, and that too often the editorial policy of the publishers and the AP is anti-organized labor.

Thus, in the final analysis, the issue between the Guild and the AP is not whether there is to be a controlled press or a "free" press;

the crux of the problem involves the determination of what is news and how it is to be handled. Where today many publishers give wide space and full play to such things as labor racketeers, the role of communists in labor unions, strikes, violence, sabotage, and the like, the Guild claims that more space should be devoted to an expose of abnormal corporate profits, threat of monopolies, price-fixing by a few firms, use of strike breakers to incite picket-line violence, the control of governmental foreign and domestic policies by vested interests, etc.

As the Guild assumes more and more the character of an economic trade union, it is possible that the issue of a "free press" will become less important. In the words of a Guild official, "Freedom of the press was never really a basic issue; it was more of a smokescreen. The publishers used this argument until we had proved that we were really a trade union, then they sat down and bargained with us." While freedom of the press may not have been a proper subject for collective bargaining, it very definitely was, and is, one of the fundamental issues underlying the struggle for a democratic government. This freedom has very important implications as far as control of public opinion is concerned. The AP recognized this when it said that it needed newsmen who would furnish objective, unbiassed news; the Guild acknowledged the importance of a free press to the labor movement when it supported a motion calling for integrity of the news and when it took an active part in the UN Conference on Freedom of Information.

Mr. Justice Douglas, in the recent AP anti-trust case, pointed up the responsibility of the AP and the newspapers when he stated that "the restrictions are unreasonable because they offend the basic functions which a constitutionally guaranteed free press serves in our nation.

In addition to being a commercial enterprise, it (the AP) has a relation to the public interest unlike that of any other enterprise pursued for profit. The business of the press and therefore the business of the AP, is the promotion of truth regarding public matters by furnishing the basis for an understanding of them. A public interest so essential to the vitality of our democratic government may be defeated by private restraints no less than by public censorship."<sup>45</sup>



### Footnotes

1. Gramling, op. cit., p. 157.
2. Ibid., p. 425.
3. Fortune, op. cit., p. 151.
4. AP v. NLRB, 301 U.S. 103(1937).
5. Editor and Publisher, April 27, 1946, p. 148.
6. Ibid., April 26, 1947, p. 109.
7. AP v. NLRB, 301 U.S. 103(1937). The American Newspaper Publishers' Association entered this case as amicus curiae.
8. Near vs. State of Minnesota, 283 U.S. 697(1931). See also McCormick, R. R., The Freedom of the Press (New York: D. Appleton-Century Co., Inc., 1936), p. 45-52.
9. Grosjean vs. American Press Co. 297 U.S. 233(1936).
10. Ibid.
11. Lovell v. City of Griffin, 303 U.S. 444(1938); Schneider v. State of New Jersey, Town of Irvington, 308 U.S. 147(1939).
12. Edwin Emery, History of the ANPA (unpublished Ph.D. thesis, University of California, 1943), p. 246-65.
13. See Appendix A.
14. In his Letter of Transmittal, NRA Code of Fair Competition for the Daily Newspaper Publishing Business, February 16, 1934.
15. At hearings before the Code Authority, Elisha Hanson, acting as counsel for Hearst on this occasion, stated that "before a Code was submitted by the publishers at the President's request, the publishers insisted that they would not submit a Code unless it guaranteed freedom of the press. I am amazed that the news writers should attack that right." Guild Reporter, December 15, 1934, p. 5.
16. Editor and Publisher, February 24, 1934, p. 1.
17. Ibid., April 11, 1936, p. 1.
18. McCormick, op. cit., p. 64.
19. See Appendix C,D.
20. George Seldes, op. cit., p. 316.
21. Ibid., p. 317.
22. Editor and Publisher, November 4, 1933, p. 20.
23. Ibid., April 25, 1935, p. 4.
24. Clyde Beals, "ANG" American Federationist, (October, 1936), pp. 1036-9.
25. Editor and Publisher, December 19, 1936, p. 57.
26. Commission on Freedom of the Press, Government and Mass Communications. Ed. by Z. Chafee, Jr. (Chicago: Univ. of Chicago Press, 1947), II, 509-536.
27. AFL Proceedings, 1901, p. 215.
28. Ibid., 1913, p. 67; 1914, pp. 100, 493.
29. Ibid., 1921, p. 615.
30. Ibid., 1931, p. 126.
31. George Brooks, American Federationist, (March, 1937), pp. 282-93.

