The Journalism of Pecuniary Inhibition

Freedom of the press in the United States is largely theoretic and Pickwickian, consisting, in the main, of the tenuous right of small dissident groups to publish newspapers and magazines of limited circulation for sectarian audiences. Whenever a publication espousing views distasteful to the phalanx of big wealth achieves a great circulation, as some have done, it is merely forced out of business as were the prewar "muckraking" magazines.

Press freedom, about which the publishers talk so much, is largely an historical survival of negative and narrow class significance. It is not meant to be literal freedom of the press from all outside restraint and influence; it merely means freedom from governmental restraint and influence. The formal struggle for a free press began in England in the seventeenth century when the commercial classes successfully pitted themselves against the aristocracy and the crown for political power. The subsidized government press in the course of the struggle was overthrown, and was supplanted by the press of the individual commercial and industrial entrepreneur, which insists upon the "natural" right to criticize and even to libel government and other classes in serving its own class interests.

Today nothing would be more resented by the press of the plutocrats than governmental action taken to free it of control and restraint by private pecuniary interests. This press wants no more to be released from the elements that shower it with money and honors than does a courtesan.

The centralized class control over the American press by the very rich has been evidenced most dramatically in the great unified news-
paper campaigns which have swept like blizzards over the country at periodic intervals during the past forty years. Careful study of these campaigns would inspire only envy in the directors of the co-ordinated Russian, Polish, Japanese, German and Italian press.

The first of these great unified press campaigns to manifest centralized motivation and direction took place in 1896, when virtually every important newspaper, Democratic as well as Republican, plumped for William McKinley and the gold standard, against William Jennings Bryan and free silver. The Hearst newspapers, numbering then only two, alone of the metropolitan press supported Bryan, but Hearst was interested in silver mines.

The next great national press campaign, wherein practically all newspapers sang the same tune, began in 1915, and had as its successful design the entanglement of the United States in the war. By 1917 few publications opposed entering the conflict. Once war was declared the press was temporarily yoked under a government censorship, but objections were few from publishers, who only when their own pecuniary prerogatives are at stake valiantly espouse press freedom.

In the 1920's virtually the whole of the press, including many outstanding Democratic newspapers like The New York Times, swung to the support of the Coolidge "prosperity" nonsense. Perhaps the greatest betrayal by the American press was its failure to warn of the impending debacle, which in private was clearly foreseen by many financial writers. During the depression of 1929-33 there was again a great unified press campaign to conceal from the public the profundity of the disaster.

In 1936 eighty per cent of the American press, according to Time (November 2, 1936), and at least seventy-one per cent, according to The New Republic (March 17, 1937), opposed the re-election of Franklin D. Roosevelt, and fiercely calumniated him and his supporters.

Virtually the only newspapers outside the subsidized Democratic Party press which supported the Roosevelt Administration were those owned directly by consumer-goods manufacturers, and those owned by department-store magnates or dependent largely upon department-store advertising and consumer well-being for their revenues
These elements were the main financial supporters of the New Deal.

Ambiguous Roosevelt support came from The New York Times as well as from the Scripps-Howard chain. The attitude of the press as a whole in the election campaign, however, illustrated nothing more completely than the weakness of retail advertisers and of readers with respect to control of editorial policies. In Detroit, St. Louis, Baltimore, and Minneapolis the New Deal had no newspaper support at all, although Roosevelt carried all these cities.

While President Roosevelt was abused as a Bolshevist and Fascist, and his political associates were maligned throughout the American press, the London Economist, chief capitalist organ of the world, sympathetically appraised his work and commended him for having brought order out of chaos. The Economist, often quoted in America, in this instance was not cited.

It has been assumed by some observers that the Roosevelt landslide of 1936, in the face of a hostile press, proved the impotence of the newspapers in the modern radio age. Such a contention, however, is based on a failure properly to evaluate many complex special factors outside the sphere of journalism.

It has been suggested that "just as the oratory of William Jennings Bryan was defeated by the press in 1896, so the oratory of Franklin D. Roosevelt defeated the press in 1936." There is something in this contention. However, The New Republic (March 17, 1937), from which this quotation is taken, pointed out that "nearly two hundred radio stations—one-third of the total number and more than a third in terms of power, listening area and size of audience—are owned or controlled by newspapers." In short, they are largely owned by the very elements that own the newspapers. Moreover, the Republican Party utilized much more radio time than did the Democrats—sixty-nine hours against fifty-six and one-half hours.

Soon after the election the power of the press, and its centralized direction and aim, was illustrated much more thoroughly than during the campaign. If eighty per cent of the press opposed Roosevelt's re-election, then ninety-five per cent of it swung into opposition to the proposed reform of a Supreme Court that since the Civil War has been riding roughshod over the common interest. The Scripps-Howard papers, cool toward Roosevelt's re-election, joined
The New York Times in stern opposition to his plan for Supreme Court reform within the provisions of the Constitution. All the radio commentators started blasting.

Evelyn Miller Crowell in The New Republic (January 13, 1937) argues that the press is impotent in its campaigns, and cites a good deal of evidence to justify her contention. Her conclusion, however, is based upon inadequate sampling. In 1934 the press, virtually unaided, smashed the proposed Tugwell Pure Food and Drug Act, which provided for more honest advertising. The opposition was openly organized by the various publishers' associations from the American Newspaper Publishers Association down through regional bodies. In the same year the newspapers smashed the San Francisco general strike.

Seldom does the press carry on campaigns for its own vested journalistic interest, but when it does it again shows its power. President Taft said that he received a hostile press because he had not lowered sufficiently the tariff rates on foreign newsprint, which under Wilson were eliminated entirely. Speaker Joseph Cannon said a part of the Republican press turned upon him, when his autocratic powers were assailed by liberals in Congress, because he had supported Taft on the tariff. Although the American press is ardently protectionist as a whole, it insists, inconsistently, upon free importation of newsprint.

The arrogance of the multimillionaires in asserting their journalistic rights knows no limits. The most authoritative statement of the press philosophy of the dominant capitalists was given by The Wall Street Journal, central organ of finance capital, on January 20, 1925, as follows:

It is difficult to guess what the editorial writer of the New York Herald-Tribune means, or what he thinks he means, when he says "the American newspaper has always been an institution affected with a public interest." That is a legal phrase, in the mouth of a layman, and is ventured with the usual results. It is flatly untrue, but there is much ignorance and hypocrisy about the matter, calling for some plain speaking.

A newspaper is a private enterprise, owing nothing whatever to the public, which grants it no franchise. It is therefore "affected" with no public interest. It is emphatically the property of the owner,
who is selling a manufactured product at his own risk. If the public
does not like his opinions or his method of presenting news the
remedy is in its own hands. It is under no obligation to buy the
paper. . . . Without in any way belittling the President's remarks
to a recent gathering of editors, it may be said that those editors,
except where they own their own newspapers, take their policy from
their employers. . . . But for ridiculously obvious reasons, there are
many newspaper owners willing enough to encourage the public in
the delusion that it is the editor of a newspaper who dictates the
selection of news and the expression of opinion. He only does so
subject to the correction and suggestion of the proprietor of the
paper. . . .

If a newspaper is affected with public interest, then it is a public
utility and legally subject to the intervention of government agencies
like the Federal Trade Commission or the Interstate Commerce
Commission. And conversely, in the reasoning of The Wall Street
Journal, if a newspaper is not affected with public interest its pro-
prietor may turn it to any use he sees fit within the libel laws.

The attitude of The Wall Street Journal is especially important in
the light of the influence newspapers exert on the public mentality,
which has been molded into almost a counterpart, especially among
middle-class readers, of a Wall Street broker's. The press is responsi-
ble for a well-established public belief that government operation of
railroads during the war was a colossal failure; the fact is, the rail-
roads were never operated more efficiently. The newspapers have
impressed most people with the fiction that government operation of
public utilities in general is inefficient, whereas it is scientifically
demonstrable that it is much more efficient than private operation.

