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An Awakening in Wall Street

How the Trusts, after Years of Silence, now speak through authorized and acknowledged Press Agents

By Sherman Morse

ILLUSTRATED WITH PORTRAITS

THE time is easily recalled when men at the head of great combinations of capital were indifferent to blame. Because of the ineffectual criticisms aimed at them, their indifference was perhaps natural. But that was before the day of specific information, well circulated. In place of abuse and inaccuracies the public began to get facts. Instances of violations of law were presented, and explanations were generally demanded.

Masters of finance whose ears were close to the ground began to realize that a new force had to be reckoned with. Still they remained silent. They were not yet driven into the open. Such men as H. H. Rogers remained unknown, even by sight, to most newspaper men. Evidence piled higher and higher, and for years remained unchallenged save by general denials sent out at rare intervals. Even when editors of careful newspapers, honestly desirous of presenting both sides of a question, offered to publish explanations or denials from men under fire, advantage of the opportunity was seldom taken. Newspapers under the control of those criticised refuted accusations with increasing frequency and directness, and in their news columns suppressed anything more than indefinite references to them. Independent publications, if they discussed such questions at all, presented what facts they could.

FIRST STEP TO STEM THE TIDE A BAD ONE

It was inevitable that the corporations would take measures to stop the growth of public indignation to which their policy of silence had in considerable measure contributed, but the means they first took were disastrous. Newspaper men were induced here and there to color their "stories" and to influence other reporters to be friendly to powerful financial interests, but most reporters and editors treated with contempt

these chances at petty graft. It was the day of the anonymous statement when the man "who should be in a position to know," "whose sources of information have heretofore proved reliable," "whose name for obvious reasons cannot be used" was quoted at length by reporters and editors who were willing to face the reasonable suspicion that some of the corruption fund had gone into their pockets.

Striking use of this method of trying to reach the public by means of anonymous statements was made in the early days of the life insurance scandals. Because of inability to obtain direct information, even the best newspapers published the "news" as it was given out by friends of the conflicting interests, but only for what it was worth—taking pains to explain to their readers that ulterior motives prompted most of the utterances. The purposes of the men engaged in the insurance squabble were served, but it was becoming more and more evident to "big men" that this system of trying to direct public sentiment was a shameful failure.

How much money was wasted in this vain effort to buy their way into the newspapers is not known, but some "special expense" accounts were well up in the thousands before the men responsible for fooling away the money awoke to their folly. This attempt to gain unrighteous publicity defeated its own purpose.

THE BEGINNING OF WISDOM

"Mr. Baer is not here to-day. I'm sorry, but I really can't tell you where he is or whether he will be back. A meeting of the operators? I haven't heard of any; certainly no meeting has been held in this office."

