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PUBLIC RELATIONS

by

A. W. Page

There has been very little discussion in this General Managers' Conference, I am glad to say, which has not been upon public relations. That is as it ought to be. Mr. Carter quoted Professor Willets to the effect that the most noticeable progress in personnel work during the past ten years is the fact that personnel work has become a part of operations. Public relations is a part of operations. It always has been and can't be otherwise. Good public relations is just a method of operations, just as good personnel work is a method of operations. They are integral parts of management and no management can be good that does not do them well.

The operating departments actually conduct relations with the public. What does the Public Relations Department do?

The Public Relations Department does a staff job. It plans, studies, observes and analyses the business to see what are the results of its conduct on the public mind, and it advises with the operating departments on the best methods of giving service that is satisfactory to the public. This staff function, if properly conducted, ought to be of great assistance to successful management in watching the course of events both inside and outside the business.

Besides this staff function the Public Rel. Dept. in the Bell System is responsible for advertising, publicity, motion pictures, speeches, employee magazines, etc. This is an operating function which it is convenient to put under the same head as the public relations staff function.

I am not going to talk to you about the operating side of public relations. We discuss the technical aspects of that in the Public Relations Conference just as plant engineering is discussed at the engineers' conference. I

am only going to say one thing about it. I think it is helpful every once in a while for the higher operating people to engage in publicity by talking or writing, for it is clarifying to one's ideas on public relations to explain them to other people.

The bulk of our public relations are handled by the plant, traffic, and commercial departments for public relations are relations with the public and these are the people who have them. Besides the contacts with the public of the plant, traffic, and commercial people, there are those of the management and the very important contact of the treasurer's office. The man or woman who gets a dividend check either from the A. T. and T. or an associated company has a very important contact with us -- one which is the foundation of our financial reputation.

However, confining ourselves for the minute to the public contacts of our operating departments -- for a long time we have given good technical service by people of high morale. We have had good relations with the public for that reason; for a man with a good job who does it well is generally a pleasant person to deal with. He is in a good state of mind and that has been the basis of the Bell System's good record in the past.

Fairly recently we have made a conscious effort to improve on this naturally good performance. We have tried to add a special consideration for the customer's point of view to the good technical performance. I think we have made great progress in that direction. The intentions of the management and the forces are highly developed. The limitation on the effectiveness of our efforts is the limitation of our understanding of what the customer's point of view really is. I think we have been a little apt to assume what it is and to give him what we have assumed he wants -- or ought to want. I believe we can profitably further analyse his desires so that our efforts to give him what he wants will be more effective.

Mr. Gherardi mentioned an instance of a further development in the public relations of our employees. He gave an instance of an installer who was not only courteous and considerate, but who took it upon himself to depart from his instructions and accepted practice. He had a sufficient understanding of what was behind the routines and his instructions to know that in that particular case, it was right not to follow them. Only continuous and careful training will give a working force -- even one of high morale -- the understanding of what lies behind routines so that the force can be counted on to convincingly explain the reasons for what they do and in rare cases to depart from the routine. Without that knowledge the employees cannot safely be given the freedom to depart from routine even in exceptional circumstances, for they will not really understand what they are departing from. And without that training their explanation of the company's practices is likely to lack convincing force. They may even drop back to the old statement that they do as they do because it is a rule of the company.

How highly we develop our forces as creators of good public relations depends upon selection and training -- depends upon how seriously management undertakes this task. To anyone who has tried other means of reaching the public mind, the Bell System employee body appears as a Godsend. They provide a better circulation than can possibly be had by printed matter or radio. In the first place, it is a tremendously wide circulation. Telephone people have millions of contacts a year with the public. Unlike the newspaper and the radio, the employee circulation usually reaches the public when it is interested in telephone matters. And unlike the press and the radio the employees do not have to merely tell the public something about the telephone, they can tell them what they happen to want to know about it. Moreover, as the employee is not confined to one set message,

he can adapt his explanation to the type of person he is dealing with. It is like the difference between telling a story by advertisements and telling a story by a salesman attuned to the person he is talking to.

We have an advantage in our employees' contacts with the public over almost any other business you can think of. We have used it to a considerable degree and successfully. We can use it in greater degree and more effectively than we have. There is no better time to give good service with courtesy, understanding and discrimination than now when the public is critical and irascible. The real difficulty is not for the employees but for management. It takes a real effort on the part of management to reach this higher standard. But it is not a burden on the rank and file. It adds a certain novelty and change in interest to them. The added knowledge does not make their job harder. I think it makes it easier and pleasanter.

Mr. Gherardi spoke of the disadvantages of keeping good men in narrowing jobs too long. The ordinary jobs in the lower ranks are less narrowing and more interesting if they are accompanied with more understanding of what lies behind them. This affects all employees. This greater information is also an opportunity and stimulus to the exceptional men that come into the System in the lower grades and from whom we derive so many of our supervisory people. The selling of stock added variety. The employee sales campaign has done likewise. The training for these things made the regular jobs more interesting. Training in public relations ought to do the same. I do not know how fast these things should succeed each other, but I am certain that a constant succession of new angles to the job adds to the morale and the zest of the work.

Having added to their technical knowledge a consideration of the customers' point of view and a knowledge of what lies behind the routines they

practice, can we go further? Can we give the rank and file sufficient knowledge of the business in general to enable them to act as its advocates and spokesmen? To make that concrete, what message have we that we would like to give to the public? We have one that has been thrust upon us. The price of almost everything is going down. Everyone is out of step but us. Theoretically, for us, to be in this singular position at such a time would cause unfavorable comment. And it is beginning to do so. We are beginning to hear questions here and there of why, when other prices are going down, telephone rates should go up.

At the Presidents' Conference and the Public Relations Conference last Fall we discussed at some length the advantages of portraying to the public the cheapness and value of our service.

But by whatever method we do it we must meet the question of price. If we adopt the policy of silence, our very silence will condemn us. Other people talk both price and quality. If we talk quality only we shall leave a complete opening for any one who wishes to attack us on price -- we almost invite such attack. And if such an attack comes we shall then have to discuss price, only then we shall be doing it on the defensive.

These are the reason why it seems to me we should give our employees the best explanation we have on both price and quality and send them forth as spokesmen for the company. It may be that even with the best training we can give them, some will acquire only a little knowledge. And I know that a little knowledge is a dangerous thing. But while a little knowledge is dangerous, less knowledge is still more dangerous. Our perople will have to answer questions about price and quality. If we do not give them the information, they must answer from rumor, gossip or with indifference. Answers based on gossip, or on indifferent attitude are worse than the answers they would give with the help of training. Whether we assume the responsibility for the way they represent us on these questions, they represent us just the same. They are doing it every day.

I am quite certain that the general body of our employees can be trained to represent the company effectively even on complicated subjects.

When I came to the telephone company there was a very fundamental survey of public relations going on. It was not called that. It wasn't called anything particularly. What I saw going on was this. Mr. Gifford was engaged in surveying the then position of the Bell System from every angle with an eye to what it would be like three, five, ten years later and at the same time studying the trends of thought in the country to see what their probable course would be and finally from these two studies to determine as nearly as possible how to keep the Bell System happily synchronized with the public.

There have been a good many results of this process -- which continues -- the continued effort for higher standards of service, the policy of personalizing the service which includes, of course, courtesy, consideration of the customer's point of view, comfort and convenience, and a vast ramification of ideas that come naturally from the original conception. Then there was the crystallization of the financial policy of the American Telephone and Telegraph Company -- and its announcement at Dallas -- and this led, naturally, to the scrutiny of Western Electric profits and the relation of the Western to the rest of the Bell System, which has resulted in a series of price reductions. It led also to the change in the license contract resulting in the charge being reduced to one and a half per cent.

It would be hard to say just what would have happened if these things had not been done. But I think we can make a fair guess. For instance, this year we had an annual report which was headlined across the United States under the general title, "The First Five Billion Dollar Corporation." We arrived at a most dramatic size in the midst of a depression and the critical state of mind that goes with it. Yet no newspaper warned the country against the dangers of

our size -- none said we were as bad as we were big. It took something positive to prevent that.

We can get another measure of the situation by the Illinois rate case.

Time and events seem to show that our overall strategy has been sound. Our general picture is good. The question is now whether by company, area, division, exchange we can manage our affairs so as to get the full benefit of the major plans. To my mind -- and this is coming back to an old subject -- our chief difficulty in getting the full benefit of our fundamental conception is the matter of price. We make the service as cheap as we can, the public can make it of unlimited value. A man may make a sale, get a job or hear his children talk over the telephone. No one knows the value of these things. Our services have fixed costs but infinite values. Some way or other we must present this picture so that because the local rates have not gone down, the fundamental fact that the public constantly gets more for its money shall not be lost sight of.

But on the vital matter of price and sales, whatever may be the facts, the public impression is not favorable. From 1918 to 1930 the rates on second class mail matter went up 82 per cent, on third class 21 per cent, on fourth class 10 per cent and there is an annual deficit of $150,000,000 on first class matter. Our record is not like that but the public impression is that while our toll rates go down, exchange rates either go up or stay put -- that on the whole we depend on high rates rather than sales effort and reducing prices.

For us, it is exceedingly important that we change that reputation. In the first place we need the income from sales. Mr. Gherardi showed us some charts the other day which indicated that the Bell System has maintained a more even business through this depression than most other fields of endeavor. I rather think we would not have shown so well without the selling we have been doing. What has been done has helped us immensely. The added program that is within our reach is one way for us to pull ourselves out of this slough without

waiting for Providence. We need to sell, then, because we need the business. We need to sell because, as Mr. Ogden said the other day, it keeps our people public relations minded and produces favorable reactions with the public. Beyond that we need to sell to remove the suspicions that still flourish against monopoly. Our major program of public relations can not be wholly fulfilled without it. We believe in our kind of organization. We want the public to believe in it. In our effort to attain that major end we need sales. And we have an extraordinary opportunity. Instead of having a poor reputation in this respect we have within our grasp the best reputation in the country. You heard Mr. McHugh this morning speak of selling at a cost that would make us the outstanding sales organization in the country. Can you name another business that can sell at a cost of one and half or two per cent -- or for that matter twice or three times that percentage? When we have such a record as that effectively demonstrated and spread before the public we are going to have one of the best and most effective arguments for regulated monopoly and one that will particularly appeal to the American public.

Old General Forrest's analysis of the art of war was "to get there first with the most men." Public relations is to get there first with the right idea. Our main idea is right. We are ahead of the crowd. The current of thought is turning in our favor. In spite of present conditions the years ahead show unusual opportunity for good management. Good management will take every advantage of these favoring circumstances. Good management by precept and example will train and educate the people of the Bell System. That, of course, is the big step in public relations as in all other aspects of management. The Bell System really is its people. Without them the plant is as dead as the pyramids. But with a well managed organization there will be good people, good service, and good repute with the public. There will always be problems. The job would neither

be human nor interesting without that, but may I say again that in spite of the temporary difficulties the main tide is in our favor and it is time for us to put forth all effort to make the most of it.

INDUSTRIAL STATESMANSHIP

PUBLIC RELATIONS CONFERENCE

OF CHESAPEAKE & OHIO RAILWAY COMPANY

by

ARTHUR W. PAGE

White Sulphur Springs, Virginia

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INDUSTRIAL STATESMANSHIP

Talk by Arthur W. Page

At Public Relations Conference

Of Chesapeake & Ohio Railway Company

Held at

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All business begins with the public permission and exists by public approval. The public permission takes the form of charters, licenses and legal authorizations of one kind or another. Public approval is generally represented by reasonable profits, reasonable freedom of action and a few kind words. A lack of public approval is expressed in a good many ways - laws, regulations, commission rulings, investigations, public hostility and most vital of all, by a lack of patronage.

