

Public
Relations

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★ An address by H. A. Batten, President of
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WHENEVER two or more business men are gathered together in these interesting and momentous times, you will hear, sooner or later, the mystic phrase: "Public Relations." And having heard it, you will observe a subtle change come over them. A little of the crispness will go out of their speech. A little of the assurance will go out of their bearing. Into their voices and faces will creep a faint but perceptible hint of doubt, of anxiety, of a vague, unreasoning hopefulness. They will display, in fact, all the bodily and emotional symptoms of a farmer who has just paid two dollars for a bottle of Old Doc Powers' Guaranteed Snake Oil Remedy.

Eight years ago you would have seen or heard nothing of all this. Eight years ago the inevitable topic of conversation would have been the stock market. But since then we have been having trouble with our health. We have developed a series of very bad headaches, and shooting pains in our joints. We are scared stiff of being sent away

of thing in Public Relations — going through certain mysterious and meaningless motions because it was expected of them, and because they had a hunch that it was high time to do *something*, but without the foggiest notion of why they were doing it, or what it was all about.

Personally, I don't blame the executives. The immediate demands upon the modern business leader are so great that he is left very little time in which to survey and analyze those long-term trends and influences which ultimately make a business, or break it.

Yet what we are confronted with today is a crisis resulting from the gradual maturing and coming together of several just such long-term trends and influences.

We can best deal with that crisis if we can get clearly in our minds a picture of what those trends and influences are, where they originated, and how they have developed.

We here in America do not really understand what is happening to us, any more than the high

school sophomore understands why he suddenly finds himself afflicted with a plague of pimples on his face. The basic cause, in both instances, is very much the same. As a nation, we are still in our first youth. Like the young fellow in high school, we have about reached the limits of physical expansion. From now on, we enter upon a new phase of bodily and mental growth. We cannot become any larger, but we can become stronger and more intelligent. In the meantime, certain internal adjustments are taking place.

All of us know that our history as a nation dates from 1776, but few of us realize that organized manufacturing in this country goes back no more than fifty or sixty years. Men are still living who saw the rise of American large-scale industry. Prior to the Civil War, there was hardly a factory worthy of the name in all the United States. Almost everything was made by hand and sold locally, by local artisans and craftsmen, for the satisfaction of local needs. If today you want a pair of shoes, you go to a shoe store and buy a

pair made, probably, in Brockton or St. Louis. But when your grandfather was a boy his shoes were made by the little shoemaker at the corner of the village street. If you are having guests for dinner, your wife telephones her butcher and orders a prime tenderloin steak that was bred in Texas and killed and dressed in Chicago. But your grandmother's meats came from stock bred and prepared almost within sight of her house. If you want transportation for your family, you buy a car, made, let us say, in Detroit. But when your grandfather needed transportation, he went to the wheelwright down by the river and discussed specifications for a new buckboard. Perhaps they went up to the tavern afterward and had a drink to close the deal.

In any case, the significant point is that your grandfather knew all the people who supplied the things he needed for living. He knew personally their families, and their religion, and their characters and dispositions, where they got their raw materials, and how they treated their apprentices. And they in their turn knew him.

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That is the way our grandfathers and grandmothers lived. They were our flesh and blood; but theirs was a world which was radically different from our world. Only one-half of our present United States had been thoroughly explored. Only one-third had been settled and developed. It was still largely a pioneer world, a frontier world; and its psychology was a frontier psychology. Men dealt with each other face to face, and on equal terms. If they did not like the work they were doing or the circumstances under which they lived, they could always pull up stakes and try their luck in the great undeveloped regions farther west. It made, on the one hand, for a strong spirit of personal independence; and on the other, for a general feeling of neighborly friendliness and understanding. It was a spacious, uncrowded world, in which every man had room to swing a cat as he pleased. And if by chance he happened to hit some one else on the head with it, the matter could always be adjusted by a private conversation or fist fight, right there on the spot.

Such was the way of life and the general frame of mind in America when three new and portentous factors made their appearance upon the national scene.