32. CIO, The Program of the CIO (Washington: Committee for Industrial Organization, 1937), p. 56.
33. Heywood Broun, "After Its Fashion," The Nation, (July 10, 1935), pp. 47-8.
34. Ibid., July 31, 1935, p. 132.
35. See Appendix C.
36. See Appendix D.
37. Heywood Broun, "The Question of Affiliation," The Nation, (April 24, 1935), pp. 484-5.
38. Guild Reporter, June 1, 1935, p. 5.
39. Heywood Broun, "Confessions of an Opium Eater," The Nation, (February 27, 1935), p. 279.
40. Beals, loc. cit.
41. Heywood Broun, "Mixed Pickles," The Nation, (October 2, 1935), pp. 385-6.
42. 15th Annual ANG Convention, Officers' Report, June 28, 1938, p. 18.
43. Ibid., pp. 19-20.
44. Ibid., p. 21.
45. The AP v. U.S., 65 S.Ct. 1416(1945).

CONCLUSIONS

These conclusions are submitted with full realization that they are based upon inadequate and unrepresentative facts. It is always necessarily difficult to discover the facts of any case; in this case, the problem has been intensified by virtue of the fact that the paper was written three thousand miles from the central offices of the parties involved, so that discussion and amplification of questionable points was impossible. Furthermore, it is recognized that there is no panacea for the problems of industrial relations. The best possible solution is the one which is arrived at by full and free collective bargaining. Arbitration is often employed as a means of settling disputes between warring parties, but in the field of labor relations, even the arbitrator's award must be acceptable to both parties in order to insure industrial peace. Thus, with many qualifications and with doubts as to their validity, the following observations are offered for consideration:

(1) The AP could show considerable gain from the adoption of new policies in regard to union security and worker security. It is suggested that the AP should grant a certain amount of institutional security to the Guild and should abandon the practice of legalistic bargaining by which it has attempted to contain the Guild in a well-defined area. No one would charge that the AP is a "union-busting" employer, but many of its tactics could properly be labeled as "growth-arresting." In this connection, worker security could be improved by the elimination of any basis for what the Guild has charged are unfair labor practices: unilateral cost of living bonuses, small merit raises to

active Guildsmen, practice of assigning active Guildsmen to the mid-night shift, etc. The denial of union security and worker security will engender social tensions which might, in the long run disrupt the American economy.

(2) The AP should agree to bargain on all subjects which have a relation to wages, hours, or conditions. Whether the AP realizes it or not, collective bargaining is here to stay, and all employers should adopt a realistic attitude on the subject. The Guild was able to obtain a following among AP employees because of bad conditions which existed; therefore, the AP is now reaping the harvest from seeds of discontent. The Guild now represents almost sixty of the one hundred and two AP American bureaus, and the bargaining should be conducted on a national system-wide basis, since the personnel policy is administered on such a basis.

(3) The Guild should step up its organizing drive among AP employees; an organizer should be assigned to the AP system alone. Responsible Guild officials have stated that many employees will not join the Guild because they still regard themselves as professional people and feel that their careers are more dependent upon the AP than upon the Guild, because they feel that it is degrading to associate with commercial employees, and because they dislike the stigma of Communism which has become attached to the Guild. Organizing is thus not an easy task, and even when organized these people do not form a cohesive group.

(4) There should be included in the next contract a provision for better grievance machinery than now exists. At the present time, it is almost impossible to get a local grievance appealed to the national level. The next contract should provide for a time limit for the set-



tlement of local grievances, after which the case could be carried to a national level. If no agreement is reached at a national level in a specified number of days, the dispute should be settled by a tripartite board of arbitration, consisting of an AP representative, a Guild representative, and a third member chosen by the other two. Up to the present time, neither party has been too favorable toward compulsory arbitration of secondary disputes arising under the contract. The AP has always jealously guarded its prerogatives and will allow outsiders to set AP policy only under court order. The Guild has used arbitration on several occasions, but, in general, has felt that arbitration favors the status quo and is not as effective as economic self-help applied at the point of difficulty. In the case of AP-ANG relations, however, it appears that the cost of arbitration is less than the gain to be expected.