The purpose of public relations is to deserve and maintain public approval. Business has always had relations with the public. Business has always attended to this aspect of its job with varying degrees of success. In the days of little business a man running an enterprise in a small community instinctively felt that he must get on well with the neighbors - which is public relations. But the larger

units of modern business in the last generation or two have brought the problem of the contact of business with the general public more into the limelight. It is harder to get on with neighbors constituting a national market than those neighbors who live within a horse and buggy radius. The larger units of business have given the public better service and contributed to the social welfare in other ways, such as higher wages, better working conditions, and I think on the average more stability as a place for the investment of public savings. These larger enterprises have been more effective on the technical side of operation than their smaller predecessors, and I think size has inherently something to do with this - although I know there is a school of thought to the contrary. But the larger the enterprise the more difficult to keep public confidence. This is really the problem of adjusting big business to a democracy and the difficulty arises from at least two directions - one is that the size of the enterprise creates a problem in maintaining public contacts on a good basis; and the other difficulty is that the public has an instinctive fear of large aggregations of power. The history of the growth of liberty has been chiefly; the struggle of human beings to limit the power of their governments, for governments have been the most arbitrary agencies of humanity and the most powerful. But fear of big business is based on the same emotions as fear of government - although as I look at business, it seems to me that while it exemplifies all the human qualities - good and bad - with its share of errors, the conception of its power is greatly exaggerated. However, whether that is true or not makes little difference for the public has

the conception of business power. We may as well accept the fact that the public will be fearful and suspicious of big business unless it clearly proves that it is operated in the public interest. The fear and suspicion vary in degree. It is not inevitable that there should be any. The Bank of England is a private institution with private stockhloders, yet run so completely in the public interest as to arouse no suspicion or fear at all.

If a business has a large measure of public approval and the public has a large measure of confidence in it - confidence meaning that it is conducted in a public interest - it will give the business considerable freedom. If the public lacks confidence, it will restrict the freedom of the business and maybe even destroy it. The pathetic thing is that in endeavoring to defend itself by restricting the freedom of the business, the public is inevitably reducing the degree of effective service by that business. By the time a business is so closely controlled by public agencies that it can't do anything bad, it is likewise so tied up it can't do much that is useful either. Real success, both for big business and for the public, lies in large enterprise conducting itself in the public interest and in such a way that the public will give it sufficient freedom to serve effectively. I said sufficient freedom, I don't mean complete freedom. With human nature as it is and is likely to be, I doubt the wisdom of giving any great units of business - or little ones either for that matter - complete freedom. Some regulation, either by way of competition or

regulatory law, is I think essential until we reach the millennium, which is a long way off. But I think that the public can, in its own interest, in judging the amount of control over business which it wishes to establish, remember that it will generally lessen the opportunity for effective service by about the same degree that it lessens the opportunity for abuse, and the greater degree of freedom it can safely grant, the greater degree of service it can reasonably expect.

The excitement and pressure of making use of the rapid mechanical and electrical inventions of the last two or three generations, concentrated most businesses' attention on technical improvements to a degree that perhaps obscured the human relationships between the business and the public. Men felt that if they produced cheaper and better goods, perhaps the public ought to be satisfied with that, and when it turned out not to be so there was a disposition to hire somebody to explain matters and go ahead as before - in other words, to run the business from the technical point of view and explain that. But that did not satisfy.

But I believe it is possible to run business in the public interest and explain the problems surrounding the business so that the public sees it is in their interest. In my opinion, the conduct of a big business in a democracy consists of 90 per cent of what is done and 10 per cent of what is done and 10 per cent or thereabouts in explaining it, but I still think that 10 per cent is a vital part of the enterprise. If

what the business is doing is not in the public interest, the more explaining the worse the result. But even if the policies are such as commend themselves to the public, the public is generally too busy with its own affairs to know about them unless they are set forth. Moreover, the very setting forth clarifies them in the mind of the business itself and sometimes the public comment on these policies will help the business to modify them in time to prevent serious difficulties.

Public relations, therefore, is not publicity only, not management only; it is what everybody in the business from top to bottom says and does when in contact with the public. Anybody in the business can help sell his livelihood down the river or help build it up. In the telephone business and the railroad business, which are retail businesses, most of the contacts with the public are made by the operators, linemen, installers, repairmen and people in the commercial offices; and by freight solicitors, station agents, train crews, section gangs. These people are the telephone business and the railroad business to most of the public and what they do and say constitutes a large part of public relations. As individuals from the ranks move up into supervision they probably have less direct contact with the public, but more responsibility for providing the ways and means, material and methods which will enable the rank and file to give good service and make intelligent and friendly contacts with the public. The problem is completely interwoven from the top to bottom of any industry, but particularly in service industries, and it cannot be allocated either to

a public relations department alone, or any part of supervision alone, or the rank and file. It is an overall job which everybody participates in whether he knows it or not, either for or against the profession in which he makes his living. There is no way of escaping this responsibility. Every day he is either building up or tearing down his job with the public.

I have some question whether there is such a thing as a public relations profession per se because the public relations of a railroad public relations, and the public relations of a telephone company are telephone public relations, and it is not at all certain that what the public expects from one industry is what it expects from another. The last thing that I would do would be to come here and attempt to discuss the public relations of a railroad because I have not been on one except as a passenger since I was a volunteer fireman and brakeman on my uncle's road in North Carolina before I went to college. I am, therefore, going to confine my specific discussion of public relations to processes by which we have gone at it in the telephone company and when I have done that I shall be very happy to answer any questions which any of you have about how these things are worked - both the parts which in our judgment work well and those that have not worked so well.

In 1927 the President of the American Telephone and Telegraph Company delivered a statement of Bell System policy before the annual meeting of the National Association of Railroad and Utility

Commissioners, the regulatory bodies that have most to do with our business. That was equivalent to saying to the public, "We should like to serve you and we offer the following contract which we think would be fair to every one and mutually profitable." Now you can't write out such a document even in very general terms without thinking over the company's responsibility to the public as a purveyor of goods and service, as an employer, as a taxpayer, perhaps as a trustee of public investment, etc. And it also happens that a document of this kind which the management is proud to sign, when literally applied to the business, makes some alterations in it. I don't mean that in our company there have been particularly fundamental alterations but it has often happened that since everybody in the System became convinced that the policy was intended literally, practices which had grown up and were not checked against any particular philosophy have been checked against the policy - sometimes by the rank and file, sometimes by lower supervision, sometimes by upper supervision - and made to conform. In other words, a policy of this kind is a device for making the people in the business - all of them to some degree - take the time to study and carefully consider relations between the public and the business. It subjects the business to the even closer scrutiny of the people inside the business than it is likely to get from the outside.

The general philosophy behind the policy has led in the last ten years to such management decisions as the limitation of dividends in the boom, their payment in the depression, the refusal to lend surplus in the

speculative markets in the boom, the maintenance of long range research through the depression, the change from a pay-as-you-go to an accrual plan for the pension fund, and so forth. I do not mean to imply that these and other management decisions made in an effort to fulfill the social obligations of the business might not have been made without the formulation of policy, but I am certain that there would not have been as much attention to this aspect of the business without it. In the Bell System we look upon the statement of policy as an important milestone in our history and a very present influence in the daily conduct of the enterprise.

The second part of the program has been the establishment of machinery to see that two things happen - one, that the business does not deviate from the aims of the policy by inattention and neglect, and two, that the details of operation be changed to fit the changing public desires. The machinery to do this is followed by the public relations department, but the work of doing it is in the operating departments. I make no particular claim for the particular kinds of machinery that we have. They vary a good deal in different parts of the System and we are still experimenting as to what is best. But from our experience I am clear that some machinery is necessary and that it is necessary that it be kept in healthy working condition.

Having gotten so far, you meet with another problem. I have been talking up to this point as if the public wishes were reasonably

static. Of course, they are anything but so. The public is one of the most whimsical masters that any one ever saw. The business must be prepared to meet new aspects of public opinion which arise at any minute. Not only that, but the public may have three or four opinions at once. We gave been questioned by one group having too much debt; by another for not having enough; by one group for not hiring enough old people, and by another for not hiring enough young ones. At one time the public would be censuring us for building ahead in the depression, and another group for not doing so. In other words, there is no possibility of perfection in this matter, but people who are watching it with care can be more clear about the dominant trends of public thought than those who are paying no attention to it, and to keep in tune with even the dominant trends of public thought means eternal vigilance.

So far I have been discussing decisions made finally by management. There is another side to the problem. As I said before, most of the day-to-day relations of the business with the public are conducted by the operators, linemen, commercial office people, installers, repairmen, etc. They represent the business to the public. The company may have the best overall policies in the world, but if the spirit of them is not translated into acts by those who have contact with the public, they will be largely discounted. Consequently, whatever the policies are, everybody must be let into the secret. To make the policies effective it is necessary to have the contact employees given an understanding of them so they can be reasonable and polite. In order to

be reasonable a person must know the reasons for what he does. If a customer objects to something and is told it is a rule of the company and nothing more - that seems arbitrary, and yet if the employee does not know the reason for the rule he can't explain it. Moreover, by instinct the public feels that if the employee does not know what it is about, it will be impossible for the public to find out and there must be something unreasonable in it.

Generally speaking, I am sure our public relations are improved pretty much in proportion as the employees in contact with the public understand the reasons behind the company policies and practices. Likewise, the more an employee understands, the more likely he is to grow in his job, so that the all-around level of performance improves, not to mention his satisfaction in life and capacity for advancement.

And along with this kind of reasonableness and an integral part of it, is politeness. I mean by this, as near unfailing courtesy as human nature allows, plus a genuine desire to make the company a friendly and helpful institution. This means giving employees some latitude and encouraging initiative. No routines and instructions can fit all cases. Employees who know what the objectives of the routines are can safely depart from them in exceptional cases to the great benefit of public relations.

It takes time and money and patient effort of supervision to inform all contact employees of the reasons behind routines and about the fundamental policies of the company, and about anything else which they are likely to be asked by the public. Yet without adequate knowledge to answer, they cannot make the company appear reasonable and it is more difficult for them to be polite and helpful. To have such knowledge spread down through the ranks of an organization means that from the foreman up to the top management, all supervisors must look upon the process as one vital to the success of the business. Being reasonable and polite to the public must be done by the company as a whole and cannot be done for the company by the special department. It is not a gesture - it is a way of life.

Perfection, of course, is impossible in anything, but a rather considerable degree of reasonableness and politeness ought to be easily achieved because these qualities are natural to most people, if not diminished by the pressure of routines, techniques and ratings on other aspects of the job. But if it is clear that politeness and reasonableness are also rated high by the management, they ought to come back to their proper place. Moreover, the employee himself has a better life if his contacts with the public are pleasant and he is justified in having a better opinion of his job and a greater satisfaction in it if all who mention the enterprise of which he is a part - and an understanding part - speak well of it.

In discussing politeness and reasonableness, I do not mean something employees can be trained to put on like a cloak. I am not talking about stage management. I am talking about character - running a business so that the more the employees know about it the better they feel about it, and running it with people who know what they are doing, have a pride in their professon and want that profession held in high esteem by other people because it deserves to be.

To make all this concrete, let me give some examples.

There was quite a hurricane in New England last year. It put out of service 600,000 telephones - about one-third as many telephones as there are in France. The policy of the Bell System which provides uniform equipment and training enabled crews from as far west as Arkansas and Iowa to roll into New England and start to work without delay in helping the local forces restore service. The policy of having the Western Electric Company as the central supply source resulted in the whole repair job being done without an hour's delay for lack of material. When the job was done people all over New England understood this. They understood it primarily because every gang that was working understood the facts and their significance and it was through these men that the results of these policies were most effectively presented to the public. If they had not known about the organization of the System and the reasons for it, the results in New England would have been very different.

Let me give you two instances of the kind of thing I mean by reasonableness and politeness and responsibility beyond the written rule.