Few newspaper readers are aware that the government operates
all enterprises in the Panama Canal Zone on a quasi-socialistic basis,
and that the results of government operation are greater efficiency
and much lower prices. Bread produced in a government bakery in
the Canal Zone, for example, costs only 4 cents a loaf, and is better
and more nourishing than is bread sold by the big private baking
plants. The Alaska Railroad is operated by the United States Army
for military reasons; private entrepreneurs could not be trusted to
manage it properly any more than they could be trusted to run the
Navy.
Seldom do the newspapers even so much as hint at who is paying the political graft they gabble about. Newspaper readers do not know, for example, that the late John D. Rockefeller probably paid more graft than any other individual in history, and that most of the wealthy families, as shown by Gustavus Myers, founded their fortunes on the cornerstone of graft.

The newspapers, in short, reflect actuality as does a convex mirror at Coney Island. The freedom of the press, under the present dispensation, constitutes merely the freedom to distort and to suppress news.

In 1906 Marshall Field II was fatally shot or stabbed by a Spanish girl in the Everleigh Club, a fashionable Chicago bagnio. The only Chicago newspaper that alluded to this misadventure to one of the city's newsworthy personages was the Chicago Daily Socialist. The Associated Press was silent, and the newspapers of the nation were therefore not advised of the happening. Eighteen years later, in 1924, the Chicago Daily News incidentally mentioned the affair in another connection, creating a nine-day sensation among Chicago newspaper people.

Andrew W. Mellon sued his wife for divorce under curious circumstances. In order to get a divorce on insufficient grounds he caused to be passed hurriedly by the subservient Pennsylvania legislature a special law, later repealed, depriving a wife of a jury trial in divorce action. The first newspaper to publish the sensational details of the Mellon divorce hearing was the Philadelphia North American, owned by the Wanamaker family (Morgan). All other Pennsylvania newspapers, on many of which Mellon's Union Trust Company held mortgages, were silent; the Associated Press remained silent.

In 1924 something happened to Thomas H. Ince, celebrated, newsworthy, motion-picture director, while he attended a party on board the yacht of William Randolph Hearst in Los Angeles harbor. Ince, taken ashore, died suddenly of causes variously reported as liquor poisoning, heart failure, and natural disease. Some Los Angeles newspapers hinted at foul play, and the prosecutor investigated. Whether or not anything extraordinary occurred, all the ingredients of a prime news story were present, including personalities like
Charles Chaplin, Elinor Glyn, Theodore Kosloff, Marion Davies, Hearst, and Seena Owen. Yet the press of the country, prone to inflate to undue proportions the least suggestion of Hollywood scandal, told of Ince's death in briefly perfunctory dispatches.

Happenings of a scandalous tinge relating to persons of great wealth are featured by the newspapers only when the characters concerned obviously desire to have their private affairs written about, as in the Stillman divorce case, or when they are neither so rich nor so powerful as the newspapers represent them to be, as in the Leonard Kip Rhinelander divorce case.

Suppression of personal scandals of the very rich, we may grant, is of slight import. It is symptomatic, however, of secret press control by the rich which extends to socially significant areas. The Mellon family, for example, was able for many years, through its viselike control of the Pittsburgh press and the Pittsburgh Associated Press, to keep secret its status as one of the richest dynasties in the nation. This was a fact of immense social importance, but it did not emerge until after Mellon had been appointed Secretary of the Treasury. Had Mellon's extensive financial interests been known the Senate might have refused to confirm his appointment, which proved so disastrous to the public interest.

In 1917, to touch upon another type of press manipulation on behalf of the vested interests, the Associated Press distorted a statement by Senator LaFollette, wherein he said, "We have grounds for complaint against Germany," into, "We have no grounds for complaint against Germany." The Associated Press and its allied newspapers refused for eight years to make a correction; LaFollette opposed entering the war and had to be discredited by means fair or foul. And during the same war period the newspapers, as a whole, also vigilantly protected the vested interests when they declined to carry a single line about an elaborate, heavily documented communication on war profits sent to Congress by Amos Pinchot.

The suppression of news by the press of the ascendant bank capitalists extends even to official findings of government bureaus, and to judicial proceedings which find private wealth guilty of gravely antisocial behavior.

Joseph Bucklin Bishop, the historian, in *Theodore Roosevelt and*
His Time, writing about the 1909 period, says, “Through some occult but powerful influences, the local [New York] news account of this trial [of the American Sugar Refining Company] minimized or suppressed entirely the startling evidence of fraud and the prompt verdict against the company.” The Havemeyer family, rich, powerful, was directly affected by the decision.

One of the most nearly perfect and most demonstrable cases of plain suppression of significant information that embarrassed vested wealth concerned the 1923 income-tax figures, released to public scrutiny in 1924 by special act of Congress. Newspapers and news associations that flatly refused to carry these figures included the Associated Press, the Curtis papers, the Vanderbilt papers, the New Orleans Times-Picayune, the Springfield (Mass.) Union, the Philadelphia Record (then owned by the Wanamakers), the St. Paul Pioneer Press and the St. Paul Dispatch (Ridder Brothers), the Portland (Me.) Express (Guy P. Gannett), the Ohio State Journal, and the Columbus Dispatch; and the Star League Newspapers, the Denver Rocky Mountain News, and the Chicago Evening Post, all then owned by John C. Shaffer.

The New York World, managed by the journalistically effete Pulitzer sons, carried the telltale 1923 tax lists in its first edition, frantically struck them out in its second edition, and irresolutely restored them in later editions; the New York Herald Tribune (Reid-Mills) took the high-principled position that it was illegal to publish the tax figures, but the very next day began publishing them to meet competition from other newspapers; The New York Times published the tax lists but said that the resentment of the rich against release of the figures is “justified but belated” and “should have been aroused more vehemently at the time the bill was pending.”

The New York Evening Post refused to publish the lists because it was “against the law,” and it assailed the Times for not publishing the tax returns of Adolph S. Ochs, its publisher. In its first stories the Times also omitted the names of Cyrus H. K. Curtis and other publishers, but under the sting of the Post’s remarks it belatedly published the tax data relating to all newspaper publishers.

In reply to a questionnaire circulated in 1925 by Editor and Publisher, trade organ of the publishers, the Omaha Bee said it would not
publish the figures for 1924 unless obliged to; the Oklahoma City Oklahoman and Times said it would not publish all the names; the Cleveland Times said the figures were of no more significance than other tax figures and would not be featured; the San Francisco Bulletin said it hoped publication of the figures would not be forced upon the publishers; the Portland Oregonian said release of the figures was a violation of private rights; and the Cleveland Plain Dealer was undecided what to do in the grave crisis. Throughout the press the figures were given equivocal handling, and the subject was dropped as quickly as possible. The newspapers, almost without exception, howled at Congress until release of the tax figures was discontinued.

Again, when the Senate Banking and Currency Committee in 1933 brought to light the fact that J. P. Morgan and Company had given away valuable stock options to political, financial, journalistic, and social leaders in the period 1927–29, the press joined in denouncing the act of revelation rather than the facts disclosed. In New York the newspapers generally, under fire of increasing criticism and distrust, accorded the news adequate display, but the New York Evening Post, then owned by the Curtis dynasty, and The New York Times and Herald Tribune, assailed the committee. Newspapers throughout the country gave the story gingerly treatment, and whenever they could tucked it away in obscure corners.

The Evening Post defended the Morgan stock gifts in anguish accents of abject sycophancy. It whined that J. P. Morgan and Company “had tried to help a much-beloved President of the United States to make a little money for his old age,” and that “no tar could be spattered upon the name of Morgan.”

Another salient example of the anxiety of the press as a whole to suppress, in the interest of the wealthy families, what editors and newspaper men in general considered news of vast import was revealed in the Teapot Dome case. The Wall Street Journal, its circulation restricted to brokers, bankers, and speculators, first recorded the distinctly unusual news that naval oil reserves had been leased from the government. The account was headlined on the front page, but no other newspaper saw fit to reproduce it.