(5) The ANG should now process more unfair labor charges through the NLRB. In view of the present climate of labor relations in the U. S., the NLRB should accord the unions better treatment than they have been accustomed to receiving during the past two years. Guild spokesmen have stated that there were several reasons for by-passing the NLRB: the Board has not been too favorable toward unions since the passage of the Taft-Hartley Act; the individual AP employees have often exhibited an independence that is prejudicial to good unionism (as one person stated, "It's pretty hard to think of grievances when you are getting \$120 and then receive a merit raise. "). At any rate, even the strongest Guild units have shown a lack of cohesiveness that can often be traced to the relatively high wages paid on the wire services and the honest pride in the profession which many people still feel.

(6) The Guild should take steps to achieve industry-wide bargaining among the wire services; such a move should tend to stabilize bargaining relationships by bringing all of the services to a common level. This would eliminate inequities between the services and silence the cries by the AP that the UP was receiving preferential treatment from the Guild. At the 1948 Convention the Guild took several steps in this direction: it adopted the "San Francisco proposals" which made mandatory the consultation among wire service negotiators of the various services on all major contract matters before they are submitted to any one membership; it authorized a Wire Service Council, similar to the Hearst chain council, to meet before the convention and draft wire service recommendations; it created a national committee to coordinate all Guild wire service activities, especially by putting all contract demands into final shape. The AP has indicated several times that it is amenable to the idea of industry-wide bargaining, despite the fact that a local AP official stated that such practices might "run afoul of the anti-trust laws." To supplement industry-wide bargaining the Guild should take the lead in setting up a wire service council representing all unions in the wire service business. Such a council could plan long-range strategy and coordinate the activities of all groups.

(7) The parties should undertake a joint program of job analysis and job classification. The issue of wage differentials appears to hinge on job differences, and thus far the issue has been settled by bargaining power. Such a procedure is grossly unfair to the persons performing the work, no matter whether they are Guild or non-Guild employees. If properly carried out, job analysis could determine if there are substantial differences between the various bureaus. It is doubtful if

either the AP or the Guild would challenge the validity of the principle of "equal pay for equal work." Job analysis would provide some kind of an answer to the question of whether the workers were performing equal work; it is admitted that such a program would be fraught with difficulties and, for that reason, should be a joint undertaking.

(8) The Guild should go to great lengths in order to explain fully to the layman the workings of a modern newspaper and wire service. The man in the street can not be expected to vote correctly or to hold an honest opinion if he is continually fed a diet of propagandized news. Many prominent persons have asserted that the publishing business is closely akin to a public service, but before the Guild can state that it is a defender of the public welfare, it becomes incumbent upon them to take a positive stand on this issue. It appears to an interested observer that the labor unions of this country have more to lose than other groups if we do not remain free and democratic. Democratic governments purport to follow mass opinion, but the Guild and other groups have intimated that mass opinion in the United States is molded by the vested interests that control the press, radio, and movies. Thus, the working newsmen who claim that they have seen the news suppressed, distorted, and smothered should exhibit the moral courage requisite to a revelation of the facts. This issue of a "free press" is a basic issue to the Guild, and Guild spokesmen should present their case, not at a bargaining table, but at round table discussions, forums, and public debates.

## APPENDIX A - ARTICLE VII OF THE DAILY NEWSPAPER CODE OF THE NRA

"Those submitting this Code recognize that, pursuant to Section 10b of the Act the President may, from time to time, cancel or modify any order approving this Code, but in submitting or subscribing to this Code, the publishers do not thereby consent to any modification thereof, except as each may thereto subsequently agree, nor do they thereby waive any constitutional rights, or consent to the imposition of any requirements that might restrict or interfere with the constitutional guarantee of the freedom of the press."

(This Article was in direct contravention of Section 10b of the NIRA, which allowed the President to modify the Codes from time to time.)



APPENDIX B - RESOLUTION ON THE AP, ADOPTED BY THE 1939 ANG CONVENTION

The AP has resisted with every resource the growth of the ANG, challenging the Guild through the courts, before the NLRB and by management-sponsored proselytizing in all AP bureaus.

