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## FRANKLIN FORD COLLECTION

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mediastudies.press | 414 W. Broad St., Bethlehem, PA 18018, USA

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COVER DESIGN: Mark McGillivray | Copy-editing & proofing: Emily Alexander

CREDIT FOR LATEX TEMPLATE: Book design inspired by Edward Tufte, by The Tufte-LaTeX Developers

ISBN 978-1-951399-22-1 (print) | ISBN 978-1-951399-19-1 (pdf)

ISBN 978-1-951399-21-4 (epub) | ISBN 978-1-951399-20-7 (html)

DOI 10.32376/3f8575cb.80aee3oa

LIBRARY OF CONGRESS CONTROL NUMBER 2023939244

*Edition 1 published in July 2023*





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# *“He Has Ideas about Everything”: An Introduction to the Franklin Ford Collection*

DOMINIQUE TRUDEL & JULIETTE DE MAEYER

*This collection would not have been possible without the hard work of Amandine Hamon and Simona Feng, to whom we offer our warmest thanks.*

ON APRIL 13, 1886, a lively debate took place before the members of the Nineteenth Century Club in New York. During a conference discussing the press, one participant asserted the surprising opinion that the newspapers were not as good as those of fifty years before.<sup>1</sup> At the dawn of the Progressive Era, such beliefs were not shared by the majority, and were certainly not common among journalists. For the first time in history, an extensive coverage of fresh international news was possible, thanks to the cables of the Associated Press and the like. Reporting was becoming a self-conscious and esteemed occupation in American cities, and reporters were generally greeted with kudos, as readers enjoyed the exotic adventures of the many star journalists and “girl stunt reporters” of the era.

The surprising comment came from the mouth of Franklin Ford (1849–1918), the editor of the *Bradstreet’s Journal of Trade, Finance, and Public Economy*. A seasoned newsman, Ford was then embarking on a long reflection on journalism, media, and communication. Over the next three decades, he gave conferences, published essays, and discussed his ideas with many high-profile correspondents, including Supreme Court Justice Oliver Wendell Holmes Jr., Columbia University librarian James H. Canfield, and legal scholar Thomas M. Cooley. He also launched (or participated in) many publications and schemes aimed at changing the news, politics, education, finance, and society at large—some of these based on what he called the “movement of intelligence” or the “triangle of intelligence.”

Today Franklin Ford is mostly known for his involvement in the *Thought News* project at the University of Michigan, alongside John Dewey, Robert Ezra Park, George Herbert Mead, Charles Horton Cooley, and Fred Newton Scott, as well as one of Ford’s brothers, Corydon. Between 1888 and

<sup>1</sup> “Talking about Newspapers,” *Democrat and Chronicle*, April 16, 1886; “The Week in Society,” *New York Tribune*, April 18, 1886.

1892, the group planned to launch a revolutionary “philosophical newspaper,” called *Thought News—A Journal of Inquiry and a Record of Fact*. According to a circular printed in the *University of Michigan Daily*:

*Thought News* has but one thing to report and that is a mere announcement—the announcement that the social organism is here. . . . If the social organism is a fact, and not a poetic dream, it must be studied like a steam engine, in its principle and in its practical activity. . . . So the chasm between education and life, between theory and practice, is bridged over once and forever.<sup>2</sup>

<sup>2</sup> “The Thought News,” *University of Michigan Daily*, April 8, 1892.

The ambitious project eventually failed, and *Thought News* was never published. In the aftermath, Ford wrote a fifty-eight-page manifesto, *Draft of Action*, in which he outlined the grand plan behind *Thought News*. Ford wrote passionately about “systematic inquiry” (or “full social inquiry”) and the nitty-gritty of a national organization that would publish dozens of publications and connect businesses, universities, and public authorities.

The *Thought News* episode attracted the attention of many scholars, who mostly approached the work of Ford in connection with the theorization of media and communication developed within classical American pragmatism and the Chicago School tradition. If this angle turns out to be relevant and legitimate, it still seems insufficient. The events surrounding the failure of *Thought News* and the role played by its participants are not well-known. The handful of primary sources readily available only attest to a very small portion of Ford’s evolving ideas and many activities. The focus on the relationship between Ford and Dewey, and on the influence of Ford over Dewey, not only obscures other topics and key actors, but also contributes to an unfairly negative picture of Ford, who was later called a “scoundrel” by Dewey.<sup>3</sup>

Other contemporaries had a different opinion of Ford’s work and personality. In 1896, a Detroit newspaper piece presented Ford as the “conundrum of the day” and draws this mysterious portrait:

He has ideas about everything, you know—about the bank, the newspaper and the schools. He’s a curious fellow, and very interesting. Let me tell you. He has a lot of words that he always uses. Here are some of them: Protection, publicity, unity, verbalism, post office, telephone, newspaper and “into relation.” He always wants to bring everything “into relation.”<sup>4</sup>

<sup>3</sup> Zena Beth McGlashan, “The Professor and the Prophet: John Dewey and Franklin Ford,” *Journalism History* 6, no. 4 (1979): 107–23, on 109.

<sup>4</sup> “Who is He?” *Detroit Evening News*, December 24, 1896.

<sup>5</sup> “Blaze Ends Fire Peril at Columbia,” *New York Tribune*, October 11, 1914.

To date, there is no archival collection dedicated to Ford. The exact extent of Ford’s work remains unknown, as his papers were destroyed when a fire wrecked his Columbia University office in October 1914.<sup>5</sup> The remaining records are scarce, and scattered across dozens of archival collections, some of them yet to be digitized. In the last couple of years, through interlibrary loans, microfilms, and devoted research assistants and archivists, our collection of documents slowly took shape, and at the time of writing, amounts to fifty-five documents authored by Ford, as well as 111 documents about Ford’s endeavors.

The *Franklin Ford Collection* offers a curated tour of Ford's writing, and aims at putting them "into relation" for the very first time. The nineteen texts of the collection were selected for many (and sometimes diverging) reasons. While some are typical of Ford, others are uncharacteristic. Some stand out for the density of the theoretical arguments, while others attest to Ford's little-known professional trajectory. Overall, the documents expose the three core themes developed by Ford throughout the years: 1) the specific problems of the press and the many remedies he envisioned; 2) the interconnected flows of money, transportation, and communication central to modern industrial societies; and 3) the political and social theory that lay behind Ford's projects and which became more explicit in his later years.

These documents were carefully transcribed and are mostly presented "as is," in order to allow the expression of Ford's unique style and lexicon. We only corrected obvious spelling errors and harmonized the punctuation (quotation marks, dashes, hyphens, etc.) and the overall presentation (line spacing, numbering, headings, etc.) in order to improve the readability of the documents. We also added dozens of explanatory notes that help to contextualize the content of the documents, identify Ford's sources, and bring things "into relation," in line with Ford's own intellectual habit. As the Portable Document Format (PDF) of all original files are included in this collection, making these minor adjustments seemed the appropriate editorial approach. We encourage readers to examine the PDFs, which present many interesting details, including letterheads, illustrations, and colors that situate them more precisely in their historical moment.

In order to better understand this material, this introductory chapter will first turn to the existing historiography. Who has written about Ford? And to say what? This survey will allow us to put into perspective the various issues raised by (or related to) Ford and his work. We then offer a detailed biographical sketch, with specific attention to Ford's social, intellectual and historical context, and proceed to give readers an initial overview of the themes they will find in the collection. This introduction concludes with insights that emerged from close reading of our archive and the content of this collection, including Ford's eclectic intellectual lineages and role in linking proto-pragmatism with what has now become the canonical way in which media and communication scholars understand pragmatism and the Chicago School of social thought.

## HISTORIOGRAPHICAL KNOTS

The *Thought News* episode is undoubtedly the gravitational center around which the existing literature on Ford revolves. What could be more understandable, when big parts of what is known about Ford come from Dewey scholars, interested in this peculiar episode in Dewey's youth?

Morton White's *Origin of Dewey's Instrumentalism*, published in 1942, is possibly the first scholarly account of the *Thought News* episode. White writes that a letter in which Dewey describes his encounter with Ford "presages Dewey's break with idealism" and announced an early version of the pragmatist theory of truth. Hence, according to White, "the work of Ford is fascinating not only in its own right but all the more so because of its impact on Dewey."<sup>6</sup>

<sup>6</sup> Morton G. White, *The Origin of Dewey's Instrumentalism* (New York: Columbia University Press, 1943), 101–2.

<sup>7</sup> John Dewey's letter quoted in Willinda Savage, "John Dewey and *Thought News* at the University of Michigan," *Michigan Alumnus Quarterly Review* 56 (1950): 204–9, on 209.

<sup>8</sup> See John Blewett, "Democracy as Religion: Unity in Human Relations," in *John Dewey: His Thought and Influence Influence*, ed. John Blewett, 33–58 (New York: Fordham University Press, 1960); George Dykhuizen, "John Dewey at the University of Michigan," *Journal of the History of Ideas* 23, no. 4 (1962): 513–64; and Neil Coughlan, *Young John Dewey* (Chicago: University of Chicago Press, 1975).

<sup>9</sup> Lewis Feuer, "John Dewey and the Back to the People Movement in American Thought," *Journal of the History of Ideas* 20, no. 4 (1959): 545–68, on 549–50.

<sup>10</sup> Daniel J. Czitrom, *Media and the American Mind: From Morse to McLuhan* (Chapel Hill: University of North Carolina Press, 1982), 214.

<sup>11</sup> Earl James Weaver, "John Dewey: A Spokesman for Progressive Liberalism" (PhD diss., Brown University, 1963), 66.

<sup>12</sup> See Robert Westbrook, *John Dewey and American Democracy* (Ithaca, NY: Cornell University Press, 1991); Andrew Feffer, *Chicago Pragmatists and American Progressivism* (Ithaca, NY: Cornell University Press, 1993); Steven C. Rockefeller, *John Dewey: Religious Faith and Democratic Humanism* (New York: Columbia University Press, 1991); and Jay Martin, *The Education of John Dewey* (New York: Columbia University Press, 2002).

Willinda Savage, likewise treating *Thought News* as a key moment in Dewey's early intellectual development and interest in communication, describes the controversy caused by the project in great detail. She also reproduced a letter sent to her by Dewey, reflecting back on *Thought News* sixty years later: "No issue was made; it was an over-enthusiastic project. . . . [T]he idea was advanced for those days, but it was too advanced for the maturity of those who had the idea in mind."<sup>7</sup> In line with White and Savage's argument, Dewey scholars from the 1950s and 1960s commonly consider *Thought News* as a pivotal point in Dewey's philosophical trajectory.<sup>8</sup>

Among these, sociologist Lewis Feuer interestingly emphasizes the political dimension of *Thought News*. He describes the group that coalesced around Dewey as "leftist," and Ford as their "prophet." As a result, Feuer underlines the religious and revolutionary underpinnings of *Thought News*, described as a "socially messianic newspaper" and "an instrument for realizing socialism."<sup>9</sup> Pointing to Ford's dismissal of the ruling class, Feuer's analysis remains unique in the historiography. It has been praised for pointing to a crucial episode in Dewey's trajectory, or dismissed for its "rather simplistic description of Dewey as a 'socialistic mystic.'"<sup>10</sup> Earl James Weaver's 1963 unpublished PhD dissertation offers a detailed analysis of the Ford brothers' intellectual influences, among them Auguste Comte, Henry George, and Lester Frank Ward, as well as a cross-reading of the 1890s writings of brothers Corydon and Franklin Ford, John Dewey, and William James. Pointing to a broad range of converging themes and arguments, Weaver argues that "the influence of the Fords on Dewey was evident in almost everything he did or wrote from about 1890 on."<sup>11</sup> That includes Dewey's pedagogical shift, beginning in 1889, from core philosophy courses (on Plato, Hegel, etc.) to courses on methods, ethics, and political philosophy, as well as his final departure from the University of Michigan in 1894, which is said to have partly resulted from the embarrassment and tensions prompted by *Thought News*.

Later book-length studies continued to dig deeper into the intellectual history around Dewey.<sup>12</sup> Among these early 1990s works, Steven C. Rockefeller's analysis stands out as one of the most detailed accounts of Dewey's embroilment with Ford's ideas. Rockefeller argues that Dewey was trying to harmonize his philosophic method—then still close to Hegel's idealism—with a scientific approach, and that Ford provided a practical solution. Rockefeller carefully situates most of Dewey's intellectual production of

the late 1880s and early 1890s in direct connection with this aim and with the *Thought News* project. Dewey's work on logic, ethics, poetry, and even his classes would bear the imprimatur of Ford's style and ideas, and lead Dewey to write "prophetically in grand historical terms."<sup>13</sup> Then at the apex of his neo-Hegelian period, Dewey argued that the old divisions of science and spiritual values, knowledge and practice, were overcome by history. "The secret of this movement," Dewey wrote, is "a single, comprehensive, and organizing unity."<sup>14</sup> Rockefeller makes a similar argument regarding the work of Fred Newton Scott, as his 1892 lecture on "Christianity and the Newspaper" pleaded for the newspaper reform envisioned by Ford. Scott argued that such a reformed newspaper could be "the voice of the real, the living Christ."<sup>15</sup>

It is also in Dewey's shadow that Ford entered the field of communication—notably in efforts to refine and sometimes redefine the field's intellectual history and genealogy. Ford's admission into the history of communication research was orchestrated by none other than James W. Carey, in his 1970s attempt to rediscover the "Chicago School" tradition.<sup>16</sup> Carey was then invested in a campaign of disciplinary reformulation, which profoundly shook communication research. Imported by Carey from more prestigious neighboring fields, the Chicago School storyline made its way into disciplinary memory, and so did Chicago-inspired research.<sup>17</sup>

In 1976, an unpublished paper authored by Carey and his PhD student Norman Sims tracked down the *Thought News* episode and stitched together a biographical profile of Ford based on primary and secondary sources.<sup>18</sup> This essay is one of the first to cite Ford's *Draft of Action* extensively, alongside some of Ford's other little-known opuscules. It also attributes to Ford some publications under his full Christian name, William F. Ford, which Ford used until the late 1870s.

In Carey and Sims's account, Ford epitomizes a "scientific" approach to journalism that aims to rationalize and centralize fact-gathering at the national level, thanks to the telegraph and telephone. They opposed Ford's view to a literary model, emphasizing "the integrity of feelings, personal observations and opinions, and an essentially local and individualistic organization of society."<sup>19</sup> According to Carey and Sims, Ford exerted a key influence on John Dewey, Robert Ezra Park, and the "Chicago School" in the 1920s and 1930s, to the extent that the Chicago School became a synthesis between the "scientific" and the "literary" views. "Ford's writings introduced a temper of thought that had a vast and direct influence on the only group of American scholars to take the newspaper seriously, the Chicago School of Social Thought."<sup>20</sup> Such direct influence is manifest, Carey and Sims added, in Dewey's *The Public and its Problems* (1927), which "restated Ford's main ideas" with the addition of "a concern for the integrity of communities and neighborhoods that was more characteristic of the literary perspective."<sup>21</sup> Ford's touch is also to be found in Park's classical article "The Natural History of the Newspaper," in which Carey

<sup>13</sup> Rockefeller, *John Dewey*, 177.

<sup>14</sup> John Dewey, quoted in Rockefeller, *John Dewey*, 178.

<sup>15</sup> Fred Newton Scott, quoted in Rockefeller, *John Dewey*, 189.

<sup>16</sup> Carey's attempt to revive the Chicago School tradition was part of a larger movement cutting across American social sciences and humanities. Among notable works of the era that contributed to the rediscovery and revival of the Chicago School, see Jean B. Quandt, *From the Small Town to the Great Community* (New Brunswick: Rutgers University Press, 1970); Fred H. Matthews, *Quest for an American Sociology: Robert E. Park and the Chicago School* (Montreal: McGill-Queen's University Press, 1977); and Winifred Raushenbush, *Robert E. Park: Biography of a Sociologist* (Durham: Duke University Press, 1979).

<sup>17</sup> Karin Wahl-Jorgensen, "The Chicago School of Sociology and Mass Communication Research," in *The International Encyclopedia of Media Studies: Media History and the Foundations of Media Studies*, ed. John Nerone, 554–77 (London: Blackwell, 2013); Jefferson Pooley, *James W. Carey and Communication Research: Reputation at the University's Margins* (New York: Peter Lang, 2016).

<sup>18</sup> James W. Carey and Norman Sims, "The Telegraph and the News Report" (paper, Annual Meeting of the Association for Education in Journalism, College Park, MD, August 1976). According to their bibliography, Carey and Sims based their analysis on six documents authored by Ford, spanning from 1874 to 1903.

<sup>19</sup> Carey and Sims, "The Telegraph," 4.

<sup>20</sup> Carey and Sims, "The Telegraph," 5.

<sup>21</sup> Carey and Sims, "The Telegraph," 29–30.

<sup>22</sup> Carey and Sims, "The Telegraph," 32.

<sup>23</sup> Pooley, *James W. Carey*.

<sup>24</sup> James W. Carey, *Communication as Culture* (Boston: Unwin Hyman, 1989); James W. Carey, "The Chicago School and Mass Communication Research," in *American Communication Research: The Remembered History*, ed. Everette E. Dennis and Ellen Ann Wartella, 21–38 (Mahwah: Lawrence Erlbaum, 1996).

<sup>25</sup> James W. Carey, "Culture, Geography, and Communications: The Work of Harold Innis in an American Context," in *Culture, Communication and Dependency*, ed. William H. Melody, Liora Salter, and Paul Heyer, 73–91 (Norwood: Ablex Publishing, 1981), on 74. The quote was later republished in Carey, "Communication," 110.

<sup>26</sup> James W. Carey, "Review: *The Discovery of Objectivity*," *American Journal of Sociology* 87, no. 5 (1982): 1182–88, on 1182.

<sup>27</sup> Zena Beth McGlashan, "John Dewey and News," *Journal of Communication Inquiry* 2, no. 1 (1976): 3–14; McGlashan, "The Professor."

<sup>28</sup> McGlashan, "The Professor," 111.

<sup>29</sup> Jefferson Pooley, "Daniel Czitrom, James W. Carey, and the Chicago School," *Critical Studies in Media Communication* 24, no. 5 (2007): 469–72.

<sup>30</sup> Czitrom, *Media*, 104.

<sup>31</sup> Carey and Sims, "The Telegraph," 5.

and Sims saw echoes of Ford's earlier reference to the "natural history" of governments, among other things.<sup>22</sup>

This early rendering of Ford and the Chicago School is quite different from Carey's later analysis.<sup>23</sup> In a series of subsequent essays, Carey abandoned his earlier characterization of the Chicago School as a synthesis between a scientific and a literary model, and clearly associated the Chicago School with the literary tradition alone.<sup>24</sup> The scientific approach would then be epitomized by Walter Lippmann, with Dewey and the Chicago School positioned as his rivals.

Although the exact contours of the Chicago School and Ford's role in it took on different guises as Carey told an evolving story, *Thought News* remained a stable cornerstone. Carey considered that *Thought News* was nothing less than the founding event of American communication research:

American research and scholarship on communication began as a cumulative tradition in the late 1880s when five people came together in Ann Arbor, Michigan. Two were young faculty—John Dewey and George Herbert Mead—and two were students at the time—Robert Park and Charles Cooley. The final element of the pentad was an itinerant American journalist by the name of Franklin Ford, who shared with Dewey—indeed, cultivated in him—the belief that "a proper daily newspaper would be the only possible social science."<sup>25</sup>

In a slightly different narrative, Carey also recast the same characters in a story of the origins of American sociology and modern journalism:

Systematic American Sociology and modern journalism were, to a certain extent, twin born. When John Dewey, George Herbert Mead, Charles Cooley, and Robert Park were joined in Ann Arbor in the 1880s by a curious itinerant journalist, Franklin Ford, modern sociology and the desire for a scientific, objective journalism began an implicit and reflexive development.<sup>26</sup>

Following up on Carey and Sims, Zena Beth McGlashan, then a graduate student at the University of Iowa (where Carey was named professor in 1976), contributed two pieces about *Thought News*.<sup>27</sup> Her analysis pointed to the crucial influence of the episode on both John Dewey and Robert Park, as well as to its premonitory dimension, writing that "Ford was anticipating polling service, corporate and governmental information officers, a complex specialized press—all elements which contribute to what is called today 'the communication explosion.'"<sup>28</sup> Published shortly after, Daniel Czitrom's *Media and the American Mind*, which took up key aspects of Carey's narrative,<sup>29</sup> focused on Ford's influence over the Ann Arbor group and offered a detailed overview of Ford's *Draft of Action*. It also emphasized Ford's eccentricity, describing him as a "quixotic man,"<sup>30</sup> in line with prior renderings but departing significantly from Carey and Sims, who soberly described Ford as an "economic journalist."<sup>31</sup>

John Durham Peters also contributed a substantial analysis of the *Thought News* episode, which situated the initiative as an early manifestation of the

progressive fascination with expertise.<sup>32</sup> Peters positioned *Thought News* in the intellectual lineage of Herbert Spencer and Auguste Comte, though without their elitism, and in parallel with the work of French sociologist Gabriel Tarde, who also imagined a revolutionary newspaper in the early 1890s. In Peters's analysis, the key feature of *Thought News* was to provide society with an accurate image of itself, realizing what Spencer dubbed the "coherent heterogeneity of society" and Comte the "positivist age." Central to the project was "the wish to socialize the means of intellectual production to make each citizen, as it were, social scientists."<sup>33</sup> More recently, Peters described *Thought News* as a "daily updated encyclopedia,"<sup>34</sup> an interesting line of analysis which nevertheless neglects the odd periodicity of the publication, which was to "appear as often as the material at hand warrants" and had been mocked at the time for that reason.<sup>35</sup> Peters underlined Ford's strange personality, describing him as "a sort of crackpot journalist-philosopher," but he also insisted on situating Ford in the intellectual context of the era.<sup>36</sup>

Starting in the mid-1990s, mentions of Ford and *Thought News* became more frequent, as the episode seemed to become part of the field's remembered past. Ford and *Thought News* found their way into widely read books, such as Dan Schiller's *Theorizing Communication* and Wilbur Schramm's posthumously published memoirs.<sup>37</sup> Schiller carefully positions Ford's concept of "intelligence" in the intellectual and political context of the *fin de siècle* era and suggests interesting parallels with Edward Bellamy's utopian novel *Looking Backward*, published in 1888. Schramm describes *Thought News* as a newspaper reporting changes in public opinion that anticipated by thirty years the development of polling and survey research. In Schramm's slightly revised narrative of the history of communication research, Ford strategically plays the role of a "forefather" of the field's "four founding fathers" (Harold Lasswell, Paul Lazarsfeld, Kurt Lewin, and Carl Hovland).

Among notable recent works, Andrej Pinter further develops Peters's 1989 argument regarding the connection with the ideas of Gabriel Tarde, and also emphasizes the parallel with the work of Albert Schäffle.<sup>38</sup> While both favored an organicist theory of society in which the press had to play a regulating role, Tarde would have exerted a direct influence on the project, while the contribution of Schäffle's ideas remained uncertain.<sup>39</sup> Jeremiah Dyehouse, for his part, draws attention to the role played by Fred Newton Scott, a professor of English at the University of Michigan, in the *Thought News* adventure, and insists on the preoccupation with "good writing" (as a contribution to the social organism) that was shared by Scott and Dewey.<sup>40</sup>

Despite the relatively abundant secondary literature, Ford remains paradoxically shrouded in mystery. The dominant focus on the *Thought News* episode and, within it, on the relationship between Ford and Dewey, paints Ford into an uncomfortable corner, playing the role of a secondary character that only mattered through his alleged influence on Dewey. But there is

<sup>32</sup> John Durham Peters, "Reconstructing Mass Communication Theory" (PhD diss., Stanford University, 1986); John Durham Peters, "Satan and Savior: Mass Communication in Progressive Thought," *Critical Studies in Mass Communication* 6, no. 3 (1989): 247–63.

<sup>33</sup> Peters, "Satan," 252.

<sup>34</sup> Kenneth Cmiel and John Durham Peters, *Promiscuous Knowledge* (Chicago: University of Chicago Press, 2020), 47.

<sup>35</sup> *Detroit Tribune*, April 10, 1892.

<sup>36</sup> Peters, "Satan," 253.

<sup>37</sup> Dan Schiller, *Theorizing Communication* (New York: Oxford University Press, 1996); Wilbur Schramm, *The Beginnings of Communication Studies in America* (Thousand Oaks: Sage, 1997).

<sup>38</sup> Andrej Pinter, "Thought News a Quest for Democratic Communication Technology," *Javnost—The Public* 10, no. 2 (2003): 93–104.

<sup>39</sup> Considering that Ford and Dewey met in 1888, that Tarde's *Les lois de l'imitation* was only published in 1890 (and translated in English in 1903), and also that both Dewey and Robert Park were later critical of Tarde, Lana Rakow concludes that direct influence of Tarde on the project is unlikely. See Lana F. Rakow, *John Dewey: A Critical Introduction to Media and Communication Theory* (New York: Peter Lang, 2003): 77–78. Ford would later refer to Tarde's work, writing that he was acting "consciously on Tarde's vision." See David H. Burton, *Progressive Masks: Letters of Oliver Wendell Holmes Jr., and Franklin Ford* (Newark: University of Delaware Press, 1982), 45.

<sup>40</sup> Jeremiah Dyehouse, "Theory in the Archives; Fred Newton Scott and John Dewey on Writing the Social Organism," *College English* 76, no. 4 (2004): 248–68.

<sup>41</sup> Jefferson Pooley, "The New History of Mass Communication Research," in *The History of Media and Communication Research: Contested Memories*, ed. David Park and Jefferson Pooley, 43–69 (New York: Peter Lang, 2008).

<sup>42</sup> Burton, *Progressive Masks*. See also David H. Burton, "The Curious Correspondence of Justice Oliver Wendell Holmes and Franklin Ford," *The New England Quarterly* 53, no. 2 (1980): 196–211.

<sup>43</sup> Louis Menand, *The Metaphysical Club* (New York: Farrar, Straus and Giroux, 2001); Robert Danisch, *Pragmatism, Democracy, and the Necessity of Rhetoric* (Columbia: University of South Carolina Press, 2007).

more to Ford than that—which our research and the texts included in this collection aim to show.

In doing so, the collection reaffirms the need for and pertinence of an archival-based approach to the intellectual history of media and communication research.<sup>41</sup> While historical narratives about the history of the field are often motivated by complex disciplinary and epistemological politics, primary sources have the important function to help keep in touch with the *terra firma* of the historical record. If we do not fully share Franklin Ford's somewhat naive conception of "primary facts" and enthusiasm for their centralization, we want to contribute to the ongoing professionalization and sophistication of the field's historiography by providing easy access to (and a first assessment of) historical documents whose full interpretation remains an open-ended process.

Among the many interesting works about Ford, one stands out and serves as an inspiration for this project. Historian David H. Burton carefully edited and published the correspondence of Franklin Ford and Supreme Court Justice Oliver Wendell Holmes, Jr.<sup>42</sup> The two regularly exchanged letters from 1907 to 1918, and Ford often discussed his projects and elaborated his theories in letters longer than ten pages, single-spaced. The letters not only highlighted Ford's little-known activities after *Thought News*—pointing to an array of other correspondents, intellectual influences, and unknown publications—but also helped to support the thesis that Ford belonged to the pragmatist constellation, of which Holmes was one the brightest stars.<sup>43</sup>

In the balance of this introduction, we first sketch a biographical portrait that steers away from the "scoundrel" or "crackpot journalist-philosopher" portrayals. Our material shows that Ford was undoubtedly an original character, to say the least, but also that he was taken seriously by his contemporaries and that his views were considered and appreciated by many scholars, journalists, politicians, and businessmen. By adding elements to what is already known of Ford's life trajectory, we contextualize his arrival at Ann Arbor in 1888 in the entourage of John Dewey and in light of his social and professional networks and lifelong entanglement with media and communication problems. By situating Ford in his historical, intellectual, social, and political context, we show how the cast of this story is not limited to the Ford–Dewey duet: It is a complex assemblage which many people and ideas forged "into relation." We have tried to give life to this collective portrait, which is inevitably incomplete. We then offer an overview of the material of this collection, and show how the texts authored by Ford that we have included revolve around three interconnected problems: news and journalism, information flows more broadly (including finance and transportation), and political theory. Finally, we further develop insights that emerged from our close reading of the Ford archive, in order to add some nuance to the existing takes on the place of Ford in media and communication scholarship. We specifically seek to as-

sess Ford's place within pragmatism and thereby revisit the *Thought News* episode as an example of pragmatic inquiry.

## FRANKLIN FORD “INTO RELATION”: A BIOGRAPHICAL SKETCH

Franklin Ford was born in 1849 in Dundee, Michigan, to Valorus D. Ford, a millwright and pattern maker, and Eliza Bell, who was born in the north of Ireland. He was the eldest of four children: Franklin, Robert, Sheridan, and Corydon. The four brothers would each have a career in journalism while Corydon—who for a time was closely associated with Franklin’s journalistic projects—was also a physician. Corydon later practiced among copper miners in northern Michigan and was deeply involved in Ruskin utopian socialism as the editor of the most prominent Ruskin paper, the *Coming Nation*.<sup>44</sup> Very little is known about Ford’s childhood, formal education, or early career. While still in Dundee, he developed a close relationship with his grandfather Bell, a machinist, inventor, and owner of Dundee’s water works, and possibly began working for Detroit newspapers as a stringer. He then worked for the *Baltimore Gazette*, the *Philadelphia Record*, and the *New York Sun* before taking up the editorship of *Bradstreet’s Journal of Trade, Finance, and Public Economy* in 1880. Ford was thirty-one. His editorship lasted seven years, helped to establish his reputation as a journalist, and undoubtedly marked a turning point in his career.

In his late twenties and early thirties—even before he started his tenure as editor of *Bradstreet’s*—Ford was involved in public speaking and was an active participant in political and intellectual life. In the mid-1870s, Ford was involved in a reformist group, the Workingmen’s Industrial Political Association, where he served on the association’s “Committee for Political Organization” and presided over meetings of the association at the Masonic Hall.<sup>45</sup>

Ford’s subsequent interventions in public affairs turned to municipal finance, which became one of his long-lasting topics of interest. In 1879, his work on municipal finance was presented before the Philadelphia Social Science Organization and the New York Municipal Society, as well as at the meetings of the American Social Science Association in Saratoga Springs, New York. The thirty-page paper he read at the New York Municipal Society on April 7, 1879, was deemed interesting enough by the society to be printed and placed in circulation. In 1881, Ford presented a second paper, titled “Some Points in Municipal Finance,” at the meeting of the American Social Science Association. A brief report of the meeting published in the *New York Times* opens and leads with Ford’s contribution, presenting a detailed summary of his paper—whereas Alexander Graham Bell’s address about his work with the deaf only earns a couple of lines in the middle of the article.<sup>46</sup>

<sup>44</sup> Corydon Ford became the editor of the *Coming Nation* in 1901 and was also associated with *Appeal to Reason*, another prominent socialist paper.

<sup>45</sup> “The Workingmen’s Assembly,” *New York Daily Herald*, January 30, 1874; “The Industrial Political Association,” *New York Times*, March 1, 1874.

<sup>46</sup> “Social Science Themes,” *New York Times*, September 10, 1881.

# WHO IS HE?

FRANKLIN FORD. THE CONUNDRUM OF THE DAY.

IS HE RESPONSIBLE FOR ALL OUR SCHOOL TROUBLES?

HE BRINGS THINGS "INTO RELATION,"

BUT INSPECTORS CAN'T UNDERSTAND HIM.



"BRADSTREET'S," 279, 281 AND 283 BROADWAY, NEAR CHAMBERS STREET.

The Bradstreet's building, in Moses King's Handbook of New York City (Boston: M. King, 1893), 816.

<sup>47</sup> Josh Lauer, *Creditworthy: A History of Consumer Surveillance and Financial Identity in America* (New York: Columbia University Press, 2017).

From 1880 to 1887, Ford served as the *Bradstreet's* editor. Credit reporting agencies such as Bradstreet were the first large-scale national information service providers in the US.<sup>47</sup> The firm relied on the telegraph and the typewriter—mostly considered a curiosity at the time—to process data through their “system.” The Bradstreet agency made pioneering use of media technologies, such as carbon paper, and of advances in the lithographic process. Reporting could be supported by a massive archive, which counted about four million reports by the mid-1880s, all accessible within two minutes.

<sup>48</sup> Wayne Parsons, *The Power of the Financial Press* (New Brunswick, NJ: Rutgers University Press, 1989).

During Ford’s editorship, financial publications were booming and economic journalism was transitioning into a more specialized activity.<sup>48</sup> As a credit agency, Bradstreet had its own model: “Reporting” was mostly conducted through the branches of the agency, which counted about twelve hundred full-time employees and sixty-five thousand collaborators. In this sense, the making of the journal was truly a distributed and collective activity. It was the product of a “system,” to use the agency’s favorite buzzword. Ford was deeply interested in the new technologies of the era and in their application to journalism. He dubbed *Bradstreet's* his “newspaper laboratory”<sup>49</sup> and sought to experiment with new ideas pointing in the direction of a more systematic and scientific approach. Ford courted several experts and scientists to write for *Bradstreet's*, which was also eager to open its page to statisticians.<sup>50</sup> Contrary to other trade journals of the era, *Bradstreet's* did not publish prices, but aimed to seek “after the influences which make prices—the primary facts existing in relation to trade and finance.”<sup>51</sup> Reporting on the crop of corn, cotton, tobacco, and other products was considered crucial since the crop constituted the “primary fact” behind the prices. In the same vein, *Bradstreet's* “legal decision column” aimed to deliver “primary facts,” as it provided an overview of recent legal decisions that could affect price-making and businesses.

<sup>49</sup> Franklin Ford to James B. Angell, April 13, 1887 (“A Newspaper Laboratory”).

<sup>50</sup> Among others, Ford solicited university professors Woodrow Wilson, James Burrill Angell, and Thomas M. Cooley, and economist Edward Atkinson. Ford himself was sometimes presented as a “statistician.” See “A High Authority on Wheat,” *The Mail* (Stockton, CA), November 20, 1880.

<sup>51</sup> Clark W. Bryan, *Credit: Its Meaning and Moment* (New York: Bradstreet Press, 1883), 24.

<sup>52</sup> Franklin Ford to Thomas McIntyre Cooley, November 26, 1883.

<sup>53</sup> Franklin Ford, *Mayor Edson's Charter and the Democratic Principle* (New York: Bradstreet Press, 1883).

During his tenure at *Bradstreet's*, Ford’s expert opinion was regularly solicited on a variety of topics. In 1882, he testified before a New York State Senate committee on speculation at the New York Produce Exchange. He also was a guest lecturer on municipal affairs at the University of Michigan in 1883. The practical bearing of his study of municipal affairs was, then, to draw a “scientific line between the city and the state.”<sup>52</sup> Ford’s 1883 leaflet<sup>53</sup> analyzed the question and recommended giving greater executive power to the mayor and power of taxation to the city council. In 1886, he was invited by William Russel Grace, then mayor of New York City, to join a committee slated to present recommendations to the New York State Constitutional Convention to broaden municipal autonomy.

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THE UNITED STATES AND CANADA IS REPORTED  
BY TELEGRAPH TO BRADSTREET'S UP TO  
THE HOUR OF PUBLICATION.

*SINGLE COPIES, TEN CENTS.*

**THE BRADSTREET CO.,**

279, 281, 283 BROADWAY,

NEW YORK CITY.

<sup>54</sup> Franklin Ford to Edward Atkinson, October 13, 1886.

<sup>55</sup> Franklin Ford to Herbert Baxter Adams, January 28, 1887.

<sup>56</sup> Franklin Ford to Edward Atkinson, April 13, 1887 ("Banding Together the Leading Newspapers").

<sup>57</sup> *Indianapolis Journal*, September 11, 1887.

<sup>58</sup> Franklin Ford to Edward Atkinson, October 11, 1887.

<sup>59</sup> "The Classes," *Amherst Graduates' Quarterly* 33, no. 3 (1944): 258.

<sup>60</sup> Franklin Ford to Edward Atkinson, October 11, 1887.

By the mid-1880s, Ford's focus had turned to matters related to the press and journalism. At the time, he planned to convince the president of Bradstreet, Charles F. Clark, to reorganize its publishing operations according to his views. The scheme included supplying "leading country papers with the city fact" and the launch of three "class" papers: *Food, Metal, and Textiles*.<sup>54</sup> For unknown reasons, these projects did not materialize at Bradstreet and, by early 1887, Ford was trying to implement a similar scheme on his own, touring the "chief intelligence centres" of the country. In a letter to Herbert Baxter Adams, then professor of history at Johns Hopkins, he shared his plan to visit Montreal, Toronto, Buffalo, Rochester, Pittsburgh, Cleveland, Detroit, Chicago, St. Paul, Louisville, Cincinnati, Nashville, Memphis, Galveston, New Orleans, Atlanta, and Richmond.<sup>55</sup> Three months later, writing to Edward Atkinson from New Orleans, Ford recounted his visit to Chicago by way of St. Paul, Omaha, Cheyenne, Denver, Leadville, Kansas City, St. Louis, Memphis, and Nashville, and planned to continue on to Galveston and then New York by way of Birmingham, Atlanta, Savannah, and Charleston.<sup>56</sup> Ford claimed to have succeeded in convincing local newspapers to form a syndicate connected to his office-to-be in New York.

A couple of months later, in the spring of 1887, Ford successfully teamed up with three associates to launch Ford's Special News, which aimed at furnishing newspapers with reports on topics "not covered by the ordinary newspaper syndicates."<sup>57</sup> He also planned to create an investigation department to report on corporations—a business "not wholly unlike *Bradstreet's*".<sup>58</sup> The quartet behind Ford's Special News had an impressive background. Lindley Vinton was the heir of a rich Indianapolis family who studied at Amherst College, the University of Berlin, and Columbia Law School. He would later have a successful career as a lawyer in New York. Walter Hines Page was an established journalist, founder of the *State Chronicle* in Raleigh, North Carolina, who had been associated with the *New York World* and *Evening Post*. He would later serve as the editor of the *Atlantic Monthly* (1896–1899) and as US ambassador to Britain under Woodrow Wilson. The last member of the group was Frank West Rollins, a graduate from MIT and Harvard Law School who would later be elected governor of New Hampshire. Still, Ford's Special News folded a couple of weeks into its operation, as Ford "suffered a serious mental attack" and accused his partners of stealing his ideas.<sup>59</sup> In a letter, Ford recounted a "fight" that prevented the plan with Page, Rollins, and Vinton from going through.<sup>60</sup>

It seems that Ford briefly tried to operate the trust (re-baptized Ford's News) on his own, but he was soon to depart on a second tour of the "centers"—this time conceived as universities. In the spring of 1888, over four months, Ford visited philosophers and political scientists at Columbia, Harvard, Yale, Johns Hopkins, and finally, the University of Michigan, where the *Thought News* project took shape over the next four years.

Ford claimed to have met Dewey in the spring of 1888, but the details surrounding this first meeting are not known. Dewey resigned from the University of Michigan in the same period (March 1888) to accept a position at the University of Minnesota. He spent most of the 1888–1889 academic year in Minnesota, before returning to Ann Arbor the next spring. Dewey's absence from Ann Arbor in 1888–1889 suggests that Ford had other partners that first year. Since the episode was mostly chronicled through the lens of the Ford–Dewey duet, we want to emphasize the role played by other people and the specific context surrounding the *Thought News* project. The "Ann Arbor group" is much wider than originally described by James Carey, and its porous boundaries cover the connected worlds of the institutional life of the University of Michigan, local journalism and publishing, and the broader Ann Arbor community.

In Ann Arbor, Ford found himself in familiar territory. The University of Michigan is located only twenty-five miles north of his hometown of Dundee. Ford's uncle, Corydon La Ford, was a renowned professor of anatomy at the university, where he taught until his death in 1894. Ford's younger brother, also named Corydon, attended medical school in Ann Arbor and was involved in many campus controversies. After completing his degree in Minnesota, Corydon Ford was soon back at Michigan to help with *Thought News*. Dewey's correspondence during the *Thought News* project often mentions both Ford brothers, and it is obvious that Corydon's radicalism played a part in the project.

Besides his close family, Ford arrived at Michigan with an address book full of friends and acquaintances. Thomas McIntyre Cooley, the long-time dean of the university's law school and father of sociologist Charles Horton Cooley, was an old friend of Ford's. Cooley had previously written legal columns for *Bradstreet's* and had invited Ford, in 1883, to give two lectures at the university. Ford was also acquainted with James Burrill Angell, the university's president and a former journalist, with whom he discussed his project in great detail as early as February 1887, at least one year before he first met Dewey. Ford was also well-connected to local journalists, editors, and public figures. Dewey's correspondence alluded to Ford's prominent Michigan friends, such as Judge Edgar O. Durfee and Colonel William Ludlow.<sup>61</sup> During the *Thought News* years, the group worked hard on making connections with a variety of people. Participants solicited by Dewey include journalist and scholar Joseph Villiers Denney, United States Commissioner of Education William Torrey Harris, and Edward C. Hegeler, publisher of *The Monist*.<sup>62</sup> Corydon Ford also invoked discussions with John V. Sheehan, an Ann Arbor publisher and bookseller, and faculty members Alfred Henry Lloyd and Henry Carter Adams.<sup>63</sup>

Among the familiar figures associated with *Thought News*, Charles Horton Cooley's role is the most mysterious. Cooley settled in Ann Arbor in January 1889 and took several classes with Dewey, but soon interrupted his studies to work in Washington. At the time, Cooley, an avid reader

<sup>61</sup> John Dewey to Alice Chipman Dewey, June 19, 1891.

<sup>62</sup> The copy of *Draft of Action* kept at Brown University Library bears the inscription "Presented to WTH [William Torrey Harris] by Prof. John Dewey." See also John Dewey to E. C. Hegeler, November 20, 1890 and January 12, 1891; and John Dewey to J. Villiers Denney, February 8, 1892.

<sup>63</sup> Corydon Ford, *The Child of Democracy* (Ann Arbor: J. V. Sheehan, 1894).

<sup>64</sup> Jean B. Quandt, *From the Small Town to the Great Community* (New Brunswick, NJ: Rutgers University Press, 1970).

<sup>65</sup> Edward C. Jandy, *Charles Horton Cooley: His Life and His Social Theory* (New York: Dryden Press, 1942), 55.

<sup>66</sup> Peter Simonson, "Varieties of Pragmatism and Communication: Visions and Revisions From Peirce to Peters," in *American Pragmatism and Communication Research*, ed. David K. Perry, 1–26 (Mahwah: Lawrence Erlbaum, 2001).

<sup>67</sup> Charles H. Cooley, *The Theory of Transportation* (Baltimore: American Economic Association, 1894), 142.

<sup>68</sup> Gary A. Cook, *George Herbert Mead: The Making of a Social Pragmatist* (Urbana and Chicago: University of Illinois Press, 1993), 30.

<sup>69</sup> Coughlan, *Young John Dewey*, 145.

<sup>70</sup> Winifred Raushenbush, *Robert E. Park: Biography of a Sociologist* (Durham, NC: Duke University Press, 1979), 18.

<sup>71</sup> Raushenbush, *Robert E. Park*, 21.

<sup>72</sup> Carey and Sims, "The Telegraph."

of Herbert Spencer, was mainly interested in the railway and its social significance. By 1892, Cooley was back at Ann Arbor as an instructor in political economy. He then offered an answer to Spencer's famous assertion that society has no "sensorium," writing in his journal that he had found the social sensorium in the newspaper.<sup>64</sup> This idea also figured in Ford's 1892 *Draft of Action*, which refers to "Herbert Spencer's hunt for the sensorium." Cooley's 1894 dissertation, "The Theory of Transportation," can be summarized as an attempt "to see transportation and communication as an organic whole."<sup>65</sup> It provided one of the first overarching approaches to communication as the sources of selves and society.<sup>66</sup> The dissertation also attests to the rich intellectual cross-fertilization within the group. How to centralize and organize transportation, how to organize science through communication, and how to better disseminate information in society ("publicity is not attained until facts are not only connected but communicated")<sup>67</sup> are among the many Fordian themes touched by Cooley (or Cooleyean themes also important to Ford).

After studying at the University of Berlin for three years, George Herbert Mead arrived in Ann Arbor in the fall of 1891 as an instructor of philosophy and was soon fully invested in *Thought News*. In February 1892, Mead sent twenty-five copies of a circular presenting *Thought News* to his brother-in-law, journalist Henry Northrup Castle, and urged people to subscribe to the new journal. In typical Fordian fashion, Mead described to Castle the underlying assumptions behind *Thought News*, writing that "the conditions are free enough now so that the organic intelligence of America can express itself articulately as it has already dynamically in the locomotive and the telegraph."<sup>68</sup> Detailing how Ford had "wrestled wholly minded with the fact of organized intelligence—the meaning of Hegel—and the fact has succeeded in registering itself upon him," Mead was glowing about *Thought News*. "The thing," he wrote, "is only the greatest that the world has ever seen. It is the sudden conscious recognition in an integral unit of society that he and all exist only as the expression of the universal self."<sup>69</sup>

In 1892, on his way to South Dakota, Robert Park stopped in Detroit, where he heard that Dewey was launching a new type of newspaper. He decided to go to Ann Arbor, where Dewey introduced him to Ford. According to Park's biographer, this stopover "changed the course of Park's life."<sup>70</sup> Park was charmed by Ford, who assigned him the responsibility to cover "the relation of art to life" for *Thought News*.<sup>71</sup> Park's letters to his wife-to-be Clara Cahill were very enthusiastic. He supported the project even after it was dropped by Dewey, sending Ford's *Draft of Action* and related articles to his wealthy stepfather, Michigan Supreme Court Judge Edward Cahill. Many of the concepts Park later developed can be understood in Ford's lineage, including his plea for a "natural history" of the newspaper, an approach indebted to Ford's ideas about the natural history of governments.<sup>72</sup>

Among the many people involved in the project whose role remained little-known, the case of Junius E. Beal is among the most interesting. Owner and editor of the *Ann Arbor Courier*, Beal was supposed to print *Thought News* on the *Courier's* press.<sup>73</sup> In April 1892, when the project was taunted by the local press, the *Courier* republished a long article defending *Thought News* and explaining its aims.<sup>74</sup> Later, Beal's paper published the only piece detailing the reasons for abandoning the publication, stating that *Thought News* "ha[d] evidently perished from inanition" and that "it would have proven a heavy tax on the brains and purses of its backers."<sup>75</sup> Such explanation is consistent with that given later by Park, but differs from Dewey's reminiscence about a project that was "too advanced" for its time.<sup>76</sup> Park also mentioned that a first issue had been prepared but not distributed. "We got out the copy for the first issue of the 'Thought News,' but it was never published. It was set up and then pied. My share in paying for it was \$15."<sup>77</sup>

An influential member of the Michigan State Editors Association, Beal was an early advocate of journalism education.<sup>78</sup> He had deep ties with the University of Michigan, where early initiatives in journalism education had taken place.<sup>79</sup> In early 1892, Beal organized the twenty-fourth annual meeting of the association at the University of Michigan in Ann Arbor. Over three days, the connections between journalism and the university were explored at great length, and it seemed clear to all that these were set to further develop. Fred Newton Scott presented a paper on "How to Read a Newspaper," followed by local journalists, who addressed topics such as "What Journalism Offers to the University Graduate" and "The College Bred Newspaper Man." President Angell himself hosted a banquet for the members of the association. Proclaiming that "the editor is the most vital of men," his address drew from his own experience as editor of the *Providence Gazette*. "If I have had any success in my life," Angell proclaimed, "it is due to my experience while editing, for several years, a daily newspaper. It makes a man a hard worker."<sup>80</sup>

Only a couple of months before the planned *Thought News* launch date, the meeting showed the deep interconnections between the worlds of journalism and the university. Not only was the university poised to train professional journalists, but journalism, in turn, was positioned as a means to prepare for remarkable academic careers. In this respect, *Thought News* does not seem "too advanced," but rather nurtured by a highly favorable institutional and intellectual context—one which should be the object of greater scholarly attention.

*Thought News* was a thrilling political and intellectual project, one also infused with profound personal ties. Dewey's correspondence alluded to Ford as a close friend: Dewey's account of Ford's grand ideas to his wife, Alice Chipman Dewey, is interspersed with mundane anecdotes of both men taking walks by the river, swimming, or taking care of Dewey's cats.<sup>81</sup>

<sup>73</sup> "Thought News," *Ann Arbor Courier*, April 20, 1892.

<sup>74</sup> For an overview of the controversy and its treatment by the press, see Savage, "John Dewey"; and Westbrook, "John Dewey," 55–57.

<sup>75</sup> "Local Brevities," *Ann Arbor Courier*, May 13, 1892.

<sup>76</sup> John Dewey to Willinda Savage, May 30, 1949.

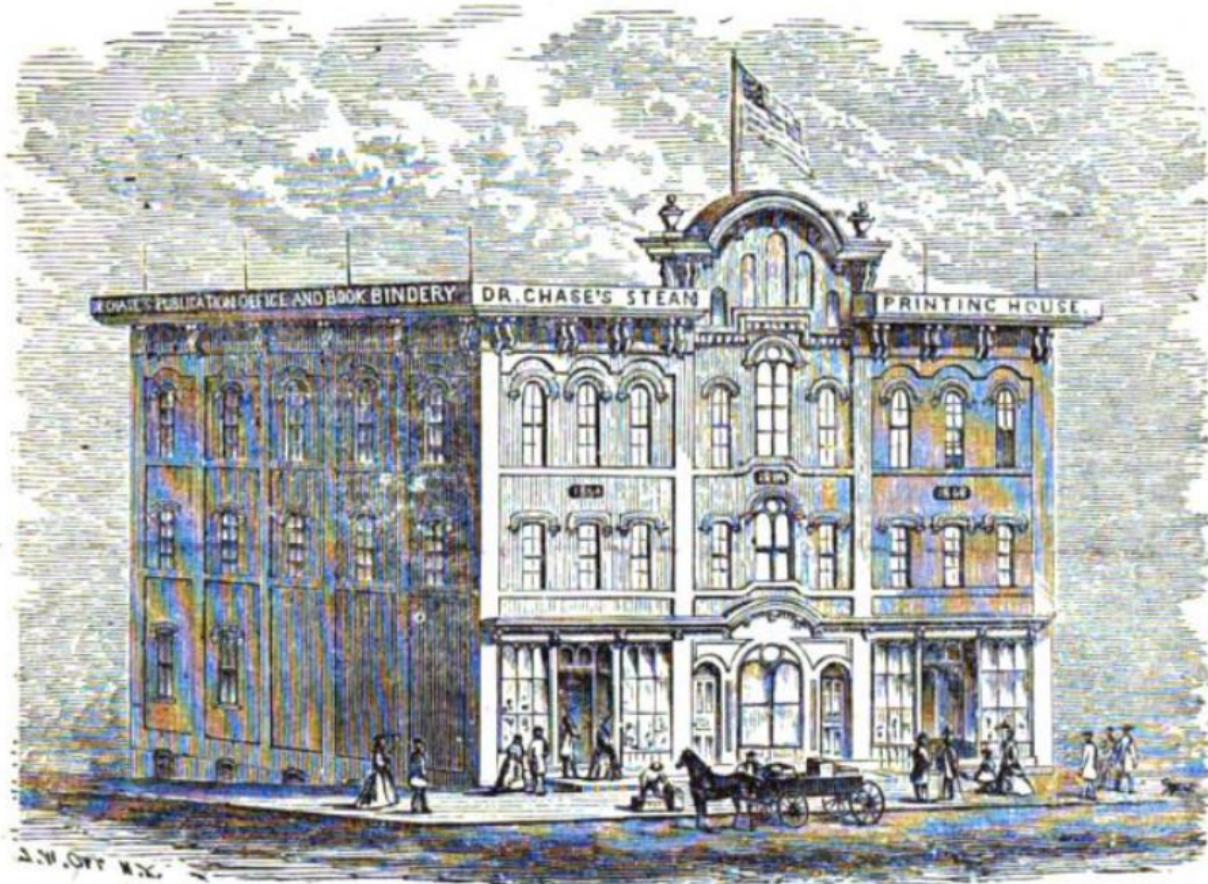
<sup>77</sup> Raushenbush, *Robert E. Park*, 20.

<sup>78</sup> Junius E. Beal, "College Graduates vs. Practical Printers as Editors," *Proceedings of the Michigan Press Association at the Twenty-First Annual Meeting* (Pontiac: Bill Poster, 1888), 33–36.

<sup>79</sup> In the spring of 1891, Fred Newton Scott began teaching "Rapid Writing," a course that included elements of newswriting, which stands among the myriad of short-lived, experimental journalism courses that emerged in US universities in the 1880s and 1890s.

<sup>80</sup> Theo E. Quinby, "Our Last Day in the Athens of Michigan," *Twenty-Fourth Annual Meeting and a Royal Outing in Southern Climes: Michigan State Press Association* (Howard City: B.J. Lowry, 1892), 8.

<sup>81</sup> John Dewey to Alice Chipman Dewey, June 10–14, 1891.



If You Want FIRST-CLASS WORK in Job Printing or Bookbinding,  
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If You Have a Book to be Published and Want Nice Work at Low Prices,  
Call at the COURIER Office.

If You Want to Subscribe for the Best Weekly Newspaper in the County,  
Call at the COURIER Office,

And Subscribe for THE ANN ARBOR COURIER, . . . . .  
Price ONE DOLLAR a Year.

JUNIUS E. BEAL, Prop.,

41 and 43 North Main Street,

Ann Arbor, Mich.

*Ad for Junius E. Beal's Printing House in The Commencement Annual of  
the University of Michigan, June 30, 1892.*

Despite this evident warmth, it seems that the relationship ended rather bitterly.<sup>82</sup>

After the failure of *Thought News*, Ford relocated to Detroit. As he seemed to do in a quasi-compulsive way, he soon opened a new office. Ford's News Office succeeded Ford's Special News and Ford's News, and was advertised in the local press with claims that "under telephonic communication the scientific handling of news becomes possible."<sup>83</sup> He was also linked to a credit agency (The Credit Office) and continued as a public speaker, giving talks with titles such as "The Organization of Journalism" or "The Political Meaning of the Telephone."<sup>84</sup> In 1893, he published a piece titled "The Press of New York—Its Future" (included in this collection), which was simultaneously about the future of the press and the future of New York. Arguing that the telephone marked the culmination of progress initiated by the railroads and the telegraph, Ford envisioned a greater supply of news and a boost in profits for the newspapers. Observing that New York was located at the center of these communication networks, Ford wrote that "New York is the future Rome" of a world that was "Romeless."<sup>85</sup>

The advertisement is framed with a thick black border. At the top, the words "Experts Employed." and "Business Investigations Made." are printed in bold, sans-serif type. Below this, the main heading "FORD'S NEWS OFFICE," is displayed in large, bold, all-caps letters. To the left of the main heading, "FRANKLIN FORD, Director." is written. To the right, the address "106 Miami Avenue, Detroit, Mich." is given. A sub-headline below the address reads "Under telephonic communication the scientific handling of news becomes possible."

*Ad for Ford's News Office in Detroit Free Press, December 18, 1896*

While in Detroit, Ford continued to associate with controversial projects. In 1896, he was one of the editors of *The Optimist*, a short-lived monthly publication linked to the Central Labor Union of Detroit, alongside his brother Sheridan, Detroit newspapermen Thad Stevens Varnum and Frank Cobb, and Thomas W. Lacey. "Very neat typographically" and "more a literary gem than a labor organ," *The Optimist* aroused a strong reaction in literary circles.<sup>86</sup> *The Clack* described the publication as "the most revolt-

<sup>82</sup> In addition to Dewey's harsh comments mentioned earlier, Corydon Ford portrayed Dewey as an indecisive ally. "Clogged of the dead institution, he could not move; his salary meant that he was to keep quiet as to the overturning concepts." See Ford, *Child of Democracy*, 175.

<sup>83</sup> "Experts Employed," *Detroit Free Press*, December 18, 1896.

<sup>84</sup> "Coming Entertainments," *Detroit Free Press*, April 30, 1895.

<sup>85</sup> Franklin Ford, "The Press of New York—Its Future," in *Progress and Prospects of New York, the First City of the World, 1492–1893*, 46–47 (New York: Commercial Travelers Club, 1893), on 46.

<sup>86</sup> "Strike at St. James' Church," *Chicago Chronicle*, June 6, 1896.

<sup>87</sup> "Clacks," *The Clack*, July 1896, 123.

ing gutter filth under the name of literature. . . . It is not even decent indecency. . . . Here one gets the unadulterated, unperfumed stench of the sewer, without a suggestion of an artist's excuse."<sup>87</sup>

Ford's public life also became entangled with that of Mathilde Coffin, whom he had met in 1892. Born in 1861 and a graduate of Boston University, Coffin had a successful career in the field of education. After serving as principal of schools in Pennsylvania and in Michigan, earning a national reputation for her expertise on educational subjects, she was named assistant superintendent of the Detroit public schools in 1893. Thanks to this position, she was "one of the most highly paid women executives in the country."<sup>88</sup>

In the mid-1890s, Coffin made the front page of the Detroit newspapers. At the time, she was leading a reform movement through the city's school system. In ideas that started to emerge in the mid-1890s and that were to become prominent during the Progressive Era (notably in Dewey's work on education), she argued that schools were disconnected from life. "Let us take a look at the schools," Coffin wrote, "the children are there to connect with life, and yet, how far from real life is much of the work in the schoolroom."<sup>89</sup> She particularly critiqued the "slavish" use of textbooks that presented abstract problems, detached from real-life situations, and she made several attempts to create real-life pedagogical material. Coffin's office collected "teachers' problems," which sprang "directly from the daily newspaper"—they were written by teachers, set in type, printed, and distributed among the schools. Among other reforms, she introduced "special teachers" to teach music, drawing, or physical education, and believing that "the people should get in closer touch with the schools,"<sup>90</sup> organized educational leagues bringing together mothers and teachers.

Coffin's progressive educational ideas raised strong reactions, and she was accused of introducing "fads" into schools, stirring agitation within the school system, exceeding her role as assistant superintendent, and even maneuvering to secure the position of superintendent.<sup>91</sup> The press castigated Coffin for her independence and her initiative (she was "a genius with exalted ideas" whose ability had been "misdirected" in devising "schemes of her own")<sup>92</sup> and, at the same time, accused her of falling under Ford's influence. During the hearing that led to her suspension, Coffin was accused of being "spoiled" by Ford's ideas—which Coffin vehemently denied.<sup>93</sup> The press also reported that Ford was believed to "have a plan to get a monopoly on the school board news."<sup>94</sup>

Ford and Coffin's 1897 marriage in New York was a surprise, as "not even the friends of the couples were let into the secret, and very few even surmised that the strong friendship which existed between them would ripen into love."<sup>95</sup> Their marriage effectively ended the dispute over Coffin's role in the public school administration, as a teacher who married was automatically discharged (even though Coffin persisted and brought the issue to court in 1897). The newlyweds moved to New York, Ford's

<sup>88</sup> Wilma W. Henrickson, "Too Bright for the Schools—Assistant Superintendent Mathilde Coffin," *Detroit in Perspective: A Journal of Regional History* 7, no. 2 (1983): 26–41, on 28.

<sup>89</sup> "An Educational Revival in Detroit," *The Intelligence*, November 15, 1896.

<sup>90</sup> "A Clever Actor!" *Detroit Free Press*, April 10, 1897.

<sup>91</sup> "It's Out," *Detroit Free Press*, December 17, 1896.

<sup>92</sup> "The Relieving of Miss Coffin," *Detroit Free Press*, December 20, 1896.

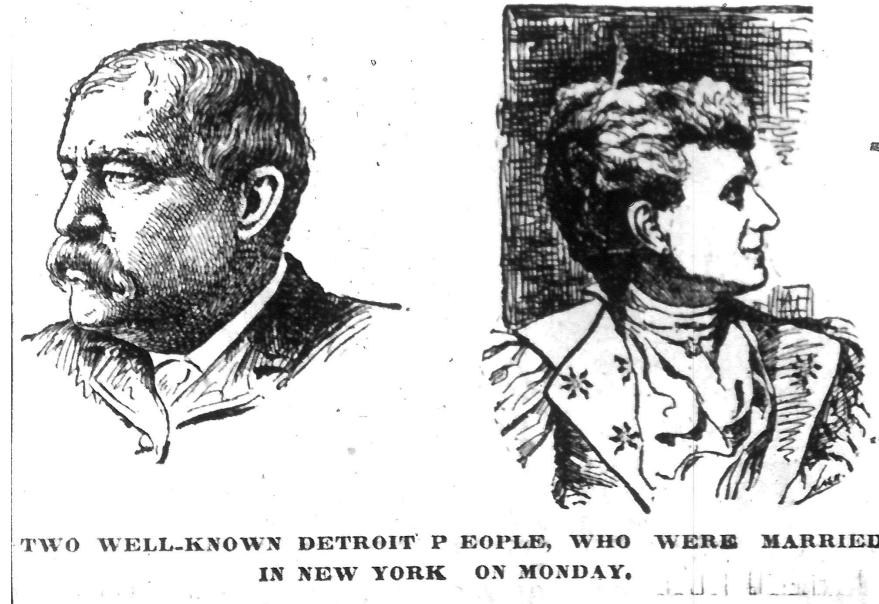
<sup>93</sup> "Is Suspended," *Evening News* (Detroit), December 20, 1896.

<sup>94</sup> "The Conundrum of the Day," *Evening News* (Detroit), December 24, 1896.

<sup>95</sup> "Miss Coffin Married," *Detroit Free Press*, May 8, 1897.

beloved “new Rome,” where Coffin had a long and successful career as an educator, school expert, public speaker, and later in her life, lecturer in psychoanalysis.<sup>96</sup> She was a force to be reckoned with—and more than likely no mere puppet in Ford’s grand plan.<sup>97</sup>

### MR. AND MRS. FRANKLIN FORD.



*Wedding announcement in the Detroit Evening News, May 7, 1897.*

After Ford and Mathilde Coffin resettled in New York, in the spring of 1897, Ford took the position of “chief reporter” of *Textile America*, a new trade journal. The venture had a capital investment of \$50,000 and an experienced team that included publisher Thomas W. Lacey, who was previously involved in *The Optimist* in Detroit.<sup>98</sup> Ford’s exact role in the new publication is unclear, but seems quite important. He had lobbied for such a publication at least since his days at *Bradstreet’s*, and later described its functioning in the *Draft of Action*. The new publication was presented in recognizably Fordian prose as the “organ of the textile division of commerce.” In addition to topics such as the price of Egyptian cotton and new dying products, Ford revisited familiar arguments about the self-government (or self-regulation) of the railroad industry and the banking sector.<sup>99</sup>

As part of his work for *Textile America*, Ford wrote a five-article series on “better credit reporting,” describing how he helped Ryerson Ritchie and Robert J. Lyle to conceive the idea of the Credit Clearing House, which was incorporated in New York in 1896 and soon established in fifteen American cities. Pointing to how the free exchange of information among merchants contributed to establishing credit ratings, Ford theorized a relationship between freedom and communication. “The measure of freedom for the

<sup>96</sup> “Mrs. Ford, Ex-Aide of Estimate Board,” *New York Times*, July 4, 1941.

<sup>97</sup> On Mathilde Coffin’s career, see also Dominique Trudel and Juliette De Maeyer, “The Many-Sided Franklin Ford and the History of a Post-Discipline,” *Communication Theory* 32, no. 4 (2022): 439–49.

<sup>98</sup> Thomas W. Lacey was a close associate of Sheridan Ford, with whom he worked as an organizer in the labor movement.

<sup>99</sup> Franklin Ford, “Traffic Associations,” *Wichita Daily Eagle*, May 4, 1917 (reprinted from *Textile America*); “A Unified Banking System,” *Textile America*, August 28, 1897.

<sup>100</sup> Franklin Ford, "Better Credit Reporting: A Revolution in Progress Through the Clearing-House Principle," *Textile America*, August 7, 1897, 34.

<sup>101</sup> Walter Lippmann, *Liberty and the News* (Bethlehem: mediastudies.press, 2020), 21.

<sup>102</sup> Franklin Ford to John H. Finley, December 17, 1913.

<sup>103</sup> Franklin Ford to James H. Canfield, December 17, 1904.

<sup>104</sup> "Mr. Coler's Plan to Increase City's Credit," *New York Times*, December 16, 1901.

<sup>105</sup> *Electrical World and Engineer* 38, no. 1 (July 6, 1901): 2.

<sup>106</sup> "From a Seer's Mind," *New York Tribune*, July 20, 1910.

<sup>107</sup> "Blaze Ends Fire Peril at Columbia."

<sup>108</sup> "Franklin Ford Dead," *New York Times*, July 1, 1918.

action," he wrote, "was of course just in proportion to the degree of communication attained."<sup>100</sup> While Ford's theory remains little-known to this day, it is strikingly similar to Walter Lippmann's famous 1920 claim that "liberty is the name we give to measures by which we protect and increase the veracity of the information upon which we act."<sup>101</sup>

Ford's name disappeared from *Textile America* starting in late 1897. In the following years, he was associated with various credit agencies, including the Credit Clearing House, the Credit Office, and the National Credit Office.<sup>102</sup> It is likely that Ford was making a living from his work in the world of credit, which allowed him to continue other activities in parallel. With the help of Columbia's Head Librarian, James H. Canfield, Ford resumed the organization of the "University Centre" in early 1907, from an office set up for him at Columbia. Inquiring into "the working relation between the news centre and the university,"<sup>103</sup> he also operated numerous news offices under a variety of names, including Fords, Ford's Central News, The News Office, General News Office, and City News Office. As usual, he spent his time writing letters to newspapers, giving public lectures, and participating in local political life. Ford's work in this last stage of his life synthesized his previous interests: news, finance, transportation, education, science, and politics. It all coalesced in a rather radical political project that Ford summarized in a striking formula: "News is government."

Ford's ideas had some resonance, but never to the full extent of their ambitions. Everyone seemed to only see the relevance of a subset of his project, refracted through their own interests. In 1901, for example, New York City Comptroller Bird S. Coler praised Ford's plan for a municipal news bureau,<sup>104</sup> while *Electrical World and Engineer* applauded Ford's proposed use of telephone networks:

Here is an ingenious scheme, difficult possibly, but with underlying elements of practicability and value. But what strikes us specially is Mr. Ford's insistence on the point that with the telephone "or instantaneous communication," there should no longer be life for lies or a lingering chance for rumor in regard to any moot point in business, commercial or social life.<sup>105</sup>

Others marveled at Ford's sheer charisma and his "innumerable electric phrases," not saying much about his actual ideas. In 1906, a letter of a certain Francis D. Bailey to the *New York Tribune* attributed the phrase "pocket nerve" to Ford, describing him as "that very curious and cyclopean seer" and adding that "doubtless other terms from his mind will pass into circulation, perhaps become fixed in the language without attribution."<sup>106</sup>

Ford's Columbia office was destroyed in a fire on October 10, 1914. His papers, representing the work of twenty years, are believed to have been ruined in the blaze.<sup>107</sup> Ford died in 1918. Obituaries remembered him as "once the editor of *Bradstreet's* and a widely known newspaperman."<sup>108</sup>



FRANKLIN FORD  
FORDS  
THE NEWS CLEARING HOUSE

*Portrait of Franklin Ford published in Notable New Yorkers of 1896–1899 (New York: M. King, 1899), 599.*

## A TOUR OF THE FRANKLIN FORD COLLECTION

Now that readers are more accustomed with Ford, we would like to briefly discuss the materials included in the present collection and to point to some new leads they open. The organization of the materials reflects Ford's evolving concerns, from a narrower focus on the problem of news and its reform to the broader question of communication flows (money, information, transportation), and finally, to their political implications. Our overview of these texts is another opportunity to contextualize Ford's ideas and career, as it points to several new details and opens paths of inquiry for future research.

### *Reforming the News*

Published or written between 1887 and 1907, these six documents attest to Ford's long-standing project to reform the news, at both the theoretical and practical levels. Following his work as *Bradstreet's* editor, Ford considered that "a far-reaching newspaper advance had become possible—this, through perceiving that we now have the resultant of the locomotive and telegraph—the elimination of distance."<sup>109</sup> Under these new conditions, which allow full access to the facts through a technologically organized inquiry, the daily newspaper was first simply considered "a vehicle for selling the results of inquiry."<sup>110</sup>

Alongside Ford's most well-known text, *Draft of Action*, which was deemed "printed, not published," and to be "held in confidence," two letters written on the very same day, April 12, 1887, refer to Ford's post-*Bradstreet's* project to form a news trust (see "A Newspaper Laboratory" and "Banding Together the Leading Newspapers"). As Ford describes in an 1893 essay ("The Press of New York—Its Future") published in a souvenir book of the Commercial Travelers Club of New York City, the aim of this project was the "ultimate associated press."<sup>111</sup> These documents also present Ford's views on the papers of the era and refer to various media tycoons, including James Gordon Bennett (*New York Herald*) and Horace Greeley (*New York Tribune*).

A short memorandum written by John Dewey ("Organization of Intelligence Requires an Organism") describes Ford's ideas about journalism shortly after they first met. Sent to Henry Carter Adams — one of Dewey's colleague and closest friend in Ann Arbor—the two-page piece is an all but overlooked little gem.<sup>112</sup> The expressions that Dewey borrowed from Ford here were intended to clarify Ford's ideas and make them more topical—for example, Dewey wrote that the organization envisioned would be "automatic," a word used sparingly by Ford. This memo anticipated Dewey's later work on communication. Published forty years later, Dewey's *The Public and Its Problems: An Essay into Political Inquiry*, which lamented that the public remains disorganized and suggested that the circulation of facts should be facilitated in order to reorganize a genuinely democratic public,

<sup>109</sup> Ford, "A Newspaper Laboratory."

<sup>110</sup> Ford, "A Newspaper Laboratory."

<sup>111</sup> Ford, "The Press of New York—Its Future," 47.

<sup>112</sup> Buried in the papers of Adams at the University of Michigan, most Dewey scholars overlooked the document. The memorandum is mentioned in Brian A. Williams, *Thought and Action: John Dewey at the University of Michigan* (Ann Arbor: Bentley Historical Library, 1998), 30; Martin, *The Education of John Dewey*, 126.

can be traced back to this short memorandum, and the same applies to Dewey's concept of inquiry.

The section also features a chapter ("In Search of Absolute News, Sensation, and Unity") from Corydon Ford's 1897 book, *The Organic State*, whose authorship is attributed to Franklin Ford. The piece offers a critical analysis of the newspaper's coverage of the 1896 Republican and Democratic conventions and a detailed discussion of the nature and functions of news. Ford describes his plan in the spirit of G. W. F. Hegel and inspired by the work of the Fish Commissioner (the "Fisheries"), whose reports involved ordinary citizens providing their own facts, like in Ford's News Office.<sup>113</sup>

The section's last document is a 1907 letter ("The News System: A Scientific Basis for Organizing the News") to Clinton W. Sweet, the founder and editor of the *Record and Guide* and the *Architectural Record*. Ford presents his "invention," the "News Centre," in great detail, and urges Sweet to invest his money "before others could hope to occupy the central position in the News System." Proposing to use his own "General News Office" as the basis of the "News System," Ford outlines all the steps he envisioned: convincing investors and subscribers, making connections with universities and with the City of New York, building partnerships with businesses such as the F. W. Dodge Company and the New York Telephone Company, and publishing books and a series of general and trade papers.<sup>114</sup> Overall, the business was "on the lines of the Associated Press," but much more ambitious. While all the news traffic would go through the News Centre, "news" itself seems to be considered on a larger scale. Information about municipal contractors and their day-to-day activities, for instance, is "news," and so is the value of each building in New York City. Such a detailed account of human activities is key to Ford's "organic" conception of news, which aims at the registration and optimal circulation of each and every fact. Ford considered his company a "public institution" and, unlike traditional newspapers, it would not only earn its revenues from sales and advertising, but also from corporations to whom specific sets of facts are useful. According to Ford, "the support of a given class journal must come to be in direct proportion to the place of such firm or corporation in the related industry."<sup>115</sup>

#### *Interconnected Flows: Money, Information, and Transportation*

The documents in the second section, published between 1897 and 1902, encapsulate Ford's view that the fields of transportation, credit, banking, and many others are interconnected—all characterized by a need for free-flowing information. It constitutes a good sample of Ford's public-facing work at the turn of the century, and gathers articles published in *Textile America* (and sometimes reprinted elsewhere), circulars issued by "FORDS"—one of Ford's many publishing ventures—and a letter to the editor of the *New York Times*. All these texts share similar themes: Ford criticizes existing mercantile agencies, praises advances in communication

<sup>113</sup> Ford contributed to the work of the Michigan "Fisheries" in 1891 by providing an estimate of Dundee's carp population, which amounted to fifty. See *Tenth Biennial Report of the State Board of Fish Commissioners* (Lansing: Robert Smith, 1893), 210.

<sup>114</sup> Franklin Ford to Clinton W. Sweet, January 30, 1907 ("The News System: A Scientific Basis for Organizing the News").

<sup>115</sup> Franklin Ford to Clinton W. Sweet, January 30, 1907 ("The News System: A Scientific Basis for Organizing the News").

technologies as enabling “new conditions” in the circulation of facts, and advocates for self-regulating information systems organized around what he calls “clearing centers.”

Ford builds on his extensive experience at *Bradstreet’s* to look at the history and current state of credit reporting, and to outline his vision for improving the industry. In his contributions to *Textile America* and elsewhere, Ford criticizes the model of existing credit rating agencies, including Bradstreet itself (see “Better Credit Reporting” and “The Mercantile Agencies and Credit Reporting”). These agencies, according to Ford, have erected an “unwieldy machine”<sup>116</sup> which artificially hinders the direct interchange of information between merchants. Ford compares the ratings compiled by credit agencies to “gossip about trading concerns,” a mere “literary procedure” that distorts the actual experience of merchants and creditors.<sup>117</sup>

In the article from the *Better Credit Reporting* (1897) series that we chose to publish here, Ford outlines the practical ways in which a system built on the principle of the credit clearing house would favor the “direct interchange of experiences.”<sup>118</sup> Through a system of daily reports (the article includes a blank “reporting sheet” and explains at length what a typical report looks like) put into circulation by the clearing center, merchants who participate in the “trading circle” could trade their “single experience for the experience of all.”<sup>119</sup> We see another affirmation of Ford’s conception of truth and facticity, as he professes that the “facts” put in circulation (which are “contained in the merchants’ ledgers, being the actual experiences of merchants with credit seekers”) will necessarily be true: “Reports so made up are matters of fact; they are true. . . . The reports carry their own guaranty. In each case the merchant is the reporter, and he cannot afford to do otherwise than report truthfully.”<sup>120</sup> But not all “facts” are automatically true; some still needed to be checked, an issue that Ford equates to that of the division of labor: Merchants can report their “facts” themselves (obviating the need for professional “credit reporters”), but these facts nevertheless require occasional verification, and that is when the expert accountants or auditors are necessary.<sup>121</sup>

The key to Ford’s system is the clearing house, a central entity through which information flows rapidly. This concerns the credit system, but also the banking system (see “The Express Companies and the Banks”) and transportation (see “Traffic Association”). Ford establishes a direct link between these new developments in communication infrastructures—what he calls the “new conditions,” or the conditions of “full communication.”<sup>122</sup> He praises the “completion” of the post office, the advent of express mail and money order companies (such as American Express, founded in 1850), and of course, the telegraph and the telephone. In “Co-operative Credit Reporting,” a letter to the editor published in the *New York Times* in 1902, Ford argues that, with the “talking wire, the plan looks to the universal extension of the clearing house principle.” Ford’s texts are also concerned with how these new mediums reconfigured time and

<sup>116</sup> Ford, “Better Credit Reporting: A Revolution in Progress Through the Clearing-House Principle,” 34.