For twenty-two months after The Wall Street Journal’s report Teapot Dome was not mentioned in the newspapers. Then Carl C.
Magee, editor of the Albuquerque (N. M.) Journal and an old political foe who had dug up much evidence of Albert B. Fall's venality in other connections, heard that Harry F. Sinclair had given Fall large sums of money. Magee put two and two together, published his suspicions, and went into consultation with Senator Burton K. Wheeler. After reading Magee's stories, Bonfils and Tammen gleefully opened fire in the Denver Post on Harry F. Sinclair and the corrupt leases. They stopped firing when Sinclair hastily paid them $250,000 and promised $750,000 more. But now Joseph Pulitzer, Jr., of the St. Louis Post-Dispatch, his attention aroused, began calling for the investigation sought by the Senate liberals.

As senators got busy the press as a whole maintained silence, except for a few newspapers that fitfully supported and ridiculed the inquiry by turns. The great press organs, however, uniformly denounced the investigating Senators as blackmailers, mudslingers, and revolutionary malcontents. The harshest of these voices was that of The New York Times, which was promptly echoed by the New York Herald Tribune, the Chicago Tribune, the New York Sun, the Chicago Daily News, the Curtis papers, the Hearst papers, and the rest. It was some time before the Associated Press could bring itself to send out adequate dispatches. The role of the Rockefeller enterprise in Teapot Dome was soft-pedalled throughout.

The Teapot Dome case provided by no means the last known instance of general suppression of official material. On October 14, 1934, the New York World-Telegram published the text of the cable sent by Ambassador Page to President Wilson in 1917, warning of internal collapse in the United States if the government did not extricate J. P. Morgan and Company from the tangle of Allied financing by entering the war. The World-Telegram said the cable was to be made the subject of inquiry by the Nye Munitions Investigating Committee. Although the sensational message had never previously appeared in the press, only three out of twenty leading metropolitan newspapers copied it from the World-Telegram: the New York Post (Stern), the Louisville Courier-Journal (Bingham-Flagler), and the Pittsburgh Press (Scripps-Howard). The United Press carried the text of the Page message in its dispatches of the day, but newspapers receiving the United Press service struck it out. The Associated
Press, the International News Service (Hearst), and the Universal Service (Hearst) ignored the Page cable. Most newspaper readers today are still unaware that such a cable message exists.

The utilization of subtle journalistic technique has become widely resorted to by the plutocratic press to conceal information of grave public concern when the information cannot with expediency be suppressed. Especially has technique been resorted to in reporting labor affairs. There is a very heavy and convincing record of the hostility of the millionaire press in general to labor—a record which has been reinforced more recently by the obvious discrepancy between press reports of labor struggles and the cold record made by the newsreel camera. In Ambridge, Pennsylvania, and San Francisco in 1934, and in Chicago on Memorial Day, 1937, according to newsreel films, police without visible provocation opened fire upon orderly pickets acting under their Constitutional rights. Newspaper reports of all these “clashes” either stated that labor had started the trouble or failed to state who had started it. After the Memorial Day massacre the Chicago Tribune, grossly falsifying as it habitually does, flatly said the labor marchers had attacked a heavily armed brigade of police. Seven of the dead strikers were shot in the back and three in the side, although the newspapers carefully failed to report this dramatic fact until it was brought out later in a Washington hearing.

Newspapers as a whole are hostile to organized labor, and the public is therefore suspicious of organized labor whenever it moves to implement its rights. Whether the hostility be open or covert it is nevertheless a notorious fact that all the effective efforts of labor to better its precarious economic position are misrepresented by the newspapers. The average newspaper reader believes that labor starts riots, throws bombs, and is the enemy of law and order. Misrepresentation of union labor is, indeed, fundamental in all newspapers, almost without exception, and is readily understandable since all gains made by labor, although of indirect benefit to the middle classes and to the farmers as well, are gains made at the expense of reduced dividends and management salaries for the rich families that own or control the newspapers.

The news organs of the plutocracy, in misrepresenting organized labor, consciously bid for the support of the farmers and the middle
classes, which are the living ballast of the social status quo. They do this by playing upon the prejudices of these two blocs, to the detriment of labor. The middle classes, highly individualistic, thrifty, and orderly, are deliberately provoked to resentment by the newspapers' portrayal of labor as disturbing law and order and acting collectively to obtain minimum concessions. There is no attempt in the press as a whole to give an inkling of the deplorable conditions that lead to labor's desperate walkouts. The farmers, small property holders, are impressed by newspaper accounts, usually false, of property damage and pecuniary losses created by strikes. These classes are, as a rule, deaf to protests by labor that the newspapers are filled with wholesale misrepresentation, implicit and explicit.

The farmers and the middle classes, however, have their own interests largely betrayed by the press of the wealthy families. The middle classes, notably in their role as consumers and investors, are duped by the plutocratic press. In 1929, for example, the press consistently refused to give due weight and display to warnings about the collapse of the stock market, in which the middle classes lost heavily. A factual study, Stock Market Control, published by the Twentieth Century Fund, shows the press, as a whole, to have been filled with false rumors and misleading “tips” during the period of the boom.

Falsification became especially marked during the period of the 1929-33 depression, when optimistic remarks from persons like Julius Klein, Assistant Secretary of Commerce, Roger W. Babson, promoter of a stock-market service who was regularly billed as an economist, and Leonard P. Ayres, vice-president of the Cleveland Trust Company and self-styled economist, were splashed repeatedly over the front pages. Contrary opinions by reputable economists were “played down.”

The instability of the banks was generally concealed. Bank failures were accorded inconspicuous position, and were treated as isolated phenomena. Suggestions by some authorities that the Postal Savings Bank would be safer than many private institutions were derided by the newspapers, to the injury of many of their readers. Obviously spurious rifts in the clouds were, however, given solicitous attention.

The New York Times, when the Insull public-utility empire col-
lapsed in 1932, "lost" the story in its financial section, although it was the biggest failure in American history. The New York Herald Tribune, closely aligned with the rival International Paper and Power Company, splashed the story on its front page. The Herald Tribune, however, refused to publish the facts about defaulted bonds of S. W. Straus and Company, although it possessed such documentary information more than a year before the failure of this firm in 1933.*

The Herald Tribune continued to publish S. W. Straus and Company advertisements, and S. W. Straus and Company continued to sell bonds of the defaulted properties. The New York American similarly possessed documentary evidence of the S. W. Straus defaults, but did not publish it.

Throughout the depression the alarming growth of unemployment, which affected the middle classes and farmers as well as labor, was concealed by the press as a whole, and the newspapers joined in deprecating reports by the American Federation of Labor on the menacing extent of unemployment. The newspapers rarely found space for news of wholesale layoffs by big corporations like General Motors, Ford Motor, United States Steel, and American Telephone and Telegraph Company, even though announcements of these events were regularly issued over the ticker service of the Wall Street News Bureau. But when the business cycle began an upturn in 1933 the press brimmed with exaggerated reports of wholesalehirings throughout industry. In reading through the newspapers of 1929-33 one is confronted with this apparent paradox: corporations in 1933 suddenly began rehiring employees that had never been laid off!

Although the newspaper offices had the facts, they failed to inform the middle class of the growing number of evictions for nonpayment of rent and mortgage interest. Only when Western farmers, taking the law into their own hands, staged an armed revolt did it become apparent that the big banks and insurance companies were cracking down on delinquents. And not until the Hoover Administration was swept out of office did the full extent of the postwar social damage become known to the country.

*The author, as a Wall Street staff member of the Herald Tribune, wrote an account of the Straus defaults more than a year before the firm failed, but the story was never published.
This virtually unbroken co-ordination of the American press would seem a miracle of coincidence if it were not obvious from the previous chapter, that the press is owned by the wealthiest families, who must distort and suppress dynamic news to retain political, social, and economic power.

In the spheres of public health and the retail market the farmers and the middle classes are notably betrayed by the press as a whole. Findings of the Departments of Agriculture and of Commerce—official, factual, and of significant interest—relative to the low grade or harmful character of certain advertised foods, drugs, medicines, cosmetics, clothing and merchandise, are ignored, while the press deliberately helps foist upon the middle classes and farmers harmful, or substandard merchandise, as well as worthless securities and real estate.