The AP, through the influence of the publishers who comprise the AP and who seek to defeat the Guild and all it stands for, has become the anti-labor, open-shop bulwark of the nation's newspaper industry.

The AP has shown no inclination to bargain fairly and has evinced no conception of the requisites of fair bargaining during negotiations which have been carried on for periods ranging up to more than two years in six scattered cities.

The ANG has gone more than half-way in all negotiations, while the AP management has refused to guarantee even existing conditions, has insisted upon supervision of the outside activity of employees, has demanded compulsory handling of struck work, has attempted to censor Guild shop papers within AP bureaus and has stood for some of the lowest minimum wages within the entire newspaper field.

Therefore, the ANG, in 1939 Convention assembled, condemns the reactionary labor policies of the AP and instructs the IEB to take the proper steps to bring these policies of the AP to the attention of the entire labor movement and to the attention of the readers of the AP's 1,400 member newspapers which are responsible for the AP anti-labor relations with its own employees.

## APPENDIX C - CODE OF ETHICS ADOPTED BY THE ANG (1934)

1. That the newspaper man's first duty is to give the public accurate and unbiased news reports, and that he be guided in his contacts with the public by a decent respect for the rights of individuals and groups.
2. That the equality of all men before the law should be observed by the men of the press; that they should not be swayed in news reporting by political, economic, social, racial or religious prejudices, but should be guided only by facts and fairness.
3. That newspaper men should presume persons accused of crime of being innocent until they are convicted, as is the case under the law, and that news accounts dealing with accused persons should be in such form as not to mislead or prejudice the reading public.
4. That the Guild should work through efforts of its members or by agreement with editors and publishers to curb the suppression of legitimate news concerning "privileged" persons or groups, including advertisers, commercial power and friends of newspapers.
5. That newspaper men shall refuse to reveal confidences or disclose sources of confidential information in court or before other judicial or investigating bodies, and that the newspaperman's duty to keep confidences shall include those he shared with one employee even after he has changed his employment.
6. That the news be edited exclusively in the editorial rooms instead of in the business office of the daily newspapers.
7. That newspaper men shall behave in a manner indicating independence and decent self-respect in the city room as well as outside, and shall avoid any demeanor that might be interpreted as a desire to curry favor with any person.

## APPENDIX D - INTEGRITY OF THE PRESS

## RESOLUTION ADOPTED BY THE 1934 ANG CONVENTION

WHEREAS, freedom of the press is a right of the readers of news and a responsibility upon the producers of news; and is not a privilege for owners of news channels to exploit; and

WHEREAS, reporting is a high calling which has fallen into disrepute because news writers have been too often degraded as hirelings compelled by their employers to serve the purposes of politicians, monopolists, speculators in the necessities of life, exploiters of labor, and fomenters of war; therefore be it

RESOLVED, that the American Newspaper Guild strive tirelessly for integrity of news columns and opportunity for its members to discharge their social responsibilities; not stopping until the men and women who write, graphically portray, or edit news have achieved freedom of conscience to report faithfully, when they occur, and refuse by distortion and suppression, to create political, economic industrial and military wars.

## BIBLIOGRAPHY

### Periodicals

Editor and Publisher

Guild Reporter

New York Times

Oakland Tribune

### Other Sources

American Federation of Labor. American Federationist, (November, 1940), p. 11.

"AP Turns Semi-Pro," Time, (February 3, 1941), p. 40.

"Associated Press," Fortune, (February, 1939), pp. 88-93+.

Beals, Clyde. "ANG," American Federationist, (October, 1936), pp. 1036-39.

Brooks, George. American Federationist, (March, 1937), pp. 282-93.

Broun, Heywood. It Seems To Me (New York: Harcourt, Brace, and Co., 1935). 335 pp.

Broun, Heywood. "Lessons From Lorain," The Nation, (July 31, 1935), p. 132.

Broun, Heywood. "Confessions of an Opium Eater," The Nation, (February 27, 1935), p. 279.

Broun, Heywood. "Mixed Pickles," The Nation, (October 2, 1935), pp. 385-6.

Broun, Heywood. "The Question of Affiliation," The Nation, (April 24, 1935), pp. 484-5.

Broun, Heywood. "After Its Fashion," The Nation, (July 10, 1935), pp. 47-8.