<sup>117</sup> Ford, “Better Credit Reporting: A Revolution in Progress,” 34.

<sup>118</sup> Franklin Ford, “Better Credit Reporting: Practical Operation of the Credit Clearing-House in Detail,” *Textile America*, August 21, 1897, 9.

<sup>119</sup> Ford, “Better Credit Reporting: Practical Operation,” 10.

<sup>120</sup> Ford, “Better Credit Reporting: Practical Operation,” 10.

<sup>121</sup> Franklin Ford, “Better Credit Reporting: The Development of News as a Thing of Trade,” *Textile America*, September 18, 1897.

<sup>122</sup> Franklin Ford, *The Country Check* (New York: FORDS, 1899), 18.

space. In “The Express Companies and the Banks” (a 1899 circular published by FORDS under the banner of *Bank News Bulletin*), for example, he describes how the “double movement” necessary to convert personal checks into money (the check is first sent to a center, and comes back over the same paths with a bank draft to demand payment) is transformed in a “single movement” by express companies—a disruption notably embodied by Traveler’s Cheques, launched by American Express in 1891.

Ford discusses at length the adequacy of this movement to the geography of a vast territory such as that of the United States, in which the circulation (of information, of money) must function between the periphery and the centers, and between the different centers as well. This is what Ford calls the “unity of the banking system,” in which “the check is flying everywhere” (see “The Country Check”). But this unity has consequences beyond the exchange of money as, according to Ford, it is also ultimately about information and the ordering of facts: “The discovery that the entire banking connection in America is a single system, compels the adoption of a single language as means to classifying and ordering the facts.”<sup>123</sup> The model that he deems fit for credit reporting, for instance, is also to be applied in every sector of life, as credit reporting was just “a phase of social registration.”<sup>124</sup> Accordingly, each type of fact would be recorded and put in circulation by the appropriate center: “The facts as to land ownership are registered with the Title Guarantee and Trust Company; births and deaths are registered at the Health Office, marriages at another center, while the bank transactions at ninety-five clearing houses throughout the country are registered each week in New York as the main center in the banking system and are thence distributed to all sub-centers.”<sup>125</sup> Newspapers have a role to play, too, in the informational ecosystem, as they were to be the “main centre” for all facts; trade papers, for example, would allow bankers or merchants to “be in constant touch with the outlook in all divisions of commerce.”<sup>126</sup>

The texts in this section already allude to the political consequences of this informational system. Under the “new conditions” described by Ford, governments would become unnecessary, as the “the whole system appears as a self-regulating body controlled by its clearing centers.”<sup>127</sup> Ford continued to explore these themes in subsequent years. Self-regulation through information systems is the crux of the collection’s final section.

### *News is Government*

This last series of Ford’s writings features works revolving around politics and political theory. It articulates complex historical, empirical, and philosophical arguments. Ford had a long-standing interest in politics and reforms. He gravitated around the labor movement for many years and wrote extensively on municipal governance. Late in life, he turned to political theory as a means to articulate what could otherwise be considered separate efforts. Political theory means putting things “into relation.”

<sup>123</sup> Ford, *The Country Check*, 10.

<sup>124</sup> Franklin Ford, “The Mercantile Agencies and Credit Reporting,” *Textile America*, June 3, 1899, 6.

<sup>125</sup> Ford, “The Mercantile Agencies,” 6.

<sup>126</sup> Ford, “Mercantile Agencies,” 7.

<sup>127</sup> Ford, *The Country Check*, 3.

<sup>128</sup> "News is Government," *Wall Street Journal*, February 7, 1907.

<sup>129</sup> Michael Schudson, *Discovering the News* (New York: Basic Books, 1981), 14.

<sup>130</sup> Franklin Ford, "The Public Necessity of Organizing Sovereignty through Credit Authority," *Legal News Bulletin*, April 20, 1910.

<sup>131</sup> Ford, "Public Necessity of Organizing."

<sup>132</sup> William T. Stead, "Government by Journalism," *The Contemporary Review* 49 (May 1886): 653–74.

<sup>133</sup> Stead, "Government," 656.

<sup>134</sup> John Nerone and Kevin Barnhurst, "Stead in America," in *W. T. Stead: Newspaper Revolutionary*, ed. Laurel Brake et al., 98–114. (London: British Library, 2012).

<sup>135</sup> William T. Stead, *If Christ Came to Chicago* (Chicago: Laird & Lee, 1894).

<sup>136</sup> William F. Ford, *The Industrial Interests of Newark, N.J.* (New York: Van Arsdale, 1874).

<sup>137</sup> Nerone and Barnhurst, "Stead," 108.

<sup>138</sup> Franklin Ford to John F. Dillon, November 4, 1904.

"News is government" is among the best of Ford's many home-cooked formulas.<sup>128</sup> It refers to the central place of news as a governing force in society, and to the triumph of "facts" and "science" over editorial opinion, which dates back to the days of the penny press.<sup>129</sup> The power of the press, in Ford's view, has nothing to do with political journalism and very little to do with politicians. Instead, it is about substituting the "method of science" and "expert inquiry" in place of the ballot.<sup>130</sup> Ford's argument is anchored in a narrative that distinguishes between successive modes of decision-making, from "the primitive method of fight," to the "majority or count of noses," and finally, to the extension of science brought by an "organized news system."<sup>131</sup>

Such an argument was not wholly original. In the mid-1880s, English newspaper editor William Thomas ("WT") Stead also suggested that journalism was poised to succeed the House of Commons, itself successor to government by kings. The time was considered ripe for "government by journalism."<sup>132</sup> Proposing a similar teleology, Stead shared with Ford a taste for grandiloquent organicist metaphors, writing that "the press is at once the eye and the ear and the tongue of the people. It is the visible speech if not the voice of the democracy."<sup>133</sup>

The parallels between Ford and Stead are many and worth considering. Although there is no evidence of a direct connection between the two, it is clear that Ford was well aware of Stead's ideas and journalistic work. In the 1880s, Stead became a celebrity in America, especially among his fellow journalists.<sup>134</sup> Stead's "new journalism"—an expression also used by Ford in his *Draft of Action*—emphasized the importance of journalistic investigation in the service of social reforms, as well as the use of maps, charts, and diagrams. Stead's 1894 best-selling study of Chicago's underground economy included detailed folding maps locating brothels and saloons, and initiated a broad civic reformist movement in the city.<sup>135</sup> The book echoed Ford's 1874 study of Newark, which also contained charts and a folding map (but focused on more traditional economic sectors).<sup>136</sup> Another parallel is suggested by Ford's many attempts to operate an information bureau committed to answering special inquiries, which echoed Stead's paranormal communication bureau for private communication with the other world.<sup>137</sup>

Ford's "organization of the State under absolute communication" reads as a radical version of Stead's government by journalism.<sup>138</sup> While Stead insisted on the key role played by journalism in the political game and its capacity to mobilize public opinion, Ford envisioned that journalism would soon succeed existing political institutions. In fact, Ford's approach gives very little place to influential professional journalists like Stead, and to their power over politicians or public opinion. His focus, instead, is on the infrastructures which enable collective inquiry and the circulation of facts. Ford came to insist less on the centralized control of communication infrastructures, a key tenet of the *Thought News* plan, and much more

on the role played by citizen-journalists, who were supposed to contribute their own facts from the most marginal points of a networked infrastructure with many different centers. In a letter published in June 1901 by the *Brooklyn Daily Eagle* ("City News Office Needed"), Ford describes how every member of the community can contribute to the circulation of information: "In its outworking the reporting system will connect with all sources of expert knowledge, and with every individual in the community as any one may at times possess a fact of value to his neighbor, to his class or to the people as a whole."<sup>139</sup> The new form of government he envisioned was decentralized by design. As Ford rhetorically asked Columbia president Nicholas Murray Butler in a 1909 letter (see "A New and Revolutionary Government"): "Do you not perceive that the Industrial State, long held in a language of metaphor, is at last presenting itself in America on the plane of fact, and that its regulating centres are forming independently of the inherited or Military State?"<sup>140</sup>

Among these many centers that interested Ford, municipal governments were of special interest. Most of Ford's writings in this section of the collection deal with an attempt to reorganize municipal news on scientific principles. Ford's City News Office (yet another office of his) published a whole volume on the question in 1903 ("Municipal Reform: A Scientific Question"). In a 1905 leaflet (see "Government is the Organization of Intelligence or News"), he also describes a "General News Office" (established in 1904) that was to be "the main centre for the local News System."<sup>141</sup> While this office was to collaborate with the existing administrative and political apparatus, Ford argues that, in the long term, such an office and the communication infrastructure that supports it were to replace existing political institutions from the bottom-up—a plea for self-regulation in all aspects of society (see "The Simple Idea of Government"). Ford was not afraid to apply this framework to controversial events. Following the Ludlow Massacre in April 1914, in which striking Colorado miners were killed by John D. Rockefeller's private security services, Ford wrote:

The old State-centre or the Military Power, the strong-willed captains of industry, the Creditlord, i.e. the typical banker of the day, are all resisting by every means in their power the full, all-round functioning of the new machinery; they are vainly trying to ward off its social outcome. Why, the coal miners of Pennsylvania or Colorado are able to combine together because they are in communication with each other by electric wire—without communication, no common interest that can hold together. And so, Mr. Rockefeller and his friends are simply fighting the telephone; no wonder they have a hard time of it. The truth is that they are thinking in terms of a past age, i.e. in language that is already lying dead in the public mind.<sup>142</sup>

The collection ends with a 1912 letter to Oliver Wendell Holmes Jr. ("News is the Master Element of Social Control"), in which Ford takes stock of his eclectic intellectual influences and offers a synthesis of his political ideas. Far from representing a conclusion to Ford's lifelong vision, this long letter delineates all the work that remains to be done. After admit-

<sup>139</sup> Franklin Ford, "City News Office Needed," *Brooklyn Daily Eagle*, June 22, 1901.

<sup>140</sup> Ford, "A New and Revolutionary Government."

<sup>141</sup> Franklin Ford, "Government is the Organization of Intelligence or News System," *General News Office*, 1905.

<sup>142</sup> Franklin Ford to Edgar L. Marston, April 29, 1914.

ting that he is only “applying” the work of others and that his associates must be credited for the success of the Credit Office, Ford describes the magnitude of the task at hand in humble terms: “I think it fair to say that I have done as much strictly scientific work in my field as Darwin did in his, but I have to do twice as much.”<sup>143</sup>

<sup>143</sup> Franklin Ford to Oliver Wendell Holmes Jr., January 19, 1912 (“News is the Master Element of Social Control”).

## WHAT TO MAKE OF FORD?

To conclude this introduction, we would like to offer some parting thoughts. We circle back to the introduction’s first paragraphs, and to the ways in which Ford’s life and work have found a place in the existing literature, with the aim of adding our own piece to the puzzle.

As we have highlighted above, Ford’s incorporation in media and communication scholarship is often associated with the narrative around pragmatism and the “Chicago School” initiated by James Carey and others working in his wake. These lineages raise many interesting questions. Should “pragmatism” and the “Chicago School” be conflated, an implication of Carey’s approach? Are they “projective devices,” allowing anyone to imagine their own private version of the Chicago School?<sup>144</sup> Are they even part of the field (or “discipline,” to add a question within a question), since their methodological approaches and central concerns often seem distant from what counts as media and communication research?<sup>145</sup>

Chris Russill argues that the “problem” of pragmatism is twofold. First, communication scholars largely failed to understand pragmatism as an intellectual tradition.<sup>146</sup> While many exceptions are to be found, communication scholars often seem “caught” by Carey’s plot. They begin with Dewey (or Cooley, or Park) and unravel from this origin point. Consequently, what is upstream—that is, the intellectual traditions which lead to Dewey (or Cooley, or Park)—remains little explored, as is the broader intellectual context which nurtured pragmatism. The second problem, which is a direct implication of the difficulty to understand pragmatism historically, relates more specifically to the concept of inquiry. While Dewey wrote incessantly about inquiry, communication researchers often fail to engage with this notion, preferring to ignore Dewey’s admiration for scientific method and emphasize instead his critique of objectivism and his enthusiasm for “conversation.”<sup>147</sup>

The case of Franklin Ford seems the ideal locus to explore these two problems. We turn first to the question of classical pragmatism’s intellectual roots, by exploring the connections between Ford and the writings of Ralph Waldo Emerson and Lester Frank Ward. We then propose to revisit the *Thought News* episode as a form of pragmatic inquiry.

<sup>144</sup> Lyn H. Lofland, “Understanding Urban Life: The Chicago Legacy,” *Journal of Contemporary Ethnography* 11, no. 4 (1983): 491–511.

<sup>145</sup> This question has been explored in Wahl-Jorgensen, “The Chicago School of Sociology and Mass Communication Research.”

<sup>146</sup> Chris Russill, “Dewey-Lippmann Redux,” *Empedocles: European Journal for the Philosophy of Communication* 7, no. 2 (2016): 129–42. Although Russill is mostly right, notable attempts at reconstructing the pragmatist tradition include works by John Durham Peters, Peter Simonson, Lana Rakow, and others. One of the most important efforts made by communication scholars to approach pragmatism historically is David K. Perry, *American Pragmatism and Communication Research* (Mahwah: Lawrence Erlbaum, 2001).

<sup>147</sup> Chris Russill, “Through a Public Darkly: Reconstructing Pragmatist Perspectives in Communication Theory,” *Communication Theory* 18, no. 4 (2008): 478–504.

### *A Piece in the Pragmatist Family Tree*

Ford's grand plan to launch a new "movement of intelligence" has a rich—and somewhat messy—intellectual lineage. In his correspondence and many of his other writings, Ford explicitly mentioned the many ideas and authors that he found inspiring. The *Franklin Ford Collection* includes, notably, an unpublished 1912 letter sent to Oliver Wendell Holmes, in which Ford offers a long synthesis of his ideas and intellectual influences as he reflected on the work that "forced [him] to the library of Columbia University," which comprised "both the introduction of a new science and its execution in the market-place." The new "universal governing organs" he discovered—the "news system" and "banking system"—are put into relation with Ford's vast intellectual pantheon. He invoked the enduring influence of French anarchist Pierre-Joseph Proudhon and British legal historian F. W. Maitland, and at least a dozen names as diverse as Ernest Renan, Condorcet, Voltaire, Edward A. Ross, and Thorstein Veblen. Ford's professed admiration for Proudhon—when his youthful radicalism had long since passed—raises many questions and speaks to a strong and unresolved political tension that cut across his different projects. On the one hand, Ford had remained close to the world of finance and banking. Constantly favoring monopolies, Ford's work often hinged on central figures of classical liberalism. In addition to Condorcet, he cites Montesquieu, Adam Smith, and John Stuart Mill. On the other hand, his reformist agenda was irrigated by a wide array of radical anarcho-socialist ideas and thinkers. His project to democratize universities, for example, seems resonant with the *universités populaires* established by Jean Jaurès, and his early involvement with the Workingmen's Industrial Political Association and in avant-garde publications such as *The Optimist* seems at odds with the mainstream liberal doxa.

With no (or very little) formal education and with the habit of putting things "into relation," Ford may have been able to make creative and unexpected syntheses. Emerson's radical individualism and Ward's Comtian collectivism, discussed below, are not easy to fit together. But Ford saw himself as a "practical" man rather than as an intellectual, and despite his long theoretical digressions, he claimed that he was merely "applying" ideas in their practical bearings. Without trying to resolve all the tensions within Ford's work, a closer look at some of its intellectual underpinnings seems a necessary complement to existing work.

While Emerson cast a long shadow over American pragmatism, his writings are not often discussed by communication scholars. Among the notable exceptions are John Durham Peters's *Speaking into the Air* and Peter Simonson's subtle analysis of "overlooked forms of mass communication" in the lineage of Walt Whitman, Ralph Waldo Emerson, William James, Kenneth Burke, James W. Carey, Cornel West, and John Durham Peters, and his detailed portrayal of Charles Horton Cooley as "the last of the nineteenth-century Emersonians."<sup>148</sup> This epithet may very well apply to

<sup>148</sup> Peter Simonson, *Refiguring Mass Communication: A History* (Urbana and Chicago: University of Illinois Press, 2010), 93.

<sup>149</sup> See Ford's 1892 *Draft of Action*, which refers to the "Economics of Emerson" and the "Psychology of Emerson," as well as to "Pathos of Faith without Sight in Thomas Carlyle."

<sup>150</sup> Ford, *Draft of Action*, 28.

<sup>151</sup> Ford, "A Newspaper Laboratory"; Ford, *Draft of Action*.

<sup>152</sup> Quoted by Ford in a letter to James Burrill Angell, April 13, 1887.

<sup>153</sup> Quoted in John Durham Peters, "Reconstructing Mass Communication Theory" (PhD diss., Stanford University, 1986), 43.

<sup>154</sup> "Ford believes in personal immortality. He says he thinks consciousness must persist—it is so damned persistent." John Dewey to Alice Chipman Dewey, June 6, 1891.

<sup>155</sup> Ralph Waldo Emerson, *Nature* (Boston: James Monroe, 1836), 1.

Franklin Ford too, who explicitly claimed the Emersonian lineage in his early work.<sup>149</sup> As Ford put it, "the movement begins where Carlyle and Emerson left off."<sup>150</sup> Our archival material shows some connection between Emerson's views on knowledge, technologies, and communication, and those of Ford. Most important to pragmatism is Emerson's refusal of foundational knowledge in favor of an open-ended quest for experimental relations with nature. Considered one through the other, their works gave a prominent place to media and communication in pragmatist inquiry and reveal an often-neglected point of contact between pragmatism, media, and communication.

Ford's writings refer to Emerson's correspondence with Thomas Carlyle, which mainly concerns Emerson's role as Carlyle's literary agent for America.<sup>151</sup> Central to their exchanges is a complaint about what Carlyle called the "anomaly of a disorganic literary class, the heart of all other anomalies."<sup>152</sup> Such claim refers to the anarchic mid-nineteen century context of generalized piracy and non-existent international copyright agreements. Without addressing these specific concerns, Ford's plan for a publishing monopoly and for "organized intelligence" is primarily a grand scheme aimed at transforming the publishing business in accordance with core organic principles. Like Emerson and Carlyle, he considered such an operation to be the primary step towards a "movement" that would affect society as a whole. Emerson had a concept for that: the "oversoul," "a grand unifier of society which pulsed into all men like a circulating blood."<sup>153</sup> Among the many implications of the oversoul, immortality comes first. Ford, like Emerson, believed in the immortality of his soul, as he revealed to Dewey.<sup>154</sup>

Ford shared with Emerson, too, a distrust of inherited knowledge and exaggerated deference to the past. Writing half a century after Emerson, Ford could have made his own the first paragraphs of *Nature* in which Emerson complained that "[o]ur age is retrospective, it builds the sepulchers of the fathers. It writes biographies, histories, and criticism," and asked, "Why should not we also enjoy an original relation to the universe?"<sup>155</sup> Ford's praise for the locomotive, telegraph, and telephone were an invitation to develop such an original relation to the universe, through the specific media technologies of the time.

In a letter sent to James Burrill Angell in 1887, Ford described a first model for organizing intelligence, describing a complex set of circles, "semicircles," and multiple "concentric rings." The model included most of the elements that were later transmuted into Ford's "triangle of intelligence," which he explained in great detail in *Draft of Action*. This mention of circles in the context of a discussion on Emerson directly evokes Emerson's well-known essay *Circles* (1841). Seeing circles everywhere, Emerson touched on a number of themes in the essay, including the problem of knowledge and its relation to technologies, which can be understood retroactively in a Fordian and proto-pragmatist fashion:

There are no fixtures in nature. The universe is fluid and volatile. Permanence is but a word of degrees. Our globe seen by god is a transparent law, not a mass of facts. The law dissolves the facts and holds it fluid.... New arts destroy the old. See the investment of capital in aqueducts made useless by hydraulics; fortifications, by gunpowder; roads and canals, by railways; sails, by steam; steam by electricity.<sup>156</sup>

John Durham Peters argues that, for Emerson, “communication never involves contact with another,” and that “the impossibility of dialogue gives us reasons to celebrate the universe as a constant transmission to those who have ears to hear.”<sup>157</sup> In other words, communication is not related to face-to-face encounters and dialogue, but to forms of mediated encounters with nature, given one has the right “ears.” For Emerson, the right ears were akin to the new media of his times, such as photography and phonography, as well as the daguerreotype portraits that fascinated him. He praised the daguerreotype for providing a model for his own writing, as he “seeks to find modes of writing that reproduce, for the reader, the immediacy of America’s eventful present, *in writing*.<sup>158</sup>

Ford was animated by similar concerns, and his work provided a provisional answer to this line of inquiry. When he wrote that “the social fact is the sensational thing,”<sup>159</sup> he meant precisely that there is an intimate connection between a more abstract depiction of nature, at the level of the social fact, and its lived experience, at the sensory level. For him, the “right ears” were the newspapers and the advances brought by the telegraph and the locomotive, which changed news gathering and dissemination. For both men, the registration and organization of intelligence through appropriate media technologies were the primary operations of communication, defined as an epistemological problem and as a form of inquiry. But while Emerson focused on communication at the level of the individual, Ford was concerned with collective knowledge and forms of action.

Peters’s reference to the Emersonian “impossible dialogue” and escape route into the half-solipsism of personal relation to nature suggests, in parallel, a tragic dimension of Ford’s story. There is an enormous gap between Ford’s plan for interconnection and his own social situation, between his grand plan as seen in the performative space of his letterheads—which attest to the existence of many “offices”—and the reality. While numerous accounts testify to his social eccentricity, his long letters sent to many important people (often ten or more single-spaced pages) seem to have generated very little dialogue. Most of his collective projects ended quickly or bitterly, only to make way for a slightly different iteration of his solitary meditations. Ford exemplifies what Emerson famously called “the condition of infinite remoteness” and embodied the Emersonian “prescription for courageous self-reliance by means of non-conformity and inconsistency,”<sup>160</sup> at least in the eyes of some of his contemporaries.

Another important source of Ford’s ideas is the work of American sociologist Lester Frank Ward (1841–1913), who is only mentioned in passing in existing works about Ford.<sup>161</sup> A paleontologist-turned-sociologist, Ward

<sup>156</sup> Ralph Waldo Emerson, *Essays* (Boston and New York: Houghton Mifflin, 1883), 302.

<sup>157</sup> Peters, *Speaking*, 155.

<sup>158</sup> Tobias Weber, “On the Verge of Today: Emerson and the Emergence of the American Age” (PhD diss., University of Zurich, 2011), 30.

<sup>159</sup> Ford, *Draft of Action*, 9.

<sup>160</sup> Cornel West, *The American Evasion of Philosophy: A Genealogy of Pragmatism* (Madison: University of Wisconsin Press, 1989), 10.

<sup>161</sup> Carey and Sims, “The Telegraph”; Weaver, “John Dewey.”

is a somewhat forgotten figure. His 1883 book *Dynamic Sociology* is nevertheless one of the early classics of American sociology. A response to Herbert Spencer's *Social Statics*, the book clashed with the fatalism of Spencer and his most outspoken American disciple, Yale professor William Graham Sumner. In place of the Spencerian *laissez-faire*, Ward considered that sociology should aim to transform society, and argued that applied knowledge was key to social progress. Ward's concept of "telesis" emphasized the possibility of planned progress against Spencer's conservative sociology. Ward's critique of Spencerian social Darwinism was central to the early days of American pragmatism and was discussed during a famous meeting of the Metaphysical Club in 1884.<sup>162</sup> The critique had a profound influence on Dewey (who attended the 1884 meeting) and on the Chicago School of sociology.<sup>163</sup>

<sup>162</sup> Menand, *Metaphysical Club*, 152.

<sup>163</sup> Daniel Tanner, "From Lester Frank Ward to John Dewey: The Three Universal Curriculums," *The Educational Forum* 83, no. 2 (2019): 124–39.

<sup>164</sup> Peters, "Reconstructing," 74. Dewey's comment was made during a lecture heard by Charles Horton Cooley, who also criticized Spencer.

<sup>165</sup> Ford, *Draft of Action*, 39.

<sup>166</sup> Lester Frank Ward, *Dynamic Sociology* (Boston: D. Appleton, 1883), 371.

Both Ward and Ford displayed a profound enthusiasm for the dissemination of knowledge and for planned social reform. If Ford constantly used Spencerian organic metaphors, and even pushed them to new summits, it is because he thought that society *was* an organism in a greater sense. It had a "sensorium," a unity of consciousness, a "center" from which the work of its organs could be coordinated. Echoing Dewey's argument that "society was an organism in a deeper sense than Spencer had perceived,"<sup>164</sup> Ford proposed to pursue "Herbert Spencer's Hunt for the Sensorium."<sup>165</sup> Ward, for his part, had previously run backward from the organicist metaphor, arguing that living organisms were nothing more than parts united by "communication": "All parts of the organism are integrated by means of channels or tracks of protoplasm in the form of nerves, along with constant communication."<sup>166</sup> In doing so, Ward provided scientific and biological grounding for Ford's hunt for the sensorium.

One of Ford's most important concepts, "intelligence," is nowadays mostly associated with Dewey's philosophy. It is also a key concept of Ward's sociology, which casts intelligence as a compound of "intellect" and "knowledge." As knowledge is "registered experience," it is by no means individual, but profoundly social. In other words, at least half of intelligence is external to the human mind and thereby "social." Ford used the concept in a similar fashion. Writing about the "movement of intelligence," with the aim to organize "intelligence centers" and "intelligence trusts," Ford's project echoed Ward's sociology and his understanding of intelligence as a collective endeavor.

Another obvious conceptual convergence is found in Ward's political philosophy. He envisioned a new form of government called "sociocracy." Expanding on Auguste Comte's conception of sociocracy as government by sociologists, Ward favored a greater role for science in the government of society. Standing between individualist democracy and socialism, sociocracy would involve scientific, social, and economic planning in the general interest. He illustrated sociocracy with the "postal telegraph question," arguing that a price of ten cents (instead of twenty-five cents) would sat-

isfy everyone except stockholders, and that a fair price (that is, a price to maintain and develop the infrastructure, to provide a decent return on investment, to promote the use of the greatest number, etc.) should be set only after disinterested investigation.<sup>167</sup> Ford's very similar views and political theory should be considered in the lineage of Ward's (and Comte's) sociocracy. Proclaiming that "science, exact inquiry, is the source of government," Ford gave the example of the milk trade.<sup>168</sup> In place of a regulating agency performing inspections, Ford argued that the "identity of interest between producers, distributors, and consumers" should be identified, and that, as a consequence, the industry should govern itself.<sup>169</sup>

As it is often the case with Ford, archival evidence is a bit scarce. Ward's papers contain two letters from Ford, who straightforwardly explained that he was acquainted with Ward's work.<sup>170</sup> Ford enclosed a leaflet from the General News Office, "Government is the Organization of Intelligence or News"—included in this collection—and boasted that "it represents twenty years of continuous work. In order to write it I was compelled to change the inherited point of view in social observation, which was fully as difficult as for Copernicus and his followers to change the viewpoint in observing the solar system." Ford and Ward would later meet at the fourth annual meeting of the American Sociological Society, held at Columbia in 1909, when Ward presented a paper on "Sociology and the State." A year later, Ford sent excerpts of his work to Ward and proposed to visit Providence so the two could converse.<sup>171</sup> Although we found no further documentary traces of this meeting, it may have happened.

### THOUGHT NEWS as Pragmatic Inquiry

The question of Ford's place in the pragmatist family tree could (and should) be approached from other perspectives and is yet to be resolved. Surprisingly, Ford's lengthy correspondence with Holmes has not yet been considered from this angle. Another path not taken is the Jamesian lead. Although James's work is not frequently mentioned by Ford, Earl James Weaver suggests interesting parallels between James's *Psychology* (1890) and the writings of Corydon and Franklin Ford.<sup>172</sup> Dewey's account of the emergence of his own stream of pragmatism, which does not mention Ford, nevertheless situates its birth in Ann Arbor, between 1891 and 1893—the peak of his friendship with Ford.<sup>173</sup> In order to recast Ford's role in the early days of pragmatism, we now offer a few notes on the notion of inquiry in Ford's work, by specifically revisiting the *Thought News* episode. It is also a way of circling back to the beginning and offering our own reading of this foundational story.

In 1889, Dewey wrote to his friend Henry Carter Adams, professor of political economy at Michigan, that Ford's idea was not simply to tell the truth, but "to find out what truth is; the inquiry business in a systematic, centralized fashion."<sup>174</sup> Inquiry is arguably Dewey's most important and complex notion. It is the epistemological cornerstone of his own stream of

<sup>167</sup> Lester Frank Ward, *The Psychic Factors of Civilization* (Boston: Ginn & Company, 1893), 326.

<sup>168</sup> Franklin Ford, *The Simple Idea of Government* (New York: The News Office, 1910).

<sup>169</sup> Ford, *The Simple Idea of Government*.

<sup>170</sup> Franklin Ford to Lester Frank Ward, December 29, 1904.

<sup>171</sup> Franklin Ford to Lester Frank Ward, February 2, 1911.

<sup>172</sup> "James's most important book, *Psychology*, published in 1890, hints of a functionalism, an instrumentalism, which is not unlike that contained in the writings of the Ford brothers. His picture of a moving, open, changing world, his emphasis on the concrete and the singular as opposed to the abstract and the general, his presentation of mind as activity, of an idea as an experimental instrument, coincided neatly in tone and in detail with the Fords' outlook." Weaver, *John Dewey*, 76.

<sup>173</sup> Writing to William James in March 1903, Dewey explained that "we have all been at work at it for about twelve years. Lloyd and Mead were both at it in Ann Arbor ten years ago." Quoted in Dykhuizen, "John Dewey," 536.

<sup>174</sup> John Dewey to Henry Carter Adams, April 4, 1889.

<sup>175</sup> Russill, "Through a Public Darkly."

<sup>176</sup> John Dewey, *The Public and Its Problems* (Denver: Alan Swallow, 1927), 194.

<sup>177</sup> John Dewey, *Logic: The Theory of Inquiry* (New York: Henry Holt, 1938), 105.

<sup>178</sup> Carey, *Communication*, 82.

<sup>179</sup> Chris Russill, "Dewey/Lippmann Redux," *Empedocles: European Journal for the Philosophy of Communication* 7, no. 2 (2016): 129–42, on 130.

<sup>180</sup> Russill, "Through a Public Darkly," 485.

<sup>181</sup> Russill, "Through a Public Darkly," 495.

<sup>182</sup> Dewey, *Logic*, 77.

pragmatism, with numerous implications for the philosopher's views on communication, including his thesis on the "public" and its role in democracies. As such, it is somehow difficult to pin down. In fact, scholars still debate Dewey's conception of inquiry.<sup>175</sup> Dewey wrote enthusiastically about "the highest and most difficult kind of inquiry" that "must take possession of the physical machinery of transmission and circulation and breathe life into it."<sup>176</sup> Such inquiry is, by nature, collective, as it both presupposes and articulates a community. It aims at transforming life by putting into relation discrete elements in order to "convert the elements of the original situation into a unified whole."<sup>177</sup> It coalesces practice and theory through experimentation; it looks for modest moments of truth while being wary of claims to foundational knowledge.

Communication scholars often tend to rely on Carey's rather simplified definition of inquiry as "conversation and discussion but a more systematic version of it."<sup>178</sup> Chris Russill's work aptly points to other key dimensions of pragmatic inquiry. First, there's its interest in science as a model for inquiry. While pragmatism is often cast as a critique of "scientism" and "positivism" by communication scholars, Russill points to the deforming mediation of Carey and Richard Rorty, who "stripped pragmatism of its interest in science as an exemplar of inquiry."<sup>179</sup> Second, inquiry is a form of action (or response) to a problem as a problem (or as Russill puts it, "a type of action that responds to a problem as problematic").<sup>180</sup> Relating to problems as problems is the first difficulty. It suggests to refrain from immediate response in order to grasp the complexity of situations that are usually experienced as distant. These must be apprehended from a variety of standpoints in order to be experienced as problems, and in light of different possible solutions. As Russill explained, "this requires not only facts but ideas or hypotheses for expanding beyond the habitual and expected reactions we might offer. We should learn to be affected by events as problems, formulated so as to make possible a range of solutions."<sup>181</sup>

Deweyan inquiry does not exist beyond its own logic. It is a means to experience a problem as a problem—that is, to cope with the complex problem of knowledge in modern industrial societies. According to Dewey, one of the main features of this problem is that "the paths of communication between common sense and science are as yet largely one-way lanes. Science takes its departure from common sense, but the return road into common sense is devious and blocked by existing social conditions."<sup>182</sup>

The *Thought News* project fits such a conception of pragmatic inquiry at several levels. While the many advertisements for *Thought News* emphasized the theory-to-practice perspective, the full title of the journal, *Thought News: A Journal of Inquiry and a Record of Fact*, refers both to inquiry and to the dual need for facts ("news") and ideas or hypotheses ("thought"). *Thought News* can thus be read as an early embodiment (or at least a specific model) of inquiry, and the *Draft of Action*'s plea for "full social inquiry"—that is, inquiry that connects specific concerns to "the whole"—

can be read as anticipating Dewey's later writings on inquiry. "Inquiry" appears on thirty-eight pages of Ford's fifty-eight-page document and is one of its pivotal notions. Scholars sometimes understand Dewey's concept of inquiry as "problem-solving activities,"<sup>183</sup> with his "unified theory of inquiry" aimed at offering "a single way of thinking about how we resolve problematic situations in science, ethics, politics, and law."<sup>184</sup> In Ford's version, we could say that the emphasis is on problem-solving *infrastructures*. Ford's plan is to design an information system through which the specific concerns of individuals, "classes" (in the sense of specific economic sectors), and "the whole" would be tied, on different scales, and construed as problems having possible solutions. To use Dewey's vocabulary, it is a "machinery of communication"<sup>185</sup> recording facts, putting them in relation, and turning them into "problems." Ford writes that facts must be "interpreted and delivered in their application to life."<sup>186</sup>

Science was central to such inquiry, which was defined by Ford as "a union of science and literature."<sup>187</sup> This project remained partly modeled on *Bradstreet's* scientific reporting, which featured plenty of quantitative data, graphs, and expert opinions. Although Carey's first take on *Thought News* rightfully approached the episode (and "the Chicago School" as a whole) through the lens of this tension between science and literature, his later work clearly adopted the Rortyan perspective criticized by Russill.<sup>188</sup>

<sup>183</sup> Russill, "Dewey/Lippmann Redux," 134.

<sup>184</sup> Cheryl Misak, *The American Pragmatists* (Oxford: Oxford University Press, 2013), 145.

<sup>185</sup> See Lana Rakow, *John Dewey: A Critical Introduction to Media and Communication Theory* (New York: Peter Lang, 2019).

<sup>186</sup> Ford, *Draft of Action*, 42.

<sup>187</sup> Ford, *Draft of Action*, 29.

<sup>188</sup> On this shift in Carey's characterization of *Thought News* and the crucial influence of Rorty, see Pooley, *James W. Carey*.

## THOUGHT NEWS.

*A Journal of Inquiry, and A Record of Fact.*

CONDUCTED BY

**JOHN DEWEY,**

*Department of Philosophy, University of Michigan.*

The new paper is a report upon the divorce between philosophy and life. People who are interested in the application of philosophy to life, of theory to practice, will be interested in THOUGHT NEWS.

Price, \$1.50 per Year.

ANN ARBOR, MICH.

*Ad for Thought News published in Philosophical Review, May 1892.*

The collective dimension of the project also speaks to the notion of inquiry, one that is never a purely individual endeavor. Advertisements for *Thought News* specifically appealed to isolated researchers in search of a community.<sup>189</sup> Ford's *Draft of Action* also makes clear that fact-gathering

<sup>189</sup> Published in the *Inlander* of April 1892, an ad for *Thought News* reads, "If you are studying by yourself, If you are interested in the application of ideas to life, If you are interested in the application of theory to practice, You will be interested in *Thought News*." Quoted in Savage, "John Dewey," 206.

<sup>190</sup> Ford, *Draft of Action*, 12.

<sup>191</sup> See Trudel and De Maeyer, "The Many-Sided Franklin Ford."

was to involve everyone. Ordinary citizens were all to be crop reporters—"the citizen king is the crop reporter,"<sup>190</sup> as Ford wrote in one of his typical formulas—collaborating to define common problems that do not first appear as such. The communal dimension of the project is also obvious in the loose group of people behind *Thought News*, as well as in its ambition to connect journalists and scholars, the university and society.<sup>191</sup> The *Thought News* episode is also a telling tale of the enduring and inescapable tension between inquiry as the experience of problems as problems, and the typically more direct emotional response to problems. The line between public problems and private matters is not easy (if not impossible) to draw. Dewey's letters evoked a very deep relation with Ford, oscillating between abstract considerations about *Thought News* and the delicate question of personal relations and commitments. In this sense, the *Thought News* episode illustrates the pragmatic limit to pragmatist inquiry. At least, this is one conclusion that can be drawn from this story *as a failed experiment*.

A different perspective is to consider the idea that *Thought News* did not end in 1892. Ford obviously continued several of its lines of inquiry throughout his life, and so did the other participants of the group. While archival evidence is scarce, many contextual elements suggest that some personal connections survived the episode. Like Ford, Robert Park settled in Detroit in 1892, where he worked as a reporter for the *Detroit Tribune*, alongside close associates of Ford such as Thad Varnum. In early 1893, Park was consulting with Dewey and George Herbert Mead about the foundation of a University Club in Detroit.<sup>192</sup> Echoing the goals of *Thought News*, the organization was "to bring people who are outside of the University in closer connection with it and through them bring the University in closer connection with life."<sup>193</sup> While Park acknowledged on several occasions the enduring influence of Ford's ideas on his work, their personal connections may very well have continued.<sup>194</sup> In 1897, Ford was associated with Delos F. Wilcox, who took classes with Dewey in Ann Arbor in the early 1890s and shared with Ford a profound interest in municipal government. Wilcox, to whom Ford lent manuscripts, referred mysteriously to the "joint work of yourself, Corydon L. Ford, Prof. John Dewey and Mr. Thomas Lacey" as "a more important body of philosophical writings than has yet been published in America."<sup>195</sup> That Ford and Dewey never crossed paths at Columbia University during the twelve years they both had an office on campus also seems unlikely.<sup>196</sup>

It is now time to let readers dive into the texts of the Ford collection. This introduction is far from having exhausted all the avenues opened by the strange character that is Franklin Ford. We have tried to make the story of his life as collective as possible, but some of Ford's acolytes deserve further inquiry, including his wife Mathilde Coffin, who survived Ford by twenty-three years,<sup>197</sup> and his brothers Sheridan and Corydon, who both had tumultuous lives and careers. We have also tried to describe Ford's intellectual pantheon, which would benefit from further exploration.

<sup>192</sup> Matthews, *Quest for an American Sociology*, 29.

<sup>193</sup> Matthews, *Quest for an American Sociology*, 29.

<sup>194</sup> Ford mysteriously evoked "one of my fellow students who is in Chicago" (who is possibly Park) in a letter to Holmes (Burton, *Progressive Masks*, 114). On Ford's enduring influence on Park, who discussed Ford's work in his classes as late as 1921, see Rolf Lindner, *The Reportage of Urban Culture: Robert Park and the Chicago School* (Cambridge: Cambridge University Press, 1996), 34.

<sup>195</sup> Delos F. Wilcox to Franklin Ford, December 5, 1897.

<sup>196</sup> Dewey came to Columbia in 1905 and stayed until his retirement in 1930, and Ford had an office set up for him at the library from 1907 until his death in 1918.

<sup>197</sup> "Mrs. Ford, Ex-aide of Estimate Board," *New York Times*, July 4, 1941.

Perceptive readers will also have noticed that many of Ford's themes anticipate contemporary issues: the fascination with "new" technologies, the intertwining of the informational and financial worlds, the workings of media ecosystems and their eminently political character—to name just a few. We have tried to steer clear of turning Ford into a visionary or a prophet. This does not mean that there is nothing to say about Ford's relevance for today: We have explored these avenues elsewhere<sup>198</sup> and hope that future works will continue to offer a stimulating back and forth between the turn of the last century and contemporary concerns.

Finally, even though we believe that the present collection offers a coherent deep dive into Ford's writings, we also contend that it is incomplete: Some documents of the Ford archive could not be included nor discussed here, and we also know, given the prolific nature of Ford's output, that other writings have yet to be found and added to the collection. The inquiry into Franklin Ford's life and work waits to be put into many more relations.

<sup>198</sup> Our work includes a methodological experiment that turned Ford into a series of "bots" on social media. See @FranklinFordBot (website), last updated January 30, 2020, [www.franklinford.org](http://www.franklinford.org). See also: Trudel and De Maeyer, "The Many-Sided Franklin Ford"; Juliette De Maeyer and Dominique Trudel, "@franklinfordbot: Remediating Franklin Ford," *Digital Journalism* 6, no. 9 (2018): 1270–87.



## *Acknowledgments*

WE WOULD LIKE to thank the many people and organization who helped us with this project. Amandine Hamon, Cyrus Khalatbari, Simona Feng, and Hugo Marchand served as research assistants and contributed significantly to this project. The support of Jefferson Pooley and Dave Park and of their team from mediastudies.press was invaluable. Jeff believed in this project from the beginning and his insights were numerous. Emily Alexander ably led the linguistic revision of Ford's texts and the book's introduction. Our research also benefited from the feedback or many colleagues and anonymous reviewers that we thank for their insightful and generous comments. We are grateful for the financial support provided by the Social Sciences and Humanities Research Council of Canada (grant no. 430-2018-00809) and MITACS, and for the help we received from many dedicated archivists from the AT&T Archives and History Center, Ball State University Libraries, Bentley Historical Library (University of Michigan), Brown University Library, Columbia University Library, Harvard Law School Library, New York Public Library, the Massachusetts Historical Society, Oviatt Library (California State University), University of Chicago Library, University of Washington Libraries, and Yale University Library.

DOMINIQUE TRUDEL & JULIETTE DE MAEYER



## *The Larger Life: A Poem Dedicated to Franklin Ford*

SHERIDAN FORD

Excerpt from *The Larger Life*, 66–67. New York: G. E. Croscup, 1904.

There was more quality in the news  
Some fifty years ago  
Than, with all their prattle of ‘progress,’  
The current journal shows.

The modern newspaper has caught to be  
A kind of Pedler’s pack,  
With less grip of Life’s moving unities  
Than rules the pedler’s clack.

The clean sense of convincing relations  
Is wholly lost to view  
In the hodge-podge of undigested slop  
Served in the daily stew.

The thought of integrity in news  
(The truth entirely freed)  
Is one with the notion of government—  
The social daily need,

Communication parallels Commerce,  
And Commerce, or the State  
Never reaches full organization  
Till the facts are ‘straight.’







I

*REFORMING THE NEWS*



# *Draft of Action*

FRANKLIN FORD

Written in 1892 in Ann Arbor, Michigan.  
Printed but not published.

## I. DISCOVERY OF THE PRINCIPLE

The time has come when it will pay to act on the reality underlying the existing newspaper. The barriers down, i. e., all hindrances to the free movement of intelligence removed, through the completion of the machine for gathering and distributing news, (this machine, consisting of the printing press, the locomotive, the telegraph and their belongings) the newspaper presents itself to us as a unified thing—the business of dealing in intelligence. In this way the journalist, hereafter the typical man of letters, comes to have a definite position in life independent of all other vocations, professions, or trades. He has a commodity of his own—the truth. This discovery marks the appearance of a new commodity in commerce. A given thing functions, gains its proper status, as commodity in commerce when it may be dealt in profitably at its highest reality. From this point of view the need has been to study publicity as commodity, with a view to organizing intelligence for the contemplated advance of the newspaper; it becomes clear that to move the daily newspaper forward is to strike at the base of the whole publishing structure. The sum of the publishing business at a given date is the amount of intelligence brought to the centre and distributed. Thus regarded, the daily newspaper is about to become the leading publishing interest, if it has not already reached the point. In contrast therewith the so-called book business is to be secondary or accessory. At least the daily newspaper holds the key to future development.

Let me particularize further. Rightly understood, advances in the newspaper until now have been so many improvements in the physical machinery which the newspaper uses. Thus the *London Times* gained its advance through being first to carry into practical operation the cylinder printing press. The Walters had the lead in adapting steam to printing newspapers. This was in 1814. In those days and through the decades following, the struggle was to secure and apply increased mechanical power. As

opposed to this, the newspaper has now at its service a perfect working machine. Under the machinery idea, as already indicated, are included also the locomotive and the telegraph. The advance movement rendered possible by this discovery must in the nature of things be the sum of all previous advances, being nothing less than a new ordering of intelligence. There comes in a change in the power of thought—a forward movement in consciousness. The need has been to set about organizing intelligence by the new light; this to compel a prime movement in literature with the daily newspaper as its centre of action.

Clear seeing in this matter on my part dates from 1883, when I was editing the newspaper, *Bradstreet's* (New York). To carry out the idea thus conceived, I first sought to convince the practice men—the directors of existing newspapers—that the time had come to act on the reality, the underlying principle, of their business; to give way to the free movement of intelligence; that the movement was about to compel this. I tried to show them that it would pay best to gather and distribute the facts, the whole truth regarding all phases of life, without deferring to class interest; from the very fact that nothing stood in the way of centralizing intelligence, class interest could be ignored, and for the first time. The proposition was to organize inquiry and so unify the newspaper, thus getting rid of the editorial page. The aim was to convince them that the time had come when it would pay to act with the eye single, and that it would not pay very long to act otherwise. All sorts of obstacles intervened. But each hindrance went to furnish new leverage. Quite naturally, the men to whom I talked refused to believe that their business could be furthered through taking its inherent principle as the sole guide to action. So-hard is it to believe that the principle of journalism is that of intelligence itself. They were making money and was not that enough? It was even said that the people do not want the truth, and it appeared useless to urge in reply that a given newspaper is sold to the people only by virtue of whatever of truth it contains. My reception on the whole was about such as that of Sir Henry Bessemer<sup>1</sup> must have been, had he gone to and for seeking to communicate to the iron men the chemistry of steel making. I found myself in the atmosphere of opinion. The crush of fact was not welcome. In the search for help and co-workers among active newspaper men, I visited in 1887 all the news centres of the country east of the Rocky mountains.<sup>2</sup> At the last the conclusion was forced that direct aid could not then be had from the newspaper managers, nor from the rank and file of journalists as co-workers.

The friction with these men added to previous hindrances brought me to understand something of the wealth of suggestion bound up in the thought. I had gotten hold of nothing less than a new sense for news. It became plain that a good share of the stuff printed from day to day in the papers was no longer news. On the first appearance it was news because people were surprised at seeing such things in print. But now the

<sup>1</sup> [Henry Bessemer (1813–1898) was a British inventor and industrialist whose steel-making process would become the most important technique for making steel in the nineteenth century. Ford also refers to Bessemer in "The Press of New York—Its Future."]

<sup>2</sup> [Ford also narrated this trip in a letter sent to Edward Atkinson on April 13, 1887. See "Banding Together the Leading Newspapers."]

stuff had lost the element of surprise, and was therefore no longer news. The papers were filled with unrelated matter which was lacking in general interest; the generic thing, the life element in news, was absent. Merely individual things had come to be widely mistaken for news. The newspaper was off the track, was caught in its own machinery. The physical advance—better printing facilities, cheap paper and the like—had outrun the spiritual movement. The only way out of the confusion, the only way to new life and meaning, was through organizing intelligence. To produce the new goods, help must be got from the primary men. The changes in our ways of thinking consequent upon the appearance of intelligence as commodity had to be spelled out.

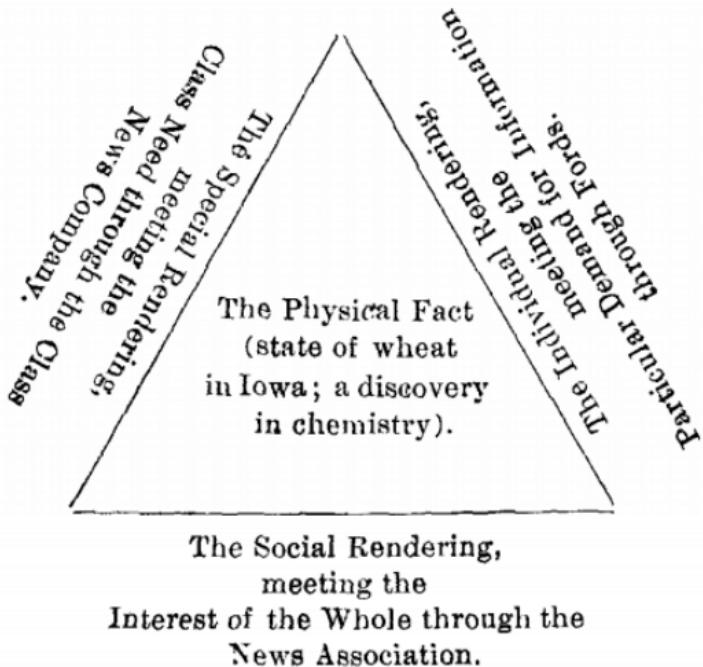
I now set out to find men professedly attached to the principle of intelligence and seeking to follow its dictation. To this end I turned to the universities. The need was to find a university which could become a nursing ground for the new ideas already flowing from the mother thought that had come to me. Failing to compel the practice men to a belief in the basic principle of their own business, the alternative was to bring the academic men to believe in the practice, to show them that their business was to carry the organic principle into action, and so complete the revolution in the publishing business. Losing no time, I began extending the acquaintance already made among university people. In 1888 I spent four months getting at the habits of thought of the university men who have to do with teaching philosophy and politics, visiting Harvard, Yale, Cornell, Johns Hopkins, Pennsylvania and Michigan universities, and besides taking a further look at the men in Columbia College, New York. The necessity was to find a man and men who would do more than give a passive assent to the principle. In this I succeeded at the University of Michigan. I got to John Dewey, who has the chair of philosophy in that institution. Having the sense of politics, he was able to comprehend the scope of the principle and its practical bearing on the publishing business. That recognition and support should have come to me here instead of in the east is traceable, I think, to the freed conditions existing at the University of Michigan, and to the further immediate fact that President Angell in making additions to the faculty has an evident liking for men rather than pedants.

The situation is suggestive. It is indeed fitting that the movement proposing an advance in the publishing business should have its fountain-head in the heart of the country. In more ways than one, it is a movement of the country upon the town. Ann Arbor is about equidistant from the Atlantic coast and the Mississippi River. The St. Louis and Kansas City papers arrive here in the same mails with those of Boston. The 3,000 young men and women now gathered at Ann Arbor from all parts of the country make the place a great recruiting station. The importance of this will be understood when it is considered that another class of newspaper workers is in great part required. The new ordering of intelligence presupposes moral daring and proceeds through an integrating movement of men.

## II. THE INTELLIGENCE TRIANGLE

The movement proposes three incorporations: (1) The News Association, (2) The Class News Company, and (3) Fords. The News Association conducts a general publishing business at New York putting out daily and weekly newspapers, leaflets and books. The Class News Company gathers and sells the facts relating to whole classes or social groupings. It puts out class papers from the *Chemical News* to the weekly paper *Fruit* or the daily paper *Grain*. Fords is the bureau of information, standing for the individual application of the fact. The news movement is thus conceived as

### THE INTELLIGENCE TRIANGLE.



The movement proceeds from the physical fact, which presents itself in three aspects, each of these yielding a special profit. Let me speak by illustration. There is in hand a report on the sheep industry of Texas. It has, first, to be read in its bearings on the whole people. The extent of the destruction by foot-rot may have been so great as to cause wide-spread suffering. Sympathy goes out to the stricken region in contributions of money from other parts of the country. And more. A demand may arise for the appropriation of money at Washington. The need is to have the fact reported in the interest of the whole. Here is the general news side of the fact, the peculiar field of the News Association. Beyond, there is the

direct bearing of the report on the price of wool and the state of the sheep industry both at home and abroad. This side of the fact will have special and technical treatment in, to illustrate, the newspaper *Wool*, thus disclosing the province of the Class News Company. Two profits have been taken from the one basic fact. The third profit reveals itself in this way. Succeeding the publication of the social and class renderings, various individual applications at once arise therefrom. The man who has placed \$50,000 on farm mortgages in certain of the counties of Texas affected by the sheep rot wants to take account of the fact—he wants to know what there is in it for him, how far his interests are hurt. He applies at the office of the News Association or of the Class News Company and is referred to the office of Fords—the bureau of information. Following upon negotiations a special inquiry may be made for him at an agreed price. Again, a report of the state of the textile industry in Germany is no sooner received and published than a New England manufacturer wants help in determining its bearing on the demand for his make of goods. Three profits are thus indicated, standing for the three reporting directions. But the one organization of intelligence stands for the whole movement—this with respect to ownership or control. The country is reported primarily through the News Association, the parent concern which owns the library, or fact accumulation. The special or individual renderings are made through the supplemental organizations.

The News Association stands for the full social inquiry and through it enthusiasm is let in. Men having the right zeal, for inquiry could not be enlisted for the work of the class journals or for the bureau of information alone. For these men the universal (full social inquiry) has to be let in. The movement has to come full circle. Unless the man-of-letters artist can organize for reporting the whole of life, he is crippled in action. The artistic impulse is its own law—the law of the whole. Inquiry can organize only in obedience to this law. The principle accepted, the man of letters has a business of his own.

Through acting on the universal we get the detailed results indicated. Here is the unity in diversity. To centralize on the basis of the thought presented is to go furthest in compelling the one life to yield up its infinite meanings. This triple news movement is but the practical outcome of the organization of inquiry. It is compelled by the advance of letters to the fact. The Class News Company and Fords have close business relations with the News Association. A contract is conceived by and between the News Association and the two secondary concerns. It is proposed further that the News Association shall own a controlling interest in the Class News Company and Fords. It is the Intelligence Trust.

### III. THE NEWS ASSOCIATION

I am setting out a prime movement in the publishing business with the daily newspaper as the center of action. The centralized inquiry cannot have less than the daily newspaper as its organ. The News Association conducts a general publishing business at New York. Three daily papers are conceived as follows:

- *The Newsbook* (the political newspaper)
- *The Town* (the lesser daily)
- *The Daily Want* (the special advertising medium)

The line dividing *Newsbook* and *Town* is the leading principle of news classification. Like conversation the news business classifies according to relationship. Journalism, the registration of life through newspaper, leaflet and book, is but conversation writ large. The politician or the merchant who reads the *Newsbook*, wants the latest reports of the growing wheat crop and something of the price of bread as well. The shop-girl who prefers the *Town* wants of the two reports only that concerning the price of bread. But both wheat-crop and price-of-bread report must come from the one institution. The two reports are but phases of the one basic fact. This news classification has already appeared in rough outline. To illustrate, the *New York Times* stands, if you please, for the political newspaper, and the *Morning Journal*, also of New York, for the lesser daily. The principle is not realized sufficiently by either of them to make a clear guide to action. Nor can the principle be brought to full consciousness short of conceiving the organization of inquiry to the full and the centralized effect. The *Town* is an all day affair appearing first at noon unless important news developments should compel an earlier edition. The afternoon paper, as such, is done away with. The *Town* appears at intervals up to six o'clock and later should the news supply compel.

The *Daily Want* answers to the clearing-house principle of the great city. It gathers to itself the "want" advertising. It is the city's annunciator. Advertising is of two sorts. In the one case people are seeking the advertisement, in the other the advertisement is seeking the people. Thus the card of a man who wants to buy a dog is eagerly sought after by all having dogs to sell; it is to them news. The other advertisement is that of the dry-goods merchant which is brought to the eyes of the people through the proximity device, that is, by being placed near attractive "reading matter." The *Daily Want* draws to itself the advertisements that are news—that is, distinctly so, such as the theatre advertisements, railway time-tables, etc. Besides it contains the court announcements, real-estate transfers, a list of near-by public meetings or events, etc., etc. Conditions have ripened for introducing the *Daily Want* in some half-dozen of our largest cities. The organization of New York City therefor will furnish the model for Philadelphia, Chicago, Boston, St. Louis and Baltimore. It is a class paper but so

nearly general in its scope that it belongs with the publications of the News Association instead of with those of the Class News Company. Already in Berlin and other European cities, daily papers containing only advertising are in full movement. Indeed this has been true for years. The publication of a city's "want" advertising is an ordinary agency service and it must, perforce, be done at prices to correspond. It is not possible to maintain for this service "monopoly" rates—such as Bennett<sup>3</sup> was getting in New York for the *Herald*'s real-estate advertising prior to the advent of Pulitzer. During the first part of the last decade, the *Herald* received well toward \$250,000 annually from the real-estate advertising alone. In this and other lines as well, it was charging more than the traffic would bear. Herein lies one secret of what Pulitzer did. Taking advantage of the *Herald*'s exorbitant rates for the "wants," he was able by much shouting to create a new medium therefor. But the New York papers are still quarreling in the market-place over the "wants," with no one of them perceiving that this branch of advertising must find its way into a special medium. The price of the *Daily Want* is the lowest coin of the realm, with us one cent. At times the *Want* will contain reports of special interest to its patrons, in this respect functioning as a trade paper. Thus, it would report the organization of the boarding-and-lodging house interest of New York with more regard for particulars than would the *Newsbook* or the *Town*. It will not be a difficult thing to organize New York City for issuing the *Want*. It can be done in advance. The leading classes of advertisers can be seen and convinced beforehand. In relation to this I have made certain tests. I found the New York real-estate men and other leading advertisers sympathetic in relation to the project. At the time in looking over the ground I obtained the opinion of William R. Grace,<sup>4</sup> the well-known merchant. Mr. Grace was unqualified in asserting that the *Daily Want* is the key to the immediate newspaper situation in New York. The success of the *Want* will be furthered (1) by its low price; (2) by its classification of advertisements; (3) by lower advertising rates consistently maintained. In the New York World the *Daily Want* is already marked out. The need is to change the name, to cut the price to one cent and carry classification to the full. This done, the new medium must obtain.

Already this advertising sheet is differentiating itself from the general newspaper. The separation is plainly revealed in the *Philadelphia Record* which is aiming to classify and distinguish the city's announcements, thus indicating the rise of the *Daily Want*. The paper will contain only such "reading" matter as directly relates to its central purpose. The economies involved in the idea of the *Want* are great. It goes to set the whole field of advertising in order. Advertising rates for "wants," while in no direction extortionate, will yet be such as to yield a large commercial profit. My notion is that the *Daily Want* should pay into the treasury of the News Association a yearly net profit of say \$50,000—may be more. The *Daily Want* is the wedge with which to separate the existing newspaper struc-

<sup>3</sup> [James Gordon Bennett (1795–1872) published the first penny paper, the *New York Herald*, in 1835. Ford also refers to Bennett in "The Press of New York—Its Future."]

<sup>4</sup> [William Russell Grace (1832–1904) is the founder of W. R. Grace and Co., a large industrial company active in natural resource and shipping. Grace served as New York City Mayor from 1881 to 1882 and from 1885 to 1886.]

ture. In important respects the existing newspaper is the country store in which treacle and calico mean classification. As I take it, the elder Bennett's working concept was that the daily newspaper should contain something for everybody. We pass from this to the idea that the particular newspaper contains everything for somebody. In the *Newsbook* the politician or the citizen finds from day to day all the facts answering to his relationships. Those having in a way narrower interests find the facts contained in the *Town* sufficient for their needs. The routine life of the city clears itself through the *Daily Want*.

Chicago, Philadelphia and Boston are, I think, ready for the *Want* newspaper. Perhaps the other cities named above are also ready for it. The smaller cities will come to the idea later. It is probable that any city of 300,000 people would support the daily announcement sheet. It must be borne in mind that the circulation of the *Want* has its value in the fact that it goes to the people who are seeking the "want" advertisement and that sales of papers beyond this do not add materially to its value. Bennett charged exorbitant rates for real-estate advertising on the plea of the great circulation of the *Herald*; whereas the sale of papers beyond the buyers or sellers of real-estate had little or no value, that is, for this class of advertisers. In putting out the *Daily Want* the aim will be to fix upon just advertising rates—such as can be continued indefinitely and will yet yield a profit.

These three journals—the *Newsbook*, the *Town*, the *Daily Want*—are together the organs of the State in the social region; through these all incoming facts are rendered in the light of the general interest. In place of writing about sociology, so called, we proceed to publish the sociological newspaper; that is, recognizing the social organism as attained in fact, we set about reporting the state thereof. The principle of socialism is division of labor. This gained in the mental region, through the organization of intelligence, socialism is here. We distinguish the grand division of labor. The principle reached, the social system is discovered. In place of discussing "socialism," we put out, in the rightful sense of the word, the socialistic newspaper—the organ of the whole. Apprehending this the people will lose whatever of remaining interest they may have in editorials on the "social problem" and the like. The social crisis is passed in the moment of its discovery. We recover the true meaning of the word sensational now obscured by the falsely sensational. We undertake to be sensational to the last degree. It is, of course, only possible to compete with the present "sensational" newspapers by being more sensational than they. Getting back to the true meaning of things, it is seen that the craving for sensation on the part of the public is the demand for intelligence itself. It is the business of the newspaper to meet this demand. The social fact is the sensational thing. News is the new thing. In truth the only sensation is a new idea. We are thus at the gateway of the highest sensations—those relating to the integrity of the organized social body and in turn to the welfare of

the individual. The state seen in its simplest aspect, the division of labor, becomes an actuality, a moving mechanism of pulleys and bands and bearings. Having the sense of direction we may now point out a social hot-box or a slipping-belt with the clearness and facility of the expert machinist. It is a question of form. The social movement is viewed with equal regard for the individual and the common good. Thus the highest sensations are at command. The *Newsbook* and the *Town* have no editorial page or "composition" department. The money-force now wasted in that direction will be spent in systematic inquiry. The editor of the paper is simply its chief reporter. To his eye a murder in the fourth ward, a big cotton crop in India, an injury to Patti's throat, the result of a presidential election, a new sonnet, a new principle in politics are all news. Its news columns make up the whole paper. The advertising is itself regarded as news; it is the conveyance of the private or individual intelligence. Already the newspaper of the day is changing in this direction. In the end a large part of what is now "reading matter" will go over into the advertising columns, which in consequence will become more interesting. Merely personal intelligence—the departure of a tailor for Europe or the like—should be paid for as advertising under its appropriate heading. A few years ago the *Philadelphia Record* contained a long advertisement giving the sermon of a local preacher paid for line upon line. It is believed that the advertising which appeals to the whole people will have continuous development along with other changes in the general newspaper. Mr. Dana,<sup>5</sup> of the *New York Sun*, at one time put out the suggestion that the day was coming when we should have newspapers without advertising. As against this the *Sun* is now striving in the marketplace for the "wants" along with the *World* and the *Herald*. The reality Dana was seeking lies in finding directing principles for bringing order out of the present confusion in the advertising business. Large advertisers like Wanamaker, and certain special agents, have been leading the way in a measure. Gradually the general newspaper will come to place writers of skill at the service of advertisers. Thus the writer of "puffs" and "notices" will become an advertisement writer, and this while yet in the employ of the newspaper. The great retail houses will not be so much alone in furnishing attractive advertising for the eye of the public. The introduction of the *Daily Want* will go to set in order the whole advertising field.

#### IV. THE CLASS NEWS COMPANY

Consulting our triangle again, it appears that various groupings of fact appeal directly only to certain classes of the people. From this we have class papers and the Class News Company which publishes these papers. Gradually the Class News Company will come to take charge of the whole field of class knowledges, special scientific journals coming under the same view. In other words the economies involved will compel a unifying movement covering the whole circle of class news. A new fact in chemistry has

<sup>5</sup> [Charles A. Dana (1819–1897) was an American journalist and politician who served as the editor of the *New York Sun* for thirty years (1868–1897), during which the paper occupied a prominent place in American public life. Among his various contributions to the advancement of journalism, Dana's *Sun* is known for being one of the first papers to hire college graduates in the 1880s and for first coining the most enduring definition of news as man-bites-dog. See Janet E. Steele, *The Sun Shines for All: Journalism and Ideology in the Life of Charles A. Dana* (Syracuse: Syracuse University Press, 1993).]

possibly some immediate social outcome, some new decency or luxury of life—this for the *Newsbook*; it then has its class value for the professional chemist. What is true for chemistry will hold good in other lines and so make the circle. From one point of view, the Class News Company is in the business of publishing "trade" papers. These trade or class papers constitute the base of the organic publishing business. Through them the centralizing movement I am outlining gets its fulcrum, its position or place, in the physical commerce. There are now fully 1,000 trade papers in the United States alone—the growth of twenty-five years. Of these the agricultural sheets in one form or another number 300. The revenues from advertising in the various trade papers would sum up several million dollars. I do not think six million would be a high estimate. In this we get to know somewhat the amount of the tax collected from the physical commerce by the trade paper men. In part these papers speculate on a great want without supplying it. Again it is true that some of them fairly meet the needs of their groupings. To illustrate, the *Hub* newspaper is perhaps adequate to its end as the organ of the carriage trade. It thus appears that certain minor branches of trade are best served. The waste of force in the trade paper business through lack of a centralized movement is, of course, very great. It is not proposed that the Class News Company shall at once set about buying trade papers in order that all maybe brought under one ownership. Premature action of the sort will be carefully avoided. The errors made in centralizing certain industries will not be repeated on the spiritual side. What I mean here is that in more than one centralizing movement on the physical side, unnecessary increase of capital came in through buying out factories or plants which might better have been left to their own devices. The men who have had to do with these movements see things in clearer light now. Talking with one of them, he agreed that in some instances it would have been better if two or three large concerns had trusted to the central principle as the key to empire, leaving the outside concerns to break themselves against the principle. Rightly understood, the principle looks to such an increase of competition that the weaker concerns cannot compete; it is the big grist and small toll. The action of the News Association is so deliberate, its body of directing principles having been worked out and articulated, that it can easily avoid the errors made on the physical side. The action of the dependent corporation, the Class News Company, partakes of this deliberateness. The wide-extended reporting organization compelled by the News Association is in its results at the service of the Class News Company.

The class journals first to be put out would relate to such minor branches of the physical commerce as are not already covered. These groupings may be dealt with by virtue of the wide-spread organization that is to come in. Each newspaper is to meet a plain need. Thus the paper *Fruit* might perhaps be the first publication to be issued by the Class News Company. *Fruit* would be a weekly paper. Let me say here, however, that

in publishing the weekly newspaper *Fruit*, leaflets containing reports of injuries from the weather would at times be given to subscribers in advance of the regular publication day. The telegraphic report of a nipping frost must go out at once. In the main, the publications projected in this region will relate to the primary groupings of the physical commerce—food, metals and textiles. The journal *Fruit* illustrates the advance here. A number of the papers will be small dailies of the leaflet sort, as the daily paper *Grain*. The motor-idea is the pursuit of the price-making intelligence. The merchant, the manufacturer is eager to get at the price-making influences in his own line of business and is prepared to pay therefor. These he cannot well get, save as coming to him through the organized intelligence. The movement will take close account of all commodities whose prices are directly and easily affected by the news of the day, whether this be a bad turn in the weather, the exhaustion of a mine, or rumors of foreign war. As already indicated, this trade paper development forms the base of the enterprise.

The very notion of the price-making intelligence as constituting a distinct branch of news-getting is of recent origin. It first took clear shape with me in setting about developing *Bradstreet's* (newspaper). In consequence of the experiments made there, I wrote in *Bradstreet's* August 26, 1884, as follows:

A line is ultimately to be drawn between governmental and newspaper publicity. Wherever the sovereignty has to be impressed in order to get information the work of the government is a necessity. But when the required facts are reached through a potent sympathy and far-reaching activity the collecting agent is the metropolitan newspaper. . . . It is believed that the commercial side of New York journalism has not kept pace with the gradual change of conditions. Twenty-five years ago the Produce Exchange reporter had little more than tables of prices to present. To day through the ramifications of the telegraph, the influences that make prices are very largely at the command of the journalist.

All the developments since the above was written have gone to make good the position taken. The new journalism is to build from the soil—its organic base in the physical commerce. The way has been prepared somewhat by government work, but crop reporting through government agency is and must continue to be perfunctory. The present slowness in giving out returns will not answer. The reporting must be done day by day. But as indicated, this is not all, sympathy has to be enlisted. The reporting machinery here is primarily the social organism itself. The citizen king is the crop reporter. He registers his county fact, say in the black belt of Mississippi, receiving in return from the central inquiry office the cotton belt fact, getting also the crop prospects in Egypt and India along with the state of the spinning industry. This news reaches him through the daily paper *Cotton* which is published for one point, say, at Columbus, Miss. The integrity in this initial act of registration is secured from the fact that the master interest of the reporter (in, if you please, Lowndes County, Miss.)

lies in directly furthering the accuracy of the report from the whole cotton belt. Besides, he wants correct reports from Egypt, India, and from Manchester, but these he cannot have unless trustworthy reports from America can be given in exchange for them. Wanting the whole truth he will contribute his fact thereto. The central office sells truth for pay and may be trusted to protect its brand. It is the play of sympathy—of interest. Straight goods all 'round or no trade. It is the bartering of intelligence—the great transaction of life. The freedom required cannot be gained through the delegated authority called government. Here is the grand division of labor. As it is reached, the organism is detected and we gain the line between governmental and individual activity. The man of letters—as journalist, as diurnal man—functions, and one of the things falling to him is the whole business of crop reporting. The machinery is provided within the social organism.

I need not dwell on the argument. The principle was established through my experiments in *Bradstreet's*. It only needs to be stated. Now when the crop report of a given state of the union can be taken by telephone in a few hours, the cumbersome methods of a government office will not do. Various trade organizations have tried for the mastery—notably the National Cotton Exchange—but without avail. Not long ago the Chicago Board of Trade pointed out the need of better crop reporting, but nothing was or can be done. The individual trader, the trade exchanges, the government have tried it and all have failed. The one way out is through a ground movement in journalism. Only in this way can the organization become automatic. There must come in the daily newspaper *Grain* and other like publications. One of these might be the paper *Meat*. Here is the journal that will be produced simultaneously at various points—at all the great markets for a given staple. Take the paper *Grain*; it should ultimately be printed each morning, say at New York, Chicago, St. Paul, Omaha, Davenport, Kansas City, St. Louis, San Francisco, Portland, Liverpool, Paris, Vienna, Odessa, and Calcutta, proceeding at all these points from the branch offices of the News Association. The journal *Cotton* would be published at the leading market towns in the American cotton belt and at the great cotton industry centres here and in Europe.

It is not possible to determine before entering upon full action just how far classification will be pushed. We organize in all directions on the reality. I can only point out that it is the leaflet concept in the publishing business on which we are acting. In all likelihood the principle of everything-for-somebody must obtain in the region of political or social news beyond anything we can now anticipate. The *Newsbook* itself may have detachable leaflets. We are dealing in intelligence and it must be delivered to customers with strict regard to their convenience.

The price-making fact is the centre of interest. The surprising thing is the tremendous news development in the region of the physical commerce consequent upon the new point of view—the whole truth. As at first conceived the movement took the shape of three weekly papers to be called

*Food, Metals, and Textiles.* At the time I received a memorandum from Edward Atkinson concerning the first named. He gave most striking illustration of the volume of news that must at once result from full inquiry into the food question. Mr. Atkinson's<sup>6</sup> paper is not in convenient form for insertion here else I would give it. Re-arrangement would make it mine not his. The service of these primary groupings waits upon the full organization of inquiry—the centralized intelligence. Although food, metals, and textiles are now heavily taxed by numerous papers, the range of fact is so great that no one of these three great divisions can afford to raise up the necessary machinery. The end can be reached only through the economy of a single organization. All news directly affecting prices in this region will be transmitted by telegraph—this whether it be a big wheat crop in India, a decrease in the cost of aluminum, a small peanut yield in Virginia, or a failure of the raisin crop in California.

It is believed that the closer this class news is brought home to the need and convenience of merchants and producers through the projected daily and weekly papers (such as *Grain, Meat, Cotton*, and the like) the greater will be the attraction to advertisers. The gathering of advertising to a given trade paper must increase just in proportion to the completeness with which the news belonging thereto is delivered. The evolution here is with the organized intelligence.

The general newspaper as it stands to-day, particularly at New York, is undertaking the impossible task of neglecting or foregoing the facts of the physical commerce. The attention is so much concentrated on the by-play of life that the reflection of the life actual has fallen behind relatively. As things are, a divorce has come about between the newspaper and the actualities of life. A number of years ago the *New York Times* published about the same date each fall extended interviews with leading merchants concerning trade prospects. It has since taken to printing "puffs" for the merchants for pay—these taking the place of the former interviews. So that instead of advancing to the organization of inquiry, the newspaper, as illustrated in the case of the *Times*, yields its position and becomes more bush-whacker than ever. The men of the physical commerce are so far in possession or in control of the newspaper that the edge of inquiry is turned. In great part the advertisers are editing the paper—that is, so far as it is edited at all. Not having discovered as yet that he has a business of his own, through possessing the commodity intelligence, the newspaper publisher is as yet under the heel of class interest. He can free himself only through acting on the unity of inquiry.

The point to be conveyed here is so important—so far-reaching in its import—that it is worth illustrating. Meeting one day in New York the chief advertising runner of the *World*, he stopped to tell me that he was about correcting what he thought to be an act of injustice on the part of his paper. I think it was in 1885. He told me that for months the *World* had been publishing all sorts of stories concerning poisoning from eating

<sup>6</sup> [Edward Atkinson (1827–1905) was a cotton manufacturer, economist, political activist, and inventor. When his cotton mills began to fail in the mid-1870s, he entered the railroad industry and later worked as President of the Boston Manufacturers Mutual Insurance Company. Known for his abolitionist involvement with the Free Soil Party and the Boston Vigilance Committee, he also founded the Anti-Imperialist League, which opposed the American annexation of the Philippines in the late 1890s. Based on an in-depth study of cooking (energy consumption cost, food chemistry, nutritional intake, etc.), he designed the "Aladdin Cooker," a device which prefigures the modern crockpot. He was elected a Fellow of the American Academy of Arts and Sciences in 1879. The correspondence of Ford and Atkinson lasted from 1885 to 1889, and this book featured some of this material, which covered a crucial period during which Ford quit *Bradstreet's* (to which Atkinson contributed articles) and tried to initiate practical attempts at reforming the press.]