The first of these was steam. While the patriot fathers were signing the Declaration of Independence in Philadelphia, an Englishman named James Watt was perfecting the first practicable steam engine, 3000 miles away. At that moment, and for the first time, Man had at his disposal a cheap and abundant source of power with which to multiply the strength and skill of his hands. The English were not slow in taking advantage of it. Within fifty years they had industrialized their country. In America we were neither so alert nor so progressive as our British cousins. Or perhaps we were too busy exploring and settling our vast new country. At any rate, the Industrial Revolution did not really get under way in America until about 1875. But when it came, it brought with it—in combination with the two other factors of which I shall speak

shortly — changes which only now are beginning fully to be felt.

The immediate effect of the spread of the factory system in America was to force the small artisan and craftsman out of business. A man who has machinery and steam to run it with can make fifty pairs of shoes while the corner shoemaker is making one. Therefore he can undersell the corner shoemaker, and it is only a question of time before the shoemaker gives up and takes a job in his factory. That sort of thing went on everywhere. By 1900 — within a brief quarter of a century — the small independent artisan had virtually disappeared, and almost all the goods which the country needed for living were being produced in factories serving markets which in many cases were national in scope.

While the machines were thus conquering America, two other factors of far-reaching consequence were at work. One of these was the phenomenal growth of our population. In Mark Twain's day, so few people lived beyond the

breeder of mistrust and dislike and suspicion. Fear, the parent of hate. . . . No longer did he dream of striking it rich some day out in the California gold fields, or of spending his declining years on a cozy little homestead tucked away in the Columbia River valley. He was aware, now, that the manufacturer had him on the hip; and he spent most of his time worrying about what was going to happen to him.

I wish I could say that the average manufacturer had done anything to allay or dispel this fear. But the average manufacturer was, in those days, just shrewd enough to perceive and to capitalize upon his advantage — without being intelligent enough to see that he was storing up a vast amount of trouble for himself. The labor market had become a buyer's market, and he could see no reason for paying any more than he absolutely had to. Accordingly, he donned his spurs, vaulted lightly into the saddle, and rode hell-bent-for-leather after the elusive dollar, while beneath him the horse was all but falling down from lack of oats.

This rapidly widening breach between the manufacturer and his employees had an even more serious counterpart in the breach which opened between the manufacturer and his customers.

In the old days of hand manufacture, the maker of the goods dealt personally, as we have seen, with the consumer; and was known and understood by him, as man to man. But when a factory turns out hundreds of thousands or even millions of units daily, and ships them all over the country, it is obviously impossible for the owner of that factory to meet and to know personally all the people for whom the goods are destined. It is equally impossible for those millions of people to meet and to know him.

At a very early stage, then, the manufacturer was cut off from his customers; and all human contact was lost between him and them. By degrees he ceased to think of them as people, but merely as so many units of consumption, a set of impersonal figures on a chart. They for their part ceased to think of him as a living, breathing person with

human hopes and ideals and emotions, but merely as a name or label identified vaguely with some product which they had bought. In a word, both parties to the transaction became complete strangers, with all a stranger's indifference, latent hostility, and mistrust.

It may be seen, therefore, that even 35 or 40 years ago the manufacturer had begun to arrive at a precariously exposed and isolated position in the national economy; and this position is even more precarious today. By his take-it-or-leave-it attitude he has lost the sympathy and liking of his employees. By his ever-increasing distance from the point of sale, he has lost the sympathy and liking of the public. In fact, it would be no great exaggeration to say that the manufacturer, as a type, has hardly a friend to his name today.

Now, a situation like this is dynamite; and it needs only an unusual jolt to set it off. In 1929 the jolt came. The dynamite exploded — partially. Whether the full charge will go off, remains to be

seen. Whether it does, or does not, depends largely upon the manufacturer.

That is the condition of affairs which confronts us today. The immediate and pressing need is to get back the lost friendship and confidence of the public. What can we do about it?

Well, gentlemen, it is necessary, to begin with, that there be among business men in general a more widespread realization of how deep the roots of this problem really go.