Hart, Kingsbury, and Rowe, in a study published in The New Republic (October 29, 1930), found only eight newspapers free from advertisements of unsavory or fraudulent medical proprietaries condemned by the Bureau of Investigation of the American Medical Association. The only publications with these perfect records were the Christian Science Monitor (institutional), the United States Daily (non-commercial), The New York Times, the New York World, the New York Evening Post, the Boston Transcript, the Minneapolis Journal, and the Milwaukee Leader (Socialist).

Just how dangerous, improperly used, the right of the “free press” can be to public health is shown in the comment of The Journal of the American Medical Association upon 1924 statistics that proved the United States to have the highest smallpox death rate in the world. The medical journal placed part of the responsibility for the condition upon the “pernicious” influence of such periodicals as Bernarr Macfadden’s Physical Culture, which constantly preached antivaccination.

George Seldes cites the failure of Chicago newspapers and the press associations to report an outbreak of dysentery during the World’s Fair in 1933; the source of the infection was traced at an early stage to a Chicago hotel. There are other cases on record of the failure of newspapers to report epidemics (notably a prewar out-
break of the bubonic plague on the Pacific Coast), when business would have felt the harmful effect of public alarm.

And while the press as a whole withholds crucial information and accepts advertising that facilitates the exploitation of the middle classes in the public market, it refuses, in many cases, to handle advertising of books and agencies that would put its readers on guard. *Time*, for example, refused advertising of Consumer's Research, Inc., an agency that has exposed many pharmaceutical and food frauds. The New York *Herald Tribune* early in 1937 declined to accept advertisements for *False Security*, by Bernard J. Reis, a reputable accountant; the book exposed corporation bookkeeping frauds, naming some of the biggest companies. *The New York Times* has also refused to accept advertisements for literature that disclosed pitfalls of the retail market. It has gone so far as to reject advertisements of novels accurately portraying sordid social conditions.

The class inhibitions that haunt the contemporary press under its multimillionaire ownership are responsible in large measure for the neurotic character of American newspapers. Because so many fields of editorial investigation and exposition are taboo, the press as a whole must confine itself to a relatively restricted "safe" area.

This accounts for the undue measure of attention given to the underworld; to petty scandals involving actresses, baseball players, and minor politicians; to sporting affairs and the activities of the quasi-wealthy. The press, in short, must compensate for enforced lack of vitality in dynamic fields by artificial enthusiasm in static fields. In place of an evenhanded, vital, varied daily news report, the American press as a whole is obliged to present a lopsided news report that is of doubtful reader interest. And in order to recapture the constantly waning attention of readers it must rely upon comic strips, inane "features," contests, gossip columns, fiction, cooking recipes, instruction columns in golf, chess, bridge, and stamp collecting, and similar nonsense. American newspapers, in short, are, paradoxically and with few exceptions, not newspapers at all.

The yearning of the American press for "safe" "stories" to exploit was exemplified perfectly in the Lindbergh career. Lindbergh's flight to Paris was itself an achievement deserving of extended press attention. The prolongation of journalistic interest in Lindbergh, how-
ever, was due, very probably, to the fact that some of the wealthiest Wall Street families visualized the great airplane grab of 1928-32. This grab was perpetrated behind the screen of Lindbergh's flight, which stimulated public interest in aviation shares, increased aviation personnel by inducing many young men to take up flying, and made it easy to wheedle huge aviation subsidies from Congress.

Lindbergh, the unwitting pawn in this game, is said to have represented the hysterical behavior of the press, and to have left the United States for relief. But everything he did played into the hands of the aviation propagandists. When he married a daughter of Dwight W. Morrow, chairman of Coolidge's Aviation Board, the newspapers resumed their barrage of adulation; when his children were born the natural events were recorded in giant type that even tired Congressmen studying projected aviation grants could read.

The pecuniary inhibitions that rule the press like a Freudian complex have brought such discredit upon newspapers that they are no longer trusted by informed persons or even by business interests. There has consequently been a phenomenal increase in the number of specialized information and private news services of whose existence the general public is not even aware.

Business interests no longer rely upon newspapers for Wall Street and Washington news. For market news they turn to the publications of Dun and Bradstreet, the Commercial and Financial Chronicle, and Standard Statistics Service. From Washington special agencies report on domestic and foreign political events, steering their heavily paying clients around the pitfalls in the daily newspapers. The best known of these Washington news services are the Kiplinger and Whaley-Eaton "letters."

Both were established during the World War to meet the need of businessmen for uncensored information. The wartime government did not object so long as the citizenry in general was kept under illusions. The uncertain political atmosphere at the close of the war, combined with the increasing reticence of the press, made it possible for these news services to expand.

The private Washington news letters are actually miniature newspapers, stripped of ballyhoo. Very often the disparity between the intelligence transmitted in the private news letters and that in the
newspaper dispatches is staggering. Large corporations, seeking to cut through the maze of rumors and false reports, have scores of subscriptions to the news-letter services, one for every department head.

The significant aspect of these private letter services, staffed by former newspapermen, economists, statisticians, and other specialists, is this: they could not exist if the newspapers were fulfilling their avowed function of conveying relevant, factual information and measured, sober opinion. Many corporations actually employ former newspapermen in New York, Washington, and European capitals to keep them properly informed by special reports.

The curious situation is, therefore, presented of a select minority kept cognizant of what is taking place by special information services for which high fees are paid, and a vast majority kept in a twilight zone of partial information and misinformation by an informally co-ordinated propaganda press.

Publishers generally deny hotly charges of venality in contemporary newspaper management. In the narrative sufficient instances have been cited to suggest that the millionaire press is a venal press. A few more instances will be cited to clinch the argument.

The Federal Trade Commission, investigating the public-utilities industry, which is dominated by our richest families, found that the General Electric Company (Morgan), the United Gas Improvement Company (Morgan), the Electric Bond and Share Company (Morgan), and the American Telephone and Telegraph Company (Morgan), had subsidized E. Hofer and Sons, operators of a rural press service that placed propaganda in fourteen thousand newspapers. The Darnell Press Service, in the pay of the National Electric Light Association, supplied six hundred newspapers in Alabama, Georgia, Mississippi, and Florida with antipublic-ownership propaganda.

The newspapers, it appeared, did not publish the propaganda merely because they agreed with the propagandists. The newspapers were paid, by the hundreds, to publish specially prepared "canned" editorials and "news" stories. And the Federal Trade Commission, in all instances, traced the paid propaganda to the highest strata of Wall Street—to the Morgans and the Rockefellers.

The principal propaganda agency was discovered to be the Na-
tional Electric Light Association, trade group for the industry. The president of NELA was George B. Cortelyou, Morgan man from Theodore Roosevelt's Cabinet who had for two decades been president of the Consolidated Gas Company of New York. But when NELA was exposed as a center of journalistic corruption it was dissolved. There was then created the Edison Electric Institute, hailed by the newspapers as an entirely new type of organization. The president of Edison Electric Institute immediately became George B. Cortelyou.

There are, however, innumerable less well-known instances of press corruption on the record. Mrs. Evalyn Walsh McLean sued in 1932 to have her husband, Edward B. McLean, removed as trustee of his father's estate, which included the Washington Post, the Cincinnati Enquirer, and the Cincinnati Commercial Tribune. In the complaint she charged that McLean, on July 10, 1931, "received the sum of more than $100,000 in money upon his agreement to devote the same to the needs of the Washington Post." This sum came, it developed, from Hoover's Secretary of War Patrick J. Hurley. It was ostensibly for the purchase of McLean's Virginia estate, but was actually charged to be in consideration of a "lease on the Post's political policy until the end of the Presidential campaign, November, 1932."