<sup>7</sup> [Horace K. Thurber (1829–1899) and Francis B. Thurber (1842–1907) were American businessmen and the heads of H. K. & F. B. Thurber & Co., a food manufacturing company specialized in canned goods.]

<sup>8</sup> [Austin Nichols & Co. was a wholesale grocery business operating from New York City.]

canned goods, and this without caring greatly as to their truth or falsity. Continuing, he said, "It is all wrong, I am going to have it corrected." I asked, "How will you do that; by having the *World* look into the facts and take back all mis-statements made?" "Oh no," replied he, "There is a better way than that. I am getting up a two-page article on the canned-goods trade; I have it nearly ready; the Thurbers,<sup>7</sup> Austin-Nichols<sup>8</sup> and other leading canned-goods people being represented." The charge was to be fifty cents or more a line; I think he said a dollar. In few days out came the two-page "correction" in the *World*. Asking F. B. Thurber about the matter a few days after, I think he told me that the sum paid by his firm on account of the enterprise was \$300. The illustration is not extreme. It serves to bring out the present confusion in the daily newspaper between "printed matter" and advertising—between the public and the private intelligence.

Such action as that of the *World* may be called making money both ways; untruth is first sold after which a heavy charge is made for correction. Thus, as I have said, the edge of inquiry is turned. Two falsities or at least two half truths take the place of the whole truth. There results a maximum of printed matter and a minimum of fact. The moment the point of view of the whole truth is taken, the volume of news rises in all directions. The confusion here can only be temporary. The transition, and the only one possible, is to begin systematically to sell the truth about merchantable things—the price-making news—and so make the ground connection for the great advance of letters. We do this through the Class News Company—one side of the intelligence triangle. To do it is to seize upon the new endowment fund. The enormous revenues accruing to the trade papers should contribute directly and definitely to the furtherance of inquiry. The endowment of letters, as it has been called, is an ever increasing sum. To-day it is the gold which the captain of industry stands ready to pay for the price-making facts on which the prosperity of his business is turning. I have been told that the annual net result in money to the proprietor of the *Iron Age* is \$100,000. This profit of the *Iron Age*, the million of money which Bennett has been able to take from the *Herald* in a single year, and the enormous revenues of the mercantile agencies stand for the three sides of our triangle. It is proposed that the three streams of money be brought within the grasp of a single institution. At least half of the "agency" revenues should be carried forward to the fact—to the bureau of information.

Let me again illustrate the unified movement in contemplation. It has been pointed out that a single fact of the physical commerce may have three aspects; that is, it may be sold three times, yielding three profits. Let us suppose that a report reaches the News Association of a short wheat crop in a particular region of the northwest. It is first sold in its detailed form to the grain men through the daily paper *Grain*; then as regards its political or social bearing it is sold to the citizens through the *Newbook* and the *Town*; and finally, for the third time it is disposed of on its bourse side

at the office of Fords to some customer who is anxious about its effect on certain railway shares he has long owned.

The class papers indicated must largely take the place of the present system of reports by United States consuls in relation to foreign trade. It is acknowledged that the consular reports lack that degree of efficiency which can alone give them importance and value. Detecting how three profits are bound up in the one fact we may send an expert to Europe in the service of the class journal *Textiles*. He will inquire, if you please, into the state of the dress goods trade. The fact reported will have a social value for the *Newsbook* and in turn a value for the individual through Fords. The point I would make is that the expert cannot be sent save through acting on the unity of inquiry—through perceiving the three profits in the one fact. The scientific touch has to come in here else no inquiry. This done, a great deal of reporting now carried on by consuls or other officials goes over to the newspaper.

Through these class journals, reports are brought into the service of the *Newsbook*, thus clearing up the facts of the great business of politics. The tariff question will then be reported. Again we are able to see how, through becoming the receiver and transmitter of the price-making fact, the journalist gains the central position of life. Industry is at last organized because the intelligence peculiar thereto has become organic to the whole.

V. FORDS

Fords is the Lloyds of information; it is the universal truth-shop. It is proposed to put this advertisement before the New York public:

BUY YOUR FACTS AT FORDS.

Corporations investigated. Trade conditions reported.

NEW YORK OFFICES:

Wall street, Broadway and Worth street, Fourteenth street, Twenty-third  
street, Thirty-fourth street, Fifty-ninth street and Harlem.

The idea of Fords came to me early in 1883. I received one day, addressed to the editor of *Bradstreet's* a letter from a man of business asking if he could get a report on the agricultural conditions and situation in a given belt of country in a western state. He had been asked to have to do with building a railroad through the region indicated and wanted the lay of the land. This inquiry could not be made as there was no fit machinery for the purpose at command. There was no man within easy reach who could be sent out to explore the region at a price which the inquirer would be warranted in paying. Other like inquiries coming to me, I was prompted to organize for such work—to bring in an association of experts. Getting no sympathy for my ideas from the executive of the Bradstreet Company, I saw more clearly than had previously been possible that the Bradstreet organization and that of the mercantile agencies in general could on the

whole only compass the gathering and sale of rumor. This went to show that an advance was pending, that the bureau of information must come in; and, further, that the movement was bound up with the newspaper advance I was plotting.

Confirmations came to me in various ways. Other leading inquiries reached the office which, as before, could not be handled. I received offers of special salaries to aid leading trading concerns on the statistical side of their business. It was learned from the managers of certain state bureaus of statistics of increasing demands for information from politicians, traders and manufacturers which could only be met by a bureau specially organized on the commercial principle. It had come about that in the organization of new firms, greater care was taken to include, where possible, a man specially fitted to look after the inquiry side.

Strong proof lay, as it seemed to me, in the state of the "mercantile agency" business itself. As is well known, the two leading agencies are the Bradstreet Company and R. G. Dun and Co. Working alongside of the former, I was able to study the business closely. The two concerns were, and are to-day, not much apart as regards extent of business done. The gross annual income of each was found to be not far from \$2,000,000—a total of \$4,000,000. Large profits resulted. The Bradstreet people were then carrying a cash surplus of several hundred thousand dollars. Regarding the present condition of the Bradstreet Company's affairs, I have the following statement from a trustworthy source:

They have a capital stock of \$350,000 with an accumulated surplus in actual good assets, equivalent to cash, of \$1,250,000. In other words the concern is worth, I believe, \$1,600,000 in tangible property and largely in cash and cash assets. This does not allow anything for the good will and established business of the concern which according to its splendid earning power is certainly worth a good deal. . . . Their furniture, fixtures, etc., in the various offices are put in at very low valuation, which they would readily bring if sold out by the constable. . . . They carry large cash balances with banks and trust companies in New York, and . . . they have always from a half to three-quarters of a million loaned out to trust companies, etc., bearing interest. . . . It is one of the best paying businesses in the country. . . . Their stock will readily bring 700 to 800 and it is owned by a small crowd and very hard to get.

I found that certain business concerns had got into the habit of alternating their agency subscriptions, giving to *Bradstreet's* one year, and to *Dun's* the following. The Bradstreet people, at least, talked about two concerns being necessary in order to keep up what they called competition. Gradually it came home to me that the talk of competition went to conceal the double tax that was collecting. Two prices were charged for the one service, for the one fact. The merchants of the country were forced to sustain the two concerns where one would have done as well or better. This was before the elimination of distance and the mother thought bound up with it, that publicity is a commodity, had been detected. This discovery

of course speedily cleared up the situation. It became clear that the bureau of information could be founded only as a phase of a general advance of the publishing business. It was seen to be an incident of the organization of inquiry. The truth-shop must follow upon, or, if one please, accompany the advance of letters to the fact. Fords could not be erected until the man of letters had a business of his own. He has now become independent through possessing the commodity publicity. Peruvian bark did not serve as commodity until it was found profitable to extract its inner principle to be sold in the form of quinine. So with crude rubber; Goodyear had first to wrest from it its chemical secret.

To meet the quickened demand for fact, various attempts have been made in Wall Street since 1885 to establish the bureau of information. Failure attends them because of inability to act on the commodity concept. The business of reporting is mixed up with that of dealing in the things on which reports are wanted—conditions inevitably corrupting. Fords is the universal fact shop. Its business will be confined strictly to the purchase and sale of intelligence.

Fords is the shop in which the facts of life are handled and sold on the lines of individual needs. The business is parallel with and dependent upon the development of inquiry made by the News Association. The organization of Fords is closely related to that of the class papers outlined, and in turn to the *Newsbook* and the *Town*. Illustrations multiply, but they cannot be put down here. The intellectual movement is one. This cannot be too often asserted as therein is bound up the economies of the enterprise and its great commercial outcome.

The mercantile agencies gather and sell rumor concerning credits. Rumor is usually sufficient here. The standing of a cigar dealer may be learned from the gossip of his neighbors and the statements of dealers who sell him goods. To gather such gossip and statements is the work of the agencies. Fords will not at the outset enter this field; that is, it will not set out to report the credit of individuals or of trading firms. But Fords will at once report the credit of corporations and this in all respects. What will be the ultimate effect of the development in hand on the field so left to the agencies, need not here be said. With this provisional exception Fords will sell information of all sorts and descriptions, from spelling a word or verifying a quotation to the facts showing a change in the underlying conditions of some great industry, or the extent to which a given railroad has been borrowing its dividends in the guise of loans for additions to rolling stock. Its range of action is co-extensive with the interest of the individual in life. Men with perplexing ideas will come to Fords to get them appraised, or resolved. Even the disturbed mind will apply at its counters for the relieving fact. The great specialists in mental science will be found at its offices.

The signal act of Fords will be to set about reporting in a comprehensive way the new registration of industrial shares on the stock ex-

changes. This need in itself goes far to warrant the enterprise. The idea on which we are working enabled me to predict in 1885 the great incorporations of the following years which are still going on. Distance gone, production organizes—centralizes. Along with this we have the development of "trusts," followed by tremendous corporations, the end being to bring this and that great industry under a single direction. Already there is hardly room on the bourse for both the new industrial shares and the old railway stock-and-bond structure. The industrial stocks go to antagonize the railway obligations. Yet the movement is certain to increase in every way. Correspondingly, the need of information from an independent source becomes imperious; there must come in a like movement in intelligence. This need is met by Fords, which undertakes to report the condition of all trading and manufacturing corporations in the United States and throughout the world.

The action is many-sided and here can only be touched upon. Just what will be done as regards the issuance of regular printed reports cannot be indicated in advance.

To single out one thing that Fords is to do, let me say that it will organize the law so far as it remains to be organized, that is, on its information side. To illustrate, a man of business comes to New York from London having an idea that he would execute in commerce, through a corporation. What are the corporation and tax laws in New York and the neighboring states; in short, to what conditions must he conform? As things stand he would have to pay a considerable fee to some lawyer of known trustworthiness. With Fords organized he would get the desired information for a comparatively nominal fee. Fords may have its own "tickers" in Wall and Lombard streets. Facts having to be bulletined instantly may go out from Fords instead of from the News Association. Time is required for the printed page. Thus the ticker of Fords is the extended, multiplied bulletin board of the News Association. Fords becomes an institution having large revenues with no corresponding outgo.

An annual subscription to Fords of not less than \$100 will be asked. Great care will be taken in making the preliminary canvass for these subscriptions in certain large cities; this especially in New York, London and Chicago. Take the twenty-five leading business men of Chicago—they need to have the scheme explained in its entirety. This done, in the leading cities a chain of references will be raised up. There are 8,000 bankers in the United States, all of whom are possible subscribers to Fords. A few years ago the possible home subscription list of the Bradstreet Company was held to be 20,000—that number of trading concerns in the United States stood in need of the Bradstreet or like reports. The number is nearer 25,000 now. The Bradstreet Company had in 1886 about 12,000 actual subscribers.

The reporting of credits is carried on through three instrumentalities: (1) the Bradstreet, Dun and other agencies; (2) the agencies under a proprietorship having to do with but one branch of trade, such as the Furniture

Exchange and the like; (3) strictly co-operative reporting done by traders themselves through such organizations as the Merchants' and Manufacturers' Exchange of Detroit. The last two merge into each other more or less. It is safe to say that the total annual revenues of the three groupings is \$6,000,000. From close knowledge it is conceived that half of this is over-taxation, the service being worth only about half what is paid for it. Going to the merchants of the country, it is proposed to ask that \$3,000,000 of the sum be paid into Fords, for the reporting of trade conditions, the standing of corporations, and for placing all related information directly at the service of the merchant.

It should be noted that the "agencies" now make a show of reporting corporations; they do not get to the realities. My experience on the inside proved that they cannot pass from the minutiae of gossip and rumor in which they are involved. The argument from public need has passed *Bradstreet's* and *Dun's*; instead, the urgent thing is to move half their revenues forward to the Fact. There are three collections of the one thing. One lawyer in this or that locality reports for both Bradstreet and Dun, for the one-branch-of-trade concerns and for a co-operative movement.

Sympathy for Fords will be found at London where investments are widely distributed and the need of intelligence great. A New York merchant, Mr. H. K. Thurber, remarked to me that the idea of Fords is a distinctively commercial thing; that it will be welcomed by the bankers of Frankfort and other points on the continent. For reporting financial questions of the complex sort special insight is required—the whole social movement has to be taken into account. Conditions have ripened for the announcement of Fords.

## VI. THE NEWS DISTRICTS

The great extent of the United States, the bigness of the country, has compelled the elimination of distance. But this was only to prepare the way for the organization of its intelligence and the correlation therewith of the intelligence of the whole world. The new ideas in hand, the next great step is to divide the country into news districts and begin the application of these ideas to the life of the people. The way the country is set off, politically, into states and counties goes to facilitate this. It would almost seem that the present necessity was anticipated in the principle of political division. There is the grouping by states with the county as the unit of organization. The usual news district is a single state. Through these convenient groupings the facts of life are brought to aggregates for study and comparison. The facts under this or that head in Michigan are compared with the like return from Oregon. In this way the interest is always at the full.

Democracy in America is not organized till we have consciously brought its intelligence to a center, and have related it to the past, that the resulting light may be had for the morrow's guidance. The means of communica-

tion are in place but these could not be brought to the highest use until the realities flowing out from the locomotive and the telegraph, their spiritual meaning, should be wrought out and made the basis of a centralizing movement. The principle of action for which the News Association stands is the new locomotive. By the new light we are able to see that the registration of life through the present newspaper is quantitative only. We have now to erect the qualitative center. In furtherance of this the United States is divided into districts, each district being in charge of a representative of the News Association. In each locality this agent stands for the general interest. Drawing his pay from the central office, he is freed from the control of local prejudice. The local fact is everywhere dealt with in the light of the whole, thus compelling the highest sensations.

The new principle or method is applied to each news district. Nothing is full commodity until brought to its full use; that is, until delivered where it is needed and as it is needed. The merchant has not taken possession of the publishing business until this is done for intelligence. News has been treated as if no principle were required to get and distribute it. The discovery of the intelligence triangle is the key to treating intelligence as full, instead of quasi, commodity. Through the triple incorporation the machinery is set up for refining to its uttermost the crude material of the news business—the bare event occurring here or there. The Standard Oil Company made an advance in the oil business by compelling from the petroleum all its secrets. By penetrating to the white oil at the center, naptha was secured at one end of the process and paraffine at the other. The economy here lay in attending to the commodity principle. The intelligence triangle applied to the soil, to the physical fact, there results an analogous refining of news, and corresponding economies.

The self-registering machinery is already getting into place in each district but it is only nominal. It has to be quickened, to be made actual. This done the Republic of Letters is a fact resting on the earth. The physical machinery is there but it is not utilized. Money is not wanted to create a vast new machinery, but only to attach the new principle to the machinery already in place so as to bring out its full effectiveness.

The districting of the country, therefore, involves placing a mind at the headquarters of each news field, a mind responsible for that district. The principle of co-ordination, of integration, lies at the base. There is at present no certainty as to the pursuit of any fact to its ultimate meaning. Were it desired to institute inquiry as to some continuing fact, say at San Francisco, a fact having roots in the past and great future meaning, it would be found that there is no agency for prosecuting the inquiry and reporting its results to the whole country. Inquiry is not carried forward from day to day; no fact, indeed, is carried either backwards or forwards. In short, the country is not reported. The districting of the country is the solution. From this vantage ground the News Association is able to handle intelligence. It is perceived that we have only to act upon the prin-

ciple in order to get not simply more news in quantity, but new news in quality. The higher quality comes in through the coordination involved in constantly working to and from a responsible center. The self-registering machinery of society, the desire of the individual to give up his local fact in order to receive it back with accrued interest is utilized to the full. The use of this machinery must have been but partial and tentative until there should come in an institution standing for the whole.

The district of Michigan will be organized first. The work of organization entered upon, a single county will be dealt with as a complete whole. On this whole, using it as a medium, the new order of ideas will be realized. Monroe county, Michigan, will be used as this medium. It is the southeastern county of the state.

## VII. THE FIRST HAND DISTRIBUTION

Horace Greeley<sup>9</sup> is credited with the prediction that the time is coming when all general newspaper matter will proceed from a single institution. Greeley had the vision, but did not see, or, at least, so far as I have been able to learn, did not announce that this single distributing concern must itself be the central publishing business. There cannot be two centers, one for gathering and distributing news, the other for printing it. Economy demands but one center. We have in hand, through the News Association, the fulfillment of Greeley's prediction. To gain the end, the highest responsibility has to be assured. This responsibility is neither more nor less than the integrity of the merchant—the continuous attention to the commodity. On this basis, the News Association proposes a close organization of the first-hand newspapers of the country.

The present Associated Press grew out of the locomotive and the telegraph. When the New York newspapers came to employ these improved facilities, they found themselves reporting simultaneously the same facts and paying extravagantly for each report. The demand of economy led them to divide the cost of gathering and distributing the news among the several sheets using it. In other words, the function of the Associated Press was to apportion the cost of the transmission. But this function has disappeared. The great reduction in the expense of transmission has rendered the telegraph toll to the newspaper what the postage stamp is to the individual correspondent—a bagatelle. As there is no longer any bar to communication, a new principle of association is demanded. The new principle is division of cost of inquiry. This advance brings new freedom and new responsibility. The press takes on a new function, that of separating the true from the false. Hence a re-forming and the forward movement.

The point to be made clear is that this change could not come about until telegraph tolls were so low that all matter for the first-hand paper, excepting of course the local news which is gathered on the spot, can be sent out by telegraph. The editorial page simply marks the absence of the

<sup>9</sup> [Horace Greeley (1811–1872) was a journalist, editor, and political figure. Best known for establishing the *New York Tribune* in 1841 (the leading newspaper of the penny press era), he also advocated for the use of the telegraph by the press. Ford also refers to Greeley in the "The New York Press—Its Future."]

entire fact. The whole not being at hand, opinion does substitute duty. Understand, there is not news and "editorial matter," there is only news. Already the stream of fact is so great that the "editorial page" is in neglect. It is in eclipse owing to the tremendous merchandising of fact, or the semblance of fact, which has come in. One more step and the editorial page is thrown out. Were a half dozen of our leading daily papers to be made up tomorrow without the editorial, or "composition," department; it would hardly be missed by the public. And it is safe to say that in the papers now making the most of "editorializing," the left-out page would be missed the least. But the editorial as such can only be gotten rid of by substitution—only when the flow of news from the center is all-embracing in its character will the absurdity of trying to lend dignity to the paper through essay writing become apparent. Under present conditions the editorial page is a sort of "church" maintained for the spurious man of letters, i. e., for the writers, as against the inquiry men, the reporters: The "editorial" is sheltered behind certain notions as touts ethical value, but these must give way upon recognition of the commercial value of truth. Already things have got so far, in some towns, that one and the same ownership puts out two or three newspapers with editorial pages of opposite views. Certain of the "syndicates" go a step further, offering to furnish all shades of opinion for all sorts of papers. In all this we detect the spirit of the sutler who looks not to the quality of his wares. We are in a period of the greatest confusion in news-dealing. The reforming waits upon the incoming of the merchant, who will handle news as he handles iron or silk. The only composition department will then be the type-setting rooms. Instead of the many "editorial" rooms, we shall have the one central inquiry office. One library will answer the needs of all.

The work of the "syndicates" has helped in the forward movement. They have undertaken a task of distribution, but, unable to get first-class matter, they have sent out inferior goods of well-known writers along with the falsely sensational. But the result of their efforts, since they went to stimulate the habit of receiving from a common center and so to prepare the way for the reality, has been to intensify the demand for the fact. Certain of the first-hand papers have taken little of the mass of matter offered. While recognizing the moving principle as sound, they have preferred to wait for the real thing. The syndicates have failed to satisfy the needs of these papers because they have had no means of controlling the commodity the newspapers were anxious to buy. The syndicate, as such, is a distributive machine without anything to distribute. What is needed is an organization of the in-come as well as of the out-go. The two must be made parts of the one centralizing movement. As it is, the syndicates have simply taken advantage of the mechanical side of the centralizing movement—increased facility in distributing matter. But the centralizing principle must itself move out as respects news gathering: inquiry must be organized. Only in this way can a continuous or genuine distribution from

a center be kept up. The centralizing movement is seen to be inevitable; but it had to wait until the new thought, resulting from the very possibility of the movement itself, could be worked out.

Chicago, Ill.,	Charleston, W. Va.,	Austin, Tex.,
Springfield, Ill.,	Baltimore, Md.,	Memphis, Tenn.,
Milwaukee, Wis.,	Washington, D. C.,	Nashville, Tenn.,
Detroit, Mich.,	Richmond, Va.,	Knoxville, Tenn.,
Grand Rapids, Mich.,	Norfolk, Va.,	Chattanooga, Tenn.,
Cincinnati, Ohio,	Wilmington, N. C.,	Little Rock, Ark.,
Toledo, Ohio,	Raleigh, N. C.,	Louisville, Ky.,
Cleveland, Ohio,	Charlotte, N. C.,	Indianapolis, Ind.,
Columbus, Ohio,	Charleston, S. C.,	St. Louis, Mo.,
Toronto, Ont.,	Columbia, S. C.,	Kansas City, Mo.,
Montreal, Que.,	Savannah, Ga.,	Omaha, Neb.,
Buffalo, N. Y.,	Augusta, Ga.,	Davenport, Iowa.,
Rochester, N. Y.,	Macon, Ga.,	Des Moines, Iowa.,
Syracuse, N. Y.,	Atlanta, Ga.,	Salt Lake City, Utah Ter.,
Utica, N. Y.,	Jacksonville, Fla.,	Fargo, N. Dak.,
Albany, N. Y.,	Montgomery, Ala.,	St. Paul, Minn.,
Boston, Mass.,	Mobile, Ala.,	Minneapolis, Minn.,
Springfield, Mass.,	Birmingham, Ala.,	Winnipeg, Man.,
Portland, Me.,	New Orleans, La.,	Helena, Montana,
Providence, R. I.,	Jackson, Miss.,	Denver, Col.,
Hartford, Conn.,	Vicksburg, Miss.,	San Francisco, Cal.,
Philadelphia, Pa.,	Columbus, Miss.,	Portland, Ore.,
Pittsburg, Pa.,	Galveston, Tex.,	Seattle, Wash.
Wheeling, W. Va.,	Fort Worth, Tex.,	

The country is surfeited with opinion and correspondingly eager for the fact. Public criticism of the newspaper has become more open and general. As a consequence, the editors of certain journals at the outlying centers are finding fault with the service of the Associated Press. Here and there are evidences of tentative organization. In many cities the leading papers have consolidated or are planning so to do. Again, at one or two points single papers far in the lead of their competitors, reveal the fact that but one newspaper establishment is needed for the service of the community. At the first-hand centers the necessity of an advance has already entered the minds of clear-headed managers. Since there is no occasion for two deliveries of the one fact, certain of these papers are marked for survival, certain others are marked for destruction or absorption.

There are about seventy present or prospective first-hand cities—cities, that is, which are first-hand in news. The following is a provisional list of such centers in the United States and Canada:

To the cities enumerated in this list there must be a common delivery of news. One result of this impartial distribution will be a leveling up of all first-hand papers. The newspapers in the smaller cities will have an equally prompt and complete news-service with those of the larger. Under present circumstances the smaller daily gets much of its information at second-hand from the columns of its larger and wealthier neighbor.

Besides these first-hand papers there are two other general classes of less important journals: (1) The regional papers, representing two or more counties, and (2) the strictly local papers. It is proposed that the News Association do not sell directly to these papers, but supply them indirectly through the first-hand men, who, in the capacity of jobbers, will retail the news to meet the demands of small dealers. In other words, the News Association undertakes to create only the arterial system; the lesser circulation will be taken care of by itself. The retail market of the News Association is the metropolitan district of New York and vicinity. It is not proposed that the News Association shall in any case own a controlling interest in outside papers, i. e., beyond New York, whether at Chicago or elsewhere. The rule will be that it is not to have any ownership whatever in such papers. To maintain such ownership and especially to undertake to control the policy of any of them would be to violate the home-rule principle. The local newspapers, which will always be under the direction of the local interest, or prejudice, simply receive general news from the central office. The connection is maintained only so long as the service is satisfactory. The News Association has no hold on them other than the trustworthy dealer has on his customers. Only so far as life is registered through the News Association can its empire be maintained. The news of local origin in the office of each first-hand paper will be at the service of the News Association much as now. It will, however, as indicated elsewhere (No. 6), have translation through the district representative who stands for the whole. The local news is thus worked over at all points in the light of the general interest. The news of the metropolis will be so organized as very largely to preclude the necessity of keeping special men at New York by the outside papers as now. Special inquiries at the metropolis prompted by local needs, [sic] will be given attention by men in the service of the News Association. The district offices of the Association can be drawn upon in like manner. It is believed that in time Washington will be found to be the only remote point at which the first-hand newspaper will need a special representative.

Since the News Association serves but one concern at each first-hand center, its operation will ultimately involve a leading question of social organization, namely, the nature of monopoly. As I have said, the only hold of the central office on the outside papers is the perfection of its service; their only hold on the center lies in the fact that they pay their bills promptly, while giving to the public all the news. The principle of the big grist and small toll must obtain in all directions. But the following case is likely to arise: Some one, wanting to "start a paper" to further a given set of opinions, may ask the courts to compel the News Association to give service. The latter will make answer that the demand is not in the public interest; that instead the end is to bolster up merely individual opinion; that genuine opinion of every sort, that is, the particular opinion which measured by the whole is a fact, is already delivered to the people through

interviews and in all manner of ways; or, if such delivery is not complete, action will lie to compel it. A suit of this kind would compel attention to the reality of social organization. The appeal would be to the organic principle. In the late bucket-shop decisions of the Illinois courts, it was held that the quotations of the Chicago Board of Trade if sold to one must be sold to all; but against this point, were it urged, the News Association would undertake to show that its news was already sold to all through its local representative. It is of course intended that the news service shall become so full and free, so rid of bias, that the case imagined can hardly arise. But this hypothetical case illustrates the power which the centralizing movement will possess of compelling new concepts in jurisprudence.

The present position of the daily newspaper is made clearer by a glance at the history of our popular magazines. The contents of the first *Harper's* (June, 1850) was made up, with the exception of the monthly review and other minor things, of reprints from English books and periodicals. *Harper's* was simply a monthly scrap-book. In time, the magazine began to pay for original contributions, then to write up particular features of American life, and finally to organize a staff. The secret of the advance is that it began to prosecute original inquiry and this in a more organized way. This is equally true of the *Century* and some other like publications. Their present great circulation and revenues have been brought about by the application of the principle of inquiry. The point is that the centralized inquiry and distribution now outlined, making the daily newspaper its organ, brings the quality of its matter to the level of the present magazine and beyond. Even now the character of the matter of the monthly magazine is beginning to be affected unfavorably by the advances of the daily newspaper. As the newspaper comes to have at command agencies of inquiry turned full upon daily life, the magazine must recede, occupying itself more and more with the past.

## VIII. THE NEW PUBLISHING BUSINESS

The social body is still under the direction of pre-locomotive ideas. This has nowhere been better expressed than by Whitman<sup>10</sup> in these words:

For feudalism, caste, the ecclesiastical traditions, though palpably retreating from political institutions, still hold essentially, by their spirit, even in this country, entire possession of the more important fields, indeed the very sub-soil of education and of social standards and literature.

<sup>10</sup> [Walt Whitman (1819-1892) was an American poet, journalist, and editor.]

The clear departure had to wait on the American idea—the third fact of the century. The first fact of the century was the locomotive, the second the electric wire. The third is the spiritual outcome of these new physical agencies, or the resulting conception of life. Through the elimination of distance and its social rendering, we have a flood of new ideas, making the new American literature for which the world has been waiting. The new thinking, compelling the new publishing business, corresponds to the

present state of commerce. The commerce in physical things carried to the full finds its own realization in the truth-shop, thus disclosing the unified commerce. Social advances find their first expression on the physical side. Realized in consciousness, we have new ideas of political organization and in consequence a new literature.

In the unity of commerce the supposed barriers between the spiritual and the material are overthrown. We apprehend continuous movement in life as the new psychical fact. The process is continuous and can only be stated in terms of absolute movement. The locomotive of commerce, itself the freed truth of the universe, in turn frees mind. Distance has been eliminated through the march of mind. The mind of man translates into the secret of the steam. The unity of life is disclosed to us as an external, every day [*sic*] fact; it is a moving whole. Here is overcome the discrepancy in life, the seeming divergence between subject and object, lamented by Mazzini as "the perennial anarchy between thought and action."<sup>11</sup> The literatures based on the separation of the God principle from life are seen to be but dead matter. There can only remain to us the literature of action. The pseudo mental sciences, the rubbish of an apart ethics and the great mass of economic speculation disappear as did the Ptolemaic astronomy before the discoveries of Copernicus.

We are at the center of a new birth in letters—the advance of inquiry to the daily fact, to the social whole in movement. In place of the merely individual literature now in its decadence, we secure new readings from the book of life. The new literature is the report of America—of what she has done. The movement begins where Carlyle and Emerson left off. Writing to Carlyle in 1844 (the year before the President's message was first flashed from Washington to Baltimore) Emerson said: "My faith in the Writers, as an organic class, increases daily, and in the possibility to a faithful man of arriving at statements for which he shall not feel responsible, but which shall be parallel with nature."<sup>12</sup> This means the registration of life. Other men with equal clearness of vision have dwelt upon the theme. Speaking from his place in the Senate in 1846, John C. Calhoun said: "Magic wires are stretching themselves in all directions over the earth, and when their mystic meshes shall have been united, and perfected, our globe itself will become endowed with sensitiveness, so that whatever touches on any one point will be instantly felt on every other."<sup>13</sup> The prediction has been made good; so much so, indeed, that the newspaper, in Calhoun's own phrasing, becomes the organ of the whole. All these hopes and prophecies are brought to their fulfilment in the News Association.

The new reading of life takes definite form in certain volumes. Twelve of these, relating to the fundamental region of inquiry, are under way. The method followed is not that of writing *per se*, but that of registration—being identical with the principle of crop reporting. The work of each is for all and all for each. The "books" are on news lines as already laid down. The advance of inquiry to the moving social fact not only creates new news, but it reveals new tools of science. Discovering the social system,

<sup>11</sup> [Giuseppe Mazzini (1805–1872) was a journalist and political figure who advocated for the unification of Italy. Mazzini's take on the relationship between thought and action seems to have taken place in this political context. The quote is from Mazzini's *Italy in 1848*.]

<sup>12</sup> [Ralph Waldo Emerson to Thomas Carlyle, February 29, 1844, in *The Correspondence of Thomas Carlyle and Ralph Waldo Emerson, 1834–1872*, vol. 2 (Boston and New York: Houghton Mifflin, 1884), 58. For a detailed discussion of Emerson's thought and its influence on Ford, see the introductory chapter of this book.]

<sup>13</sup> [John C. Calhoun (1782–1850) was an American statesman who served as Vice President of the United States from 1825 to 1832 under John Quincy Adams and Andrew Jackson.]

its working lines become methods of interpretation and criticism. The key here is that certain beliefs long held in the mind in a half-formed way now become veritable tools of exploration. Certain conceptions held in an apart way, and discussed in terms of themselves, are transformed, when intelligence appears as commodity, into practical instruments for handling and perfecting the commodity into ways of investigating and reporting life. To illustrate: When inquiry is directed upon the movement of life, the need is felt of a psychology which can be used as a workman uses a kit of tools. We get the hand-book of psychology as we now have the hand-book of the steam engine. Psychology becomes a key to reading men's relationships to one another in society. Much the same is to be said of logic and ethics.

Through this reduction of mental science to practical form (as supplying tools for reading life), vast acres of literature, now under the domination of mere opinion, are invaded, and annexed to the domain of scientific inquiry. "The superfluous energy of mankind," says Bagehot, "has worked into big systems what should have been left as little suggestions."<sup>14</sup> There is no more reason for confusion in political science than there is for two multiplication tables—it is a question of the advance of inquiry, of a further invasion of art. The unity of inquiry being attained as fact, there is a union of science and literature—this to an extent not possible to anticipate. The advance to the solar system, through publishing of its law by Kepler and Newton, swept away the mass of opinion in that region. The advance to the social system, through discovery of its law, sweeps away the bulky literature of opinion in the regions of social life. The many dialects of opinion cannot compete with the one language of action. The scientific and the commercial advance are one. Literature turned out by partial and defective machinery is displaced, as surely as any quasi commodity recedes upon the appearance of more free working and better organized methods of production.

Beyond the substitution of hand-books of practice for apart theorizing and argumentation, we get certain generic and positive readings of life. Given intelligence as commodity, the central principle of life is detected. With truth and commerce at one, the organizing and controlling principle of society is revealed. The present status of society needs to be reported in the light of this discovery—in its general features, as well as in specific and daily details. A single volume focuses this. This first volume is called the *Day of Judgment*. The settlement day in the world's affairs comes in with the organized movement of the whole intelligence or fact. It is a statement of the existing structure of society. Again, the light reflects backward. Seeing, at their fullness, science and commerce as one, we look back upon history and behold their converging lines—the approach of the "material" and the "spiritual" to a centre of action. Hence the story of the Quickening Spirit and again that of the Conquerors of Distance. The three next on the list are the tool-books already referred to; the six following are more specific applications of the new tools to important regions of life. The volumes

<sup>14</sup> [Walter Bagehot (1826–1877) was a British journalist who served seventeen years as the editor of *The Economist* and was considered "a kind of patron saint of business journalism." See Wayne Parsons, *The Power of the Financial Press* (New Brunswick: Rutgers University Press, 1989), 41. Bagehot's quote is from *Physics and Politics* (London: Henry King & Co., 1872).]

grow up purely in response to demand—the undertaking is commercial—but enough is already done to make the way clear to the end. The twelve books are as follows:

PRIMARY VOLUMES IN COURSE OF REGISTRATION.	
(TWELVE TITLES, COPYRIGHTED.)	
1. THE DAY OF JUDGMENT.	The organon of democracy. Divisions of the "D. of J." book: (a) The Representative Slave. (The individual's encounter with life.) (b) The Organic Letters. (Functioning of the inquiry man.)
	(c) The Grand Division of Labor and the Social Organism. (Equation of the individual and the common good.) (d) The Bourse. (Old and new production.) (e) The Visible Church. (The rendezvous in life.)
2. THE QUICKENING SPIRIT.	The development in consciousness.
3. THE CONQUERORS OF DIS- TANCE.	The physical preparation.
4. THE WORKING PSYCHOLOGY.	Mind apprehended in terms of mo- tion and read under limit of its type. The mechanics of thought. Logic as the economy of thought. The integrity of life. The Embryonic State, or the school connected with life.
5. THE TOOLS OF INQUIRY.	Instrumental logic of the primary school teacher.
6. THE ETHIC OF ACTION.	The integrated university.
7. THE CHILD OF DEMOCRACY.	The art of reporting, or the use of words.
8. FORD'S COMMON SCHOOL.	The juridic effect, being the growth of accuracy between citizens as realized in municipal law.
9. UNIVERSITY ENDOWMENT AND ORGANIZATION.	The rationality of health and disease in terms of the common-place.
10. THE WORD AS TOOL.	
11. THE TRUTH AND THE LAW.	
12. SYMPTOMS OF HEALTH.	

The scope of these volumes may be thus indicated:

1. THE DAY OF JUDGMENT. The notion of a day of judgment is as old as recorded thought. With the appearance of intelligence as commodity, this notion at last rationalizes and we detect the settling day in the world's affairs. The organized publicity compels continuous accounting in life—

and this both ways, as to the individual and the whole. Through the free play of fact, equal judgment is assured. The individual comes to judge and to be judged in the full light. Full freedom gained, the partial fact reports to the whole for correction, and the whole, in turn, makes up the new accounting. Adverse interests make their showing on the full fact. This is the judgment in life. The book indicating the lines of this accounting provides the Organon of Democracy.

The divisions of the *Day of Judgment* book are as follows:

- (a) The Representative Slave. The first division tells the story of a mind seeking to realize its own movement through a desire to inquire and report concerning the common fact. Its activity is checked by class interest which found its profit in keeping the common fact covered up. The Representative Slave records the steps by which the inquiry man became conscious of his slavery—of his hindered mental movement. It records also the varied contact by which he discovered the conditions making for his freedom and for that of his kind. The story recites an individual experience in seeking to report, taking the municipality as the special subject of inquiry, the social movement with equal reference to the individual and the common good. Checked in this, he found the real hindrance concealed in the fact that existing social organization is based on a supposed antagonism between the individual and the whole. This being the dominant idea, the newspaper could not ignore class interest and so allow him to deliver the truth to the people. The discovery lay in perceiving that, as regards underlying conditions, the social movement had got to the point of harmony; that the newspaper therefore was lagging behind, was off the track. Here was the evolution of commerce up to the point of breaking down, through the locomotive and telegraph, the barriers to full inquiry and reporting, making it possible to deal in truth as commodity. The development of interest to the point of selling truth is the power that frees the slave.
- (b) The Organic Letters. Inquiry freed, life registers itself at a center. The results (news, intelligence) are distributed according to their respective relationships or demands. Thus the business of letters is organized; the man of letters functions. Said Thomas Carlyle: "Men of Letters will not always wander like unrecognized, unregulated Ishmaelites among us! Whatsoever thing has virtual unnoticed power will cast off its wrap-pages, bandages and step forth one day with palpably articulated, universally visible power."<sup>15</sup> This division records the fulfillment of Carlyle's prophecy in the emergence of the man of letters as the diurnal man or reporter, gaining a definite position through getting his own assured commodity. Thus the man of letters is for the first time introduced to the world. Account is taken of the conflict through which he has come to his independence, to his rightful estate, not forgetting the trail of blood; it is the struggle towards organization. We distinguish the art of arts, that of conveying intelligence, using the word as tool.

<sup>15</sup> [Thomas Carlyle, *Heroes and Hero Worship* (New York: John B. Alden, 1883), 119. Ford also discussed the work of Carlyle in his correspondence with Oliver Wendell Holmes, Jr. See *News is the Master Element of Social Control.*]

A flood of light results as regards the relative position of the various arts. The definitions, principles and method of the Organic Letters are thus introduced.

- (c) The Grand Division of Labor and the Social Organism. Political writers of the last century have had much to say of the spiritual and temporal powers and their relations one to the other. The organization of intelligence marks the grand division of labor here. The spiritual power is determined. The cleavage is between the man who acts by inquiry and reporting and the man who does some external thing. As a result of the freeing of intelligence and the flowing of the related facts of life to a center, activities corresponding to the facts organize also. The social system, the differentiations and interactions of the body politic, is at last attained as fact. The equation making the organism results from the free play of the individual interest, which is constantly recast on the lines of functional, common, or related interests. The social organism is disclosed; we perceive the full circulation of intelligence through the social body. Determining the main functions and directions of the organism, we have tools for placing the daily and hourly event. The struggle of the century for a science of politics is thus realized. The effect on existing economic concepts is traced out. The discovery that commerce evolves its own control gives the principle which, followed out in detail, reconstructs to its entirety what now passes for economics and social science.
- (d) The Bourse. This fourth division inquires into the constitution of the bourse; into the notions underlying and sustaining the present stock exchange. Following upon the locomotive, the mark of the century on the side of finance is the security factory. The century cannot end without bringing to book the excess security making. In England and the United States, the only check to the marketing of railway securities has been the market limit. A great stock and bond structure has resulted, whose integrity is subject to the social interaction. How are the social forces moving? In getting at the reality here the idea of function becomes a tool of inquiry. The social organism attained, the blood drawn from the whole by each member is measured by the need of each. It may be that the persistence of private taxation in the guise of public function will be detected. Account is taken of the new industrial incorporations and their effect on the old stock and bond structure. The story is of the conflict between the old and the new production. In general, account is taken of the great new fact that the socialism of intelligence marks the last of the feudal concept.
- (e) The Visible Church. This fifth and final division of the *Day of Judgment* book reflects on the one hand the results of an exhaustive inquiry into the state of endowments. The auditing principle is to be let in. It may appear that a close connection exists between the magnitude of endowments and certain false concepts that have gone to sustain private

taxation through the bourse. Tracing out the connection, the aim will be to learn how far the present organization is, in its reality, a state church, and in turn how the full freedom that is to come in will go to rekindle religious zeal. With the truth man substituting the counter for the contribution box, there results a marked alteration in this region. On the other hand, the division deals with the fulfillment of the promise: "Ye shall know the truth and the truth will make you free."<sup>16</sup> The fact is disclosed that the truth had first to be freed, and that this is man's part. It is further seen that through all the turmoil the principle of salvation has lain concealed in the activity, in the life-process of society. The church spiritual is at last organized; and through the distribution of truth the individual is raised into full membership. The church in the locality sense becomes the rendezvous in life.

<sup>16</sup> [Jn 8:32.]

2. THE QUICKENING SPIRIT. Having attained the unity of inquiry, that is, the development of science up to dealing with the whole, the State, it becomes possible to write the history of the struggle through which man has come to consciousness. This volume reports the growth of man's thought towards its objective, full action—until, freed in commerce, it goes clear over. The separation between thought and action, theory and practice, is overcome. The spirit quickens. It is the growth in consciousness of the spiritual power. The principle makes possible a reconstruction of intellectual history, giving a unity to what is now treated dispersedly, in histories of philosophy, of literature, of art, etc., the uniting thought being the movement of intelligence to action. The volume pays especial attention to the spiritual history of the nineteenth century, setting forth as its secret the last desperate struggle of thought to attain completeness and thus reach action. The story is given of the first enthusiastic fore-glance as distance began to disappear; of the isolation of thought in Germany and of its violent outbreak in the streets of Paris at the close of the last century; of the stock men took of the world they were then living in; of the attempts to enter the promised land by some other than the straight and narrow way; and of the dashed hopes as men finally ran up against the *cul-de-sac*. Then comes the final suggestion of the physical machinery which was to break down the last barrier so that the highest thinking might go out into life. It is thus that thought takes possession of its own, getting full citizenship in the kingdom of ends.

3. THE CONQUERORS OF DISTANCE. Commerce when it completes itself in merchandizing truth is revealed as the integrating process of life—as the force which conquers separation and brings men together in action. This third volume tells the story of commerce through delineating typical cases of its struggle to realize unity in life. It thus develops the principles of the unified economics. It is the paean of commerce. The history of the movable type, of the printing press, of the locomotive, the telegraph and the telephone is told in the struggles of the men who brought them to birth. The twice told tale finds new and powerful interest in its fulfillment.

<sup>17</sup> [This publication plan has been partially completed by Ford's youngest brother the following year. See Corydon Ford, *The Synthesis of Mind: The Method of a Working Psychology* (Ann Arbor: J. V. Sheehan, 1893).]

<sup>18</sup> [William James, "A Plea for Psychology as a 'Natural Science,'" *The Philosophical Review* 1, no. 2 (March 1892): 148.]

4. THE WORKING PSYCHOLOGY.<sup>17</sup> The problem has been to grasp the varied psychic manifestations as a whole, in order that they might have related meaning. This is realized by setting up the mental characteristics as phases of a single movement in lieu of regarding them as apart and of themselves entities. In this, mind is unified and so given common rendering for all men. This common rendering of mind raised up, psychology becomes an instrument for the interpretation of life. It makes definite whole regions now indefinite and restores waste places in sciences which heretofore have found difficulty in dealing exactly with the interaction of mind. Workers in politics, the daily walk of business, in medicine, law, and the school, are to find the missing tool. In one of his latest writings, Professor William James, of Harvard University, says: "We live surrounded by an enormous body of persons who are most definitely interested in the control of states of mind, and incessantly craving for a sort of psychological science which will teach them how to act."<sup>18</sup> The Working Psychology undertakes to meet this demand.

5. THE TOOLS OF INQUIRY. The generic ideas of life, which have been worked out and raised up by the philosophers as notions, appear to be, as things stand, the especial property of philosophy and philosophers. With inquiry freed, these notions become tools for the direct handling of social fact. The need is for a critical account of the categories of thought and this without entering into an abstruse discussion as to their origin. This fifth volume arranges the ideas of the philosopher as tools for inquiring into the state of the body politic—that is, with reference to reporting the special event in the light of the whole or general interest. In turn, the light of the present advance of intelligence will be reflected backward by way of re-interpreting the notions. All the factors of knowledge have now to be viewed with a heightened consciousness as to the unity of subject and object.

6. THE ETHIC OF ACTION. This volume states the ideas resulting from the fuller perception now gained of the interaction of life—the relation of the individual to his fellows. Ethical distinctions at present are largely derived from the pre-locomotive age—from the age when man was isolated in his conduct through lack of full communication. With the Age of Commerce, men get together in their action; and we realize as fact the forces making for integrity (for responsibility and freedom) in life. Getting to the ethic of action, we transcend the ethic of precept. We are content to see the false ethic disappear because, perceiving the free play of intelligence, we recognize that each situation in life carries its own ethic—and this with relentless logic.

7. THE WORD AS TOOL. This volume marks a departure from existing helps in the use of words. With the reporting of life organized, the intellectual life identifies with that of action. Literature is the movement of ideas. The art of reporting is distinguished. The word is the tool of the reporter. The beautiful tool is the best tool and the reverse. That is, in liter-

ature beauty and use (conveyance) are at one. Literary criticism, so-called, does not differ from any other kind of criticism; it is to judge whether a given movement has attained its end—whether the idea of the writer has reached the point of effecting action or has remained abortive. Account is taken of the two sides of action—subjective and objective. It will be asked whether a given writing is merely individual opinion or whether it parallels life—the test being its compelling power. The point, in fine, goes to transfer the literature of criticism from a separated (or apart) sphere to the practical—the life of action.

**8. THE CHILD OF DEMOCRACY.**<sup>19</sup> The development here identifies the school, from the back-woods district to the university inclusive, as the Embryonic State. It proceeds from the struggles of those who would teach when conventional methods only provide for "keeping school." The book reveals the existing chasm between school and life as the source of the current dissatisfaction with the general conditions, methods, and results of instruction. In course it sets out the detail of disorder traceable to this primary schism or broken unity of the life movement. In contrast with this, the working relationship between school and state is defined, the unwitting disregard of which has its practical outcome in the withering up of the child through his lifeless environment. In its wider reach, the book takes account of the family on the one side as the movement towards the school, while on the other it has to do with the qualifications requisite for citizenship—the continued movement of the individual toward full functioning in the State. In fine, a basic principle is discovered which frees child, teacher and State on the side of education. This new freedom comes in because, through the development of commerce, contact has been so freed that the child may be directly connected with the moving intelligence instead of getting it second-hand through books or the mind of his teacher. The school is the State in process of formation—in embryo.

**9. FORD'S COMMON SCHOOL.** It is proposed in this volume to deliver the new principles of education to the teacher as working tools, the aim being their detailed application. The movement looks to connecting the schools with life, and this up to the point of admitting the electric wire, the writing machine and the printer's case.

**10. UNIVERSITY ENDOWMENT AND ORGANIZATION.** This volume undertakes to set out the integrated university. In point of internal arrangement this is found to turn on the unity of inquiry. Existing university organization is but the reflection of prevailing mental lesions, that is, abstractions carried to the point of dividing the one life of action. When the necessary divisions of inquiry are made clear, a model for all time may be erected. The university connects itself with life; taken out of their isolation, teachers and students are no longer content with false values. The report also deals with the external side—the base of money supply. Is the university of the future to rest on the endowment principle, on taxation, or

<sup>19</sup> [This publication plan has been partially completed by Ford's youngest brother two years later. See Corydon Ford, *The Child of Democracy: Being the Adventures of the Embryo State* (Ann Arbor: J. V. Sheehan, 1894).]

on both? Now, when we are able to read the movement of the bourse in a more definite way, this whole matter of university foundations takes on a transcendent interest. When the university is brought into full relations with life, it may turn out that taxes for its needs, for the higher education, will no longer appear to the commonalty like giving money for some far away, disconnected thing.

11. THE TRUTH AND THE LAW. Under this heading we report the growth of accuracy in society between citizens, as realized in municipal law. By this is meant the gradual insistence upon responsibility among men for statements made to each other, throughout the whole range of action. There is the rise of the law of forgery and of libel. New jurisprudence is involved. It deals with the relations of the individual with the newspaper, with the movement of intelligence. Must not this relationship pass into the region of extraordinary remedies in order that correction may be prompt and punishment more swift? The security for individual privacy is indicated. But privacy is at an end whenever on the one hand, through unusual service to the state, public applause is invited, or whenever, through infraction of the social equation, public penalty is incurred. Does not the movement of publicity on the commercial lines work out its own law? This whole aspect of life can now be reported in the light of ascertained principles. It goes back to the statute of frauds and forward into the newer day.

12. SYMPTOMS OF HEALTH. With the beginnings of the elimination of distance, owing to cheapened postage, and the like, the quacks in medicine began advertising in the newspapers, especially in the country prints, certain books for sale through the mails. With extreme dishonesty these books turn the ordinary facts of physiology into pathology. The newspapers of to-day abound in such advertising. The remedy for all this can only proceed from a commercial advance. The quack in the expectation of selling, say, 50,000 copies by specious advertising, can in a month write a book in which everything is tortured into pathology. On the other hand, the physiologist is not led to write and advertise his book, wrought out on the truth lines at every point, until through the universality of the mails he is in the way of selling, say, from 500,000 to 1,000,000 copies. Such a book, under the title indicated, it is proposed to put out. Various approaches of late have been made to the book, but they lack incisiveness and point. They are not artistic, i. e., they do not get to the truth. The method here is one with perceiving that large profits would result from just the right thing. This identifies the artist and the merchant. Again, it suggests inquiry into the whole "patent medicine" business, while at the same time it looks to discovering the true state of the practice of medicine. The book is what its title indicates—the symptoms of health.

**MINOR VOLUMES.**  
(FOUR TITLES COPYRIGHTED)

1. Monroe County. Among minor volumes in prospect, leading interest attaches to the report on Monroe County. The summing up here cannot fail to make a considerable volume, since the new order of ideas will be realized on this one locality. Entering into the life of the region, its movements will be studied in the light of the organic principle—the future will be read into the present. Such a cross-section of life must give results of the greatest interest. There is as much news in Switzerland as in Russia, the difference being simply a question of detail. The whole enters into a given locality or part, as well as the part into the life of the whole. Thus, the reporting of Monroe County goes to complete all the volumes herein set forth.

The following list of categories, roughly classified, will serve to indicate the nature and scope of the reporting to be done in Monroe County.

A. Physical Basis:

1. Soil.
2. Drainage.
3. Climate.
4. Sanitary conditions.
5. Flora and fauna.
6. Rivers and harbors.

B. State of Commerce:

1. Agriculture.
2. Fruit and vineyards.
3. Market gardening.
4. Cattle.
5. Dairying.
6. Fishing—lake and rivers.
7. State of labor and the labor market.
8. Manufacturing.
9. Roads.
10. Railroads.
11. Banks, savings and investments.
12. Business habits in the villages and among the farmers.

C. Social Environment:

1. Movement of population—immigration and emigration.
2. Language.
3. Habits of life—amusements, morals, etc.

D. Institutional Development:

1. Government organization of county; work of the local courts, etc.
2. State of family; marriage, births, divorce, etc.
3. Embryonic State: schools, libraries, etc.
4. The visible church.
5. Status and movements of political parties.
6. The existing state of intelligence—means of communication; registration machinery, condition of newspapers, etc.

E. Pathological Status:

1. Pauperism, both physical and spiritual.
2. Insane and defective.
3. Crime.
4. Strange psychical developments.
5. State of the practice of medicine.

It should be noted that items of information are not to be collected *per se*. Monroe County is reported not statistically but as representative. It is viewed at every point as reflecting the life of the whole. The harbor at Monroe, for example, cannot be reported without touching upon the federal appropriations for such lake harbors—thus raising up the practical, or working, relation of the general government to the locality. So the fishing industry of the county cannot be treated without asking what the

fish commission of the state is doing. The bourse interest is prominent in the county, owing to the fact that two lines of the Vanderbilt system cut across it. This will compel examination of railroad accounting at New York. To report the schools and churches of one county is to judge those of the country at large. To study insanity in but a single county is to report the influences working everywhere to disintegrate the mental movement in the individual. Thus the resulting volume states, by type, the existing organization of life in America.

2. Political Parties in the United States. This report depicts the migration of parties from one to the other side of the line of battle in the progress to freedom through organization.

3. The Notion of Copyright. With the incoming of intelligence as commodity, the notion of copyright changes. Only the form in which ideas are presented can be protected through legal devices. The content of this or that new outgiving is always at the disposal of the journalist, and through him the life-bearing will be distributed. The need is to get at the whole meaning for this region of the great new fact that has come in.

4. Property in Trade Marks. One of the astonishing things of the day is the great money value of certain trade marks. If the advertisement is made general, the popular brand of varnish or of baking powder becomes a veritable gold mine. Through the protection of the State, prices may be kept so high that enormous private taxation results. It is conceived that the only adequate remedy here must be had through an enlarged publicity. The report to be made will take account at once of the legal side and the trade facts.

Other minor volumes must result, but it is not necessary to anticipate further. Small books having from fifty to one hundred pages, bound in limp cloth, will be put out. The method is but another way of setting news dealing over against the existing paper-and-ink business.

#### *THE QUESTION OF AUTHORSHIP*

Regarding authorship, the place of designer or architect is now distinct. The notion of authorship changes with the incoming of full registration, and the decadence of merely individual literature. Who first conceives a given bit of reporting may indeed have no mention therewith. Personal credit in the matter of authorship is a question of exigency and of circumstance. At times, reports will find their way into book form which from the very nature of the work cannot be credited to individuals, any more than can a crop report, or the like. Again, other reports would have little or no meaning did not the responsibility therefor depend upon an individual name. These volumes comprehend vast detail, but it is all at command through the primary divisions of labor already established. The force of the unifying principle is such that co-operation is at its highest. Men are competing together for the common end. The organic principle of life and

mind in place of being an academic fad becomes a unifying force in relation to which the facts of politics, of society, fall into place.

### *THE NEWSPAPER INTEREST*

The work of organizing inquiry has already proceeded so far that publication may begin. We make connection with the Distributive University—the daily newspaper. Fifty years ago new literature embodying the outcome of an extension of inquiry was sold to the public in "parts." But with inquiry organized as a whole, the results tread so closely on the heels of life that books, as such, are out of date before they leave the binder. The old bottles will not hold the new wine. What is needed is an instrument of daily communication. This is to be found only in the daily newspaper, the common carrier of ideas. The movement of inquiry in its highest and deepest sense squares itself with the work of the newspaper, simply because the business of the newspaper has come to be inquiry.

The movement out to the newspapers of the country consists in marketing the many fragments into which at the outset the above schedule of work divides. The range is co-extensive with life itself. In point of length, the matter for the newspapers when ready for shipment, will vary from a stickfull to a column, or perhaps at times to a full page.

The unity of inquiry pressed upon life, news rises in all directions. The new point of view acts as a revelation. Without attempting to characterize, here are a few things of immediate newspaper interest:

- Herbert Spencer's Hunt for the Sensorium
- Local Extension of Telegraph Lines
- The State and the Professions
- University Development in Ann Arbor
- The Rise of Press Clubs
- The Mercantile Agency Business
- The Newspapers Called Religious
- Changes in Proverbs
- The Pathos in the Progress of Inquiry
- Beginnings of the Newspaper
- Labor Papers and their Difficulties
- Christ's Idea and its Fulfillment
- The American Tract Society
- The New Slang
- Changes in Libel Law
- The Scunner Against Commerce
- The Endowment of Letters
- Law of the Newspaper with Respect to Privacy
- Competition and Law
- The Trust in Congress and in the Law Writers
- The Schoolbook Incubus

Pathos of Faith without Sight in Thomas Carlyle  
 The Trade Paper Business  
 Bulwer's *Last of the Barons*  
 Prime Movers in Literature  
 The Two Enthusiasms, or the Study and the Market-place  
 The Economics of Emerson  
 The Psychology of Emerson  
 From James Morrison until Now; the Dry Goods Truth Shop of  
     1825 at London  
 The *New York Times* and the Rise of Tweed  
 The Trader and the Merchant  
 The Notion of Conservatism Changing  
 The Pope's Outgivings since the Locomotive  
 The Civil Service Question and the Journalist  
 Art in Industry; How the Printer's Roller is Made  
 Position of the Painter and Sculptor  
 Josiah Strong and the Nation's Crisis  
 John Morley in his "Voltaire" and the Place of the Man of Letters  
 The Rogers Typograph and Class Interest  
 The Two Armies: the Spirit and the Flesh  
 The Individual in Walt Whitman's Writings

#### UNITY OF THE PUBLISHING BUSINESS

At the doors of the News Association, the distinction between journalism and literature breaks down. There are no books—there are only newspapers. There are no newspapers—there are only books. The prediction of the Frenchman, Lamartine, that the ultimate book was to be the morning newspaper, comes true. Literature becomes the recorded movement of ideas—of life. That is, the publishing business gets its unity through detection of its proper commodity—news. The commodity discovered, the business organizes. There are just as many modes of publishing as there are demands for the intelligence at hand—no more, no less. Under this conception each publication, newspaper, leaflet, or book, is the size of the news. Nothing is put out beyond leaflet-size, save as compelled by the volume of intelligence. No padded books or papers which impress by their volume and so go to make high prices, will be issued. Given intelligence as commodity, the transfer is made from the "book" business to the goods business. High prices are no longer necessary to support literary men and "ideas"—as on the endowment principle. Instead, the News Association is a dealer in news. News of enduring interest is at once re-issued as leaflet or book. Thus a piece of news printed in the *Newsbook* on a given morning may appear as a leaflet on the afternoon of the same day. Here and there the principle has already taken effect, but only incidentally; with the News Association it is the rule of action. Here is the "literary revolution." This does not consist in reprinting old books at new prices, but in selling

new intelligence in such volume as to compel a re-forming of publishing methods.

One remarkable thing is the preparedness of existing literature for the advance. This is manifest in various ways. As to matters of controversy, recent writers have done much to bring into clear relief both the truth and the error contained therein. A striking illustration here is the reduction John Morley's writings have effected in the pre-revolutionary literature of France. Further, as to matters of fact: the publications of the last twenty years—in series and handbooks—have reduced the past to convenient shape for use. However it may be for the technical scholar, the past, for the ordinary reader, is now brought up for reference and distribution. As for the present, the accumulation of fact has come to be far beyond the use that is made of it, or that can be made of it, save through an advance on the part of the newspaper.

Take, for an example, recent census reports. For the people, they have little or no direct value; they can be utilized only by the journalist. This is true generally of the results of government inquiry, whether state or national. The lessons to be found therein must reach the public through the diurnal man. Again, specialists in science have been lamenting the obstacles to the distribution of scientific intelligence. In 1884 John Eaton, one time United States commissioner of education, addressed the American Association for the Advancement of Science on this question of distribution. Among other things, he said: "The dissemination of truth is as scientific as its discovery. . . . Toward the gathering up, for man's daily use, of all the lessons of nature, the progress of the race is tending. . . . The era of this diffusion of knowledge has already commenced. Men not engaged in scientific pursuits are gradually coming to feel the necessity of gathering, grouping, and generalizing the data which give them a clear measure of health, comfort, pleasure, as well as the profit and loss involved. . . . But the correlation of all these and their actual results have not yet been reached. Nevertheless, money sees the profit of this wisdom and is more willing to pay for it."<sup>20</sup> The view put forth by Mr. Eaton has also had voice at later meetings of the American Association. What is perhaps the last word on this point was long ago spoken by Agassiz: "Scientific truth must cease to be the property of the few; it must be woven with the common life of the world."<sup>21</sup> At the last meeting of the British Association, a demand was made for a central institution which should adequately check the results of scientific inquiry. But these facts must be more than simply "checked"; they must be interpreted and delivered in their application to life. True distribution of them can take place only through a commercial advance.

#### THE AMERICAN IDEA

The new publishing business transcends the judgment of European critics regarding America. A type of these may be found in a foot-note to the

<sup>20</sup> [John Eaton, "Scientific Methods and Scientific Knowledge in Common Affairs," *Science* 4, no. 84 (September 1884): 247.]

<sup>21</sup> [Jean Louis Rodolphe Agassiz (1807–1873) was a Swiss-born naturalist and polymath who had a brilliant career at Harvard University where he played a key role in the development of modern scientific education. For a detailed discussion of Agassiz's intellectual trajectory and its complex relationship with pragmatism, see Louis Menand, *The Metaphysical Club* (New York: Farrar, Straus and Giroux, 2001).]

essay on the Rationality of History, written by Mr. D. G. Ritchie, and printed in a book of essays published by English university men about ten years ago. Succeeding his attempt to give the various nations of the earth their spiritual rating or position, Mr. Ritchie said:

It may be objected that no account is taken of one of the greatest nations of the world—the United States of America. But to this we can answer that it is as yet too new; in spite of its immense achievements in the material elements of civilization, it has contributed little as yet, except a few eccentric religions and some startling experiments in literature, to the spiritual existence of mankind. It is performing a gigantic political and social task; but the task is not nearly completed. Its population is constantly increasing by immigration, and its best culture is still an echo of the "old world." Yet, even apart from the doctrine that "westward the course of empire takes its way," the American can certainly feel that to him belongs the future. Whether the Slavonic races of Eastern Europe have an equally great future before them is more doubtful. In any case America and Russia are not old enough to belong to philosophic history. All study of their development is too much that of contemporaries.<sup>22</sup>

<sup>22</sup> [David George Ritchie, "The Rationality of History," in *Essays in Philosophical Criticism*, ed. Andrew Seth and Richard Burton Haldane (London: Spottiswoode, 1883), 148.]

Another type comes to us from Germany. It was in 1878 at Cologne that Professor Du Bois-Reymond, of the University of Berlin, gave his well-known lecture on Civilization and Science. At the last he brought up with the dangers which, as he thought, were threatening modern civilization. Surveying the movement of the time he saw in it "the decay of intellectual production." Looking further he saw a growing aversion to going "down into the deep well of truth." "Even the universal participation in the over-estimated benefits of political life diminishes the respect for ideas." He found that "art and literature prostitute themselves to the gross and variable taste of the multitude, swayed hither and thither by the daily newspaper." To him, "Idealism is succumbing in the struggle with Realism, and the kingdom of material interests is coming." And all this our scientist identifies as the process of "Americanization." "The dreaded overgrowth and permeation by realism of European "civilization" is held to proceed from America, "where no historic memories and literary traditions were available for stopping the tendency of the popular life, too exclusively directed toward the useful arts and the acquisition of wealth."<sup>23</sup> Finally, "America has become the principal home of utilitarianism. While at times the very first conditions of human society are there in dispute, it is in America especially that those existences come into being whose wealth, luxury, and external polish, contrasting as they do with their ignorance, narrowness, and innate coarseness, give one the idea of a neo-barbarism."<sup>24</sup>

<sup>23</sup> [Emil du Bois-Reymond, "Civilization and Science, Part II," *Popular Science Monthly* 13 (August 1878): 394–5.]

<sup>24</sup> [Emil du Bois-Reymond, "Civilization and Science, Part III," *Popular Science Monthly* 13 (September 1878): 530.]

Casting about for a remedy, Professor Du Bois-Reymond finds it in a reversion to the past, to the ideas of a time that was without natural science. He declares that "as humanism rescued man from the prison-house of scholastic theology, so let it enter the lists once more to battle against the new enemy of harmonious culture." It is from this influence "that we can most confidently hope for victory in the struggle with the neo-barbarism

which, though as yet its hold upon us is loose, is, from day to day, tightening its iron grasp. It is Hellenism that must ward off from our intellectual frontier the onset of "Americanism."<sup>25</sup> And in so many words Prussian gymnasium education is set over against "the progress of Americanization." The great scientist distrusts science; he believes in it in his own field but not beyond. He does not see the practical outcome of the century's advance in physical science; that the last result of science is the commercializing of truth. He finds the immediate source of modern science in the arrival of monotheism, which inspired man "with the ardent longing for absolute knowledge,"<sup>26</sup> yet he is unable to trust the future to the principle of unity. One is reminded of Goethe who thought politics and religion a troubled medium for art.

The English critic Matthew Arnold left to us this reminder: "And so I say that, in America, he who craves for the *interesting* in civilization, he who requires from what surrounds him satisfaction for his sense of beauty, his sense for elevation, will feel the sky over his head to be of brass and iron. The human problem, then, is as yet solved in the United States most imperfectly; a great, void exists in the civilization over there; a want of what is elevated and beautiful, of what is interesting."<sup>27</sup>

The one thing to set opposite these and other like criticisms, which have not, been altogether beyond reason, is the new order of ideas flowing out from the very conditions that prompted the fault-finding. The message that is to be sent across the water to Oxford and Cambridge, to the men of England, to the professors in German universities, to the French Academy, tells of the foundations that have here been laid; of the incoming of the spiritual control; of the organization of democracy. The revolution has come full circle. We have "the fusion of the States into the only reliable identity, the moral and artistic one."<sup>28</sup> Here is the American Idea. Matthew Arnold and his kind were unable to read the period of American activity now closing as its paint-grinding stage—its artistic preparation. The message accepts as fact that "the United States are destined either to surmount the gorgeous history of feudalism, or else prove the most tremendous failure of time." The message undertakes to make good the position of Whitman:

Viewed, to-day, from a point of view sufficiently over-arching, the problem of humanity all over the civilized world is social and religious, and is to be finally met and treated by literature. . . . Above all previous lands, a great original literature is surely to become the justification and reliance (in some respects the sole reliance) of American democracy. . . . For I say at the core of democracy, finally, is the religious element. All the religions, old and new, are there. Nor may the scheme step forth, clothed in resplendent beauty and command, till these, bearing the best, the latest fruit, the spiritual, shall fully appear."<sup>29</sup>

The western nation comes to consciousness. Civilization changes front to meet the new conditions.

The advance of letters which America compels can come about only through an integration of men. In spite of his great faith and insight, Whit-

<sup>25</sup> [du Bois-Reymond, "Civilization and Science, Part III," 530.]

<sup>26</sup> [Emil du Bois-Reymond, "Civilization and Science, Part I," *Popular Science Monthly* 13 (July 1878): 275.]

<sup>27</sup> [Matthew Arnold, *Civilization in the United States: First and Last Impressions of America* (Boston: De Wolfe, Fiske & Co, 1988), 181.]

<sup>28</sup> [Walt Whitman, *Democratic Vistas and Other Papers* (London: Walter Scott, 1888), 10.]

<sup>29</sup> [Whitman, *Democratic Vistas and Other Papers*, 6.]

<sup>30</sup> [Whitman, *Democratic Vistas and Other Papers*, 9.]

<sup>31</sup> [Carlyle, *Heroes*, 121.]

<sup>32</sup> [The quote is not from Henry Maine but from John Dewey's *Ethics of Democracy*, which is intended as a reply to Maine's argument. See John Dewey, *Ethics of Democracy* (Ann Arbor: Andrews & Company, 1888), 4.]

<sup>33</sup> [Thomas Carlyle, *Past and Present* (London: Chapman & Hall, 1843), 215.]

<sup>34</sup> [Ernest Renan, *The Future of Science* (Boston: Roberts Brothers, 1891), 212. Ford also discusses Renan's book in *News is the Master Element of Social Control*.]

<sup>35</sup> [Matthew Arnold (1822–1888) was a British poet and cultural critic who wrote extensively about journalism and first coined the concept of "new journalism."]

man was unable to see this with any clearness. His point of view was on the whole individualistic. He looked to the rise of "two or three really original American poets, perhaps artists or lecturers" who should "give more compaction and more moral identity . . . to these States."<sup>30</sup> He could not see that the prophet of old is merged in organization. Once merged in the social body, the great man—the mighty poet, the national expresser of Whitman—is more distinctive, more individual than ever; he has entered into action. Each man, great and small, at last functions—is an organ. It is the final arrival of the individual. This from Carlyle: "I call this anomaly of a disorganic literary class the heart of all other anomalies, at once product and parent; some good arrangement for that would be as the *punctum saliens* of a new vitality and just arrangement for all."<sup>31</sup> The man of highest insight related, functioned, the whole is in each individual. The individual is the political unit in its relations. Personality is the man, the unit, distinguished from his environment—the man in his privacy. The historic controversy regarding the place of the individual in the State is closed. We now have the final word in reply to Sir Henry Maine, to whom democracy was "nothing but a numerical aggregate, a conglomeration of units."<sup>32</sup> Here, also, is the last of the checks-and-balances notion in politics—the end of Calhounism—and this without moving to the other extreme, namely, that of a state pinned together by bayonets. The social system provides its own balance. The principle of the grand division of labor meets the last behest of Carlyle: "How in conjunction with inevitable Democracy indispensable Sovereignty is to exist."<sup>33</sup>

Whitman was unable to grasp that the dreams indulged in by philosopher and savant, of a time when the dross, the merely personal element, should be driven from literature, were about to come true. In 1848 Ernest Renan, struggling to pierce the future, wrote of "a state of things in which the privilege of writing will no longer be a right apart, but one in which masses of individuals will only think of bringing into circulation this or that order of ideas without appending to them the label of their personality."<sup>34</sup> Nor could Whitman attain to this without fully transcending the individualistic position. "Imaginative literature" was still, to him, a thing apart. He put journalism to one side as a "specialty," in this not being in advance of Matthew Arnold<sup>35</sup> to whom "literature" was one organ and "journalism" another. The daily literature was away from both of them. Whitman was unable to read the forces compelling a new ordering of fact from the base, through a gathering of men acting on a common principle. Without this, however many-sided the individual, there is only the dreary round of opinion. An integration of men is defined by what it does—through it, grasping and directing the movement of fact, all sides of life are reflected.

The new publishing business transcends the past; it undertakes to decipher American life, to detect its inner meaning; to wrest from the confusion of the hour the principle of order that is silently working toward just ends,

and thus to find in Law a refuge from the curse of endless statute making. "The riddle of the painful earth"<sup>36</sup> shall vex us less.

## IX. BUSINESS POSITION AND MOVEMENT

Three steps are distinguished in a commercial advance: (1) the discovery and working out of a new principle, (2) the finding of men to execute it, and (3) the external action—this last involving the relations with money capital.

The News Association is in possession of a new idea. This is attested by more than one prophecy. The most notable is that of Mazzini. Writing in 1849, he said: "Perhaps in religion, as in politics, the age of the symbol is passing away, and a solemn manifestation may be approaching of the Idea as yet hidden in the symbol. Perhaps the discovery of a new relation—that of the individual to humanity—may lay the foundation of a new religious bond."

The foreglance of the great Italian finds confirmation in the principle of the grand division of labor, through which the individual is made at one with his fellows—with humanity. It is the development of interest. The possession of this idea has for its practical outcome a new method in journalism—in letters. Turned upon any corner in life, the result is a revelation. When it is considered how largely existing literature, the reigning concepts in jurisprudence, the prevailing social arrangements, are built upon the supposed antagonism of truth and commerce, it will be seen how great is the overturning compelled by the fact that the two have come to be in harmony. It is the transforming power of an idea. It is the method of science. "When the right thing comes to hand we shall know it by this token: it will solve many riddles."<sup>37</sup>

This new method gives such a lead to the News Association as to amount to a practical monopoly. Each step in the action can only serve to make the lead more certain. The secret can only be communicated in the doing; once done, however, the publishing business is centralized and the new organization secure in its position. All the forces of the time are making to this end. The News Association is at one with the tendencies of the day and hour, so that in place of fighting an established order of things, as some might think, it strikes in just when the old order, undermined at every point, is about to give place to the new. The contention of the News Association with present newspaper methods is but that of Sir Henry Bessemer, the new steel-making principle in hand, with the iron business. The rising and dawning state of intelligence is detected in advance. In order to provide for registration at a center it has been necessary to subject the movement, to get it in control; without this, registration could not obtain in the primary region. Failing to register there, the confusion must continue. This preparation is the work of the News Association, constituting its vantage ground.

<sup>36</sup> [William Dean Howells, *The Rise of Silas Lapham* (Boston: Ticknor, 1885), 284. The novel is often associated with the rise of American realism and pragmatism. See James Livingston, *Pragmatism and the Political Economy of Cultural Revolution, 1850–1940* (Chapel Hill: University of North Carolina Press, 1997).]

<sup>37</sup> [A similar quote is attributed to Ralph Waldo Emerson: "If the right theory should ever be discovered, we shall know it by this token, that it will solve many riddles."]

The way has been prepared for a co-operative movement that is all-embracing. The partnership in all science, in all art, of which Burke wrote, becomes an every-day fact. The inquiry men of the world, never so numerous and strong as now, are but waiting to be organized on a common center, so that the life-bearing may be drawn from the work of each for the benefit of all.

The concurrence of many can never be really effective, until it finds an individual organ to gather it up, and concentrate it to a definite result. Sometimes the individual comes first, fixes his mind on a determinate purpose, and then gathers to himself the various partial forces which are necessary to achieve it. More often in the case of great social movements there is a spontaneous convergence of many particular tendencies, till, finally, the individual appears who gives them a common center, and binds them into one whole. But in all cases the effective co-operation, the real social force, is not present till it has concentrated and individualized itself.<sup>38</sup>

The News Association functions as this center of activity; through it the movement of intelligence concentrates and individualizes itself.

The question of men is solved. Workers in whom the practical and organizing impulse is strong—the primary men—have already come to the support of the principle in such numbers as to act as a guarantee on the individual side, the present position having been brought about through their labors. Beyond, the several gradations of men are coming into view. There can be no difficulty here, since the changes in conditions making for the advance serve at the same time to disclose the new order of men. The course of things in school and college during the last ten years has gone to turn the new supply of young men in this direction. But more, the very conditions of all life in recent years have so far stimulated the spirit of inquiry that an order of men is at hand who can function only by going into the intelligence business after the manner and on the lines proposed. Evidence as to the truth of this multiplies on every hand. The point goes to make good the claim of monopoly, for there is need of but one gathering of men. Inquiry freed, the movement of men is toward the one center.