Too many manufacturers think of Public Relations as a temporary dose of medicine, rather than as a fundamental system of business hygiene. Instead of watching their diet, and exercising in order to keep well, they neglect their corporate health and then scream for the Public Relations herb-doctor around the corner. Others use it as a means of giving public expression and visibility to their own personalities. Consciously or unconsciously, they fall victim to the temptations of certain smooth individuals who know very well which side their bread is buttered on. Still others,

principle of a progressively higher standard of living for every one. The reason why it cannot operate otherwise is very simple. Sales depend directly upon purchasing power, and purchasing power depends upon the twin factors of price and income. If Industry wishes to increase and expand its markets, it must make a constant effort to keep prices down, and to keep incomes up. This is not only good citizenship, but good business. Some 40% of the people in this country depend on industrial wages for their incomes. But 100% of the people are influenced by price. Therefore, in order to increase the purchasing power of the public as a whole, Industry must not only increase the wages of that 40% of the bread-winning public which works in its factories, stores and offices, but—even more important—must cut down on prices all along the line.

Don't say that it can't be done. From 1906 to 1916, Henry Ford cut the cost of his car from \$2,000 to \$360, and at the same time raised the minimum wage of his workers from \$2 to \$5 a day.

There is an additional advantage in a high-wage policy, which will become increasingly apparent as time goes on. High wages offer to the thrifty and self-respecting workman an opportunity to save some money and to create an estate; while to the less-admirable type of laborer they supply a motive to work for a living, instead of going on relief. In either case there is a definite plus-gain — to the company, in the form of reduced taxes; and to the community, in the form of strengthened moral fiber and character on the part of its citizens.

I believe that responsible and far-sighted business men are coming more and more to realize the force of these considerations. Certainly the old policy of selling on price alone — a price achieved through the medium of sweated labor and skimmed quality—is passing definitely into the discard. Such methods are not employed by the great businesses of America; they are the refuge of the obscure, “chiseling” type of manufacturer whose vision is as limited as his billings. And indeed they are well

sued to his mentality, for they require no particular ability or imagination.

The great businesses have been built around the creative genius of great technicians who have produced, out of thin air, as it were, certain new things which the people of this country needed and desired. These men have enriched life for every one, not only by the increased satisfaction of human needs, but by the founding of new industries which have provided a living for hundreds of thousands, even millions, where no living existed before. The automobile industry, the radio, the telephone, the motion picture, the aviation and chemical industries — all are notable examples.

These great creative technicians have dominated their industries, and I believe that the time is at hand when all industry must be dominated by leaders of this type. What Business needs today is more playing managers. We have too many executives whose knowledge of the business is only second-hand, and whose interest in it is financial

rather than creative. Such men are put there by the stockholders to produce dividends, as a queen bee produces eggs. That is their primary duty; their jobs depend upon it, and it can hardly be wondered at if they subordinate everything else to that end. But obviously this brand of administration cannot do justice to the broader questions of public policy — and of wages, working conditions, prices and quality — upon which the welfare of the business, and of all connected with it, must ultimately depend.

I do not mean to say that the capital invested in a given business should not have representation in its management; but I do say that if Business is to continue to grow and prosper, Capital must entrust the active leadership to men whose experience and point of view are broad enough to deal with its larger problems — and to deal with them in a large way.

The advantages of this type of leadership are both varied and numerous. In the first place, under the leadership of a trained technician,

suitable emphasis will be placed upon technical research, experimentation, and progress. This will mean a constantly better and more salable product. It will mean also the devising of more efficient ways of doing things—basic improvements in production methods, such as the assembly line—which will permit the cost, and therefore the sales price, of the product to be progressively reduced. And last, but not least, it will mean that the executive will know and respect the point of view of Labor, and that Labor will know and respect him.

Make no mistake about it, gentlemen; Labor from now on is going to be a more powerful factor in the course of events than it ever has been before. Much of the success of a business will depend upon the ability of the management to establish a peaceable and mutually satisfactory working relationship with the man at the lathe. It will be the responsibility of the executive to work out such a relationship, and he cannot do that unless he has the respect of his men.