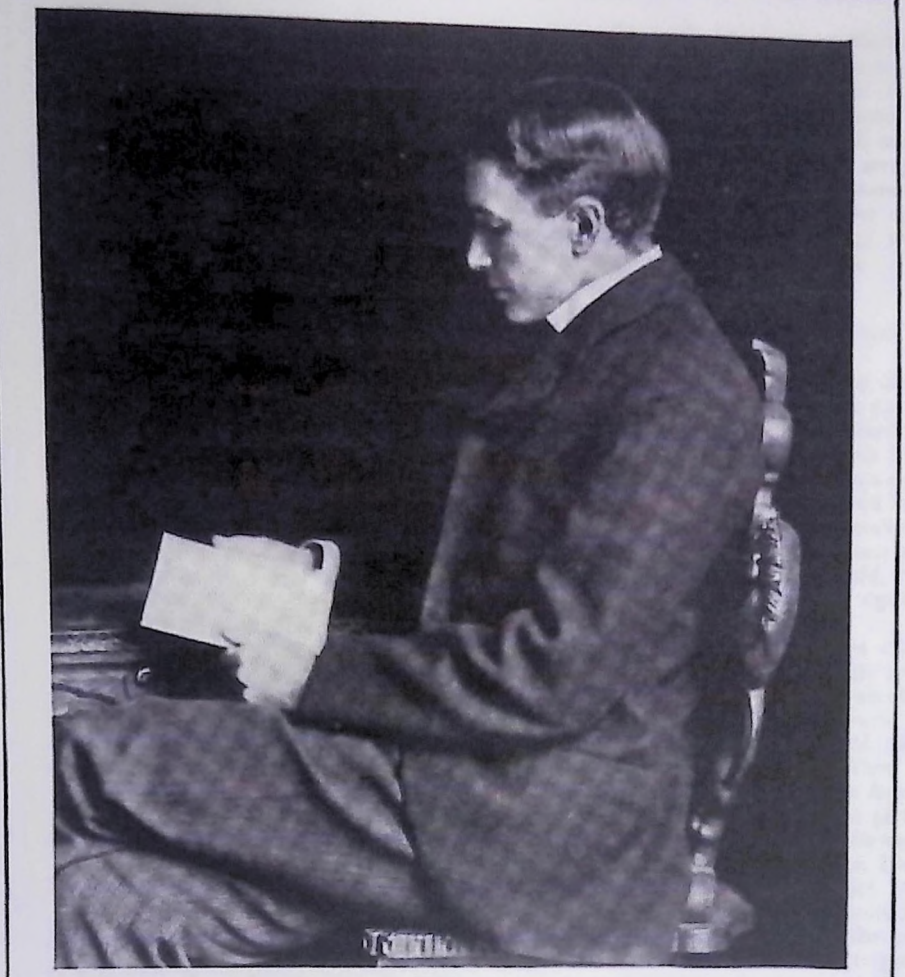
Such was the insurmountable barrier of silence behind which the heads of the Coal Trust stood day after day while the whole country was in a fever of apprehension of the great strike of 1902. To reporters they had "nothing to say." Newspaper men were denied admission to the presence of George F. Baer, the most powerful factor in the councils of the operators. It was almost impossible to obtain any reliable information regarding the plans or real sentiments of the operators.

John Mitchell, on the other hand, was friendly to most of the reporters. He treated them with consideration and frankness. What he said was presented with such directness and sincerity that it was necessarily reflected in the news reports. If a joint conference of operators and miners was held, it was his version of the affair which the public read, because it was the only version obtainable. It has never been charged that he misrepresented things, but facts, like figures, are open to varying interpretations, and may be made to indicate conditions that do not exist. Therefore the public was influenced to sympathize with the miners, rather than with the operators. And because of this aroused public opinion the miners were assisted in their efforts to gain a few of the concessions for which they were contending. Had the operators and the other great financial interests involved in the struggle realized then as they realize to-day how far-reaching is the power of public opinion when fully aroused, it is reasonable to believe that they would have pursued a different course. Only within the last few months has there been an awakening.

THE LOOSENING OF TONGUES LONG SILENT

How different things were last spring when another great strike was impending! The Sphinx became talkative. News of importance and interest was easily obtainable from operators as well as from miners. Ivy L. Lee, formerly a reporter on the New York *Times*, was openly employed as spokesman for the Trust. For weeks he carried on a campaign of education on behalf of the operators. Knowing just what the newspapers want, he was able to obtain the publication of many columns of matter favorable to the Trust, which, at the same time, had distinct value as news.

It would be interesting to know the real weight of the pressure that moved Mr. Baer and his associates to depart from their long established policy of silence. The first indication that there was to be a change came in an "authorized statement" to the city editors of newspapers throughout the country by the Coal Operators' Committee of Seven, consisting of George F. Baer, W. H. Truesdale, J. B. Kerr, David Will-



Ivy L. Lee

Formerly a New York Times reporter, now publicity man for the Coal Trust

cox, Morris Williams, E. B. Thomas and J. L. Cake.

STATEMENT FROM BAER! EXTRA! EXTRA!

"The anthracite coal operators," the announcement stated, "realizing the general public interest in conditions in the mining regions, have arranged to supply the press with all possible information. Statements from the operators will be given to the newspapers through Ivy L. Lee. He will also answer inquiries on this subject and supply the press with all matter that it is possible to give out."