There was a small town in the hurricane area in which the telephone company was represented by an operator, a night operator and a plant man. When the storm was over the town was cut off from the outside world and most of the town's telephones were out of commission. These three telephone people were out of touch with all supervision. The plant man got to work immediately on the toll line into the town. When he got that working calls began coming in asking about the safety of this one and that. If the operator had only a routine conception of her job and her responsibility she would have merely reported that the lines were out of order - which was well within the truth. What she did was to commandeer the postman and the milkman because they knew where every one lived in town. Having gotten their cooperation, whenever a call came about someone's safety she got one of these men to go look up the person and with that information she called back to the inquiring friend or relative. Every one in the company that operator worked in has a better and a safer job because of the friends she made for it.

The other case was during the depths of the depression. In a fair sized city out west, in the ordinary routine, a plant man was given a disconnect order. The disconnect order was because of non-payment of bill. The plant man went to the house and the door was opened by a woman who told him to come in when he explained his errand. He asked some

questions about why they were going to let the telephone be taken out and she answered that it was because her husband was sick and she could not pay the bill. He inquired a little further and finding that her husband was seriously sick he asked her if she did not really need the telephone to keep in touch with the doctor. She said she did but she had no money to pay for it.

At this point, he took on responsibility and said to her that he thought it was not a good time to take it out and he would hope that when her husband got well the bill could be attended to, but in the meanwhile she ought to have the service of the telephone. He went back and reported this to the commercial office and offered to pay that particular bill. The commercial office employee, reading the card, asked him if he was entirely well and if it was convenient to pay the bill. His answer was that while it was not particularly convenient as he had just gotten well, he was going to pay it anyway because while he was sick the only people who had done anything for him were in the telephone company and if nobody else got his bill paid he was going to pay us.

The bill's being paid was not important, but the fact that even in a routine business a way was found to be neighborly and friendly was immensely important.

The effort to build friendly service from the customer's point of view takes a great deal of time and instruction. For example, in the

Long Island area of the New York Telephone Company during the last year every member of the force has been to headquarters for a day's conference. The conference consists of discussions with the management, but most particularly of the observation of what we call service skits. A dozen operations that actually occur between the telephone company employees and the public are reenacted on a stage. The dozen cases shown are those in which the telephone company did not do the job well; and immediately after each one of those cases the same actors - who are employees - give a demonstration of how it should be done. This has had a very great practical effect in helping employees conduct the business in the way their natural tendencies would lead them to want to do it.

In Michigan during the year every operator has spent a day, in groups of 20 or so, in discussing with the higher supervision of the Traffic Department what they have found to be good and bad points of service, the things which bring praise and the things which bring criticism, and out of all this is gathered knowledge which enables both the management and the operators to divise a more friendly and effective service.

Similar things are going on in all the other parts of the Bell System and every year after the close of the year, the results of the year are discussed with practically all employees in group meetings in which any and all questions concerning the business are in order.

I have told you enough examples to give an indication of what we are trying to do. There are plenty of stories on the other side also - instances where we have failed and some of them have cost us considerably more than could have been anticipated. Adjusting a big business to a democracy is operating it in the public interest with good humor, reasonableness and politeness. If this is done with some skill and some luck it ought to work out. There are hazards enough to make it exciting, reqards enough to make it worthwhile, and always the chance that if it succeeds we may be helping to make a little better country to live in, as well as a more satisfactory life for ourselves, for after all one of the great satisfactions of life is to serve the public of one's time and generation in a way that commands its respect and liking.

A TALK BY ARTHUR W. PAGE
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AMERICAN TELEPHONE & TELEGRAPH COMPANY
ON NOVEMBER 1, 1955 AT THE
BELL SYSTEM EXECUTIVE CONFERENCE AT ASBURY PARK, N. J.

If you don't mind I should like to begin this talk with a little history.

When it took 70 or 80 or 90 percent of the people to grow enough food to feed the population, there was obviously not a great number who could go into industry.

So probably the most vital inventions for human well-being were such things as the McCormack reaper, for they released people from the farms for other production. The industrial revolution was limited by the number of non-farmers and when the farmers had to be a large proportion, there could not be much big business except land owning and trading.

Now that it takes less than 15 percent of the people to grow a surplus of food, other industry has plenty of man-power.

Big production units and big service units as we know them today are the result. They are comparatively recent affairs. There is no long history behind them and consequently we are still groping for the best method of handling them for the public welfare.

The history of our efforts is not too good.

The industrial revolution in England resulted in that country having more prosperity, more wealth and more strength than any other country in Europe.

But that revolution as conducted in England and on the Continent was conducted in such manner as to stir up Karl Marx and his friend Engel to write "Das Kapital," an almost unreadable book. But nevertheless it crystallized thinking so that all Western Europe, including England, is still largely socialistic.

This is not true in this country. We have a number of socialists of varying degrees, but our fundamental conceptions and practices are individualistic which is the same as capitalistic.

I think that it is important that you who have a hand in the great experiment of conducting big business so that it will be acceptable to our civilization should understand why this is true.

The people who landed at Jamestown and Plymouth and later elsewhere, were as full of feudal conceptions as those that stayed in Europe. They believed that some people were born to be on top and others to stay at the bottom. That was the European system. But the Government which administered this sytem was 3,000 miles away across the Atlantic.

In the century and a half between the landings and the revolution the population of the Colonies had grown to some 3,000,000 people and they had evolved a degree of freedom, opportunity and reward for success that was different than any whole people had ever had in the history of mankind.

We call it capitalism. This sounds to people elsewhere as a description of a civilization devoted to money. Actually it is quite the reverse. It is a civilization devoted to human opportunity and well-being. The opportunity is the opportunity to serve your neighbors well enough to gain from them a reward of well-being for yourself and your family. Money is the medium of exchange. But generally speaking, in this country you can't get well-being for yourself and your family without rendering commensurate service to the community.

A belief in freedom and equal opportunity became a part of the people and they instinctively protect these things. That is why the American conception of public education extends through high school and to college for pretty much everyone who really desires it, while in Europe higher education is still very much limited. That is why this is the only country in the world with a law to compel competition - in other words, a law to give everyone a chance. There is Homeric justice in the fact that freedom has given to those who believe in it most of the strength to defend it around the world.

Freedom and opportunity almost certainly create change. Capitalism incites men to do things differently and better. Our social and business life are not static and our political machinery which is the umpire of an ever changing game, must adapt its policies to change. And big business to get along in this moving stream acceptably must gauge its force and direction and adapt itself to serve the public needs and wants. If by conservative you mean a resistance to change, conservatism is a highly dangerous creed. If by being progressive you mean departing from the deep dyed instincts of the American people, that too is dangerous. The political parties operate trial and error maneuvers from side to side for temporary advantage in the changing scene. But institutions which desire to live a less hazardous life must endeavor to serve the public acceptably by keeping in step with the main current but avoiding temporary excesses in one direction or the other.

The people in these industries have a further duty as citizens and that is by precept and example to do their part in making this whole moving, changing thing we call our democracy, work.

So I urge you who have, from your positions a hand in this, the greatest experiment in human history to study something of its origin and its history and work out your own philosophy concerning the future.* Many of you are now and will be even more in the future in positions where your knowledge and judgment of these matters is of great importance.

I hope you will forgive me for bringing this matter into the subject of public relations which I was asked to talk about. Public relations is usually accepted as a much more limited field than I have been discussing,

*
reading material suggested by Mr. Page is attached

and I shall now revert to that field.

I am glad to be at a public relations conference of operating people. The public relations people generally confer together and convert each other on public relations and the operating people confer together on operations and convert each other and everybody stays more or less within the party line.

But actually, if the operating people did all their job, there would be little or no place for public relations people - and if they did their business perfectly, they would work themselves out of a job. However, I have never heard of this happening so we might as well discuss things more or less as they are and not speculate on the aspects of perfection.

The President or Chief Executive Officer of a company is responsible for its reputation - in other words for its public relations. He is responsible for what it does and what it says and what the public thinks of it. He is also responsible for his and its impact on the thinking of the American people generally. This last may be very important.

Let's stop a minute on this point.

All business in this country - and every other - is authorized by and responsible to government. In this country all business begins with a charter or a license to serve the public. The governmental body that gives the charter or license gives it for the public benefit and if the public doesn't get what it expects, its governmental agent can render the charter or license useless by law or regulation. There is practically no inherent right to do business for the sake of the business only.

In this country the Democrats under Jackson passed a death sentence on the United States Bank. Mr. Biddle, who ran the bank, did not read the public mind aright and he paid the price. In more recent times the electric holding companies made a misjudgment, and they too were rewarded with a death sentence. The Bell System acquired the Western Union, as it thought to give better service, but it found also that its judgment was wrong and it had to give it up.

Just to make the record clear, the public penalties are not meted out just to the utilities. The liquor business is one of the oldest in the world - historically a public necessity, but it was temporarily abolished in this country. The Standard Oil and The American Tobacco Company were split up. The Aluminum Company was harassed by endless suits and finally confronted with government aided competition.

The chain stores, in concentrating on reducing costs to the public, overlooked certain local citizenship responsibilities and exposed themselves to the threat of punitive State laws.

There are any number of examples of this major kind and myriad of lesser evidences of public dissatisfaction.

If you look back over the record you will probably come to the conclusion that in many cases the threats and punishments of public disapproval were justified. In other cases they will appear to have been unreasonable.

But it will be clear that whether the public was wise or not, no business can serve the public well that does not constantly study the public desires not only in the quality of goods and services, but also in general behavior.

The public relations job of the president, therefore, is first of all to have the company intend to do the right thing by the public. Then he has to find out what that is.

Then he has to get everyone in the company to do his part in carrying out the policy effectively, reasonably and politely. This is a real test of management.

Thirdly, the president has to set the pace for the talking and writing the company does.

As you think these things over you can see that a president could well use some help in his public relations job.

He particularly needs someone to stand on the bridge with him and watch the weather of public and political opinion, a man who knows the business and knows, as well as anyone can, the currents of mass thinking in the United States.

That isn't so easy, for as General Carty once remarked about technical telephony, "If it is an exact science it is one about which very little is known."

The president also needs help in making his public relations policies operative amongst all employees. This is the function of the operating line of command. It won't work if they do not have the faith. The public relations man can help in this.

The public relations man can also have a hand in stimulating and directing the talking and writing of the company at all levels.

Of course, as I said before, if you had a perfect president and perfect line organization, you wouldn't need any public relations man.

If you accept this idea of public relations, what kind of man should a company have heading that activity?

In the first place, he should know his own company and what it does and can do intimately. There are several reasons for this.

This knowledge is necessary if he is to be a useful counsellor to the president and it is necessary to command the respect and get the cooperation of

the line organization. It is also necessary in helping set company policy for without it, no one can determine what is the best the company can do for the public or in what manner it can be done.

On the other side, the man must have a knowledge of public and political behavior.

If he is a political student first he will have to make himself really understand the business and its possibilities.

If he is a line operator and knows these things, he will have to develop his public appreciation.

He must be an understanding advocate of his company but never in such a way as to let him forget the desires and expectations of the public. He must be the public's representative in the company councils and the company's advocate to the public. And this assumes, which I believe to be true in this country, that the fundamental welfare of business and the fundamental welfare of the public are identical. Ignorance, and short-sightedness on either side may make their interests seem in conflict. It is the business of public relations to increase the wisdom of management so that in fact they coincide and to reduce the ignorance of the public so that they appear to coincide.

The problem of organized public relations is to help big business serve the American democracy well and deserve its respect and approbation.

So much for the public relations man. If he is good he can be of great help to you. But he cannot make the company well and favorably known, for its acts are those of the line organization and its policies are those of the president. His important role is as a staff officer. Generally he has also a line responsibility for getting out news and advertisements and kindred matters but these are expressions of presidential policy.

I am not belittling the influence or the importance of the public relations officer but the major part of public relations is, and must be, conducted by the line organization. A company's reputation is chiefly dependent upon what it does and in a lesser degree on what it says and this lesser degree becomes very small indeed if what it says and what it does do not jibe.

So you operating people who have come here to discuss public relations have come to talk about your own business - and a very important part of it.