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Now, as any one knows who has ever worked in a factory, there is no one to whom the industrial worker yields his respect so quickly as to the man who knows more about his job than he does. To the apprentice helper, the skilled workman is a god. To the skilled workman, the foreman is a superior type of being. And so on, all the way up the line. In the realistic world of Industry, technical ability and experience are the first test of a man.

Imagine, then, the power which can be — and occasionally is — exerted both within and without his organization by an intelligent executive who thoroughly knows his business and is determined to win the friendly co-operation of his workers. By his personal example, and by his humane and reasonable attitude, he establishes the “psychologic climate,” so to speak, of his entire organization. These things work down from the top. They percolate through the broadening pyramid of lesser executives, managers, and foremen, to the rank and file. If he is the right man, they will all take

their cue from him — the cue of absolute fairness, generosity, and friendship. And in such an atmosphere as that, trouble simply does not thrive.

This "psychologic climate"—this spirit of trust and friendship, of mutual give-and-take — extends in effect far beyond the confines of the organization proper. Let us say that the average employee has a family of four persons. Then if you have ten thousand employees, each of whom is well paid and happy, they and their families present constantly to the public forty thousand individual testimonials to the fact that your company is a good company, that it is well and humanely managed, and that it is a good thing to have around.

This humane atmosphere in business, this friendly and decent spirit, is fully as important as the actual cash benefits which the worker may receive. Important, I mean, not only with regard to the inner workings of the business, but with respect also to the impression which the public gets of that business from the outside. The Telephone

Company — which is one of the few companies in this country that have done an intelligent and consistent Public Relations job — has long made it a rule that every one of its 295,000 employees, from the president down to the student operator, shall be a good type of citizen who will be a credit to the company and to the community in which he lives.

I believe that it is clear, from the above circumstances, that Business has every reason to adopt and enthusiastically to maintain a liberal and humane policy — both toward its own workers and toward the public at large. I believe this, not upon theoretical grounds, but because such policies have been notably successful wherever they have been tried.

These three things, then, must be done before Industry can be said to have set its house in order :

1. Wages in general must be kept up.
2. Prices in general must be kept down.
3. Management must be able, enlightened, technically expert, and native to the business.

Upon such a foundation as this, Business can build a program of Public Relations which will really amount to something.

Assuming that such a foundation exists, what is the best way to go about it?

Ideally, of course, the best Public Relations campaign in the world would be that of having the head of the business in person — if he is the right type of executive—tell the story of that business to each individual member of the public. If he could drop in after dinner from time to time in every home in America—if he could sit down in the living-room with the family and tell them, simply and sincerely, in his own way, just how the company feels about its service and its people, and how it works to make itself an ever more useful citizen and neighbor—then, gentlemen, that company would need go no further in the way of Public Relations.

But no man is equal to the task of being in several million places at once; and we must, therefore, in considering the general problem, look about us for a substitute.

Let me ask you a question. If you wanted very much to get in touch with some one from whom you had drifted away — if you wanted to renew an old friendship and to regain an old confidence which you felt you had lost — and if it were impossible for you to go see him in person or to talk to him on the telephone — what would you do?

You would write him a letter, wouldn't you? You would write him the very best letter you knew how to write, telling him all about yourself and your family and your home, your business problems, your past experiences, your plans and hopes for the future. You'd try to give him a complete picture of yourself — to project yourself into his presence, not as a half-forgotten name, but as a living, breathing person. In addition to that, you'd try to show him in every possible way that you were thinking constantly of him, and had his interest at heart. In short, you'd be just as friendly and human as you knew how to be.

And you'd keep on writing!

That, in effect, is what American Industry ought to do. American Industry has lost touch with a tremendously powerful and important friend — and it is years behind with its correspondence.

Clearly, some judicious letter-writing is indicated. But what form should this letter-writing take?