Consider this from the man who four years ago admitted that he was the master of the coal production of the United States! And the results justified the concession. The newspapers, weary of anonymous interviews and underhand methods, welcomed the change. Newspaper readers recall that almost every day while the

struggle was in progress there appeared statements of the operators' view of the situation, as well as that of the miners. The miners have admitted that the campaign of publicity carried on by the operators was the most ready weapon used against them.

PLATFORM OF A PRESS AGENT

At the same time Lee sent to city editors a declaration of principles. These principles reveal the position that will have to be taken by all publicity agents of corporations if they are to make a "go" of their business.

"This is not a secret press bureau," said Lee. "All our work is done in the open. We aim to supply news. This is not an advertising agency; if you think any of our matter ought properly to go to your business office, do not use it. Our matter is accurate. Further details on any subject treated will be supplied promptly, and any editor will be assisted most cheerfully in verifying directly any statement of fact. Upon inquiry, full information will be given to any editor concerning those on whose behalf an article is sent out. In brief, our plan is, frankly and openly, on behalf of business concerns and public institutions, to supply to the press and public of the United States prompt and accurate information concerning subjects which it is of value and interest to the public to know about. Corporations and public institutions give out much information in which the news point is lost to view. Nevertheless, it is quite as important to the public to have this news as it is to the establishments themselves to give it currency. I send out only matter every detail of which I am willing to assist any editor in verifying for himself. I am always at your service for the purpose of enabling you to obtain more complete information concerning any of the subjects brought forward in my copy."

THE MILLENNIUM AT HAND FOR REPORTERS

The work of the reporters assigned to the coal strike "story" was vastly simplified. Instead of being left in doubt, even as to the place where a meeting was held, they were furnished a complete report of the proceedings by Lee within a few minutes after the meeting was ended, and were enabled to give to the public almost as satisfactory an account as if they had been present in person. They were but human if they recalled their troubles of four years ago, when they were confronted by all manner of difficulties in obtaining mere scraps of information, and but frail if they were more inclined to give the operators the opportunity they sought of presenting to the public their side of the controversy.