In the Senate Shipping Board investigation it was brought out that Albert D. Lasker, Chicago advertising man who headed the Board, inspired widespread newspaper propaganda for government ship subsidies and against nonprofit government operation. The Shipping Board, for example, had not advertised much in the Chicago Journal of Commerce (Ames family, Booth Fisheries). In February, 1922, this newspaper suddenly editorialized on behalf of the Lasker Ship Subsidy Bill, and immediately began receiving Shipping Board advertising on a rising scale so that for the year ended June 30, 1923, it received $34,652.52 of such advertising. In return for Shipping Board advertising the farm publication, Fruit, Garden and Home, also waged a campaign on behalf of ship subsidies.

Lasker on May 12, 1922, wrote to Robert R. McCormick, of the Chicago Tribune, who had suggested that the Paris edition of the newspaper be given more Shipping Board advertising. Lasker said that the Chicago Tribune under a new schedule was slated for
fourteen hundred lines of advertising a week and that he was sending under separate cover copies of the ship subsidy bill and of the Board's study of subsidies. He suggested that McCormick might want to assign a writer to compose a series on the American merchant marine, and offered to co-operate. The Chicago Tribune soon afterward syndicated a series of propaganda articles signed by Lasker himself under the title: "Why the United States Should Have a Merchant Marine." The Shipping Board then gave the Tribune the contract for the news service on board its vessels; under this contract the Shipping Board paid deficits and the Tribune shared profits.

As the Senate investigators discovered, the American Steamship Owners' Association sent out editorials and articles which were reproduced throughout the nation's press without acknowledgment of their source. This association succeeded, too, in suppressing newspaper material hostile to its aims.

The Chicago Tribune, fatuously proclaiming itself "The World's Greatest Newspaper," has functioned under Robert R. McCormick in a way that lays it open to indictment on almost any count. This newspaper has been a wholesale purveyor of bogus news, according to a study made for the period 1925-27 by Professor Frederick L. Schuman of the University of Chicago.\(^1\) Falsifications about Russia were found by Schuman to be frequent, but other falsifications were also noted. Soon after the World War the Chicago Tribune, which like the rest of the press was soaked in wartime propaganda, notably falsified with respect to William McAndrew, British-born superintendent of the Chicago Board of Education, on the issue of patriotism.\(^2\) Falsifications by the Chicago Tribune, indeed, have been so complete and so flagrant on every conceivable issue that it is impossible to devote more space to them here. From 1933 onward it conspicuously falsified with respect to every significant facet of the Roosevelt Administration's program.

Wherever one touches the American press, for whatever year, the story is the same. In 1921 Senator George W. Norris charged that the packers had paid for advertising in order to inspire certain policies throughout the press; they bought up an unfriendly Texas newspaper.\(^8\) Senator LaFollette in 1923 produced documents which showed the National Coal Association subsidized the press to obtain news
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stories that falsely indicated a looming coal shortage. The Associated Press was especially co-operative.⁴

In the campaign of Upton Sinclair for the governorship of California on the semiradical EPIC ticket in 1934 the California Newspaper Publishers Association was paid by the California Brewers Association to publish throughout the California press its anti-Sinclair propaganda.⁵ The brewing and distilling industries, like the electric-power industry, have for decades found the press open to payments of money.

In 1915, for example, Charles H. Allen bought the Montgomery (Ala.) Advertiser with $100,000 advanced by the brewing industry.⁶ Christian Feigenspan, Newark brewer, advanced from time to time $150,000 to keep the Newark Ledger under control on the liquor question.⁷ The brewers boasted in 1911 that "every newspaper in the State of Texas of any consequence . . . is on our side."⁸ In 1917 they raised a national advertising fund of $535,000 for the purpose of controlling editorial views.⁹

German-American brewers, it was brought out by a Senate Committee, in 1917 advanced $500,000, unsecured and with no note to evidence the money as a loan, to Arthur Brisbane, Hearst’s right-hand man. Brisbane used the money to purchase the Washington Times from Frank Munsey; it was a moot point whether Brisbane was to operate the paper as an antiprohibition publication or as a pro-German organ.

The Hearst newspapers have been involved in many known venal transactions. In 1898 it was revealed that six years earlier Hearst had signed contracts with the Southern Pacific Railroad, agreeing for a monthly consideration of $1,000 not to be unfriendly. And in 1934, to mention a recent instance, the Hearst newspapers agreed to supply the Hitler press bureau with American news dispatches for the sizable consideration of $400,000 annually. (Germany had previously been receiving dispatches of the Associated Press in free exchange for dispatches of the Wolff Bureau of Germany.) After this arrangement with the Hitler regime the Hearst newspapers began beating the drum for the Third Reich.

According to James Rorty in Our Master’s Voice: Advertising, seventy-five per cent of newspaper revenue comes from advertising,
so that it would be unusual if newspaper policies were never affected by promised or withheld advertising. But advertising, as this analysis should indicate, is secondary to ownership by the very rich in influencing newspapers. Were there no advertising, newspaper policies would remain very much what they are, with only minor variations of emphasis.

Newspapers, especially those directly controlled by members of the inner circle of wealth or by their deputies, have often resisted attempts of advertisers to dictate policies, and, on the whole, the bigger publications have refused to subordinate policies to the requirements of advertisers. To permit advertisers to dictate would simply be to surrender press control—something the wealthy families will never do willingly.

Publishers often boast of the way they have resolutely protected "freedom of the press" by rebuffing a big advertiser, but their zeal in this direction means usually that they have other uses for the press in consonance with the needs of more powerful interests. In 1895, for example, R. H. Macy and Company, New York department store, asked James Gordon Bennett to support Nathan Straus, an owner of the store, for Mayor of New York because the store was a big Herald advertiser. Bennett refused, publicized the attempt to coerce him, and was applauded by Pulitzer; whereupon Straus organized most of the large department stores and induced them to withdraw advertising from The Herald and The World. Pulitzer and Bennett stuck fast, however.

In short, when the interests of an advertiser conflict with the class interests of the individual or group publishing a certain newspaper, it is impossible for the advertiser to influence editorial policies. Even the Chicago Tribune has publicly rebuked brash advertisers that sought to influence editorial policies.

J. David Stern, who publishes three lively New Deal newspapers that have probably the most vigorous editorial pages in the country, supported an anti-Hitler merchandise boycott in New York in the face of hostility from some advertisers. But Stern's militant liberalism on various contemporary questions was actuated by the self-interest of his financial backers as much as was the reactionary policy of the Chicago Tribune. Related by marriage to the Lit Department Store
family, of Philadelphia, Stern numbered among the financial backers of his New York Post Albert M. Greenfield, Philadelphia realtor; Governor George H. Earle of Pennsylvania, former head of the Pennsylvania Sugar Company; Senator Joseph F. Guffey and Samuel Untermyer, both wealthy lawyers; William Fox, former film magnate; Samuel Fels, soap magnate; Warner Brothers, film entrepreneurs; and Vincent Astor, recent large-scale publisher and the largest owner of real estate in New York City after the Goelet family. These people were all hard hit financially during the Hoover regime; they have since been interested in sponsoring policies of benefit to their properties. The Hoover deflation, for example, smashed a Philadelphia bank owned by Greenfield, and the Astor realty values ebbed greatly at the same time, so it was not extraordinary that the three Stern newspapers should espouse New Deal easy money policies and other measures for the rehabilitation of consumer purchasing power. But, although fighting on behalf of reformist proposals of all shades and varieties, the New York Post refused in 1934, as disclosed by Don Wharton in Scribner's Magazine, to feature widespread criticism of Astor's New York slum properties. This led to the resignation of Ernest Gruening, the managing editor, who, as an independent publisher in Maine, had waged unceasing war against the Insull interests.

Stern, however, has never been accused of venal dealings. And he did nothing journalistically unusual in protecting Astor. Most publications blatantly boost their backers and friends both in editorial and news columns.