There are many, many angles to the process of acquiring a good reputation.

Let's take a look at the function of line organization in relation to two of them.

The first is good manners. Charity, the Bible says, shall cover the multitude of sins. Good manners are a close second to charity. Now as most of us are likely to commit a considerable collection of sins of omission

and commission, one of the most useful things in the world is to have enough good manners to cover them over. What are a company's manners? They are the manners of every employee that comes in contact with the public on the job - and often off the job.

How do you get all these people to be polite, thoughtful and helpful? The public relations man can't achieve that by writing a powerful piece on the value of manners. If he can persuade you of the importance of it, it will get done, especially if you are convinced that top management is in earnest in the matter by seeing someone promoted for doing it successfully.

It can be achieved, but in spite of the fact that most employees are by nature courteous and helpful, the task isn't easy. Really good manners are a routine. They take judgment as well as good will. A man who lives and acts by routines and orders, tends to abandon judgment. Good manners come with some latitude to think and act and I do not have to tell you that training large numbers of people so that you can trust them to think and act is quite a job. Yet it can be done and it has been done. It takes constant and unrelenting teaching, preaching and example. It takes a good line organization to do it day in and day out, year after year.

The other aspect of public relations I want to talk about is called communications which, I take it, means getting information from the top levels to the bottom levels, and vice versa.

A company may have the best policies and intentions in the world, but if they are not translated into acts by those who have contact with the public, they will be largely discounted.

Consequently whatever the policies are the employees must know them and believe in them. The more an employee knows, the better he is likely to do his job and the more likely he is to grow available for a better job. And the more he knows about the reasons for what he does, the more likely he is to present the company in a reasonable light to the public. A man can't explain something he doesn't understand himself or give confidence to someone else in something he has not faith in himself.

To have knowledge and reason spread through the ranks of an organization means that from the foreman up to top management all supervisors must look upon the process as one vital to the success of the business.

There is, at this time, a particular reason for greater attention to informing the employees and increasing their understanding. Under the Wagner and Taft-Hartley acts - which incidentally were passed because the public thought industry abused its power over labor - the union leaders have become so powerful that they can marshal their members behind arbitrary and unreasonable demands and things which are against the public interest.

It is of the utmost importance that the workers understand the possibilities and impossibilities and what, in the long run, is to their advantage so that they are less easily herded into reckless adventures.

The more the employees know, the more likely they are to have a wise union leadership by which I mean one that gets the full share that labor can be paid without unfairness to the public in prices which results in less sales and fewer jobs, or unfairness to capital which results in less expenditures for tools and equipment which means less earnings for the workers in the long run.

If the employees are continually informed

1) they will do their jobs better;
2) better lower supervision will come up from the ranks;
3) their contacts with the public will be better informed;
4) they will have the wherewithal of sweet reasonableness to bolster their politeness;
5) they will engender a better union leadership

This is all to the end of running a business so that the more the employees know about it, the better they feel about it, running it with people who know what they are doing and why, and people have a pride in their business and who want it held in high esteem by other people because it deserves to be.

You remember what Mark Twain said about the weather. Everybody talks about it, nobody does anything about it.

Well, the communication subject is somewhat in the same fix. And I suspect that a good many people feel as hopeless about getting an effective relationship with labor under present conditions as they do about talking Diane and Cora into good behavior.

But on this point I want to tell you a story.

In 1947 the General Electric had a strike - a big one and a bad one. They had not had anything like it before. They were distressed to find that not only was their reputation undermined with their labor, but that it was undermined in the communities where they operated.

It was such a shock that they decided to do something about it. That decision was the main thing for communications, if you want to call it that, at that moment became as important as production, sales, or anything else. It had all the money it could effectively spend. It had manpower and precedence. At the end of six years the General Electric had sufficient credence with its employees and in its communities to settle with its people on the local union level, in spite of the opposition of the head of its biggest union. The agreement went into effect without his signature. This year General Electric negotiated a five year contract and that same union leader, Mr. Cary of the I.U.E., C.I.O., signed it under compulsion, for his locals would not go on strike.

This was in a year of the so-called guaranteed annual wage and all manner of union success. True, General Electric gave their men a good contract, but it was not excessive and it was not done under a strike threat. It was done by understanding - seven years of communications.

General Electric isn't alone in this. There is evidence enough to show that these results could be achieved by successful business practically anywhere, that the importance of getting these results are accepted, and time, money and effort are given to the task.

Union leader domination and bad labor relations are not an act of God like the hurricanes. They can be largely controlled by management when it seriously chooses to do so.

And to my mind this is a good time to get serious about it, for the situation is bad and moreover, the union leaders are likely to help management by over playing their hands. They are relatively new to great arbitrary power and few people who get great power suddenly get with it the tolerance and wisdom to prevent its abuse. Maybe the instincts of the majority of Americans are on the side of more individual liberty and less arbitrary power in union affairs as elsewhere.

So much for communications.

A company that has this philosophy will just naturally have good public relations especially if the line of organization doesn't let the very real necessity of doing the daily job up to the best standards then in practice, prevent their imagination from roaming in all directions to see what more can be done for the public. If they read with this in mind and listen with this in mind, they will be attuned to the infinite numbers of hints and suggestions that daily flow from the minds of men.

One of the most interesting recent speculations of this kind was in a speech by Secretary Weeks. Perhaps some of you have read it. But at the risk of repetition I want to read a few paragraphs, for they bring out clearly two points.

He wants the utilities to make more money, why? Just for their sakes, no. But because if they do he thinks they might serve the country better.

He says, "In the competitive field the company that moves fast can make extra profits. These extra profits give it money with which to move fast again. ***This kind of progress is not so easy in the regulated industries, for unfortunately, we have come to regulate the price they charge by limiting the profit they can make. ***The question that arises at this time and in the light of conditions which we shall face in the future is whether a rate is reasonable if it does not stimulate research to the fullest possible extent, does not recognize obsolescene and does not encourage the rapid development and use of equipment which can increase efficiency and cut costs.

"In the competitive world we should never think of assuming that a company that made a low profit was for that reason the best place to buy."

"Our instinct and experience is rather the opposite of that philosophy. Yet in the regulated field we do assume that it is something of proof that the rates to the consumer are right if the return to the company is relatively low - very far below the return of a successful company in the competitive field."

"In my judgment, it is not only possible but almost surely probable that, in the regulated industries, the rates to the public would be lower and the service better if the return on investment were higher and the stimulation

to progress were thereby greater. It seems to me this possibility deserves study and experimentation."

And now I am going to commit one of the great errors which is to set down what sound like a series of rules without reasons - but I do it only because you know enough to apply them with discrimination.

Don't be afraid of ideas that are contrary to present practice. Most everyone who gets to the top gets there for doing something different.

Don't concentrate so much on the things you work with as to forget the public you work for.

Keep your mind open and stir your imagination to speculate on what more the company can do for the public.

Keep the stream of knowledge flowing freely to the boys below you so that they too can reason and be reasonable and grow in stature.

By preaching, teaching and example and any other way you can figure out, keep good manners prevalent throughout the force.

In the words of the Negro preacher - "The acting of religion" is yours. You can get a lot of help from the public relations man if he is good, for he is studying these matters all the time without other obligations, but most of what is actually done you are going to have to do.

But do not confine your thinking, reading and listening to the immediate matters of your own job or your own company. You work for the American people and they will appraise your work and judge its value by their judgments. It is highly important to understand as much as one can of why they think and act as they do.

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TALK BY ARTHUR W. PAGE

BEFORE THE MONTREAL CHAMBRE DE COMMERCE

February 7, 1946

Public relations has come to be a highfalutin phrase with a somewhat mysterious air and I fear a certain content of buncombe in it. Public relations is, of course, merely one's relations with the public. Princes and paupers, the butcher, the baker, the candlestick maker have all had relations with the public for lo these many years. Some have good relations and some poor, but none but the hermits could escape having some kind of public relations.

Princes on the average I would think have done less well lately than formerly and the paupers better than they used to do, but their relations with the public come under the head of politics.

The butcher, the baker, and the candlestick maker, that is, business in general, perhaps has not all the public esteem that it could wish and that is why public relations is discussed in business circles nowadays. It is a curious thing that business has not greater public esteem because business is a way of making a living, a thing which almost all of us have to do. As it is a common interest, it ought to provide a common bond and be popular with everyone. Why isn't it? I think that the commonest reason for a lack of popular favor for business is size and certain things that often go with size.

Little business is popular. There are in the United States almost as many government agencies for encouraging little business as there are for the regulation of big business. No one is afraid of little business. Many people are afraid of big business. The man who runs his own store is generally polite to his customers, for he can see that it pays. The clerks in a large store may not be equally obliging for they have not exactly the same incentive. Dealing with Bill Smith may be pleasanter and more personal than dealing with the

William F. Smith Corporation. When Bill Smith gets to be a corporation he may well lose one of the reasons that enabled him to be a corporation.

Size is an evidence of success. Size also in many kinds of business has operating and purchasing advantages. But it isn't inherently popular. Moreover it is hard to keep size polite. There is some tendency for the top to get top-lofty because of removal from public contact and for those who do have contact with the public not to have the interest to make that contact both efficient and courteous.

Now we have reached a state in North America where a considerable part of our business is done by firms and corporations -- whether you call them big business or little -- in which the heads are removed from public contact and the public is dealt with by an organization.

Generally speaking the goods and services provided the public have good quality and value. In these aspects I think business makes a better record than it does in the courteous thoughtfulness and individual attention with which the services are rendered and the goods sold. If this is true the values are better than the relations with the public. And unless management is eternally vigilant and wise this will be so because the goods are inanimate and easier to control than the people who make up an organization. To teach and inspire a high standard of thoughtfulness, courtesy and individual attention to the public is a difficult task, especially when the inspiration must come from men who have ceased to have public contacts themselves.

This is one of the simple human reasons why as business gets bigger it is hard for it to maintain the public's good will. Yet there are so many cases where this difficulty has been overcome, that I believe it is clear that an increase in courtesy at the point of contact with the public is one of the biggest opportunities that business has.

Public relations officers are often thought of as identical with publicity officers. I don't think it makes much difference what they are called so long as it is accepted that what you do for the public and how you do it is far more important than what you tell the public.

Yet what you tell them is important also. The public judges a business not only by its contacts with it, but also by what it hears about it. And it hears and believes many fantastic things. In the United States we took a poll of public opinion recently concerning the earnings of the telephone business. In it were two questions: One, what did people think we did earn, and two, what did they think we should earn. It turned out that the average opinion was that we did earn nearly three times what we do and that we should earn nearly twice what we do. I am tempted to agree with this latter opinion but, people thinking what they did about what we earned, they can hardly help expecting either a considerable cut in rates or a tremendous boost in wages, or both. We have tried to tell what the facts are but evidently we have not been entirely successful and that lack of success in telling has danger in it.

Of course the public is more interested in the telephone company's rate of return than in the rate of return of competitive businesses. But people are very quick to suspect that there may be something against the public interest in the methods by which even competitive businesses become successful. Size and power breed fear and dislike, especially when surrounded by secrecy or mystery.

I believe then that it is always good counsel to tell the public the facts about business. But this is difficult for the public is quite busy about its own business and not much prone to listen about yours unless perchance some one accuses you of having prospered by unfair methods or grown rich and arrogant, or you are hit by the kind of attack which may well make the headlines.

Then you will be asked to tell your story, but on the defensive which is a poor way to start.

There is a measure of safety then in keeping the public informed about your business -- as much as they will let you. There is a further measure of safety in examining the business with a critical and hostile eye yourself to see what there is about it which would be embarrassing if your worst enemy in his meanest moment got the facts on the first page of the paper. Having gone through that self-examination, maybe something should be changed. ~~If not,~~ a good explanation of the facts all written out isn't bad insurance.