In secure possession of an idea, the movement gets revenue from the start. Experience, indeed, shows that distinct advances in the publishing business do not absorb money capital to any great extent. The history of successful publishing ventures confirms this on all sides. It is the failures, the misconceptions, that absorb the money without return. A movement rightly conceived justifies itself at every step. At the very beginning there is an accumulation of goods for sale. This is more true in the present case than in any previous advance. Greeley made an advance in the case of the *New York Tribune*. Beginning with a stock of salable goods, his movement was almost of necessity commercial. His business idea, though he may never have phrased it to himself, was that social organization had about come to the point of rejecting negro slavery. When the principle passed out into the minds of men generally, and slavery actually began to be rejected—in other words, when the civil war began—the stock of news-capital was so

<sup>38</sup> [Edward L. Caird, *The Social Philosophy and Religion of Comte* (Glasgow: James Maclehose & Sons, 1885), 36.]

large that no one paper could carry it. In fact it taxed the powers of all the newspapers in this country. Thus the principle for which Greeley stood, as soon as it became effective in shaping men's actions, gave rise to an almost unlimited amount of immediately profitable news. We may apply this illustration in the following way. The social organism has now reached the point where it must speedily reject all remaining slaveries—hindrances to full social activity. Those who clearly perceive this fact have, therefore, an unlimited stock of news at command. They can sell to the present first-hand newspaper the announcement of the impending rejection. When this announcement begins to take effect, to influence the actions of men, the new organization can report and publish the progress of the war. Moreover, having already mastered the lines of social organization, there results a monopoly of intelligence, not obtainable without the possession of an all-embracing principle.

To make the most of the change in conditions, organization is entered upon a little in advance, that is, just before improved facilities come to the full. Here is the timeliness of the action. The growing completeness of facilities is perhaps best illustrated by an extract from Postmaster General Wanamaker's last report:

One cent letter postage, three cent telephone messages, and ten cent telegraph messages are all near possibilities under an enlightened and compact postal system, using the newest telegraphic inventions. The advantage of tying the rural postoffice by a telephone wire requiring no operator to the railroad station must be obvious. It is not chimerical to expect a three cent telephone rate; the possibilities of cheapening these new facilities are very great. All account-keeping could be abolished by use of stamps or "nickel-in-the-slot" attachments. Collection boxes everywhere in the cities and many places in the country towns would receive telephone and telegraph messages, written on stamped cards like postal cards.<sup>39</sup>

Here are the conditions toward which we are moving. Just ahead is the local distribution of the telegraph wire. In consequence, the cry is for the entrance of the integrity of commerce into the publishing business.

After all is said, it is through the economies brought in that the News Association gets its field. The saving to be effected by throwing out the editorial page and so getting order in place of dire confusion will in itself be large. The resulting economies to the first-hand papers will be so great as to yield substantial revenues to the central office, to the News Association. Marked economy will result from reducing the number of daily and weekly papers, and from cutting into the business of the present so-called book houses. In New York and Chicago to-day there are half a dozen or more deliveries of the one fact; that is, six or seven papers are engaged in selling the same news. The multiplicity of papers here came about at a time when the difficulty of getting at the fact—the whole truth—put a premium on opinion. With distance gone, the access to the fact is complete. In this light the superfluous daily papers in the leading cities are seen to be but survivals from the age of opinion—they are mediaeval. Their dis-

<sup>39</sup> [John Wanamaker (1838–1922) is best known for being a pioneer of the American department store and for the invention of the price tag. After opening a men's clothing store in 1861, Wanamaker went on converting an abandoned Pennsylvania Railroad depot into a store called Wanamaker's, in 1874, inspired by central markets in Les Halles, Paris, and the Royal Exchange, in London. He served as the United States Postmaster General from 1889 to 1893.]

placement only waits upon the centralized action. Much the same is to be said of things on the book side. Taken as a whole, the existing publishing business is the surviving piracy. The waste of time to men of business in trying to keep at one with the fact is so great that a remedy has to be provided. On the money side it is safe to say that one-half of the great sum paid by the people to sustain the present paper and book business is just so much waste. It is the last great division of commerce to submit to the modern economies. The present newspaper accumulates error: the new one will record history. Truth is organizable: untruth not. The waste in the business of publishing trade papers—the peculiar field of the Class News Company—is fully equal to that in the general publishing business. The waste on the side of the bureau of information is shown in another place (No. 5). Of the sum drawn from the merchants of the country each year, amounting to \$6,000,000, one-half is paid under protest—this in response to a half-formed theory that two or three concerns must be sustained in order to keep up so-called competition. The advance here, as in the general publishing field and in the sale of class news, waits upon the incoming of scientific method.

Something like an equalization has to be brought in, as between the newspapers of the metropolis and the outside centers. On a rough estimate, the more profitable papers of New York take in one hundred cents and pay out thirty. The News Association will undertake to reverse this, paying out seventy cents, say, and retaining thirty, the difference going to the public. Through compelling this economy the Intelligence Trust gets its function. The existing newspaper does not know how to pay back its revenues in the form of intelligence; it does not know how to do legitimate merchandising. James Gordon Bennett, of the *New York Herald*, gives \$100,000 to starving Ireland and sends explorers into Africa, while the New York treasury tangle waits upon the man who can reduce it to order.

The mark of the action centering in the News Association is its deliberateness and certainty. This is possible only through the possession of a sure business principle. For the first time in the history of the publishing business, money can be expended in advance of publication. Heretofore this has been possible only on the physical side in the purchase of machinery and the like. Here was the absence of method from the business of dealing in intelligence. To make clear the meaning, it is necessary to think of architects and builders without the spirit-level, the plumb-line and the square. Having found his center of gravity, the journalist now becomes a builder. With the new tools in hand, it becomes possible to expend money systematically in organizing the news of New York City on original lines. The use of money in this wise, to the amount of say \$25,000, will give to those doing it a clear vantage ground. Yet no amount of money would avail in this direction without the new principle possessed by the News Association. Here is the key to the business movement. In the absence of a unifying principle, the newspaper is compelled to wait upon the cata-

trophe, upon the event. In this way the pathology of life is given undue prominence. Detecting the central principle in life, the physiology of the State is grasped. With sure step, the newspaper now enters the field of prediction. Thus, with a small expenditure of money in advance, we are able to raise up great areas of *new* news.

The underlying principle unites conservatism and radicalism in the one business of inquiry. Impartial inquiry has its way, for the nearer the truth the greater the profit.

The fundamental titles in literature rest in the copyrights of the News Association. With one or two exceptions, these volumes are by no means class literature; they relate equally to the school and to life.

With respect to political ideas, the movement is the last of utopianism. The practical everywhere obtains.

Present reporting methods are transcended through taking more definite account of the play of moral forces. The play of interest in life is reported to the full. This has not heretofore been regarded as possible.

America is the great news field of the world. This fact is only now coming into general recognition. The first business will be to organize the news of this country. Its food news is the leading fact in the world's commerce.

One of the things that the action will cleanup is the limit to the endowment of scientific research. Commerce will now pay scientific men, as never before, for interpretations. The interest of the news merchant in scientific inquiry is enlarged on all sides.

The unity of intelligence is laid bare in the fact that men do not want two crop reports; there is but the one report.

To bring science into the publishing business is to take a great step in the direction of making all business scientific, since each branch of commerce will be subject to scientific reporting. A great struggle has been going on for the organization of the business of the country, to cut off waste, to reach the highest economy. Business can only organize, become scientific, through the distribution of intelligence. The public need here is prodigious; the profit must correspond.

The News Association looks only to re-forming the publishing business. It is not in the business of "reforming" society.

The principle is so worked out into its resulting facts, that to institute and carry on the new publishing business is a simple matter of administration, like bridging a river or building a railroad.

In relation to districting the country it is found that each district is a whole within itself. There results a seeming paradox. Thus, it will pay to organize a single news-district, the state of Ohio say, because of the fact that the whole country is to be dealt with in like manner—the news of one district is to be exchanged for that of the country and the world, and the reverse. And yet it will pay to organize each district in and for itself—this because of the demand within the state for village and county news. The district of Ohio may be used to illustrate. Making its headquarters at

Columbus, the News Association will go over the state county by county, raising up the self-registering machinery already coming into place. The motor here comes from the necessity of organizing the whole country. The result is a large amount of desirable and immediately salable news. This news is sold in the first instance to the local journal, and especially to the first-hand newspapers of Columbus, Cincinnati, Cleveland and Toledo. Pittsburg also comes in for a share because of its interest in southeastern Ohio. It will pay to press the triangle on each district. News of local value must be gathered up in order to get from it the news of general interest, for sale to the entire outside list of first-hand papers. At the same time the class news in each region is singled out for collection, while the needs of Fords are looked after in all ways. The intelligence market is the most expansive known; to glut it is impossible.

The movement on the side of the idea, as such, has been from the whole to the part—from the principle to the resulting facts. Reversing this, the external action is from the part to the whole. The work of realizing the new thinking on Monroe County well along, the business of organizing the news of New York City on original lines will be entered upon. Meanwhile, the division of the country into news-districts, and their close organization will go forward. There are two streams of news, the city to the country and the reverse—Urbs and Orbis. The country organized in good part, the metropolitan news-district mastered, and European and other foreign connections in progress, we may issue the daily *Newsbook* at New York, and so, in turn, bring up the organization of the entire country.

## X. THE INCORPORATION

A new principle in the field of profit-getting has to be reduced to action, and in such a way as to provide at once for stability and freedom of movement. The principle asserts the unity of truth-seeking and the money motive in the publishing business; that the interests of the study and the market-place have come together. The "editorial" room and the business office of the newspaper are thus brought to their own unity. The controlling principle of the newspaper is disclosed in its own commodity—intelligence.

It is found that the action involves seven primary divisions of labor. In this light it is proposed that the direction of the enterprise be lodged in a board of seven trustees, to be made up of the persons standing for the primary divisions of labor. Here is the reality of the incorporation, the legal forms providing therefor being a question of detail.

The seven divisions may be thus indicated:

1. The chairmanship, or the administrative head.
2. The department of politics. Its chief supervises the reporting of social organization, as such, in all directions.

3. The work under the third division is closely related to that of the second. Its chief has an eye to reporting the Embryonic State—the business of teaching and the schools. The practice of medicine, and in general the psychical side of all social doing, comes under this head.
4. The chief of this division has charge of the whole field of physical inquiry. He may pick out a chemist for Fords or for the Class News Company, or he may have directly to do with the meteorology side of crop reporting. This fourth division is closely related to the reporting of all price-making influences.
5. The legal department of the Association is prominent. It looks to reporting the work of the courts and has an eye to the legal complications which the business will involve. To buy and sell the truth is to attack convention. A lawyer's care is needed here so that the Association may always be on sure ground.
6. The treasury embraces the printing or selling department. The treasurer of the News Association will have general charge of the finances of both the Class News Company and Fords. He organizes the action on its counting-room side.
7. This division comprehends the managing directorship on the goods or buying side; especially with regard to the daily reporting of life through the *Newsbook* and the *Town*, and the first-hand distribution. The chief of this division looks to the artistic side more particularly, to the detail of the great business of expression. He is the chief buyer of the Association.

It has not been found possible to add to or take from these seven divisions. One or more heads of divisions may act as officials of either the Class News Company or Fords.

## XI. THE ADVISORY BOARD

It is proposed that an advisory board composed of merchants and professional experts be brought together. It will be made up of men having an intimate and comprehensive knowledge of particular groupings of commerce, men whose occupations are parallel with the fact and who at the same time are in sympathy with the enterprise in all its bearings. A board thus composed would make up in the several departments represented a kind of register of practical experience. One of its members should be a representative banker, another a merchant having knowledge of the realities of foreign trade, and so on.

## XII. THE INTEGRATION OF MEN

To build from the fact in the publishing business is to provide for the same integrity in the handling of its goods as now obtains on the physical side. The methods to be brought in rank with engineering. The

degree of integrity corresponds to that insistence upon accuracy, to that responsibility between men, which drives in disgrace from the Produce Exchange of New York or the Board of Trade of Chicago, the member who brands mouldy flour. The morale of the publishing business with respect to the integrity of its wares is to-day so far below this that to act on the straight-goods principle is to bring in a new order of men. The movement enlists, therefore, the responsibility that bridges Niagara, invents a perfecting press, or predicts an eclipse. It is these men—the truth men—who have brought to the perfect working point the printing press, the locomotive and the telegraph. It is this order of men that is to make the advance. The energy wrapped up in the basic movement having been freed, it may now be enlisted for the spiritual uplifting. The forward movement has indeed waited upon the coming of those who could construct the new machine, for the new principle with its ramifications is no less a machine than the thing of bands and iron which, multiplied, prints, folds and counts unlimited copies per hour of a great newspaper. In this case the new machine is the further building of intelligence. The one is written in iron, the other in our changed ideas of institutions, of associated life, consequent upon the disclosure of publicity as commodity. In either case it is an integration, a co-ordination of parts. It is simply the order of men referred to taking new direction and re-forming for the advance. These men can only think full circle, that is, relative to action.

The present nominal organization of the newspaper has made great progress of late toward consciousness of its own confusion. The men themselves are widely seeking for new direction. The definite outleading waits upon the new drawings. The rise of press clubs and the like are indicative of growth in morale.

The present situation, the strength of the position, has come about through the joint work of men at the University of Michigan. This not alone through those who are in official relation with the institution. Instead, the breeding of ideas has proceeded from mixing with men on the outside. Bringing the new principle here, it was found indeed that approaches toward it had already been made from the official side. But, in course, others beside the writer had come up to the University with kindred ideas, those men having also no official connection. Here is illustrated the growing tendency on the part of men with idea-germs to find their way to a university center for friction and light.

### XIII. THE UNIVERSITY PHASE

A university is the unit of intelligence in the organized social body. In the locality sense, it is the organized movement of life in a given region through its center; the center is the university.

The question of university organization and the newspaper problem, in essential character and in their wider relations, are one. In each case the

solution lay in removing the hindrances to free inquiry. University organization has got to be worked out; it cannot be thought out as a thing apart. It is the organization of life itself. The remaining chasm between the university and life—its isolation from the people—coincides with the limit to inquiry. The old-time limit turned upon the difficulty of access, distance standing in the way. Under such conditions university habits partook of the cloister. The great resistances cleared away, inquiry is freed for the journalist and the college man alike. Responding to this change, the university connects itself with the daily movement. The alternative is the multiplying of professors and tutors for the mere iteration of past knowledge.

As now constituted, the university does not face any immediate demand, is not connected on the whole with any direct market, by which the character of its product, and so its method may be exactly determined; that is, the university does not have to answer to the movement of intelligence. It is seen that the university lacks direction and so definiteness. The newspaper, on the other hand, cannot obtain certain high grades of goods, cannot obtain assured quality and kind in news, and so do all-round and legitimate merchandising. The identity of need here is that the university, lacking its organ of distribution, lacking communication with its market, cannot get its daily and hourly direction and so its function; and that the newspaper, which should be concentric with the university as source of certain generics and particulars in life, is cut off from this important center of supply. The newspaper is shut out from the laboratory of the scientist and savant. On the other hand, the university is shut in, is apart from life. The action here lies in co-ordinating these two phases of the one movement of life. On the one side is the News Association as universal news dealers; on the other, the university as a distinctive phase of inquiry.

This development already has its beginnings within the university in the Seminary. A number of students by co-operating under the leadership of a single instructor become an organized instrument of investigation. Mental forces that would otherwise be dissipated are brought to a focus, and act with telling effect. The word seminary, used in this sense, comes to us from Germany. In America the principle is better known among teachers and students as the "university," in distinction from "college" development. In German universities during the last fifty years the seminary principle has been applied to Biblical criticism, to philology, to the history of jurisprudence, to the past development of economic notions, and the like. In America the spirit of inquiry in university life has likewise been gathering force, but here the movement has followed the lines of "political science." Evidence of this is seen at Harvard, Yale and other eastern universities and in the schools of Political Science.

In Germany, under the direct plea of State interest, sharp limits are set to political inquiry whether in or out of the university. In America we have nothing of this, yet hindrances to free inquiry exist which, so far as they

go, are not less definite. Held back by merely conventional ways of looking at life, or by the immediate pressure of class interest, political inquiry, in our universities, has halted at the point of greatest need; it has dwelt upon the past in place of looking into the present and the future. Or, at most, it has touched the present in an academic way only, that is, as if the present were dead.

The university has long been free to study physiology in the individual man. A further change in conditions now frees it for investigating the physiology of the State. As with the conditions affecting the newspaper so with the university, the limits to inquiry have been fixed politically; class interest has barred the way. The mental tools, the treasures from the past, may now be turned directly upon life, and this with sole reference to co-ordinating the facts of life. Until these tools are turned upon social life, the full connection for the department of politics is not secured. Intimate union for the whole university waits upon the political connection; there the pressure of class interest is keenest. With distance gone, the material of the chair of politics in the university is no longer a mass of abstractions. The material is around everywhere, each turn of affairs presenting an object lesson. The generals are brought to bear on the particulars, and these, in turn, re-shape and further organize the generic ideas. The change in direction made, near-by things will be studied first, getting access through railroad, telegraph and telephone. Already in the region of Ann Arbor, as one instance, the telegraph has been given local distribution, the farmers taking the wire into their houses. The farmer's daughter learns to use the Morse instrument. One step more and the wire is taken into the schools and university, thus making the direct connection with life. The chair of politics now has its clinic; the psychologist may observe directly the mental habits of the people pursuing their daily vocations. Developed to the full on the inquiry side, the university becomes a center of action. The university is at one with science; with commerce which is everywhere becoming scientific. The university is then a ganglion in the nervous system of the state.

On its internal side the university organizes—relates with life. It is in this way that the natural divisions of labor will be found, inquiry subdividing as light is got in action. The university builds and expands from its own unity—the unity of inquiry. The people now come up to the university since it is meeting specific demands; they are in daily communication with it. The News Association handles fact and may apply to the university laboratories for special analyses or investigations. The university indeed furnishes the laboratory of a given region. Certain lines of fact can only be got there. Experts on related lines must be within easy call. The chemist before certifying a given analysis may have to confer with the histologist and pathologist of the university.

The university gets its hearing through commerce. Without the direct and plain demand from commerce it cannot cross over to full inquiry. The

demand once made it has to be met, for it comes in the majesty of public need, which crushes if not obeyed. The connection with life—the electric wire and all that it implies—is presented by commerce.

The allied forces proving strong enough, the university is able to break through the walls of convention behind which class interest finds shelter. To get to the people the university must go clear over and inquire into the general interest. The university and democracy thus identify; science and the commonalty are one. The identity gained, the university organizes on its external side. The fiscal problem in university organization finds permanent solution. There is a popular feeling, which does not altogether lack justification, that the university is in many respects painfully at odds with the real movement of life. It should now be evident how this obstacle can be overcome. Through the organic principle, science—which is the university—and the people may be brought together. The university connected with life, its position is commercial. That is, it is always giving a return and, moreover, this return is obvious. The university is seen to play its part in the interaction of life. Thus, its position established, its necessary demands for money are met willingly as a man pays for anything he wants: Sympathy with the university increases at every point.

This outlook calls up Cardinal Newman's<sup>40</sup> opinion in his book on the "Idea of a University." He bore testimony to the prime value of the free mingling of students from which "they gain for themselves new ideas and new views, fresh matter of thought, and distinct principles for judging and acting, day by day." The effect "may be fairly called . . . an enlargement of mind." After all limitations are taken into account, students so situated, adds Newman, "are likely to have more thought, more mind, more philosophy, more true enlargement, than those earnest but ill-used persons who are forced to load their minds with a score of subjects against an examination." As opposed to the extreme officialism, he preferred a university "which did nothing" beyond providing a center for the coming together of truth-seekers.

While these points relate to university organization in general, they have a more direct bearing on the particular problem of the University of Michigan, where the considerations have been worked out. It is there that the spirit of inquiry is yearning to mix itself with life. Already the University has moved out so far that its future is bound up with the organic principle. Happily it has not cumbered itself with a ponderous school of philosophy, nor has the school of political science, so-called, assumed unreal proportions. Should the organic principle obtain, Ann Arbor becomes the seat of the representative university of the world—the model for all time. It is the National University.

The recent increase of students at the University of Michigan is an indication of the way in which the university system of the United States is organizing—centralizing. In obedience to the tendency of the hour, a given group of states pitches upon a particular locality as its university

<sup>40</sup> [John Henry Newman (1801–1890) was a British theologian who was canonized by Pope Francis XVI in 2019. His 1852 book *The Idea of a University* defended the disinterested pursuit of knowledge and liberal education.]

center. Thus as matters now stand Ann Arbor is the chief center of learning for Michigan, Ontario, Ohio, Indiana, Illinois, and perhaps Wisconsin. Students come, of course, from beyond these states in proportion to the fame of the University. That a body of new ideas should have been worked out at Ann Arbor is traceable, as already indicated, to the freed conditions existing here. From the beginning the University set its face to the future. It would be going into a digression to detail the reasons for this attitude; it is enough to say that, having to do without great money endowments, the University of Michigan has had no recourse save to meet the incoming life through outward movement. Institutions, like men, without money are thrown upon their effective ideas. Great endowments, on the other hand, stand for the ideas of the past. The fact is to be noted that the men and women who come here for instruction, for inquiry, are, more than those of any other great American university, from the homes of the people. From farm and village they are here to work out the new ideas which promise to confer upon the University its highest usefulness and distinction. It is indeed significant that a university is the nursery of these ideas. "Before printing," writes Michelet in his history of France, "before the supremacy of the press, under which we now live, the only channel of publicity was the oral instruction dispensed by the universities."<sup>41</sup> The time has now come when the confusion incident to the great incubus of printed matter can be cleared away only by a return to the university.

#### XIV. PUBLIC NECESSITY OF THE ACTION

This nation is at its mental crisis. Secession lurks in our statutes and stalks in our courts. Our whole body of jurisprudence is built upon the supposed antagonism of the individual and the common good. This must persist until through the functioning, the getting there of the man of letters the great accounting can be made. The man who sells truth reveals the identity of the individual and the common interest. It is the union of the whole with the part. Perceiving all this we also see that to avoid a fatal issue, or at least a period of dire confusion in the life of the State, the division must be fought out in the "still and mental" field; otherwise, there is a return of physical conflict. Unless intelligence be unified here, unless a single mind can be secured from Maine to California, the nation in the moral sense must go to pieces. The solution of this great problem is the new Gettysburg.

The war cry of a false socialism is heard on every hand. Through this and that mechanical change, by some hocus-pocus in the fiscal region, or by some other device, it is thought to heal the division in the State. But the road to social union lies through the organization, the socializing, of intelligence. It is the straight and narrow way; only by following this road will the nation gain the victory over itself. Hope lies in the very greatness of the need—it guarantees the execution. But the situation is pressing. The

<sup>41</sup> [Jules Michelet, *History of France*, vol. 2, trans. G. H. Smith (New York: D. Appleton, 1882), 40.]

centralizing tendency of the physical commerce is seriously hindered by ignorant and hostile legislation. The new machinery is opposed by the owners of the old. The men so hindered in their operations are at a loss to account for it. Charged with "selfishness," they have no adequate reply; are not able even to make return in kind. Violence is opposed to violence, and only through the incoming of the Intelligence Trust can the breach be healed.

Great significance is bound up in the fact that it is English-speaking men who are to bring intelligence to a centre and distribute it. In this is finally certified the power resting in the hands of England and the United States jointly. Mr. Gladstone, writing of the English and American peoples, said: "They with their vast range of inhabited territory, and their unity of tongue, are masters of the world, which will have to do as they do."<sup>42</sup>

FRANKLIN FORD

ANN ARBOR, MICH., July 1, 1892

<sup>42</sup> [William E. Gladstone, *On Books and the Housing of Them* (New York: Dodd, Mead & Co., 1890), 8.]



# *A Newspaper Laboratory*

FRANKLIN FORD

Letter to James B. Angell sent from New Orleans, April 13th, 1887.

FROM FRANKLIN FORD

Central Office, New York

New Orleans, April 13, 1887

Dr James B. Angell<sup>1</sup>  
Ann Arbor, Mich.

My dear Sir:

You will recall my speaking to you on the campus during the last week in February. In a half dozen sentences I tried to tell you of the work I had undertaken. I do not think that I succeeded in conveying the point. Let me go into details a bit. You understand, of course, that I was Editor of the paper called "Bradstreet's," from the spring of 1880. This is the equivalent of saying that I developed the paper from its crude beginnings. To the Bradstreet Co, the newspaper *Bradstreet's* was and is an advertisement. To me it was a newspaper laboratory—a place in which I might experiment and conduct researches into the state of the publishing business. Confining myself to results, let me say that about a year ago I had fully wrought out in detail the conclusion that a far-reaching newspaper advance had become possible—this, through perceiving that we now have the resultant of the locomotive and telegraph—the elimination of distance. Distance gone, publicity becomes a commodity in the widest and fullest meaning of the term. The truth conception becomes the commercial conception at the counting-room of the daily newspaper. Journalism (if the foregoing is true, is not the word obsolete? Is it any longer an ISM?) is an organism. Inquiry is organizable [*sic*]. The facts of life may be coordinated. Let me again repeat. Social inquiry in the widest and fullest sense, is commercial.

<sup>1</sup> [James Burrill Angell (1829–1916) was an American professor and diplomat. He was the longest-serving president of the University of Michigan, from 1871 to 1909, a period marked by a movement to democratize education and by an important development of the institution. Angell came to Michigan after leaving his position as professor of modern languages at Brown University, wartime editor of the *Providence Journal* and President of the University of Vermont. In 1880 he was appointed United States Minister to China.]

The daily newspaper becomes thus simply the vehicle for selling the results of inquiry. We are to act upon the unity, principle and the so-called "editorial" or academic page, must go. You must see that I have been studying the physics of letters. We are at the end of the physical age. We find the machine (printing-press, locomotive, telegraph) has been perfected to the point of ease. A mentality may therefore be imposed upon it, and the newspaper becomes an articulated thing. The publishing business (by this I mean both the book-house and the newspaper) is undergoing a revolution: it is being resolved into the intelligence business. The newspaper—the morning book, is becoming primary. The book (a book-binder's term) is to be secondary. You must see that we get here the conception of the Distributive University. You may be familiar with Emerson's prediction.<sup>2</sup> You will find it in the Carlyle–Emerson correspondence.

In a letter of 1844, Mr. Emerson bade his English friend be of good cheer, for the reason that he (Emerson) was able to see the rise of the Organic Letters. Again—this time from Carlyle himself. Take down "Heroes and Hero Worship," turn to the Hero as Man of Letters, and note this point: "If you ask me what were the best possible organization for the Men of Letters in modern society . . . I should beg to say that the problem far exceeded my faculty." From another place: "I think we may conclude that men of letters will not always wander like unrecognized, unregulated Ishmaelites among us." Again, more to the point: "I call this anomaly of a disorganic literary class, the heart of all other anomalies, at once product and parent; some good arrangement for that would be as the *punctum saliences* of a new vitality and just arrangement for all." So much for Emerson and Carlyle.

Now turn if you please, to the introduction to Mills's *Logic*, and note this sentence (I may not quote literally): "The key to the science and organization of life is still an open question."<sup>3</sup> Once more, you are doubtless familiar with the point in one of Coleridge's lay sermons wherein he seeks to disclose the inner fact of the social distress of the day; we now call it The Labor Question. As nearly as I can recall, Coleridge said: "Let us sweep away the surface facts that are the common property of all, and penetrate to the inner, or spiritual fact. We find that the prime difficulty lies in the overbalance of the commercial spirit with no adequate counterweights."<sup>4</sup> He named three attempted counter influences, Religion, Philosophy and the Aristocracy. This, while declaring that the desired equilibrium has not been reached. The Man of Letters is to go down into the physical region. The need is disinterested price making. Carlyle's disorganic man must become a crop reporter. To this end I have undertaken to make a scientific—in the business sense—classification of the volume of intelligence which is the result from the organization of inquiry. This classification has regard to the two sides of the intelligence business: (1) The dynamic, or projectile side; (2) The bureau side. Conceive the circle as symbolizing the whole of Inquiry; that it is divided into two semi-circles. The lower semicircle

<sup>2</sup> [For a detailed discussion of Ford's entanglement with the work of American philosopher Ralph Waldo Emerson (1803–1882) and Scottish historian Thomas Carlyle (1795–1881), see the introductory chapter of this book.]

<sup>3</sup> [The original quote reads: "The definition of the science of life and organization is still a matter of dispute." John Stuart Mill, *A System of Logic* (New York: Harper & Brothers, 1858), 1.]

<sup>4</sup> [Ford refers to the work of English poet and philosopher Samuel Taylor Coleridge (1772–1834), but the exact citation could not be found.]

may stand for the Bureau side of the Intelligence business. This bureau side divides artificially into three segments, as follows: (1) The individual trader; (2) The Cooperation; (3) The General Inquiry. The Bradstreet Co (and for that matter Dun & Co as well) has exploited the first segment. The remaining two segments have yet to be organized. So much for the bureau side.

The upper semicircle suggests concentric rings whose name is legion. I have detected seven primary groupings, classifications or rings. They are as follows:

1. The weekly newspaper FOOD, which is to represent all that the word FOOD calls up to the mind, regard being paid only to the price-making influences;
2. The weekly newspaper METALS;
3. The weekly newspaper TEXTILES;
4. The great morning newspaper THE NEWS BOOK;
5. The lesser daily THE TOWN;
6. THE WANT (advertising);
7. ARCHIVES, a weekly newspaper presenting the documentary history of the time.

In brief compass I have thus sought to give you a more definite idea of what I am about. I should like the advantage of a full talk with you. It is just possible that you will be in New York before long. A year ago, December, I made the first draft of a report on the state of Letters, comprising some nine thousand words, involving both the philosophy and the practice. On my return to New York I shall recast the document, carrying it out more in detail. I intend you to see this. If you have any points for us, pray write to No. 102 W 61 St, New York.

Very truly, yours,

Franklin Ford

*Should like to hear from you. You will understand of course that the above given points have yet to be made public.*



# *Banding Together the Leading Newspapers*

FRANKLIN FORD

Letter to Edward Atkinson sent from  
New Orleans.

Memorandum

FROM FRANKLIN FORD

CENTRAL OFFICE, NEW YORK

New Orleans, April 13th, 1887

Edward Atkinson Esq.<sup>1</sup>  
Boston, Mass.

My dear Sir:

I have got thus far in the work of visiting the chief intelligence centres. I have come from Chicago by way of St. Paul, Omaha, Cheyenne, Denver, Leadville, Kansas City, St. Louis, Memphis and Nashville. I go from here to Galveston. From there I shall return to New York by way of Birmingham, Atlanta, Savannah and Charleston. I have succeeded in banding together the leading newspapers to receive intelligence from New York. I shall begin by sending out matter for publication which will bear mail transportation. You know I am relying upon you for valuable assistance. I can handle now to a greater advantage than ever before everything that you may write, save at times the more elaborate matters and that too. I shall see you in Boston soon after reaching New York. I expect to be in New York about April 25th at the latest.

Yours, very truly,  
Franklin Ford.

<sup>1</sup> [Edward Atkinson (1827–1905) was a cotton manufacturer, economist, political activist, and inventor. When his cotton mills began to fail in the mid-1870s, he entered the railroad industry and later worked as President of the Boston Manufacturers Mutual Insurance Company. Known for his abolitionist involvement with the Free Soil Party and the Boston Vigilance Committee, he also founded the Anti-Imperialist League, which opposed the American annexation of the Philippines in the late 1890s. Based on an in-depth study of cooking (energy consumption costs, food chemistry, nutritional intake, etc.), he designed the "Aladdin Cooker," a device which prefigures the modern crockpot. He was elected a Fellow of the American Academy of Arts and Sciences in 1879. The correspondence of Ford and Atkinson lasted from 1885 to 1889. It covered a crucial period during which Ford quit *Bradstreet's* (to which Atkinson contributed articles) and tried to initiate practical attempts at reforming the press. Among other topics, they discussed the launch of a specialized trade paper to be titled *Food*.]



## *The Press of New York—Its Future*

FRANKLIN FORD

Chapter published in *Progress and Prospects of New York: the First City of the World, 1492–1893*, 46–47. New York: Commercial Travelers Club of New York, 1893.

THE FUTURE OF New York journalism is that of journalism itself. The moving realities of the business must first head up at the metropolis of America. It was there that the new machines of the century, the locomotive and the electric wire, were first brought into full use for newsgathering. The enterprise of the elder Bennett<sup>1</sup> was a clear step forward. Then followed the New York Associated Press, organized to divide the cost of news transmission when telegraphing was expensive. The cost of telegraphing has now fallen so low that it is no longer a hindrance to the freest action. Telegraph charges to the great newspaper are to-day no more than the postage stamp to the individual. With the discovery of this fact, a new departure in journalism becomes possible.

The newspaper has now at its service an efficient machine. The long-distance telephone marks the completion of this new machine. The next step was to set about organizing the commodity in which the newspaper deals—intelligence. To do this is to get and publish the truth about all sides of human affairs. The more truth the more news, and the more news the greater the profit. The newspapers want this, but are coming to see that the end can only be reached by raising the quality of their goods.

News thus disclosed as commodity is to follow the law of all other commodities, that is, toward improvement in quality with consequent wider consumption. Back in the 70's the people wanted better kerosene. The Standard Oil Company furnished it. The result was a centralized industry, gradually increased consumption of goods, and lower prices. The publishing business has got to go through the same movement. In effecting this the distinction between news and "editorial" will be lost. There is only news—the new thing. The whole publishing business is to be raised to the NEWS idea. The so-called book business is speedily to become secondary or accessory to the daily newspaper.

In this New York is to take the lead. Were the movement to originate in the heart of the country, which is not unlikely, it could only be done in

<sup>1</sup> [James Gordon Bennett (1795–1872) published the first penny paper, the *New York Herald*, in 1835.]

<sup>2</sup> [Edward Augustus Freeman (1823–1892) was an influential English historian.]

relation to New York. The historian Freeman,<sup>2</sup> in one of his lectures a few years ago, declared that the world had come to be Romeless, that it was without a center. "No longer," he wrote, "does an undivided world look to a single Rome as its one undoubted head. The great feature of the most modern times . . . is the absence of any such center as the world so long gathered itself around." New York is the future Rome, for, in the fullness of electric transmission, it is to become the clearing house of the world's intelligence. In the newer commerce, now fast gathering force, New York is center. A remarkable thing is the fact that the world's intelligence is to be centered and coordinated by English-speaking men.

The multiplication of daily newspapers at New York came about through the premium placed on opinion. When the whole fact was inaccessible, this and that paper was able to sell what some one merely thought was the fact. That day has passed away with the incoming of more complete access. The daily newspaper of the future will replace editorial writing with the skillful and full report. New York will do this first. Once done, the need for half a dozen deliveries of the purported fact will have disappeared.

The change will compel a deal of preparation, but numbers of men must already be working at it. On the one hand, the scientific center is to be erected; on the other, the country will be reported. The one central establishment will take account of the three sides, and, therefore, three profits, which all news presents. For two of these sides, or profits, the trade or class papers, and the "mercantile agencies," stand.

To effect all this, the country will be divided into districts, the manager of each district to draw his salary from New York. The one organization will collect all news, selling its goods through the daily newspaper, the class paper, and the bureau of information. Concerns like the Bradstreet Company and Dun & Company mark the beginnings of the last named.

The changes pending in journalism, and, therefore, in the publishing business as a whole, will be as profound as those following upon the iron business in consequence of Sir Henry Bessemer's steel-making formula.<sup>3</sup> The late postmaster of New York, Henry G. Pearson, was a close student as to the direction of the social forces. He used to say that the present post-office is about completed; that the world must have a new one. This new one he called the spiritual post-office, or the great organic, centralized publishing business. "Down at our place," Pearson would say, "we are arrested if we open a letter. In the post-office that is to be, the arrest will be for failing to open them." He believed that the thought of the people was to find registration.

D. G. Croly, one time managing editor of the *New York World*, but now gathered to his fathers, insisted that "journalism has a theory and a practice which it is desirable to reduce to form." He was, of course, right. In thus insisting, Croly thought himself "first in this country." "A correct theory is the first step towards improvement, by showing what we need and what we might accomplish." The theory of journalism can be nothing short of

<sup>3</sup> [Henry Bessemer (1813–1898) was a British inventor and industrialist whose steel-making process would become the most important technique for making steel in the nineteenth century. Ford also refers to Bessemer in his *Draft of Action*.]

the science of politics, making the central principle in the light of which the facts are to be organized. The newspaper is nothing by itself, being only the existing organization of intelligence, or lack of it. The newspaper, at any given date, simply reflects prevailing notions. To change it means the working out of advanced methods of reading the social life. The advance can be gained only through the unification of the ideas swarming from the new conditions of life. The ordering of these ideas and their application to reporting as indicated, is to compel a change in the newspaper which can only be compared to the advance of the printing press of to-day over the old Washington hand press.

Horace Greeley<sup>4</sup> once said that the time was coming when all matter for the newspapers would proceed from a single institution. What Greeley did not see is that this one institution must itself be the great central publishing business, handling all news, and, working in relation with the leading paper at each news center of the country, constituting the ultimate associated press.

It is to be understood that the newspaper takes to itself the central position in life. The separation between church and life—making the lesion in the state—which has so perplexed the minds of men, is to disappear. In this respect we revert to the Grecian type of citizenship, the religious and civic merging in the one life of action. A new and prolific unity is dawning in the birth of the Organic State here foreshadowed.

<sup>4</sup> [Horace Greeley (1811–1872) was a journalist, editor, and political figure. Best known for establishing the *New York Tribune* in 1841 (the leading newspaper of the penny press era), he also advocated for the use of the telegraph by the press. Ford also discussed the work of Greeley and the penny press in the *Draft of Action*.]



# *Organization of Intelligence Requires an Organism*

JOHN DEWEY

Memorandum - John Dewey to Henry Carter Adams, April 29, 1889.

## MEMORANDUM

1. Newspapers should inquire into and report the actual state of things and this scientifically and systematically i.e. journalism must be organized.
2. This is impossible unless there is an adequate physical basis. There must be a machine equal to carrying it out. This is provided in printing-press, locomotive and telegraphs. The latter, by eliminating distance, make it possible to get outside of local interest and ignorance and to report the whole thing i.e. to centralize the intelligence of the country, and then to distribute it again.
3. Inquiry cannot be organized unless it is somebody's business to inquire - unless someone, that is, is making a living out of it. There is an immense amount of inquiry now in the country — economic (illegible) — government bureaus of statistics etc. but it arouses no spontaneous or selfish interest and hence can't insure integrity. The proposed organization of the newspaper will secure this.
  - a. It will be in the interest of every man in every business, say cotton, to tell what he knows about cotton in exchange for what everybody else knows.
  - b. The newspaper man will make use of this interest and charge for collecting and distributing the information. This business interest in inquiry and distribution of results will make the organization automatic.
4. Organization of intelligence requires an organism; differentiation of labor and corresponding centralization of differentiated parts. That is, the state of things falls naturally into a number of subdivisions. Say Food, Textiles, Mineral Products, Lumber, Distribution, etc. Each of them again subdivides. There would be an organ for each subdivision

under Food—Wheat, Meat, Vegetables, and then a central journal covering the whole field in its relations, and so on up to the top. The beginnings of this already exist in the trade-journals.

5. Intelligence or publicity is thus made a *commodity*. The newspaper now has something *to sell*. The newspaper business is the publicity business. This is the essence of the whole thing. The newspaper thus gets a position—it has a function which defines it. Any number of reforms over present newspapers grow out of this fact.
6. That which finally touches everybody is the public thing—politics—the state of the social organism. The newspaper, in giving publicity to public matters (not for reform, or for any purpose excepting that it is its business to sell facts) becomes the representative of public interests. Thus Ford says the municipal question is essentially a publicity question. No paper can afford now to tell the truth about the actual conduct of the city's business. But have a paper whose *business* i.e. whose livelihood, was to sell intelligence, and it couldn't afford to do anything else, any more than any genuine business can afford to sell spurious goods.

# *In Search of Absolute News, Sensation, and Unity*

CORYDON FORD & FRANKLIN FORD

Chapter published in *The Organic State*,  
233–278. New York: Cabinet of News,  
1897.

## CHAPTER VIII<sup>1</sup>

### NEWS: LETTERS

*News answers to the demand for sensation as knowledge of order in life.*

The most ordinary view of this demand in the State is in the questions, instinct with everybody: "What is it? What is it for?" What a thing or a circumstance is, what it is for, involves the action of a thing in its relations in life; and ordered news, or knowledge, about anything is simply the statement of its phases of action in relation to full action. Carrying this view out, the simple conclusion results that the absolute news or sensation about anything is the absolute unity of it, as in economic relations to the wider action which we know as the State. The easiest and most concrete view of it, the easiest definition of absolute news, comes thus to be the reporting of things according to people's interests. This is the showing of how far a thing shapes itself to what men want. In reporting a thing, giving the sensation about it, Letters tells how far it approaches usefulness, or division of labor.

In general, to report a thing as to the degree in which it approaches order, we have to indicate its qualities relative to economic demand. To report a thing as it is, it has to be measured by full usefulness, so far as the latter may be known in experience. Letters is the practical business of reporting things on this formula and cannot transcend what is known, or actual. That is, Letters can only report what it knows. But to be practical Letters *must* report what it knows, must report a thing in its completeness so far as experience has determined it. For Letters to falsify experience in reporting life, by adding to or by taking away, is for it to falsify itself. Letters is in so far not Letters—having in so far vitiated its place in life as

<sup>1</sup> [This chapter was published in *The Organic State*, a book authored by Franklin Ford's brother, Corydon, in 1897. A note at the beginning of the book states that this chapter was originally written by Franklin Ford: "The reporter would note on behalf of the Cabinet that the reduction of News, Chapter VIII, was originally worked out in principle by Franklin Ford during his editorship of *Bradstreet's*."]

action. We should be able to find the reality of the report in any incident which occurs—we need not care what.

There is a brand of mucilage containing fish glue now gaining way into more or less common use so far as it comes to people's notice through a limited distribution and publicity. There are certain facts about this mucilage which may be given as making the main of its absolute news. They all relate to its usefulness. The first is that, once dry, it sticks better than the gum arabic mucilage. Next, it is lasting, less easily affected by weather; it does not soften in damp like other brands of mucilage upon the market which have saccharine quality and so tend to collect moisture after once being dried—it is not a water collector, as the chemist says. In so far experience shows this brand to be an advance; and in so far we have the absolute report about it. Proceeding with our news, we inquire if the mucilage is commercial in respect to the amount of labor involved in it. If it cannot be put to the consumer at a price which warrants its general consumption, then it is out of economic relation. Men cannot generally use things if the amount of labor in them, represented by the price, means exhaustion of time and effort so far as to disjoint life. If so much labor has got to be put into the procurement and manufacture of a mucilage, for instance, that men as a whole have to work excessive hours to support it, or have to deny themselves considerable in food, sleep, and clothing, then it does not have economic relation to the whole as commerce and its limitations are accordingly set down. In this the course of the report, the absolute news, would have to be that it is lacking in the essential of the unity of life—the practical statement of this being that it is too expensive for use. On the other hand, investigations into this phase of its unity, or usefulness, might show that it saved at a very small cost of service a product that had hitherto in part gone to waste. Inquiry might show that used alone or forming the basis for certain grades of mucilage it tended to cheapen the whole product in the average cost, while at the same time, if we are correct, going to help the quality. The unified report has therefore to state that it saves labor and gives corresponding advantage in life—in the practical language of trade, that it cheapens the cost of the product. A fact adverse to its usefulness is its somewhat bad odor. While this does not keep it from the writing table, it is against its use at the point of greatest ease; many sensitive nerves would be unable to use it at all. In this count the report has to state that the product is not in the last degree a useful one—simply that it lacks good odor. Looking further, Letters inquires as to the unity of the distribution, that is, whether handled at cost. Investigation here shows that, cheap as it apparently is, it is selling at more than double its cost. The bottle, with brush, costs half a cent; the mucilage itself costs less than half a cent. Transportation and an organized counter should add approximately a cent to this, making the total cost, say, two cents. In the light of this news, people who buy the mucilage and pay five to ten cents per bottle become aware of their status in life as affected by it,

or the division of labor it represents. They know how far they are living under just conditions. The further development of the report is that the State does not arrest the "traders," explaining that pillage by the so-called margin is a present condoned disorder. Touching this, the report makes clear that if thieving be put out in one direction it must tend to be put out in all directions. If the State organizes against taking money in one direction without working for it, without equal exchange of value, it must needs organize against it in other directions. Letters has to show that the attendant conditions to the unity of a bottle of mucilage at cost, two cents, is railroad fares at one cent, or at cost, telegrams at approximately a cent, houses at fifty cents a week, sugar at two cents a pound, etc. And this in one outlook measurably covers the report on the bottle of mucilage.

It must be gathered from this that News does not need at every turn to obtrude in its reports the principle, or tool, by which it interprets, or gives sensation—rather, it for the most part conveys the principle, as operative, or applied, by giving the good or bad qualities of a thing, being its action viewed from every side. Thus, the simple statement about the mucilage—that it is wearable, double price and of bad odor—conveys to man its economics. At once, the sensation is whether it fits or disagrees with their needs—the measure of unity. The sensation about the murder case, again, is that the murderer is found or that he is not. In one case it fits men's needs and in the other case it does not. Thus, the murder report carries on its face the economic fact. In general, people understand murder in its principle—that it is hurtful to society. This has been so effectively raised up in cases that it has become common knowledge, or is common instinct. To formalize the principle, or harm of it, would not be news. It is only the new detail, the new murder, that is news, the public applying the well-known principle themselves. In the case of the action which is the margin of profit, men may not at first understand its principle, its harm to society, until it is carried out in action. In which case its harm is seen as readily as in the case of the murder. Obviously, in any report, the fuller explanation is to show how a thing acts in all its effects, which is to say, its relations; and is fuller news.

The ample sensation, or unity, of the report is, evidently, its qualification of men's wellbeing—that men see in it on the one hand the way to improve their conditions, or on the other hand, find that they have attained to well being. In other words, the realization of the report shows the way to be free, or, it tells that freedom is attained.

The full sensation, or unity, of the above report is that it carries the *way* to freedom for men. They see that transportation at cost will go a long way to help mucilage at cost. The most casual mind gets the inference of moving to aid government ownership of railroads—the *way* to freedom.

To gain the other aspect of the full realization in report, we may suppose that the development in life has gone on until investigation shows that the mucilage is the best that man thinks to produce; and that on the side of its

distribution it is passing over the counter in that further quality of relation which is strictly cost. The fuller unity, or sensation, of the report is, in this view, the knowledge of the full usefulness of the mucilage, of man's perfect relation to it—that, as affected by it, he has reached the point of greatest ease. The sensation is, in fine, to give man the consciousness that he is free.

To extend the illustration of the unified news, we may suppose that people want to know the reality of the man of leisure. The report must measure him by the absolute relation in life—division of labor. And, in the practical, we know how far he lessens or increases the bondage of men if we see him in the concrete relation which is the price of any article of commerce. We may take the man of leisure who is loafing on the accumulated margins lifted from trade by his ancestor. Measured by the absolute, the man is holding other men in bondage in so far as he does not perform his proportionate share of work. The amount in which he enslaves another man is a matter of ready figures; for, if there are two men out of five idle then the three men who work must increase their labor two-fifths and the average of bondage placed upon men is forty per cent, as over the normal claim of the State upon them. The man who need only work four or five hours a day on a normal footing is bound to work eight or ten under the conditions which do not equalize labor. The practical form which this bondage takes under present organization is the increased cost of products, necessary to support the fiction of interest or other margin in the employment of so-called capital, the device of the man of leisure for taxing a certain number of men who are from two-fifths to one-half his slaves. To pay the fiction of "profit on capital" by which this man lives in leisure we have the increased price on commodities. And the man who pays a multiple advance on his transportation or on his clothes or house or mucilage, may trace a large portion of it as the measure of his bondage to the disorganic man. Like the other, the sensation of the unified report regarding the man of leisure is that it points the way to freedom for men. It points the way how to get rid of the slave-driver who, in the guise of phrase, is the man of a fortune. We, of course, get rid of him in the ultimate and absolute by organizing the Exchange so that he is unable to tax anyone beyond his exact division of labor, raising him into the common fortunes of men. We know that an advance toward this is organization in any direction subjecting the individual to the control of the Whole.

A phase of life which under a unified report results in a reduction like that of the man of leisure, is the man who through spoliation by margins spends his money under conditions of non-production. To take extreme example, we have the man of large "income" in some cases supporting a stable of fifty racing and carriage horses and keeping in one or another capacity a score of men in their care, that is, in more immediate support of this one man's part in the extravagant play which culminates in the race track or the fox hunt. Allowing for the developing of the higher qualities

in horseflesh, which it is claimed is the product of these stables, they must in ninety per cent of the labor employed be found wholly unproductive. If we consider the large element given to the so-called sporting institution which centers in the play mentioned, we have essentially several hundreds of practically idle men involved in the conditions of one man's prehension by margin. This feature of life is multiplied in all the discussions of the non-productive employment of money. We find it in the yacht of the millionaire, taking the labor in many instances, directly or indirectly, of a hundred men. It is said that Mr. Vanderbilt's yacht carries fifty seamen besides his chef and retinue of servants. And there are the princely estates rising in various directions over the country. Mr. Rockefeller, a little above New York on the Hudson, has taken out of production a thousand acres, answering in so far to the baronial estates of the older feudalism. The newspapers report that Mr. Rockefeller is putting into the support of his palace and grounds something like two million days of labor at the outset, figuring it on the average price of labor, which at the present time approximates a dollar. We have another phase in the appropriation of transportation to peculiar private uses. One of the Gould family recently made up a party in a special train for a run across the continent.<sup>2</sup> With the labor drawn upon in the non-productive employment of building a dozen private coaches and the labor of the vineyards for champagne, in amounts corresponding to several thousand days, and the use of railroad service and its army of men, we have, in a realization of the one reduction, the conditions of alarming disunity in the commonwealth, a frightful dismemberment of democracy. These conditions of non-union and disloyalty in the State carried to full computation make for practical idleness, for non-production, of from one-third to one-half its members, as sustaining no unified relation in life. The man who finds himself a slave to ten hours of labor, when five should be his limit, sees his bondage directly in these conditions of betrayal of the State. The claim that capital in its forms of non-productive use is beneficial to the laboring man has, in the unified report, to be revised to read that it is of doubtful benefit to laboring men to have disorder sack them of the product of their work in order that they may be held to the slavery of double time and all the conditions of stringency which come as the outgrowth of disunity in the social. The organic news regarding the man of leisure and the kindred reductions is, then, that they increase prices, starve our children, double our day's work and breed disloyalty and anarchy.

As phase of demand in the State men want to know the unity of breathing—What it is?—What it is for? Letters has long worked at the drawing up of this report. It was very much helped by the chemist Priestly, who made record of his experience regarding the phenomenon of combustion. He found that there was a specific element in the air which we know as oxygen, and that combustion was the process of the chemical union of this oxygen with elements in substances like wood, that burn. It is now

<sup>2</sup> [Jay Gould (1836–1892) was a railroad magnate who was known to design luxurious train cars for his private use.]

known that the different forms of erosion or decay, like rust and wood-rot, under exposure of substances to air and moisture, are different forms of this combustion, or oxidation. Along with this experience, or discovery, it was found that breathing is the process of conveying air to the blood for the combustion of the body. The blood, curtained from the air in the lungs by scarcely tangible membrane, gives up in carbonic acid certain burned debris of the body, and takes on oxygen for conveyance to all parts of the body in the continued life process. The heat and health of the body it was found had its dependence upon the combustion which resulted from oxygen supplied by breathing. In this first cast of the unity of the report we see man's breathing connected widely with all process of life and change. In its further reduction, as coming up through this, we have to describe a phase of its unity as having its practical effect in the organization and liberation of man. The first effect, as so far described, of course makes for the liberty of man in his mental enlargement and order. But there is a reduction which directly shapes his material surroundings and in added effect frees him. And, while the unity of knowledge in relation to man's experience with oxygen builds for the material organization in chemistry and other lines of trade, we may keep to that effect of it which directly touches the point of view with which we started, namely, breathing as life process of men. Through knowledge here the architect is able to organize his phase of life with relation to the number of cubic feet of air which a room must supply to a person. This question is reduced to a simple mathematical problem, so that neither the architect nor the State at large are longer hampered by conditions of ignorance respecting it. Thus, in two aspects we have gathered the reduction of breathing into its unity, or news—into its qualification of freedom, the highest sensation for man.

Demand in the State could ask to have measured the unphonetic spelling as taught in the schools. We have in the first instance of the reduction to see that the unphonetic spelling violates the whole organization of the school. Education has its basis of order in the logical process of mind. The unphonetic spelling is strictly a violation of this. It may be said that teaching the unphonetic spelling is the induction of the child into illogical method, which the attendant machinery and more advanced work of the school attempts to reverse. But there remains the lamentable condition that the illogical process is ever with the child, working indirection and discomfiture of mind. In further reduction, we have the enormous waste to child and teacher of this lesion of the system. It is probably an under-estimate to say that one-third of the time of child and teacher is wasted on the illogical method of the word—not to go beyond and into the sentence. It is hardly a contradiction of this to bring the claim that the illogical spelling has in it the logic of preserving derivation; this is preserved for those who have need of it by the very simple process of the book of reference.

There has been a demand in the State, wellnigh universal with men from the beginning of knowledge, to know the unity of mind and matter—of the

"spirit and the flesh." The unity of such report has waited upon experience in the region of psychology, as also of physics. The need has been to get the relation or dependence of mind upon matter, and vice versa. We have seen a phase of the development of this report rising through Hegel, Caird, and other students as men of Letters. And latterly we have had its reduction to stable and more practical unity through advancing the language of mind to motion. As reducing to commerce, we may gain its final aspect of unity. This is the waste it saves. It disposes of the church as a distinct institution in life, freeing a misapplied energy for whatever useful function it may find. It disposes of the church because the "spirit" and "morals" which the church essayed to treat attains rational explanation, beyond any call upon the pulpit. In so far as the preacher has adaptability for explaining the unity of life he reduces to the man of Letters. Where he has not the capacity of rational report, he is distributed into other callings.

*News organizes on the divisions of labor representing the different fields of technical knowledge entering into the complete report.* A while ago dispatches appeared in some of the leading Eastern newspapers, the *New York Herald* among others, depicting a case of partial asphyxiation of a carload of people through the accidental inhaling of ether. The circumstances according to the dispatches were that a surgeon had boarded a train at Syracuse, on the New York Central, on his way to a neighboring town to perform an operation. It was said that the can of ether which he carried was uncorked by the jolting of the train and within a few seconds all the passengers in the car were close upon suffocation, being only saved from speedy death by the fortunate appearance of the brakeman, who came to the door to cry his station. The account stated that but for this timely arrival there would have been a carload of dead passengers. The brakeman was represented as assisting resuscitation by opening car windows and fanning passengers. A multitude of people who read the report credited implicitly the statements which it contained. A newspaper editor went so far as to comment on the carelessness of the surgeon in carrying a can of ether liable to become uncorked. The lack of unity, or truthfulness, in the report as it went through the news channels is traceable to the fact that there was no division of labor in its treatment by a man having technical knowledge of medicine and the well-known conditions of anaesthetization. The facts in the case related are, in the first place, that ether is usually carried about by surgeons in close soldered cans, without corks. The further facts are that to etherize a patient a tolerably close-fitting cap has to be shut down on his face and the fluid continuously dripped upon it. In most cases two or three strong persons are required to hold the subject while he is coming under the influence of the drug. The doctor considers himself fortunate if he is not longer than ten or fifteen minutes in bringing his patient under. Had the report in its movement through News been referred to the merest novice in technical knowledge of medicine it would have been stopped.

The present post office building in Chicago, which is generally known to be going to pieces, and recently pronounced unsafe, is a witness to the lack of technical division of labor in reporting. When this structure was erecting in the middle seventies there was a great deal said by the Chicago newspapers and by dispatches over the country about the inadequacy of the foundations. But it took the form of indefinite general statements and surmise, removed from qualified evidence sustaining the charge. No sufficient and incontrovertible facts were put out. Added to this, some newspapers contradicted the charge of unsubstantial work on the building. These latter statements were likewise short of adequate particulars. In the confusion, the general public was left without any understanding of the matter. Mr. Mullett, the architect, went on with the job to meet the after deplorable facts in the case. The need of publicity was for technical knowledge of the actual conditions of the fraud going on in the foundation ditches. At the time there were in the vicinity easily some score of competent engineers and architects who could have told exactly the fault with the first stone of the foundations and of every subsequent item in the building. Organization which would have united news in employment of one or more of these men in constant watchfulness of construction to report defect in its smallest item, would have enabled the public to fix the responsibility for the offence. In the aftermath we of course have knowledge of the failure of the building and the loss of its million days' labor, but too late for efficient placing of blame.

So far as development has carried it, News now acts on the recognition of the principle. It is the prevailing practice at newspaper offices to turn on to reports men who have a special or technical knowledge fitting the requirements. If a man is to be sent out for a report on some happening in water circles, the managing editor takes a reporter who has shown a readiness in these things. It often develops that a report of this kind requires the labor of several men, each having adaptability of knowledge for one of its several phases. Though the newspaper offices are not always organized for efficiency on this principle they work to it as much as they can. A ship one time arrived in the harbor of New York with most of its crew dead or prostrate from scurvy. A leading New York newspaper in making up its report turned in what it called its marine reporter, as man in charge of the case. This reporter was instructed to call in any other available men on the paper. Before the news was supplied there had been brought into the work a medical attache of the paper and a marine lawyer. In supplementary news on the matter, physicians and marine lawyers were interviewed, their statements being in effect a division of labor in the news. The medical reporter on the paper and the marine lawyer substantially organized this part of the report. The result was a measurably unified presentation of the news of the plagued ship. The outcome found the captain essentially convicted of man-slaughter in failure to furnish the proper ingredient of vegetable in the ship's food.

We see the recognition by the public of this principle of division of labor, in its demand upon the newspaper for technical news. A man recently wrote to one of the New York dailies asking if they wouldn't find for the public the truth or falsity of the talk about beer being adulterated. He wanted to be able to buy a glass of some brand of beer with a knowledge of its purity. The correspondent asked the newspaper to have the several brands analyzed and reported upon. He asked also that experts in knowledge of beer-making be put to watch the whole process of manufacture from day to day and report the breweries making good beer. It was suggested that manufacturers who wouldn't allow close inspection of this kind would *prima facie* stand before the public as adulterers of beer. It was submitted by the correspondent that the money which the paper paid to its editors for talking around the facts of life could be employed in actually reporting a few things like this. There has been the same demand for knowledge as to the adulteration of other foods. And people have recently asked the newspapers to ascertain through expert navigators and engineers the truth of the statement that ocean steamships were running at a dangerously high rate of speed. And the demand, of course, more or less universally exists to know the actual cost at the present time of a glass of beer, a loaf of bread, a pound of nails, a watch, a bicycle, a ride to Liverpool or San Francisco, a coat, a bonnet—both from the standpoint of the profit margin and of the exchange at cost. People would like to know the actual cost on these lines of everything they buy. In short, they demand the News in all fields.

The U.S. Census Report, though nominally apart from the regular organization of news, is in reality a phase of it. In making this report the government may be regarded as engaged in supplementing deficiencies of newspaper organization. The parallel is exactly as though the railroads were deficient in fuel and cars and the government voted them gratuitous supplies helping out the lack. We see marked division of labor on technical lines in this report. A Commissioner of Education standing for the Educational Report, gets out his specific part of this news. Similarly we have the Agricultural Report and the Fisheries. And there is the report of the Commissioner of Labor. The state bureaus of statistics issuing their technical reports are likewise essentially a division of News.

The consciousness of the newspapers as to the principle has some indication in the way in which they blazon their more specialized reports. They put upon the front of their paper in their bold type announcements of these reports, emphasizing technical phases of the news which their enterprise has secured. That they are partly conscious of need of organization under the principle seems also apparent in the specific praise which they take to themselves for rising to technical division of labor in such cases as may chance.

*News has its organ of centralization, or head, in a Cabinet of Intelligence composed of men representing technical knowledge of the various fields of industry;*

*this is the method of the fuller report and provides representation of the interests of each Class in the State.* In looking for the working centralization of Intelligence, we sound publicity for phase of outgiving which shapes the utterance of News in its body as a whole. It is to be found in any direction yielding some principle which shapes news, whether occurring in newspapers, so-called books or upon the platform. News does not get its innate character from its mouthpiece, but from the nature of the utterance. We look at the publicity in the late political canvass.

The St. Louis Convention of 1896—the National Republican Party—was marked by the inertia of old forms of social forces which persist until the issue is clearly drawn against them as element obstructive to advance. This convention marked the cleavage in the conscious action of the nation between the radically obstructive elements and the forming order. The abduction which brought it together had nothing of the gravity of a principle striving to shape the out moving forces. It was rather that amazing chemical process of the State in which the old base, becoming weakened in its hold upon the economic life, is attacked by the element of fixation. The resulting immobility is the precipitate separating itself from the fluid of social action. The destiny of the failing thing is a new resolution of being, but through decay in its isolation from life. The weight of utterance delivered in the Convention was the moulding into doctrine of a past nodding to its fall. When the mallet rapped the Convention to order, the nation was fretting in disunion; America was a disunited commerce. The center of the nation, New York, had severed the provinces from itself by phenomenal levy of transportation and other tolls under the margin concept. Communication between all parts of the country had similarly been cut. Exchange, having its center in the New York Clearing House, was bleeding the extremities of the country into the East. There was the disunion of reciprocal flow in exchange between the center and the provinces that is marked by the hot head and cold feet. The reform looking to restoration of loyalty between the sections could hardly lie in an application of the leech of a dishonest Bourse. It could not lie in the dogmatic retention of methods which had passed their life and become irritant. The remedy lay in the removal in some degree of the levy upon commerce, and the recognition of the organizing industries. The reform was in part in so simple a thing as transportation and communication at cost through the proposition to government ownership of railroads and telegraphs. And in another direction it was so simple a thing as the proposition looking to arbitration in industrial spasms. But this was the abdication of all that the Convention was. It was the resignation of the king. The Convention was organized by the constabulary of the disloyal forces that had dismembered the nation. It was officered by the instruments of the private interest and it attended upon the king's extremities. Advised by the mediaeval chiefs it recast into inflexible assertion measures which had come to be ruinous to the people. The Convention in the sum of its action had come to accept and enact into

design the growing breach in exchange, having its effect in "making the rich richer and the poor poorer" and discarding every principle tending to resolve them into the fraternity of equal exchange and freed commerce. The body of the convention was brought from the ward tricksters in every locality—men with a reputation among their neighbors for extreme partizanship [*sic*] or for sale of political service. The mediaeval secrecy cloaked the proceedings. Bribes whispered in the lobbies.

In the Chicago Convention<sup>3</sup> of the succeeding days of the summer, we have the contrast of a body gathered in openness and freedom to abjure the decadent concepts; they had met to throw over the obstructive measures. The next thing to knowing positive conditions of order is to arrive at certitude of the conditions of disorder. It may be said that the Chicago Convention had attained to a considerable measure of the latter. By whatever words it was put, it nevertheless is true that the men of the Chicago Convention had discovered the inequality and fracture of the State bred of the fiction of gold as instrument of exchange—bred of the disorder of the attempt to raise gold out of its function of common commodity. These interests had got so far as to discern the unstable equilibrium of gold in this attempt to force its function. They had rightly made out that this fictitious use had given it fictitious value. They pointed to the overweighting of the significance of gold as forcing its index up until the payment of a farm mortgage meant dispossession to the farmer. It required little prescience [*sic*] for the men of the Convention to know this, for in one way or another they were the direct and so conscious victims of the system of an unequal exchange, a phase of which they could understand as exaggerated by the fiction of gold. But their consciousness was only as the victims. They did not grasp the fault of the evil looked at in the fuller method of its correction, they did not get through to the absolute principle of money—the simple notion of the bill of exchange as record of the transaction, based on the unit of a day's labor. Their consciousness was the reaction from the irritation of the single gold standard, the reaction from the single commodity as measure of exchange. The proposition to inject silver into the money situation they clearly saw as lessening the fiction of the one commodity, as standard. As they caught it, they understood that they were coming to increase money. But the reality was in so far a movement toward the reduction of gold to common level of all commodity. The reality of their proposition favoring the coinage of silver was the freeing of this metal which rested in the falsity of regarding only one commodity, gold, as measurement of values, whereas all commodities should have equal place. Though they did not get the principle, they moved in its direction—the reduction of all commodity to the same equal plane of exchange. On the whole, the rationality of their action was the determination to try this much of their discernment. It would not be well, like the St. Louis Convention, to enact into phrase the conditions of their own evil; having freer agency than that body, they could try something that had not

<sup>3</sup> [The Democratic National Convention, held in Chicago in the summer or 1896, nominated William Jennings Bryan as the Democratic Party candidate.]

yet been tried. The magnificence of their action was their proposal to try some new thing, having to them measure of promise, to determine it by its results. The greatness of the proceeding at Chicago, in contrast with St. Louis, was the turning upon vicious conditions, and the movement out into the open of a new venture in the State. It was the rise of the people from degradation, trusting a new freedom.<sup>4</sup>

<sup>4</sup> [Historian Charles A. Beard later presented the 1896 conventions as turning points in American history. According to Beard, "Deep underlying class feeling found its expression in the conventions of both parties and particularly the democrats, and forced upon the attention of the country in a dramatic manner a conflict between great wealth and the lower middle and working classes [...] The sectional or vertical cleavage in American politics was definitely cut by new lines running horizontally through society". Charles A. Beard, *Contemporary American History* (New York: McMillan, 1914), 64.]

It appears not improbable that the out-movement toward the equitable exchange has to be the breaking of the fiction of the gold standard by the free injection of another commodity, like silver. This fiction gone, there could be the wholesome resolution toward unification of exchange on the rational basis of the labor standard. The banker, torn by the currents, would not unlikely be found ready to move in organization on the legitimate lines. It seems certain that if silver can be injected to diversify and complicate the present fictions of exchange, that the banker will have no recourse left but to follow the one proposition having promise. He can, apparently, find no other outlet, for it will be said by the people that both gold and silver have been tried, and the remedy is not in these.

We have thus discerned the Chicago Convention in line with the gathering forces, and whatever else may be said, that the Convention marks a line which the people have crossed. While, commensurate, we have to expect that a like body of 1900, whatever name it may take, will advance the issue to transportation at cost and the referendum in government, on which we now see the flood of favoring utterance.

The morning after the action at Chicago, upon silver and what the baron names the as allied heresies of the proletariat, the *New York Sun*, in the most trenchant of leaders sprang instantly to the defence of the feudal system. Thirty years before like writers had called upon patriotic men, in newspapers the counterpart of the *Sun*, to come to the defense of property vested in the African slaves. In the dread days of the upheaval preceding [*sic*] and throughout the Civil War, such writers were all that Mr. Lincoln was not. It is the brutality which stands guard by old issues when the ideas of men are on the rack of birth. In 1860 these mediaeval warders gave the instant cue to a part of the press of the country, which followed them in the spleen of decadence. So in 1896 they gave the instant cue of the meaning of the Chicago Convention to the sectional press. The *Sun* leader was the next morning copied entire by the *New York Herald*, with the announcement that it was their guide for the canvass. Throughout the country the sectional papers lined up on the issue made by the *Sun* editorial—the short of which was that the Democratic party had passed into socialism beyond recall and was already inviting the abrogation of private property. With the exception of the *Journal*, the whole New York press took this cue to the situation and denounced everything as unpatriotic that was not mediaeval. Men turned anxiously to the *Journal* for some utterance at the center that should be nearer the commonalty. With measure that was dramatic in its lonesomeness, the *Journal* accepted the full cause, taking up the battle

against the monied intrenchment. In contrast with the venom of a shoaling decay, the *Journal* in much had the pleasantries of sight and kindness of sentence that marks resource of principle. The extremity of the opposing press was detected in its lack of any humor in discussing their cause. They had reached the tension in the hatred of the Idea that gave them place among the enemies of men. The *New York Journal*, previously little known, rapidly passed the half million mark in its circulation. A list of papers throughout the country, more especially the provincial weeklies—less under the blight of Lombard Street—followed the *Journal* in its leading utterances, throwing themselves with the struggling cause.

Underneath the drama of this we discern a centralized weighing of conditions in the Nation, more or less in unity with advance. The action of the *New York Journal* may stand for this qualification of the machine of Letters. Seen as direction of the publicity of the country it virtually rises into the head, or centralization, of News. Before the *Journal* wrote its leader in support of the Chicago Convention—the new consciousness in democracy—it weighed the opinions of the leading writers and other publicists of the time. The result was the outgiving of what it considered the weight of principle after various views had been canvassed. The reality of this is that the *Journal* essentially gave utterance to a majority vote of a Cabinet meeting of leading publicists in democracy. We know that the *Journal* consulted the views of men competent to speak of the interests of various lines of business. The consulting of these interests, in a conference of men in which they were widely canvassed, furnishes the make-up of the Cabinet of News in divisions of labor standing for the various industries, or Classes. The action affords in effect a Cabinet composed of men having technical knowledge of the different lines of industry in the State.

The outgiving under the lead of the *New York Sun* gets its reality as schism in the Cabinet. This conflict in publicity must be seen as the expression of disorganization in the News Class as a body and in the Cabinet as directing head. Organization of the News Cabinet presupposes that it is organized for singleness of action. This means action on a majority vote of the Cabinet. It has its model in the organization of the United States Supreme Court. The latter body is the head of the Judiciary Class in America and its majority vote makes the rule of action on questions of principle for the whole judiciary body of the country, otherwise there is no organization and no action in the Judiciary Class and the administration of justice falls into chaos. Similarly, under degree of efficient organization, the majority vote of the Cabinet of News would have to determine the paramount utterance of the News body, going to control the whole machinery of publicity. The minority report of the Cabinet could only be considered in the light of distracting utterance, not to be regarded as the action of News. The utterance of the whole press of the country, as controlled by the head, would be a unit with the majority report of the Cabinet. The minority report would not be considered a matter of general news and would only be

held in pamphlet at the service of some demand should it appear. In the outlook it is thus apparent that the wrangling of Newsmen, if existent at all, would be as confined to themselves in the working out of utterance, in the formal discussion by a body under rules of stable proceeding. The Nation would not be disturbed by partial and immature utterance.

We thus get the unified movement of publicity through determination of its line of utterance by the News Cabinet, as at once the centre of News and the cerebrum of democracy.

*The working head of the Cabinet and of News.* If the parallel with the higher judiciary be carried further, we see the necessity of an organizing head for the News Cabinet and for News in general, corresponding to the Chief Justice of the National Supreme Court. As regards this Court the Chief Justice may be said virtually to direct, or organize, its action. He may be considered as making its rules of proceeding, formulating its outgivings, etc., but by advice and consent of the majority of the court. In essentials the members of the court can overrule him by a majority vote. The Chief Justice may be regarded as going forward of his own motion in all matters, making the responsible head of the Judicial business in America, though he acts with regard to the will of the Judicial Cabinet, and, further, with regard to criticism by the entire judicial body. It is on the same plan that the News Cabinet organizes. It has its president who is virtually directing head of News for both the Cabinet and the whole News body. The president of the Cabinet is president of News, or News General. He makes the general rules of his Class, formulates principles, indorses [sic] important outgivings, directs the Cabinet. But he does this with regard to the will of the latter and of the News body, who may each overrule him. Any action of his permitted by the Cabinet is in effect the action of the Cabinet. In new and important matters he calls his meeting of Cabinet or otherwise sounds it; but moves independently in all matters, making the responsible head of News.

It is proposable that there are a limited number of ex-officio members of the Cabinet drawn from the News body by the different Cabinet members, who may need to have advisers near them, forming altogether the philosophic body of democracy.

*The organization of the Newspaper makes for action in the State.* As a result of not carrying to the full the principle of organized action upon which they themselves partly work, as a result of the partial relation of ideas through failure to attain a common head and set all phases of life into proportion, the Newspapers put out incomplete reports leading to confusion and conflict of the people. And in turn the newspaper body has slow test in the action of the State as to the truth of its utterance. The illustration of this we have seen in the political canvass. Part of the papers speak for one action and another part speak for conflicting action. Whereas if the papers through a central body or head would agree upon one line of utterance the people could get together in their action and try the result of a given idea.

The probable desirability of the extension of the mail service to include the telegraph is in the air and half sought by the people. If the newspapers could harmonize their utterance and say it is thought best to try this action the people would get together and issue their warrant, and then it would be known certainly whether it is a good thing. Or a central newspaper Cabinet might determine that the newspaper body should speak in favor of trying the Government ownership of railroads so that the people could get together on this point and try it. The Cabinet would not be omniscient any more than are men, but it would be efficient in the sense that a body of men represents more experience than a single person. Knowledge is the result of action. And it cannot be known beforehand exactly what the result of new action will be. But there is the reasonable view when things are not right that certain remedial action should be tried. If the Cabinet and the people try one considerate view and find it wrong they will then say another way should be right, and they will try that way. The great trouble now is that the people are stopped in their action through the disorganized publicity and can only through great turmoil and suffering get their slow direction. A poll of the people now may mean little more than that a majority are confused. With the clarified news, they could as a body more certainly get action in some direction where they now stand still in tedious struggle. It could have been the utterance of the press in 1896 to let the people get together and try some way out of their trouble. They could come to determine whether silver is the corrective or not by the newspapers saying "We may try it, since a gold standard has been tried and a large body of the people are not satisfied." The Cabinet might not be ready to say that silver is the absolute remedy but it should be prepared with a single voice to say, getting nearest to the popular discontent, that we may try silver and then we will know whether it is a good thing; and if it does not work we can try something else. It could say this, or with singleness propose any seemingly determinative course, throwing itself upon the test of action. But with the principles of State once worked out in action, a Cabinet of the Organized Intelligence may as often go right in public polity as a body of United States Engineers in determining the foundation of a bridge, or the structure of a lighthouse.