At this point, gentlemen, I take direct issue with the methods commonly employed today by the Public Relations fraternity. I say that such important letters should not be entrusted solely to the whims and necessities of the casual messenger. I should not care to confide any such letter of mine to the first passer-by that happened along. Rather, I should buy a three-cent stamp and put it in the mails; and by so doing, I should be reasonably certain that it would get there.

In other words, if I had something vitally important to tell the public, I should not rely wholly upon the editorial columns of the newspapers and magazines to tell it. I should turn to the advertising columns, and there I should tell my story

—*when* I wanted it, *where* I wanted it, *the way* I wanted it, without a line of it left out, or a word changed.

This is no reflection upon the reportorial resources of the newspapers. Indeed, it is a tribute to them. For it is the duty and function of the newspapers to print the news — not to interpret individual business enterprises, however meritorious they may be. Every good newspaper man knows this, and deals accordingly with so-called “press releases” devoid of legitimate news interest. It is only when there is real news or feature interest in connection with the operation of a given business that the business is justified in issuing press releases, or an editor is justified in using them. Such news does, in point of fact, frequently materialize; and since it lies outside the orbit of the regular news-gathering agencies, it is both necessary and proper that the business itself arrange to have it accurately reported. For this reason, a competent Press Bureau should be part of the organization of every large company, or of

its advertising counsel. But this Press Bureau cannot, in the very nature of things, serve as more than a minor though essential voice in the complex utterances of Public Relations. In this great drama of industrial self-expression, advertising through the printed page and through radio — the controlled and directed media of communication — must play the major parts.

“But,” I think I hear some one object, “we *have* been advertising, for the past twenty years.”

And so you have. But you’ve been advertising your product — not the organization behind your product.

If, like the Telephone Company, you had told the people of the United States all about your company — your basic policies, your stock structure, your operating methods, your employee relationships, your services to the community — if, like the Telephone Company, you had done this from the beginning, year after year, so that each up-coming generation would learn about it in turn — then, I say, you would not today be in the

position of having to approach the public as a comparative stranger, and to sue for its favor and confidence. For if you had done that, you would already enjoy that confidence, as a friend.

However, there is no point in crying over spilt milk. The method described is still available to you — and it is not yet too late to make a start. Some of the keener and more progressive executives already have done so. Not, I regret to say, very generally as yet in terms of long-term public education and enlightenment. But they are at least beginning to turn to controlled Public Relations in dealing with individual problems as they come up. Indeed, in moments of crisis, this is the only effective method. A striking recent instance was the case of the Sheffield Farms Company, Inc., which is, as you know, the largest dairy company in the world. This Company suffered through four years from a State system of regulation and price control that amounted to strangulation. The Emergency Milk Control Law, first passed in 1933, not only worked hardship on

Sheffield Farms, but seriously injured every reputable element in the State's two-billion-dollar industry — whether farmers, dealers or consumers.

Selfish minority pressure groups fought frantically to extend this legislation. The most persistent cry was that the profits of large companies, like Sheffield Farms, were excessive. Excessive is a mild word; there were those critics who complained that the difference between the price paid the farmers and the price paid by consumers, was all profit. Unbelievable as it may sound, Dr. Leland Spencer, of Cornell University, in an official survey, reported the prevalence of that misconception in the public mind.

In this circumstance, Mr. L. A. Van Bomel, President of the Company, did a very wise and intelligent thing. He did not issue press statements defending his Company. He did not play politics. He did not speed to Albany a high-pressure, professional lobbyist of the old school. He did not, in fact, engage in any of the complicated and secret maneuvers by which many corporations have

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sought to defeat hostile legislation. Instead, he took the public into his confidence. In a series of advertisements, consistently presented through the newspapers, he broke down the Company's income dollar by means of a few simple charts, to show where every penny of it went.

This program developed contacts with farmers, consumer groups, legislators, professional men and other interested citizens. By a friendly interchange of views and information, nine out of ten became convinced that Sheffield Farms is a progressive, honest business. The usual misconceptions and common prejudices about milk companies were driven out. The ground was cultivated for the growth of a true recognition of the worth of Sheffield Farms, to the consumer and to the farmer. The pressure groups were unable to arouse interest based on prejudice and fallacious reasoning because the public was becoming informed. And legislators, freed from the usual horde of often self-interested demagogues, were able to make a decision on merit. The decision was contained in

the report of a special legislative committee. It recommended, a few weeks ago, the immediate and total discontinuance of emergency milk control.