What kind of things would these be that would provoke the public's hostility? It is hard to tell. The public is exceedingly whimsical. If you are a little business you can cut rates and be a public benefactor. As you get larger and cut rates you may be indicted for trying to kill off your smaller competitors, but just how big you have to be to deserve this indictment is uncertain. In the United States it is not uncommon for business to be pilloried for violation of an act that Congress is thinking of passing. This doesn't sound logical but it is distinctly human. Usually businesses that critically examine themselves have a fair chance of seeing such dangers before they occur. A constant adjustment to public opinion is much safer than reliance on law, for public opinion is what makes law and by the time it gets provoked enough to enact a statute, the statute may be pretty stringent.

I have now talked about fourteen of my fifteen minutes and said nothing that was new and nothing that was not obvious. ~~That I would do so was obvious to you when you asked me to speak on public relations -- or how to get on with humanity.~~ because Individually and collectively this is an old subject. Statesmen and politicians have worked at it for thousands of years -- with only relative success. Business has done the same with the same results. As long

as people are human public relations will be ever-changing, precarious, interesting and full of possibilities.

There is one continuing aspect, however, in free countries where public opinion functions. The public is the boss. All business begins by public opinion -- a license to peddle peaches or a charter to run a bank. What the public has given it can take away. A servant it has commissioned, it can punish or dismiss. The law may delay the public will but business can't prosper against it. So even if no one has found out how to be sure to have continuously good relations with the public, it is fairly evident that it should be done and it is worth while putting some time and thought on the matter. Trying to run a business is a hazardous enterprise at best. It is worth while trying to have as many of the public on your side as possible.

Besides, the public expects you to run your business so that it can be on your side. The public may be whimsical, and sometimes slow, but it is generally fair -- and dangerous when disappointed.

It expects the best goods and services at the least cost possible and at the same time that you pay good wages and salaries and a good return on the investment. It further expects that your business will, like a good citizen, support good causes, that you will give some time to public service outside business and also that you won't run foul of any particular hobby the public is interested in at the time -- and as you get larger you are expected to take more of these responsibilities. As this counsel of perfection is exceedingly hard to accomplish, I take great comfort in the fact that with the public an honest desire to do well by them and an unfailing courtesy and frankness cover a multitude of sins, and the public will forgive much if they get these.

27 years ago

SOME REMARKS
ON
PUBLIC RELATIONS

by

ARTHUR W. PAGE

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The United States is a big country and big companies have grown up to serve its needs. They are a natural result in a big country with a single currency, good transportation and communication and no trade barriers. The economies and efficiencies which come with such a national market have been achieved by industrial enterprises in large enough units to serve such a market.

In other words, the very fundamentals of our political structure seem adapted to the particular purpose of encouraging large scale enterprise. This structure has, in fact, facilitated such enterprise, and the country has had the benefits.

Nevertheless, the public is not at any time altogether satisfied with big business, and from time to time is seriously dissatisfied with it. Sometimes it is dissatisfied with one aspect, sometimes with another. Sometimes the criticism is against individual companies, sometimes against large enterprise in general.

This is not surprising, for history is full of examples of organizations built up to serve mankind, and getting large enough and powerful enough to breed fear or envy in the individual. Through most of history, mankind has struggled to free itself from the too great power of government, and it has at times also feared the organization of business and of the church. It is just as natural for the public to look with a

critical eye upon the power of business organizations as it is to look critically at the power of government or any other agency that serves the individual.

We may as well accept the fact that the public will be fearful and suspicious of big business unless it clearly proves that it is operated in the public interest. The fear and suspicion vary in degree. It is not inevitable that there should be any. The Bank of England is a private institution with private stockholders, yet run so completely in the public interest as to arouse no suspicion or fear at all.

If a business has a large measure of public approval and the public has a large measure of confidence in it-confidence meaning that it is conducted in the public interest-it will give the business considerable freedom. If the public lacks confidence, it will restrict the freedom of the business and maybe even destroy it. The pathetic thing is that in endeavoring to defend itself by restricting the freedom of the business, the public is inevitably reducing the degree of effective service by that business. By the time of business is so closely controlled by public agencies that it can't do anything bad, it is likewise so tied up it can't do much that is useful either. Real success, both for business and for the public, lies in large enterprise conducting itself in the public interest and in such a way that the public will give it sufficient freedom to serve effectively. I said sufficient freedon; I don't mean complete freedom. With human nature as it is and is likely to be, I doubt the wisdom of giving any great units of business-or little ones either for that matter-complete freedom. Some regulation, either by way

of competition or regulatory law, is I think essential until we reach the millenium, which is a long way off. But I think that the public can, in its own interest, in judging the amount of control over business which it wishes to establish, remember that it will generally lessen the opportunity for effective service by about the same degree that it lessens the opportunity for abuse, and the greater degree of freedom it can safely grant, the greater degree of service it can reasonably expect.

What, then, should be the relationship between a large business enterprise and the public in the United States today? What are the responsibilities of big business? How can it best serve the public? What are its functions in a nation such as the United States? There are probably almost as many answers to these questions as there are big corporations, for history and circumstance give each corporation particular responsibilities of adjustment to the public.

Back some twenty years ago, when I was editor of a current events magazine, one of the complaints against the big corporations was their secrecy. It was felt that they ought to give the public more information about their affairs. There was a good deal of discussion about enterprises "affected with the public interest," or "quasi-public" enterprises, and I think it fair to say that both the press and the public felt that the public should know about the affairs of large business. The argument that private business had the right to keep its affairs private was heard then, but it got so little support that it is much less heard now.

It seemed to me then, as it does now, that all business in a democratic country begins with public permission and exists by public approval. If that be true, it follows that business should be cheerfully willing to tell the public what its policies are, what it is doing, and what it hopes to do. This seems practically a duty. It is not an easy duty to perform, for people who make up the public are generally busy about their own affairs and are not particularly prone to take time off to hear about the telephone business or any other. On the other hand, I think it clear enough that the public would very much resent it if a business now took the attitude which many used to take, "We'll tell you nothing. It is none of your affair."

A SUGGESTED PROGRAM

There are obviously a great number of ways of handling the problem. I am going to suggest one method, not because I think it is better than many others, but so as to have a concrete outline.

Under this program, I set up as a basis for discussion, we have:

1. A top management that has analyzed its overall relation to the public it serves and is constantly on watch for changes in the public desires.
2. A system for informing all employees concerning the general policies and practices of the company.

3. A system of giving contact employees the knowledge they need to be reasonable and polite, and the incentive of knowing that those qualities count in pay and promotion.
4. A system of getting employee and public questions and criticisms back up through the organization so that management may know what the public thinks of the business.
5. A frankness in telling the public about the company's operations; its practices and policies in the public interest, by advertising in magazines, newpapers, or the radio, by official company statements, speeches, and many other ways.

I - Statement of Policy

The first thing in this program is to have the management of the business write out a statement of policy. This is equivalent to saying to the public: "We should like to serve you and we offer you the following contract which we think would be fair to all concerned and mutually profitable."

The statements of policy, made publicly and reiterated, are hostages for performance. They are also assurance to all employees of the purpose of the management. Thus, they are important in helping to create and

maintain a unity of purpose and understanding within the organization. The effort to state a matter sometimes even helps clarify the thinking on the subject.

No one can write out such a document without thinking over the company's responsibilities to the public, as a purveyor of goods or services, as an employer, as a taxpayer, perhaps as a trustee of the public's investments, etc. It might occur, also, that a document of this kind which the management would be proud to sign, when literally applied to the business, might not fit in all particulars. This immediately brings up the question whether the business or the policy was wrong, and which should be changed. In other words, this writing out of a policy is a device for making the management take the time to study seriously and carefully the relation between the public and the business, to see whether the business has public approbation and whether it ought to have it-to see itself as nearly as is possible as the public sees it.

II - Informing Employees of Policy

So much for the policy side of the public relations program I want to present to you. There is another side. Most of the day-by-day relations of business with the public are not conducted by management but by the other employees. Sales girls, salesman, receptionists, repairmen, telephone operators-these are the people who largely represent business to the public. A company may have the best overall public policy in the

world in the minds of management, but if the spirit of it is not translated into acts by those who represent the company in contact with the public, it will be largely discounted.

III - Employee Attitudes

To make any policy effective, it would seem to me that the contact employees must be given an understanding of it so that they can be reasonable and polite. In order in to be reasonable a person must know the reasons for what he does. If a customer objects to something and is told that it is a rule of the company and nothing more-well, that seems pretty arbitrary. And yet, if the employee does not know the reason for the rule, he can't explain it. Generally speaking, I am sure that public relations are improved pretty much in proportion as the employees in contact with the public understand the reasons behind company policy and practices. And, likewise, the process of getting and understanding of these things is likely to develop better personnel.

And along with this kind of reasonableness, and an integral part of it, is politeness. I mean by this, as near unfailing courtesy as human nature allows, plus a genuine desire to make the company a friendly and helpful institution. This means giving employees some latitude and encouraging initiative. No routines and instructions can fit all cases. Employees who know what the objectives of the routines are, can safely depart from them in exceptional cases to the great benefit of public relations.

It takes time and money and patient effort of supervision to inform all contact employees of the reasons behind routines and about the fundamental policies of the company, and about anything else which they are likely to be asked by the public. Yet without adequate knowledge to answer they cannot make the company appear reasonable, and it is more difficult for them to be polite and helpful. To have such knowledge spread down through the ranks of an organization means that from the foreman up to the top management, all supervisors must look upon the process as one vital to the success of the business. Being reasonable and polite to the public must be done by the company as a whole and cannot be done for the company by a special department. It is not a gesture-it is a way of life.

Perfection, of course, is impossible in anything, but a rather considerable degree of reasonableness and politeness ought to be easily achieved because these qualities are natural to most people, if not diminished by the pressure of routines, techniques and ratings on other aspects of the job. But if it is clear that politeness and reasonableness are also rated high by the management, they ought to come back to their proper place. Moreover, the employee himself has a better life if his contacts with the public are pleasant, and he is justified in having a better opinion of his job and a greater satisfaction in it if all who mention and the enterprise of which he is a part - and an understanding part - speak well of it.

In discussing politeness and reasonableness, I do not mean something employees can be trained to put on like a cloak. I am not talking about stage management. I am talking about character-running a business so that the more the employees know about it the better they feel about it, and running it with people who know what they are doing, have a pride in their profession and want that profession held in high esteem by other people because it deserves to be.

Character is an asset of a business. Reputation affects the customers, the stockholders, and the employees. The people who make up the Bell System are citizens of the United States with standing in their various communities. They have children and friends like other people, and their reputations mean something to them. They have, therfore, every reason for deep-seated personal resentment when anyone sets out to attack their characters.

IV - Public Attitudes Transmitted Through Employees

A business that recognizes a broad responsibility to the public and takes its employees into its confidence will probably maintain a fairly analytical state of mind at the top, for there will be many questions coming from the employees and from the public through the employees. And these will be most useful straws to tell which way the wind of public opinion is likely to blow.

V - Informing the Public

In my opinion, the conduct of a big business in a democracy consists of 90 per cent of what is done and 10 per cent or thereabouts in explaining it, but I still think that 10 per cent is a vital part of the enterprise.

This means a frankness in telling the public about the company's operations. Much of this will be done by the contact employees, but much of it must be done in other ways - by advertising in newspapers, magazines, on the radio, by official company statements, speeches and many other ways. I shall not discuss the techniques of advertising and publicity except to stat that their function in public relations is to tell the public as much as it will listen to of the policies and practices of the company which make up the contract under which it wishes to serve the public.

The Bell System endeavors to tell the public about its affairs in a number of different ways.

The most important method is the issuance of statements from time to time by the officers of the different companies.

Any one who has read the last fifteen annual reports and the fifteen or twenty other public statements of the President of the American Telephone and Telegraph Company would have a very clear picture of the

policies, objectives and accomplishments of the Bell System as a whole. The presidents of each operating company have made similar statements for their particular areas.