Broun, Heywood. "Hand and Brain," The Nation, (March 6, 1935), p. 279.



- Broun, Heywood. "White Collar Into Plume," The Nation, (April 10, 1935), pp. 420-1.
- Broun, Heywood. "Because The Judge Says So," The Nation, (March 20, 1935), pp. 336-7.
- Bureau of National Affairs, Inc. Labor Relations Reference Manual (Washington, D.C.: Bureau of National Affairs, Inc.). 16 Vols.
- Bureau of National Affairs, Inc. War Labor Reports (Washington, D.C.: Bureau of National Affairs, Inc.). 28 Vols.
- Carr, E. H. "The Forms of Political Power," in Harold and Margaret Sprout, eds., Foundations of National Power (Princeton: Princeton Univ. Press, 1945), Chapt. II.
- Commission on Freedom of the Press. Government and Mass Communications. Ed. by Z. Chafee, Jr. (Chicago: Univ. of Chicago Press, 1947). 2 Vols.
- Commission on Freedom of the Press. A Free And Responsible Press (Chicago: Univ. of Chicago Press, 1947). 139 pp.
- Committee For Industrial Organization. The Program of the CIO (Washington: Committee For Industrial Organization, 1937). 60 pp.
- Cooper, Kent. Barriers Down (New York: Farrar and Rinehart, Inc., 1942). 324 pp.
- Crowther, D. Q. and Rogers, H. O. "Salaries and Working Conditions of Newspaper Editorial Employees," Monthly Labor Review, (May, 1940), pp. 1137-48.
- Emery, Edwin. History of the ANPA (unpublished Ph. D. thesis, Univ. of California, 1943). 295 pp.
- Gramling, Oliver. AP-The Story of the News (New York: Farrar and Rinehart, Inc., 1940). 506 pp.
- Hoxie, Robert Franklin. Trade Unionism in the United States (New York: D. Appleton and Co., 1917). 426 pp.
- Keating, Isabelle. "Reporters Come of Age," Harpers' Monthly, (April, 1935), pp. 600-12.
- Lee, Alfred McClung. The Daily Newspaper in America (New York: The Macmillan Co., 1937). 797 pp.
- Lester, Richard A. Economics of Labor (New York: The Macmillan Co., 1946). pp. 856-70.

- Levinson, Edward. Labor On The March (New York: Harpers, 1938). 325 pp.
- Lippmann, Walter. Liberty and the News (New York: Harcourt, Brace and Howe, 1920). 104 pp.
- McCormick, Robert R. The Freedom of the Press (New York: D. Appleton-Century Co., Inc., 1936). 136 pp.
- Minton, Bruce, and Stuart, John. Men Who Lead Labor (New York: Modern Age Books, Inc., 1935). 427 pp.
- National Labor Relations Board. Decisions and Orders of the NLRB (U. S. Government Printing Office, Washington). 75 Vols.
- National Labor Relations Board, Division of Economic Research. Collective Bargaining in the Newspaper Industry, Bulletin No. 3 (Washington, D.C.: Government Printing Office, 1938). 143 pp.
- North, S. N. D. Newspaper and Periodical Press of the United States Department of Interior. Bureau of the Census. (Washington: Government Printing Office, 1881). 446 pp.
- Patterson, Roy M. "Collective Bargaining With Employer Groups," Monthly Labor Review, (March, 1947), pp. 397-410.
- Seldes, George. Freedom of the Press (New York: Garden City Pub. Co., Inc., 1937). 380 pp.
- Sinclair, Upton. The Brass Check (Pasadena, 1919). 445 pp.
- Stolberg, Benjamin. The Story of the CIO (New York: The Viking Press, 1938). 294 pp.
- "The Guild Gets The Runaround," The New Republic, (January 9, 1935), p. 236.
- Twentieth Century Fund. How Collective Bargaining Works. Ed. by Harry A. Millis (New York: The Twentieth Century Fund, 1942). 917 pp.
- Walsh, John Raymond. CIO: Industrial Unionism in Action (New York: W. W. Norton and Co., Inc., 1937). 293 pp.
- Wolf, Howard. "What About The Associated Press?," Harpers' Magazine, (February, 1943), pp. 258-66.