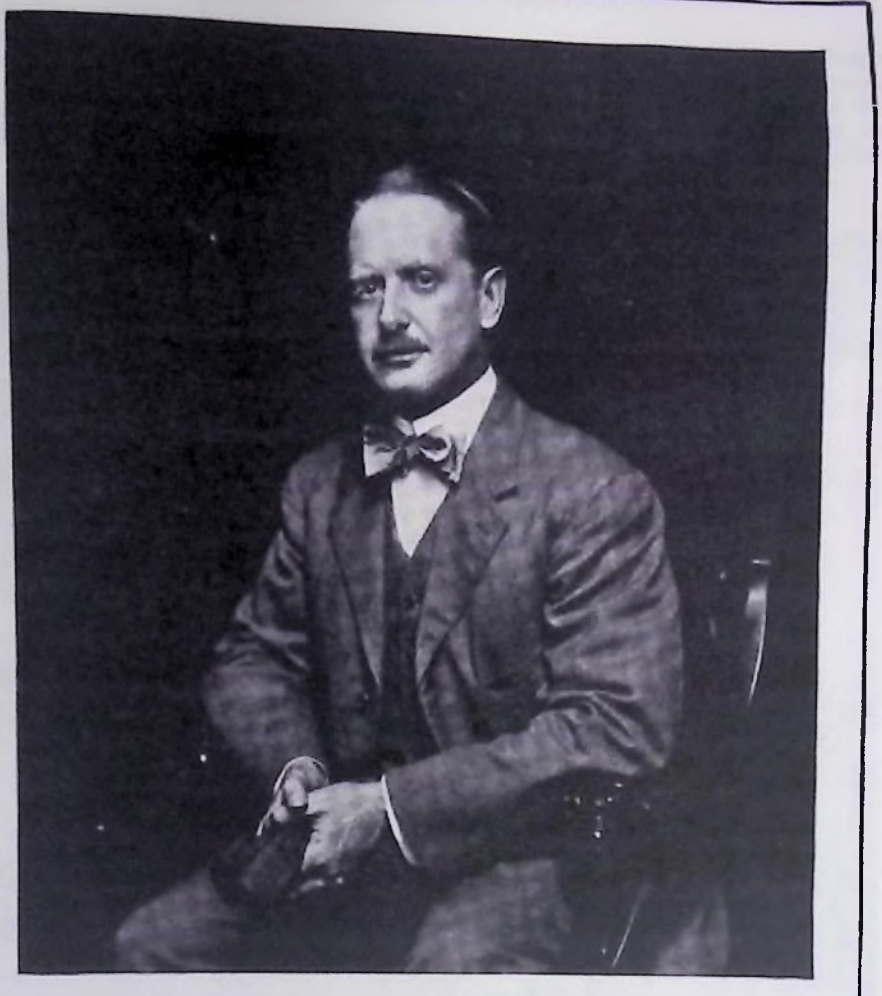
THE TRAINING OF THE GAS MAN

The Consolidated Gas Company of New York, which includes all of the gas and electric lighting companies in Manhattan and the Bronx, and is controlled by Standard Oil interests, was among the first corporations to abandon the underground line to publicity. A few months ago it proclaimed that Robert E. Livingston, for twenty years on the staff of the New York *Herald*, would be in charge of a publicity bureau organized in the company's behalf.

While Mr. Lee serves various clients, Mr. Livingston has an eye single to the Consolidated. He demonstrated his ability to fill such a position by his work as a reporter for the New York *Herald*. He is extraordinarily resourceful. When the *Herald* received a cable message from its correspondent in Martinique that pictures and a detailed "story" had been forwarded to New York by a tramp steamer, Livingston was assigned to meet the vessel. After spending several days on a tug outside of Sandy Hook, he finally sighted the tramp late one afternoon—just in time to get the photographs to his office in time for publication the next morning if he met with no delay.

Running alongside the vessel, Livingston hailed the tramp's skipper, only to learn, to his chagrin, that the captain had no photographs or anything else for the *Herald*; in fact, he did not know that he was expected to be the bearer of a letter or pictures. But he had a pouch of mail from Martinique aboard, and in it Livingston was convinced the precious pictures were buried. His appeals to the skipper to open the pouch were laughed at; and the time within which the pictures could be rushed to the office for use in the next morning's issue was growing dangerously short.

It was a situation discouraging and hope-



Robert E. Livingston

For twenty years on the New York Herald, now in charge of the publicity bureau of the Consolidated Gas Co.

less, but Livingston's resources were by no means exhausted. Racing against time, he ran his tug into Sandy Hook and was able to get into telephonic communication with a man high in the post-office service. Red tape was ruthlessly slashed, and before the tramp steamer reached the Quarantine station off Staten Island Livingston was again alongside her and this time armed with the authority of a post-office inspector. It was a matter of seconds for him to open the mail pouch and to race up the bay with the first pictures to reach New York of the destruction of St. Pierre.

He had not only proved his ability to press one of the most conservative arms of the government into the immediate service of his paper and himself, but quite as a matter of course he had risked a long term of imprisonment by violating the strictest provision of the sanitary code in boarding a vessel before she has passed Quarantine.

And unconsciously he had incurred an even greater risk in thus boarding the vessel, for as soon as she was inspected suspicion was aroused that there was bubonic plague aboard. She was held up in Quarantine for a week, and had it not been for Livingston's

the time of the Lord Dunraven charges growing out of an international yacht race a dozen years ago. How he obtained this information is not even an office secret, for Livingston did not disclose the source of his "beat" even to his superiors.

J. I. C. Clarke, press agent for the Standard Oil Company

Mr. Clarke, born in Ireland in 1850, came to this country in 1868. He was for years managing editor of the New York Journal. He was Sunday editor of the New York Herald for three years. He is the author of several plays and stories

resourcefulness the pictures would not have been delivered until long after other photographs had arrived, and their value to the *Herald* would have been all but lost.