*The integrity or faithfulness of the Cabinet of Intelligence.* The element which creates an integrity in men is responsibility in action. The direct result of organization is the fixing of responsibility. A man has to be responsible for his part. The force of it as to the action of men is seen in some railroad accident where the aim of investigation is to get at the responsible party, with men endeavoring to shift the blame upon their fellows. So it is everywhere. In the recent investigation into abuses in the government of the city of New York, the effort was to locate the man responsible for it. He was not found owing to the slack organization of the municipal government. The well-known integrity of the United States engineers is laid in the fact that if a man puts a channel wrong or builds a lighthouse insecure, he has

to stand the consequences. A United States engineer is put in charge of a division or a piece of work and is absolutely answerable for the conduct of it. And a general probity goes along with the trueness of mind acquired in the exactions of responsible art. There have been few cases of financial corruption in the United States engineering service for the last fifty years, extending over the disorder and looseness of the Civil War. Able men of every calling as a rule possess the general probity of mind. It is the requirement of the action of mind that it cannot be half false and half true as a practice; it must work to trueness as a whole, or fail of its corruption. The News Cabinet would have the undivided responsibility for action-making utterance and upon it error would return. It would be made to feel the same weight that the train dispatcher has in bringing his trains through. And in the case of the Statesman-philosopher, central to life in the Cabinet of Intelligence, a more profound responsibility might be thought to accrue. After all is said, the simplest view of the principle is that organization makes a man responsible for his own disorder. Men commonly recognize this as the method of compelling integrity. The everyday illustration of this is the practice of some men of paying a doctor by the year to keep them well, or paying a mechanic by the year to keep a given machine in repair. This is simply so much organization of the doctor or mechanic against results, as responsibility.

With a Cabinet conscious of exact relations of men and measuring in its make-up the phases of the life of the nation, utterance must be more removed from the factional prejudice. The Civil War in America was the result of the divided ideas of democracy; and these ideas might be counted as nearer whole in the years verging upon 1860 if the responsibility for the utterance of the newspapers of the time on the question of the mending of the broken Nation could have been put upon a central body of men with integrate leaning. In the present crisis one section of the press speaks for the bankers as against the farmer, applying sophistries in its presentation; and another section of the press speaks for the farmers against the bankers finding no logical common ground of interest. The members of the News Cabinet could but be driven to surmount such schism in their body, striving for the resultant view until they got a majority utterance of the common ground of interest for all factions. This must tend to the organic.

*The Cabinet of News gets its practice in dissecting or organizing the General News movement, revealing the organization at the Center.* The General News is news that is not restricted in its interest to any particular Class, persons, or locality, but, on the contrary, is of interest to everybody in every place. This news coming through the regional heads to the center is determined as to its character and make-up. The offices at the center are organized for handling General News of every kind. Each specialization or department of General News, as chemistry or farming, is in charge of a member of the Cabinet answering to such particular side of knowledge. This man

organizes his department in its various phases for handling his specialty in news. General farming news, for instance, coming in, is put upon the hooks of this department, or dissection, of news. But at the same time it is hung upon the hooks of all the other departments for any suggestions or modifications they may offer. These modifications are considered and incorporated into the report, or on the other hand excluded, by the desk having charge of Farm news. The suggestion of this central organization is in the present action of the newspaper offices at the large centers which refer given news to an editor best competent to handle it, who in turn asks other editors or reporters to work it over for suggestions.

This movement illustrates the working organization of the News Class through a head. As indicated, the organization of the Cabinet in this working movement is in charge of a president as managing head, who is necessarily responsible for the organization at the center and in turn of the news movement of the entire country—much as the Postmaster-General is responsible for the immediate organization of the Mails center at Washington and in turn the whole postal movement of the country.

*The Regional head, or center of the territorial division, of the News Class is provided in the dissecting newsman and his organized office at the commercial center of each Region.* The news of Michigan, for instance, as one of forty or more Regions, comes to a point like Detroit, or wherever the wires of commerce center for such a division. The part of this news which the Michigan head would see had interest beyond Michigan is sent on, reflected, to the National center and the part of the news having a purely Michigan interest is made up in its bearings and sent back, reflected, to the local papers of the state. We have in this the reflex movement of the intelligence of the locality back upon the entire area of the Region and the reflex on to the cerebral center, the Cabinet of Intelligence at New York, or wherever it is located.

*The lesser area, as unit of the organized intelligence subordinate to the Region, is the news movement of the County, or precinct, to its center.* A News agent as this subordinate center, with his organized office, dissects the purely County, or precinct, news from the larger movement, which latter he passes on to the Regional head at a point like Detroit. The purely County news goes no further than the County head, being reflected back in the classified local paper, or County bulletin. This comprehends the lesser reflex movement of intelligence.

*The organ of intelligence which furnishes the immediate contact with life on the side of news gathering is the reporter, or news-man, who is intimate with the movement of things in the restricted sense of the village, the country township, or the city ward.* He gives expression to the contact, or movement, of his circumscribed locality. He stands for the peripheral nerve-ending of democracy. In news extraordinary, as requiring exhaustive and technical reporting, this man is helped by reporters sent down from the County head; and for some of these, in extra instance, the County head may draw

upon the Regional head, as at Detroit. The peripheral man is helped out, supplemented, by the Regional head, as the external nerve-ending in the animal body is helped out by the next higher sense organs. The peripheral man is a single element in a unit news movement of which the higher centers are the fuller divisions of labor.

*Within the general movement of news there is a dissection, or editing, which is of interest in its larger detail to a given Class, being the Class News.* For instance, there may be special detail news relating to the railroads of Michigan which is sent out by a department of the Regional head at Detroit as Regional railroad news and goes into the Transportation Class paper or railroad man's journal; and there is a movement of railroad news of wider interest through Detroit and the other Regional heads to the general, or National, center and back again to the railroad papers or bulletins of the entire country. This Class News in its detail intimately relates to the interests and working of the Class to which it belongs. This is the reflex from the external sense-organs in every community to the special functions, or organs, of the social body.

*The Individual News is the dissection, or classification, of news that is not of interest to the general public or to any body of Class workers, as a whole.* This final dissection and distribution of the news, as of the restricted interest, is held at the News-Office for anybody who may apply for it. This provides the Bureau of Inquiry in the organized News. A man who wants some fact which is his own interest purely will get it at this Inquiry Bureau, or counter, of the News-Office, by asking for it and paying the price. It is something that arises in personal contact, or interest, on which there is insufficient information in the General and Class movement of News. It may be some matter that is not of immediate history and has passed into accumulated or compiled news. A farmer might want the exact contribution by Watt to the steam engine, or a railroad man might want something in a popular way about the oyster or the plow. Naturally these cannot be daily loaded upon the wires of the General or Class. The News Office would sell the inquirer a book or leaflet covering the question, or it might be dealt with in ten or a hundred words, as in answer to some one who should ask for the conditions under which crucibles explode. The buyer would apply to the nearest News-Office, situated in every town; and if this office did not know, it would call up the News-Office of its Regional head. This, the Inquiry Bureau in life, from the standpoint of the purely personal need, has its physiological analogy in the consideration that any point of contact, any village, any person, however remote, may get ordered information through nerves to and from the intelligence center.

*The News is in degree now organized and moving from its external nerve-endings upon its Regional heads and central Cabinet, coming back in sensation to the general public, to the Class, and to the Individual.* The newspaper now has its local correspondent, though in a hapless and irresponsible way. It

has essentially its Regional, or divisional, heads in the several newspaper editors in centers like Detroit. Here the organization is deficient in that the several newspaper editors or managers do not form one News-Board, under a single managing head. The result of this disorganization in the Regional head is the conflicting Regional, or state, news distributed to an area like Michigan. But certain essential movement of General and Local news nevertheless exists. News coming into Detroit that is reckoned of general interest is passed on to New York or to other large center of news movement, being dissected and transmitted by the Associated Press agents, who stand for the general movement of news to the Cabinet center and back to the Regional heads. The Regional center is deficient again in that the Michigan head at Detroit, for instance, has no adequate organization for dissecting the General News coming from its territory to be sent on to New York, being instead the inadequate and hap-hazard notion of some person representing the above Press agency as to what is of wider interest beyond the local demand. At New York or other center, like Chicago, where the General News is made up and sent to the country we have more or less faithful transmission of what comes, but with no organization for making it up into its bearings. Such news as comes to New York over the Associated Press wires goes back to the several newspapers of the country essentially a reflex current, though, as indicated, more in the mechanical sense, having had little skilled treatment. And through deficient organization at all points for the handling of news it generally gets out to the people touched with the prejudice of a local editor representing the factional views of a locality. And the movement of news through the centers is frequently colored by the investment interests. The Newsmen here, as elsewhere, often deliberately mislead the public in prop of the money interest and the existing slavery. There is no correcting head to enforce integrity of the general interest against the narrow.

Regarding the reflex, or movement, of Class News through the Regional and National heads and back to the several Classes through the several Class journals, there is very little direct classification. But the movement exists. The Class news is mixed in with the general movement and printed in the general news columns of the papers, or it is discarded altogether if it is seemingly not of interest to the larger public. In the one case it is usually so much clipped of its detail that it does not fill the wants of the Class, and in the other case it is often lost to the Class. The Class journals, which have everywhere sprung up, partly fill the deficiency in the movement. For instance, the Railway Engineer's journal takes what it thinks is of interest out of the general newspapers and also publishes news from its own correspondents, who write with knowledge of the happenings of the Class. But it should be said that the Class flow of news has as yet hardly come above the horizon of the newspaper men as a part and dissection of the movement.

The Inquiry Bureau is found to have quasi-existence in the inquiry columns of the papers. But it has small compass, with practically no organization, and is compelled to turn away questions which it characterizes as not of enough general moment to interest more persons than the applicant. The *Ladies' Home Journal*, of Philadelphia, has largely been built up on this limited inquiry side. Newspaper men complain that people flood them with questions over the telephone and by letter that are beyond the scope of their organization. This is a phase of the strangulation of the State by the disordered news.

*The outlook on the organized intelligence reduces and gathers together under one movement the various phases of the publishing business.* The outlook is first on that phase of the Triangle of Intelligence which classifies as the General News, this, as seen, being news of general interest—something that everybody is supposed to want. The first form of the publication of this, answering to the general newspaper of to-day, is *The Newsbook*. This central dissection out of the stream of news has equal interest for a man in California, a man in New York or a man in Texas. In character it simply answers to what is the general news now published simultaneously each morning and afternoon in all the great dailies of the country. It is in the main such news as is furnished by the Associated Press, except, as we have seen, it has more systematic and unified handling. And since this General News has to come to the center, or Cabinet, for its treatment and for its distribution we see that *The Newsbook*, the great political daily, is made up in its entirety at the commercial center of democracy. This paper as fast as it is made up at the office at the center is put upon the general telegraphic circuit and taken off and printed in its entirety by each Regional center. It would thus occur that the general publication, *The Newsbook*, at San Francisco or Galveston would be an exact copy of *The Newsbook* at New York or Chicago. The publication would practically fall upon the country as a whole in the same moment of time and in the same make-up. The first projection of this distribution of the General News from the center would naturally be put upon the wires in the form of condensations, or bulletins. The Regional centers would take these bulletins off the larger circuit and put them upon the circuit of the Region. Each County head would in turn transfer them to the local wire, or circuit, of its division, corresponding to the news ticker circuit now become common in the cities. It would result that the whole country would simultaneously get the condensations of important General News—the fuller detail coming to them in the publications from their nearest centers.

The next phase of the publication is the general news of each Region strictly, corresponding to the present state news. This could issue from the Regional head in company with *The Newsbook*, but as a distinct print or classification, called *The Region*. It is general news corresponding to circumscribed territorial interest. Everybody in the Region wants it. Its condensations, or bulletins, preceding [sic] its more detail publication,

would be put upon the Regional circuit to be taken off by the lesser, or County, circuit, interspersed with the General News bulletins proper.

There is a third form of news, still more restricted in its interest, but general to its locality. This is the local news of the town and its adjacent territory. As transportation becomes cheaper and multiplies its facilities, a given territory like a county, embracing a town or city, comes to have more marked community of interest. A man in town through familiarity with the embracing section of suburb or country wants its happenings; and the man in the country adjacent to the town and familiar with it looks to be furnished its news. This classification entirely local, embracing the county, is the publication called *The Town*. Aside from the printed paper, the Local movement has its bulletins, put upon the wire interspersed with the General News bulletins and the Regional bulletins. *The Town* has its further character in treating at considerable length the details of life, for readers who like all the story. Nor does it strictly confine itself to the local happenings of its own borough, but copies freely, by wire or clipping, from similar publications over the country, wherever a good story is found.

In the organic view advertising reduces to a form of local news. The reality of this is easily apparent in scanning the advertising columns of the newspapers. The Post Class publishes the arrival and departure of its mails. The Judiciary Class announces its proceedings. The various stores tell of their attractive things and novelties. The meaning of this is that each line of industry puts into the papers the news about its business. Many a housewife who takes up the morning paper turns first to the advertising column to get the news about dress-goods or groceries. Announcements of new things in food and clothing, theaters, changes in arrival and departure of trains and mails, must be seen as a permanent feature of the news columns of all local publications. Not the least interesting news in *The Town* of any time must be the announcement of the arrival of some car-loads of bananas or peaches at attractive prices. This form of news will be classified under the heads of the various industries, Food, Clothing, Mails, Transportation, etc.

The second phase of the Triangle of Intelligence is the Class News. As we have seen, it gets its publication in the different Class bulletins and Class journals, being the unified technical intelligence.

The third phase of the Intelligence Triangle, self-evident, is the Individual News, or Inquiry Bureau.

It must be seen that all publication, or news, of whatever kind passes through one of these forms. The writings of the students of economics at the Universities or outside of them, through books, pamphlets, periodicals, or newspaper publication must be regarded as ultimately coming within the one organization of news. Such a man finds his place in the News Cabinet or in some subordinate position. Writers on technical subjects place in the several phases of Letters which look after the treatment and handling of news belonging to the various lines of industry, the Class publications.

A man, for instance, writing technically on chemistry gets his publication in the Class paper, *Chemistry*. All other writers of whatever kind become incorporate in the one field of Letters and have their assignments of work according to their particular qualifications. Matter of permanent interest passing through any of the several publications is preserved in pamphlet or book form.

The delivery side of news in its active movement, we have elsewhere seen, finds its place in the supply store, or distributive station. This counter carries *The Newsbook*, *The Town* and the various Class papers which have demand in the locality, like *The Weaver*, *The Farm*, *Food*, *Textile*, *The Fireman*, *Mines*, etc. It will carry all that is preserved of literature as supplying the active demand—corresponding to the book counter of the department store at the present time. The Inquiry Bureau is to be regarded as a phase of the one News counter, supposed to carry all lines of the business. This gathers at the News-Office in the department store the several phases of the news business on the side of its active distribution.

Literature that has become dead to the general interest will, if it have any economy or interest whatever, be found on the shelves in the libraries at the public gathering place, the library being another counter of the news business, where books are rented.

Much reduction in the permanent store of writings may be expected in the development. We have already entered upon this. The writings in the Blackwood Classics and similar series, and the reports and condensations of Mr. Morley and others, have put into a few books many hundred volumes. This should go on until the line is clearly drawn between the living literature and the great dead and cumbersome mass. The novel in the unreal sense comes to be displaced as now by the new, or novel, truth that is stranger than fiction, and the unreal poetry comes as now to be displaced by the poetry of action in the report of the daily event. New advances tend to put into small compass the writings in the region of mind, morals, ethic, etc. Writings in an apart ethic and speculation in sociology fall away with the real thing, which we have seen as one with the advancing organism in democracy.

*The state of consciousness of News touching the principle of its own business as sensation.* The newspapers strive for sensation but do not uniformly act up to the principle underlying it. Its realization with them is little removed from the accidental. We know that sensation is the taking of the report through to unified relation in the social. The sensation in a divorce, for instance, is its relation to the well-being of the State. Can men and women have more liberty in their home relation without disrupting life? The sensation about the "ever" Magdalene is the knowledge of whether the phenomenon is not the outcome of too great stringency in divorce, or whether it is not one of the prevalent monstrosities traceable to the disordered exchange. How many have to do it to get food? The reality involved in a man going with a woman of the street may be that the conditions in-

herent in the disorganization of the State are such that he cannot go with a wife. This principle, of the part related to the whole, put against the details will determine their meaning. Thus it is seen that the full account of a man's participation with this offence of the social is not told in his having been found in a brothel; the fuller fact may be that Society was found in a brothel, entirely disregarding the particular man or woman. The sensation is to put fornication upon all men instead of upon one—that is, to make the offence bigger. The news is manifestly short in consistently bringing through to the final situation. The papers are not alone deficient in their discernment of last relation, but they are deficient in the details which carry it. People want the straight detail as much as they want the straight principle involved; the former embodies the latter; the two are one. In the rush of disorganization the papers print such fragmentary matter as may come to them, regardless.

A report often mistakes irritation for sensation. The reader is irritated by the partial thing, wanting the fuller detail; and he is irritated in the absence of the principle. The reader is much fretted through the exaggerating or making prominent of certain parts which in the absence of the full matter of the report is thought to make up for the deficiency. The reporter writes in red at the juncture where he lacks the simple facts which go to complete the unity of the news.

As reinforcing the principle, we ask ourselves whether "United States Trunk Lines, Division New York Central," is not more sensational than "New York Central." And we put to ourselves whether the reporting of a strike on the New York Central would not have more sensation if it were related to the social body by showing that it is the friction incident to the evolution of the organization of a Class in Democracy. The reality of a railroad president resisting a strike, properly related, is that he is a laborer with others of his Class but has viciously usurped authority and voice, fortifying himself in certain illegal tenets to resist the advance of the life of the State. Would not the great sensation be the turning of the tables and declaring the railroad president on strike against the advancing order of his Class and the State? The management would be depicted as embodying anarchistic elements obstructive to the whole. Further, as properly relating a railroad accident we may see that the sensation is to locate it in the organizing head, as far as he is to blame. The one mainly responsible for a railroad accident is the man who has so lamely organized the system that it is possible to have a railroad accident at all. On a well organized road it could not occur in the sense of a collision, an open switch or a defective bridge. The papers themselves incline to fix the responsibility but have divided notions about it and do not carry it through to the reality, the agency responsible for full order. In the end, the short-handed organization of the Class is responsible for the railroad accident.

It is certain that the newspapers cannot be unmindful that so far as they are now successful they act on the principle of sensation—full truth. They

can but recognize that men buy the newspapers for such truth as they contain.

*The Editorial results from incompleteness in the News report.* Sometimes the "editorial" is such only in name, its reality being that it is a news report on the "editorial" page. But strictly speaking, the editorial stands for some deficiency in the news column; it supplies some portion of the fact which is absent in the latter. So truly is this the logic of newspaper practice that reporters are ridiculed or discharged for making their reports so complete as to leave no room for so-called editorial comment. Good reporters who bring in the full facts have been discharged on the ground that they were trying to write editorials. Mr. Brisbane of the *New York World* in the first half of 1894 was writing a column in that paper, being a summary view of the day to the hour of going to press. He had access to the telegraphic and other reports up to the closing of the forms, and he gave some measure of unified tone to the news in a happy presentation in the light of his somewhat wide knowledge of affairs. It was found that there was little left for the editorial, or essay, page. Mr. Brisbane would put an ordinary half-column editorial into a sentence. The editors took the alarm and the column was stopped.

The "editorial" and the "news" report now conflict in practice and make the lesion in publicity. A newspaper will be found saying that its policy, meaning its editorial, has a certain tenor, no matter what the news columns may contain. It will say that its reporters are told to get the news regardless of the policy of the paper. This is equivalent to saying that it does not matter whether the facts conflict with the editorial column or not. In practice this means that the editor is frequently compelled to restate, or interpret, the facts to make them fit the partial interests which his "policy," or view, represents. It is the partial interpretation, or deficiency in news. The editorial is a factor in the divided action of the people who get their notions from the paper, since the editor writing independently, and indifferent to the full report, is more prone to make assertions inclining to partial interests.

Again, the editorial is seen as a part retention of the old notion that the "ought" needs to be asserted alongside the fact. It is the pulpit reiteration of the precept brought over to find its small preserve in the types. The editorial is the little church within the newspaper. So far as such attains, it is the preaching of the "ought" in the absence of the fact—the authoritative pronouncement. The "ought" is in the *is—is* in the full fact. For instance, we do not have to tell a man he ought not to fall off a ten-story building; the ought is in the fact of the action fully stated in results, namely, a fall from a ten-story building is nine times out of ten, the equivalent of a coffin. If the fact is sufficiently stated, the ought, or direction to action, is in it. In general, it is to be said that news has only to state the fact in its full bearings, leaving men to gather their own line of interest and action. Neither pulpit-priest nor editor-priest can strictly know the ought for any

man, as that has personal and private bearings with which they are not conversant. It might be supposed that a man ought to vote for government ownership of railroads, for instance. But no editor is justified in saying so. He can only report the fact that shows it to be the way to a general five-cent fare. The rest may be safely credited to men's intelligence. In view of the organic ethic, or freedom, based upon the analysis of will as unity in a consciousness determined by contact with life, it becomes apparent that the ought cannot be superimposed upon a man outside of his own convictions of action, as self-determined on the fact. All such is the mental degradation, or restriction. The editorial lesion exhibits in general the present brutality of news which forces personal opinion, or comment, upon the reader in his desire for truth.

*The organism reveals that the movement is away from the arbitrary censorship in Letters and the other fields of industry.* At the present time there is nothing in the absolute to compel the newspaper to print up to the demand. The tendency is to work out of this. A man belonging or not belonging to the regular organization of Letters who has something written may offer it to the News-Office, just as it is now offered to the less organic print, in some newspaper or other publisher. If News refuses to accept it as Letters that will be but the technical rejection of it, just as Music might reject a score or an opera presented to them, or as Transportation might reject some supposed invention in their business. But this need not end the matter should the author be dissatisfied with the position of the News-Office. It remains his privilege to expose the writing, together with the criticism of News, in the public market place of the locality, that is, at the nearest News counter. The author may of course add any remarks he likes in answer to the criticism which News has put upon his writings. Thus the public of the locality may have access to the entire proceeding. The people may themselves determine the validity of its rejection by the Organized Letters. Anybody may read it, copy it, and propagate it, at will, short of using the regular machine of News. If it have merit adapted to the time it will appeal to men. And should the sentiment favoring it grow in the locality so that a majority of the people should come to want it in print, they can compel Letters to print it, by use of the local ballot, the machinery for which is a consideration of the "Negative," farther on. By the ballot a majority can negative, or forbid, the action of News in rejecting the manuscript, and News has left to bring its action in accord with the demand. The force of this is that nothing is news in the sense of the life demand, in the sense of publication, unless the people want it. If only the writer wants it, he has it in the copy which he holds. Supposing that the writing comes finally to be commercially printed, it will be sold at any point where a demand springs up and a request is made for it. In the same way, a person whose composition has been rejected by the organized Music would have the privilege of convincing people that the Class was wrong in its rejection of his composition. Whereupon, they could demand its rendering by the local

orchestra. In a similar way an inventor, painter, or other, may expose in public his work when rejected by any Class. If he can get enough people to endorse him, the Class will be negatived in its action and compelled to put the work into use sufficiently to demonstrate its quality. The point is, in every phase of the State, that we are working out of the arbitrary censorship and over to the censorship of fact; the censorship of the actual test in life, the test of action. At the present time the demand is for certain unity of utterance by News in its active machine, the newspaper, but the people cannot get it; the private interest too much controls.

*The advance of the State is pushing the newspaper toward recognition of its own law—its own principle of being lying bare before it.* The real Letters, as standing for the organic concept, is not in control of the newspaper. This has not alone divided the people, through the resulting multiplicity of view, but it has denied them as a body the quicker forethought of the Nation as to the development in democracy. Observation must show that the orderly thought is mainly outside the newspapers trying to get expression. Old and used-up concepts become disorder when a nation is struggling to pass them. The growth towards organization has in all the Classes been hindered by deficient and short-handed publicity. The newspaper under the domination of the counting-room has the attitude of keeping the new out; it has the attitude of restricting the quality of publicity: as though medicine or chemistry were organized to resist new formulas; as if in practice men ignorant of chemistry should be found interfering and overturning the formulas for refining oil or for making quinine. Ideas arising in the newspaper offices that conflict with the notions of the counting-room are more often summarily turned down and the authors dismissed. Reporters and editors are specifically told that they must not in essentials antagonize the investment notion. It is the private interest obstructing the organization of the news. Such is the paucity of consciousness by the newspaper as to order in the State that it is divided in its thought regarding the underlying method of its own business, as one with all business. On the surface, it assaults the Standard Oil Company, the railroad combines, the sugar trust, etc., as so-called monopolies menacing the State, when the newspaper itself is working under a similar union in the Associated Press Company. There is no closer monopoly than this Association. To start a paper in New York with the benefits of the Associated Press requires the consent of every newspaper belonging to the service in the City. It would be supposed that thrown against the conditions of its own growth the newspaper would in time have to recognize the principle of the organism in the State. And there is the most startling fact pressing for recognition, that the Associated Press, belonging in its function to all the newspapers that take from it, is in effect the abrogation of private property. All this is the nearness of the newspaper to an estimate of its own nakedness.

*There is discoverable a high degree of integrity touching news on the side of the mechanical distribution—on the side of the types, the printing press, etc.*

Well-nigh perfect organization has developed here, and it is possible by multiplying type-setting machines and presses to throw off an unlimited number of newspapers per hour, and through the capability of the mail and its adjuncts send them out. Standing and looking upon the marvelous precision and efficiency of the web press in the cellars of the newspaper offices one must reflect that this feature of the news business is doing its work.

The question of whether the mechanical side of the newspaper is a part of the News Class proper may be left open. A sign pointing to the inclusion of the typesetter and the pressman in the one Class with the reporter is the fact that all such are employed exclusively by the news industry. Unlike the telegraph or railroad, which may be employed by other Classes as well as by news, printing places exclusively in the service of the latter. But, again, it is a business having its own technique apparently distinct from the technique of reporting, or News proper. The printers could be a distinct Class, simply employed and paid by News, or they could be a distinct branch of News, having in either case their own rules, or autonomy, answering to the demand of News upon them.

*It is from the mechanical or integrating mind that advance in News is expected.* It is the mechanical order of mind that thinks with the precision which is action in relation to the economy of life. The mechanical method is the principle underlying efficient thought. This is simply to see the part as in active relation or division of labor within an organ and the action of the whole organ trained upon some particular office in the environment. The mechanical mind is the philosophical mind, the philosopher being only a mechanic who has to do with the larger machine—the State. Throughout the phases of life the mechanical, or philosophical, order of mind has been trained upon the building of the many machines which go to make for the liberty and action of the larger one. The locomotive, the telegraph, the typograph, the web press, the sewing machine, the reaper, we discern as underlying parts of an integrate democracy. The primary work being much along and a surplus of the mechanical mind freed for larger action, we approach the juncture where we are likely to find invention, or advance, in methods for the closer organization of the State. And it is from this freeing of mind for action in the more culminating regions that we look for invention to organization in that phase of the State which is Letters. A good reporter has simply the mechanical notion of relationship; and the philosopher, or chief-reporter, as of the Cabinet and the Regional news boards, must be expected to arise from this character of thought. The newspaper management is waiting upon the carpenter-and-joiner of fact. We have as much difficulty in conceiving the mechanical mind failing when freed in newspaper direction as we have of the Hoe press lacking the joining of its wheels and the revolution of its types.

*An avenue which makes for an outmoving in the organization of the newspaper is the growing necessity for integrity in its business.* The great daily at the

present time has reduced the price of its issue to a point that does not pay the cost of news-service. The half-cent for which the morning paper now sells to news-dealers does not well cover the mechanical production. The newspaper on its revenue side is in the position of unstable equilibrium which has no base of support in its own legitimate business—the sale of news. The reality of advertising we have seen as a phase of news. The newspaper has fallen upon taxing this intelligence to an extent which goes to offset the deficiency of revenue in the general news movement. The store of O'Neill and Company, New York, not the largest advertiser, pays \$100,000 a year to the newspapers. The result is that the advertiser, the distributive trade, is carrying excessive burdens in helping to support from one to a dozen daily newspapers in a single town. Furthermore, the great newspaper concerns to keep going have of late been resorting to blackmail on the most stupendous scale. A New York paper recently took from the Standard Oil Company \$100,000 on the general proposition that this corporation might some day need to have the right word said for it. The big combines of capital in every direction are, on the plea of mutual interest, understood or expressed, making a divide on profits with certain of the newspapers. Some of the big corporations own controlling stock in newspapers which are situated to forward their projects. When the Standard Oil Company some years ago was pushing its pipe line into Toledo from the Ohio gas fields it purchased outright the Toledo Commercial, putting its own newspaper man in charge to manipulate news in the Company's interests. Similarly, the management of the Great Northern Railroad controlled a prominent daily in Minneapolis at the time of the strike on its lines in 1894. All such are phases of the subsistence of the newspaper on means outside of the legitimate sale of news, giving force to the fact that the newspaper is without basis in normal revenue. Should anything therefore arise in the movement of things that would tend in any direction to disturb some portion of their illegitimate revenue, the newspapers would of a certainty be compelled to get together to save themselves, by organizing for cutting off the present waste of several newspaper plants all doing the same thing in one town. And in the long run, owing to the growing insecurity of the newspapers, the tendency of things must be to compel them to the economics of one management, more than now.

The conditions that drive any line of trade to the economy of organization under one management must be the tendency of the newspapers. The conditions preceding [*sic*] the organization of the Standard Oil Company were of a score of different refineries located at various points and warring against each other for advantage, the public paying the bills. The saving idea of a pipe-line to the sea came to one of the refiners and he started to put it into execution, finding that he could make it pay its way section by section to tide water. He had his first section down, eight miles. Alarm seized the other oil men who saw that the trade would not support twenty pipe lines to the Atlantic. Mr. Flagler, Mr. Rockefeller and others of the refiners got together and made the compact known as the Standard Oil

Company, each of the manufacturers taking stock in the general Company in proportion to the value of their plants. Out of this combination the Standard Oil Company has improved the quality of oil and reduced the price 50 per cent. One reality of their princely revenues is that in cheapening the cost of oil they have divided the profits with the consumers, making large consumption.

A single economic idea may likewise overturn the newspaper and compel its organization. It lies, in one direction, in the driving of a wedge between the newspaper and the current advertising business. The present great flux of advertising has its source in the disordered exchange. Under the private notions of property, advertising is constricted in its character as news. It is virtually the individual inquiry at the News counter, made necessary by the existing state of trade which drives individuals to search for knowledge of where to buy or sell. Advertising thus tentatively classifies as the private, or personal, intelligence. It should for convenience and economy issue in a single publication, properly called *The Want*, to contain essentially only classified advertising. The idea is in successful operation in Paris and Berlin, and virtually draws to itself all the advertising of the city. Some newspaper, or good business man moving independently, might combine in an advertising pool the retail merchants of a city, whose interests are all in the direction of concentrated advertising, so that they may have to pay for only one advertisement instead of half a dozen. Such an alliance of merchants could, after a time, hand their advertisements only to *The Want*. This would carry the publication in its revenue until the lesser advertisers could be brought to it from sheer interest. This daily *Want* would be sold for one cent, or more, either independently, or along with any newspaper that should manipulate the move. Ordinary wants would of likelihood be published in it for five cents, and possibly one cent. This would be the business acumen which gets its revenue from the large grist and small toll, at the same time crushing out opposition because it is so near the interests of the public. No one can compete against a thing that approaches perfection in both price and quality. Such a newspaper, liable to get on its feet, would spread the alarm among the big city newspapers and they would find it necessary to combine for their existence.

Again, any State control or regulation of the great trusts which would reduce their revenue to a minimum of margin, would tend to cut off the blackmail money which the newspapers are drawing from them. So that on both sides, through advance in democracy, the trend would be to bring the newspapers together under one management.

Acting together the newspapers can, of course, fix a revenue supporting their business aside from channels compromising the news. The saving through concentrated action should alone effect this. And the very gravitation of the large organization, cutting clear of the outside private interest, would be to improve the quality of the news, so far as it freed the mechanical, or artistic, mind.

In this we face the Intelligence Trust. Made amenable to the needful general laws regulating all trusts, or centralization of industry, it becomes the Trust of the people. It matters not what it is called, whether Government control, or, popularly, "Government ownership," of the newspaper. With "Government ownership," or control, of Carriage and Exchange, effecting these functions at cost, the power of the king for harm in other directions is no longer to be feared. With the day growing, the Intelligence Industry settling toward centralization, as of the sure end in democracy, labor may take stock of an advocate at court—the FACT.

*The state of ethic, or freedom, of the newspaper.* News is to-day under the domination of its own disorganic ideas and of all the disorderly features of the State. The disorganic elements, which in the growth of things would be attending to their business in other Classes, are obstructing the newspaper. If the bankers, railroad presidents, and all the components of the private interest were not curtailing the movement of the News Class and creating schism in its utterances, publicity would doubtless be found at this juncture speaking rationally and standing for advance in the organization of the Classes. The rank and file of the newspaper men chafe for freer utterance on these lines. They ask to stand more for the equalization of the returns of labor. They would find arbitration, for instance, if they were not governed by the counting-room; many papers are abreast of this now, but there is conflict of publicity on this and kindred points. Many newspapers now would doubtless throw overboard the private interest entirely if they could see the one step further into the greater order beyond it. We may speak of the *New York Journal*, as at present occupying advanced position here. When News has more attained its organization and is freed from the friction of the unorganized element, the forces will drive it up to its integrity through its own self-interest and artistic momentum. The newspaper, ruled by the advertiser and others, cannot yet speak for the interests of the Whole as against the private concern. Publicity does not report its advertisers, does not persistently label spurious wares in every field, from the exaggerations of the real estate man to the fraudulent medical advertiser—does not report them save in general terms. It dare not specifically report certain of its advertisers, though in some respects it goes far, as in its playhouse news. And we have seen that in all directions of the private interest it does not unify publicity. Last, the newspaper does not move to the surpassing sensation, the uncommon freedom, of reporting itself. There is a mysterious balance-sheet and certain unknown transactions. The newspaper cannot yet act up to the part of full fact-giving wherever it touches life. It waits on fuller organization for its free action, its ethic.

That aspect of the American newspaper which has brought upon it the charge of a "rawness" of utterance and lack of respect for privacy has to be sounded in its ethic, or essential right, from the side of the dynamic forces. If we compare it with the more reserved utterance of the English press, we

may attribute much of it to the greater lengths to which inquiry is carried in this country. It may be thought to mark the impetus of the news over to full fact. The movement is in the direction of breaking down the barriers to full inquiry. There is likely to come uppermost out of the crush the status of real respectability. It is likely to result that nothing can lay claim to respect except the fact itself, established after the most searching inquiry in the fullest publicity. There is likely to result the status that nothing is respectable that cannot stand the day. As to why the movement should apparently have its front in America, we can but attribute it to the reach of this country. The Organic Letters quickens in the womb of distance.

*Property in the News Class is function of publicity in terms of its prints, bulletins, and personal inquiry counter.* It is borne by all Classes in their several divisions of labor. The News-Office may only tax for its direct support, its particular division of labor. It may put a cost price upon its goods.



# *The News System: A Scientific Basis for Organizing the News*

FRANKLIN FORD

Letter to Clinton W. Sweet sent from New York.

GENERAL NEWS OFFICE

January 30, 1907

Mr. Clinton W. Sweet<sup>1</sup>  
819 Broadway, New York

Dear Sir:

I have invented the News Centre which follows upon the Telephone, and have ready for final revision and publication the new literature of Politics which results from the appearance of a positive or systematic news system. This literature is, in the first instance, educational; it amounts also to universal advertising material for the project in hand. For the first time, the ADVERTISING of a business can be sold.

The invention I have perfected is, in effect, an extremely valuable trade secret, forming a scientific basis for organizing the news Trust. However much we may reveal the nature and detailed application of the principle, before others could hope to occupy the central position in the News System, and so supplant us, they would be compelled, in great measure, to pass through the experience which has resulted in the new discipline. Moreover, since news organization is essentially unitarian, before anything of moment could be done in that direction, we would be so far along that all attempts at competition would but operate to advance our own work.

I have now to put down for you the procedure to be followed in launching the news Trust.

1. I would incorporate the General News Office as an ordinary business corporation, under the laws of New York or some other state, making the basis of the incorporation my accumulated literature and copyrights. The capital stock at the outset should be small, and the shares should remain

<sup>1</sup> [Clinton W. Sweet (1842–1917) was one of the founders of Sweet-Orr & Company, a clothing company employing thousands of workers. He later launched specialized publications such as the *Real Estate Record and Guide*, the *Architectural Record*, and *Sweet's*, a catalogue of building materials based on the model of the dictionary or the phonebook. Sweet's publications attracted the attention of Ford, who wanted to join forces in order to bring into existence a project he then called the News Centre or the News System. Ford discussed Sweet's publications on many occasions, writing that the *Real Estate Record and Guide* was a recognized authority in the municipal field and "an organic centre of credit information." See *Municipal Reform A Scientific Question* (New York: City News Office, 1903), 20; *The Public Necessity of Organizing Sovereignty Through Credit Authority* (New York: News Office, 1910).]

for the time being in the hands of myself and my immediate associates.

2. As the literature in hand is the gateway to general acceptance for the project, I would next proceed to revise and print in pamphlet form the following seven reports:

- (a) THE INDUSTRIAL STATE AND ITS GOVERNMENT
- (b) THE RAILWAY TRAFFIC ASSOCIATION, AN ORGAN OF SELF-GOVERNMENT
- (c) HISTORY OF THE POST OFFICE; A KEY TO THE TRUST QUESTION
- (d) THE DEVELOPMENT OF A POSITIVE OR SYSTEMATIC NEWS SYSTEM
- (e) EVOLUTION OF BANKING AS AN ORGAN IN THE STATE
- (f) PRESENT POSITION OF NEW YORK'S MUNICIPAL GOVERNMENT
- (g) THE REPRESENTATIVE SLAVE<sup>2</sup>

<sup>2</sup> [In a letter to Oliver Wendell Holmes Jr. sent on May 6, 1907, Ford also refers to this report. He writes that "The 'Slave' story will be all color, as the general public must be addressed in a picture language; the first draft of it was done in 1890, and consists of some 18,000 words" and that the final version would "make well toward 50,000 words."]

The last named report is the story of my collision with the Newspaper. I would print one thousand copies of each of these reports, and have the page forms of each stereotyped.

3. I would then set about introducing the project to the representative men of business in New York (possibly two hundred in number), seeking to get from each of them individual subscriptions to the reports named above; the subscriptions should be \$100, or perhaps \$250. The purpose I have in mind here is to make of this individual approach the entering wedge for large sales of the literature to the great corporate interests of the country, which for the most part head up in New York. The aim should be to take to those leaders of commerce written committals to the project from the foremost class newspapers, and other important news centres.

4. On securing adequate support from the leading commercial interests, I would issue an edition of the reports large enough for distribution, under well known references, to all prominent newspaper managers in the United States, to the judiciary, to the foremost lawyers, to bank officers, to members of Congress and the state legislatures, to leading merchants, and to the masters of industry; the last named class to include the railway men. The aim will be to invite criticism from representative men, with a view to incorporating in the new literature such of the results as are valuable.

5. With the action carried to this point, we will have in full operation the Educational Division of the General News Office. It has to [be] kept in mind that we are, primarily, organizing a business action, and that the literature already in possession is a by-product of this action. The first thing is to use the literature for enlisting money support, and at the same time for educating the news managers up to the point of free co-operation through the General News Office as main centre of the News System. Following upon this, we will own book copyrights constituting, in and of themselves, a profitable educational publishing business. The preliminary work on a Commercial Geography, of world-wide usefulness, is already far along. There exists an insistent demand for the true commercial geography, but it cannot be produced without the application of the principle underlying the General News Office.

6. As an incident in the development of the Educational Division, working relations will be established with all University Centres, with a view to imparting the principle or method to the schools of political science, and so to bring about far-reaching co-operation in political inquiry. It is proposed to effect the university connection through the Social and Economic Section of the American Association for the Advancement of Science. Three members of the sectional committee have already considered the plan favorably.

7. As an outgrowth of the Educational Division, a Business News Service for the daily press of the country and the world will be established, on the lines of the Associated Press. One main purpose of this division will be to create a market for one part of the by-products of the class newspapers, consisting of general news relating to each division of commerce. As an ultimate outcome here, it is proposed to introduce a weekly report on the state of trade and industry, to consist of contributions from the class journals representing the various divisions of commerce.

8. As soon as the Educational Division and the Business News Service are in the hands of competent managers, I would begin organizing the news of New York's municipal system. Just two things require my further personal touch, namely, the full development of the literature of Politics and the systematic reporting of municipal news. The report on the Present Position of New York's Municipal Government would be used for introducing the new centre to this field. With this literature distributed judiciously, I would proceed to make demands on the city's general accounting centre, the Department of Finance, for information, each item at the outset to involve an important development in statistical accounting. For example, our first request would be for a report on the city's miscellaneous revenues, which are not now so much as audited by the Finance Department, yet they are increasing rapidly and now amount to a good many million dollars annually. The Comptroller could not do other than fall in with our demands, and so be led into direct cooperation with the News Office. The vantage ground would be with us, since we have mastered the procedure and know the end. By this means the News Office will pass into organic relations with the Finance Department. We would bring up with a full report on the Evolution of the City Government of New York, thus resulting in an epoch-making political document.

9. With the working relation with the Finance Department established in a practical way, we would proceed to issue a daily bulletin giving the transactions of the Finance Department for the twenty-four hours, consisting of all claims filed and the completed audits. At the same time we would clear each day, by mail and telephone, all contract or opportunity news of the municipality. About a thousand contractors are constantly doing business with the city. The stream of contract news should be sold through the F. W. Dodge Company. This double step will for the first time open up real publicity for the municipal affairs of New York. Each item, when regis-

tered, which promises news of general interest, would be followed up and reported in all essential details. A monopoly of municipal news would result.

10. Following upon the mastery of the opportunity news in the local municipal system, together with all news of the same order in the metropolis, we would proceed to clear the contract or construction news for all divisions of the recognized governments, national, state, and municipal, and for the entire country, the Dodge Company to be selling agent for the whole field. In addition, all *general* news in the building and construction line should come to be cleared by the Dodge Company.

11. A universal or central information bureau for the metropolis can be announced at the time of issuing the daily bulletin giving the transactions of the Department of Finance. The conditions are ripe for a telephonic news centre, through which all parts of the local information system can be called up, and each made to contribute its quota of fact for the guidance of the business public and the people generally. With the list of local news offices perfected, and a business relation established with each, the General News Office will be able to advertise all inquiry centres in the system through a single outgiving. A trading relation with the New York Telephone Company is proposed, which will permit all pay stations in Greater New York to give the News Office wire to any one in need of information, the fee, by special arrangement with the telephone people, to be paid to the station operator. Touching the development of revenue for the telephonic news centre, S. S. Pratt, editor of the *Wall Street Journal*, has been saying to me that very many individuals and trading concerns will gladly pay a reasonable fee for the right to call up the centre for miscellaneous or routine information. A news stamp could be introduced for attaching to letters of inquiry.

12. Revenue creation in support of the Municipal News Division should have special treatment. We should introduce the pro rata principle, as it has obtained in the field of ordinary taxation; that is, we should induce a bank or other corporation to make a yearly subscription amounting to a small percentage on its volume of business, and then proceed to extend this over the entire revenue field. It appears that all taxation began with voluntary contributions. We are proposing a re-formation in Government which will result in vast social benefits, and the fact should govern our action. Already, what amounts to a new system of taxation has come to exist in the city, consisting of regular contributions by the varied business interests to all manners of "municipal reform societies," several hundred thousand dollars being paid to them annually. These revenues must be systematized and made permanent by us, if we are to achieve the highest success. Through the centralizing of industry, news revenues in general are undergoing a radical alteration; the change is basic and we must follow the tendency. To organize the news business, we must place its revenue system on a permanent basis. It is a system of *taxation* which permits the

publication of daily papers like the *New York Times* and the *World* for one cent, the price being hardly more than the cost of distribution.

13. It has occurred to me that we might with advantage enter into some sort of business arrangement with the New York Board of Trade and Transportation for delivering to it certain of our municipal reports. They could recommend action on the strength of our scientific findings. I have known the secretary and active manager of the Board since my Bradstreet days.

14. The traffic in news between sub-centres and the General News Office will be handled on a commission basis, at least to begin with, and on a basis, say, of fifty percent of the net receipts. For example, if the General News Office sells a report furnished by the *Real Estate Record and Guide* one half should go to the *Guide*. It may be that later on the source of supply should receive more than one half. Regarding contracts with sub-centres, I take it that nothing more than memorandum agreements will be needed, as the parts of the system are bound together by the closest inter-dependence; they must buy and sell of each other, yet each is entirely free in its own sphere.

15. In relation to the larger development of the Educational Division, it may be that an alliance should be made with an old established book house, especially when it is considered that a great central literary factory is to result at the main news office. With respect to this, I am in touch with George Haven Putnam of G. P. Putnam's Sons.

16. A firm contract is proposed between the General News Office and The Credit Office, which will provide for a continuing payment to the former of a fixed percentage of the latter's receipts. The large promotion of The Credit Office is dependent on its introduction to the News System by the General News Office. The class newspapers will be important factors in perfecting the centralized organization of the credit news field. Thus, all credit information concerning the building industry of the metropolis, apart from the opportunity news, should be cleared through The Credit Office, and in furthering this the *Real Estate Record and Guide* can be made a potent force. It is proposed to develop the weekly sheet now issued by The Credit Office, under the same name, into a universal newspaper organ of the banking or credit system; there is no class journal on modern lines in this field, yet the necessity of such an organ is imperative.

17. I invite attention to the peculiar relationship to be occupied by the General News Office in re the development of revenues for the class news system. The class or technical papers have reached their present position through two sources of revenue, subscriptions and the sale of advertising space. But now, through becoming scientific centres for the registration of fact on a great scale, their expenditures inevitably rise so that the certain tendency is to outrun the old-time basis of revenue. It means that the payments from corporations or firms for the support of a given class journal must come to be in direct proportion to the place of such firm or corpo-

ration in the related industry, in place of measuring the payments merely by the amount of advertising space used. In other words, while the editorial or reporting work is progressing on organic lines, the revenue system has continued on a merely individualistic basis in accordance with the ordinary notion of competition. The basis of revenue cannot be changed without the rise of a general news office through whose action the place and claims of each class paper can be determined and given universal publicity. In short, the situation is such that the main news centre necessarily becomes a revenue-getting agent for the class news system. I withhold judgment as to whether the General News Office should seek by direct method to exact a share of such enlarged revenues.

18. Both the General News Office and The Credit Office must be treated by ourselves as public institutions, though operating under the principle of Contract, which means that full details as to their finances must be published at proper intervals.

19. It is proposed to organize the professional accountants through registration at The Credit Office, so that the standing of an accountant will come to be tested by the fact of his acceptance or rejection by the universal credit reporting centre. The developed Credit Office will have rank as the Bank Clearing House, both being organs in the Industrial State.

20. I withhold judgment, both in general and detail, as to the wisdom of placing stock of the General News Office with the class newspapers and other sub-centres.

21. We are to introduce the natural or simple method of classifying and organizing news. If news can be organized on a scientific basis it cannot long be handled in any other way. I may add that the principle laid down is common or easy to men of the mental order of your Mr. Desmond or Mr. Reinhold.

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I have sought to put down for you the leading ideas controlling the action in hand. I ask you to join me in the work of conferring upon commerce the greatest single benefit in all history. My feeling is that the character of the enterprise gives it a just claim upon your large knowledge, your experience, and practical judgment, not to speak of your direct business interest on account of your prominence in the class news field. The facts spell Opportunity.

The force of the principle is such that all related news interests must enter the proposed combination or be left outside the breastworks. A universal trading relation is required in the news business as means to furthering the general advance in co-operation which the new conditions permit and compel throughout the entire field of trade and industry. In point of principle, the co-operation in the news field which I am proposing is noth-

ing more than has already taken place in what I may call the commerce in physical things; for example, you buy buttons from other concerns and sell them as parts of the finished garment.

The path of an enterprise so new and original as this cannot of course be marked out in advance in any great detail, but it is plain to me that if sufficient freedom can be secured to enable us to revise, print, and circulate the new literature of Politics, all else will be certain and easy; all further steps will take place in their natural order, and the right men will come to hand at the right time. The literary preparation has been difficult, but I have accomplished it to the letter. The time element is with us in all respects, and, owing to the nature of the business, the social forces will further the action at every point. The chief risk was moral or scientific rather than financial, but I have won everything on that score up to this writing.

A credit of a few thousand dollars is needed in order that the boldness of the first steps may be up to the level of the principle. I ask you to furnish this credit on such terms as may be agreed upon. I have no alliances or obligations which can stand in the way of my making an exclusive contract with you. I am satisfied that with freedom gained for the initial handling of the new literature, all the succeeding steps will be insured by the creation of revenues. The individual who will have the courage to make the initial credit which is required will of necessity reap a large money reward, since, as already indicated, the service to commerce will be unexampled. I have already said to you that the man who will take a new proposition at its face value is about as rare as its creator.

A powerful financial institution is contemplated. There is money in the scheme for all concerned.

Very truly yours,

Franklin Ford



## II

# *INTERCONNECTED FLOWS: MONEY, INFORMATION, AND TRANSPORTATION*



# *Better Credit Reporting*

FRANKLIN FORD

Published in *Textile America*, Vol. 1, No. 17, p. 34-35.

## PRACTICAL OPERATION OF THE CREDIT CLEARING HOUSE IN DETAIL<sup>1</sup>

*Working Relation of Credit Departments to the Clearing Centers—  
A Division of Labor—Description of a Typical Report*

<sup>1</sup> [This is the second of five articles in a series titled "Better Credit Reporting" published in 1897 by Franklin Ford in *Textile America*.]

THE FIRST CREDIT REPORT was the word-of-mouth statement of one merchant to another concerning his experience with a given applicant for credit. A great advance in communication had to come about before a group of merchants could hit upon the labor saving measure of employing an agent to collect such experiences from the several members of the group, to be distributed in turn to all the members for their common benefit. In a marked way such action gave proof of a growing community of interest.

It has been shown that the beginnings of credit reporting in America date from the advance of post-office facilities in 1840. This or that group of merchants was then able to conceive within restricted areas, of a prompt exchange of experiences. Such action went to disclose an overwhelming need, and this permitted the rise of Bradstreet's and Dun's. Their reporting systems, as everybody knows, gradually spread over the United States and Canada, parallel with the further growth in communication. But, as we have seen in place of holding to the principle of exchanging experiences while overrunning the country, the two "mercantile agencies" proceeded to build up an artificial system of credit "reports" and "ratings" which today, as regards the important work of determining credits, has the effect of keeping merchants apart in place of bringing them into close working relation. The imperious need of commerce with respect to credit reporting is proven by the continued extraction of enormous revenues on the part of the two "agencies;" they trade on this want without supplying it.

### INTERCHANGE OF EXPERIENCES

The great fact to be noted is that under the conditions outlined no change short of a revolution could take place. The struggle has been to revert to the original principle of a direct interchange of experiences, and by giving it universal application to compel the desired reformation in credit reporting. Illustration of this is disclosed in the attempt of particular trades, such as the Hardware Board of Trade, and the like to improve credit reporting, each on its own account. On the whole, these efforts have only served to emphasize the need. A clear departure has been waiting on the discovery that the principle of direct interchange of experiences may be applied to the entire country without let or hindrance; that under changed conditions the methods in use at the outset of credit reporting may be given universal application.

The clearing house movement in credit reporting is premised on the completion of the post-office, meaning thereby the omnipresent business of letter carrying. Between night mail trains and fast time, along with free delivery at all centers of importance, the swift interchange of experiences in credit making turns upon adequate organization only; the conditions therefor have been reached. The post-office—seen as the whole business of communication—is having further development in the telegraph and the telephone, but there is no occasion to wait thereon, as the facilities of the old post-office alone give ample warrant for employing the clearing-house principle in credit reporting. It is fair to say, that beyond the addition of pneumatic tubes, the letter carrying division in the post-office has reached its ultimate; the fast mail trains may become a little quicker, but no radical change is to be expected. The progress noted has made possible the Credit Clearing House.<sup>2</sup>

### GROWTH IN MAIL FACILITIES

When the system of Bradstreet and Dun was given shape, the mail facilities were away behind present standards, so much so, indeed, that in place of organizing to effect a direct exchange of the experiences of merchants in credit making, the thing done was to send interviewers to merchants and so build up the literary procedure which came in time to occupy the whole field. In those days something like a week was required for an exchange of letters between New York and Buffalo, whereas now an exchange is effected between the evening of one day and the early morning of the second day, a period of thirty-six hours. The letter carrying division of the post-office reaches out and embraces the whole people. At a nominal cost—the possession of a two-cent stamp—the individual may command its services at all times. No town is so small as not to come within the network of post routes. Sir Rowland Hill,<sup>3</sup> the projector of penny postage in England, would himself be more than astonished were he able to-day to contemplate the work of the American post-office.

<sup>2</sup> [Founded in 1886, the Credit Clearing House was a mercantile agency specialized in textiles. Ford's role in the Credit Clearing House seems in some respect similar to the one he had at *Bradstreet's* in the 1880s, as he was publishing articles promoting and theorizing the work of the agencies. The exact nature and duration of Ford's association with the company remains unclear as Ford was involved with many credit agencies after his return to New York in 1897, including his own Credit Office.]

<sup>3</sup> [Rowland Hill (1775–1878) reformed British postal service during the Victorian era. He introduced prepayment (as opposed to payment upon reception), postal stamps, and universal service, among other innovations aiming at democratizing the service.]

The omnipresence of the letter carrying division of the post-office is explained by its commercial necessity. The post-office is compelled to go out everywhere to the smallest hamlet in order that its patrons may never be compelled to ask the points to which letters can be sent. Were it ever necessary to ask WHERE letters can be sent, the post-office as a commercial enterprise—and it is only this—would thereby be seriously crippled. The post-office embraces all particulars belonging to its function, and is therefore a true universal.

#### *A SOCIAL BODY*

From all this the fact is developed that the Credit Clearing House premises a social body, having free communication throughout all its parts. The action, therefore, takes no account of distance, since with respect to the function to be executed there is no distance. By means of the machinery of the post-office, all the facts as to the experience of merchants in credit making may be gathered from all points, with direct reference to delivery at all points, and this without hesitation as regards the cost of transmission. Such action is organic and the revelation is the social organism.

The idea of news as a thing of trade dates from systematic communication. Gradually the business of gathering and selling news has been gaining its true place in commerce until now, with communication at the full, news has recognition as a commodity, as something to be universally dealt in on the basis of fact. Proof of this is seen in the rise of the Credit Clearing House, whose function, in ultimate outworking, comprises the gathering and sale of all credit-making news. Its function, as an organ of commerce, is as definite, is as much subject to clear definition, as the bank clearing house. Moreover, the Credit Clearing House, as a further step in the organization of commerce, takes equal rank with the bank clearing house; they are co-ordinate.

At the outset of this inquiry the rise of credit departments in all the great mercantile houses was noted, and further, that the advance had led to a national organization comprising the heads of such departments. It was seen that these men had come to be chiefly solicitous as to the need of improved credit reporting. Accustomed to the "mercantile agencies" the first impulse was to petition them for relief. As well might the advance from iron to steel have been sought through petitioning the iron men, where the need was the incoming of a Bessemer and a new principle. But in struggling toward the light, the credit men prompted the disclosures of this inquiry, and the discovery of all that follows.

#### *A DIVISION OF LABOR*

The way out is through the far-reaching and absolute division of labor indicated by the Credit Clearing House. The credit manager of a given house determines its credits, but to gather up and exchange the experiences of

<sup>4</sup> [Founded in June 1896 with the help of the Toledo Chamber of Commerce, the National Association of Credit Men started with one hundred credit managers across the United States responding to Toledo local credit manager O. G. McMechen's call to unite. The organization took part in economic and financial policy-making and professional training, published monthly bulletins, etc. It was later renamed as the National Association of Credit Management.]

all credit man in a given circle of trading the reporter has to function, and this with reference to the whole movement. To the National Association of Credit Men,<sup>4</sup> the country is one, and so the work of reporting credits has to be dealt with under a like singleness of vision. The organization of credit reporting runs parallel everywhere with that of the credit man as such. The experience of the credit manager is the fact of the credit reporter, who finds his function in the necessities of the grantor of credit, the constant desire of the latter being to act in the light of all the facts.

An old Spanish proverb has it that "when need is highest, help is highest," and so at the very time when the credit men of the United States are pushing their organization over the whole country, it turns out that the clearing centers for credit facts are for the most part already in place. It is sufficiently accurate to say that one-half the work of the credit department in a given commercial house is to prepare the facts which constitute from day to day the reports of its action, for transmission is demanded to the nearest center of the Credit Clearing House. The rise of the credit department and the national organization of credit men are but preparatory to this juncture of forces. The various credit reporting "agencies" are in the way of merging into one organism. An identity of interest becomes apparent between the chain of credit departments and the Credit Clearing House, and the identity is as absolute as that obtaining between the several offices in a given banking system and its central clearing house. One reading of the credit department is the rise of exact method, but this method cannot come full circle unless the facts are cleared through common centers. While on one side the growth of the credit department rendered the clearing-house principle practical, on the other the rise of the Credit Clearing House provides the avenue through which the credit department men are enabled to work toward perfect organization.

#### *IDENTITY OF INTEREST*

Credit men cannot attain to systematic effort save through division of labor. The identity of interest between them and the further progress of the Credit Clearing House corresponds to that between the head and the hand in the action of the human body. The centers of the cerebral system register the action of the hand, and so in turn are enabled to supply directing intelligence.

The remark is heard that the merchants should do it themselves. They might but for the ever present distinction between the act and the fact. The right handling of the fact belongs to the province of the reporter. The reporting system, in one aspect, is of course the chain of credit departments, but to achieve rapid and effective handling, the facts are forwarded to the clearing centers. This is done to save time. The relation to the credit departments is constant, and the appeal is directly to the self-interest of merchants.

As showing the state of things, some merchants who are backward in accepting the clearing-house principle have been more energetic than for-

merly in trying to correct the "agency" deficiencies through house to house canvassing themselves, much as in other days, while in numerous instances the special attempt is made to carry on direct correspondence with the various references given by traveling men. But all this only goes to reveal the overwhelming economy of the clearing-house principle and its necessary acceptance by all.

#### *AN ADVANCE IN PUBLICITY*

The rise of the Credit Clearing House marks a great advance in exact publicity. Regarded in its ultimate development it stands for the credit-making aspect of all news.

The complete interchange of merchants' experiences in credit making is a distinct and important step in the organization of experience as a whole, that great idea of which the philosophers have made so much. It is impossible, therefore, to exaggerate the importance of putting credit reporting on the right basis. The integrity of commerce itself lies at the heart of the question.

#### *CLEARING PRINCIPLE IN PRACTICE*

The practical working of the Credit Clearing House is of exceeding interest. Light will be gained by examining a typical report, but first as to the operation of getting reports. As already learned, the "agency reporter" is done away with. The desired facts are contained in merchants' ledgers, being the actual experience of merchants with credit seekers. To enable merchants to communicate such facts freely, it must be done in such a way as not to disclose the private affairs of a given house. In short, provision has to be made for entire secrecy on one side and the fullest inter-change of experiences on the other. To compass this, a key to the lines of trade is provided, the result being to remove the possibility of members becoming acquainted with each other's accounts. The facts are read in their public aspect only.

Each clearing center in the system issues a daily inquiry sheet which gives a list of the trading concerns on which reports are wanted. These go to all houses that are members of the Clearing House. This list is examined and a statement of experience is made out for all the concerns with which a given credit department happens to be doing business, provided always that the combined report is desired in each case from all members of the Clearing House belonging to the particular trade. There is no compulsion here, as any member of the clearing system may refrain from reporting in a given case. It is provided, however, that if a report is desired one must be given in exchange. The plan enables a merchant to trade his single experience for the experiences of all within the trading circle.

Reports so made up are matters of fact; they are true. The Credit Clearing House is therefore under no necessity of publishing that the accuracy

of reports cannot be guaranteed; instead the reports carry their own guaranty. In each case the merchant is the reporter, and he cannot afford to do otherwise than report truthfully. For one thing, each member contracts with the center that all reports of experiences shall be honest and faithful on pain of forfeiting the Clearing House relation. Such reports tell what a trading concern is doing in place of what it is saying of itself. Each report is a story of action. By means of the clearing-house principle, credit reporting is removed at a bound from the region of opinion.

#### *CHECKING UNSAFE CREDITS*

Under the clearing-house principle the multiplication of unsafe credits becomes impossible, as unusual action in any part of the organism is at once felt in every other part. With the system fully extended fraudulent practices in ordering goods could not get a foothold. The moment it were attempted suspicion would be aroused and a record made. Defects of character, in the sense of loose morals or incompetency, are registered the moment action is affected. In the endeavor to make unwarranted purchases and so contrive a profitable failure, a frequent trick is to buy outside of the natural market; through the clearing-house principle such action is at once detected.

On the next page will be found a copy of the reporting blank furnished to all members.

These blanks facilitate the making of reports which reveal the actual conduct of traders with their creditors; they tell how much a man owes, how many goods he is buying and where he is buying them. Reference to the key shows at a glance the lines of trade in which purchases are made. Such reports quickly reveal a tendency toward bankruptcy, so that credit reporting under the clearing-house principle is something more than a commercial death record. The work of science here, as everywhere else, is successful prediction.

#### *ULTIMATE EFFECT*

When the force of the principle is considered, this opinion from a leading dry goods house is not surprising: "The universal use of the system will revolutionize the methods of handling credits." The principle makes rapidly for the highest possible morale of commerce, as in the most direct way it brings into play the influence of the highest character and ability on the poorest, the effect being to bring up the whole. With the principle in full play, the morale of commerce will closely approximate the character of its foremost members. The old saw that "trade is corrupting" is destined to become worse than groundless. It is indeed worth recalling that the man of business invented the idea of integrity as test of character; it grew out of a transaction in trade. The church has been crying for centuries that honesty is the best policy; commerce is in the way of proving it.

ST. LOUIS, ODD FELLOWS' BLDG.	<b>THE CREDIT CLEARING HOUSE,</b>	ST. PAUL, GILFILLAN BLOCK.
CINCINNATI,	(INCORPORATED)	LOUISVILLE, COLUMBIA BUILDING.
CHAMBER OF COMMERCE.	NEW YORK: N. Y. LIFE BLDG.	DETROIT,
BALTIMORE, EXCHANGE BANK BLDG.	PHILADELPHIA, DREXEL BLDG.	CHAMBER OF COMMERCE.
BOSTON, SHAWMUT BLDG.	CLEVELAND, MOHAWK BLDG.	ST. JOSEPH,
	ATLANTA, KAISER BUILDING.	CHAMBER OF COMMERCE.
	MEMPHIS: COTTON EXCHANGE.	

Please furnish us, in confidence, with the experience of members, as to the commercial standing of

**NAME** ..... **BUSINESS** .....

**ADDRESS** .....

**HAVE FIRST ORDER \$**..... **189**.....

**SHEET NO.**..... **NAME NO.**..... **INITIALS**.....

**SOLD (HOW LONG?)**..... **TO**..... **189**....

**HIGHEST CREDIT \$**..... **TERMS**.....

**ORDERED** {  
NOT YET  
CHARGED} **\$**..... **MAKE UNJUST CLAIMS?**.....

**AMOUNT OWING \$**..... **NOTES PAID WHEN DUE?**.....

**AMOUNT DUE \$**..... **PAY DRAFTS WHEN MADE?**.....

**WHEN DUE?**..... **EVER COLLECT BY ATTORNEY?**.....

**SECURED?**..... **EXTENDED?**.....

**PAYS?**..... **REFUSED**..... **189**....

**REMARKS:**..... **GIVE NAMES OF FIRMS KNOWN TO BE SELLING.**.....

### A TYPICAL REPORT

The typical report referred to was prompted by an inquiry concerning one of the largest department stores in the central West. The inquiry originated at New York at the hands of a house in receipt of a first order. The department store in question first appeared on the New York inquiry sheet January 7, 1897. Forty houses in the State of New York at once responded with their experience in detail. Twelve in Pennsylvania followed, six in Maryland, five in Massachusetts, eleven in Ohio, two in Kentucky, one in Wisconsin, one in New Jersey, five in Illinois, three in Michigan and one in Indiana; a total of 87. At the time this department store was buying from probably 130 wholesale houses. The experiences of so large a proportion of creditors revealed just what the store was doing, and the resultant, telling as it did of straitened circumstances, worked benefit on all sides. The facts could not have been reached without the clearing-house principle.

This department store was buying in New York, Philadelphia, Baltimore, Cincinnati, Cleveland, Louisville, Milwaukee, Chicago, Trenton, Detroit and Indianapolis. The report when made up covered all the points named. One report, therefore, under the clearing-house principle, is all reports. In such a case one can imagine the absurdity of an "agency reporter" trying to get at the realities through any number of interviews.

Three days after this department store inquiry appeared on the New York sheet, returns were in from the local region—New York, Philadelphia, Baltimore, Boston—and in seven days Chicago and Milwaukee had reported. The credit departments interested are prompted to quick replying for they are all anxious to get the combined report of experiences; the play of interest is automatic. Each member of the Clearing House is a reporter, and this both at the initial point and when receiving the combined experiences, which are so tabulated that the trained eye quickly discovers the amount owing, amounts overdue, and the like. In this way skillful tabulation amounts to a synopsis. The grantor of credit is the only possible expert in translating each report; the interested man is always the expert.

### FREEDOM OF ACTION

The whole machinery of the Credit Clearing House is at the service of each member, just as the post office is subject to the will of any individual who is armed with a two cent stamp. Any member of the Clearing House may start an inquiry at pleasure with the certainty of receiving promptly the experiences of all other members. The clearing center receiving an inquiry knows where a given concern is buying, and sends to such centers accordingly for entry in the inquiry sheets.

### *INTEGRITY OF THE CENTER*

The integrity of the clearing center is protected by its own self-interest, by its own selfishness, as the organization can have no prosperity save on the basis of absolute integrity. In illustration of this Mr. Thomas S. Couser, manager of the Credit Clearing House at New York,<sup>5</sup> has kindly permitted me to make a transcript of certain correspondence. On August 6 last, a member of the Clearing House addressed the New York office as follows:

For certain reasons we would prefer not to have our experience on . . . appear on report. We enclose blank showing that we have his order for \$—. This is the first time that we have asked anything like this, and it will probably be the only time, and we would appreciate it if you could send us report as requested.

This application elicited the following reply from the Credit Clearing House:

We return your ticket on . . . and in reply to your letter would say that, as you will note by our contract, we are conducting an interchange of absolute experiences, and under no circumstances could we give the absolute experiences of the combined trade without receiving first from you your complete experience. That is the basis of equity upon which the clearing system is founded. If we made an exception in your case you would be justified in thinking and believing that we made exception in the case of others, and the system would fall to the ground. We regret that we cannot accommodate you in this, but feel sure that you have nothing whatever to fear from giving us your complete experience in this case, as we happen to know this man personally and think there could be nothing in your dealings which would injure you, him or the trade.

The inquiry sheet of the Credit Clearing House has two groupings. Dry goods and such allied interests as boots and shoes and clothing make up one grouping, while groceries, hardware and other things as nearly kindred as possible constitute the second grouping.

### *SIGNED STATEMENTS*

The Credit Clearing House adds to the exchange of merchants' experiences wherever possible the signed statements of the trading concerns on which inquiries are made. In all cases application is made for such statements, and a very large proportion quickly respond. Various causes are contributing toward the fullest freedom in the giving of statements by traders, one of these being, of course, the influence of the Credit Clearing House itself. At the same time, the banks are insisting upon signed statements from applicants for advance credits in a greater degree than ever before. Such statements in the hands of the Credit Clearing House go only to those having a right to examine them. In fact, any exchange of experiences under the clearing house principle is in the nature of a privileged communication.

<sup>5</sup> [Thomas S. Couser was later associated with Ford as they teamed up to operate the "Credit Office" at 346 Broadway, New York, circa 1904-1906.]

Great interest attaches to determining the exact progress of the clearing house principle in credit reporting; also, to the influences making for its complete acceptance, with a reference to the obstacles in the way. Beyond, there remain the relation of the system to the bank clearing house, and the wide effect of the development on the organization of commerce as a whole.

FRANKLIN FORD

## The Credit Clearing House

BOSTON		CHICAGO
ST. LOUIS		PHILADELPHIA
CINCINNATI		BALTIMORE
ST. PAUL	LOUISVILLE	DETROIT
NEW ORLEANS	MEMPHIS	CLEVELAND
ATLANTA	MILWAUKEE	PITTSBURG
NASHVILLE	SAVANNAH	KANSAS CITY
OMAHA	KNOXVILLE	JACKSONVILLE

AND

### THE CREDIT CLEARING HOUSE OF NEW YORK

Established 1886

Incorporated 1888

Facts and Figures from Creditors

A NATIONAL SYSTEM



# *Traffic Associations*

FRANKLIN FORD

Published in the *Wichita Daily Eagle*, May 4, 1897.

(From "Textile America")

THE DECISION OF THE supreme court in the case of the Trans-Missouri Freight Association<sup>1</sup> went to disturb business confidence because of a lack of understanding as to the nature and effect of such efforts on the part of railway managers. It is not yet perceived that some method of bringing the complex freight and passenger traffic under a common direction is as necessary as was the introduction of the telegraph to the movement of trains. When it was first proposed to run trains by telegraph a deal of opposition was aroused, and numbers of railway men resigned because of it. The attacks on the traffic associations are due to ignorance of their true function, and are certain to disappear through the growing effectiveness of the very machinery that is condemned.

The traffic association in the railway system is of the same nature and function as the clearing house in the system of banking, each being instrumental of self-regulation—the natural outgrowth of new conditions. The New York Clearing House is without so-called legal incorporation, yet it is gradually assuming greater powers as an organ of government, and this without exciting even passing remark. The boards of trade are centers of regulation for the several businesses connected therewith, their purpose being to facilitate transactions and compel integrity therein. As communication, seen as a distinct branch of commerce, reached administrative unity in the post office, so now the great business of transportation is struggling for its unity as the means of passing to the highest economy and effectiveness. The common instrument to this end is the derided traffic association.

Happily, the supreme court decision and all other forms of obstruction will go to further self-regulation for the railway. They will aid to clear away misunderstanding, and to teach the necessity of avoiding conflict with wayside opinion by finding the most direct road to the goal that must be reached. The notion is widespread that regulation of "commerce between the States" is only possible through the intervention of congress; the

<sup>1</sup> [United States v. Trans-Missouri Freight Association, 166 U.S. 290 (1897) was a Supreme Court decision confirming that railways were common carriers and that anti-trust provisions applied to them. Ford disagreed, and so did his most famous correspondent, US Supreme Court Justice Oliver Wendell Holmes Jr. See Holmes to Ford, May 3, 1907 in David H. Burton, *Progressive Masks: Letters of Oliver Wendell Holmes Jr., and Franklin Ford* (Newark: University of Delaware Press, 1982), 43–44.]

movement of commerce without such interference is thought to be lawless. The opposite of this, that commerce of necessity works out its own regulation, cannot be proved save by actual progress. A showing of fact here on the port [*sic*] of the railway managers would be of value. But any such report would be lacking in point were it not boldly prefaced by the assertion that the traffic associations are themselves of wholesale government: that all the governing is not done from Washington and Albany, however loud the clamor.

It is difficult to see how a clear solution can be gained without defining the issue as one between "the government at Washington" and the railway association as an organ of self-government. The new legality, in fact, is to be seen in the outworking of the transportation system itself under the guidance of its own inherent law. Congress may give registration to this law when determined by the action, but it can do no more. Commerce is everywhere working toward the highest quality of service at the lowest price, involving the widest distribution. One means to this end is an enlarged publicity. It is fair to say that the true measure of the service of the inter-state commerce commission is its work as an agent of publicity, especially as one effect thereof has been to promote uniform railway accounting.

Railways have to be run by railway experts—there is no other way. The railways in Belgium or Switzerland may be run by a bureau of "the government" or for that matter "owned" by it, but for the sweep of country lying between Maine and California it will have to be done by experts—by science, which is government. Again, it will be done by the individual, who is everywhere the instrument in man's action.

The idea of "government ownership," so far as it has any claim to attention, is simply the dream of the unified transportation system. There is still a widespread fear of unity, which should, however, find correction through observing the post office, whose perfect diversity is due to the fact that it is operated as a single system. The railway traffic associations stand for the approaching unity of the transportation interests.

It is easy to lay down the rule that freight rates are to be equal and uniform, but this, like other good things, has to be worked out in practice. The problem is vastly complicated owing to the fact that the railway tariff continues to be based on distance, and, further, that it varies as to classes of goods. Statutes assert that rates shall be uniform, but it so happens that the statutes fail to provide for changes in rates. From the very nature of things, important reductions in freight charges came about in the past through the aggressiveness of individuals, who by offering guarantees of large business or by other means secured for themselves advantages which were not at once given to the whole people. The need is to reach such a stage of organisation that successful warfare by individuals for lower rates will take effect an [*sic*] once for all shippers. To get to this the governing intelligence has to be centered in such bodies as the traffic associations: in

other words, the railway men have to provide for their own law-making organizations, and this has to be made up by selections from their highest experts.

One source of confusion and error lies in the prevailing belief that the associations have as their end the maintenance of rates at a certain high level, and for this the traffic managers are largely to blame. The end is to regulate and govern rates and to arbitrate the various questions which are constantly arising in railway administration. It is not possible for any set of managers, however compact the organization, to resist the countless influences which are determining railway freight and passenger charges. To accomplish it they would have to hold down the forces of nature, and put an effective check upon the inventive genius of man. A given traffic association is but the instrument through which the competitive forces are moving, and these forces gain freedom and effectiveness just in proportion to concentration of power—to unity or administration. The locomotive is competing for its place in the round up of commerce, and all possible traffic associations can only facilitate the action.—Franklin Ford



# *The Country Check*

FRANKLIN FORD

Issued by Fords, June 20, 1899.

FORDS

68 Broad Street, New York

FRANKLIN FORD, Director

THE COUNTRY CHECK

*IT MEANS A SINGLE BANKING SYSTEM AND A  
UNIVERSAL CHECK*

THE TRUE MONEY QUESTION

*Action of the New York Banks and its Real Import*

From Gold Coin to Bank Check—The Old Order Changes—The Banking System a Self-governing Body under the Control of its Clearing Centers—New York is Main Center and its Clearing House Legislates for the Country in Money Matters—The Express Companies and the Banks—A Single Language for the Money Question—Credit a Commodity and Money the Instrument of Transfer—The Bill of Exchange has Universalized in the Bank Check, but is Needing Regulation—The Check Book to be Certified—A Kiting Check the New Wildcat Money—The Clearing House Certificate a New Legal Tender—Need of Better Credit Reporting—Congress Not in Touch with the New Realities—The Bank as Regulating Organ in the System of Commerce.

New York has in hand a "country" check problem just as fifty years ago it had to deal with "Michigan," "Wisconsin" and "Indiana" money. The unregulated check is the wildcat money of to-day.

The deposits in the banks of the United States outran their note circulation about 1855, and in due course the bank-check came to be the usual medium for paying balances between traders in given localities. After 1885 a change set in. After long use of checks in a local way, traders began sending them to remote towns, and finally anybody who had a bank account anywhere insisted upon sending his check everywhere. The movement went on without attempt at correction until recently when New York bankers found themselves in daily receipt of some twelve million dollars of "country" checks. Checks are received at New York from Pacific coast points for less than a dollar. In the early practice of the Bank of England checks below ten pounds were not permitted.

