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A NEW INFORMATION ORDER?
INTERNATIONAL AGENCIES AND THE FLOW OF NEWS

The International News Agencies

There are only two forces that carry light to all corners of the globe - the sun in the heavens and the Associated Press down here.

— Mark Twain

Although there were four major news agencies when Mark Twain wrote this, he had reason for singling out Associated Press. The four agencies - Reuters (Britain), Havas (France), Wolff (Germany), and Associated Press (USA) - had formed a cartel in which they refrained from mutually damaging competition, and instead divided the world into four - each agency having a monopoly of news-gathering and distribution within its allotted region. Twain would have seen only Associated Press (AP) to which the cartel had assigned America. Reuters had the British Empire and Far East, Havas had the Mediterranean and Latin American, and divided the Middle East and Africa with Reuters. Wolff had Northern and Eastern Europe. This cartel was substantially formalized by 1870 and lasted until World War I.

The dates are not accidental. By 1870, foreign news was becoming a major and expensive enterprise. Facilitated by technical, demographic (eg, rising literacy, urbanization) and political developments (eg, in Britain the abolition of Knowledge taxes, decline of the Monarchy, extension of the franchise, etc.), the growth of the press in the nineteenth century was dramatic. In foreign news, the most crucial step was the rise of the telegraph: "In the years between 1820 and 1848 the steamship, railroad, new printing techniques, and the telegraph produced stunning changes in the way individuals saw themselves and their positions in society. Particularly important was the change from animal transportation to abstract communication. From prehistoric times to the nineteenth century, messages of substance could travel no faster than a man or horse could run, a pigeon could fly, or a boat could sail... The most spectacular leap in communications came when message transmission was separated from transportation. The telegraph, sending messages with the speed of light, had a social, economic, and cultural impact comparable to that of television a century later" (Bagdikian, 1971: 4-6).

The spread of the telegraph presented a dilemma for newspaper. For the first time it allowed the speedy transmission of foreign news: which if they didn't exploit, their competitors would. The spreading empires and imperial rivalries brought increasing demand for foreign news from both public and traders. Imperial wars and conquests, to a lesser degree, tales of exotic adventures and exploration, plus increasing interest in foreign developments as familiarity increased, were making the gathering of foreign news


a necessity. But the cost was prohibitive on two counts. Firstly it was expensive to support correspondents in so many different places. Secondly high telegraphic charges meant despatches had to be very short. This especially changed the style of foreign despatches, superceding the long and eloquent letters which *The Times* correspondents, for example, had customarily sent. Such detailed letters could follow as supplementary information. But the short, sharp telegraphic messages had to be the first means of breaking news.

This situation provided the impetus and rationale for the development of news agencies. Where a single newspaper could not afford a string of foreign correspondents a news agency supplying a number of newspapers could. With men permanently on location it could uncover and transmit new developments as they occurred. The agencies concentrated on speed and brevity, setting an enduring pattern.

The agencies had a fairly slender economic base. Even though the growth in the number of newspapers, especially in provincial areas, provided a viable market, their news-gathering and transmission expenses were still very high. They soon decided it was more comfortable to coexist than compete. By allowing each other a monopoly in certain markets they stopped the possibility of price-cutting competition, and by pooling news from each other, they cut down their news-gathering expenses. The cartel system had obvious benefits for the agencies (although the degree of concentration offered severe risks of suppression and manipulation of news) and it lasted half a century.

World War I abruptly ended it. Neither Germany nor the allies wanted to receive information which showed the other in a favourable light, and both accused (correctly) the other side's agencies of disseminating government inspired propaganda and falsehoods. With the war's end, the spoils went to the victors. Reuters and Havas divided Wolff's former territory between them.

More fundamental changes, however, were occurring in America. The US had increased its economic and political strength in the international arena as a result of World War I. Moreover its own newspaper industry had been growing steadily, and its dispersed population and large number of small and medium circulation newspapers was the ideal situation for news agencies and syndicates to develop. AP had been very much the minor partner in the original cartel, limited to America while the other three divided the rest of the world. With its growing organizational and economic base, it was now chafing at the restrictions which the cartel placed on it. This was fueled by nationalist resentments. AP director, Kent Cooper, in terms prefiguring the contemporary criticisms by Third World nations, saw Reuters and Havas portraying America as a land of Cowboys and Indians, while presenting their own countries as pure and advanced. The final contract break came in the early 1930s when AP started selling its service in Japan, but the cartel had never regained its pre-war strength.

AP's action was probably stimulated also by the rise of two competitors within the United States. In 1908 United Press had been founded and International News Service began the following year. Both made forays into foreign news reporting and although much smaller than AP kept it under some competitive pressure. For instance United Press accused AP of using tainted foreign news because its cartel arrangement meant it had links with some government controlled foreign news agencies. In 1958, International News Service was merged into United Press to form United Press International (UPI), still smaller than AP but of a much more comparable size. There was