The Saturday Evening Post and other Curtis publications, for example, have always automatically jumped to the defense of the rich. After Upton Sinclair exposed conditions in the Chicago stockyards the Post invited J. Ogden Armour (Editor George Horace Lorimer's former employer) to enter a denial, which it printed. In a post-mortem eulogy of J. P. Morgan, written for the Post, Elbert H. Gary said, "It was not generally known that he was deeply religious." The Post invited Philander C. Knox to defend "dollar diplomacy" in its pages. And during the boom of the 1920's the magazine lived up to its traditions by obliging Lee, Higginson and Company in permitting
Isaac Marcosson to write a laudatory series about Ivar Kreuger, master swindler.

For more than twenty years *The American Magazine* of the Crowell Publishing Company has excelled in the publication of articles romanticizing individuals who have made or inherited money. After the 1929 smashup *Fortune*, published by Time, Inc., entered this field, but aimed at a more sophisticated audience. *Fortune*, no less than *The American Magazine*, has done nothing to invalidate the charge that it is a propaganda organ for the pecuniary motive in all its devious ramifications.

Time, Inc. is ruled by Henry R. Luce, Yale classmate of Harry P. Davison, Morgan partner, who contributed original capital to the enterprise in concert with E. Roland Harriman, the late Dwight W. Morrow, Harvey Firestone, and various members of the Harkness family.

In view of the identities of its stockholders detailed in the preceding chapter, it is not strange that *Time*, *Fortune's* sister enterprise, should have assailed the Senate Banking and Currency Committee for presuming to inquire into the operations of J. P. Morgan and his partners, and that it should similarly have assailed the Nye Munitions Investigating Committee, although *Fortune* (March, 1934) published an ostensible exposure of the munitions traffic. Most of the exposure, however, was devoted to European munitions makers; out of ten thousand words only three hundred and fifty were devoted to American munitions makers, and out of these three hundred and fifty words only fifteen were devoted to the Du Ponts, perhaps the biggest munitions fabricators in the world. Of the Nye Committee, *Time* (October 19, 1936) said, "The Nye Committee had spent months blackguarding the Du Ponts, Britain's late George V, a handful of Latin American dignitaries, Woodrow Wilson, and the House of Morgan." One may readily imagine about whom in this collection *Time* was really distressed. The sinister facts elicited by these two Senate committees were, however, passed over lightly.

From its inception in 1924 *Time* has consistently performed as the journalistic champion of the wealthiest families. In January, 1925, *Time* used three oddly assorted news items about John D. Rockefeller
as an excuse for a sermon on the camel and the needle’s eye, proving that the younger Rockefeller would surely pass through. A disgusted subscriber wrote to protest against the “sweet eulogy of this saint that would make a dog sick.”

But obvious as has been the adulation lavished on the Rockefeller clan—until it made a hostile move against Morgan—it is delicate by comparison with Time’s elephantine capers around John Pierpont Morgan. Time had a field day when reporters, eager to know whether she was engaged to Colonel Lindbergh, burst into the stateroom of the late Elizabeth Morrow, returning on the Olympic “in the personal charge” of J. P. Morgan. As the photographers got ready, in “strode a tall, heavy man of magnificent carriage, instantly recognizable as John Pierpont Morgan. At his word reporters fled.” Time writers have apparently stayed up nights to invent new ways of presenting Morgan. The issue of February 11, 1929, carried a classic entitled “Le Monsieur Embarks” (for the Young Commission), which began: “Parisians were especially delighted, last week, by a sly little story which came clicking over the cables.” The story was merely that a square porthole had been left open at the pier level so that “America’s greatest Monsieur” could go aboard unseen.

In a beatific account of Mr. Morgan’s return, “[Newsmen] told how, after a gentle suggestion from a bold photographer, the strikingly handsome Banker Morgan shifted to a more advantageous position. . . . Perhaps never had so great a banker appeared in so happy a light.”

Although Morgan and Rockefeller have claimed much of Time’s spotlight, many other names in the cast of great wealth have come in for breathless attention. When the Elbert H. Garys acquired Henry Clay Frick’s box at the Metropolitan Opera House Time gushed: “At them steelworkers in the topmost gallery will point with pride.” Speaking of F. Trubee Davison, brother of stockholder Harry P. Davison, Time (August 24, 1935) said, “He is not of the ordinary run of local politician. He is in politics more after the old British fashion—by which a distinguished family sends one of its sons into public life. What is more, he is able. He ought to be. Look at his father.” His father started life as an upstate bank clerk.

Time waited many months to sink a rapier into Winthrop W.
Aldrich of the Chase National Bank, after Aldrich, during the bank holiday of 1933, anticipated criticism of the Chase Securities Company by suggesting that the underwriting and deposit functions of banks be separated by law. Aldrich’s defensive maneuver struck directly at J. P. Morgan and Company in its complex deposit-underwriting business.

In 1934 came Time’s opportunity to punish Aldrich, for it went far out of its way to make an exceedingly frank report of a survey junket taken around the country by Aldrich, several Chase bank officials, and two Rockefeller sons in a private car that, said Time, cost $75 per day plus railroad fares. The costliness of the trip was stressed, and just at a time when Chase Bank minority stockholders were criticizing officers for extravagant handling of the bank’s funds. Time contrasted the Chase tour with one made by James H. Perkins, new chairman of the National City Bank, who, it was slyly pointed out, ensconced himself ascetically in a lower berth.

Time let several big Aldrich cats out of the bag. It charged that “in St. Paul local newspapers were asked to play down the Chase junket,” and that a speech critical of President Roosevelt made by Aldrich to Los Angeles bankers and businessmen was, at Aldrich’s order, left out of Harry Chandler’s Times, E. Manchester Boddy’s Illustrated Daily News, and the two local Hearst papers. Since this episode Time has let slip few opportunities to pinprick the Rockefellers.

Fortune (November, 1934) called Pierre du Pont, backer of the reactionary Liberty League, a man of liberal ideas. And while admitting that the Du Ponts ruled Delaware politics and that Delaware politics were venal, Fortune nevertheless insisted that the Du Ponts were a good influence in the state. Owen D. Young is another “liberal,” although “he is too well versed in the age-old organisms of human trade to offer specious nostrums for their sudden improvement or the cure of such ills as they have developed” (March, 1931). Of Bernard M. Baruch, in October, 1933, Fortune said, “Baruch is perhaps the only specimen of that brilliant type of public figure which is best represented by his good friend, Winston Churchill.”

Fortune, like Time, seldom forgets distinctions in distributing accolades. In an article on Vincent Astor, after he had identified
himself with the New Deal, which Morgan opposed, *Fortune* patronizingly implied that Astor had overcome his earlier intellectual lassitude; but *Fortune* has never yet brought itself to admit that the reigning J. P. Morgan is far from being esteemed as an intellectual heavyweight.

*Time* and *Fortune* have unkind things to say only about governments that are, coincidentally, on bad terms with J. P. Morgan and Company. Soviet Russia has been consistently misrepresented; the rise of a left-liberal government in France was met with scorn by *Time* which, by word, radio, and film boosted the Fascist Croix de Feu; the defense of a legally elected democratic regime in Spain brought quick sneers from *Time*, in whose pages the Madrid citizens' army was intemperately alluded to as "flat-footed mobsters." That social bias has little to do with some of these attitudes, and that pecuniary bias has much, is revealed in the fact that Hitler's right-wing Germany—a financial defaulter and proud of it—has been handled without gloves. Right-wing Italy, like Germany a land of castor oil, the bastinado, and the dagger, is, on the other hand, recurrently flattered. Italy, however, has not defaulted on Morgan loans.

As with politics abroad, so with politics at home. *Time* has let pass no opportunity to ridicule the New Deal. Hostile to Roosevelt, hostile to his light-industry program throughout, it was still hostile in 1936; but as election day approached, it became, with typical opportunism, less stridently pro-Landon—because the *Fortune* poll showed that Roosevelt would win by a great majority.

The enterprises of Time, Inc., were subjected to notably acute analysis by Dwight MacDonald, former *Fortune* editor, in *The Nation* (May 1, 8, and 22, 1937). Liberals, he observed, object to *Time*'s "habitual distortion or suppression of labor and radical news, the constant pooh-poohing of all movements for social progress."