Next to these statements, perhaps the most important method of "telling the public" is advertising.

In proportion to the size of its operations the Bell System has never been a large advertiser, but it has been at it a long time. Operating companies in the Bell System began newspaper advertising about the same time that they began to give service. The American Telephone and Telegraph Company began advertising for the Bell System in magazines of national circulation in 1908.

The general theme has been to ask for public approval and patronage on the basis that the business is run economically, efficiently and in the public interest. The theory is that the more the public knows about the conduct of the business, the more the public will understand it and use its services.

A similar national advertising program on the radio was begun April 29, 1940.

During the year 1940, various Bell system people, from local managers to company presidents (and the list includes a few people who do nothing but lecture), gave some 7,000 lectures or demonstrations before clubs, associations and various other groups including schools - all by

request. There are more requests than the companies can take care of. Some of these talks are accompanied by movies of Bell System subjects, and there are many movie shows without talks.

All these methods of telling the public about the conduct of business and asking for public approval and patronage cost something less that one cent for every dollar of income in conducting the business. It seems to me that the duty of informing the public and the value to the company and the public of such information would justify a far larger expenditure if that happened to be necessary to do the job. The adjustment of the big business to the public is of as much importance to the public as it is to business, and it cannot be done without frankness and understanding.

Although the process of "telling the public" is a very inexpensive part of the business, it is an important one. Perhaps it would be wiser to spend more and perhaps less. Here again, there is no mathematical formula that will give the answer. Like most matters of management, experience and observation have to be mixed with whatever help can be had from figures and decisions made based on judgement.

(The character of the Telephone Company's advertising has naturally changed since the war. Today a vital part of our policy it to run the Bell System so that it does its maximum service in winning the war.

Over the telephone wires go the signals of all other teams that are getting things done, and the way must be cleared for these vital

messages. Consequently we are asking public support and cooperation in advertisements such as the following:)

We are the Unseen

He's Firing Telephone Wire at a Zero

Make way, War's on the Wires

If I were twice as Big

Publicity is an important part of public relations, but in business as in most human affairs, what you do is more important than what you say. It is always possible to make a good statement on a good set of facts, but no more in business than in politics can you fool all the people all the time and if you expect to stay in business long, an attempt to fool even some of the people some of the time will end in disaster.

The final set-up of the program, then, is a management alive to its public responsibility, an informed, reasonable and polite personnel, and procedures for informing the public-in other words, an organization made up of many people which, wherever it touches the public, acts like a wise and considerable individual.

Public relations, therefore, is not publicity only, not management only; it is what everybody in the business from top to bottom says and does when in contact with the public. The problem is completely interwoven from the top to botton of any industry but particularly in service industries, and it cannot be allocated either to a public

relations department alone, or any part of supervision alone, or the rank and file. It is an overall job in which everybody participates whether he knows it or not, either for or against the profession in which he makes his living. There is no way of escaping this responsibility. Every day he is either building up or tearing down his job with the public.

In this discussion, I am assuming that public relations are designed to give a business a good reputation with the public, establish it in the public mind as an institution of character and an institution which functions in the public interest. I am not including a discussion of publicity, advertising, or other activities that have a purely sales purpose.

Anybody who does business with the public in a public business and subject to regulation by the public in many ways-by a great variety of laws, from those to do with incorporation or partnerships to fair trade practices and blue sky legislation; by various forms of public supervision; by the public's giving or withholding partronage and by praise or blame from political leaders, radio commentators and the press. The public lays down the rules for its service, partially in laws and partially in public opinion, which at any time may be made into law. The task which business has, and which it has always had, of fitting itself to the pattern of public desires has lately come to be called public relations.

Public relations in this country is the art of adapting big business to a democracy, so that the people have confidence that they are being well served and at the same time the business has freedom to serve them well.

MANAGEMENT AND PUBLIC RELATIONS

The second part of the program I suggest is that a policy having been established, some machinery be set up to see that two things happen-(1) that the business does not deviate from the policy by inattention or neglect, and (2) that the details of the policy be changed to fit the changing public desires. The machinery to do this is ordinarily called the Public Relations Department.

A company can, of course, work out a policy and set up machinery to keep it revised without a public relations department as such. But keeping attuned to the public wishes may be so vitally important that it seems but a matter of insurance to detail some one to spend all his time on that job. As knowing the public is not an exact science, the gentlemen detailed to the job cannot answer questions with the precision of an engineer, or even within the latitude taken by legal counsel. But by constant attention, study and experience, he can learn some things and he can see that the problems concerning the public get the attention they deserve from the rest of the management.

However, to do this effectively he will have to be a part of the policy-making councils, for it is of the essence of the daily conduct of

affairs. It cannot be an isolated function. Even though a company has set up a positive program and has a realistic philosophy about its relations with the public, it must still be prepared to meet new aspects of public opinion which arise at any minute. It may be questioned by one group for having too much debt, and another for not having enough; by one group for having too many college graduates, and another for not having enough; at one time in our history, the public would have censured a company for building ahead in a depression, at another for not doing so; sometimes there is criticism for lack of salesmanship, and sometimes of overselling. In other words, the public is a somewhat whimsical master. To keep in tune with it means eternal vigilance in watching its moods.

WHY PUBLIC RELATIONS

The job of business is to guess what practices the public is really going to want to change, and change them before the public gets around to the trial for treason.

The less confidence the public has in big business, the less freedom the public will give big business. And as you restrict its freedom, you restrict its ability to serve.

It is, therefore, to the interests of both, that there be established a state of confidence concerning the relations between big business and the public. Can there be established such a state of confidence? How effective can our public relations be? I have a belief that they can be

very much higher than we have yet attained or than most people believe is attainable. You hear a great deal of discussion about the relations of large corporations with the public in which the phrase occurs-"Oh, well, they are attacking this corporation and that, or the utility, for political reasons." That is offered very often as an excuse., But it is not a valid excuse. The actual fact is the big business has to meet the political test. The political test comes down to this. If the reputation of big business is good enough with the public, no one representing the public-whether in press, politics, or any other capacity-will be hostile to it. Because of the ordinary human suspicions of size, big business will always be closely scrutinized. It will have to be a better citizen than if it were smaller. It will have to be good enough to have public confidence. Many people feel that there isn't a possibility of getting to such a state.

But certainly there is no reason to believe that good public relations are impossible until business, by and large, has put the same though and effort on the subject that it has put on research, production, and selling.

"But I believe it is possible to run business in the public interest and explain the problems surrounding the business so that the public sees it is in their interest. In my opinion, the conduct of a big business in a democracy consists of 90 per cent of what is done and 10 per cent or thereabouts in explaining it, but I still think that 10 per cent is a vital part of the enterprise. If what the business is doing is not in the public interest, the more explaining the worse the result. But even if the policies are such as commend themselves to the public, the public is generally too busy with its own affairs to know about them unless they are set forth. Moreover, the very setting forth clarifies them in the mind of the business itself and sometimes the public comment on these policies will help the business to modify them in time to prevent serious difficulties."

—From talk on "Industrial Statesmanship" by Arthur W. Page at Public Relations Conference of Chesapeake & Ohio Railway Company at White Sulphur Springs, Virginia, October 27, 1939.

In my opinion, the conduct of a big business in a democracy consists of 90 per cent of what is done and 10 per cent or thereabouts in explaining it, but I still think that 10 per cent is a vital part of the enterprise.

"This means a frankness in telling the public about the company's operations. Much of this will be done by the contact employees, but much of it must be done in other ways -- by advertising in newspapers, magazines, on the radio, by official company statements, speeches and many other ways. I shall not discuss the techniques of advertising and publicity except to state that their function in public relations is to tell the public as much as it will listen to of the policies and practices of the company which make up the contract under which it wishes to serve the public."

—From talk "Some Remarks on Public Relations" by Arthur W. Page, at Fourth Annual Meeting of Institute of Life Insurance, at New York, December 2, 1942.

Arthur Page Awards Dinner
PRVP Conference
Scottsdale, Arizona
April 4, 1978
E. M. Block

You really don't have to travel very far through the material Arthur Page has left us to discover, among other things, his droll sense of humor.

He was a man, for example, who could claim to "enjoy working on the insoluble problems of golf," and who once said that "That which we call public relations may seem to some a mysterious cure for what ails us."

And so if Arthur Page were here tonight, I suspect he'd have at least two mischievous questions for us. One, why these awards? Two, why should they commemorate Arthur Page?

In addressing the first question, he might very well draw on an incident he recorded once about a young man who had taken a girl to her first baseball game. The home team was one run ahead in the ninth inning. The visitors had three men on with two out and their long distance hitter -- built like an ice-box -- at the plate. With a count of three and two, and the home fans on the edge of panic, he powdered one that was clearly addressed to the next county. But just as the ball was lifting over the fence, the rightfielder made a death-defying leap and snared it in the webbing of his glove.

The fans went wild, cheering at the top of their lungs. The girl's escort, too -- until he noticed that she hadn't stirred.

"Didn't you see what he just did," he asked.

"Yes," she said.

"Don't you know he just won the game? Why aren't you cheering?"

"Well," she said, a bit perplexed, "I thought that's what they're supposed to do."

Why should there be awards for something we're supposed to do? I'd like to answer that question by pursuing the other. Why commemorate Arthur Page?

These awards commemorate Arthur Page because we want it known that the principles he identified and advanced are still deeply rooted in our values, and that they still influence our work. In a very real sense they are a living testimonial and commitment to those insights we still receive from him -- as from some extinguished star still communicating its light.

We all recall, I think, the special intelligence that Arthur Page brought to his responsibilities. By his accomplishments he dignified the role of public relations and helped make it an essential part of Bell System operations, its voice a decisive element in the formulation of policy.

We can recall, for example, that it was Arthur Page who pioneered the use of opinion survey techniques in the Thirties, and whose support for such programs did so much to encourage their adoption by business generally.

He saw public relations, in part, as a science. Paraphrasing a friend, he called it "an exact science -- about which very little is known." He meant, I think, that it was capable, in certain areas, of the exactitude, the sequential logic, the eventual predictability we associate with science. We just had to have sense enough to find the right formulas, and the prudence to apply them in time.

In short, he emphasized planning. To illustrate the importance of planning, he drew on the example of Governor Hutchinson in pre-revolutionary New England who was somehow convicted of treason against Massachusetts before there actually was a Massachusetts.

Commenting on the event, Mr. Page said: "That process of reform has been exactly the process of reform that the American people have continued to practice on both individuals and business ever since. Whenever the public has an idea that they would like to change a large business and make it perform in a certain way, the public convicts the business of not having performed that way before it was told. The only safeguard for those of us in a large business, therefore, is to keep a pretty careful watch on the way people's minds are running, figure out the coming public attitudes, what the public decisions are likely to be -- and then be ready for them. We must try not to be in the position of being convicted of treason. We must obey the rules even before they are passed."

I don't think it would hurt to have those observations picked out on samplers and hung in every public relations office in the system -- along with the date, since it would remind us that for decades now the essential public relations mode had been anything but reactive. To emphasize it, Mr. page invoked the strategy of war defined by General Forrest as the ability to get there first with the right idea.

Let me offer a case in point. We have heard much lately of the need for public relations to assume an advocacy role. Were it submitted to a vote, especially among our younger people, I'm sure it would be carried by acclamation. The notion has a very contemporary sound. It's bold, it's virtuous, it's ennobling, and it's smart. It's all those things. But it's not new. Guess who was advocating advocacy over fifty years ago.

At the time, there was a book called Wall Street and Main Street by a certain Professor Ripley. In it he suggested that corporations have public representatives on the Boards of Directors -- another one of our currently "novel" ideas.

"With all respect to those distinguished bodies," said Arthur Page, "I believe a more effective plan is to have representatives of the public in the management..." And he went on to say that that is the job of the public relations department.

If Arthur Page demonstrated that public relations was capable of science, he clearly felt its most natural style was art. Indeed, he felt that all of management was an art -- but especially public relations, drawing its best and most enduring resources from the imaginative, the deeply intuitive.