Out of this has come the transference of the cost of domestic exchange from the remitter (where it properly belongs, as payment for service to him) to the banks and merchants at main centers. When a country bank receives for clearing or collection a check on itself, it makes an average deduction of one-tenth of one per cent, showing the charge which the local bank takes for clearing, or paying, checks drawn on itself. Gradually this expense came to be saddled on the banks at main centers, and it is this charge which the New York banks are putting back on their depositors.

Through exacting a commission for collecting checks on themselves, the country banks have been trying to hold on to their old revenue from the sale of domestic exchange. On account of the growing use of personal checks, the country banks no longer charge their depositors for drafts on New York or Chicago, and so the remitter has mostly got rid of paying exchange on his remittances. In fact, the country bank encourages the use of personal checks for remote points as it is able to exact a commission when asked to remit. It is altogether a question of revenue, and has resulted in a scramble among the banks to get from receivers of checks a change for collecting.

It is sure paper all the way through. The country debtor remits his personal check, and when it is returned the bank on which it is drawn sends in payment its own draft on New York, Chicago or other center.

The action of the New York Clearing House<sup>1</sup> shows the real condition of banking in America. It ordered that from April 3 the country should be divided into two parts, and that all checks on points north of the two Virginias and Kentucky, inclusive, and east of the Mississippi River, inclusive of Missouri, should be charged one-tenth of one per cent by the collecting banks. Checks on points further west or south must pay one-fourth of one per cent. It was ordered at the same time that charging should be discretionary for checks on Boston, Providence, Albany, Troy, Jersey City, Bayonne, Hoboken, Newark, Philadelphia and Baltimore, the upshot of this being that items on the points named, and including New York, are cleared without cost to depositors.

<sup>1</sup> [Founded in 1886, the Credit Clearing House was a mercantile agency specialized in textiles. Ford's role in the Credit Clearing House seems in some respect similar to the one he had at Bradstreet's in the 1880s, as he was publishing articles promoting and theorizing the work of the agencies. The exact nature and duration of Ford's association with the company remains unclear as Ford was involved with many credit agencies after his return to New York in 1897, including his own Credit Office. For a detailed discussion of the work of the Credit Clearing House, see *Better Credit Reporting*.]

As finally amended the rules fix a minimum charge of ten cents on single checks, and this while permitting all small items deposited at one time from either group of states indicated to be added together and treated as one. This discriminates in favor of the large receivers of small checks, giving them a rate of exchange hardly more than nominal when comparison is made with the cost of small postal or express orders. So that under the plan of the New York Clearing House small checks, in quantities, on the remotest points in the United States are current in New York at a rate of exchange varying from one-tenth to one-fourth per cent.

#### *UNITY OF THE BANKING SYSTEM*

By the recent ruling a number of startling facts have official attestation. In the first place, the entire banking connection in America is now to be seen as a single, undivided system with the New York Clearing House as the main governing center. New York has legislated concerning charges for domestic exchange everywhere. This moves away from the inherited notion that the banking business is regulated from Washington, or from such local centers as Albany or Harrisburg. By the terms of the order, "national," "state" and "private" banks are put upon a level. They are all the same at the Clearing House, and the whole system appears as a self-regulating body controlled by its clearing centers.

That New York is main center in a system has been plain for a long time. This is proved by a comparison of its weekly bank clearings with those of the whole country. The bank transactions of the nation are told over again in the New York movement. All the checks all over the country have to be swapped, or cleared in one way or another. Some are cleared locally, but the wide movement of checks only gets clearance through a center common to all. The check is a bill of exchange and follows trade and communication, centering at New York. The metropolis as the main clearing center is thus the growth of the country's necessities, and her banks must answer as effective instrument. Any shortcoming at the center throws the trade of the country into disorder.

What New York does, instantly affects every corner. Everybody remembers the action of the New York Clearing House in 1893 when the prompt issuing of Clearing House Certificates steadied the country. The chief bank center and the outlying banks as a whole are held together under such pressure of mutual interest that the entire bank business of the nation stands revealed as an inter-related system, with its goal in an organized body working under general rules from its Clearing Houses or governing centers. It is the National Banking System in fact, answering to Alexander Hamilton's early dream of a single bank. The banks are to furnish "a national currency" through the check book. Progress in bank regulation can only be gained through perceiving the growing unity of the system. It is not possible by any other means to get command of the facts.

Authoritative action at New York is permitted now to an extent which would not have been tolerated by the banks of the country until recently, and things which have become commonplace can now be seen as steps in a development. For instance, New York receives each week by telegraph the bank clearings at more than ninety centers, extending from Halifax and Jacksonville to San Francisco, Portland and Los Angeles. Further, the summing up at the main center is furnished simultaneously to all outside centers in order that the summary may give operation to the whole country. It is by such means that the system is passing under a common direction. The Clearing House is public authority in money matters.

And, the rise of the American Bankers' Association as an organ of national regulation is in point. Most of the states now have bankers' organizations, delegates from these are admitted under definite rules to the central body, or American Association. It is a growth in representation. At the other end, the banks in many states have come together in local groups with some half dozen counties in each group. By means of the telephone the bankers of a dozen countries are enabled to confer together, so that the experience of each is any time at the service of all the rest.

#### *A UNIVERSAL CHECK*

It next appears that the bill of exchange, whose handiest form is the bank-check, has come to universal use in the United States. This fact has to be grasped before the attempt of the New York Clearing House to regulate the check movement can be understood, and this advance is one with perceiving that the check is moving freely through the centers of a single system. Until the new fact indicated is perceived and understood by the New York bankers, they must necessarily fall short in their methods of dealing with the country check.

Progress to the readiest money has everywhere tallied with the spread of the bank-check. In the beginning the check was a mere order for the payment of money, but it has moved steadily toward its own universal as absolute instrument for transferring values. The bank-check has come to its farthest use owing to the ease with which debts are paid by set-off.

The preferred currency is the volume of bank-checks and, to practical men, the "currency question" of the hour is how best to regulate the use of the check. The handy check is so active, the people sending it everywhere, that the banker is troubled in managing it.

The kiting check marks the reappearance of the old wildcat money<sup>2</sup> in the developed banking system, and some way must be found to get rid of it. The depositor does not want to be bothered with a local check; he wants one that will go through all the banks and that nobody will question anywhere. The people don't want personal checks if they can get better ones. That's why they buy post-office and express checks. The demand can only be met by a universal check and it must be furnished by the banks.

To effect this the bank authority must be added to all checks and so get entirely rid of the merely personal check. In short, the check-book has to

<sup>2</sup> ["Wildcat money" refers to currency issued by poorly-capitalized banks between 1836 and 1865, a period during which there was no national banking system.]

be certified. The check must be laid hold of and made a bank instrument, and this has to be done before a universal charge can be made for its use. Rightly understood, the fees for clearing or collecting checks are charges for their use, but the method employed is lacking in system. Before there was a Clearing House at New York, local checks were "collected" between city banks. To control the check, while at the same time charging for its use, it must be universalized by uniting in one instrument the credit of the depositor and that of the bank. It is only by adding the bank authority to all checks that the new currency with wildcat money or kiting checks can be remedied. The post-office and express banks have no wildcat money because they control the issuing of checks by certifying them. People make their own bank-checks now, but to get post-office and express checks they've got to buy them. The bank must get its revenue from the man who buys the check, as the post-office and express banks do. Wildcat money can only be cured by not allowing it to start, and so the banker must himself issue all checks. The only safe and absolutely self-regulating check is the certified check.

The plan exists to-day in the banker's circular letter of credit, which amounts to the certification of the checkbook. The express companies have adopted it by selling their checks in quantities, which in turn certifies the check-book. No charge is made by the banks for clearing express checks since payment was exacted at the point of issue. The express check is a New York check, and that is a world check.

It appears then that the problem of regulating the use of bank checks and the necessity of maintaining a revenue for the banks from the domestic exchange movement are one and the same thing. The bankers have a complete example as to what must be done in the action of the express companies. Express drafts are sold in quantities to all comers, and the charge for their use is uniform throughout the world. They treat the world as one. The express companies are opening deposit accounts as men like to deal where they can get the handiest check. To-day the bankers are clearing all express drafts at any point without charge while demanding a fee for handling bank drafts of precisely the same character drawn by their fellow bankers. Such an anomaly cannot endure. The express draft is no longer "collected," but is paid by set-off at the clearing centers; it is a paper certificate of value, which is everywhere good.

The way out for the banks is through the introduction of an authorized check for use at all offices in the system. All signs point to the advent of the American Check along with world-wide acceptance for it. To make the check universally good, it must be certified from the main center of the system, New York.

#### *THE NEED OF REVENUE*

The need of revenue is driving the banks forward to this action. The interest rate has been declining and a further decrease is foreshadowed. It is

imperative therefore, that a proper charge be made for the use of the check, and to this end it must be made in fact, as it is in reality, a banking instrument. The banks are doing more work and they must get more pay. Certain of them are beginning to exact fees for the keeping of small accounts, and this may be extended gradually to all depositors. The interest charge is for maintaining the system, and as the interest return declines other sources of revenue must be found. The activity of the banking system has outrun its regulation and adequate remedies have to be provided. The plan for a universal check has already been broached at meetings of the American Bankers' Association.

The banking system is moving forward to its largest utility in the interest of depositors and people alike. The banks are clearing postal and express drafts as low as twenty-five cents. The American post-office order or draft would break down were it not permitted to clear at the centers of the banking system. When the post-office order was introduced in 1864, the aim was to keep the system entirely distinct from the banking movement; postmasters were "prohibited from depositing money order funds in any bank." So late as 1890, Postmaster General Wanamaker spoke of the order as "a means of remitting small sums without interfering with vested banking interests." Yet the post-office has of late been compelled to give the order the form and character of a banker's draft. The daily receipt of postal orders at New York is now about \$50,000, one half of which is paid by set-off through the Clearing House. At all leading centers the post-office now pays its orders through the local Clearing House, and the movement is extending. These facts are cited to show the growing dependence on the clearing privilege.

Certify the check-book, and the banking system proper, would of necessity, occupy the whole field of exchange. The exchange systems of the post-office and the express companies were but anticipations and the business in its entirety is to pass to the banks. With the banks handling post-office and express drafts in all denominations, it is but a step, however important, to the sale of small money orders on their own account. Even now the Canadian banks have introduced a small draft system as means of competing directly with the post-office and express companies.

It is apparent from all this that the move of the New York Clearing House in dealing with the country check question is a step in the right direction, but other steps will follow. The end will be reached when all depositors at all offices of the banking system are charged for the use of the check; the domestic rate of exchange will be the price paid for a check-book. Any attempt to prescribe rates for exchange on the main center affects every bank that clears through it, and they must be treated alike for the protection of all interests. The country check involves the entire movement of domestic exchange, and it must be dealt with so as to touch the country equally at all points. So universal is the check movement that one might as well talk of a country postage stamp as of a country check.

When a check gets to New York it may be defective owing to a lack of bank authority or certification, but it is not a "country" check, if we look at it from the side of its movement instead of its mere starting point.

The success of the New York move can only be partial, but clear direction will result. The New York Clearing House must legislate for the banking system as a whole and not for its home banks and a few nearby points. Were the move to succeed, the charges for domestic exchange would be loaded upon merchants at main centers, instead of being put back upon the remitter where they properly belong. Through the main center's acting for itself in a narrow sense, by clearing free for the home banks and a few favored towns outside, New York is set over against all other centers in the system, with each of them trying to prescribe a rate of exchange on all points. The crudity of permitting special free points in the clearing system is like proposing that certain places in the exchange systems of the post-office and express companies be made "free" points. The true remedy must unite in its support the country banks and the banks and merchants at main centers.

#### *THE BOSTON PLAN*

Happily, the thought of a general free clearing for country checks has not taken hold at New York. The state of bank revenues, as I have indicated does not permit of free clearing, even were it practicable on other accounts. The plan of the Boston banks is to erect a single clearing center for New England checks and to compel the local banker to remit at par, which if carried out, would destroy the country banker's revenue from the sale of exchange. In England, all country checks are cleared through London, so that there exists there no charge for exchange to bank depositors, which amounts to the same thing as the Boston plan. In both cases the area is covered one night's mail. In the United States, conflicting areas are presented, as a check drawn on a bank in Maine may be sent to a town in Florida. The check is flying everywhere.

The difficulty with which the bankers of the nation have to deal has resulted from the overcoming of distance; postage is the same to all points. Yet the New York plan of correction allows distance to complicate and hinder. A check drawn on a bank in Rock Island pays one-tenth of one per cent, while a Davenport check across the river has to pay one-fourth of one per cent. It was doubtless found necessary to add Missouri to the one-tenth of one per cent zone, because St. Louis is in that State. It is not yet a fact to the New York banker that the system is driving forward to a working unity. He has divided the country into two parts as though distance intervened to erect a wall, and at the same time is compelled by natural law of the centering movement of his business to answer to it as a whole, but hindered by the unnatural division which he has made. The scheme of regulation can no more take account of parts or distance than is now the case with the exchange systems of the post-office and express companies.

### *THE NEED OF A SINGLE LANGUAGE*

The discovery that the entire banking connection in America is a single system compels the adoption of a single language as means to classifying and ordering the facts. Men are disputing over the money or banking question owing to the absence of a scientific basis for handling bank news. To effect this, it is necessary to hark back to the beginnings of money and credit. Men had first to conceive clearly of debt and credit before the need of instruments for transferring them.

The function of the banks in commerce is to conduct the system of payments. Their efficiency turns upon the degree of integrity or certainty of payment which is attained, upon the mobility or ease of payment, and upon the wisdom displayed in regulating or governing the system. But for the presence of an exact standard of payment in the gold unit, the Clearing House returns could not be added together, while the modern banking system is possible owing to the ease of payment by set-off or clearing. The problem of bank regulation or government is encountered whenever area or extension has to be provided for.

### *CREDIT, MONEY, AND THE BANK*

In defining credit, money, and the bank or clearing center, each has to be placed in exact relation to the other two. Credit is the thing dealt in by the banks; it is their commodity. A loan is an advance of credit, to be made good whenever called upon or on a day named. The bookkeeper's language is always scientific here; he has no illusion concerning the nature of a credit and does not confound it with a loan. Credit is organized in markets. Money, whatever the form it may take, is the instrument for transferring credit. When money is telegraphed a credit fact is transmitted. The business of the banker is to register and certify credits—of corporations, of trading firms, of single individuals. A credit is immediately available means. The English courts decided a number of years ago that a bank deposit, subject to check, is "ready money." The bank or clearing-house is the regulating center in the credit system. It is there that the debts and credits of the people find adjustment. A bank determines credit alike when certifying a check and when marking it N. G.

### *SECRETARY GAGE ON CREDIT*

<sup>3</sup> [Lyman J. Gage (1836-1927) was an American financier who served as Secretary of Treasury under William McKinley and Theodore Roosevelt. He is known for his role in securing passage for the Gold Standard Act in 1900, which established gold as the only standard for redeeming paper money.]

In a late address Secretary-of-the Treasury Gage<sup>3</sup> made a statement that "credit, with its multiform instruments, is the real money of commerce." "It is created as transfers of goods and wares take place." Had the necessity of distinguishing money as the instrument of transfer occurred to Mr. Gage, he might have separated completely the tangle of banking literature, while introducing to the Credit System, which is the monetary or accounting division of commerce, embracing in its circle of action the remotest book-keeper. The Credit System comprises all the agencies directly engaged in

registering or certifying credits and in adjusting payments. Men of business pay their debts with their credits, since no other means of payment exist. Every purchase or sale involves the transfer of a debt or credit, the accounting thereof being in terms of money—the universal language of value and bargaining.

Money has to be defined with direct reference to its function, which has not changed since gold was first coined at Aegina. In the progress of commerce gold came to be, after subjection to trustworthy coinage, a universal certificate of credit; a gold coin conveys a credit fact. The only possible use of a gold coin, as such, is either to open or close an account.

A primitive certificate of credit is seen in the "store order" given by a farmer to his workman; it is good at one place only. In it the farm hand possesses a credit, and the farmer has discharged a debt, while the order functions as money just so far as it is transferable. Progress from this to the gold coin, which is good at all stores, everywhere, was a change in degree but not in kind, as the gold coin is still a "store order."

The owner of a gold coin, or a bank deposit, is a creditor of the entire community; either certifies that he has rendered a service to some one of its members. The books of the New York savings banks show an indebtedness of society to their depositors; the savings banks aid in keeping the score; they are one agency of the Credit System.

With the introduction of secure means of certification, such as gold and silver coin, exchangeable credits began to accumulate at trading centers in the hands of individuals, and in time men made a business of dealing in credit or of lending money. The traffic in credit rose in importance and dignity with the extension of trade and the growing necessity of a distinct system for effecting commercial payments. Some men accumulate titles to lands and houses, while others serve the community by storing up credits. The process has continued until now, when, under more perfect communication, the bank emerges as center of registration for the credits of the whole community. The direction of the Credit System is the banker's division of labor in the State; he functions as accounting center of the moving commerce. The credit of each individual in the community is registered and determined at the banking center. The bank registers credits, just as land titles are recorded at the Register of Deeds office. The credits of the people are stored at the banks. The tendency is constant for everything to get into and through the banks.

The arrival of a single standard in the gold unit is the central fact in the growth of integrity or certainty of payment. The use of gold moved parallel with the conquest of distance, becoming a necessity as transportation grew and extended itself, until with the incoming of the bill of exchange and the bank, the need of gold began to lessen. It was thus that the way was prepared for the adoption of a given weight of gold as unit of calculation for the entire system of payment, whatever the instrument of transfer.

### *PAYING DEBTS WITH CREDITS*

Mobility or ease of payment scored a great advance when the sale or transfer of debts became a legal right. The advance had its grounding in the systematic bookkeeping which was given to commerce by the Romans. The recording of debts assured, creditors conceived of selling their claims, as against their debtors, and in time the paying of debts with other debts or credits became customary; at the outset, the consent of the debtor had to be secured. The principle of compensation or set-off, so commonplace now, was only legalized after a struggle. It was a tortuous road, therefore, to the present deposit-and-check development in banking, which stands for the largest freedom in the sale and transfer of debts.

### *BANK REGULATION*

There remains the supreme question of bank regulation, which is seen in a new light under American conditions. Modern banking is the organic development of credit and of clearing. The difficulty of bank regulation from Washington has increased just in proportion as the deposit-and-check system has obtained, until with more rapid growth in deposits bank government from Washington has become impossible. The deposit-and-check system is so inter-woven with the acts of the individual that its government must be part and parcel of the movement itself; at this point commerce provides new centers of control. Since proprietary control, as exemplified in the Bank of France, is impossible here, the alternative is self-regulation through the Clearing Houses.

The possession of the clearing privilege in the banking system is power. As one hand cannot get to the other save through the brain center, so one bank can only compass the trading circle through the clearing house. The bank at Harlem touches the National City Bank through the clearing center in Cedar Street. By means of the clearing system, the banks of the country are in organic relation with each other, which means that each center is connected at once with all other centers. The accession of power on the side of the Bank Clearing House is constant.

### *THE CLEARING HOUSE CERTIFICATE*

The issuing of Clearing House Loan Certificates at important junctures from 1860 to 1893 is the signal illustration of self-regulation through the clearing-house. When forbidden by the statutes to continue discounting, the banks have kept on under authority from the Clearing House, which speaks for the system. A new governing unity intervened. It is extremely important that the country should be brought to understand the real meaning of the Clearing House Certificate. In it a new legality is presented. The action is in no way different, in point of principle, from the day by day business of all the banks. Men take to the banks their gold, their green-

backs or bank-notes, their own notes and those of their customers, their drafts on traders pinned to bills of lading, their stocks and their bonds. The gold may be underweight and so subject to a discount, while various judgments have to be passed on the value of the securities presented, but the end is to have the bank determine the amount of credit to be awarded. When the banks, acting singly, found that to continue certifying credits, or discounting the notes of their customers, they must do so in defiance of the statutes, resort was had to the authority of the Clearing House. The procedure amounts to re-discounting the notes of customers by a pledge of stocks, bonds and commercial paper at the Clearing House or central office of the system.

It has been proposed to "legalize" the Clearing House Certificate by means of a statute from Washington, but this is not necessary since the action carries its own justification. A true legality is something against which it is impossible to legislate. In the face of decaying statutes a doubt arose as to what was good money and the New York Clearing House presented a new legal tender. The growth of the deposit-and-check system has been such that a new universal is required. At one time the National Treasury stood for the largest fiscal unity and therefore had the say through the outgivings of Congress as to what is good money, but gradually the sovereignty has passed to the Bank Clearing House. Commerce, the transforming agent, is carrying forward our ideas of law to new issues and new legal concepts.

#### *THE IDEA OF LEGAL TENDER*

To universalize the check by attaching to it the bank authority is but to extend the principle of the Clearing House Certificate. The legal tender idea is of modern development. It began with the king's edicts fixing the ratio between gold and silver during the progress to the gold standard. In these edicts the king certified what was good money. When the universal check is brought in, under the authority of the banking system, a new legal tender will have occupied the field. The incoming American Check will have back of it the organized credit of the nation; it will be legal because customary and everywhere good; the legality will follow upon the fact. Under old-time notions it is thought that only the "Government at Washington" can speak for the whole in money matters, but in the face of a unified banking system this idea has now to be given up.

The gold standard will continue because, as things are, commerce can no more get rid of the gold unit than it can dispense with the multiplication table. In all such matters parliaments have only registered the decrees of commerce. It is a natural thing at this time for gold to find its way into bank reserves, and were all the statutes relating to the matter to be repealed, the situation would not be essentially altered. Since the artificial rules as to bank reserves remain in the statutes to cause distrust and panic, it is important that the presence of a new legal tender, namely, the Clearing House Certificate, be published to all the world. A way must be found to get rid of the uncertainty.

### SOUND BANKING TO FOLLOW

The certification of the check will act as the final unification of the banking system. The change will be of such a character that each banking office will become responsible to all the banks for right conduct. The highest co-operation is presented. Sound banking will be assured on all sides as each clearing center will see to it that every bank in its district pays for its checks, which each sub-center will be held responsible to the main center. The method is already at work successfully in the exchange systems of the post-office and express companies. The final organization of the banking system, under the certified check, presents a free trading relation throughout all its parts under an administrative unity. An example is presented in the post-office, which is a completed unity. The banking system can but obey the law of commerce, which moves everywhere toward to highest quality, the lowest price and the widest distribution of product. There can be but one system of credit and exchange.

With the certified check in universal use, the money of the country will be furnished by all the depositors in all the banks. The money supply will then, in fact, be equal to the volume of trade. The currency question will be settled permanently and the issuing of money will be the privilege of everybody who can command a bank account. Then as always the regulation of the money system will be a "function of government," save that the centers of control will be the Bank Clearing Houses. But every member of the community will have a hand in the work of regulation through his daily acts. The individual is to issue the money of the world, and the long discussion is ended.

A profound change is pending in our ways of thinking concerning these matters. Under the increasing registration of the credits of the people, the place of so-called private capital in banking operations is constantly lessening. The capital account of the Clearing House banks of New York is now some ten millions less than in 1860. In each of the last two decades the deposits in the New York banks have doubled, and they are now promising to double again. The "capital" of the banks is coming to be seen as the first deposits. Here and there throughout the country the tendency is to reduce the capital account in banking in order to escape hurtful taxation, but the real condition of such banks does not alter as the "capital" remains in the shape of deposits. It is only a change in bookkeeping.

### WASHINGTON NOT IN IT

The notion that the banks can only be regulated from Washington belongs with the idea of a single centered State, which is bound up in the pages of Blackstone. Under old-time conditions, when a week was required for carrying the mails between Philadelphia and Pittsburg [sic], "the Government" was the one regulating organization having a common extension over a given area, whereas now, under full communication, a number of

governing organs whose extension in each case equals that of "the State" have come in. The State becomes an object in space and time, and the business of government is a division of labor therein. As one among other regulating organs the Bank occupies a central position, as it has directly to do with every division of commerce. All men may not eat wheaten bread, but every man is compelled in some way to possess credits and money for transferring them. It is of the first importance, therefore, to raise up this idea of the bank as REGULATING ORGAN IN THE SYSTEM OF COMMERCE, in order to dispel the notion of the banker as a usurious money lender, who is supposed to act under merely arbitrary rules. Besides, it is important to bring the true work of the banker to recognition in order that bankers may themselves be freed from a false dependence on the legislatures and Congress.

The banker is an agent whose work is to register and certify the credits of the people. One can see this in the county banking center, which is connected by telephone with all local points in order that the debts and credits of the county may clear freely against each other.

The regulation of the system will proceed under the largest publicity. Self-government for the banking system through the Clearing Houses cannot be divorced from right in any case; the act must be paralleled by the fact. Never before was government so responsible.

The bank is a place for setting off credits against debts. Any debt is cleared when a credit is set against it. The bank is itself a clearing-house and the Clearing House proper only a larger bank. The movement of the certified check through the centers of the clearing system may now be seen in the express check. The twelve express companies act as a unity, any one of them clearing for all the others. When an express order is once cleared or paid, it is extinguished as in the case of the Bank of England note, which is never reissued. At London, all clearing-house balances are paid in checks on the Bank of England. A universal paper instrument has to intervene in the United States, which will be cleared or extinguished when it gets home, and which will pay a debt at every turn or transfer. The chief clearing centers are now marked out in the reserve cities.

A number of ideas once thought to be visionary are coming to reality in the certified check. The dream of mutual banking is brought to the fact, while the "labor value check" is an everyday affair. The notion that the Washington authorities, who are thought to be the sole representatives of the general interest, should issue the money of the country is met by the discovery that the individual is supplying the currency with his checkbook, through the bank as regulating center. Whatever the modifications in the use of the check, the direction is with the banks.

It is the natural course of things that the deposit-and-check system should come to a universal through the Clearing House Certificate and its reduction in the certified check. The banker's circular letter is now preferable to gold for transferring credit to remote points, yet at one time

gold was the only available letter of credit when among strangers. At one time England had numerous local mints which were brought to a unity in the national mint. There never will be a universal coinage. The commercial world is now coming to its unity with the paper certificate of credit as the universal money. When men take gold to a bank and receive for it a mere entry in a pass-book, it becomes plain that the office of the mint in marking the coin is the same as the bookkeeper in making the entry.

#### *CREDIT REPORTING*

The test of sound banking is the safety of all the transactions. The bank can register and certify only such credits as are based on fact; the bank cannot certify beyond the fact. A forward stride in sound banking is, therefore, dependent upon a clear advance in credit reporting. The business of credit reporting is to-day fifty years behind the present means of communication. A crude method has been everywhere extended, but that is all. The clearing principle has to be introduced at all points in this important field of news. The check clearing has to be paralleled by a clearance of fact. The banks have to clear the facts in their possession as to transactions in commercial paper, so that the information held by each may be distributed for the benefit of all. The facts are centering at the banks. Already the banks at one or two centers are doing something toward clearing their own credit news. Apart from the banks, certain steps have been taken to provide a clearing system for the facts as to merchandise credits, but free play for the principle has yet to be gained. To become universal the method must be public in all ways through inviting publicity to itself. The institution that would clear credit news must first clear itself. A necessity exists for subjecting all credit reporting organs to the fullest publicity, as means to promoting the needed reform. The banking system has itself come under a searching publicity which has now to be extended to the business of supplying credit news. The responsibility of bankers is increased owing to the rise of industrial securities, which in turn is demanding better credit reporting. The lower rates of interest necessitate increased watchfulness, and always the key is advance possession of the fact. The situation is in the hands of the banks, and it lies in their power to compel reform.

#### *THE REAL CURRENCY QUESTION*

The advance of the banking system to its farthest utility rests with the bankers themselves. They are confronted with the fact of their own great success. I have shown that the need of regulation and the revenue necessity both point to the certification of the check. But more is to be said. There is a currency question of the most pressing character, and its solution turns upon bringing the check to universal use by adding to it the bank authority. On this point no help can be had from Washington. The remedy is to facilitate the shipping of bank credit "to move the crops."

The instrument is the certified check. Rightly understood, Congress has no authority in the premises, it cannot get into touch with the new realities. Congress meets once a year, the Clearing House every day. There can be no further legislation of any moment from Washington concerning the currency question. Owing to radical changes in conditions, the question has been withdrawn never to be returned. Gradually one thing after another has been removed from the gaze of parliament. At one time the English parliament tried to direct the making of pins. The swift moving action constantly outruns the slow work of Congress. The plans of all the currency reformers look to emitting bills through the banks, but wherever the bank goes, there goes the check as preferred instrument. The notion of branch banks is right enough, but each bank is appearing as an office of the system. Every deposit-and-check bank is now a bank of issue through the power of certification. The dislike of banks and the demagogic which fosters it cannot be removed by publishing primers for farmers' reading or anything of the sort. The prejudice can only be overcome by carrying forward the banking system to its utmost usefulness. Such statutes as relate to a state of things which has passed away will have to be ignored. It may be that another crisis like that of 1893, and a further improvising of currency by means of the certified check, will be necessary to compel the full and systematic application of the principle, but in any case the masters of banking will be brought face to face with the responsibility under which they are resting.



# *The Express Companies and the Bank*

FRANKLIN FORD

*Bank News Bulletin*, No. 2, issued by  
Fords, February 8, 1899.

FORDS

68 Broad Street, New York

FRANKLIN FORD, Director

## **Bank News Bulletin No. 2**

THE TROUBLE AT MAIN centers over the flood of country checks, the growing use of express "orders" and the effect on the money market of currency shipments to "move the crops," are incidental to the further development of the deposit system, and a still wider use of the check as the preferred instrument in transferring bank credit.

The deposits in the banks of the United States outran their note circulation about 1855. Since then the check has been steadily coming into general acceptance, along with a corresponding neglect of the bank bill. Between 1855 and 1885, a period of thirty years, the check came to be the customary and usual medium for paying balances between traders in a given locality. During this period, when making remittances between centers, and especially when arranging to pay debts at the metropolis, the rule was to buy exchange on New York, or, in exceptional cases, on some leading provincial center. In other words, the country trader down to about 1885 bought his New York exchange from the local bank, and of course paid for it the customary charges. It is said that country banks in those times were frequently able to make ordinary expenses from the sale of domestic exchange.

After 1885 a far-reaching change began to come in. Having grown accustomed to the use of checks for meeting all local demands, the single individual or trading firm took to sending them to remote towns. The movement gradually extended itself, until it has come to pass that everybody who has a bank account anywhere is insisting upon sending his check everywhere.

It is nearly ten years since New York bankers woke up to find themselves in daily receipt of a huge volume of country checks. The movement has increased until now, when some twelve million dollars or more of checks drawn on local banks throughout the country are daily deposited by the merchants of New York in their respective banks. The causes which have led to this are still operating, and the receipt of merely personal checks is certain to increase until an adequate remedy is provided.

One effect has been to transfer the cost of domestic exchange, so far as the habit indicated is followed, from the remitters (where it properly belongs) to the banks and merchants at the main centers. When a country bank receives for collection a check on itself, which has been sent to New York or some other center by one of its depositors, an average deduction of one-tenth of one per cent is made; in other words, the local banks exact a charge for the payment of checks drawn on themselves. The banks at main centers have sought to make the receivers of country checks meet the cost of collection, but, in spite of all efforts, more than three-fourths of the expense is now borne by the banks.

It is a shipment of paper throughout. The country debtor remits his personal check, and when it is returned for collection the bank on which it is drawn sends in payment its draft on New York, Chicago, or other center. The movement as a whole suggests a further development in the use of the paper instrument for transferring bank credit, which, as things stand, is only partially attained.

The personal check is sent to New York or Chicago, only to come back over the same path with a demand for payment in another paper instrument, namely, a bank draft on New York or Chicago. This double movement is required before actual payment is held to have been made.

Against this the express companies have introduced a plan whereby payment at remote points is effected in one movement, and a single paper instrument, which the remitter is enabled to issue from his own office when wanted, just as he does his personal check. In short, the express people are certifying the check-books of traders through the sale of their money orders in bulk, the users signing as agent.

The American Express Company, in particular, is now selling its orders throughout its field for the use of commission merchants and others who have frequent need of certified checks. The American Express people have in this way brought bank credit and that of the individual together in a single check; the action amounts to systematizing the use of the cashier's check. Each express office so acting is in effect a bank of issue. Commiss-

sion merchants in Detroit and other cities keep accounts at the American Express bank because of the convenience it affords them through being able to get from it certified checks in quantities, to be issued at convenience from their own offices, just as personal checks or bank bills are issued. The understanding is that the orders are sold in quantities to merchants at one-third off from regular rates.

The express companies must be regarded as banks, so far as their work has to do with the sale and movement of exchange. Moreover, they are beginning to receive deposits, being compelled to do this by the sale of orders in bulk. They are an integral part of the banking system.

The general problem that is demanding solution looks to finding the most convenient and inexpensive manner of shipping bank credit. The example of the express companies in selling their orders in quantities, to be signed and issued at the pleasure of the buyers, suggests, at least, the incoming of a universal paper certificate of value. The express people solve the collection of personal checks by meeting the demand for a universal check.

The notion of collecting an express order has now quite left it; they are paid by set-off through the clearing centers of the banking system. About \$150,000 of express orders are now passed daily through the New York Clearing House. The average size of these orders is not far from ten dollars, so that 15,000 pieces of express paper are handled each day at the Clearing House. The bank clearing houses of the country pay the universal express draft, but the banks proper are without such draft of their own. The banks pay the express companies for shipping currency, but make no charge for handling their orders at the clearing centers.

The local or personal check when received at main centers is sent to the point of origin as quickly as possible in order to hasten collection, but the very contrary is true of the express draft. Until a local check is paid, the forwarding bank is not in possession of actual value on account thereof. The force of the express order is not hurt or lessened by the time element; each order is in effect so much New York exchange; the longer it remains out, the greater the number of debts that will be paid by it.

The twelve express companies of the country, inclusive of the Canadian lines, act as a unity with reference to dealing in exchange through the sale of express orders. Any one of them stands ready to pay the orders of all the others at the Clearing Houses of the banking system. Telegraphic transfers of credit are made by and between the twenty-five thousand offices which the express system of the country maintains.

Through the sale of orders in quantities, to be used in the manner indicated, the express people meet the demands of merchants who have need to use certified checks widely. By supplying a universal draft at low cost they lessen the movement of personal checks. The "travellers check" has been introduced, and is sold to merchants for the use of their salesmen when moving from town to town remote from headquarters.

There is no record of any successful attempt at raising an express order.

Nothing has been done by the express companies to bring either the order or the traveller's check to bear upon the problem of shipping bank credit to "move the crops," yet the check-books of the crop-movers are as much in need of certification as those of the commission merchants. As indicated, the express order, the country check, and the disturbances due to currency shipments, are all phases of one problem.

The express companies have struck out an advance in the organization of the Credit System. Their work abounds in lessons for the masters of banking. It is worth noting that the American Express Company is successfully marketing their travellers check for use in all parts of the commercial world, foreshadowing in this way universal recognition for the American Check.

The express order has a signal advantage over the post-office order owing to the fact that the latter is only negotiable at the town or post-office on which it is drawn. The express order is equally good when presented at any center, and is everywhere regarded as New York exchange.

When the post-office order was introduced in 1864, aim was to keep the system entirely distinct from the banking movement; post-masters were "prohibited from depositing money-order funds in any bank." So late as 1890 Postmaster-General Wanamaker<sup>1</sup> spoke of the order as "a means of remitting small sums without interfering with vested banking interests." Yet the post-office people have been compelled during recent years to give it the form and character of a banker's draft; and to-day the postal order would be shorn of its vitality were it not to have free movement through the bank clearing houses.

The daily receipt of postal orders at New York is \$50,000. Of these, one-half are paid by set-off through the Clearing House, the Chase National Bank acting as clearing agent. Of the remainder, \$15,000 are paid by check to a few large receivers of orders, so that only \$10,000 are paid by tellers at the post-office, and the latter item is constantly decreasing. At all leading centers the post-office pays its orders through the local clearing house, and the movement is extending; just recently at Toledo the local post-office became a member of the clearing house. The New York banks handle postal orders as low as twenty-five cents in value.

These facts are cited to show the growing dependence of all sellers of exchange on the clearing privilege. In 1897 the total sales of postal orders were \$175,000,000, the average value for the year being \$6.93. At last accounts the total sales of express orders and travellers checks were something like one-half those of the post-office.

It appears that in the progress of the clearing principle the post-office and express orders for the payment of "money" have themselves come to function as money, or instruments for the direct transfer of credit, being paid by set-off at the clearing centers; in other words, the daily claims against the express companies at the New York Clearing House are met by

<sup>1</sup> [John Wanamaker (1838-1922) is best known for being a pioneer of the American Department store and for the invention of the price tag. After opening a men's clothing store in 1861, Wanamaker went on converting an abandoned Pennsylvania Railroad depot into a store called Wanamaker's, in 1874, inspired by central markets in Les Halles, Paris, and the Royal Exchange, in London. He served as the United States Postmaster General from 1889 to 1893.]

them with checks on their respective banks. A profound change is indicated. Payment by set-off has now progressed so far that it is to be seen as the typical action in banking, giving to the bank its definition. Banks register and certify credits, and conduct the payments of commerce through set-off or clearing. Any bank, therefore, is itself a clearing house, through which debts are paid with credits. The New York Clearing House acts as a main center for numerous lesser banks or clearing centers, and, in fact, for the whole country. The Cedar Street institution in New York is the National Clearing House.

With the deposits in the New York banks doubling every ten years, it is not possible to hold longer to a narrow view of the banking function. At one time it was thought to be "a liberal expansion" for a bank "to loan two-and-a-half times the amount of its capital." Owing to the rapid advances in registering credits, the shareholders of a bank are coming to be seen simple as its first depositors. To-day the individual depositor, in place of buying a bill from the bank, is everywhere insisting upon making his personal check serve as a bill of exchange. The action is already so far-reaching that the union of bank credit and that of the individual in one check is presented as one solution of the problem. Here is the American Express Company advertising that its travellers check "is practically a certified check, payable to one's own order," and that the checks "are virtually a universal currency."

As bearing on the solution demanded, the work of the Georgia banks in providing what they call a "circular check" is in point, and will repay investigation.

The right solution of the country check problem cannot fail at the same time to correct the disturbances in the money market resulting from shipping currency to "move the crops." While the depositors in country banks are sending their personal checks to the main centers to the extent of millions of dollars each day, the banks are compelled to ship currency to the interior.

Progress is constant toward increasing ease of payment, and the appearance of the country check in great numbers at main centers bears every indication that an advance in banking organization is not far away. The effect of improved facilities of communication has outrun bank regulation.

A demand has arisen for special clearing centers, through which the country checks can be paid. It is based on the fact that paper of this order does not move at par. There is no demand for special clearing machinery in the case of the post-office and express orders, and for the reason that they both move at par through the clearing centers already in existence.

The right solution of these important matters is bound up with the question of bank revenues. As things stand, the banks are paid in the shape of interest for making advances of credit through discounts or loans, but not, save infrequently, for credit certifications. Owing to the larger and larger registration of credit, the rate of interest is everywhere declining, thus forc-

ing the revenue problem to the fore. Now, the post-office and the express companies are receiving pay for CERTIFYING credit; they sell credit certificates, which go everywhere at par. At one time, as already noted, the country banks derived considerable revenue through the sale of exchange, or credit certifications, but this has in the main been taken from them.

It remains to be asked whether the banks as a class are not now compelled to get pay for their primary work of registering and certifying credit. The general bookkeeping of commerce is in the hands of the banks, but for this service they are not paid.

The personal check is the quickest means of transferring bank credit, and is therefore the readiest money. The possession of a check-book is quasi evidence that one has a bank account, but the bank's certificate has to be added before the evidence is conclusive. When the bank credit and that of the individual are united in one instrument, the result is a valid order for goods—that is to say, it is money. The personal check by itself simply is no more than a debt, subject to collection; it does not carry the authority of the bank.

From this it appears that the first need in dealing with the country check problem is to distinguish the checks clearly as debts. Bank credit in all its forms moves freely through the clearing centers, and is paid by set-off when reaching the point of origin. Personal checks are taken at par in the localities where drawn. The determining influence is the time element.

In England the country check is cleared through supplementary machinery at the London Clearing House, because all the English banks, barring a few remote exceptions, are within one night's mail of London. Each bank has a clearing agent at London, and the entire area is cared for in a single movement. It is a matter of twenty-four hours or less, instead of one or two hours, as in the case of local checks.

It has been proposed to divide the area over which the American banking system extends into districts for the clearing of country checks; but the difficulty here is that checks drawn in one district may be sent to all other districts, and especially to the main centers. The difficulty is extreme, owing to the variation in the time element.

A radical solution is compelled by the increasing need of economy in bank management. The initiative on one side has passed to the individuals who are in possession of bank accounts and check-books, and who are insisting upon making transfers, however remote the point of payment, by direct issues from their own offices.

The remedy lies between a chain of district clearing houses for country checks, where checks from main centers would be sent for collection, and a refusal of all recognition at main centers for country checks, save so far as they are authorized by the home bank, which means the certification of the check-book, as the express companies are already doing. In either case, the outlook is toward a more commanding unity, a further reach in self-regulation, for the American banking system.

To sum up: At one time remittances to remote points were of necessity made in gold, as under early conditions nothing else would have had recognition among strangers. Afterwards gold and silver coins came to be deposited in bank, and certificates issued therefor were used in making payments over wide areas. At a later date bank bills, which were issued without direct reference to deposits of gold and silver, found shipment here and there as a means of effecting commercial payments. Subsequently, the bank check rose and grew into the customary medium of payment between local centers. Until now, for the most part, the personal check and the banker's draft have been used separately. But it now appears, as already shown, that the express companies, both in their "money order" and the "travellers check," are uniting bank credit and that of the individual in a single instrument. Moreover, they are doing this on so large a scale that it is of importance for the masters of banking to take strict account of the movement.

FRANKLIN FORD

February 8, 1899



# *The Mercantile Agencies and Credit Reporting*

FRANKLIN FORD

Published in *Textile America*, Vol. 3, No. 11, p. 5-7, June 3, 1889.

Announcement of a New Scheme—The Work of “Textile America”—The National Association of Credit Men and their Attempts to Bring the Agencies to Book—Necessity of Publicity for the Reporting Organ—Place of the Clearing-House Principle

## *FRANKLIN FORD ON THE SITUATION*

THE ISSUING OF A prospectus for a new scheme in credit reporting by Erastus Wiman and associates<sup>1</sup> brings up again the growing necessity of a clear advance in this all-important field. The plan, as outlined, aims at bringing together some of the lesser reporting concerns, the combination to be known as the Mutual Mercantile Agency. The president of the new concern is Mr. Franklin Edson. Its capital stock is fixed at \$2,000,000, one-half of which is preferred, and subscriptions are asked to its shares.

In 1897 TEXTILE AMERICA opened up the whole problem of credit reporting in a series of articles which gave the defects of the Mercantile Agencies, and showed the way to the only possible reform. It was shown that while enormous revenues have accrued to the Agencies, little or nothing has been done to develop and further apply the principle of the business. The prospectus referred to confirms the statement made by TEXTILE AMERICA two years ago that one of the leading Agencies paid for ten years or more a dividend of 80 per cent to its shareholders, and that the second well-known Agency, which is a partnership, has returned a yearly profit of some \$500,000.

<sup>1</sup> [Erastus Wiman (1834-1904) was the Director of the Canadian branch of R. G. Dun, which became Dun, Wiman & Co. in 1861. Wiman later became the manager of the New York office of the Dun agency, a position from which he initiated several projects, including the quarterly publication of the firm's book of reference (which was previously published on an annual basis).]

### THE DEMAND FOR AN OPEN DOOR

Attention was drawn to the Mercantile Agencies in 1896 by the National Association of Credit Men, and a demand made for better reporting. Courage was required for this, as the business had gone on for years without investigation. Seemingly protected behind the great wealth which the business had yielded, the agencies were proof against criticism unless it were to become general and systematic. In demanding a new departure, the credit men undertook a great service to American commerce. At the outset they were hindered by the lack of freedom in speaking of the Agencies, intrenched as they were behind big money reserves and tall office buildings, but the spell was broken by the outgivings of TEXTILE AMERICA in 1897, and thereafter the most retiring credit man was free to speak his mind. By reason of the searching publicity so gained, the way was opened to compelling from the Agencies the amplest statements of their own affairs, their methods of doing business, and the extent to which revenues have been wrongfully diverted into private channels. When a given thing or institution has once been submitted to discussion, it can never be recalled, and, in consequence, progress has been rapid toward the same freedom of inquiry for all credit-reporting organs as that to which the post-office has long been subjected. The goal will be reached when nothing whatever is concealed from the credit men as to agency revenues and expenditures.

### ATTITUDE OF CREDIT MEN

The credit men have not rested in their attempt to bring the Agencies to book, but the results have been far from satisfactory. The sorry outcome is summed up in resolutions which are to be submitted to the association at the June meeting in Buffalo by the Committee on Mercantile Agency Service. It is set out therein that the Agencies have declined to respond in detail to suggestions or to comply with requests, and "have indicated a spirit of independency and self-satisfaction scarcely befitting institutions of public service." As seen by the committee, "there is no branch of business more important than the Mercantile Agencies, and no work which demands such accuracy and completeness or which is susceptible of such advancement." And, finally, the belief is asserted that if

inattention as to reasonable requests is continued, the time will then be ripe for the development of a new Agency, the policy of which shall be liberality in the payment of qualified reporters and other sources of information; accuracy in reports, and a constant endeavor to comply with the suggestions of practical credit men as to what is important and desirable in Agency reports and service.

So far, then, nothing has been done beyond fencing with the credit men in their righteous attempts to get at the truth as to Agency methods and to compel reforms. The explanation is simple, for just so soon as the right of

inquiry on the part of the National Association of Credit Men is admitted, no limit can be set to it; the Mercantile Agency, as a credit-reporting organ, becomes a public institution, to be seen and dealt with as we now see and deal with the Post-office or the Bank Clearing House. The credit men have need to recognize this, as the end in view cannot be [original text could not be retrieved]. The credit-reporting organizations themselves be subjected to the freest inquiry, and when this is done the business will be at once a vast public good and a private benefit.

#### THE DIVERSION OF AGENCY REVENUES

The fact is that the Mercantile Agencies, as now conducted, are not modern, in the sense that the Post-office and Bank Clearing House are modern. The revenues are so far diverted into private hands that progress and development is not possible; the money is not kept in the business. The point is made clear when it is recalled how, at times, when an old house fails, the remark is heard that it's no wonder, for they "robbed the business." It is only the extraordinary demand for credit news which permits such diversions of revenue along with the continuance of a business. The thrifty Mercantile Agencies are paralleled on the other side of the news field by such a paper as the *New York Herald*, whose enormous revenues are diverted in like manner in place of being kept in the business and expended for inquiry in the public interest. The revenues of the post-office are now kept in the business, yet at one time it was held to be the king's "private enterprise." The growing need of integrity in the transactions of commerce is prompting the discovery that the business of credit-reporting can no longer be held as a "private" affair in the sole interest of this or that group of individuals. There is ample evidence of this in the clearer views of the National Association of Credit Men. In fact, to be practical from this on all the centres of the News System must be seen as public functions.

#### ONE OPEN ORGAN SUFFICIENT

Among numerous credit-reporting organs a struggle has begun for the survival of the fittest, with the outside waking up to the fact that only one is wanted. The surviving concern, whether it be one of the old Agencies or a new project yet to come in, must freely open itself to publicity. Anything less than this will not go. The credit men have made good progress in subjecting the agencies to publicity, but the end cannot be reached without coming full circle. There must obtain the same freedom of criticism concerning the credit-reporting centre as now exists in relation to the rates of postage and the money paid for carrying the mails, because the nature of the business is a public transaction, the same as that of the post-office. President Clark, of the Bradstreet Company, has referred to the agency as "a business of the merchants, by the merchants, for the merchants." Taken as a matter of fact, this means that the information possessed by all mer-

chants concerning applicants for advances of credit is reported through the various centres and distributed by these centres where needed. The machinery for this collection and distribution belongs as much to the credit departments of the country as to the collecting centres, whether manned by one of the old Agencies or any other set of men. Neither the proposed Mutual Mercantile Agency nor other concern can make great headway without recognizing this.

#### *NATURE OF CREDIT REPORTING*

The first credit report was a question asked by one merchant of another as to how Smith, of Utica, was paying. Afterwards a dozen traders in the dry goods district of New York City employed a man to gather together the information possessed by all of the twelve and to distribute the combined resultant to each. Following upon this, as post-office facilities grew, the Mercantile Agency rose and the collection of reports was extended over the country. Numerous reporters of moderate capacity were employed at the chief centers. Organization has been everywhere extended, but in point of efficient character it is only nominal. The truth is that the old Mercantile Agencies as they stand serve as a bar to progress and reform in credit reporting for, under the present post-office facilities, it has become possible for all merchants to clear their credit information anonymously through properly organized centers without the intervention of reporters in the Agency sense. In short, the universal adoption of the clearing-house principle has become possible, and it is key to all advances in credit reporting.

#### *THE CLEARING-HOUSE PRINCIPLE*

During the last fifteen years or thereabouts the work of determining credits in wholesale and jobbing houses has gradually come to be recognized as a division of labor calling for special talent and distinctive methods of organization, to such an extent indeed that all houses of any magnitude now maintain what is known as the Credit Department. In former times the head of the office force usually carried the responsibility as something incidental to his regular duties, important or difficult cases being referred to the financial partner or manager. But with credit departments everywhere coming into place, the need has arisen for clearing the information which they gather. There would be no difficulty in effecting this if either of the well known Agencies were able to get rid of old methods and adopt modern ways.

Unfortunately for the business of credit reporting, the notion arose that it is the function of the Agencies to determine credits. Scarcely anything could be more untrue, as credits are determined by the merchant in the very act of making sales, and to aid him in this he is on the lookout for facts from all directions. The wide acceptance of the Agencies as makers of

credits, through absurd "ratings" and the like, went to nurse their credit, in the banker's sense, at the expense of their credibility. In the struggle to compile a "rating" book the materials gathered by the Agencies were compressed to the point of distortion, while the supplementary reports have come to be held by merchants as scarcely more than the merest trade gossip. It has thus turned out that so far as relates to the Agencies the true principle of credit reporting passed into neglect, while the need of its further development was constantly increasing. In place of gathering and distributing the actual experiences of merchants with applicants for credit, a sort of "literary" procedure intervened. All manner of people were employed as Agency reporters to pick up gossip about the trading concerns which were under inquiry. In the vain attempt to generalize the results and cover deficiencies the only possible resort was to ambiguity. The merchants themselves must be the reporters through their own credit departments.

#### *NEED FOR A SINGLE ORGANIZATION*

Prompted by the unexampled growth in communication, the trading interests of the country are now seeking a common center, a single organ, through which all facts, regarded in the light of their bearing on credits, may have universal distribution. The rise of the National Association of Credit Men attests this. The present needs of commerce with respect to reporting credit news is as much beyond the present work of the Mercantile Agencies as the telephone is beyond the locomotive as means of transmitting intelligence. To the everyday observation it is supposed that the Agencies are doing the work required of them; that the goods they offer are the best obtainable. But to the inquirer who can get below the surface of things it is well known that credit reporting is only in the infancy of its development. The pioneers among Agency men did a great work in extending the movement everywhere, but at the last, in place of building up the direct exchange of experiences on the part of merchants parallel with the growth of communication, they have erected an unwieldy machine which, aided by an artificial prestige, stands as a positive hindrance to the better credit reporting made possible by new conditions.

#### *AN ORGANIZER NEEDED*

The situation has been waiting on the man or men able to perceive, and act upon, the fact that the avenues of communication—the quickness and certainty of movement—are so far open as to do away with the Agency reporter, as such, and instead to permit direct reporting by merchants through common centers, which means, as already indicated, the adoption of the clearing-house principle. The need of the banker, which prompted the absolute interchange of facts at the Bank Clearing House concerning each particular check, is identical with the necessity of the merchant who

must now erect a clearing house for exchanging the immediate facts concerning mercantile credits.

The old Agencies have reference to the clearing-house principle when they write and talk of "trade reports" which "give the experiences of jobbers and manufacturers with their customers," while Mr. Wiman and his friends look toward "a co-operative instrumentality for the interchange of information obtainable in the trade, after the manner of a great credit clearing-house." The need is to perceive that true credit reporting cannot exist at all save through "a co-operative interchange of information;" it is the nature of the business.

One difficulty here lies in the verbal distinction between "co-operation" and "commerce." It has to be learned that the more co-operative a given branch of trade becomes the more commercial it is. Some years ago an enthusiastic woman raised in New York a big sum of money and started a so-called co-operative dry goods store. It failed because it was not so co-operative as Macy's.

#### *CREDIT REPORTING AS A PHASE OF SOCIAL REGISTRATION*

Credit reporting when rightly understood is seen as a phase of social registration. The facts as to land ownership are registered with the Title Guarantee and Trust Company; births and deaths are registered at the Health Office, marriages at another center, while the bank transactions at ninety-five clearing houses throughout the country are registered each week at New York as main center in the banking system and are thence distributed to all sub-centers. The credit men, in turn, are wanting to register their facts at the trading centers to be there summed up and distributed for the common guidance, but the Mercantile Agency people continue blind to the real situation and refuse to treat on a basis of equality.

Two years ago, when inquiring into credit reporting methods, TEXTILE AMERICA dwelt upon the work of the Credit Clearing House as an attempt in the right direction, but the one rule has now to be applied to it and to all. The clearing-house principle has the future, but it cannot obtain through any institution which is held, on the side of property rights, as a narrow interest. The selfish interest must be there, the business must be "run to make money," but the merchants and credit men cannot concentrate upon any one organ without the amplest safeguard through full publicity. The concern which will meet the demands of the National Association of Credit Men by accomplishing the desired reform will earn a generous money reward, but the advance cannot be gained without first foregoing the thought of eighty per cent dividends and yearly takings of half a million dollars. When understood and grasped as a legitimate business, such profits are seen to be more than the traffic will bear.

Given a single organization, with full integrity at its centers, and free movement, all credit news will be registered and distributed. In the absence of a unified system and freed conditions, no expenditure of money for "reports" can effect the desired reform.

### *FIVE ASPECTS OF REGISTRATION*

The registration of credit news presents five aspects, namely: (1) what the banks say of a dealer concerning his transactions with them; (2) what the dealer's merchandise creditors say of him; (3) what the dealer says of himself, which is called his "statement;" (4) his pedigree or trading history, and (5) the state of a dealer's particular branch of trade. The last named cannot but enter into the problem of a given applicant's claims at the credit department. All five, in one way or another, come under the clearing house principle.

The banks of Louisville and Baltimore have made progress in clearing the facts as to commercial paper. In Louisville an applicant for discount at any one of a dozen banks has to face the fact that his record at all of the banks is at once accessible. There is everywhere at this time a growing belief among bankers that an interchange of facts as to transactions in commercial paper at bank counters must be brought about. There is opposition of course, but so there was when the clearing house for setting off checks against each other was first proposed.

### *THE CLEARING OF MERCHANDISE CREDIT NEWS*

The progress already gained in clearing the facts as to merchandise credits gives promise that the principle will obtain on all sides at a nearly day. The tendency of the old Agencies to offer facilities for "trade reports" and the "interchange of information" is full of meaning. Just as soon as the clearing movement obtains generally, the credit-reporting business can no longer be held under a narrow proprietary. One might as well talk of turning the Bank Clearing House at New York into a "private" corporation. The clearing centers of the credit news system parallel the centers of the banking system. They both belong to the Credit System, which is the monetary or accounting division of commerce, embracing in its circle of action the remotest bookkeeper.

The statements of applicants for advances of credit will be registered or cleared through the centers of the one system. Mr. F. R. Boocock, secretary of the National Association of Credit Men, reports good progress in getting to a uniform property statement blank. He states that two years ago there were scarcely any two firms using the same form, while to-day about five hundred concerns are using the blanks prepared by the Association. The president of the Association, Mr. James G. Cannon, has appealed to various State banking organizations concerning the use of the blanks, and the response has been favorable.

### *THE NEWSPAPER AS A FACTOR*

The pedigree or trading history of a dealer has to be got from his neighbors and from those who have done business with him. No thorough-going re-

form can be brought about on this side of credit news without bringing the daily newspaper of a given region into the movement. The general newspaper is main centre, and as the organization proceeds will be brought to register and supply, in great part, the credit news of its region.

An application for credit may at times turn upon the state of trade. It may be that a silk manufacturer, whose affairs are otherwise in good shape, is bent upon a false move as measured by a pending change in fashions. The class or trade paper must come to be a more important aid in supplying this need, so that the banker or merchandise credit man may be in constant touch with the outlook in all divisions of commerce.

The necessity of a far-reaching change in the business of credit reporting is confirmed on the side of the bank, which is coming to be more and more the center of action for the Credit System. Bank deposits are rising on all sides owing largely to the immense Trust movement and the huge volume of industrial shares. The integrity of bank transactions is dependent on a clear advance in the business of credit reporting.

FRANKLIN FORD

## *Co-operative Credit Reporting*

FRANKLIN FORD

Letter to the Editor of *The New York Times*, Sep. 17, 1902.

*To the Editor of The New York Times:*

Your issue of Aug. 31 gave a striking account of the work of the National Clothiers' Association in co-operative credit reporting under the direction of its President, Mr. Marcus M. Marks.<sup>1</sup> The success gained has the greatest possible meaning in relation to the present commercial development, so much so that the important thing is to bring out its general bearing and the further action to which it points. The immediate facts are that the leading centres in the clothing industry are now clearing their information concerning debtors through the credit offices of clothiers' organization. But one city, Cleveland, remains outside of the movement, and when it is brought in along with certain minor additions, the whole industry will have attained to a self-reporting system whereby the credit facts in the ledgers of each concern will be at the command of all, and on a basis of expenditure not exceeding the cost of the operation. In this case the best is the cheapest.

By this method credit reporting is brought up to the level of the present means of communication, which permits the direct exchange and co-ordination of the experience of merchants as recorded in their ledgers. Prompted by the talking wire, the plan looks to the universal extension of the clearing house principle. It marks a clear advance, amounting to a revolution, in the handling of merchandise credits. The essential facts are registered immediately and are distributed with equal promptness to all concerned. It is through such means that the honest trader finds recognition and protection. The mercantile agency system, which came into existence over half a century ago, answered to the imperfect communication of that time.

As President Marks of the Clothiers' Association insists, it is only by this direct method that overtrading can be guarded against and failures prevented. It may fairly be questioned whether the fifty-year-old credit reporting ever resulted in the prevention of failures. Much, indeed, can be said for the view that through a false reliance failures were actually encouraged. Under old-time conditions credit information was drawn

<sup>1</sup> [Marcus M. Marks (1858–1934) was an American businessman who was involved in several business associations, including the National Clothing Association and the Merchants' Association of New York. He also served as President of the Borough of Manhattan from 1914 to 1917.]

chiefly from the home of the debtor, but through the methods introduced by Mr. Marks and his associates the ledgers of creditors constitute the main source. The reporting is from first hand, and facts are substituted for gossip and rumor.

The further point is to be noted that the movement is of necessity co-operative, which means that the centres for the interchange of credit news cannot be brought under the notion of private ownership. It is too big for that. Besides, the merchants are in possession of the record, and they are discovering that the only need is for centres through which the facts can be exchanged, and interpreted at the hands of experts.

Merchants generally should be brought to know the dignity and far-reaching usefulness of the action in hand. The example of the National Clothiers' Association is prompting the extension of co-operative reporting to all branches of mercantile credits.

The action is one with the natural development of the commercial organism, which, owing to the instantaneous communication of the time, is at least to be seen as a whole. The movement has back of it, therefore, the growing conviction that the welfare of each organ or division of commerce is dependent on the prosperity of all other divisions. It is apparent that President Marks is animated by this vision of the general welfare, perceiving, as he must, that the full execution of the principle of interchange in the field of credit news will effect a great advance in the scientific or responsible organization of commerce.

As bearing on the much-discussed question of the National regulation of commerce, the work of the National Clothiers' Association is exceedingly suggestive. While the public gaze continues to rest on Washington, as the supposed single centre of regulation and control, new centres of National supervision are appearing, the clothiers' organization being but one among numerous others of like character and meaning. They have their organs or Congressional Records in their respective class journals, and altogether the development is so impressive that the specialists in commercial regulation would do well to take the facts into account. It is plain enough that commerce is evolving its further control through these new centres. Men have yet to learn that the moving principle of commerce is both constitutive and regulative.

FRANKLIN FORD

New York, Sept. 17, 1902

### III

*NEWS IS GOVERNMENT*



# *City News Office Needed*

FRANKLIN FORD

Published in the *Brooklyn Daily Eagle*,  
June 8, 1901.

## **Franklin Ford Tells Why a Clearing House of Facts Would Be of Inestimable Value**

To the Editor of the *Brooklyn Eagle*:

The letter of Mr. Samuel H. Bishop<sup>1</sup> in your issue of June 4 supports my contention that the reform in city government of which we hear so much necessarily involves the definite and systematic organization of municipal information or news. Mr. Bishop sees no danger "in concentrating power at the City Hall" if means are provided whereby the people of every section may "know what they want and know how to convey what they want to the City Hall."

The end marked out will be reached by giving to the existing news system a responsible center through which the facts can be co-ordinated and so transformed into a governing force. Municipal betterment, therefore, is a question of commercial organization; it is as far removed as possible from the plaints of reformers who have no remedy to propose beyond the defeat of one party and the substitution of another.

The new center would report city business as a whole, and in all its parts: it would become the clearing house for all municipal facts.

The conduct of city affairs must be confused and wasteful in the absence of a comprehensive system of reporting and of central registration. Until all the facts are accessible at some one point, the various divisions of the city government can have no clear understanding of each other and no adequate working relation.

<sup>1</sup> [The letter by Samuel H. Bishop published in the June 4, 1901 issue of the *Brooklyn Daily Eagle* is itself a reply to a previous letter by Ford published in the same newspaper. Bishop's letter supports Ford's project for an "organization of intelligence."]

The true re-formation of city affairs must be based on a scientific and full organization of municipal news, in contrast with this or that propaganda of opinion.

In the telephone, or instantaneous communication, the modern press, and the fast mail train, the newspaper has come to possess a perfect working machine. Prior to these conditions news organization could not on the whole be more than nominal, but it can now be made actual and responsible on all sides. The method of journalism is to become scientific in all particulars. The news traffic involves in its sweep the entire organization of intelligence from the university center to the remotest social happening.

The news system consists of the daily paper, the trade or class journal, and the bureau of information. In its outworking the reporting system will connect with all sources of expert knowledge, and with every individual in the community as any one may at times possess a fact of value to his neighbor, to his class or to the people as a whole. But the daily newspaper is center of action.

The proposed organization of municipal news involves the closest co-operation between the various organs of the system. As now, the different parts of the news system do not buy and sell of each other save very incidentally. It is a singular thing that when a new fact is disclosed in the news movement it carries three possible sales or profits: its general meaning to be distributed through the daily paper, its class bearing to be cold [*sic*] through the trade paper, and its value to particular individuals which they can obtain at the bureau of information. The desired co-operation will be reached through division of labor and the freedom of action which the telephone permits.

The new center will be called the City News Office. It will act as a common medium for the exchange of all information having a direct bearing upon the regulation of city affairs, doing in this respect what the Ship News Office does in its field and with equal precision. The City News Office will bring the municipal facts of Chicago, London and Berlin side by side with those of New York. At the same time the facts of New York's government will become accessible to the world, and the natural demand for authentic news in this field will be met.

Through gaining a common center all the parts of the city's news system will be at the service of every citizen; without this it is much in the condition that the telephone system would be were there no main center connecting all together. The town is replete with useful bureaus of information which will become available through the City News Office.

As Mr. Bishop writes from the Brooklyn Bureau of Charities, of which he is assistant secretary, I am led to point out the inevitable effect of a scientific news center on the important matter of charity regulation. The Charity Organization Society of Manhattan was instituted eighteen years ago. It was intended "to be a center of intercommunication between the various churches and charitable agencies in the city. To foster harmonious

co-operation between them," and to "promote the general welfare of the poor by social and sanitary reforms." It was to be a clearing house for the city's charity system.

Great good has been accomplished by the Charity Organization Society and its Brooklyn ally, the Bureau of Charities, but the results are small in comparison with the benefits that would follow the incoming of a responsible general center for the city's news system. Such a center would invite and in fact compel from the charity news center so great efficiency in clearing that the utmost of wise government would be assured.

This lesson from the field of charity regulation goes to make plain that the one road to city government reform is through the systematic handling of municipal science or news.

FRANKLIN FORD

*City Club, Manhattan, June 8, 1901*



# *Municipal Reform: A Scientific Question*

FRANKLIN FORD

Self-published book, 1903.

## A GENERAL OUTLINE OF REPORTS ON THE CITY'S DEPARTMENT OF FINANCE IN ITS WORKING RELATION WITH THE MUNICIPAL SYSTEM

FRANKLIN FORD

### Publications of the City News Office

1. *History of the Department of Finance*—Its development during the four years under Comptroller Coler—Progress to an all-round legal position as center of audit and control—The growth of a century

New York city's annual budget is \$100,000,000, in round numbers, and its extraordinary expenditures forty millions more. The city government centers round the Finance Department. Charged by statute with the "control of the fiscal concerns of the corporation," its function is to supervise the city accounting, and in this way regulate the conduct of every official. The powers of the Comptroller as chief of the department are so sweeping that his action touches every phase of the city's business. Facts rule, and the Finance Department is fountain-head for the facts that shape on every side the city's administrative policy.

Ancient precedents define the comptroller as "an officer who has the inspection, examination, and controlling of the accounts of other officers." He is the "keeper of the counter-roll, i.e., a roll intended as a check upon the rolls or accounts of other officers."<sup>1</sup>

<sup>1</sup> [Alexander M. Burrill, *A Law Dictionary and Glossary* (New York: John S. Voorhies, 1850), 279-80.]

New York's Finance Department is a law story from the start. It is a progress toward full legal authority for the "inspection and revision" of all city accounting by the Comptroller, and, in step with an increasing need owing to the greater complexity, the conditions have at last appeared for realizing the idea in practice.

The tendency has been constant to bring the city government to unity of organization through the Finance Department.

2. *Function and organization of the Department of Finance*—It is the department of departments—It is now the clearing-house or governing center for all departments of the city government—It has the power to organize the facts—Its several divisions and the duties of each—Working relation with the other departments —Chart of the municipal system with the Comptroller's office as main center—Annual cost of the Finance Department

3. *Bookkeeping Division*—It is the record office of the Finance Department and the real Bureau of Municipal Statistics—Development of statistical accounting by the bookkeeping division, in distinction from the financial accounts—The end in statistical accounting is to make available at all times everything in the Comptroller's record, which includes the records of all other departments—The Bureau of Statistics cannot organize outside of this record—The full organization of statistical accounting carries with it exact supervision of all department accounts.

Beginning in 1901 under Comptroller Coler, and especially since January 1, 1902, under Comptroller Grout, the bookkeeping division of the Finance Department has been moving forward on the lines of statistical accounting. This form of accounting has always had a place in the Finance Department, inasmuch as the issuing of annual reports or other public documents by the Comptroller is an effort in that direction. It is true that under old conditions such reports were hardly more than transcripts of the financial accounts and, therefore, had little or no meaning for any one beyond the bookkeepers themselves; but the fact remains that all reports of this order have been attempts at statistical accounting.

A difference in the cost of two bridges may be used to illustrate the place of statistical accounting. One may cost two million dollars more than the other. The financial accounts reveal this, but to know the cause of the greater cost of the one a development in statistical accounting is necessary. The required facts are contained in the vouchers and the need is to render them available. The statistical is the primary accounting.

Until now each city official has been compelled to hunt his own information. No effective administrative machine of like order and magnitude in these days is without a system of statistical accounting. Division of labor at this point is everywhere prevailing and the municipality must fall into line.

It is important to learn just how far the principle of uniformity can be followed in the city's bookkeeping; or, what is the same thing, how far

disparity in bookkeeping is inherent in city administration. The business of street cleaning differs greatly from that of the water department.

4. *Division of Awards*—The accounting office for all claims against the city due to street openings, the taking of land for parks, for school houses, police stations, armories, fire houses, baths, or other public buildings, for bridge approaches, etc.—Awards are received from the board of assessors, from the courts, and at times from change-of-grade damage commissioners—On their receipt all verifications are made, including searches to see that no liens of any sort are standing against the property, after which the vouchers are made out and turned over to the auditing bureau for certification and return to the awards room for final payment—The division of awards acts as its own disbursing officer—It is in direct contact with the owners of the properties involved—The total money outgo under the head of awards for 1900 and 1901 was as follows:

	1900.	1901.
<b>Street and park openings.....</b>	<b>\$5,152,443.43</b>	<b>\$4,960,483.75</b>
<b>Miscellaneous .....</b>	<b>3,755,668.87</b>	<b>5,998,101.14</b>
	<b>\$8,908,112.30</b>	<b>\$10,958,584.89</b>

—The cost of street openings is borne by the abutting property, unless by special act some portion of the cost is charged against the city.

5. *Auditing of the City's Revenues*—The Comptroller's annual report for 1901 presents the results of a careful examination into all sources of city revenue—The work was done by the bookkeeping division—It marks a clear advance in statistical accounting—It provides a comprehensive basis for auditing the city's revenues, which was long a neglected feature of the Finance Department—Nearly all departments, to a greater or less extent, are receivers of city revenue.

The present city charter directs that the auditing bureau of the Finance Department "shall keep an account of each claim" both "for and against the corporation," thus pointing to a scrutiny of both revenue and expenditure. From the beginning the auditing bureau has investigated and certified all accounts against the city, but a like vigilance did not obtain with reference to the city's revenues. Successive New York charters contained directions as to an audit of revenue; the charter of 1870 expressly provided for an "auditor of revenue," and for a time an officer of the Finance Department bore that title, but the early conditions were not such as to compel execution of the idea—the need was not sufficiently urgent. A radical change has now come in, and the introduction of an absolute audit of revenue is seen to be a necessity. The work of disclosing all sources of revenue through the bookkeeping division was the first step. In the

last twenty-five years the revenues of the old city of New York from miscellaneous sources, outside of taxes and water rates, have doubled, while further increases of revenue have resulted from the consolidation of 1898, as each of the boroughs had its specific sources of revenue.

6. *Management of the City Debt*—The forms and methods of the old city of New York in relation to debt handling were extended to the enlarged city without change, save the great increase in volume and detail—Bonds were issued by New York city in 1900 to the amount of \$85,000,000, and comprising \$38,000,000 of long time bonds, \$46,000,000 of revenue bonds, and \$1,000,000 of assessment bonds—Revenue bonds in anticipation of taxes are issued as money is needed from soon after January 1 to near the first of October—The lowest rate of interest paid by the city of New York was two and one-half per cent in the early 90's—During 1900 the Sinking Fund Commission purchased \$17,500,000 of the new bond issues—It is customary with the commissioners to confine their investments to new issues of New York city bonds, as new bonds of the city are constantly offering—Extent to which debt was taken over from the outlying boroughs—The methods of the Finance Department in managing the city debt turn, of course, on the policy of the city in the use of its credit.

The use of revenue bonds is a striking feature of the city's financial system. Under the charter the Comptroller is authorized to borrow "from time to time, on the credit of the corporation, in anticipation of its revenues, and not to exceed the amount of such revenues, such sums as may be necessary to meet expenditures under the appropriations for each current year." The method is of long standing as a custom of the old city of New York. It has had gradual extension in the form of "special revenue bonds" to provide emergency funds and the like, until now the charter enumerates nine purposes for which such special revenue bonds may be issued. It appears that under the law the city's first resort for funds is the loan market, in advance of taxation.

7. *Care of the City's Vouchers*—One great part of a city's history is contained in its accumulation of treasury vouchers—The vouchers of the old city of New York have been preserved from the beginning and all are at ready command for reference—The oldest date of the New York vouchers is 1679—City of Brooklyn vouchers do not exist for dates prior to 1855, the previous accumulation having been destroyed—The voucher rooms of the Comptroller's office contain the vouchers for the current year and for the two previous years—Manhattan vouchers as far back as 1885 are kept in the basement of the Stewart building, while the old-time vouchers are filed on the fourth floor of No. 296 Broadway.

8. *Development of the Auditing Bureau in the Department of Finance*—Its classification and the duties of each division—Importance of an absolute audit as means to compelling right conduct in city affairs—When the central accounting is given the last exactness, the discipline reaches every

department—The city is affected as a whole—Present efficiency of the auditing bureau—Time required for passing vouchers through the bureau as compared with former years—Cost of the auditing bureau's work—Comparisons, both as to efficiency and cost, with the auditing offices of the great corporations

In 1802, when the office was first created for the city of New York, the Comptroller was directed by ordinance to add to his audit, when necessary, "a statement of facts." In 1903, as in 1802, the pursuit and mastery of the fact is the main business of the Finance Department. The added functions of the Comptroller have all developed out of the auditing power. He is now a legislator through his membership in the Board of Estimate and Apportionment, an administrator through his connection with the Sinking Fund Commission and other official bodies, and the city's agent in negotiating loans. All these duties go to emphasize the primary necessity of his being constantly in command of the facts.

9. *Law and Adjustment Division of the Auditing Bureau*—It acts under the section of the charter which empowers the Comptroller to "settle and adjust all claims in favor of or against the corporation"—It is a connecting link between the Comptroller's office and the city's legal department, as its findings enable the corporation counsel to act in the light—Importance of its work—Character and range of the claims submitted to it—Effect of the work of the law and adjustment division on the volume of municipal litigation.

10. *Investigations Division of the Auditing Bureau*—It inquires into the justness of claims which, in point of complexity, are beyond the scope of the auditor's examiners and inspectors, and yet cannot be assigned at once to the law and adjustment division—The investigations division conducts special inquiries for the Comptroller, which are directly related to the needs of the auditing bureau.

11. *Examiners of Accounts of Institutions*—This division of the auditing bureau checks the accounts of all charities and hospitals which receive city money—A reporting and recording system has been introduced to compel strict accounting on the part of the institutions affected—The city appropriates nearly \$3,000,000 annually toward the support of about 140 charities and hospitals—The money is paid over in monthly parts, according to the amount of work done by each institution, and all claims are verified at the Finance Department—The stricter accounting illustrates the more exact methods which the enlarged city made necessary—It involves a rigid examination of lists in detail, books, vouchers, and accounts, including all records for facts as to population and expenditure.

12. *The Municipal Civil Service Commission a Factor in the Comptroller's Audit*—This is due to its work in checking payrolls—with some exceptions,

city payrolls are examined and certified by the commission—The names of employees are verified there.