"In 1930," said MacDonald, "*Fortune* published a eulogy of Albert H. Wiggin, in 1931 of Samuel Insull, Jr. In 1931, the present J. P. Morgan, whom only *Fortune* takes seriously, was the subject of a tenderly respectful biography. In March, 1934, the Van Sweringens were whitewashed (and their critics rebuked) in some 15,000 words. The most gruesome of the many skeletons in *Fortune*'s closet is probably
the amazing article on Pittsburgh (December, 1930) from the hand of Luce himself. 'Pittsburgh,' Luce pronounces, 'is a gentle city.' (The Mellons are gentle, too; for example, R. B. Mellon's whimsical remark, which Luce doesn't quote: 'You couldn't run a coal mine without machine-guns.') As for living conditions, Luce reports: 'Windows of Pittsburgh homes are washed once a week—by the maid, not by some window-cleaning concern.' "Fortune's white-washes have extended even to the financial affairs of Hearst, in which the banks are concerned, although Hearst himself many times has been spoken of slightly in Time.

In a pseudoscientific search for typical American families, Fortune ignored the preponderance of Southern sharecroppers, city slum dwellers, and unskilled laborers, and found, as MacDonald notes, that "the typical Midwest farmer owned a farm worth $100,000 and made a net income of $4,000 in 1934. The typical white-collar worker got $58 a week."

Time and Fortune have on their staffs a notable array of liberal and radical writers, chosen because of their sensitivity to social and political phenomena. But, as MacDonald testifies, their writings are subject to careful revision and distortion—and suppression—by the executive editors. Articles about personalities and enterprises in Fortune are, moreover, often submitted for approval or "correction" to their subjects.

Few readers are able to see through the spurious claim of objectivity behind which Time and Fortune class-consciously maneuver, for both employ a highly refined and deceptive journalistic technique wherein a brief adjective or adverb may slant a whole series of facts. This technique belongs to Henry R. Luce, the spiritual heir of Frank Munsey, whose Morgan-inspired Sun, a joke to newspaper people, was once saluted by Time as "a great newspaper."

Thomas W. Lamont is probably the single most influential individual in contemporary American journalism. He began his career as a financial reporter on the old New York Tribune.

Lamont's duties as a Morgan partner and apostolic successor to George W. Perkins are varied, but among them journalistic concerns have played a very large part. Perkins and Lamont have, each in his
respective period of ascendancy, been the pacemakers of the Morgan banking house—the trouble shooters, the business getters, the schemers, the diplomats, and the apologists.

Lamont, like Perkins, has been adept in getting Morgan theses presented by the newspapers, which have not failed to keep confidential the source of their inspiration. Perkins was, indeed, so skilled at manipulating newspapers (as witness his profitable use of the Times in 1907) that at an early semiofficial wartime gathering of Charles Evans Hughes, Thomas L. Chadbourne, Willard Straight, John Purroy Mitchel, Henry E. Morgenthau, and others, Frank Munsey argued that Perkins should be given charge of government censorship. Munsey, as Morgenthau relates, apostrophized Perkins as "one of the great experts in the securing of publicity."

Perkins' only disciple became Lamont, who became the only peer of the Rockefellers' late Ivy L. Lee.

To Lamont's desk at 23 Wall Street newspapers, magazines, and books from all over the world are brought immediately after publication, relevant passages marked by a staff of readers, works in foreign languages translated. Lamont reads and evaluates praise and dispraise of J. P. Morgan and Company; then the material is filed. Sometimes he enters into personal correspondence with writers and editors; sometimes he sends out a letter for publication; sometimes he suggests that a third party make denial, emendation, affirmation.

At least half of Lamont's contact with the surrounding world is with publishers, writers that cater to mass audiences, newspapermen, and editors. Among the many Lamont literary and journalistic friends are Walter Lippmann*, who went with him on a trip to the Near East in 1931 and who has forwarded in his nationally syndicated columns many theses that Wall Street financial writers had previ-

* Walter Lippmann is coming to be more and more clearly recognized as spokesman for the rich. Professor T. V. Smith, of the University of Chicago, speaking on August 29, 1937, before the Institute of Human Relations at Williamstown, Massachusetts, said: "Plutogogue is the voice of the wealthy when they can no longer speak for themselves, the successor of the plutocrat of other days. He is not Allah, but Allah's public relations counsel. You will hear his soft-spoken message in the columns of our sophisticated Walter Lippmanns and our unctuous Glenn Franks. You or gently feel his gloved hand in the eulogistic releases of our late ever present Edward Bernays." And to these Professor Smith Westbrook Pegler, Hugh Johnson, David Lawrence, and Mark S. \[liv\]
ously heard, often similarly phrased, from the lips of Lamont; B. C. Forbes of the Hearst organization; William T. Dewart and Franz Schneider of the New York Sun; Henry R. Luce, of Time, Inc.; Arthur Hays Sulzberger, of The New York Times; Sir Willmott Lewis, Washington correspondent of the London Times and son-in-law of Frank B. Noyes, a leading spirit in the Associated Press and publisher of the Washington Star; Henry Seidel Canby; Charles Seymour, president of Yale University; Edwin L. James, managing editor of The New York Times; and Mrs. Ogden Reid of the New York Herald Tribune. Lamont has even made a pilgrimage to the California ranch of William Randolph Hearst.

Writers of standing and repute not personally acquainted with Lamont will, sometimes, receive an invitation to lunch with him, and will learn from him wherein they have erred in reviewing a certain book, in writing a preface, or in composing an essay that mentions J. P. Morgan and Company or one of its many enterprises or friends. They will be asked to retract, and, failing to comply, they may count upon Morgan hostility to manifest itself invisibly in various parts of the magazine- and book-publishing world.

Writers to whom Lamont is friendly unquestionably have their paths smoothed toward pecuniary success. For example, the New York Evening Post under Lamont included the following staff members who have since achieved rapid promotion: Henry Seidel Canby, Franz Schneider, and Arthur Pound, editor of Barron's memoirs and author of a series of articles on corporations which were published by The Atlantic Monthly in 1935 as part of a paid advertising program (although this fact was not at first told to readers). Ellery Sedgwick, editor of The Atlantic Monthly, is, incidentally, a Lamont contact, and lunches occasionally at 23 Wall Street and at the First National Bank of New York.

Unpublicized dinners frequently given by Mr. and Mrs. Lamont are usually graced by writers, foreign as well as American, and by editors and publishers. Among European writers recurrently entertained are H. G. Wells, André Maurois, and John Masefield, British poet laureate; all have big American audiences. None of them ever touches upon practical concerns of J. P. Morgan and Company, but
their general attitudes are, beyond question, of more than academic interest to the banking house.

Lamont's journalistic and literary peregrinations have perceptible effect. In 1933 he served notice on New York publishers that the Guaranty Trust Company, the Bankers Trust Company, the First National Bank, and the New York Trust Company were no longer to be referred to as "Morgan banks." In the uncritical boom period such references, frequently made, were of distinct advantage to J. P. Morgan and Company. Since the order to discontinue was given, only the New York Post (Stern) has mentioned the "Morgan banks." Similarly, the Hearst newspapers, after Lamont's visit to Hearst in California, stopped blaming all the ills of the country upon the bankers, as they had been maliciously doing for several depression years.

Long before the Van Sweringen bubble burst Lamont was able to keep mention of the looming catastrophe out of the newspapers, although as early as 1931 the New York financial writers knew what was happening. In that year the Herald Tribune, whose Reid family held some Van Sweringen securities and was more than passingly interested, sent a reporter to Cleveland to check on rumors of difficulties. Cleveland bankers, shocked at the familiarity with the Van Sweringen "secrets" displayed by a strange newspaperman, immediately telephoned J. P. Morgan and Company. The Herald Tribune reporter was peremptorily recalled, his suspicions verified but his mission uncompleted; he was not permitted to write his report.