I dwell on this instance for two reasons: First, because it is representative of the new conception of Public Relations theory and technique — the principle of all-the-cards-on-the-table and nothing to hide, plus controlled and directed dissemination of information. Second, because it illustrates beautifully the value to a business of enlightened management — the advantage of having at its head a man of ability, humanity, and imagination, *who knows the business from the ground up, in every technical detail.*

Perhaps, in this attempt to break through the fog of misconception and chicanery surrounding the subject of Public Relations, I have devoted too many words to what is, essentially, a very simple thing. For all things that are fundamental are essentially simple. Business cannot continue to operate without the friendship and confidence of the public. Public Relations is the art of winning

and holding that friendship and that confidence. Therefore, Public Relations is fundamental. And the art of friendship is simply a matter of proving oneself worthy of the other fellow's liking and respect.

That is why I say that all Public Relations must start with the business itself. Truth is mighty and will prevail. If you are not going to tell the truth in life and in business you might as well give up now, because you will inevitably be found out and discredited. But if you are going to tell the truth — if you are going to paint a faithful portrait of your business — then it is essential that the business itself be worthy of the painting.

Perhaps you remember the story of the war profiteer who went to a fashionable photographer to have his picture taken. When he saw the prints, he began to sputter with rage. "Call *that* a photograph?" he cried, "why, I look like a blooming monkey!" "Quite!" the photographer said coldly, "but you should have thought of that before you came here."

We have an axiom in advertising to the effect that it does more harm than good to advertise an unworthy product — because just that many more people will then discover, for themselves, its failings and shortcomings. The same thing is true of the organization behind the product. If you can't truthfully say nice things about it, it is better to say nothing.

Let me say this, however, in passing. American Industry cannot very much longer afford to sit silent — for this or any other reason. Because, gentlemen, American Industry is under attack. There is not a town or city of any consequence in which, even as we sit here, Industry is not being assailed violently and openly by some professional agitator or by malcontent. Not simply the few bad companies, mind you, but *all* Industry — the good with the bad. And in every town and city the public is listening . . . listening . . . always listening. Do they hear anything by way of reply or rebuttal? No. Not even the good companies seem to have awakened to the necessity of doing something to

protect themselves from this constant black rain of vilification and abuse. Or if they have, precious few of them have done anything effective about it.

What Industry needs today, for its own welfare, is a united front of responsibility and purpose, and a common feeling of right and wrong. That is not to say that the job of Public Relations can be done by group endeavor. A composite photograph begins by trying to look a little bit like every one, and ends by looking like no one at all. But a group conscience, and a group effort to enforce it, are the first requisites of any truly effective Public Relations program. One bad egg in a basket renders all the others subject to suspicion. And you know how it is with eggs — if there's any doubt about it, there's *no* doubt about it. If only in self-protection, the responsible elements in Industry should work for the eradication of those isolated evils which serve as golden texts to the agitators and politicians in the celebration of their perennial Black Mass. In a word, the good eggs should get together and squeeze the bad eggs out of the basket.

But I hope, gentlemen, that if Industry does this, it will not be simply for self-protection. For if the leaders of American business are moved, in the doing of it, by a sincere regard and concern for the greater welfare of the nation, then a new and far brighter era in our history will have been ushered in. I am not known, I believe, as a visionary. It is my business, in fact, to be intensely practical. But in twenty-five years of being practical I have learned that often the most potent and far-reaching truths have their sources in the most abstract ideas. An abstract idea that all men are created free and equal, led to the founding of the United States. Perhaps we are ready now for another long step forward by putting into practice another abstract idea — an idea which has been rather generally neglected for the past nineteen hundred years. That idea can be expressed in eleven simple words: "Do unto others as you would have them do unto you" — and that, I think, is the best Public Relations program of all.