Another of many "beats" which Livingston had to his credit when he abandoned newspaper work to become publicity agent for the gas interests was the obtaining of a transcript of the testimony taken by a committee from the New York Yacht Club at

HOW THE DARK LANTERN CAME TO DIE OUT

Livingston has been especially useful to the gas interests since the state law limiting the price of gas in New York to eighty cents a thousand feet was defied by the lighting combine. There has been no less criticism of the gas companies because of Livingston's connection with them, but at the same time his employers have frequently been

accorded a hearing in the newspapers to present what they had in the way of defence of their position.

In striking contrast with this situation was the attitude of all newspapers at the time of the investigation of the lighting companies by a legislative committee a year ago last winter, when Charles E. Hughes developed a "moral certainty" that all the gas and electric lighting companies of New York are controlled by the same interests into legal proof that such is the fact.

Instead of fighting in the open, the gas interests, while under investigation, employed a semi-secret agent who was paid for a few weeks' work as much as a first-class reporter could earn in a year, on the theory that he could influence the reports of the hearings and obtain the publication of "statements" from day to day in contradiction of the evidence wrung from unwilling witnesses by Hughes. Few of these "statements," however, were published, and the employment of Livingston to act as the acknowledged publicity agent of the lighting companies was a direct result of the utter failure of the dark lantern method of procedure.

ENGAGEMENT EXTRAORDINARY!

But the greatest surprise of all was the announcement a short time ago that the Standard Oil Company, most mysterious and silent of corporations, had employed a press agent.

J. I. C. Clarke, for forty years one of the most prominent newspaper men in New York, is the man retained by the Standard. He is supposed to be receiving a salary of $20,000 a year, but even at that figure he is not far ahead of Livingston and Lee. Only four officers in the Gas Trust get salaries greater than Livingston's, and Lee's fee for what he accomplished for the Coal Trust would have been gladly accepted by almost any lawyer in a litigation of equal importance.

Mr. Clarke's usefulness to the Standard Oil Company remains to be proved. It is through him that the company has issued denials of the truth of charges brought against it this summer. But so far his appointment is significant as evidence of the company's belated willingness to discuss its affairs. Mr. Clarke is sixty years old. He was employed in various capacities on the *Herald* for a dozen years, and for the same length of time he was managing editor and part owner of the *Journal* while that newspaper was conducted by Albert Pulitzer. He returned to the *Herald* as editor of its Sunday edition four years ago and remained in that position until about a year ago. Meanwhile he had written several successful plays, "Robert Emmet, a Tragedy," "The First Violin," "Her Majesty; Lady Godiva." Lately he dramatized "The Prince of India," which has had a remarkably successful run in Chicago and is to be presented in New York next winter.

PAUL MORTON'S PUBLICITY MAN

H. I. Smith is another reporter who has recently become a publicity agent. He was employed on a Cincinnati newspaper when he was sent to Martinique at the time of the eruption of Mont Pelée. By his work there he gained a reputation which landed him in the Washington bureau of the New York *World* under Samuel G. Blythe, the *World's* great correspondent in that city. There he gained the esteem of Paul Morton to such an extent that when Morton became president of the Equitable Life Assurance Society Smith accompanied him to New York.

RESULTS WILL BE INTERESTING

The new plan has not been in effect long enough to enable one to foresee its real meaning. At present it is simply interesting. Much depends upon whether it results in disclosing all the facts in which the public has a right to be concerned, or whether it results merely in obtaining for the corporations greater publicity for such facts as are directly favorable to them.

Newspapers throughout the country have favorably received the change. One important newspaper says: "This is a day of publicity and the press is the means of communication. Whenever any public or quasi-public organization tries to conceal from the people that which the people think they have a right to know the people grow suspicious and are apt to imagine the worst. It is always best for corporations to be frank and open in all their dealings, and so long as they behave themselves they need have no fear in taking the public into their confidence."