In 1933 another Herald Tribune reporter obtained information that the Van Sweringen railroad interests were headed for drastic reorganization. The story he wrote was submitted, at the insistence of the Herald Tribune management, to Lamont, who rewrote it to indicate that the crisis was being handled by J. P. Morgan and Company to the satisfaction of Washington. An entirely misleading and soothing story, anonymously authored by Lamont, was published on the front page of the Herald Tribune, February 9, 1933.

The New York Times subsequently featured on its first page a long account of a Van Sweringen loan default to J. P. Morgan and Company; but after receiving a midnight telephone call from Lamont or an associate the Times' editors hastily wrote a substitute
story for an inside page. The next day the bankers denied that the loan had been defaulted, although interest due had to be deferred for another year!

Dwight MacDonald, in his valuable *Nation* series, wrote that after *Fortune* prepared an article on the United States Steel Corporation which attributed responsibility for many abuses to Myron C. Taylor, “Thomas W. Lamont, of J. P. Morgan and Company, went to work on the editors of *Fortune*. He scored a diplomatic victory which must have amazed even so seasoned a strategist as Lamont. Not only was an abbreviated and emasculated version of the article printed, but an objective (hence unflattering) biography of Mr. Taylor was excised completely and replaced by a full-throated burst of lyrical eulogy which the editor in charge took care to write himself.”

About another build-up for Taylor in connection with the capitulation of the United States Steel Corporation to the C.I.O.—a build-up in which *Fortune* presented Taylor as a great industrial statesman, MacDonald remarks: “Did not Mr. Lamont possibly sell Mr. Luce’s editors another bill of goods?”

Lamont is accustomed to such successes; very probably he is only astonished on those rare occasions when he fails to bring an editor to “understand” his point of view.

Lamont’s *Saturday Review of Literature* published a review of Professor Jerome Davis’s *Capitalism and Its Culture*, which gets down to mentioning cases disagreeable to J. P. Morgan and Company. Canby, then the editor in charge, found the seventy-six words of the review too much. He later admitted having edited the eulogy out of these brief remarks, which were written by an eminent political authority, Professor Harold J. Laski. Contributors to the *Saturday Review*, incidentally, have been asked to delete sharp remarks relating to J. P. Morgan and Company and to Thomas W. Lamont in reviewing histories of railroads and industrial corporations.

The New York *World-Telegram* (April 7, 1936) revealed that Canby had admitted turning over to Lamont the proofs of *M-Day*, by Rose M. Stein. The book discussed war preparations, past and present, and criticized J. P. Morgan and Company. Canby said he gave the proofs to Lamont merely so that he might suggest a competent reviewer. Lamont suggested Charles Seymour, Yale professor
who has since become the university's president. Seymour was associated with Lamont at the Versailles Peace Conference and has since promulgated far and wide the Morgan thesis that the United States was brought into the war by the German submarine warfare. Seymour, himself under fire from historians, attacked the Stein book.

Canby, however, far from having received the book in the usual routine, had gone out of his way to obtain advance proofs from Harcourt, Brace and Company, the publishers. The situation was brought to the attention of the World-Telegram by a curious exchange of letters in The Nation between Miss Stein and Walter H. Millis, Herald Tribune editorial writer and author of The Road to War, who had reviewed M-Day for The Nation. Miss Stein charged that Millis’s objections to her book were identical with those made by Lamont who, she asserted, had tried unsuccessfully to induce Harcourt, Brace and Company to change portions of the book to which Lamont took exception. Lamont obtained his advance information from the proofs supplied by Canby.

Millis, in reply to Miss Stein, disavowed Lamont’s having had anything to do with his critical position. Miss Stein’s point recalled to other observers, however, that Millis’s The Road to War was criticized by C. Hartley Grattan in The New Republic for having omitted the dramatic Page-Wilson cablegram of 1917.

This cablegram is a tender subject for J. P. Morgan and Company, and the pro-Morgan newspapers, as we have seen, did not carry it when Senator Nye alluded to it. Something that neither Grattan nor Miss Stein knew, however, was that Lamont had been tipped off in advance, possibly again through The Saturday Review, that Millis’s war book was about to appear, and had effected a meeting with Millis.

Millis volunteered to the author, when asked about the curious absence of the Page cablegram, that it had been included, but was deleted, in the interests of a shorter text, while the book was in manuscript. The Road to War, however, contained material of a less significant nature. The omission of the revealing Page cablegram marred an otherwise fine piece of work.

Bernard De Voto, novelist and critic, has replaced Canby as editor of The Saturday Review, and although a more independent thinker
than Canby, he has yet to show where he stands on social and economic problems.

Lamont is virtually ubiquitous in the American press. Usually when the New York newspapers, in editorial or news columns, chastely allude to "prominent banking opinion," "impressions in financial circles," and "the consensus among bankers," they refer only to Lamont. The newspaper accounts, rewritten by the Associated Press and the United Press, then blanket the country. But when newspapers refer to "a conflict of banking opinion" or to "an alternative view held by other well-posted financiers," they mean only that Winthrop W. Aldrich at the Chase Bank has taken issue with Lamont.

The newspapermen who "cover" Wall Street are (a) instructed by their offices to see Lamont regularly and are (b) referred to Lamont or to Aldrich by other bankers in Wall Street, who usually fear to speak even anonymously on general affairs.

There are certain things which Lamont cannot, however, depend upon financial reporters, shackled though they are, to write. In such instances he has been known to telephone the newspaper editors after the financial men have gone home, and inquire innocently whether anyone has telephoned him. Assuming that someone on the financial staff has actually called Lamont and that the subject is important, the editor has eagerly listened while Lamont audibly supposed what the unknown inquirer wanted to know. The editor has then rushed Lamont's version of some affair into print, to appear the next day with no mention of Lamont's name. This has happened a number of times.

Among the many Lamont theses that have found their way into the nation's newspapers through the writings of the Wall Street financial reporters are: (a) "the stock market break [1929] is purely local and has no relation to general business or economics"; (b) "the situation is well in hand [1930] and should improve"; (c) "the depression [1931] must take its course"; (d) "Japan [1931] will maintain the gold standard"; (e) "there is no danger [1931] of a German collapse"; and (f) "the banking system [1932] is fundamentally sound."

As one who has unwillingly played a part in relaying these fraud-
ulent theses to the public consciousness, the writer takes this occasion to divulge their common source.

More recently, Lamont has been instrumental in feeding the country the theses that New Deal “spending” is paving the road to ruin and that there is no danger of a European War. This last was released immediately after Lamont’s return from Europe in 1936; marvelous to relate, he signed it. Soon afterward many of the Lamont journalistic connections began sounding off in their columns and books on the novel theme that fears of war were exaggerated, thereby disarming public opinion.

The general effects of Lamont’s work are much more far-reaching than anything ever undertaken by the late Ivy Lee for the Rockefellers. Where Lamont’s shadowy journalistic power begins and where it ends could be determined, very probably, only by a government investigation. Walter Lippmann is, of course, Lamont’s most important editorial outlet, although Lippmann also turns to Russell C. Leffingwell at Morgan’s for ideas.

Lippmann, however, once was forced to maneuver awkwardly by reason of his Morgan friendship. When J. P. Morgan and Company was investigated in 1933 by the Senate, which found evidence of so much irregularity, Lippmann wrote a column for the Herald Tribune and syndicate newspapers in which he put in a soothing word for the banking house. Such a false atmosphere did his essay throw around the investigation that a number of persons connected with the Senate committee said Lippmann would be called to tell of his Morgan affiliations. Word to this effect was relayed to the Herald Tribune office.

Four days later, on May 31, 1933, Lippmann in his column gave the Senate committee support which, for him, was strong. Reversing himself completely, he said: “The most discouraging aspect of the testimony of Mr. Morgan and Mr. Whitney is the assumption that all of these transactions can be explained away and that no important reforms are necessary or desirable.” Making it look good, he said: “The great [Morgan] power is almost entirely unregulated by law . . . the possession of such great power by private individuals who are not publicly accountable is in principle irreconcilable with any sound conception of a democratic state.”