He stressed innovation and initiative -- with, of course, a decent regard for the consequences of any act or program. After all, he said, "The bull in the china shop was full of initiative." But, on balance, he came down in favor of risk. He urged supervision -- once the fundamentals had been thoroughly mastered -- to encourage their people to practice what he called "the high art of departing from the rules."

Considering the history of this industry, initiative is not exactly foreign to us. To me, one of the most interesting examples in the annals of the telephone was the feat achieved by Almon B. Strowger.

As I'm sure you all recall, Strowger was the Kansas City undertaker who was convinced that his business was being diverted to other funeral parlors. The telephone operators, he felt, were somehow suborned to give busy signals or wrong numbers when clients -- or let us say, the next of kin -- called on him for his services. And in a brilliant if irritable display of initiative, he thereupon invented the first automatic dial system.

As Arthur Page might have observed, it was a unique effort in that it established his claim to mortality and immortality at the same time.

Public relations as a science and as an art will still only partly define the profession that Arthur Page passed on to us if we neglect his consistent stress on character and service.

He was intently concerned about the character of public relations people because he felt that public relations people were -- in his words -- "the custodians of the ideals of the company." And to Arthur Page those ideals were worth protecting and preserving.

At the same time, he also said that "Our best presentation of the ideals and aims of the System won't soothe the savage beast of a man who can't get good service." And he returned to that theme again and again, underscoring public relations' responsibility to the public interest of fulfilling its obligations to the company.

Some of his remarks in this connection are familiar. He reminded us that business, including the telephone business, begins with the public's permission and exists with the public's approval. And in a compelling phrase, he described our policy commitments as "hostages to performance." Our task was to see that those commitments were met. "The largest function of public relations," he said, "is to turn the searchlight on ourselves and see that we are actually, in every possible way, doing our job in the public interest."

His insistence on the human touch in these commitments was unflagging. "The laboratory for research of public relations is in the hands of everybody in the System," he declared, "and the work is done at the point of contact between the telephone employees and the public."

If anything distinguished Arthur Page and served as the touchstone of his philosophy it was his concern for human relations, and his faith in the potential of the unfettered mind.

Nowhere, to my knowledge, is that faith revealed more eloquently than in a wartime talk he gave to the Engineering Societies of Western Pennsylvania in 1941. He began with one of his favorite devices, a paradox. "I have a feeling," he told them, "that engineers have been so successful in making what we loosely call democracy work, that they have undermined a good many people's faith in it."

And then he explained. He said that the pursuit of happiness for the common man didn't really have any prospects until mankind took up engineering and began to make life's necessities widely and cheaply available. Soon, there was more free time and, therefore, more opportunity for people to do their own thinking.

"And extraordinary things began to happen," he said. "All sorts of inconsequential people began to turn up ideas that worked." Inevitably, with everyone marching to a different drummer, there ensued "the disorder of progress." A balance of freedom and restraint was needed, and a democratic government emerged to regulate conflicting interests.

On the whole, for generations, things prospered. Then the depression hit and, as the speech notes, "many people temporarily lost faith in a process that depended on themselves...Mankind in such circumstances always wants an answer, a panacea..." And they sought them in blueprints and formulas of science and engineering.

In consequence, schools of engineering and science began to abandon the old subjects of humanity, and the humanists began to get themselves up as scientists. "They more or less abandoned the application of the accumulated experience of mankind to the changing scene," said Arthur Page, "and began counting and classifying the plumbing and automobiles of the population as a basis for judging human nature."

And soon a number of people surfaced who knew the answers to almost everything. "Their picture of democracy," says Arthur Page, "was much like that of the man who organized a society for people to do as they damned pleased, even if he had to make them."

And at that point Arthur Page beseeched the Engineering Societies of Western Pennsylvania "to bring suit against the scholars to make them return the word science to you...and to give up the slide rules, the formulas, the instruments of precision, and the engineering methods which when applied to materials had freed man, and when applied to man are in a fair way to enslave him."

Our times are obviously not those of Arthur Page. We are on better terms with science and engineering. We have other problems -- problems that I am sure would have him drumming his fingers on his desk, although there are many times I would like to be in a position to send him a buckslip saying, "Mr. Page -- Please handle."

But whatever changes may have occurred in the intervening years, the fundamentals that Arthur Page identified and stressed for us are -- to me -- as relevant as they have ever been. The essential thing about them is the human thing about them.

At the close of the speech I've been citing, he expressed his optimism for the future -- that people would take a hand in the game of life, that they would think and do for themselves -- in short, that they would exercise imagination and initiative in meeting their challenges.

I think, if he were to review these awards -- as I have -- he would agree that you have done just that. He would have been pleased to have his name associated with your accomplishments. You have done what public relations is supposed to do -- when it is done at its very best. And you have supplied examples for others to follow.

Arthur Page would have been proud of you. I know I am.

Thank you.

# # #

Arthur Page Awards Dinner
PRVP Conference
Tarpon Springs, Florida
March 28 - April 1, 1982
E. M. Block

I approach this occasion tonight with some mixed feelings, with a touch of bittersweet.

As things stand now, we'll likely meet only one more time to confer this awards ceremony as a unified system, and to honor the man who did so much to articulate the sense of common purpose -- and character -- which to this very day continues to unify the System.

I shall, therefore, save my "summa" for next year. But at the risk of being premature, it seems to me that in the future two men will be remembered whenever anyone recalls the accomplishments of public relations as it has been practiced in the Bell System -- and possibly one other figure as a kind of postscript or footnote.

We know that Arthur Page will be remembered, and I'll add to the reasons tonight -- still having failed to exhaust the catalog of his wisdom and example. But I'd like to spend just a few moments on the second figure, Al von Auw, who will surely be remembered, too, for many of the same reasons and for one distinctive reason.

There's a line in William Butler Yeats that serves, at least for me, as an apt description of Al von Auw. In a poem celebrating some of the great figures in Ireland's past, he pictures Oliver Goldsmith "deliberately sipping the honeypot of his mind."

To me, and perhaps to many of you as well, that's Alvin: sitting in that brooding office of his, sipping at the honeypot of his mind, and then depositing that honey into who knows how many articles, editorials, policy papers and speeches in tireless profusion.

Virtually all of you, I suppose, have seen Al von Auw being introduced at seminars or conferences as the vice president of corporate information, or as the special assistant to the Chairman of the Board, or whatever the time or occasion suggested. And so you've probably witnessed his mild display of restrained impatience as he declared, despite the introduction, that whatever titles he may have held, he was first and fundamentally a writer.

Some innocents have been misled into construing that as humility. Just as Arthur Page before him, Al von Auw knew the pre-eminent power of words.

Writing -- effective communication -- is a faculty that Arthur Page and Al von Auw share and leave to us as a legacy. Precise, reasoned, persuasive, sometimes provocative language -- artfully presented to encourage understanding. Obviously, any award that bears the name of Arthur Page presupposes not merely the techniques of communication -- but the art as well. And art is readily evident in the material submitted by tonight's winners.

But to end this digression, and to relieve your suspense about the third figure I mentioned -- the postscript or footnote -- let me quickly identify him as yours truly: Edward M. Block.

Whereas Page and von Auw were elected and favored by providence to fulfill a lofty purpose -- to explain the benefits of an integrated Bell System. Apparently, I was chosen by demons to explain its disintegration. I am glad that I do not possess the art of a Page or a von Auw, for I would not willingly dignify this exercise in sophistry with such elegance.

Among all the things I find ironic about the events of January 8th is the fact that they probably summoned Bell System public relations to its finest hour in a performance that Arthur Page would have much admired. All modesty aside, that was precisely what I did, too. Nor was I the only company officer to be impressed. The irony, of course, is that it's a bit like the pride the English felt when recalling the brilliant evacuation of Dunkirk.

However, if that performance remains the high water mark of our PR organizations, I haven't the slightest doubt we'll be capable of the same excellence in the altered circumstances of the future. My own inspection of the work of tonight's winners confirms that faith.

The circumstances and conditions we face may still be largely unknown, but we will have creative resources unmatched elsewhere in business. And we will always have the Arthur Page legacy -- the guiding principles for public relations which will never be improved upon. The legacy of Arthur Page will always belong to all of us -- the logo on our new letterheads notwithstanding.

We talk a good deal about entering new eras -- the Information Age being the latest -- and perhaps we wonder sometimes whether such a prospect would have been a bit daunting for someone like Page, whom we may tend to see presiding over more settled and more predictable scenes, more gradual changes. It's not so, of course. What he constructed, following the grand design of Theodore Vail, was something very new, very bold.

In fact, having recalled him as a writer reminds me that, in a very literal sense, he ushered in the most radical change, the most momentous era that history is ever likely to behold. And that, of course, was the nuclear age. As you probably know, it was Arthur Page who was chosen to write the words that Harry S. Truman used in August 1945 in announcing the detonation of an atomic device over Hiroshima.

We might also remember that he once headed a commission that sought to solve the problems of mass transportation in the New York metropolitan area. Obviously, an historian would say that Page in his time ventured into uncharted waters, ventured into unpleasant work and, just as obviously, did not always succeed.

Still, there is no way of underestimating the complexity of these times for us. As the popular song had it, "Breaking Up Is Hard To Do." Perhaps if it had been a flash cut, instead of being stretched out on the rack this way...

To use an analogy from religion, Computer II reminded me in a way of Vatican II. Everyone, not just the other Papists in the room, will recall that Vatican II introduced changes into the church that many found difficult to accept, portending what they felt were irreversible departures that were not, if you will, in the public interest. Computer II introduced changes that we were not wild about either but that we were in the process of accommodating when divestiture broke like the Reformation, a shattering experience that introduced change in the ultimate.

I can't know precisely where Arthur Page would have stood on this issue of ours -- whether he would have been closer to Luther or Loyola on divestiture. I think he would have been where we are today. I think he would have quickly accepted the unavoidable and seek to identify and promote those features that would best serve the public while preserving as many elements of the System and its traditions as possible -- to continue that service. And, above all, I think he would have been "ecumenical," if not for the sake of eventual reunion, then for harmony and cooperative accord over a difficult passage.

I don't think there can be much doubt about it. In a paper prepared for an international management congress in 1938, he once again defined public relations in terms that are familiar to us -- this time as "the task which business has, and which it has always had, of fitting itself to the pattern of public desires."

That is not to say he wouldn't have shaken his head over the whole mess. Looking through his papers, you would find on March 28, 1932 -- just 50 years ago -- a reference to a New York Times editorial stating that Americans would not only die for their telephone service, but for the System behind it.

Some years later he gave the back of his hand to what he called "the omnipotence of planning" by social scientists. And so I think he would have been capable, at least privately, of some artful but obscene language about the whole nasty business of divestiture -- and then regained his better judgement. Because as I've tried to convey in these annual talks, apart from being perceptive, and articulate and comprehensive, Arthur Page was also very human. In a sense, he was also very simple. He didn't dress up his style or his concepts or his recommendations, as others sometimes do, to conceal or adorn their frailty. "I believe simplicity is a sign of greatness," he said. I believe it is because he practiced the first -- simplicity -- that he achieved...greatness.

In these talks I don't think I have yet repeated either myself or Page, and so I'd like to close while I'm still ahead, with just one more quote about the calling that he helped raise to new standards. "Public Relations," Arthur Page said, "is an exciting and entertaining game -- the only equipment necessary is brains."

I just want to add that you will find brains very much at work in the programs that we are honoring tonight with awards presented in his name. Brains and imagination and vision.

Arthur Page would have loved them.

1981 Arthur Page Award Ceremony
Illinois Bell
Chicago, Illinois
June 3, 1982
E. M. Block

- At Awards Ceremony, said:

"I approach this occasion with mixed feelings, with a touch of bittersweet.

