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GENERAL NEWS OFFICE
346 Broadway, New York

January 30, 1907

Mr. Clinton W. Sweet,
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 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.

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 these 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 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 co-operation 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 registered, 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 manner 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 wide 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 corporation 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 organising 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.

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~~ ^{of your} large knowledge, your experience, and practical judgment!

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 nothing 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,

(signed) Franklin Ford.