13. *Receiver of Taxes, a Bureau in the Comptroller's Office*—Cost of collection, giving comparisons with previous years—The busy period of the tax receiver's office is from the first Monday in October, when all real estate and personal property taxes are payable—On January 15 such personal property taxes for the current year as have not been paid to the tax receiver are turned over for collection to a city marshal, whose office is in the tax receiver's bureau—The marshal receives his appointment from the Mayor, while his warrants for enforcing collection are issued, in the first instance, by the tax receiver—By a gradual process the marshal turns over unsatisfied personal property taxes to a bureau in the corporation counsel's office—Importance of a searching inquiry into the business of collecting arrears of personal taxes—The personal property tax in Manhattan for 1899 was \$11,845,000 and on January 15, 1900, the tax receiver turned over to the city marshal, as the uncollected portion of said tax, \$4,909,000—Arrears of water rates are turned over to the receiver of taxes for collection at the end of the first year—In the third year they go to the bureau for the collection of assessments and arrears.

14. *Collection of Assessments and Arrears*—This bureau in the Finance Department collects the arrears of all taxes on real estate, all assessments for benefits on account of street openings, paving, sewerage, and all local improvements, including the taking of lands for parks and public purposes generally, and the arrears of water rates—About \$25,000,000 of claims are constantly on the books of the collector of assessments and arrears, while the annual receipts of the office have been about \$12,500,000—Improvements in the Borough of the Bronx have added greatly to current business.

The cost of opening, sewerage, widening, and the paving of the city's streets presents an important subject of inquiry. The cost falls on the assessment district affected and, being a burden only on a comparatively small body of citizens, does not awaken the general interest as the other expenditures do.

15. *Bureau for the Collection of City Revenue and of Markets*—This division of the Finance Department collects the railroad fees due the city, including franchise percentages and car license fees, the revenue accruing from rents and interest on bonds and mortgages, revenue arising from the use or sale of property belonging to the city or managed by it, and the charges for the use of stalls or stands in the city's markets—It collected on these accounts in 1900 \$1,076,871—The market rents for the year were \$315,473, the house and ground rents \$116,089, the car fees \$73,640, and the receipts on account of railroad franchises \$479,454—The car licenses in Manhattan Borough are \$50 per car per annum (with the exception of the Ninth Avenue road, which pays \$20), and in Brooklyn an average of \$20 per car per annum—

The allowance in the budget of 1901 for the year's expenditures of the bureau of city revenue was \$26,050.

16. *The City's Disbursing System*—All city payments are passed through the Comptroller's disbursing room—Salaries of heads of departments, salaries of judges, moneys due on contracts, and all supply bills are paid directly from the disbursing room—All payrolls pass through it and are paid by warrant to the order of the city paymaster, who makes the detailed distribution to salaried subordinates and the city's day laborers—Almost all payments, save to daily wage receivers, are made by check—More systematic accounting has enabled the disbursing officer to facilitate payments and so meet the public convenience, while securing at the same time increased safety.

17. *Work of the Paymaster's Office*—The methods which had obtained in the paymaster's office of the old city of New York were extended and applied to the enlarged city—All per diem laborers are paid weekly and the amounts due are put into the hands of each man in the locality where he is employed—To effect this one paymaster sends his clerks to all parts of the city—Increased cost of the weekly payments as compared with the old-time bi-weekly method—About 20,000 day laborers are on the city rolls, or one-half the civil list—The work of the paymaster's office is completely centralized, which aids in securing the utmost of safety, economy, and facility.

18. *City Chamberlain*—The chamberlain is the city and county treasurer—In early ordinances the title of chamberlain was used interchangeably for that of treasurer—Prior to the creation of the comptroller's office in 1802 in the old city of New York the comptroller's duties fell to committees of the Common Council—The chamberlain is appointed by the Mayor—Extent of the chamberlain's power under existing statutes—The chamberlain is clothed with power through his membership in the Sinking Fund Commission and he has a vote in disposing of the city's bank deposits—His signature is required on all city warrants—The chamberlain's salary is fixed by law and all fees collected by him are turned into the city treasury—Checks upon the conduct of the chamberlain—Section 195 of the charter directs that the chamberlain's books shall be examined by the commissioners of accounts.

19. *Municipal Development at New York and the Place of the Finance Department therein*—Municipal reform a scientific question—To effect any reform in government is to extend the organization of science—Through the acquiring of full legal authority of inquiry and audit by the Finance Department, New York has now a centralized government—Until there is one center which can be held responsible for the possession of knowledge concerning all phases of city business, the government cannot be called organized in

any adequate sense—This center at New York is the Finance Department—Power is now lodged with the Comptroller to organize the facts—Through his office all the facts may be known and the city government brought to a working unity—Need of an enlarged and authoritative publicity and the way to secure it—The Department of Finance is primary in the publicity development.

The idea of an official Bureau of Municipal Statistics, at which an attempt was made in 1898, can only be realized through the Department of Finance, which is the established clearing-house for the facts. The information must be organized by the officers who are responsible for the record; that is, by those who are acting on the facts. The work of the official bureau, to be up to date, must tally with the daily action, and it is only in the Comptroller's office, where the diurnal record of the city's business is kept, that such a bureau is possible. Anything short of this belongs to the empirical.

As indicated above, the development is already taking place in the book-keeping division of the Finance Department. The key is statistical accounting. Its full organization will make of the Finance Department in all respects the keeper of the counter-roll. Which means the inspection, examination, and control of the accounts of all city departments and officers. We are now able to understand the meaning of the word control as used in the statute. It is the control of the facts.

All the facts will always control the action. The Finance Department is the common center through which the knowledge of city business gains expression. Through its command of the facts the Comptroller's office has a new recognition in the public mind; it stands at last for the whole municipal organization. The Finance Department at least has a new charter. A clear field is presented for compelling integrity in all departments of the municipal system.

The new and unprecedented authority with which the Finance Department is clothed amounts to the coming on earth of a new idea. The Comptroller's office is at last seen in all its manifold meaning as the center of municipal regulation. It has now attained to complete freedom of action. It has power to stop the facts for examination and entry on the record, and to bar all unauthorized action. This is accomplished by the laws which compel all transactions to be legalized through registration at the Comptroller's office. The progress to all this has been through a natural, irresistible development.

The power of the Finance Department to furnish wise direction for the conduct of city affairs is just in proportion to its co-ordination of the facts. The larger authority of the Comptroller strikes down below the surface alterations of the hour and presents the real change in the city government which took effect January 1, 1902. The next step is to realize the new position in action by organizing and making available the facts contained in the records of the Finance Department and of all other departments.

The new power will not help unless the principle is carried into practice by mastering and applying the facts to the whole problem of municipal regulation. To know the way, and to do the proper thing at the proper time, the Comptroller must possess the governing facts.

The necessity is to so centralize information that the actual knowledge of each city official, in all departments, will be at the service of everybody. The entire record will become available as means to furthering the common interest. A final departure having been made from the personal system of the past, under which one official was supposed to hold in memory the entire record, no stop is possible until a perfectly articulated machine is reached, whose efficiency will be so great as to guarantee its own integrity. All this has become a necessity, because of the fact that the personal energies of the Comptroller are now fairly absorbed in his duties as legislator in shaping the general administrative policy of the city through his membership in the Board of Estimate and Apportionment.

There is no other course, no gateway to municipal reform at New York that will be at all comprehensive, which does not involve absolute organization of the Department of Finance. The division of statistical accounting therein will be a public information bureau accessible to all citizens. It will be dominated by the spirit of science, which is a guarantee of continuing benefits. Municipal betterment cannot be effected from the outside by means of popular agitation; it must be gained through an advance in scientific organization within the establishment.

Statistical accounting has now to be carried into municipal organization for the same reasons that are compelling it in the case of the great corporate aggregations or Trusts, i.e., because of the greater sweep and complexity of the action. Greater New York may, in fact, be regarded as a municipal Trust. The Trust movement in commerce cannot be understood without seeing it as a progress in accounting.

Full statistical accounting will bring the Finance Department into close touch with each of the city departments, amounting to a direct clearing of facts therewith. Under early conditions the theory of the Finance Department as center of regulation and control could not be realized in practice. There was very little of inquiry and inspection in the early auditing; it was enough to know that vouchers were regular or according to statute.

The need of building up the function of the Finance Department as main accounting center is in proportion to the growth in power of executive officers. The real city legislature, the Board of Estimate and Apportionment, is a group of executive officers. At the middle of the century the aim was to deprive aldermen and other local legislators of all executive duties.

The new position of the Finance Department is one with modern communication through the telephone and rapid transit, which places every part of the city and all the facts within easy reach. Moreover, the advance in legal position and the fact of instantaneous communication must be read together, as the latter has prompted the former.

Reform in city government must follow the lines of more systematic accounting and scientific publicity. The only thing to be relied upon is the continuity of science, and its infinite organization in space and time.

The organization of the facts of the municipal system is one with ordering its activities on the basis of the highest economy and efficiency. Mal-administration and waste cannot be discovered without organizing municipal intelligence as a whole. It is only by going after all the facts that leaks and abuses can be discovered and the narrow interest defeated.

In the municipal field, as in the general commerce, improved administration is always a question of scientific method. It is important to get this truth into the public consciousness. Popular agitation in relation to the choice of elective officers has its place, but the prime necessity is to gain acceptance for the fact, as already put down, that municipal reform is a scientific question.

Self-interest, in the ordinary acceptation of the term, does not protect the integrity of municipal administration; that is, it does not operate in the same immediate way as in the affairs of an individual or of a firm. The scientific interest has to be let in through a development in accounting to take the place of the ordinary safeguards.

The rise of professional accounting is a factor in the advance. The accountant stands for the scientific interest; his work begins and ends with the fact. It belongs to him to organize municipal information.

Full statistical accounting in the Finance Department will be a measure of economy, as a great deal of time which is wasted in the vain pursuit of fact by individuals would be saved. Each official, under complete organization, will apply for information to the division of statistical accounting. All related legal knowledge, so essential to general officers and to the auditing bureau, would become available.

The auditing bureau stands in special need of statistical accounting. The record of prices and of all departmental action has to be perfected to enable the auditors to act in the light. All action centers in the city's pocketbook, and the auditors are its guardians.

Through statistical accounting, the public reports of the Finance Department will be freed from technicality. Up to this time the customary annual reports of municipalities have been practically meaningless to the general public. With New York's reports made clear and systematic, all cities will have models to follow.

The determination of standards of efficiency in municipal service is an important matter which will be effected by the development in statistical accounting.

The division of statistical accounting in the Finance Department must be far more than a surface compilation of official figures; it must be a living, moving force that grows and changes every hour. It must itself become a public idea. It involves a continuous clearing of information between the Comptroller's office and the departments on the basis of the actual facts

of municipal expenditures as contained in the vouchers. Each of the city departments is a bureau of information on its own account.

There must be constantly at command in the Finance Department exact knowledge of each transaction—the supplies furnished and all services to the city, along with the money paid therefor—in addition to the customary financial accounting. The financial accounting is not enough; it guards against improper payments, but does not yield readily the information which must be at the service of the Comptroller's officers, the public press, and citizens generally, if friction is to be lessened to easy working. The bookkeeper's point of view and that of the seeker after statistical information are quite different in scope.

The facts from the departments on the basis of the vouchers will tally with the statistical accounting at the Comptroller's office, and in turn with the financial accounting. Heads of departments cannot but be in accord with the development and will gladly co-operate in carrying it out. It will guarantee publicity for all the facts and so compel adherence to business principles, while it will insure recognition for official integrity.

The advance in statistical accounting in the Finance Department, taken with the continuous clearing of information by all departments, will compel a full and exact classification of city expenditures. The movement of city business will thus be grasped in its totality.

This discovery of the Comptroller's office—its great function and the lines of its development—identifies municipal reform once for all. The word organization, as used in the field of government, gets a new and appropriate meaning. In the first instance, it looks to the collection and co-ordination of the facts, and proposes organs to this end.

A new Department of Finance is revealed. Through all the years the Comptroller's office had been crippled in its power to audit the supply bills of departments, and for the last quarter of a century its authority to adjust and compromise claims was in dispute, while the power of departments to create obligations independently of the Board of Estimate and Apportionment prevented registration of the fact by the Comptroller. In wonderful contrast, the Finance Department has now attained to the amplest legal authority; it has "control of the fiscal concerns of the corporation."

The present position of New York's Finance Department is unique. There is no other such development. It is a true advance in government. It points to municipal reform in fact, and is an example for the direction of other cities. The Finance Department appears as the organ of the fact in the City-State. The way is opened for a great forward step in administrative organization; it is epoch-making in the history of local government.

BUT IT IS ONLY IN ACTION THAT THE NEW POSITION CAN BE REALIZED. THE CONDUCT OF NEW YORK'S MUNICIPAL BUSINESS MUST REMAIN INEFFECTIVE UNTIL ITS INTELLIGENCE IS SYSTEMATIZED AND SUBJECT TO THE COMMAND OF EVERYBODY.

20. *City News Office*—The new outlook for the Department of Finance implies and compels a new and authoritative center in the local news system—This necessity has precipitated a movement for connecting up the whole city—The advanced position of the Comptroller's office demands direct connection with a technical and responsible news center, since organization of municipal knowledge involves the closest co-operation with the news system—The new center will connect with the Department of Finance at the very point of the latter's development—The reporters of the news center will work directly with the officials of the Finance Department, and the reports of both will be equally trustworthy or official—The experts of the news center will co-operate in the organization of statistical accounting by systematizing and interpreting the information of the various municipal departments.

This new center in the local news system is the City News Office. Its work up to this time has been to lay the foundation for the action in hand, as indicated by this General Outline of Reports. As a co-operative movement in news organization, measured by the necessities of the time, the City News Office development corresponds in great degree with the rise of the New York Associated Press in 1856.

The municipal reform question at New York is not primarily a matter of statistics or detailed information, nor has the notion of framing an ideal system of accounting, whose adoption would be compelled by the legislature, any place in the problem. Its solution turns upon the power to detect the development of functions and to determine their working relation. In due course the Department of Finance has attained to an all-round legal position which makes it the absolute center in the municipal accounting system. This, in turn, has compelled a new and technical news center which will make intelligent demands on the Comptroller's office. The function of the local news center, in relation to the conduct of municipal affairs, is co-ordinate with that of the Department of Finance.

In the conduct of city business the action of the Department of Finance, of the Mayor, or the Board of Estimate and Apportionment, frequently turns upon facts outside of the Comptroller's record, which belong to commercial and general knowledge. The City News Office will organize inquiry in order that all such knowledge may be at the service of the municipal officers whenever required.

Municipal organization cannot be radically improved independently of a distinct development in the news business. Moreover, it is true generally that the further progress of science in the organization of commerce, and therefore in the field of government and social reform, is waiting on its advent and control in the publishing business, which touches everything.

The writers on the municipal question have not seen in its true perspective the growing function of the daily newspaper in the field of government. A surprising change has now fully appeared in the attitude of the daily press toward city government matters. One could hardly learn

from the papers in the early years of the last century that such a thing as city government existed, while today hardly anything in the range of city business is neglected by the newspapers. The newspaper has come to be omnipresent; it enters each day every household in the city; it is the daily book of the people. Because of this the developing Finance Department must have systematic connection with the news system.

The next step is to bring order into this branch of reporting. The City News Office will organize a body of experts for reporting city business, as the daily newspaper has already done in the field of sporting news. Municipal affairs should be reported with the same certainty and celerity as a ball game, a yacht race, or a prize fight. Customary reporting of municipal news lacks point and completeness—much as though the report of a baseball contest were to stop short of giving the score. The same influences which have led up to a reform in the methods of the Finance Department point to a corresponding advance in the handling of municipal news by the daily press.

The correct reporting of various important phases of the city's life involves a technical knowledge of the municipal government —its administrative methods, its underlying and controlling ideas. The reporting of crime news, if it is to be in any way systematic and beneficial, compels a comprehensive knowledge of the criminal code. The efficiency of the city's firemen may be affected adversely by an unscientific organization of the fire department. The adequate reporting of a leak in a water main calls for knowledge of the latest engineering devices for detecting water waste. The great business of teaching the youth of New York in the city's school system is practically unreported by the daily press. It cannot be accomplished save by reporters who are able to weigh and determine the value of the ideas which shape and govern the prevailing methods of instruction.

Reports of the City News Office will at all times tally with the official record, and will in each instance further the needs of the Department of Finance.

An important feature in the work of the auditing bureau of the Finance Department, when dealing with the supply bills of departments, is the determination of just prices. When the auditing bureau subscribes to a trade or class paper, or receives a price-list, it thereby connects through the news system with the world of commerce. The need indicated will be met by the City News Office, as through it the auditing bureau will be able to connect instantly with expert authority touching the price of this or that commodity at a given date. Trustworthy news organization is implied in the power of the Comptroller to inquire into the correctness of prices. The proposal assumes that prices are determinable, that they are a matter of public knowledge, and the facts must be obtained from the news system. In fact, when an audit was first conceived the organization of intelligence was begun.

As advances in communication gradually gave rise to integrity in mail carrying, so now the journalist is prompted to organize the news of the municipality, and of the whole city, in the light of science. The facts of the metropolis may now be reported on the basis of truth.

The City News Office will act as a common center for the gathering and dissemination of all information having a direct bearing on the regulation of city affairs, doing in this respect what the Ship News Office at the Battery does in its field, and with equal precision. It will bring the municipal facts of Chicago, London, and Berlin side by side with those of New York. At the same time, the facts of New York's government will become accessible to the world, and the natural demand for authentic news in this field will be supplied.

It will seek out and connect the numerous bureaus of information doing business in the metropolis, thus providing a common trading center through which they can be made public and the interests of each developed. As things stand, the local news system is in much the same condition that the telephone system would be in were it without a main center through which all connections are made available. The corresponding center in the news system will be supplied by the City News Office, which can advertise all information centers in a single announcement.

The first business of the City News Office is with the municipal system, but to complete this relation it must of necessity become a universal information bureau concerning every interest within the limits of Greater New York, as at any time the otherwise insignificant fact may have an important bearing on some municipal problem. Quick access to the facts being complete, the life of the whole city becomes clearly objectified so that the data may be co-ordinated and shaped into a governing force.

The rapid progress in trade or class journalism in recent years is an important factor in the preparation for the City News Office. A number of technical journals are recognized authorities in the municipal field. The *Real Estate Record and Guide*, the *Engineering News*, and the *Electrical World* at New York may be mentioned. A co-operative relation will be established with the technical journals, and gradually one class journal after another will be drawn into the trading circle. The technical journals are centers of inquiry in the news system. To organize the reporting of a particular branch of municipal engineering, the appropriate class journal will be called in; that is, the reference will be to an institution instead of to an individual engineer. Each class paper is a bureau of information for its own division of commerce.

It is important to recognize the fact of a news system. IT IS A NEW OBJECT IN COMMERCE. Men are writing of the American railway system. The advent of a railway system is, of course, due to the work of the locomotive in overcoming distance. Owing to this clearance the parts are gradually seen as a working whole—as a single system. Under instantaneous communication, which gives universal contact, the traffic in news is presenting itself in a like orderly and systematic way.

On the side of distribution, the news system has a triple organization—in the daily paper which handles general news, the class or trade paper which deals in class news, and the bureau of information which supplies individual or personal news. It is a singular thing that when a new fact is disclosed in the news movement it carries three possible sales or profits: (1) its general application to be distributed through the daily paper, (2) its class application to be sold through the trade paper, and (3) its special application to individuals which they can obtain through the bureau of information.

The ultimate efficiency of each of these three parts of the news system—the daily paper, the class paper, and the bureau of information—is waiting on a buying and selling relation with the other two. In other words, any general advance in news organization must be based on the recognition of this triple system. Up to this time the different parts of the news system have not to any great extent bought and sold of each other, whereas the present need is a constant traffic on all sides. The publishing business is the one industry conducted on national lines which allows nearly all its by-products to go to waste. Organized, the daily newspaper will draw systematically from the class news office, at a price to be agreed upon, the general news concerning each division of commerce; it is a by-product of the class paper.

The new position of the class paper is shown by the extent to which the daily newspapers are compelled to draw upon the editors of the class papers for articles on the chief divisions of commerce to appear in the annual reviews of trade. Each real class paper, under the pressure of necessity, is possessing itself of all the news concerning its division of commerce. The very influences which have produced the great industrial unities or Trusts are operating at the same time to bring in a succession of class news centers, each an integral part of the news system.

The action of the City News Office will lead directly to the general recognition of the class paper in its true function and dignity. This general recognition will secure to the class news system a market for its by-products, namely, the general news concerning each particular trade or division of industry, and the stream of facts to meet the larger demand from individuals which will follow upon the rise of the City News Office as the central bureau of information.

Having regard to points of origin, the news system connects with the whole field of science, or the divisions of exact inquiry. All are embraced by the communicating or news-carrying system. Every expert is at the end of a wire.

The physical science men, especially in England, have been trying for some years to devise plans for "distributing the results of science." Working under the endowment system as they do, the suggestion could not easily occur to them that the end must be gained through a commercial advance; that is, by a forward step in the news business. Already certain divisions

of physical science have instituted some sort of news gathering on their own account. Chemists the world over, in order to keep abreast of the fact, subscribe to a news leaflet which is published by the chemists of Berlin, the center of chemical science. But any isolated effort is ineffective owing to the absence of a main news center through which the results of scientific inquiry on all sides can be translated into their life bearing. The City News Office at New York will stimulate and make certain the development indicated.

It is important to bring the man of business to see the news system as a function in the State—in the social system. News is not merely detailed, isolated, or unmeaning facts; the news movement is one with the unfolding of science. The most subversive and revolutionary fact is always the biggest news.

To effect any reform in government is to extend the organization of science. The measure of all true government, or social regulation, is always the extent to which exact inquiry is trained upon the object. All normal action turns upon the mastery of the facts. Progress in government is co-extensive with the organization of intelligence, or the reign of science, which means only a clear understanding of things. At a given juncture the iron trade of the world was compelled to answer to the new fact which Bessemer laid down. Likewise in 1840 the English post-office had to respond to the facts in Rowland Hill's report. At no time could rational government exist save so far as intelligence was organized; it began with one who was found to be more clear-sighted than his fellows and was consulted by them; he was their direction-finder, their governor.

The natural history of parliament or the legislature brings out clearly the identity between progress in government and the successive steps in news organization. The early legislatures came in as convenient machinery, the best then possible, for finding out the fact and promulgating it as law. The facts were brought in from the various districts and co-ordinated as means to right action. The gradual emergence of the news business as a distinct branch of commerce is easily marked. In this progress the year 1771 is an important date, as it was then that the journalists at London succeeded in wresting from parliament the privilege of printing its debates.

The general government, then, is the system of news, of intelligence, of science. And the need of the hour is to lift up its organization to the level of the present means of communication. The first step is to make systematic the reporting of municipal news at New York. The fast printing press and the talking wire have come in, but the manner of classifying and handling news—the method of interpretation—has not changed essentially. The daily newspaper is still conducted in accordance with the ways of thinking which obtained before either the power press or the locomotive was invented.

News reporting—the method of reading the facts of the social body—is as much subject to change with advancing conditions as is the method

in any other field of inquiry. As astronomy passed from the Ptolemaic to the Copernican point of view, as alchemy gave birth to chemistry, and as the physiologist gradually came to see the human body as an organic unity, so now the principle of classifying and interpreting the facts of the social body is also subject to an illuminating change, equally radical and beneficent, and whose inevitable entrance compels a clear advance in the news business. The social system becomes an object for science.

With the conquest of distance a new fact, amounting to a new force, has come into the world. The approaches to this have, of course, been gradual from the first invention of sails as a propelling power in navigation, but the play of the forces so liberated could not come full circle prior to the instruments of instantaneous communication. The new force appears on the completion of the social mechanism which provides for the full circulation of news throughout the body. The State is objectified and the all-embracing principle of intelligence, which is both constitutive and regulative, becomes the unerring guide in carrying forward the organization of news. The quality of all organization is determined by the quickness and certainty of communication.

The new social force is the first Fact [*sic*] of the twentieth century; the first fact of the nineteenth century was the locomotive; the second, electric communication.

The proposed organization of municipal news, therefore, involves a change in method—the introduction of a new point of view, of a new way of ideas. Scientific method has entered nearly all the great branches of manufacturing, but the new forces have yet to be co-ordinated in the news field. The change in the news trade, corresponding to that wrought by chemistry in refining petroleum, has been awaiting the development in science which has called the City News Office into existence. The petroleum industry was organized under the guidance of chemistry, so that in the process of refining all waste came to be transformed into useful by-products; the crude oil was compelled to yield its last values. The new way in handling news has the same scientific precision as the method of chemistry.

Progress in the news business marks time with the successive steps in the conquest of distance. News may, in fact, be called the central product of communication. As is the sun to the solar system, so is news to the social system. Advances in realizing the commodity news are also one with the growth in consciousness of the sense of a social whole, and this, whether the whole be called the State, the body politic, the social body, or the social organism. The very beginnings of a general social consciousness were, of course, dependent on some degree of communication, which always spells community of interest. This movement in consciousness has now reached the great crossing-over point because of the full circulation of intelligence and the consequent freeing of all social forces for co-operative action.

The still regnant view of the State dates from about 1700, which marked the incoming of a definitely constituted parliament in England. Since that

date we have had the "divided" State, with "the Government" seen as though on one side and the so-called private commerce on the other. In sharp contrast therewith the State is now to be seen as a unified object in space and time. To see an object in the light of its principle is to transform and transfigure that object.

In line with this thought the action of the City News Office is grounded in a completely worked out science, or classification, of the social body. The very idea of news implies a social classification. Under any and all conditions, every news reporter, in the selection and grouping of facts, is governed, however unconsciously, by some sort of general classification, which is his way of looking at the object or his notion of the social order. To Aristotle the normal State was divided into citizens and slaves, while Charles lost his head through insisting on the permanence of a given classification; he could not see the new place and function of parliament. All progress in news organization has tallied exactly with the successive steps in classification until, with full circulation attained, the universal or objectively valid classification comes to view.

It was a clear advance at the time, following upon the rise of parliament, to see "the Government" as a grouping of certain public organs and to mark off the remaining action as private enterprise, but the fact remains that a divided State is one which is only partially seen. The human body was divided before Harvey, as the arteries were thought to contain "a refined sort of air or spirit." There is need to recognize that the old social classification of 1700 is no longer useful; in fact, its application as a tool of inquiry is now productive of more error than truth.

Through progress in division of labor, the organic State, or social body, foreshadowed by the speculative writers, becomes a clearly defined object in space and time; its system of organs is complete. The divisions of labor therein are but another reading of the classification of news. The news system is revealed and journalism becomes the orderly handling and sale of fact, and this whether the news be of a new comet, a development in physical science, or a mysterious murder. The scientific treatment of news takes the place of the old classification just as the Copernican astronomy displaced the Ptolemaic system. The social system is seen and reported from the universal point of view, and the resulting literature does away with the old or merely speculative politics much as the books of the alchemists receded at the incoming of chemistry. THE BODY POLITIC IS REPORTED IN TERMS OF ITSELF. We have the key to its diversity, and by the light gained all the facts of society fall into right relation with each other. The individual appears as organic function in the State.

We are in the secure path of science, and a single tongue is provided by means of which men can confer together over social questions in place of fruitless arguing from varying premises. Alchemy passed into chemistry through the unified language which Lavoisier laid down. To accomplish the same thing for the science of politics the organs of the social body had

to be defined in their working relation; they had to be seen in fact, and not as received from opinion. But the new tongue is the language of action, of commerce, of the world of business. All this gained social observation, or prediction, passes into the domain of science; the tangled web of fact is seen as ordered movement. The new science appears as a new practice in obedience to the demands of the news business. It is the development and expansion of interest under the pressure of human wants and activities.

Science, exact inquiry, is the source of law and government. The organization of the general government is a division of labor in the State. The legislature, no longer adequate as the fact-finding or law-declaring body, is transcended in the system of news or science. In the moving intelligence an organic unity is presented which embraces all the differences. The abiding social bond is discovered. The organic concept becomes a working principle for the conduct of the news business. The way is marked out whereby the daily newspaper, to use the words of Calhoun,<sup>2</sup> will become "the organ of the whole."

The second division of labor in the governing system of the State is the banking or credit system, now fast coming to recognition. It is a true universal, as all divisions of commerce are subject to its correcting influence; credit touches the heart of everything. The succession of clearing-houses are its regulating centers, from the head center at the metropolis to the remotest village bank, which is itself a clearing-house where credits are set off against debts.

The court of arbitration continues, with enlarging power, as a universal organ in the governing order. With the legislatures receding as a source of fact or science, the courts are very properly more disposed to overrule them, and the tendency is certain to increase in a marked degree. The courts are almost constantly in session and are, therefore, in touch with the moving and guiding intelligence as compared with the legislatures which meet but once a year or, in some cases, but once in two years.

Without this vision the proposed organization of municipal news at New York would not be practicable. At the outset, the clearance has revealed the true place of the Department of Finance —its function as center of registration in the municipal system. The present scheme of taxation cannot be reported adequately without reference to the new regulating centers which commerce has been creating, and these can only be seen clearly as organs in the social body. Thus, the city maintains a boiler inspection bureau whose efficiency cannot be determined unless comparison is made with the work of the boiler insurance companies. It may be that the city's bureau should be discontinued in order to further the universalizing of the insurance principle. Taxes are laid for bank and insurance regulation, but the bank and fire insurance systems are both attaining to self-government in fact through their own regulating centers. The changes which are appearing in the school system cannot be reported without weighing the centralizing influences of the time. To understand the ins

<sup>2</sup> [John C. Calhoun (1782–1850) was an American statesman who served as Vice President of the United States from 1825 to 1832 under John Quincy Adams and Andrew Jackson.]

and outs of the so-called municipal ownership question, the fact has to be grasped that all social activities capable of collective action are coming to unity of control independently of the old or recognized government and that it may not be necessary or wise to attempt their inclusion in a formal way under the unity for which the City Hall stands. Municipal unity does not necessitate a common treasury. The situation again suggests the importance of recognizing the larger and all-inclusive governing unity which is presented in the news or science system. In short, the city government is not an isolated entity; it is an integral part of the social body. The various social antitheses, each of which has produced a conflicting literature of opinion, are resolved.

With the appearance of a social body in fact the whole question of social regulation changes front. Recognition of this body is already widespread in the public mind. The physical separations having disappeared, the separateness in thought cannot longer be maintained; we are now, in fact, members of one body. There cannot be separation after it is discovered that each member is dependent for heat and food on the harmonious working of all divisions of labor in commerce, which is the universal exchange of services. In the words of Henry B. Eddy, "This Commerce is a giant clockwork process, compared to which the old sea-traffic is as crude as the Columbus clock to our present timepieces. It is an evolution that gives promise of far greater complexity, of becoming a system of members so delicate that not one invoice shall go astray but the loss shall be known and appreciated by the whole organism. Compare this era with the dying age of sea-traffic, the era of publicity, knowledge and logic, with the age of secrecy, mystery and romance, when the loss of a great ship was a vague calamity that only years could verify. It is an evolution of childhood into manhood; of boyish dreams into manly ambitions."<sup>3</sup>

<sup>3</sup> [The original source is unknown but the quote is replicated in a book by one of Franklin Ford's brothers. See Sheridan Ford, *The Larger Life* (New York: George E. Croscup, 1994), 97.]

We have realized the conditions which Calhoun contemplated when, speaking from his place in the Senate in 1846, he predicted that with the completion of electric communication then just coming in, the earth would "be endowed with sensitiveness so that whatever touches it at any one point would be instantly felt at every other." The social body exists actually as a working whole; it is a self-constituted and potentially a self-governing organization. A final departure is effected from the merely metaphorical use of the phrase social organism. We are now able to see really what other men in the past were only able to see ideally. The social body is governed by laws which are inherent in its own organization; the governing intelligence is one with the body. By the application of science in the conduct of the news business the natural laws of the body are discovered and political guidance furnished; the physiology of the State is brought into use for a clear understanding of its pathology. A further and inspiring belief in freedom and law is gained. With clear recognition of a social body, appeals to the natural law of its development, as against the worse than useless tinkering through the legislatures, can be successfully

made. We get clear light on the ever present police question at New York. The unfortunate policy of trying to correct the morals of society through extreme repression by the police is displaced by an active faith in the freer play of the social force as means to self-development. The eloquent words of W. K. Clifford have now a deeper meaning: "It is idle to set bounds to the purifying and organizing work of Science. Without mercy and without resentment she plows up weed and briar; from her foot steps behind her grow up corn and healing flowers; and no corn is far enough to escape her furrow."<sup>4</sup>

The City News Office brings into commerce a new idea—integrity in news handling. News becomes a commodity in the full meaning of the word. It is a thing of convenience and may be dealt in the basis of responsibility for statements made. A directing and all-pervading principle may be let into the business. The organization of journalism, though everywhere extended, must have remained nominal until the arrival of conditions which permit the incoming of integrity, which far outruns the mere idea of veracity. The idea of independence in journalism is to be realized through the appearance and acceptance of a science of news which will make organization actual or real. The passing of the ideal into the real is of frequent occurrence in the development of commerce. When the traffic in Peruvian bark became the quinine trade, the ideal had become real. The crudities of journalism are certain to find remedy through scientific and artistic advance. The time has indeed arrived for the great development in daily journalism, but it cannot be accomplished by any individual paper however capable; it can only be gained by applying scientific method to the whole news system through a new center. In a word, the movement must be organic.

Men in high office are recommending publicity as the one effectual means of solving the Trust question, but, failing to understand publicity, they are looking to action by the old organs of government, with the aid of the police power, as the way to accomplish the end. The enlarged publicity which is very properly desired can only be secured through recognition of the new system and its development on scientific lines. The successive steps in the rise of modern publicity are identical with progress in true social regulation, but they were usually gained in spite of the police power as representing established government. Commerce has been evolving its own control through the definite organization of intelligence. Rightly understood, the Trusts are themselves centers of commercial regulation, and their interests are identical with the public demand for a parallel advance in news organization. The beneficent side of the Trust movement will find explanation through the development in literature which the City News Office has achieved. This new literature sets the individual in working relation with the Whole. IT REVEALS THE PRECISE STAGE OF SOCIAL ORGANIZATION IN AMERICA.

<sup>4</sup> [William K. Clifford, "Body and Mind," *Fortnightly Review* 16 (July-December 1874): 736.]

The City News Office is the next step in the further organization of democracy. The end is the exact application of the principle of voting or registration. This will be effected by developing the newspaper interview into a system of fact registration which will connect, in the first instance, with expert sources of information touching all matters directly relating to the needs of New York City's government. Thus, whenever required by the public interest the new center will gather and co-ordinate the facts relating to a given problem in municipal engineering, and will communicate the results to city officials and the daily press. The development is already marked out in the widespread interviewing which is carried on by the newspapers, but it cannot be made systematic and authoritative without adequate principles and methodical procedure.

The modern practice of social registration is a political conception whose meaning is yet to be realized. It is practiced in various ways. At one office land titles are recorded, at another births, marriages, and deaths are entered, while titles to credit are registered at the bank. The citizen has to register prior to offering his vote at the polls. The system of universal suffrage through the ballot is the great example of social registration. It is worth noting that universal suffrage could not have been conceived practically before the incoming of means of easier communication—the improved highway, the mails, the locomotive, and finally the electric wire for quickly gathering the results. Through the ballot or other means of expression, every citizen is armed with a negative regarding questions of public policy. On certain matters the people are experts; everybody is an expert on the effectiveness of the street-cleaning department. Policies are instituted by the individual, by the technical men, but the power of negation is with the people and will always remain with them. Universal suffrage is the Negative Registration.

Without reflection, it might appear that the arrival of universal suffrage was the ultimate in democratic organization, but not so as the degree of communication which prompted the idea of one man one ballot was but the midway point in the application of the voting principle. The pending advance is the Positive Registration. Under it the news or intelligence system will form the directive organization of the State; the principle of representation will attain to its highest development. In this light the doubt which exists concerning the power of democracy to carry forward its own organization is forever dispelled. The cure lies in the advancing self-regulation of commerce. The full remedy appears at the point of greatest complexity or danger when, through electric communication, the last hindrance to the organization at distribution of science has been removed. Under a single organizing and transforming idea, expert voting will come to be legally constituted, and universal arbitration will be substituted for the arbitrary will. Countless disputes will be ended by a plain tale or fact. It is the great co-operation of commerce and its furtherance through the news system. The goal in social organization is to bring all the members

of the body into direct working relation with one another, i.e., with the whole; each according to his particular value or function.

The more the principle is used the clearer it becomes that the idea of communication is the master key for classifying and co-ordinating the new environment, the need being to bring the net-governing centers into better working relation with the old organized Political science, once completely worked out, is so simple and obvious that one wonders over the difficulties which men have built up in their minds during the progress to clear seeing. As in the case of all the physical sciences, the path has been from the myth to the object.

The objective existence of the social body—a thing of space and time—must soon be a commonplace fact both to the scientific and general consciousness. Social organization is unitarian in reality and always has been. The division in the State exists only in opinion, in the uncritical mode of reporting or interpreting life in the science or news system. Without reflection, men of business proceed of necessity on the assumption that there is a social body; they contract with each other on the basis of this assumption and their disputes are referred to an organ of the body—the court arbitration. The central fact in the development of jurisprudence is the tacit recognition of a social body.

The universal is the only practical point of view for organizing municipal news, the preparation therefor having been made. The procedure is as certain as that of the engineers in constructing the Rapid Transit tunnel. They see their object as a whole, and the city's intelligence is seen in the same way, once an adequate principle has been introduced.

All the positive forces of the hour are trying to attain to the end in view. We are at the culmination of a long series of influences, all converging on the one resultant.

As things stand, New York is without an authoritative news center. The present lack of authority cannot be remedied save through a central office which will bring all science to bear on the conduct of affairs. The action of the city government will be paralleled by the organization of fact, thus providing a sure check on the movement of city business. The new authority is the infallibility of Science.

In the City News Office the citizen will have a center to which he will be led to report all the facts in his possession bearing on the city's welfare. With exact method at the news center, the town is self-reporting, especially when furthered by the larger community of interest which will result from the new methods. A great impulse will be given to the news movement of the metropolis, causing an endless variety in the reporting of life. All experts will report to the center; the "letters to the editor" will be replete with fact.

Under the sway of science the news movement will be the primary influence in city affairs. Pages have been written concerning the credit for the downfall of Tweed, while all the while the interest has centered in account-

ing for the rise of Tweed. With full responsibility in handling municipal news, such abuses as have gathered round the name of Tweed could not come into existence. Owing to the growth of the Comptroller's authority and that of other executive officers, the local news organization must be made scientific as means to the only effective check on the taxing power. The news system never exercises power beyond the compulsion which resides in the fact.

The City News Office will effect a combination of scientific interests which will take the place of spasmodic movements for municipal reform. By concentrating on the facts, the forces of order will all be utilized, while as now the waste of time and energy is enormous, not to mention the useless expenditure of money. The mere sentiment of good government is not enough. It must have a firm basis of fact authoritatively stated, and such a basis can only be provided in the definite organization of municipal science or news. It is only through scientific inquiry at the Department of Finance, and at the centers of the news system, that the demand for non-partisanship in the conduct of city affairs can be met.

The City News Office will act as a general clearing-house for the numerous societies in New York which are seeking municipal betterment, and its literature of fact will be at their service. The usefulness of such societies as have a definite place in the local news system will be enhanced by the incoming of a main center, toward which they have been more or less consciously working. A report submitted to the City Club of New York on April 23, 1902 formally proposed a central clearing-house of this order, and recounted the names of forty societies whose aim is social reform. These organizations and the commercial news centers will work together in furtherance of the common end. In association with the commercial principle the mere fad element will be eliminated. An important news center exists in the Charity Organization Society of Manhattan. It operates over Greater New York through its allies in Brooklyn and other boroughs. It has the Borough of Manhattan mapped and divided into news districts. It aims to provide scientific direction for the city's charities, but it cannot reach the highest effectiveness without comprehensive action through a main news center. To become "a clearing-house of registration" for all charitable activities, ease and certainty of communication with the daily press and the general public is necessary, and this compels the organization of the city's intelligence as a whole through a central office.

In recent years, owing to the rise of city government leagues on both national and state lines, the idea of a general clearance or exchange of municipal facts has come to the front. Such an authoritative exchange of news must organize on New York as with other lines of trade, and a new center is needed to facilitate the movement. Without concentration on New York a wide exchange of information is impossible. The government of New York City presents the universal news interest in the municipal field. Of late the engineers of provincial cities have complained of the

excessive demands on them for information from other cities, and they have suggested the need of a general center at which the experience of each center could be lodged for distribution. The City News Office at New York will do this for the country and the world.

Speculative writers on municipal reform have been trying to devise the ideal charter, while others, with keener vision, have sought reform through an enlarged publicity. The latter have a correct idea while trying to realize it in a wrong way. They would raise up a state publicity department at Albany for city inspection and audit, in place of finding the correction through a development in the local municipal organization, the full governing machinery being already in place. The movement must have its first center within the establishment; the Comptroller's office is primary in the desired advance. The writers could not grasp the question practically. They could not understand that the desired bureau of publicity must, in the first instance, be an integral part of the municipal system, and, not grasping this, they have failed to see the Finance Department at New York in its true relation. They could not see that the Comptroller's office is center of registration in New York's government, and that any general scheme of reform must turn upon developing its efficiency.

The degree of news organization which electric communication permits will be a development in government corresponding to the rise of a definitely constituted parliament in England at the close of the seventeenth century. The political reformation of that time involved far more than the substitution of one king or boss for another. It consisted in pushing forward the intelligence system by means of a fully organized parliament. A like change, though of vastly greater meaning, has now to be effected through the news system.

The organized news system of New York will take the place of the old-time Common Council. The local legislature of sixty years ago was prompted by distance. The city was divided into districts and the members from each came together with the neighborhood facts to confer upon what should be done. It was a long way from the City Hall to Fifty-ninth Street in those days, but now all parts of the enlarged city are as one through the talking wire and rapid transit. It is a revolution in conditions, and as a result the central governing body is a group of executive officers constituting the Board of Estimate and Apportionment while as we have seen, the Finance Department has arrived at extraordinary powers of inquiry and control. At present the Comptroller's experts do the work which once fell to the committees of the Common Council. The news system appears as the chief organ of the general interest, and the necessity arises for subjecting it to exact method. The facts must be brought to a center by some agency, since the old local legislature is passing into decay. The work of protecting the general interest becomes a business pursuit.

Municipal reform is again identified, as the problem from any point of view is the publicity question. As the city problem is the heart of the social

question, the central need in American statecraft to-day is to organize the municipal news of New York City in such a way that the daily press will be enabled to report the facts in place of the present irrelevant gossip, and worse. It becomes obvious that at no time was any sort of municipal reform possible which did not involve and compel an extension of scientific inquiry or publicity. It will soon appear strange that there should have been so much discussion concerning governmental progress since it is all bound up with extending the organization of intelligence. It is only by this means that the idea of municipal reform can be grasped and carried out. The very nature of a scientific advance is reformatory.

The immediate factors are compelling municipal reform on the lines indicated. On the one hand the necessity of carrying forward the organization of the Finance Department compels a new center in the local news system, while on the other the Comptroller's office is driven forward by the increasing demand of the news interest for more light on municipal affairs.

FRANKLIN FORD,  
280 Broadway, New York

January 15, 1903

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Through gaining a common center all parts of the city's news system will be brought into the public service. For a moderate fee the City News Office will furnish reports to any citizen or tax payer concerning his relations with the city government. Inquiries will be made as demand may arise. The charge for special and prolonged investigations will be in proportion to the work involved. News will be sold to the newspapers of New York City and to the press of the country and the world. All comers will be treated alike, as the principle demands a free interchange of news on all sides at equal charges for the same service.

Yearly subscriptions from individuals, firms, and corporations will be the first source of revenue of the City News Office. At present some hundreds of thousands of dollars are annually subscribed by New York's men of business for the support of municipal inquiry, through various bureaus and societies, from the viewpoint of the general interest. These payments show that the need already exists in the public mind for a main center, equipped with an adequate principle, which will develop the revenues indicated, and which, above all, will deliver the goods for which the money is paid. The City News Office will issue daily bulletins or reports concerning the operations of the city government for the benefit of subscribers, and it will make systematic the reporting of the Albany legislature. When full organization has been attained the City News Office will publish the Municipal Yearbook of New York.

The City News Office will be a public institution, organized under the membership corporation laws of the state of New York. It is at once an educational and a commercial institution. It will succeed commercially, through its advanced methods, in a business whose revenues from the sale of news run into the millions at New York alone, while to bring order into the reporting of the municipal affairs of the metropolis will be educational in the highest degree.

F. F.



# *Government is the Organization of Intelligence or News*

FRANKLIN FORD

Leaflet from the General News Office,  
1905.

## GENERAL NEWS OFFICE

FRANKLIN FORD, Director

280 Broadway, NEW YORK

MUNICIPAL GOVERNMENT IN New York has reached the stage where its further progress requires the erection on scientific lines of a main centre for the local News System, and to meet this need the General News Office has been established. Its first business is the responsible or scientific organization of New York's municipal news. The telephone and rapid transit have given instant access to all the facts, and so have made possible the absolute registration and co-ordination of municipal affairs. As Government is the organization of intelligence, municipal progress in New York is directly dependent on the action in hand. The political question of the hour is presented. The General News Office is a public institution under the principle of Contract.

### *THE GENERAL NEWS OFFICE WILL CO-OPERATE WITH THE CENTRES OF THE MUNICIPAL SYSTEM*

All the facts in any particular case will always control the action. The whole evolution of the city Government has been toward the registration

and delivery of the facts for the guidance of both officials and the public. This publicity development from within the municipal system has culminated in the present Department of Finance, which is the city's general accounting centre. It has the power to compel the recording of all transactions. The function of the Finance Department is to report the entire range and character of the city business, but its accounting cannot come full circle without a general news centre which will make intelligent demands on the Comptroller's office, and which will be to the local news system as a whole what the Finance Department is to the municipal system. A reciprocal working relation with the Department of Finance is implied, the foundations therefor having been laid in a prolonged study of the Department and its place in the municipality. A like relation will obtain with all departments of the city Government, each of which is a bureau of municipal information on its own account.

#### *ROUNDING OUT THE CITY GOVERNMENT*

A scientific news centre, or news clearing house, is needed to complete the organic form of the city Government. Until there is one centre which can be held responsible for the possession of knowledge concerning all phases of city business, and its prompt delivery, the government of the municipality is not organized in any adequate sense. Within the municipal system, a general accounting centre is at last provided in the Department of Finance, but this is not enough, as the whole field of knowledge, both local and general, has to be laid hold of and made to contribute to the city's needs. The General News Office will bring the municipal facts of Chicago, London, and Berlin side by side with those of New York. At the same time it will make the facts of New York's government accessible to the world, and thus supply the growing demand for authentic news in this field.

#### *THE TRUE IDEA OF MUNICIPAL REFORM*

The governing principle of the General News Office reveals the true idea of municipal reform. Reform in city government must follow the lines of systematic accounting and scientific publicity. The Department of Finance will provide the former and the General News Office will supply the latter. The only thing to be relied upon is the continuity of science, and its infinite organization in space and time. The rise of the professional accountant, who stands for the scientific interest, is an important factor in the advance. Without his full functioning, municipal information cannot be organized. Unbiased inquiry is the only possible non-partisanship.

## THE NEWS MOVEMENT PRIMARY

**Under the sway of science the news movement will become the primary influence in municipal affairs. Pages have been written concerning the credit for the downfall of Tweed, while the real interest centred in accounting for his rise. With full responsibility in handling municipal news, such abuses as are typified in the story of Tweed could not come into existence.**

### *PUBLIC REPORTS OF GREAT VALUE*

The exhaustive preparation necessary for the founding of the General News Office has resulted in a series of original reports of the greatest value regarding the development of municipal government in New York. These reports show how the advance in conditions is making for better city government, and mark out the way in which all orders of men can co-operate with the natural forces in solving the municipal problem. The full remedy appears at the moment of the greatest complexity and danger, just when electric communication has removed the last hindrance to the organization of intelligence. For the first time, we have in the reports of the General News Office a literature of the municipal question on the basis of fact. These reports possess universal interest for men of affairs and all students of politics. A municipal advance in New York is of world-wide interest.

### *PROCEDURE WITH REFERENCE TO THE DEPARTMENT OF FINANCE*

Reports of the General News Office will tally with the official record. They will further the needs of the Department of Finance and all other city departments. The organization of the Finance Department has been charted, and will be reported in sufficient detail to inform the public concerning its function and working relation with the municipal system. It is important at this juncture that the people be brought to a new and larger recognition of the Comptroller's office. The word organization, as used in the field of Government, now takes on a more definite meaning. It means primarily the collection and co-ordination of the facts, and the perfecting of organs to this end. The conduct of New York's municipal business cannot reach the highest efficiency until its intelligence is systematized and at the command of everybody. Proceeding further, comprehensive reports will be made on the function and administrative methods of all divisions of the city Government. These reports will have direct value for the Mayor, the Comptroller, and other city officers, as well as the business public.

### *A SURE CHECK ON THE TAXING POWER*

Owing to the growth in authority of the Comptroller and the other executive officers, who now constitute the real city legislature in the Board of

Estimate and Apportionment, there is need of a new and more effective check on the taxing power. This must be provided through making the local news organization scientific.

#### *A WORKING RELATION WITH EXISTING CIVIC ORGANIZATIONS*

The General News Office will serve as a clearing house for the numerous societies in New York which are seeking municipal improvement, and its literature of fact is at their service. The usefulness of such societies as have a definite function will be enhanced by the incoming of a main centre, while the fad element will be eliminated through association with the commercial principle.

#### *CITIZENS WILL CONTRIBUTE THEIR FACTS*

The General News Office invites all citizens to register the facts in their possession bearing on the city's welfare. With exact methods and a main centre, the town will speedily become self-reporting. A larger community of interest will result from the new methods. By giving the news system unity we make it real, and so are enabled to introduce division of labor on the basis of science. The facts may now be classified and set in relation, each according to its actual value. The central office will do for the whole movement of municipal news what the Ship News Office at the Battery does in its field, and with equal precision. The numerous bureaus of information already existing in New York will be connected together, and the resources of all made available.

#### *THE REGISTRATION OF EXPERT OPINION*

The General News Office connects with all centres of expert inquiry in relation to the needs of New York's government. A complete system of registration will be developed. Thus, whenever the public interest requires, the new centre will gather and co-ordinate the facts relating to a given problem in municipal engineering, and will communicate the results to city officials and the daily press. Such class or technical newspapers as have become expert centres in this field will be drawn upon as occasion may prompt. Under modern communication, the movement of intelligence is becoming as organic as the action of the Post Office, which connects with all interests and all individuals.

#### *THE IDEA OF INTEGRITY*

The General News Office brings into commerce a new concept—integrity in the handling of news. This far outruns the mere idea of veracity. News becomes a commodity in the full meaning of the word. It is a thing of convenience, and may be dealt in on the basis of responsibility for state-

ments made. A directing and all-pervading principle is let into the news business.

### *THE ORGANIZATION OF SCIENCE*

Using the municipal need of New York city as the first objective, the General News Office proposes the organization of science. The physical science men, especially in England, have been trying for years to devise a plan for "distributing the results of science," but, working under the endowment system as they do, they have not been able to see that the end must be gained through a commercial advance, by a forward step in the organization of news.

### *A FAR-REACHING ADVANCE IN GOVERNMENT INSPECTION*

The development of a positive or systematic news system will insure universal and trustworthy Government inspection. All this is involved in the scientific idea of news. For the first time in history, the promotion of the general welfare, which is the province of Government, becomes a normal business pursuit. Self-interest is the duct of sympathy. Under the inspection of a responsible and omnipresent news organization, the late "Slocum" horror in the East River<sup>1</sup> would have been impossible; a rotten life preserver would be instantly reported. PUBLICITY IS THE FORCE WHICH CORRECTS AND REGULATES THE ACTION OF THE SOCIAL BODY.

<sup>1</sup> [In June 1904, the *General Slocum* caught fire and sank in the East River, killing more than a thousand people.]

### *THE FURTHER ORGANIZATION OF DEMOCRACY*

The problem of municipal government in New York is the very heart of the democratic question. To systematize New York's municipal reporting, and after it the whole news movement of the metropolis, is to carry forward the organization of democracy. The Science of Politics has been worked out by the General News Office as the basis of this enterprise. Its formulation is in the language of commerce. Its application is parallel with practice, entering into all the relationships of men. This new science gives the key to social order. It is the discovery and classification of the social system, and like all science has the last simplicity.

### *PROGRESS IN THE NEWS BUSINESS WAITS UPON THIS ACTION*

The reporter is everywhere, but the news traffic has lacked a governing principle through which all parts of the news system could trade together and so develop co-operation on all sides. The General News Office will communicate the needed principle to the entire news system. While scientific method has invaded other divisions of commerce, its entrance

and control in the news field has waited upon the development in science which underlies the General News Office. The modern economies, which have transformed other lines of business, are now to be applied to the commerce of letters. The present advance in co-operative reporting involves a universal application of the organic principle. This principle has been lacking in the Associated Press.

#### *A CENTRAL BUREAU OF INFORMATION*

The General News Office is ready to supply the particular needs of individuals, firms or corporations for information concerning New York's municipal affairs. Clients will be registered on payment of fees, varying according to the range and extent of their business. Reports will be made by telephone when so desired. In fact, the entire local news system will be on the telephone, so that any part of it can be called up at will. The General News Office is a universal bureau of information. Its service is on the engineering, legal, or professional level.

#### *ORDER AND ECONOMY IN THE LOCAL NEWS SYSTEM*

During recent years the growing demand in New York for comprehensive inquiry into municipal affairs has been met in a partial way through the rise of all manner of societies and reform clubs. Numerous information bureaus operating under the profit-seeking principle are also in the local field. The combined yearly money collections of the reform societies and the commercial bureaus are hardly less than \$500,000. The General News Office will bring the two sides of this confused system to a working unity by introducing a directing and organizing idea. It will bring order and economy into the local news system. The new revenues which have arisen will be developed and utilized for legitimate news gathering. The varied functions will be classified, and each will be stimulated to increased usefulness in its peculiar field. The advent of a science of politics will enable the University centre to co-operate in practical inquiry. A radical advance in the organization of credit news is involved. The municipal system abounds in credit news, all of which will be extracted and placed at the service of the business public. The recognition of a news system, with a free trading relation between its parts, is a necessary prelude to the further growth of independence on the part of the daily newspaper.

#### *DAILY BULLETINS OF MUNICIPAL NEWS*

As soon as its revenues will permit, the General News Office will issue to members or subscribers daily bulletins of municipal news. An authoritative and universal publicity concerning city business will result. The point to be grasped is that the general publicity which is demanded in this field cannot be attained without first collecting, classifying, and reporting the

municipal facts from the technical point of view in order to meet the needs of all interests and all classes. The publication of a Municipal Yearbook is proposed.

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## MODERN COMMUNICATION AND THE EVOLUTION OF THE STATE

I should add that the conclusions set out above with respect to the Government of the metropolis and the necessary lines of its development are incidental to the larger work of the General News Office in deciphering the effect of modern communication on the organization of the State as a whole. With the conquest of distance, a new force, amounting to a fundamental alteration in conditions, has come into the world. It is the business of Science to interpret the new conditions for social guidance, and this the General News Office has done. It has in hand a series of public reports which, measured by the present political necessity, correspond to the achievement of Alexander Hamilton and his fellow publicists at the time of the adoption of the Constitution. In truth, the existing crisis in the American State may be compared to that of 1789, when the necessities of commerce led to a liberating advance in the organization of Government. The General News Office has carried forward the literature of politics and jurisprudence to the level of the great new action which is everywhere bursting forth in America. We are now face to face with the political outcome of the progress of the last century in the field of physical invention. The result is the most important advance in actual Government since the invention of the representative principle. Startled by the great modern development of corporate activity, the foremost jurists of Europe are struggling to translate the new realities, but the light must proceed from America, where the free play of the principle of association under Contract has reached its highest development.

FRANKLIN FORD

*Director*



# *The Simple Idea of Government*

FRANKLIN FORD

Leaflet from the News Office, June 13,  
1910.

GOVERNMENT BEGAN, the social relation came to view, on the appearance of one who was surer and quicker than his fellows in the scientific power to determine fact, to find the way or law. Men govern, and are governed, by means of all the relations which they hold to society. The fact-finder, the man of uplifting influence, is a governing centre for all who are in contact with him. The strong man, in the first instance, was always the direction-giver, the element of physical force being secondary. When Warwick,<sup>1</sup> the king-maker, failed to detect the incoming of new and revolutionary conditions he was himself unmade. Science, exact inquiry, is the source of law and government. The soldier or policeman is but incidental to any scheme of government; he is an attendant upon the court of arbitration, his function being to compel obedience whenever necessary. The bouncer in a hotel is an important official at certain junctures, relative to the hotel, but after all he does not direct the business.

## *REGULATION OF THE MILK TRADE*

The state of the milk trade in leading cities will help to make clear the whole question of government or commercial regulation. As now, under the accepted theory, the trade is governed from the City Hall. The milk inspectors are appointed by the city government, and so the regulating agency stands apart from the trade. The results are indifferent. Inspection is perfunctory, spasmodic; it does not inspect. The interest of the inspectors is not that the trade shall reach perfect regulation, but instead that the milk shall stand in constant need of inspection, and of course from the City Hall. In this way a false or 'government' interest comes to exist.

<sup>1</sup> [Richard Neville, Earl of Warwick (1428–1471), is known as "the King-maker" for the central role he played in English politics during the first half of the Wars of the Roses (1455–1485) which opposed the House of Lancaster to the House of York.]

The truth is that the milk trade of any city will not get right save through self-regulation; to be well governed it must govern itself. There are two parties in the milk trade: one standing for honest and the other for dishonest milk. It is to the real interest of both parties to be honest, but in spite of this the dishonest minority has to be coerced. The correcting force must proceed from among themselves where the interest is actual. Scientific testing instruments are now in the hands of the pure-milk men. The need is to organize or unify the trade, and so bring it to the point of self-inspection. This done, every dairyman would sell under the one brand, while the public, coming to be rightly informed, would not buy from parties outside the organized trade, or Trust. Through the resulting identity of interest between producers, distributers, and consumers, the one trade mark would find ample protection; that is to say, the quality of all milk sold would be as certain as that of the postage stamp.

All this illustrates, or goes to make clear, the forward stride in self-government which commerce is making under the new conditions; thro. [sic] it the entire Trust question is laid bare. The notion that voting at a ballot-box was the limit in self-government is a strange survival.

Franklin Ford

Columbia University, New York,  
June 13, 1910

# *A New and Revolutionary Government*

FRANKLIN FORD

Letter to Nicholas Murray Butler, sent from New York, February 17, 1909.

THE NEWS OFFICE

February 17, 1909

Dr. Nicholas Murray Butler<sup>1</sup>  
Columbia University, New York

Dear Sir:

A friend has drawn my attention to a review of your recent book, *The American as He Is*, in the *London Spectator* of January 30th. In the quotation given you say:

Great, therefore, as is the unifying and uniting influence of the government of the United States, its policies and its activities, the unifying and uniting forces and influences outside of the government are more numerous and more powerful still. They are educational, social and economic, and they are ceaselessly and tirelessly at work.

You also indicate that in America the words 'governmental' and 'public' are no longer interchangeable.

It may not have occurred to you that the forces of which you take account have been developing a new and revolutionary government. Do you not perceive that the Industrial State, long held in a language of metaphor, is at last presenting itself in America on the plane of fact, and that its regulating centres are forming independently of the inherited or Military State? In short, that a fundamental alteration in the social constitution must soon come to general recognition. Consider the astonishing disclosure that while the talk on all sides is of extending the control of the Washington government, the actual development in commerce is in the opposite direction. Take the single example of effective control over the money or credit system which has passed from Washington never to return, all real power being now lodged in the Bank Clearing House, allowance being made for possible appeal to the Courts.

<sup>1</sup> [Nicholas Murray Butler (1862–1947) was an American philosopher, diplomat, and educator. He was a professor of philosophy at Columbia University, where he was later appointed president of the institution. Butler was also a national leader of the Republican Party. He was involved in each Republican National Convention from 1888 to 1936. Well-known for his promotion of internationalism, he was awarded the Nobel Peace Prize in 1931. One of Butler's books, *The American as He is*, published in 1908, caught Franklin Ford's attention and motivated the present letter. Their correspondence continued as Ford and Butler crossed paths on Columbia's campus, where Ford had an office set for him in the library.]

The general government of the Industrial State is comprised in the News System and the Credit System, the operating or main centre of the former being the rising News Office and of the latter the Bank Clearing House. The two centres are co-ordinate or on the same level though it will be readily admitted that no two functions can be *absolutely* on one level, as, were this true, the principle of division of labor could not obtain, and motion would be impossible. In this case the primacy is with the news organization, *per se*; that is, the power is on the side of the governing Fact. Yet neither centre can act without deferring to the other, as each is independent in its peculiar sphere. On the one hand, the Credit System cannot act save in the light of the directing fact which it receives from the News System, while, on the other hand, the News System can act freely only on the authority of a credit which is granted by the nearest banking centre. Moreover, the credit cannot be made save on a showing of evidence that it will be returned on the date named in the bond.

Even now, the organs of commerce, or the divisions of labor in the American State, are making new *political* maps regardless of the old state lines; that is to say, the News System, the Credit System, the Transportation System, the Telephone and Telegraph Organization, the Insurance Exchange, and other branches of trade and industry, have found it necessary to district the country on organic lines for the purpose of commercial regulation. It all means that the *national* regulation of commerce is proceeding, in whole and in part, without reference to the Washington government.

Evidence abounds that the prevailing idea of government continues to be the arbitrary will, and this in spite of the much vaunted reign of law. The customary thought is that the only possible correction of real or imaginary commercial abuses lies in setting the police power over against the supposedly arbitrary rule of the corporations. Despite all sorts of investigations hereabouts, save the pursuit of the whole truth, there is little or no recognition that true direction or control must turn upon the compelling Fact. In the main, we encounter everywhere the erroneous and hurtful idea of sovereignty which was elaborated by Austin; that is, the King rather than the Individual is still regarded as the one and only governing centre in the State, and this whether the monarch be hereditary or elective. Here is President Roosevelt, and after him Judge Taft, vainly trying to carry us back to the methods of the Tudors in England as means to an improved regulation of commerce.

But, reversing the picture, it is perceived that government through the new industrial organs (e.g. the Railway Traffic Association) is constantly under the necessity of being right; that is, the decrees, say, of the Bank Clearing House to be enforceable, must tally with reality. Was ever government so limited?

I would have you note that the potentiality of the money or accounting relationship in society, regarded as an instrument of government, is infinite, and this whether as to rewards or punishments; yet the accepted

books on Jurisprudence take no account whatever of this universal and mighty truth. As I read the facts, the real or effectual coercive force (police power) in the region of Contract is the Credit System, since a denial of credit is social death.

I have discovered that one has to stare at the Fact for long in order to see once clearly what the orthodox Jurisprudence of the world has forbidden us to see at all.

A far-reaching, in fact revolutionary, social change is pending, being no less than the appearance of an organic banking system as function of the whole in the political body. It means the end of the 'private' capitalistic regime as historically understood, and all due to the further progress in communication so far as relates to the immediate influence. Under the new regime, private credit will no longer be able to get a profit through 'money lending' as the entire business will be done by the bank centres at a uniform and comparatively trivial rate of interest. It is impossible to convey to you, though I were to write all day, the social amelioration that will result from this change; it will break through from a centre and reach every nook and corner of life.

The bank check has become the standard money of American commerce, money being seen as any instrument for transferring credit and varying as to its universality. In this light, the mint appears as a credit institution where one commodity—gold—has an absolute market. The Organic Bank certifies credit without having to save 'money' therefor; as example, note the action of the New York Bank Clearing House in October–November, 1907. Credits were registered and certified during the panic to the extent of \$100,000,000 at New York alone, and this without using any saved-up money for the purpose. Confessedly, the bankers had no 'money,' so they proceeded to make new money in the course of the transactions under the name of clearing house certificates. The Bank Clearing House has now original jurisdiction in money matters.

In America more particularly, the industrial organization is nearing the point where the large credits needed must be made by the bank clearing houses acting as organs of society as a whole. The system of production is moving forward on organic lines (recognizably so I mean, as the movement was always organic in point of principle) while the credit-making machinery has remained individualist, and the social necessity demands that the antithesis be done away with. The producing system has come to be at war, in fact, with the methods of exchange.

The new, organic, public Credit System is to displace the inherited individualist bank organization because the former is the more highly organized machine. The received system of private capital will give way just as the stage-coach receded before the locomotive. The old system will go into liquidation; it cannot be displaced suddenly since modern civilization is integral with the existing stock-and-bond structure. A social debt of large proportions has accrued in favor of the capitalist class, which has

had the direction of production for, say, the last four hundred years. A new political or governing class is appearing in an order of men who have the scientific habit of mind; the new banker, for example, is to be the master accountant. The unified banking system is the apotheosis of the Morgans and the Stillmans. All credits will be made through the bank centres after the manner of the clearing-house registration in the Fall of 1907.

The Bank Clearing House is taking the place of the Stock Exchange.

To the general consciousness, and for that matter the world of business as well, the economic relation in society has not changed essentially since the invention of gunpowder, yet a revolution in this respect is now impending. And the matter is so simple and clear that were it to be communicated by authority the news would spread like wildfire and become almost at once a popular conviction, since everybody is interested in the money question. Besides, it is not commonly understood that under modern communication all parts of the social body are in the closest touch with each other, either directly or through centres, that is, a sensation received at any one point is instantly felt at every other point.

It is true that the so-called money economy long ago displaced the regime of personal service and payments in kind peculiar to the feudalism of the Landlord, and that slavery gradually passed into the modern wage system, but nevertheless the fact remains that, from the central viewpoint, no radical change in the economic relation has taken place. To obtain a large credit 'securities' have still to be peddled to Tom, Dick and Harry.

Schmoller,<sup>2</sup> the German economist, helped me to understand that the constant progress of civilization has been toward greater and greater economic unities, each taking the place of a passing individualist system. At last, the mediaeval or individualist exchange system is to pass under the rod, and the sooner the alteration is brought to consciousness the better as an infinite development in commercial or social co-operation is waiting on the revolution.

The conduct of exchanges through the intervention of money and progress in division of labor have moved parallel with each other, the one being everywhere necessary to the other. In fact, progress in freedom of exchange and co-operation through division of labor are but two readings of the one social movement. Again, in modern society production never outruns facilities of exchange, while, on the other hand, a breakdown in the exchange system halts all progress on the side of the producing interests. Free exchange and the mobility of property are one and the same thing.

Under separate cover, I am sending certain printed papers which should have interest for you. Two of them are copies of certain Bank News Bulletins which I issued through the Credit Office just before and during the panic of 1907. In the issue of December 4th, I have marked a memorandum on the Future of Social Organization. You are welcome to keep the printed papers.

<sup>2</sup> [Gustav von Schmoller (1838–1917) was a German economist interested in social policy related to urbanization and industrialization.]

With this, I beg to enclose a letter received last year from one of my fellow students, Justice O. W. Holmes of the U. S. Supreme Court. Please return the letter.

Very truly yours,

Franklin Ford



# *News is the Master Element of Social Control*

FRANKLIN FORD

Letter to Oliver Wendell Holmes Jr., sent from New York, January 19, 1912.

THE NEWS OFFICE

New York, January 19, 1912

Hon. O. W. Holmes,<sup>1</sup>  
Washington, D. C.

My dear Sir:

It turned out that I could not deal adequately with the questions submitted to me in your letters of last summer from Beverly Farms (August 17, 18, and 26) without more reflection than I at first thought necessary, which compelled delay. After a bit, I was led to see that what you wanted from me was not merely specific replies to this and that query, but instead the rounded summary of my findings, so far as I should be able to arrive at them.

Happily, since my last communication, I have been able to conclude the research work which forced me to the library of Columbia University, so that on the score of history I now feel myself better equipped for submitting to you the conclusions reached. Besides, certain further insights touching the business aspect of my project have reacted on the ideas involved, and, consequently, have helped to make the theoretical exposition more satisfactory, at least to me. As previously put down for you somewhere, my task proved to be of a dual nature, comprising both the introduction of a new science and its execution in the market-place. Regarding the counting-room aspect of the job, it occurs to me that a striking letter which I received in September from a representative New York journalist, Mr. Frank Parker Stockbridge, may prove of interest to you. I enclose a copy, which you need not return.

<sup>1</sup> [Justice Oliver Wendell Holmes Jr. (1841–1935) was an American jurist who served as an Associate Justice of the Supreme Court of the United States (1902–1932). One of the most cited American legal scholars of the twentieth century, Holmes supported the constitutionality of state economic regulation and advocated broad freedom of speech under the First Amendment. A key figure of American pragmatism and progressivism, Holmes cofounded the Metaphysical Club in 1872, alongside philosophers William James and Charles Sanders Peirce. The Ford-Holmes correspondence started in September 1907 with a letter from Ford to Holmes and lasted until Ford's death in 1918. Their correspondence was later partly published but this letter was not included in the collection. See David H. Burton, *Progressive Masks* (Newark: University of Delaware Press, 1982).]

The seeming delay has gone to clarify my response to your questions and demands; so much has happened in the interim, as, for example, the messages of President Taft and the suit for the dissolution of the Steel Trust. The difference between the old State-centre and the Industrial System is so fundamental that I am unable to see how it can be compromised any longer with safety; the real Trust Question must soon be met. My understanding is that the working arrangement for a century has been a compromise, but, as frequently happens in politics with crude adjustments of the sort, the outcome is a wider gulf.

The care and exactness required in trying to meet your demands is a valuable thing for me. I get the impression from your letters that, while we are looking in the same direction and at the same things, the value you give to the facts, your perspective, is different from mine, though not radically so. Were we not looking in the same direction, it would hardly be worth while [sic] to re-cast and sum up the matters between us. I feel that their importance justifies the utmost effort on my part to bring out, and if possible to reconcile, the points on which we are at variance; I hope to be able, at least, to establish a clear difference. The only workable conclusion is that any fault in the premises attaches to me. Your letters intensify my desire to meet you face to face, but my thought is that I must first do my best to clear up and enforce in writing the contentions which from time to time I have put before you.

Allow me, first, to clear the ground by bringing up, in a measure, the record of our interchange of fact and opinion. You will recall that I was led to send you the outcome of my inquiry into the state of society because of a reference to you by Sir Frederick Pollock,<sup>2</sup> who, as he said, had been helped by two men, yourself and the late F. W. Maitland.<sup>3</sup> On the word of Pollock I turned to your writings, and, pursuing them, I was particularly impressed with the statement of your economic faith as revealed in your dissent in the Massachusetts labor case of Veghelahn vs. Guntner (167 Mass., 92).<sup>4</sup> In this dissenting opinion you said:

It is plain from the slightest consideration of practical affairs, or the most superficial reading of industrial history, that free competition means combination, and that the organization of the world, now going on so fast, means an ever increasing might and scope of combination. It seems to me futile to set our faces against this tendency. Whether beneficial on the whole, as I think it, or detrimental, it is inevitable, unless the fundamental axioms of society, and even the fundamental conditions of life, are to be changed. One of the eternal conflicts out of which life is made up is that between the effort of every man to get the most that he can for his services, and that of society, disguised under the name of capital, to get his services for the least possible return. Combination on the one side is patent and powerful. Combination on the other is the necessary and desirable counterpart, if the battle is to be carried on in a fair and equal way.

It is worth noting that this case was decided by the Massachusetts Supreme Court in the fall of 1896, the majority ruling against the custom of picketing on the part of striking workmen.

<sup>2</sup> [Sir Frederick Pollock (1845–1937) was an English jurist and law professor at the University of Oxford (1883–1903). One of the leading English legal historians of his time, he also served as editor of the *Law Quarterly Review* and the *Law Reports*, the volumes in which decisions of the English courts were published. He is best known for his *History of English Law before the Time of Edward I*, written with F. W. Maitland, and his lifelong correspondence with US Supreme Court Justice Oliver Wendell Holmes.]

<sup>3</sup> [Frederic William Maitland (1850–1906) was an English jurist and historian.]

<sup>4</sup> [Veghelahn vs. Guntner, 167 Mass. 92 (1896) is a United States labor law decision from the Supreme Judicial Court of Massachusetts. Seeking to raise attention to their cause and hoping for higher wages, a union had picketed in front of an employer's business with the objective to convince current employees and job applicants to not enter the building. The court found that the coercion and intimidation found to have occurred interfered with the right of an employer to

Almost at the opening of our correspondence, you referred me to an outgiving of yours in the *American Law Review* as far back as 1872 (vol. 6, p. 725) in which, summing up certain lectures on Jurisprudence which you had given at Harvard University, you said:

Sovereignty is a form of power, and the will of the sovereign is law, because he has power to compel obedience or to punish disobedience, *and for no other reason* (ital. mine). The limits within which his will is law . . . are those within which he has, or is believed to have, power to compel or punish. It was shown . . . that this power of the sovereign was limited not only without . . . but within . . . by organizations of persons not sharing in the sovereign power.

The above extracts helped me to see that you view the social body as the outcome of an evolutionary process, or a development in time; that it is subject to ceaseless change, developing indeed under our very eyes as new conditions enter in. I caught from your writings, and from your first letters to me, that you read history in order to understand the real present, and, such is your persistent youthfulness of mind, that you are always facing the to-morrow of things. It is, therefore, not surprising that I at once placed the highest value on your criticism, and I resolved to do all that in me lay to prompt your giving it to me.

The finding of Maitland, by the way, was an event in my life. It came to me in 1904. I had been watching the intellectual frontier of Europe for long in the hope of finding a change of front among conservative men regarding the constitution of the State. I detected the change in Maitland. The particular reference is to Maitland's Introduction to his translation of a part of Dr. Otto Gierke's "Political Theories of the Middle Age." This Gierke-Maitland volume was published in 1900. For me, it went to connect the advanced legal thought of Europe with the new political facts which are demanding recognition in America. I was enabled to see that the European jurists were seeking to grasp "the State," or body politic, as an organism. I saw that they were getting into line with the organic view which is compelled by the new and far-reaching action that is everywhere unfolding itself in America. What they were trying to see and express in terms of legal principles, I was seeking to formulate in terms of fact in obedience to the necessities of the news business. The Germans, and after them their co-workers in England, were endeavoring scientifically to conceive the very nature of social organization. The aim, in the words of Prof. Maitland, was to "give . . . precision and legal operation to thoughts which are in all modern minds." I had been writing and speaking of the inherited, single-centred or Military State and, by contrast, of the new, many-centred or Industrial State. The distinction appeared strange, and therefore difficult, to some of my friends. You can imagine, then, my satisfaction over the discovery that Professor Maitland of Cambridge University, England, was writing of the "unicellular State" of earlier days and, in sharp divergence therefrom, of the "multicellular State" of the present time. The venturesome newspaper man suddenly found himself in orthodox company.

hire whom it pleases and ruled that the union was guilty of an intentional tort. However, Justice Holmes disagreed, equating the use of collective force by workers to the corporate use of force to compete.]