As things stand now, we'll likely conquer Page awards only one more time as a unified Bell System -- awards which honor the memory of the man who did so much to articulate the sense of common purpose -- and the character -- which to this day continues to unify the System."

- And later in my remarks, I observed that among all of the things I find ironic about the events which began on January 8th, the highest irony of all is the fact that the disciples of Arthur Page -- the PR organization of the Bell System -- turned in their finest performance of all time in rationalizing the breakup of the Bell System.

- That is indeed what we did -- what you did. It is not possible to know how Mr. page would have felt about the decision to accept divestiture but it is a certainty that he would have been pleased with the way we carried it off.

If our performance this year is predictive -- and it is -- I haven't the slightest doubt we'll be capable of the same excellence during the difficult times that are still ahead of us.

We have demonstrated that we have creative resources unmatched in the business community. And we shall always have the Arthur Page legacy -- the guiding principles of public relations which can never really be improved upon.

I find it possible to take some comfort in knowing that the Page legacy will always belong to all of us for all time -- divestiture notwithstanding.

- We're here today to recognize Illinois Bell public relations and not hear a speech.

- So I have just two notions I want to comment on for your consideration today.

- The first is to think out loud a bit about what I described -- a few moments ago -- as the difficult times ahead.

  And the implications for people in public relations.

- Three things are going on in the business -- and going on in parallel.

- First, the state of the economy is dreadful and will remain so for awhile. Nonetheless, we have to strive for higher earnings -- which in these circumstances is not only tough, it's unpopular.

  In short, it's a public relations problem and its dimensions are enlarging.

- It is also increasingly clear that America has entered the post-industrial age and the bellwether industries -- the so-called smoke stack manufacturing industries -- will never again be as significant as they once were in assuring this country's economic prosperity.

  This fact has great significance for the Bell System companies and a special significance for the states in the Great Lakes region.

  This fact implies significant changes in the way you plan, invest and manage the business. You in public relations must take the lead in explaining what is happening and why -- to our employees and to the communities we serve.

- Secondly, we must prepare for divestiture.

What we must do to disassemble the Bell System and reassemble it in new organizational forms will someday come to be recognized as the most awesome task ever undertaken by the management of any institution.

Before we're done with it, the actions we must take -- and take in a relatively short time -- will disrupt the status quo of every constituency and stakeholder with whom we have relations.

If the word finesse means what I understand it to mean, it is precisely the correct word to characterize the path to divestiture.

And once again, public relations must employ its resources to the fullest in counseling as well as communicating as we finesse our way from what we are to what we must become as a business.

- Thirdly, the new Consent Decree is not -- as some seem to think -- the end of our political woes. In my judgement, it is the beginning.

Telecommunications is a political football now. And the passage to some sort of new equilibrium in the industry will be a bumpy, brutal, risky series of intense political skirmishes which could continue for a decade or so.

Public relations will be at the point for as long as these skirmishes go on. Public relations must influence our strategy, public relations must to the extent possible define the issues and public relations must in the end communicate our positions on the issues if we are to shape the final outcome.

- Those of you who know me know that when I use the term "public relations," I am not referring to a department -- I am referring to a management function.

- So what I'm trying to say to you in describing the difficulties which this business must overcome, I seek to have you understand that the future of this enterprise is going to be decided on our turf -- decided in large measure by how skillful we are in the management function called public relations.

- This is a great opportunity for the bright, gutsy people in the public relations department. But it is not a guarantee of full employment for everyone and it is certainly not an affirmation that we can get by doing the same old jobs in the same old way.

- The stakes are high -- it's the future of the business. The task is not simply a project, it's going to be a continuous process -- the transformation of a major institution in a democratic society which in the end always embraces the preferences of the stakeholders, not merely the stockholders.

- Does that sound like Arthur Page's description of what public relations is all about? You be it does.

  Didn't Page say -- and didn't Page repeat over and over -- "the task which business has, and which it has always had, of fitting itself to the pattern of public desires."

- In our lifetime in the Bell System we have typically employed Page's definition as a guide for dealing with issues -- single issues.

- But obviously, that definition also has a larger meaning. And it is that larger meaning which we must grasp and rely upon as we develop and implement the necessary strategies to finesse our way through a long process of institutional change which can only be accomplished by public consent through political means.

- I, therefore, leave you with the thought that public relations skills are needed now like they've never been needed before.

  But I also leave you with the warning that there are plenty of bright, gutsy managers in this business and they'll focus their best efforts where the action is -- which is to say on public relations.

- If the people in our public relations departments can't -- or won't hack it -- these other folks will. And they won't be polite about it.

They'll muscle you out of the way faster than you can say Arthur Page. And that's exactly what they should do: We have a new kind of business to manage in a new kind of environment under ground rules yet to established.

- The times ahead will be zesty, heady, risky and -- for many -- enormously rewarding.

- The only advice I would give you is remember what Mr. Page taught you -- and roll up your sleeves and plunge in.

- All of which brings me to two of my favorite Arthur Page quotations.

- They are especially appropriate reminders for these times:

- "Public relations is an exact science about which very little is known."

- "Public relations is an exciting and entertaining game -- the only equipment necessary is brains."

# # #

- The second notion I want to leave with you today is a simple but sincere commendation. So, I'll make it short.

Roy Brodstrum

Jim Spiker

Jim Wadsworth

- Combines all the techniques of PR and Advertising and focuses them coherently on a single objective. (Seldon Jane)

- Zeros in on an issue which is our prime strength as well as a major public concern.

Arthur Page Awards
PRVP Conference
Palm Beach, Florida
March 14, 1983
E. M. Block

At our gathering last year, recognizing that we were nearing the end of this program, I said I'd reserve my summing up for this occasion tonight. And that's what I propose to undertake in the next few moments.

At the time, I said it would be the last time we'd be meeting as a unified System to present these awards for excellence in the name of the man who did so much to express that unity and to communicate its benefits to the whole country.

I can't deny that there is a touch of melancholy in my thoughts just now. But the approaching divestiture has already inflicted so many partings and departures on me that I'm beginning to feel a bit like George Moore in the story a friend related about him once.

George Moore, you may recall, was a madcap writer who once summoned the local constable to arrest his housekeeper. When the policeman asked what evidence there was of a crime, Moore pointed to his breakfast plate and said, "Taste that omelette."

But in this other incident the same poor housekeeper interrupted him as he worked in his study one day to tell him that his good friend, Martin Ross, had just passed away. On hearing it, Moore buried his face in his hands, and he said, "How sad, how very sad." And then he rose and paced the floor and sighed.

"How sad," he repeated, and sighed again, and paced some more, his hand to his forehead. "Here I am, alive in the midst of this" -- and he waved the other hand dramatically at the books around him -- "here I am in the midst of all this, and my dear friend, Edmund Cross, gone."

The housekeeper then explained as gently as she could that it was not Edmund Cross, but Martin Ross who had died. And George Moore stopped, turned slowly, looked at her a moment, and said: "My dear woman, surely you don't expect me to go all through that again."

The situations are not exactly symmetrical, so let me just say that, as the remaining months pass, I <u>am</u> experiencing a sense of loss -- somewhat more authentic than George Moore's. But in the case of these Page awards having some cheerful, second thoughts.

On reflection, I've become convinced that what we've achieved here so far surpasses what we lose, that the appropriate spirit of the evening should be one of accomplishment and self-satisfaction.

Those of you who were at Scottsdale in 1978, at our first awards ceremony, may remember the question I asked early in my remarks: in effect, why should there be such awards, why should we commemorate Arthur Page?

"These awards commemorate Arthur Page," I answered, "because we want it known that the principles he identified and advanced are still deeply rooted in our values, and that they still help shape the performance of our task."

That, in so many words, supplied our objective: to make his essential principles more widely known and to reaffirm our commitment to them. Not simply by an easy profession of faith, but by the material evidence that the succession of projects honored in his name provides -- a succession, I might add, that is extended and enhanced by the people and the companies upon whom we have conferred awards here tonight.

When we began this program, I suspect Arthur Page may have been recalled by many of our younger associates as one of those vaguely historical figures who make up the tight little pantheons of corporate America -- humorless, bloodless, rhetorical figures who look out from their portraits behind wing collars and evoke all the trust and human warmth of house detectives. In short, men who left nothing of lasting relevance, apart perhaps from a museum or foundation that in many cases would just as soon not be reminded of the connection.

But by these awards and related efforts we have succeeded in demonstrating that the convictions that Arthur Page expressed about public relations are still not only relevant to our business, but absolutely central. I hope, in the process, we have conveyed how appealingly human he was, as well.

Tonight, I don't intend yet another chapter in my continuing lecture on the wit and wisdom of Arthur Page not that there isn't a good deal more to summon from his life and work. Instead, I want to tell you of an idea that has only lately dawned on me.

What has occurred to me is that there is nothing in the Consent Decree or in Mr. Barter's theory of antitrust law which compels us to divest Arthur Page. Surely we can develop some medium to perpetuate his legacy among our own people, so that we might continue to reap the kind of harvest that this short-lived but productive Awards program has yielded up to us. I as yet have no notion about how we might do it -- or even who might do it. But I see no reason not to try to do it.

Reflecting on the past six years, I can easily say that if for no other reason than the resource library of case histories it has produced -- the truly impressive record that they constitute in terms of public relations performance at its best -- the Page Awards program has been relevant and useful. When you add to that renewal and strengthening of basic, timeless principles -- principles which, if we should misplace them our successors will in time have to rediscover them the hard way -- perhaps we should not so readily abandon this annual custom. If public relations, as Arthur Page taught us to practice the art, is still the textbook model for all corporations -- and it is -- I would argue that we should find some means to preserve the legacy. I intend to give some further thought to the matter.

Perhaps all that remains is to ask what Arthur Page may have thought of the events which have occupied our attention this year, particularly the divestiture and all that flows from it. For the answer I'll supply my last of many citations from the material he left us: "Public relations in this country," Mr. Page said, "is the art of adapting big business to a democracy...."

Since we have to assume that divestiture is the public will, I suspect that even he would have been impressed with the way public relations went about supporting the massive effort involved.

As you know, the many laudatory things that have been said and written about the wisdom -- the unpretentious wisdom -- of Mr. Page fills volumes.

As my final contribution to your file of knowledge about the man, I offer you, not a quote from Page, but a wonderful little story about Page.

It seems that an important businessman of the times could readily see what was going on in the executive offices of 195 Broadway from his own office just across the street. And one oft repeated scene bothered him greatly and he decided he had better bring the matter to the attention of the President of AT&T. So he telephoned the President of AT&T. He told the President, "Sir, one of your executives is forever wasting his time -- at least he wastes too much time for my taste, and I expect yours as well. He is forever pacing the floor or staring at the walls and ceiling. Doing nothing worthwhile as nearly as I can tell."

"Oh," replied the President of AT&T, "the man you describe is Arthur Page. And you've got it all wrong. Page is the best executive I have. He thinks!"

I would hope that all of you who direct public relations organizations will continue to work hard at establishing environments which nurture, nourish and reward people who think.

I know of no better way to honor the memory of Arthur Page and I know of no better way to perpetuate the Page legacy than to develop and reward people who think. However irascible they may be, however unconventional they may be in their manner of dress, speech or work habits, it seems to me that the ultimate Arthur Page award would be for each of us to develop successors of whom the chief executives could say: "He's my best executive." (You may substitute she.) "He thinks."

And now, inasmuch as the occasion itself recommends brevity, my concluding comments will be acknowledgements of gratitude to all who have made the Arthur Page Awards such a smooth undertaking -- including the judges who have helped us refine our own concepts of what makes for excellence -- and all of you in the companies whose cooperation and participation made it possible to begin with.

Finally, my personal thanks to tonight's winners. You've joined a very select group indeed, but by the evidence of your contributions you've richly merited your membership.

Arthur Page may have said it better; I'm sure he would have said it briefer. But he couldn't have said it with more pleasure and more pride than I do when I say I'm grateful to all of you winners and I am proud to call you colleagues.

Thank you.

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