Then you came along and gave me yet greater reason for believing that I was on the right track. Under date of May 3d, 1907, [sic] you wrote me concerning the observations I had been sending you as follows: "In general they are in the direction of what I have thought for many years, although of course I have not had the specific knowledge which enabled me to see the actualities in detail." In this same letter you spoke of your reflections "on the extent to which new organs were replacing old in the structure of the State." In a communication to me of February 8th, 1908, you said: "Of course I agree that the movement of society is organic, that the separation of government from the other centres of power is philosophically empirical, and that other centres are growing faster than government technically so called." Also, "In some points you [I] seem to think that I differ from you where in fact I fully agree." In a previous letter (April 29, 1907) you told me that you had "never been deluded by the academic legal theory of government into supposing that legislation was more than one exhibition of social power."

After this, I felt warranted in concluding that my task was no more nor less than to work out the implications of your own economic and legal position, and this by observing and recording the new actualities of the rapidly advancing modern environment. The need was to *measure* the extent to which new organs are "replacing old in the structure of the State." By the way, I write it *dis-placing*. What are these new organs, and what of the old ones are they displacing? Above all, the necessity is to determine the function and scope of the new centres of power. Allow me to say that the only claim of Science to our attention and respect is its ability to measure, to fix limits, to identify this or that idea as revealed to us on the plane of fact.

More than once in your always helpful letters you assume that my aim is to set out some new and fundamental concept, and you make the demand that I define it in precise terms. Thus, in your favor of August 18, 1911, you say: "You [I] claim renown . . . for revelations of a philosophical significance," and you ask, "What is the new enlightening thought?" I have been, and am now, at a loss to understand how it is that you could have been led to give me such a rating, as I am unable to identify it in any of my letters or writings. In my talks to friends I have constantly put aside all such claims. In my co-ordination of the facts about us, or, to use your own phrasing, the teachings of affairs, I am of necessity moved and controlled by the organic concept, but I found it, *qua* concept, in the books. You yourself are under the influence of this same idea when you detect the emergence of new organs in the body. I have been applying or interpreting the organic idea in terms of fact, but I had no share in its discovery. That has been the slow work of centuries, as it gradually found place in the mind as a tool of inquiry, of exact observation. I take it that the idea of an organism is our highest, or most comprehensive working concept.

I will say, however, that the fact which came to you—the replacing of old organs in the State by new ones—is admirably calculated, once it is grasped by the general consciousness, to influence our social philosophy in the profoundest manner.

My work is wholly of the practical order. The late T. M. Cooley, Chief Justice of the Supreme Court of Michigan, with whom I had a lasting friendship, used to say of me: "Whatever comes of Ford's work, it is plain that his is the practical mind; that is to say, nothing would interest him profoundly save something to be done in space." Theory-makers are very important people, but I am not in their class. It is true that I have done a lot of laboratory work, historical and otherwise, but that was because, after long searching, I could find no one else to do it. At the outset of my attempt to organize the traffic in news I was in the habit of saying that if I could fill the chair of Politics I could accomplish it. The result was that I had to take the post myself.

I found that, on the plane of principle, the idea of an organism was sufficiently set out in the books. Proceeding to apply the idea, under the half-conscious influence of the new and more organic environment, such philosophers as the late Edward Caird,<sup>5</sup> of Oxford University, have surmised that radical social changes are near at hand. For example, Caird wrote in his book on Kant (vol. 2, p. 376): "In modern times . . . neither the State nor the Family any longer represents the highest moral unity of which we can conceive; although, as a matter of fact, no higher unity has yet taken an organized form." Edward Jenks, the English law writer, ventured upon the prediction: "In truth we look, for the future of Contract, not to the gentle organization of the Clan, nor to the military organization of the State, but to some as yet undeveloped institution, which shall supersede them both."<sup>6</sup>

This new institution is the News System, taken with its cognate organ the Banking or Credit System. My job was, first, to lay the foundation therefor in the new, organic literature of Politics, parts of which I have had the honor to send you, and, second, to give motion thereto through promoting, as a money-making proposition, the News Trust. The first job I have done; the second is in hand. I think it fair to say that I have done as much strictly scientific work in my field as Darwin did in his, but I have to do twice as much.

You ask what I have done in the way of "getting and communicating news." Dismissing my previous career as a reporter on daily newspapers and as editor-in-chief for seven years of the weekly newspaper *Bradstreet's*, I may say that I have been efficient, though my associates have borne the brunt of the work, in erecting the Credit Office as a practical working centre for the registration of credit-news. It is hardly more than a successful working model as yet, though it has a firm foothold in the textile industry, but the future belongs to it. It has been immensely serviceable to me as an instrument for getting at and co-ordinating the facts touching the real

<sup>5</sup> [Edward L. Caird (1835–1908) was a professor of philosophy and one of the key figures of the idealist movement that dominated British philosophy from 1870 until the mid-1920s.]

<sup>6</sup> [Edward Jenks, *Law and Politics in the Middle Age* (New York: Holt, 1908), 291–92.]

state of the Banking System. Our method is that of the physical science—experiment. I have learned through constant and oft-repeated trials. The butt-end of the general news which I have gathered is the universal interpretation of your own disclosure, namely, that new organs are appearing in the structure of the State. In all this, you reported to me a portentous truth, in fact revealing the social secret of the hour. Given its full rendering in terms of the world of business, it ranks as sensational news of the first order, being second only to the solution of the mystery of life itself, toward which the biologists are struggling.

I fear that you are far from grasping the full significance of the function of News, seen as the master element of social control. To me, the organic news system is the lineal descendant of the Courts. What, I pray you, is the function of your honorable Court if it is not to determine and announce the governing facts of society as they unfold themselves before you? It is impossible to conceive in any great detail the infinite social meaning of the organized or centralized news traffic which the near future has in store for us, and this without reference to anything my friends and I may do in the way of furthering it.

To organize anything is to centralize it. I gather from the biologists that when Lady Nature sets out upon a new job, such for instance as the construction of an eye, she first fixes upon a centre and then builds around it. In the field of news, the best example of systematic or responsible organization that I know of is time-news. The astronomer appears to us as the Newsmaster-General. In this and a few other particulars, Society has already an adequate sensorium or brain-centre, for example, the reporting of sporting-news and ship-news. To some extent the news of staple commodities has become organic or complete, especially with respect to stocks of goods, the course of prices, etc., the weekly statement re the visible supply of cotton being a striking instance especially as the facts come from the ends of the earth. An adequate report bringing out the extent to which news is now organized on the plane of science will close the discussion as to whether society is an organism. We have in hand such a report.

A few lines concerning your use of the word *commercial*. I read in your letter of August 17th, the reference being to the present social juxtaposition; "Of course every one sees that all sorts of powerful organizations have arisen outside of government, and that they are real powers. You [I] are interested in the commercial side." This oblique use of the word *commercial* has no place, properly understood, with reference to the incidence of an organism, such as society has now, in fact, become. I regard the handling of time-news as a perfect "commercial" operation. On the basis of a living, moving organism the adjectives "commercial" and "social" are interchangeable. The new organs of government under the principle of Contract are appearing just because a higher efficiency is required to meet the fast increasing social complexity. You and I were born in the same decade, and we received, therefore, about the same social inheritance, and

along with it certain mental lesions or false separations. It has been a struggle with me to get rid of some of them. For instance, in some of my old notes there are references to the necessity of determining the "province of government," whereas in an organism the function or scope of government is as universal as the play of sunlight.

It would have been more to the point had you noted that I have been drawn to the necessity of bringing all aspects of government under a commanding unity. I find the key to this in the movement of News. The genius of the news business cannot be understood at all save from the governmental viewpoint; in short, to make the news traffic systematic or responsible in any direction is to develop government. It is impossible to exaggerate the importance of any fact within the area of its application or control. If you don't agree, try it. As things stand, men have no common tongue by which to confer together touching the social relation, and so we are compelled to a new language, or rather to a reform in language. The reform in political thinking which the times demand is directly dependent on a reform in language. The newspaper discussion of the day offers abundant testimony that, thus far, men are no nearer to understanding each other concerning the over-arching question of government than were the men of the seventeenth century, when the way to a settlement was a fight.

In your communication of August 18th, you say:

The general fact that you [I] emphasize, that other organizations than the old States philosophically are to be regarded as on the same plane as the State, as popularly understood, is familiar. When lawyers use the word *law* in the narrow sense they do it on practical grounds. The object of their study, as I said in an address in 1897, is the prediction of the incidence of the public force through the instrumentality of the Courts. Therefore they confine the word law to the body of prophecies as to the cases in which the axe will fall. There is no objection to their doing so unless a practical is mistaken for a philosophical division, of which I should think there long had ceased to be any danger on the part of those who count.

The above is well enough as a matter of academic discussion, or as regards yourself and your fellow judges in your private intercourse, but the trouble is that the general public, under the centuries-old teaching of the lawyers, has mistaken the "practical" for the "philosophical" classification, so much so indeed that the run of men have been led to believe that the old State-centre (the Legislature and the Courts) is endowed with a law-finding and law-declaring monopoly. The only idea of law which the people are ably to grasp and hold is that which is regnant. The difference between us here is profound, going to the root of things.

The "practical" classification, which you pass over so lightly, is taught in all the common schools and universities of the country as the sole orthodox view, one of the points being that the issuing of "money" belongs only to the Washington government. The notion that the general government of the nation is entirely and wholly centred at Washington controls the political thinking of President Taft, of Bryan, and of Roosevelt. The prevailing

theory of the corporation springs directly from it. Our official teachers tell us on every hand that the "Money Trust" and the corporations are "usurping the powers of government." When passing the New York Bank Clearing House, in Cedar Street, not long ago I spoke of it to a companion as a new institution of government, when he at once hooted at me the intimation being that I was talking nonsense. Roosevelt, as President, held out on every occasion that commerce runs lawless save as it is "regulated" from Washington. The hostile attitude of the so-called workingmen toward the new industrial unities or Trusts, of which you complain in your letter of August 17th, is traceable to these same official teachings, while, as the record shows, both Congress and the Courts are under the spell of kindred ideas, nor could any other outcome be expected as neither legislators nor judges can act independently of the prevailing opinion; the hands of the judges are tied. A Columbia University professor when lecturing recently on Jurisprudence described "law as that part of the social order which by virtue of the social will may be supported by physical force."<sup>7</sup> It seems to me that it would be nearer the truth to say that law is that part of the social order which does not require physical force for its maintenance. To me, both statements are of course vague and unsatisfactory. You yourself, somewhere in your writings, use this language: "the universal will, i.e. by the State, acting through its organs, the courts,"<sup>8</sup> the fair inference from this being that the social will has no other expression. The idea was once true enough, but it has become archaic, and this owing simply to the further evolution of society. And here is a new and highly respectable English textbook, published last year, (Tenth edition of Broom's *Commentaries on the Common Law*) which informs us that "there are two kinds of law—the law of God and the law of the State. There is no other kind of law." The concession to God is worthy of all praise.

I am putting down things as they occur to me without strict reference to logical order; that is, with something of the freedom of conversation. I shall draw freely from my notes, and in due course will deal with your specific questions.

I have found profit in studying your address in 1897 before the Boston University School of Law (*Harvard Law Review*, v. 10). In it you say:

We do not realize how large a part of our law is open to reconsideration upon a slight change in the habit of the public mind. . . . We are still far from the point of view which I desire to see reached. No one has reached it or can reach it as yet. We are only at the beginning of a philosophical reaction, and of a reconsideration of the worth of doctrines which for the most part still are taken for granted without any deliberate, conscious, and systematic questioning of their grounds. . . . For the rational study of the law the black-letter man may be the man of the present, but the man of the future is the man of statistics and the master of economics. . . . The present divorce between the schools of political economy and law seems to me an evidence of how much progress in philosophical study still remains to be made.

<sup>7</sup> [Munroe Smith, *Jurisprudence* (New York: Columbia University Press, 1908), 14.]

<sup>8</sup> [Oliver W. Holmes Jr., *The Common Law* (Boston: Little, Brown and Company, 1881), 207.]

It is interesting and suggestive to compare with what [*sic*] you said in 1897 certain remarks of Prof. Simon N. Patten, speaking as President of the American Economic Association in 1908. He first declared, touching the work of the economists, that

no great American problem has been solved. With every vital question we stand on a halfway ground, halting between the old and the new, and if these half truths are all we have to offer we may harm the public more than we aid them. Confusion and defeat stare us in the face politically, morally, and economically, if the disappearance of old customs, traditions, and modes of thought is not followed by the rise of new concepts, ideals, and institutions. We cannot afford to be mere iconoclasts. We must lay the foundation of a new civilization and show how economic forces will remedy evils that may soon be unbearable.

Further on in the same address Patten had this to say concerning the relation of law to economics:

Law . . . is the one social science that has advanced solely by evolution, and we have much to gain by acquiring its spirit. And law would gain equally by an alliance with us (i.e. with the economists); for the socializing of law is the most important and pressing need of the American people. Legal encrustments of social traditions are the worst foe of progress. Law can be made mobile only by the proper appreciation of economic change; economics can be saved from a series of revolutions only by the spirit of law. When these two sciences are properly blended evolution will be constant and progress orderly.

It hardly needs to be said that so long as Jurisprudence and Political Economy are divorced from each other we cannot have a true idea either of social law or of economics.

As I read the facts, the inherited Legalism is bankrupt, in the face of the vastly increased social complexity. The necessity has arisen to get beyond the fiction that the old State-centre is the one and only source of social law, but this involves nothing short of a revolution in the mind and practice of the race; we are all monarchists by inheritance, and the professional Socialists are the worst. If we are to advance at all beyond the sixteenth century idea of the social relation—that of the single-centred State—which has continued regnant until now, we are face to face with a change in political theory as great as was the alteration in the science of astronomy in passing from the Ptolemaic to the Copernican viewpoint. But the change has occurred in fact, and the new attitude of mind is inevitable. A knot has to be cut which is tied in the human brain alone.

The need is for a new universal authority, a new sanction, taking effect through new organs, and this without directly attacking the prestige of the Military Power. Moreover, a new instrument of coercion is necessary, an instrument as definite in its operation as the jail or the headman's axe, and at the same time infinitely more effective in detail else the new complexity cannot be successfully dealt with. All forms of human association must contain within themselves some effective mode of control; that is to say,

any manifestation or extension of social power must develop the capacity to reward or punish. Mere physical force, whether exerted against persons or property, is an exceedingly crude instrument of control, so much so indeed that it was only adapted to the conditions of primitive society. And all experience shows that physical force cannot be made more coercive by adding to the penalty, even though to the point of slow torture. Of course any development in social law must find expression in new institutions in order to gain popular recognition; that is the people apprehend the operation of law only in its execution. The point of execution is the dramatic and visible thing; the government is seen in the hangman. Again, the new mode of control must be rational or in accord with the existing constitution of society.

So far as I am aware, our sociologists and jurists have done nothing decisive for us by way of tracing the evolution of punitive force and its application in society. Certain changes in modes and severity of punishment are recorded, but to report this order of facts is an easy task. We are told that culprits were both hanged and quartered in the seventeenth century, but, as yet, no one has had anything of moment to say concerning refinements in the public force in spite of the fact that the flexibility or adaptability of force must keep pace with growth in social integration or the increase in complexity. It is hardly necessary to add that inquiry in this direction could not progress without a clear departure from the received viewpoint. Concerning this inheritance, when reporting to Ex-Judge John F. Dillon<sup>9</sup> in 1905 touching the progress of my work, I wrote as follows:

Gradually, I came to realize something of the extent to which the public mind is resting under the tyranny of the inherited notion that the general government of the nation is entirely centered in Washington, and that all petitions for relief must be sent there. This idea of the old centre has passed into what is little better than a superstition. The undue emphasis concerning it is easy to understand as the rise of parliament was identical with the progressive triumph of the democratic spirit. It is a natural sequence, therefore, that both politicians and newspapers should contribute to what has now become a distortion of fact. I was enabled to see that the popular consciousness is held in thrall by an idea which, though once true in good part and useful as a tool of inquiry or method of classification, has become false and misleading.

Since 1905 the shadow of the old centre has continued to darken counsel. All the Utopists, inclusive of President Taft, Col. Roosevelt, and Mr. Bryan, save of course the anarchists, are more energetic than ever in preaching the political philosophy of the sixteenth century. "The enduring work of the sixteenth century," says J. N. Figgis, "was the modern State. Its legal omnipotence and unity, the destruction of all competing powers, separate or privileged, was assured, and a universal all-embracing system of law became possible."<sup>10</sup> While you, in your private capacity, have not been deluded by "the theoretical omnipotence of the technical law-maker," the great majority have been fooled by it, and, in your public function as judge, you are compelled to work by it.

<sup>9</sup> [John Forrest Dillon (1831–1914) was an American jurist who served as a Justice of the Iowa Supreme Court and a United States Circuit Judge. He is known for his theory of state preeminence over local governments, called Dillon's Rule. Ford corresponded with Dillon with whom he discussed legal and historical questions.]

<sup>10</sup> [John N. Figgis, *Studies of Political Thought from Gerson to Grotius, 1414–1625* (Cambridge: Cambridge University Press, 1907), 133.]

Of course we are able to account for the prolonged hold of the old centre on the mind when we reflect over the awful importance of the political unity, or the social bond. No wonder the idea took ground that the King could do no wrong; he was the fountain of justice, or, to use Maitland's words, the centre of the centre. The safety which men felt in the idea of the single centre very naturally bred in them a fear of new controlling unities.

I should note that there is nothing new in the perception that powers have been coming into place outside, and independently of, the old centre of control, but, until now, they have always been treated as illegitimate. One of the most striking things on this score that I have run across is the following from the *London Spectator* of April 11, 1857:

The present state of affairs on the Continent suggests the existence of some influence which is not generally recognized, though its power must be overruling and its operation universal. . . . We perceive . . . that it may become dangerous alike to the material condition, the political independence, and the domestic order of states. Nor are we speaking of any imaginary or mere "moral" influence; we speak of a powerful combination more than political, more personal than a congress of diplomats or princes. . . . The money merchant obtains his profit entirely from the simple act of exchange. . . . He is not a safe counsellor for those who have in charge the permanent interests of states. . . . The power of that order . . . proceeds in its action independently of ordinary political movements, and shows itself pursuing its course uninterrupted, undiverted, whatever may . . . be the action of ordinary statesmen. . . . It is a new order, a new administration in the world. . . . The class is alien to any particular country, and yet is deeply rooted in the administration of each country. . . . This grand council of millionaires has proved that it is superior to the political administration of the separate countries. . . . It is republican, but of the aristocratic republic, more close than the Grand Council of Venice, infinitely more arbitrary. Like that commercial republic, kings bow down to it; but the kings that now bend are the giant emperors of our day, not the brawling leaders of the middle ages. The debates of this council are not reported; its constitution is as yet unascertained and undetermined. We feel its power before we can define it. It is independent of political councils, higher than political responsibilities, ignorant of constitutional checks. . . . And it extorts from us the question whether any account has yet been taken of the immense institution that has sprung up while emperors and common politicians were thinking to settle the world with armies and treaties.

Over half a century has passed since the above publication, but science has remained dumb to the demand of the Spectator for an accounting. Instead of a clarifying report the mystery has deepened. Sir Oliver Lodge, the noted English scientist, tried his hand at it in the *Economic Review* for October 1898, the title of his article being "The Functions of Money," but the best he could do was to bring up with this dogmatic statement: "There is a fifth estate of the realm now, more powerful than any of the other four, and the nation bows down before it. The supreme power is the power of the purse. The latest of the functions of money is to rule the modern world."

Just here I want to bring under your eye two other things from the books. The first is from *Money and Civilization* by Alexander Del Mar, published at London in 1886, and thus reads:

Nor does the co-relation (i.e. between Money and Civilization) end here; it also relates to the *forms of money and society* (italics Del Mar's); in other words, it is structural as well as functional. With the development of society from the rudimentary to the highly organized condition, from the simple to the complex, from the homogeneous to the heterogeneous form, so has money developed from slaves and cattle to corn; from corn to metals; from metals, which are not susceptible of limitation, to coins, which are; and from a limited number of coins to a limited number of symbols of any material. These co-relations between money and civilization hold good as well in periods of decay as of growth: so that when we shall have acquired a sufficient degree of intimacy with the subject, it will become as possible for us to reason out from its monetary system the entire structure of any given society, or State, as it was for Cuvier to trace from a single bone the form and functions of an unknown animal.

The second is from the French economist, Proudhon, the date being 1840:

But at this point a gigantic and complicated conspiracy is hatched against the capitalists. The weapon of the exploiters is met by the exploited with the instrument of commerce; a marvelous invention, denounced at its origin by the moralists who favored property, but inspired without doubt by the genius of labor, by the Minerva of the proletaires. The principal cause of the evil lay in the accumulation and immobility of capital of all sorts—an immobility which prevented labor, enslaved and subalternized by haughty idleness, from ever acquiring it. The necessity was felt of dividing and mobilizing wealth, of making it pass from the hands of the possessor into those of the worker. Labor invented *money*. Afterwards, this invention was revived and developed by the bill of exchange and the Bank. The first man who conceived the idea of representing a value by a shell, a precious stone, or a certain weight of metal, was the real inventor of the Bank. . . . By this means, oppressed equality was enabled to laugh at the efforts of the proprietors, and the balance of justice was operative for the first time in the tradesman's shop. The trap was cunningly set, and accomplished its purpose so thoroughly that in idle hands money became only dissolving wealth, a false symbol, a shadow of riches. An excellent economist and profound philosopher was that miser who took as his motto, 'When a guinea is exchanged, it evaporates.' This explains the constant fact of history, that the noble—the unproductive proprietors of the soil—have everywhere been dispossessed by industrial and commercial plebeians. . . . The greatest enemy of the landed and industrial aristocracy to-day, the incessant promoter of equality of fortunes, is the banker. . . . The banker is at once the most potent creator of wealth, and the main distributor of the products of art and nature. And yet, by the strangest antinomy, this same banker is the most relentless collector of profits, increase, and usury ever inspired by the demon of property. The importance of the services which he renders leads us to endure, though not without complaint, the taxes which he imposes. Nevertheless, since nothing can avoid its Providential mission, since nothing which exists can escape the end for which it exists, the banker (the modern Croesus) must some day become the restorer

of equality. Whence it follows that the Bank, to-day the suction pump of wealth, is destined to become the steward of the human race.<sup>11</sup>

I have been led to the above references partly as a help in raising the central question between us up to the level of its true worth and dignity. I am not trying to adjust a mere personal difference of opinion, and I am sure that it means far more than this to you else I could not have won your attention. Instead, I am seeking to present to you at once the course of social evolution, the nature of the existing crisis in the American State, and the one road to its peaceful solution. As I look at the situation it is charged with greater peril than was the crisis of 1789, at the adoption of the Constitution, or the conflict of 1861.

I have now to remark further on the absence, so far as relates to our public teachers, of any recognition, even to the bare possibility, of the appearance of new organs of social control in the legitimate sense, along with a new instrument of coercion. It is true that various writers are anticipating a great development of the Common Law, but the hall-mark of the law they have in mind is always physical force—the fine, the jail, and the gallows. For example, here is Bruce Wyman, a Harvard professor, with a book on “Control of the Market.” He is looking for “a legal solution of the Trust problem”—it must be “legal” or nothing—and this without the least suspicion, so far as he reveals himself, that the new combinations may turn out to be, in and of themselves, simply a further outworking of the intrinsic law of the social organism. Wyman is serious of course, but just the same his book is a humorous production. His industry in working over the mass of case law is so exacting that he has no time to look out of doors for the true facts. His naive belief in the Police Power as a remedial agent reminds one of the ill-starred attempt of the English courts towards the end of the seventeenth century to bring the control of the news market under the Common Law. The learned Chief Justice, Scroggs, held that “to print or publish any newsbooks or pamphlets of news whatsoever is illegal; that it is a manifest intent to the breach of the peace, and that they may be proceeded against by law far an illegal thing. Though the thing is not scandalous, yet it is illicit and without authority” (R. v. Carr, 7 St. Tr., 1127). The Common Law was thought to be sufficiently tough and elastic to put down the news mongers, but it turned out that the inflexible thing was the news movement itself, and this, if I may so write, in accordance with the law of the social body and in spite of “the law of the land” as interpreted by the courts. It is worth noting that it was about this time, 1680, when some hungry newspaper man at London first conceived that he could get a living—food, clothing, shelter—by selling news. It appears, from the history of opinion, that a given social order is always at the point of its highest pretension in the very moment of its decline.

Sir Frederick Pollock, in his Harvard lectures on “The Expansion of the Common Law,” takes, as is natural to him, a broad view of the matter. He says:

<sup>11</sup> [Pierre-Joseph Proudhon, *What is Property?* trans. Benjamin R. Tucker (Princeton: Benjamin R. Tucker, 1876) 312–13.]

Just now (1903) there is a group of questions before courts of common law both in America and in England, arising out of the rapid modern development of trade combinations, which go to the very foundation of the law of personal liberty and of civil wrongs. . . . The problem is nothing less than to reconcile the just freedom of new kinds of collective action with the ancient and just independence of the individual citizen. This much is certain, that no merely technical resources of the law will suffice for the task. In whatever jurisdiction the decisive word is spoken, it will be founded on knowledge of the world, and on broad considerations of policy. Natural law will have . . . a large and probably a dominant part in it.

In Pollock's view, "the Common Law has largely enriched and is still enriching itself by associating the Law of Nature with its authority," but I doubt if Pollock, notwithstanding his open mind, is prepared, as yet, to recognize and welcome the revolutionary conception of Social Law which the Trust development implies and compels, reaching down to and transforming the customary ideas both of sovereignty and jurisdiction.

I once wrote you that it is not easy to see once clearly what the orthodox jurisprudence of the world has forbidden us to see at all. A measure of this difficulty is afforded in Brooks Adams's book, *Centralization and the Law*. After sketching the rise of the King's courts in England under Henry II and the further development of the Common Law in obedience to the wants of the vigorous mercantile class, which represented the new economic power, Mr. Adams points out that

the law, if we view it right, presents a series of phenomena, evolved by the conflict of social forces; and if we would understand those phenomena, we must begin by understanding the society which caused them. . . . The law is the envelop with which any society surrounds itself for its own protection. The rules of the law are established by the self-interest of the dominant class, so far as it can impose its will upon those who are weaker. These rules form a corpus which is more or less flexible according to circumstances, and which yields more or less readily to pressure. When the society, which is the content of the envelop which we call the law, expands or contracts regularly and slowly, the envelop, yielding gradually, tends to conform without serious shock; conversely, when society breaks suddenly with its past because of the instantaneous injection of some new energy which disturbs the habits of life, the law may not automatically adapt itself to the change, but may be rent by what we call a political revolution. In the nineteenth century our society broke with its past by the introduction of steam.

Coming down to the present time, he asserts that "within seventy-five years social conditions have changed more profoundly than they had done before since civilization emerged from barbarism, and, apparently, we are only at the beginning. . . . In fine, modern life is evolving conceptions not only different from, but often antagonistic to the old." And he continues: "Whither we are drifting we know not, but this much seems to me clear. In a society moving with unprecedented rapidity unintelligent conservatism is dangerous. No explosion is more terrible than that which shatters an unyielding law. As yet our legal system is unyielding. . . . The

character of competition has changed, and the law must change to meet it, or collapse."<sup>12</sup>

And so, Adams brings up with a negative only. He appears able to see in law only the operation of arbitrary power, and he vainly seeks to learn where the new absolute will is to be lodged. He detects no new expression of the general interest. While he is able to recognize a fundamental alteration in conditions, he lacks a universal concept by which to order his facts and thus lead up to the clear and radical advance in the very idea of Social Law which is implicit in all his writings on this subject. He uses the tool of inquiry which he himself rejects—the notion that, of necessity, absolute power is lodged in one part of the body politic. He cannot compass the organic view of society; to him, it is only a mechanism. His work is valuable to me, but only through re-action from it. In spite of his startling avowals, I find no trace in Adams of any perception that the body of law which grounds itself in the might of the billy and the bayonet can not by any possibility expand and become more common; that instead the development of law which the new era demands must find vent through new organs, involving, as I shall undertake to show you, a new instrument of coercion. Adams does not know it, but it is true that the instrument of mere physical force has reached its limit as a mode of social control.

This view is confirmed by the striking article of Mr. Adams in the *Atlantic Monthly* for July, 1910, entitled, "A Problem in Civilization." The problem, as he puts it, is how to control the social energy which modern science and modern inventions have liberated, and he starts out by defining civilization "as tantamount to centralization." "An organized social system can exist on no other foundation than monopoly." "The impulsion given society by the forces set in action by applied science has gathered volume, until now it sweeps before it our laws and institutions." A lesson is drawn from the unifying of the American colonies by means of the Revolution, culminating in the Constitution of 1789. Emphasis is laid on the type of mind which at that time caused our society to cohere, and the demand is made for another Washington who will organize or fuse the present society, whose condition, we are told, is infinitely complex, going to the root of the social system. A tribunal is demanded which will be open to the individual, and which will have jurisdiction over the prices charged by monopolists. "The alternatives are, to bring monopoly under the jurisdiction of the courts, or else for the monopolist to enroll an armed police which will enforce his will." The need is the entrance of an administrative mind whose genius and power will tally with the present stage of scientific method, and through such a mind to develop "a central intelligence" which will satisfactorily regulate prices, but to Adams the only visible instrument therefor is the inherited court of law. Yet this is not all, as the necessity has arisen for a social authority equivalent to that exercised by the father in the family under the old civilization, which, as our writer says, is dead.

<sup>12</sup> [Brooks Adams, *Centralization and the Law* (Boston: Little, Brown, and Company 1909), 45-50.]

The entire article betrays again that Mr. Adams is wholly unable to detect that a new social order is breaking through the shell of the old. Notwithstanding his important discoveries, he continues to hold to the State-idea of the sixteenth century—the body with a single governing centre. Thus he gravely tells us: "Justice must be a monopoly. There can be no competition in justice. That the State, and not the citizen, shall punish wrong, is the first principle of civilization." Again, the appeal is to arbitrary power; the natural interactions of the organism are away from him. He is unable to ask the question. What would be the effect on the distribution of even-handed justice were the News System and its cognate organ, the Credit System, to undergo absolute centralization, which of course could only be effected under the impartiality of scientific method. It so happens that, under the Law of Society, untruth cannot be organized to any great extent. Mr. Adams recites for us the achievements of exact method in the world of business. He tells us that "speaking generally, in the United States, whatever concerns are based upon science are well administered, those based on law are ill administered." His colleague in the Boston University Law School, Dean Bigelow, goes so far as to say that the directing centre of "the new order," meaning by this of course the organ of the general interest, will have to adopt "nothing short of the scientific precision . . . of the Standard Oil Company." "The winning order . . . must be the most perfect embodiment of skill and power." It is plain, however, that neither Adams nor Bigelow has sufficient faith in science to lead up to the suggestion that the science of society is in store for us. Nor is either of them aware that social science is but another name for the science of business. They have not yet attained to the outlook of W. K. Clifford: "It is idle to set bounds to the purifying and organizing work of Science. Without mercy and without resentment she plows up weed and briar; from her footsteps behind her grow up corn and healing flowers; and no corner is far enough to escape her furrow."<sup>13</sup>

<sup>13</sup> [William K. Clifford, "Body and Mind," *Fortnightly Review* 16 (July-December 1874): 736.]

I have been led to dwell upon the joint work of Adams and Bigelow because, for one thing, it represents perhaps the most serious attempt on the part of our legal teachers to explain the present juncture of the social forces and to indicate how or in what direction they are moving. I cannot see that they throw any light on the situation except of course to heighten our sense of its gravity. I think their efforts go to show that the training of the lawyer works against clear seeing in this field, though it is the one field in which he is supposed to have expert knowledge and power. As you may know, Bigelow published a new book last year under the title, *A False Equation*, in which he discloses a slavish adherence to the received idea of State organization: the absolute State, facing the absolute individual, to use the words of Maitland. Bigelow deplores "the weakness of the State" in dealing with the monopoly question, and yet his demand is for more "legislation." To Adams, the "community lives very largely in defiance or in disregard of the law,"<sup>14</sup> but he does not perceive that new legalities or

<sup>14</sup> [Adams, *Centralization*, 47.]

new ideas of law are pressing for recognition. The latter has delved into history with good results which aided me somewhat in tracing the course of the money or credit system. He has written of the relative changes in position of gold and silver as instruments of exchange, though unable to recognize that the paper instrument is displacing both metals. He is at no time able to grasp the evolution of commerce, or what is the same thing of society, as a whole, and so to mark out definitely the successive rise and decay of new centres or modes of social control which commerce raises up in obedience to its own necessities, i.e. for its own regulation. He appears not to know that the ever advancing movement of commerce is but another name for the natural expansion of human wants and activities; that it is a self-moving organism ever incorporating in its majestic sweep new energies as they are liberated through the discoveries and inventions of Science. I have never met Adams but last Spring, when in Boston, I had a talk with the editor of the *Atlantic Monthly*, Ellery Sedgwick, who said to me that Adams is constantly laying stress on the need of greater social co-operation, but, I take it, he is not sufficiently aware that the overarching co-operation among men is through the profit-seeking principle of the despised dollar-hunters. Such writers have yet to learn that the feudalism of the Landlord, the State-centre of the sixteenth century and of Roosevelt, and the organism of countless governing centres now coming to recognition are but varying expressions of the Spirit of Commerce.

By the way, I want to put down that I was helped distinctly, in the course of my struggle to grasp commerce as a moving whole of action, by the German economist, Schmoller, especially by his short account of the Mercantile System and its Historical Significance. He led me to see more clearly that the true history of commerce is the development of its centres of control, that on anything short of this resultant we have only a jumble of unorganized facts, and not a *story*, and that the constant progress of civilization has been towards greater and greater economic unities, each taking the place of a passing individualist system. Schmoller sketches the transition from local trading customs to the territorial and thence to the national economy. In his view mercantilism was "nothing but state making—not state making in a narrow sense, but state making and national economy making at the same time; state making in the modern sense, which creates out of the political community an economic community, and so gives it a heightened meaning. The essence of the system lies not in some doctrine of money, or of the balance of trade. . . but of something far greater, namely, in the total transformation of society and its organization, as well as of the State and its institutions, in the replacing of a local and territorial economic policy by that of the national State."<sup>15</sup> It is thus that he breaks through the shell and husk of history to its economic core. He makes this suggestive statement: "The great and brilliant achievements of history, both political and economic, are wont to be accomplished at times when economic organization has rested on the same foundations as political power

<sup>15</sup> [Gustav Schmoller, *The Mercantile System and Its Historical Significance* (New York: Macmillan, 1896), 50–51.]

<sup>16</sup> [Schmoller, *The Mercantile System*, 3.]

<sup>17</sup> [Schmoller, *The Mercantile System*, 3-4.]

and order."<sup>16</sup> Again, he says: "The idea that economic life has ever been a process mainly dependent on individualist action—an idea based on the impression that it is concerned merely with methods of satisfying individual needs—is mistaken with regard to all stages of human civilization, and in some respects it is more mistaken the farther we go back."<sup>17</sup>

Concerning the growing place of science in commerce and the attention it is beginning to receive from representative men, I have been struck by an address of the English philosopher and politician, A. J. Balfour, in 1908, entitled, "Decadence." After considering from various viewpoints the causes underlying the making and the unmaking of nations, he says:

A social force has come into being, new in magnitude if not in kind, which must favorably modify [such hindrances to progress as he had mentioned]. This force is the modern alliance between pure science and industry. That on this we must mainly rely for the improvement of the material conditions under which societies live . . . is obvious, although no one would conjecture it from a historical survey of political controversy. Its direct moral effects are less obvious; indeed there are many who would altogether deny their existence. To regard it as a force fitted to rouse and sustain the energies of nations would seem to them absurd: for this would be to rank it with those other forces which have most deeply stirred the emotions of great communities, have urged them to the greatest exertions, have released them most effectually from the benumbing fetters of merely personal preoccupations—with religion, patriotism, and politics . . .

"I believe," adds Mr. Balfour,

this view to be wholly misleading, confounding accident with essence, transient accompaniments with inseparable characteristics. . . . All great social forces are not merely capable of perversion, they are constantly perverted. . . . In talking of the alliance between industry and science my emphasis is at least as much on the word science as on the word industry. . . . It is on the effects which I believe are following, and are going in yet larger measure to follow, from the intimate relation between scientific discovery and industrial efficiency, that I most desire to insist. . . . I do not myself believe that this age is either less spiritual or more sordid than its predecessors. I believe, indeed, precisely the reverse. . . . If in the last hundred years the whole material setting of civilized life has altered, we owe it neither to politicians nor to political institutions. We owe it to the combined efforts of those who have advanced science and those who have applied it. If our outlook upon the Universe has suffered modifications in detail so great and so numerous [*sic*] that they amount collectively to a revolution, it is to men of science we owe it, not to theologians or philosophers. On these indeed new and weighty responsibilities are being cast. They have to harmonize and to co-ordinate, to prevent the new from being one-sided, to preserve the valuable essence of what is old. But science is the great instrument of social change, all the greater because its object is not change but knowledge; and its silent appropriation of this dominant function, amid the din of political and religious strife, is the most vital of all the revolutions which have marked the development of modern civilization. . . . This process brings vast sections of every industrial community into admiring relation with the highest intellectual achievement, and the most disinterested search for truth; that those

who live by ministering to the common wants of average humanity lean for support on those who search among the deepest mysteries of Nature; that their dependence is rewarded by growing success; that success gives in its turn an incentive to individual effort in no wise to be measured by personal expectation of gain; that the energies thus aroused may affect the whole character of the community, spreading the beneficent contagion of hope and high endeavor through channels scarcely known, to workers in fields the most remote; if all this be borne in mind it may perhaps seem not unworthy of the place I have assigned to it.

I have reproduced Mr. Balfour's address in considerable detail as it comes from a representative English observer. It is the most striking thing of the sort that I have seen from a high political quarter. He states his points with some hesitation, more in fact than is shown by the parts I have copied, feeling evidently that his audience might not be in full sympathy. The outgiving prompts me to say that the wonderful achievements he recites compel an immediate further advance of like order and this to an extent that is not easy to grasp or appreciate. The truth is that the resulting social complexity cannot be controlled or directed by any means short of the power which created it; that is, the power of science itself. I mean that at a certain stage in the industrial development the enlarged governmental need compels a resort to scientific methods, and this in an exclusive sense. A new order of government is required and it must rise from the genius of the locomotive and the electric wire. An organic climax in society has been reached, so much so indeed that the parallel culmination on the side of government must be an extension of the rule of science.

The outcome to be dealt with is the modern industrial system which presents a new problem in social control which cannot be solved by any possible extension of the rule of physical force, i.e. of the police power, and the movement must of necessity be international, as the Industrial State is the World-State. The degree of scientific control which is required cannot operate through the old State-centre, since compulsory co-operation and voluntary co-operation are not workable through one organ. But the advance can only obtain, or become regnant, through a successful struggle for control on the part of the men of science. Their line of procedure is through the news organization of the world, and it must be in harmony with, or by virtue of, the profit-seeking principle. It is a noteworthy though little known fact that progress in true or rational political control is directly as to the extension of venality in society, which means that the scientific ordering of the news movement must be grounded in business methods in order that the action may become organic in the highest degree.

I fancy that this principle—the self-seeking method of the counting-room—would surprise and possibly perplex Mr. Balfour as the idea flies in the face of our inherited prejudices, but the fact remains that the ultimate government of the industrial system must itself be a business undertaking. The method must be on all fours with the principle of Contract or voluntary agreement on which modern commerce has been built up. Happily, the conditions are everywhere favorable as the extension and control of the international credit system—the key to the advance—necessitates the systematization of the news movement, which runs parallel at every point. The idea involves the organization of human experience on a world-wide scale, and this through an institution that will be prepared to sell, at a price which everybody according to his needs can afford to pay, the experience of all man in relation to any given problem or combination of circumstances. The masters of physical science of late years have been plotting ways and means, to use their own words, for distributing the results of science, each fact to be rendered in its life bearing, but they have yet to learn that the job must be let out to the men of business; that is, to the money catchers.

In 1884 John Eaton, one time United States Commissioner of Education, addressed the American Association for the Advancement of Science on this question of distribution. Among other things, he said:

The dissemination of truth is as scientific as its discovery. . . . Toward the gathering up, for man's daily use, of all the lessons of nature, the progress of the race is tending. . . . The era of this diffusion of knowledge has already commenced. Men not engaged in scientific pursuits are gradually coming to feel the necessity of gathering, grouping, and generalizing the data which give them a clear measure of health, comfort, pleasure, as well as the profit and loss involved. . . . But the correlation of all these and their actual results have not yet been reached."

At a meeting of the British Association some years ago a demand was made for a central institution which should adequately check the results of scientific inquiry. This growing need has further illustration in a remark by Prof. Louis Agassiz: "Scientific truth must cease to be the property of the few; it must be woven with the common life of the world."<sup>18</sup>

A later and more insistent demand of the same order appears in Dr. Henry Maudsley's book, *Life in Mind and Conduct*, published in 1902. Dr. Maudsley says:

There is apparent need now of a superior scientific or philosophic society, a select council of wise men conversant with all the sciences yet engulfed in none, an organ of scientific synthesis, to understand, interpret, co-ordinate and blend their different knowledges—in fact, to make them wisdom. Until that be done, although knowledge grow, wisdom will linger. . . . Is there no remedy, then? There is none yet visible. The strange irony of the situation in England is that the highest scientific Society is entirely occupied with the prosecution of minute researches, doing nothing whatever to co-ordinate results, yet calls by the name of "Philosophical Transactions" the huge volumes in which it accumulates the scattered gleanings of laborers who, if they

<sup>18</sup> [This paragraph, including the quotes from Eaton and Agassiz, is copied from Ford's *Draft of Action*.]

were all congregated in one room, would hardly understand a word of each other's language.

But none of these authorities have perceived, so far as I am aware, that the results of science to date could not be laid hold of and given universal distribution until the science of society should be formulated and let in at the base, functioning as the scheme of classification. Nor could this happen until directly compelled by the rising economic need; that is, as I have already indicated, the desired advance could not take place until the system of industry should reach such a degree of complexity as to necessitate the substitution of scientific direction for the inherited haphazard methods of social control. Society does not change its habits upon the strength of intuitions; it decides only upon the authority of facts. It all means, in short, that the demand of Dr. Maudsley could not be met until the constitution of society should become, in fact, organic in the full sense of the term. The demand is for the highest human tribunal yet conceived, far outrunning the function and scope of Parliament, and this though the latter be taken at its greatest pretension to sovereignty.

The suggestion points to the control by Science of our whole existence. There is as yet no general recognition of the function of science or impartial inquiry in the field of government, that is, so far as this aspect of social life is dominated by the old State-centre. It is true of course that on the side of Contract or voluntary agreement social activities have come under scientific direction to an immense extent, but the idea has little or no place as a political conception. Indeed, it is fair to say that the spontaneous social co-operation, on which are dependent our regular supplies of food, raiment and shelter, would break down but for the presence and control of exact inquiry. Step by step the various divisions of commerce have been passing under the direction of science but the fact has no recognition in the general consciousness. It is true that now and then the old governing centres call to their aid the training and skill of scientific men, but this only on condition that the function or usefulness of the old organs shall not be looked into; what Maitland called "the impeccability of the State" is still the ruling idea. In the field of so-called political action there must be no thought of scrapping old machinery. Yet if we were to seek the most general force which has been active in historical times, and is still active, the answer would be: *The conquest of all intellectual fields by science*. And this factor is increasing with each social advance, in fact it is the impelling cause of such advances. The chief obstacle standing in the way of the universal acceptance of science as the guide of life is the continued reverence for, or the unquestioned obedience to, the edicts of the old State-centre; that is, we regard political and moral laws with a feeling different from that with which we look upon physical or chemical laws. We are accustomed to regard our law-makers, jurists, and political organizers as leaders of men to the neglect of those who make our scientific discoveries and inventions. But, happily, the tide of opinion is turning and I think we are in

the way of recognizing the irresistible power of science as a matter of daily thought and experience. I have been drawing together the evidence as to the extent to which scientific method is even now directing social action, preparatory to making a commanding summary of the wonderful story, and I am hoping that the report will go far toward correcting the inherited view. The need is to change the objects of social adoration.

The difference between the old and the new civilization is expressed in the one word: *science*. If we go to the bottom of the matter we find that our entire social order rests on the fact that we can and do look into the future. In fact the height of any civilization turns upon the thoroughness with which its prophets understand their calling, and are able to predict the future. The ancient oracles predicted the outcome of a war from the viscera of a sacrificial animal; Moltke<sup>19</sup> made his prophecy on the ground of his scientific inquiry into the relative military conditions of France and Germany.

I take it that the notion of the scientific treatment of history and society; that there is a law in the succession of social states, to be ascertained by examining into the collective phenomena of the past, took its first clear start in the mind of Condorcet. Certain stones of the edifice were laid by Montesquieu, but the larger and rounded expression waited upon Condorcet. In his *Progress of the Human Mind* Condorcet in 1794 gave glad acclaim to the fact that social inquiry had been escaping from governmental tyranny, and that knowledge had become "the object of an active and universal commerce," but an entire century had to pass before intelligence could be organized on the basis of science, as such action necessitated an advance of the social mechanism to the stage of un-hindered or absolute communication: to the telephone age. Pray bear in mind that only now is the telephone in the way of becoming a social function, thirty-six years having been required for it to pass into general use. It is worth noting that the advent of the telephone has much the same relation to the appearance of social science as the incoming of the telescope bore to the development of astronomy. Galileo ranks as the true founder of descriptive astronomy, but the telescope was his necessary instrument. As the telescope operated to free the mind, so does the telephone in the field of social observation. There has now occurred a mental liberation on an infinite scale.

I have been interested in noting the quickening effect of the incoming of the telegraph in 1844 on the master minds of that time. The most striking thing I have seen was the prediction of John C. Calhoun. Speaking from his place in the Senate on the Oregon question in 1844, he counseled against war with England on the ground of the entrance of new forces in society; that their benign influence would be retarded. He said:

The two great agents of the physical world have become subject to the will of man, and have been made subservient to his wants and enjoyments; I allude to steam and electricity. . . . The former has overcome distance, both on land and water, to an extent which former generations had not the least conception was possible. . . . Within the same period, electricity, the greatest

<sup>19</sup> [Helmut von Moltke (1800-1891) was a Prussian military commander who authored several books about strategy and military history, including *The Franco-German War of 1870-71*, trans. Archibald Forbes (London: James R. Osgood, McIlvaine & Co., 1893).]

and most diffuse of all known physical agents, has been made the instrument for the transmission of thought, I will not say with the rapidity of lightning, but by lightning itself. Magic wires are stretching themselves in all directions over the earth, and when their mystic meshes shall have been united and perfected our globe itself will become endowed with sensitiveness, so that whatever touches on any one point will be instantly felt on every other.

Calhoun looked to the "dawn of a new civilization, more refined, more elevated, more intellectual, more moral, than the present and all preceding it."

The flight of years has brought us to the full realization of Calhoun's prophecy, but only so far as relates to the change in underlying conditions. We are now face to face with the over-arching problem of social re-organization compelled by the fundamental alteration which he fore-saw. Our task is to interpret modern communication in its influence on the organization of the State, to note the re-action of mechanical and scientific progress on human life and thought, involving the investigation of facts as well as the analysis of ideas. Our ways of thinking have been changed radically in many directions of which we have various accounts, but above and beyond all the interesting and engaging thing is to sum up the effect of the new environment on our forms of political thought. We are now able to get, as though in a single night, the political outcome of the progress of the last century in the field of physical invention. An alteration has occurred in relations of fact, and the need is to interpret it in the general terms of principle or law. We are under the necessity of bringing ultimate principles into living touch with common experience and the actual facts of life. We are standing at the centre, and are therefore able to see the moving spectacle of action from the universal point of view. We are at the heart of commerce which appears as the transforming agent, as the great civilizer of men and nations. We have to record a development in government which is as new as was the institution of parliament when it first came to recognition.

Definite or full account has to be taken of the larger freedom for the individual, under the limitations of fact or law. The change is so profound that we are forced to provide for new circumstances with only old experience to go by; the resort must be to scientific thought. Just here the luminous distinction of W. K. Clifford is in point: "The difference between scientific and merely technical thought is this: Both of them make use of experience to direct human action; but while technical thought or skill enables a man to deal with the same circumstances that he has met with before, scientific thought enables him to deal with different circumstances that he has never met with before."<sup>20</sup> I will only add to Clifford's analysis that the instrument is an observed uniformity in the course of events. By its use we are enabled to extract information transcending our experience; it leads us to infer things we have not seen from things we have seen.

The American State is re-organizing right under our eyes, and it behooves those in authority to take account of the fact. Prompted by the

<sup>20</sup> [William K. Clifford, "Aims and Instruments of Scientific Thought," *Popular Science Monthly* (November 1872): 95.]

new freedom, all classes of society are demanding entry into the economic councils of the Industrial State; they want to be represented. Political freedom is a matter of fact; progress therein turns upon the degree of access and movement, and not upon the state of opinion merely. An advanced sense of justice is taking form in peoples and races. The judge on the bench is now compelled to assimilate new matter, to take up fresh material, as the public is properly struggling toward wider legal rights. Society is on all sides, and new legal doctrines are evolving to be applied in new tribunals. There is hardly any limit to the application of the organic idea; the bars are all down. In 1821, and later, in New York State all orders of men, stirred by the change in conditions, demanded and received the social negative that is contained in the right to suffrage, but the insistence now is for a far more intimate relationship; each class is seeking its proportionate voice in the direction of the system of industry; they all want to wear, each according to his function, the garments of the State. That is to say, while during the first third of the last century the struggle was for recognition at the doors of the old legislatures, the present demand is for representation through the centres or organs of the Industrial State. The trade union movement, for example, is but a further assertion of the representative principle. And, to crown all, a new political class—the men of scientific training and habit—is moving toward the direction of the new universal governing organs, the News System and its cognate organ, the Credit System.

I have sought to put down for you something of the anticipations of men touching the convergence of literature upon the life actual. I am doing this as means to taking you in some measure over the course of my own education, I am well aware that one cannot successfully convey to another a new validity in any field of science through a few epigrams or other short-hand process. It is a number of years now since I began to realize that victory would not be mine unless I should be able to unfold the science of society in a simple yet comprehensive literature which could be taught in the schools and to the whole people.

Springing out of my experience as a working journalist, there was revealed to me, as by a flash of light, the existence in fact of the social body. I meet numerous people who hold it *ideally* or who think they do, i.e. in a language of metaphor, but I have brought myself to hold it really as a working concept or tool of inquiry with which to measure the social relation, I believe that I am doing this now as certainly as the astronomer holds to *his* entity or objective.

I have had to reach detailed results in face of the fact that for long I could find no one who so much as believed in the bare possibility of a science of society as a matter of the immediate future. Such hospitality as I got usually came from the masters of physical science, who know what science is, from engineers, and from men of projecting minds generally, i.e. from men of large affairs, notion here is that men who do things in a big way

make their calculations of necessity on the basis of an organism, else their prophecies would not work out in practice. It is not surprising, therefore, that men of this order understood me in good part when I talked to them an organic language, I have been attracted by a saying of the engineers, who speak of the controlling facts—the necessity of mastering them before they can proceed safely. When one considers that to set forth a scientific or valid account of the social objective is to make as abrupt a departure in social observation as Copernicus effected in astronomy, it is no wonder that I have had a hard job in making myself understood. The most difficult thing in the use of language is of course to fit words to a *new* object. But for the further and rapid integration in the new environment during the course of my inquiry or observation the task would have been hopeless. My feeling is that I am even with the facts, and that the showing of evidence is ample for the demonstration; the notion of an organism is in the air.

By the way, I am not inclined to favor the retention of the word *sociology*, at least I do not intend to adopt it. It is worth remarking that the men as a class who are merely *professing* sociology, and the like, in our universities are not in position to welcome the science of society, as its appearance publicly would go to put them out of business. Here is the professor of sociology in Columbia University (Giddings)<sup>21</sup> who has, with untiring industry, published some hundreds of pages to prove that birds of a feather flock together. He calls the legend Consciousness of Kind, as the homely phrasing would not have effected the desired imposition. A professor at the University of Vienna (Böhm-Bawerk)<sup>22</sup> has printed something like one thousand pages to prove that a bird in hand is worth two in the bush, which sums up his theory of economic interest. Had he used this simple statement it would have destroyed his book. What is more, the professional economists in Europe and here have written thousands of pages discussing Böhm-Bawerk's thesis. In the days to come interest will be plainly defined as the charge for registering and certifying credit, and it will be taught in the schools of the world. The ways of university men are a wonderful thing to me. There is no body of men in the world that approaches them in the all-round and confirmed habit of self-laudation; they write books endlessly about each other's books, hold frequent dinners to bestow fulsome compliments upon each other, and the like. The only possible explanation of the matter that I can detect is that they have nothing else to do of absorbing interest; that is, they have no objective in the full sense of the word. The officers of an army have an objective, and so have the officials of a railway system. That the university men have none seems to me highly symptomatic as to the real state of society, I take it that at the beginnings of university organization in the middle ages the situation was altogether different. Think I wrote you once that to my mind the existing university system, regard being had to its lofty function or pretension, is the narrowest trade union in the world. An extensive and thorough contact at various university centres is my warrant for this judgment.

<sup>21</sup> [Franklin Henry Giddings (1855–1931) was a professor of sociology at Columbia University from 1894 until 1931. He is considered as one of the "four founders" of American sociology.]

<sup>22</sup> [Eugen von Böhm-Bawerk (1851–1914) was an Austrian economist. He held positions at the University of Vienna and at the University of Innsbruck. At the time of Ford's writing, Böhm-Bawerk had left the university to lead a political career. He was Austria's Minister of Finance between 1895 and 1904, and also became the president of the Academy of Sciences in 1911. Ford probably refers to his *Capital and Interest*.]

<sup>23</sup> [John Stuart Mill, *A System of Logic* (New York: Harper & Brothers, 1858), 606.]

<sup>24</sup> [Mill, *A System of Logic*, 586.]

<sup>25</sup> [Mill, *A System of Logic*, 609.]

I think the fruitless attempt of Stuart Mill to find the key to social science helps to confirm the view that only so fast and so far as the organism is revealed to us as a working fact, with a clear view as to its mode of operation and lines of development in space, could the science of society come to maturity. The statement appears commonplace to me, and it will become such to all others. Mill, as laid down in his *System of Logic*, sought "some one element in the complex existence of social man, pre-eminent over all others as the prime agent of the social movement,"<sup>23</sup> and from the accumulated evidence he concluded "that the order of human progression in all respects will depend on the order of progression in the intellectual convictions of mankind."<sup>24</sup> Such merely speculative views are of no help to us now in framing the descriptive science of the body politic, save of course as they emphasize the transcendent [*sic*] importance of the quest. Concrete results were not possible at the date of Mill's writing, the middle of the last century; to be sure the social body was rapidly evolving [*sic*] before his eyes but he could not see the direction of the movement. The locomotive and electric communication were there, but only in their first stages. Yet Mill held clearly and firmly that the future had the science of society in store. He looked forward to "the birth of a sociological system widely removed from the vague and conjectural character of all former attempts, and worthy to take its place, at last, among established sciences." "When this time shall come," he added, "no important branch of human affairs will any longer be abandoned to empiricism and unscientific surmise: the circle of human knowledge will be complete, and it can only thereafter receive further enlargement by perpetual expansion from within."<sup>25</sup>

At this point I have to submit two further references. The English philosopher Shadsworth Hodgson, writing in 1870, had this to say touching the point that the rise of social science has had to wait on the ripening of conditions:

The further construction of a logic of politic . . . depends upon a further analysis and classification of the phenomena of society. . . . The de facto forces at work in the social organism must be known, before a criterion can be discovered. . . . The question of criterion is in politic a question of the future, reserved for a more complete state of knowledge. . . . In other words, the logic of the structure and functions of society is still only in its tentative stage, because the phenomena have not yet been sufficiently examined, or discovered in their true relations. . . . Contrary to the usual opinion I cannot but think that the knowledge which we have of the structure and functions of the individual consciousness is more complete and accurate than that which has been attained of the corresponding structure and functions of society.<sup>26</sup>

<sup>26</sup> [Shadsworth H. Hodgson, *Systematic: The Logic of Practice* (London: Robson and Sons, 1870), 93-95.]

As late as 1900, Lindley M. Keasbey, a scientific investigator of ability and standing, wrote in the *International Monthly* as follows, his subject being "The Constitution of Society":

After centuries of speculation on the subject, Society is as much a mystery as ever. Our knowledge of the universe notwithstanding, we live and move and have our being in the midst of a social world, of whose laws we have but an

inkling and whose purposes we but dimly divine. Science has enlightened nearly every other path but we are still groping about for a satisfactory point of departure from which to explain the complex of collective phenomena. It was easier for the philosophers of the last century, because all were then agreed that Society was to be rightly constituted by victorious analysis. . . . But now doctrinaires no longer hope to reconstruct society upon a fabulous state of nature; scientists are seeking, instead, to discover the laws of social evolution.

Mr. Keasbey endeavors to lead up to the science of society by tracing the development of co-operation among men. It is all very well, but it is hardly too much to say that the lines of social evolution cannot be marked out in any complete or satisfactory way until the social body is clearly and definitely disclosed to us as an object for science, so that we can fairly apply the kodak method to it. In other words, we cannot expect a faithful account of social development until the past can be read in the light of the future, but this necessitates a revelation. To be more concrete, it is obviously impossible to write the history of commerce until the successive rise of its centres of control can be discerned and outlined, and this, in turn, is impossible until society appears to us as having arrived at autonomy. Again, progress in division of labor cannot be traced until we have a determined body before us. We can then give an account of its organs and their working relation, or the divisions of labor in the body, when at the same time a rational and summary account of the past with respect to the appearance of one division of labor after another can be given. As with the physiological body so with the social; the organs of the former (brain, heart, lungs, etc.) and their functions were gradually identified and defined only so fast as the body came to be grasped as a unified whole and so brought under a single operating or controlling principle. It was through reading unity into the human body that the scientist made it real.

Referring again to the attempts at forecasting the convergence of letters upon life, or the coming together of theory and practice, of science and politics, it is worth noting that the men of physical science are fairly alone in suggesting an institutional development, the rule being that all references of the sort are of the individualist order only. Thomas Carlyle, whose great faith never passed into sight, wrote in his *Hero Worship* of the "Organization of the Literary Guild," but he was unable to compass the organic viewpoint, which of course was impossible at the time he wrote, in 1840. Yet he was able to say:

Complaint is often made . . . of what we call the disorganized condition of society. . . . But perhaps if we look at this of Books and the Writers of Books, we shall find here . . . the summary of all other disorganization—a sort of heart, from which, to which, all other confusion circulates in the world. . . . The writers of Newspapers, Pamphlets, Poems, Books are the real working effective Church of a modern country. . . . Whoever can speak, speaking now to a whole nation, becomes a power, a branch of government, with inalienable weight in law-making, in all acts of authority. . . . It seems to me that the Sentimental by and by will have to give place to the Practical.

. . . Whatever thing has virtual unnoticed power . . . will one day step forth with palpably articulated, universally visible power. . . . And yet alas, the *making* of it right—what a business for a long time to come! . . . And yet there can be no doubt but it is coming; advancing on us, as yet hidden in the bosom of centuries: this is a prophecy one can risk. . . . I call this anomaly of a disorganic Literary Class the heart of all other anomalies, at once product and parent; some good arrangement for that would be as the *punctum saliens* of a new vitality and just arrangement for all. . . . The man of intellect at the top of affairs: this is the aim of all constitutions and revolutions, if they have any aim.<sup>27</sup>

<sup>27</sup> [Thomas Carlyle, *Heroes and Hero Worship* (New York: John B. Alden, 1883), 121. Ford also quotes this passage in the *Draft of Action*.]

<sup>28</sup> [Thomas Carlyle, *Past and Present* (London: Chapman & Hall, 1843), 215. Ford also quotes this passage in the *Draft of Action*.]

There is perhaps nothing in all literature more suggestive of the need of a science of society than these burning words from Carlyle. In another place he was constrained to write:

That a “Splendor of God,” in one form or other, will have to unfold itself from the heart of these our Industrial Ages too; or they will never get themselves “organized”; but continue chaotic, distressed, distracted, evermore, and have to perish in frantic suicidal dissolution. . . . How, in conjunction with inevitable Democracy, indispensable Sovereignty is to exist: certainly it is the hugest question ever heretofore propounded to mankind!<sup>28</sup>

It is plain that Carlyle’s perception did not pass the individualist viewpoint; that is, he conceived only of some sort of universal society of particular individuals regarded as a distinct or separate social class—writers or *men* of letters—perhaps a glorified “Royal Society.” His assumption that book writers are men of intellect was of course very wide of the mark. The necessity is to bring into clear relief the function of literature or the moving intelligence in the social body. But, as I have already indicated in various ways, to arrive at the right solution of the question we must be able to recognize a body, clearly determined before our sight on the plane of fact or actuality. Concerning our word *body*, the *New English Dictionary* has this to say: “The word has died out in German, its place being taken by *leib*, originally ‘life,’ and *korper* from Latin, but, in English, *body* remains as a great and important word.” Shakespeare: “Imagination bodies forth the forms of things unknown.”<sup>29</sup> “Whether that the body public be a horse, whereon the governor doth ride.”<sup>30</sup>

<sup>29</sup> [William Shakespeare, *A Midsummer Night's Dream*, 5.1.15.]

<sup>30</sup> [William Shakespeare, *Measure for Measure*, 1.3.25.]

To repeat, and it cannot be too often repeated, the theoretical solution of the question which Carlyle set up can only be reached through the prior presentiment of a social body. Moreover, the answer in theory and the practical solution are one and the same thing, thus affording an example of the essential unity of theory and practice. Freedom of action for the “man of letters,” or his full functioning in society, differs no whit in point of principle from the freeing of any other individual or of all individuals. The subject of Politics is always and everywhere the practical relation of the Individual and the Whole. In fact we may say that the entire course of social evolution is but a gradual emancipation of the individual both in his mind and in his body, until, under organic conditions in the full sense,

all individuals whatever their function or division of labor pass into free working relation with the whole of action, and the man of letters with the rest. The measure of freedom in society is freedom to act to the limit of one's true or normal function. The individual is defined as any centre of social action, inclusive of both the single individual and the corporation-group.

I have not found any forecast that the function of the man of letters would become in the natural course of things directly integral with practice—at one with the action of the world. The writer is not to furnish direction, he is to remain a critic merely, an instrument standing apart from life; the evolutionary view is nowhere presented. Even John Morley, writing in his *Voltaire*, is unable to foresee that with the ever advancing social integration literature, science was certain to become as closely related to life as the brain to the hand. Echoing Voltaire's views of this point, Morley said:

Though himself perhaps the most puissant man of letters that ever lived, he (Voltaire) rated literature as it ought to be rated below action, not that written speech is less of a force, but because the speculation and criticism of the literature that substantially influences the world, make far less demand than the actual conduct of great affairs on qualities which are not rare in detail, but are amazingly rare in combination—on temper, foresight, solidity, daring—on strength, in a word, strength of intelligence and strength of character.

The essential unity of literature and exact inquiry was not apparent to Mr. Morley, nor that they move forward in the closest possible working relation to their common goal—the illumination of society. The telling phrase, in fact all grace of style, is but the feather on the arrow of truth which Science designs and frames.

The Frenchman, Renan, sounded a clearer note when he said in his *Future of Science*: "The scientific organization of humanity is the final word of modern science, that is, its bold but legitimate pretension. . . . The master science will investigate the aims and conditions of society. . . . The day will come when the government of humanity will no longer be given to accident and intrigue, but to the rational discussion of what is best, and the most efficacious means of attaining that best."<sup>31</sup> Renan remarked upon the advance "which has transformed literature into journalism and periodical writing, which has reduced every work of the intellect to a thing of actuality that will be forgotten in a short time. The work of intellect ceases to be a monument in order to become a fact—a lever of opinion—there remains only the practical outcome."<sup>32</sup> He looked forward to a state of things "in which the privilege of writing will no longer be a right apart, but in which masses of individuals will only think of bringing into circulation this or that order of ideas without appending to them the label of their personality."<sup>33</sup> The realization of this idea is foreshadowed in the newspaper interview; no matter how crude its present working may be regarded, the interview contains the germ of an infinite development. But Renan had no inkling that the revolution of which he dreamed must of ne-

<sup>31</sup> [Ernest Renan, *The Future of Science* (Boston: Roberts Brothers, 1891), 30. Ford also discusses Renan's book in the *Draft of Action*. ]

<sup>32</sup> [Renan, *Future of Science*, 211.]

<sup>33</sup> [Renan, *Future of Science*, 212.]

cessity be carried out through the commercial or profit-seeking principle; on the contrary he rather frowned upon the ways of business.

At this point I desire to lay stress on my use of the word *venality* above. Only so far as knowledge can be bought and sold without let or hindrance is it possible to socialize intelligence; it is by this road only that knowledge becomes power in the last sense. Progress in venality is, therefore, the true touchstone of social development, or the goal of rational government. Action through the commercial principle is of necessity highly organic whether in the field of news or elsewhere; the constant struggle of the part of the dollar hunters is to keep step with the social development, else their goods will not sell. Vested interests have always frowned upon any extension of the news-market; the first daily newspaper was of course, to respectable opinion, the "yellowest" of all. You will remember that in England almost on the appearance of printing, the Crown assumed that no subject had any business to publish his thoughts without royal license. After centuries of misguided zeal and energy it was discovered that thought and speech are beyond the reach of all artificial restrictions on the part of government, I have already referred to the fruitless attempt of the English courts near the close of Charles II's reign to bring the control of the printing press under the Common Law. If I recall rightly, when the Sophists rose in Greece about 450 B.C. the complaint against them was not alone that they were spreading knowledge among the people, but that they *sold their wares*. Protagoras, it is said, was the first Sophist who taught for pay. The new class regarded their money making power as the measure of their skill. The people, by the way, always want in the line of news what they ought to have; it is the part of science and art to give it to them. News is the most fluid of commodities, and the news-market cannot be glutted.

A word regarding the idea of *profit*, which has been tortured into a wrong meaning in the economic discussion of the time. The lesson of biology is helpful here. When rightly understood profit in the world of business is no more than the necessary margin over waste to preserve the integrity of a given operation.

Francis Bacon looked upon religion as the ultimate social bond; today it is seen to be the moving intelligence. It is the medium of association among men. The more perfect the power of association the more does society tend to take a natural form, and the greater the tendency to durability or stable progress; association and the individualizing process move forward together. The new test of social power is the extent of one's control over the governing intelligence; private crop reports, for example, are of the past. The traffic in news is now at home in the world, having reached point of free exchange. The commerce in knowledge which Condorcet saw has so far developed that an average of one newsbook a day is now delivered to each household in New York City. The unhindered exchange of Credit, the new legal instrument of social coercion under the dominion of Science, is to follow. It all means that the news or science system is fast

becoming the First Estate of the realm. The future head of the State will be the Newsmaster-General.

The cry is now heard on all sides for an enlarged publicity, but its promoters little realize the social meaning of their idea. The ordinary notion of publicity is of a kind of lantern merely which will reveal wrong doing for the courts and the police to correct, whereas the fullest measure of news organization will abolish in great part our inherited governing system. To see an object in the light of its principle is to transform that object. The late Edward Caird, writing of the organization of the State, declared "that that which we now really aim at, and are demanding to become, is something which we should not recognize if we now saw it in a completed form." And so, the demand for greater publicity, or a new illumination touching the Corporation Question and kindred matters, points, however unconsciously, to a revolutionary departure from the received forms of political thinking.

I would have you note that all the signal advances in publicity were brought about in spite of the police power. A notable example was the prolonged struggle on the part of the newspaper men at London, during the first half of the eighteenth century, for the right to report the proceedings of Parliament. It is hardly strange, in the face of the present conditions, that I have difficulty in getting men to accept this fact. The privilege was not conceded by the House of Commons until 1771, even now the standing rule forbids the public reporting of debates; the rule was simply allowed to become a dead letter. For several decades prior to 1771 offenders were brought before the bar of the House and fined heavily. The victory belonged to the money hunters, who thus accomplished an important forward step in the field of government. The day-by-day reporting of the English Parliament completed the socializing of intelligence so far as it could be accomplished through that organ of legislation; the doings of government were brought into organic relation with the social body.

It is only in the anarchist writings that I find references to the organization of science, regarded as a direct instrument of government. Thus, Proudhon wrote:

By means of self-instruction and the acquisition of ideas, man finally acquired the idea of *science*—that is, of a system of knowledge in harmony with the reality of things, and inferred from observation. He searches for the system of organic bodies, the system of the human mind, and the system of the universe: why should he not also search for the system of society? But, having reached this height, he comprehends that political truth, or the science of politics, exists quite independently of the will of sovereigns and his king is the demonstrated truth; that politics is a science, not a stratagem; and that the function of the legislator is reduced, in the last analysis, to the methodical search for truth. Thus, in a given society, the authority of man over man is inversely proportional to the stage of intellectual development which that society has reached; and the probable duration of that authority can be calculated from the more or less general desire for a true government—that is, for a scientific government. And just as the right of force and the right

of artifice retreat before the steady advance of justice, so the sovereignty of the will yields to the sovereignty of the reason, and must at last be lost in scientific socialism. . . . The science of government rightly belongs to one of the sections of the Academy of Sciences, whose permanent secretary is necessarily prime minister; and, since every citizen may address a memoir to the Academy, every citizen is a legislator. But, as the opinion of no one is of any value until the truth has been demonstrated, no one can substitute his will for reason—nobody is king. All questions of legislation and politics are matters of science, not of opinion. . . . What is it to recognize a law? It is to verify a calculation; it is to repeat an experiment, to observe a phenomenon, to establish a fact. The law, it is said, is *the expression of the will of the sovereign*: then, under a monarchy, the law is the expression of the will of the king; in a republic, the law is the expression of the will of the people. Aside from the difference in the number of wills, the two systems are exactly identical: both share the same error, namely, that the law is the expression of a will; it ought to be the expression of a fact.<sup>34</sup>

<sup>34</sup> [Proudhon, *Property*, 34.]

But of course at the date of this writing (1840) Proudhon could see little or nothing of the evolution of society to the stage of scientific organization. This fact should increase our respect for his towering faith. The French have this subtle proverb: Might is right till right is ready. It is interesting and suggestive to note Proudhon's firm belief in the real existence of the social body. In his *Contradictions* (1846), he said:

Most philosophers, like most philologists, see in society only a creature of the mind, or rather, an abstract name serving to designate a collection of men. . . . To the true economist, society is a living being, endowed with an intelligence and an activity of its own, governed by special laws discoverable by observation alone, and whose existence is manifested, not under a material aspect, but by the close concert and mutual interdependence of all its members. Therefore, when we give a name to the social being, an organic and synthetic unit, our language is in reality not in the least metaphorical. In the eyes of anyone who has reflected upon the laws of labor and exchange the reality, I had almost said the personality, of the collective man is as certain as the reality and the personality of the individual man. The only difference is that the latter appears to the senses as an organism whose parts are in a state of material coherence, which is not true of society. But intelligence, spontaneity, development, life, all that constitutes in the highest degree the reality of being, is as essential to society as to man: and hence it is that the government of societies is a *science*—that is, a study of natural relations—and not an *art*—that is, good pleasure and absolutism. Hence it is, finally, that every society declines the moment it falls into the hands of the ideologists.<sup>35</sup>

<sup>35</sup> [Pierre-Joseph Proudhon, *System of Economical Contradiction*, trans. Benjamin R. Tucker (Boston: Benjamin R. Tucker, 1888) 114–15.]

If I were to single out the writings of two men who have helped me, I would name Proudhon and Maitland. I regard Proudhon as the greatest economic mind of the last century. Houston Chamberlain, in his book on Richard Wagner, speaks of Proudhon as "one of the most acute minds of the century, on whom by some inconceivable paradox the dreaded title of anarchist has been bestowed, after his having demonstrated the complete anarchy of the *present* order of things, and recognized in our constitutions, the legalization of chaos." Proudhon understood by a revolution, adds

Chamberlain, "not the building up of a new order by violent means, but the end of anarchy."<sup>36</sup> Maitland aided me in seeing more vividly the hierarchical view of the State, its continuance as the dominant force, and the danger to social peace that lurks in it. I find his idea of the impeccability of the State exemplified in the news of the Beef Trust trial at Chicago, which discloses a clear avoidance on the part of the government to get at the whole truth of the matter. Here is a group of men doing business, through a working unity, over the entire country (a previously unheard of thing), yet the facts are handled from the individualist viewpoint strictly, as though they were merely looking into the affairs of a village grocer. But how can the government pursue the truth if the inherited fiction that all power is concentrated in the Washington organ is to be maintained? In a little book by H. A. L. Fisher, which you have probably seen, there is a fac simile [*sic*] of a page of Maitland's manuscript containing this sentence: "It seems possible that we may easily overestimate the creative power of lawyers, and courts and legislators."<sup>37</sup> Looking through my notes I find this from Maitland: "The set of thoughts about Law and Sovereignty into which Englishmen were lectured by John Austin appears to Dr. Gierke as a past age. For him Sovereignty is an attribute, not of some part of the State, but of the *Gesamtperson*, the whole organized community. For him it is as impossible to make the State logically prior to law (*recht*) as to make law logically prior to the State, since each exists in, for and by the other."<sup>38</sup> John Morley wrote somewhere that the man who is carrying forward a difficult work, an impossible if you please—something never done before—must have a little triumph now and then to keep him in heart. Such a victory came to me through Maitland's writings. I have looked at his letters to friends, so far as they have been published, to see if he did not divulge in them, touching the present conflict of the social forces, something not contained in his more formal writings, but I do not find much. He could not cross over, so to speak, and become the law-finder or law-speaker of the Industrial State; to prompt that close contact with the American environment would have been necessary. But Maitland broke in thought with the past, liberated as he had been by his historical studies. He was brought to see that things are, as never before since the invention of gunpowder, in a flux that is full of portent for the future.

<sup>36</sup> [Houston S. Chamberlain, *Richard Wagner*, trans. G. Ainslie Hight (London: J. M. Dent, 1897), 140.]

<sup>37</sup> [Herbert A. L. Fisher, *Frederick William Maitland* (Cambridge: Cambridge University Press, 1910).]

<sup>38</sup> [Otto Gierke, *Political Theories of the Middle Age*, trans. William F. Maitland (Cambridge: Cambridge University Press, 1900), xlivi.]