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DILL AND DAVIS DISCUSS ADVERTISING

Members of the American Association of Advertising Agencies, members of the Federal Radio Commission, officers of the National Association of Broadcasters and others heard the subject of advertising by radio discussed by Senator Clarence C. Dill of Washington, and Representative Ewin L. Davis of Tennessee, chairman of the House Merchant Marine, Radio and Fisheries Committee, at the closing session of the annual meeting of the American Association of Advertising Agencies in Washington on Friday afternoon.

Both congressional radio leaders spoke plainly and frankly of their views on the subject of radio advertising and the American Plan of broadcasting. Both found abuses in some present advertising practices but they disagreed as to how public criticism, which both admitted exists, could be minimized and eliminated.

Chairman Davis was of the opinion that Congress will have to regulate advertising practices while Senator Dill was of the opinion that "brains will win at this game just the same as in everything else."

Excerpts from both addresses are given in this Bulletin and each member is urged to read them carefully.

FRED GAMBLE PRESENTS

Fred Gamble, capable and energetic executive secretary of the American Association of Advertising Agencies, presided over the radio session of the Association. He outlined briefly the purpose of the meeting, stating that agencies, members of the Commission, and broadcasters have mutual interests in radio advertising. All three groups, he said, are interested in getting at first hand the opinions of radio leaders in the Congress. He referred to the investigation now in progress under the provisions of the Couzens-Dill resolution and said the American Association of Advertising Agencies was in accord with the co-operative attitude of the National Association of Broadcasters with respect to the investigation.

EXCERPTS FROM SENATOR DILL'S TALK

I am very much interested in the advertising side of radio not because I am personally concerned as to advertising as such but because I believe that it will determine to a large extent what the future policy of the Government will be in regard to radio, and under the plan that we use now, advertising is the financial foundation of radio broadcasting. It is the only foundation of radio broadcasting which I can conceive that will be satisfactory to the American people if radio is to continue under private ownership in the United States. If we can not maintain radio in this country by advertising then it seems to me we will be driven to the operation of radio by the Government in some one or other of the forms that is used in practically every other country of importance in the world.

I don't want to go into a discussion of the methods used in foreign countries or to attempt to discuss radio as it exists in foreign countries, yet I feel a few words might be appropriate. Last Summer I spent a few weeks in the leading countries in Europe, at least those most active in radio and I attempted to learn at first hand about radio broadcasting in those countries and I had the assistance of the ambassadors and ministers and particularly our own Government and commercial agents and as a result I was able to secure an unusual large amount of information in a comparatively short period of time.

As you all know there is practically no advertising on radio in Europe as we understand advertising on radio in the United States. In England no advertising at all as such. In France some stations are run by advertising but entirely different from our sponsored programs. In Germany it is entirely separate. There they put on programs and two or three minutes are used for purely advertising in which they do nothing but talk advertising, and the people who get advertisement pay a certain fixed amount. Practically no advertisement in Denmark or Sweden. Very little in other countries. In Holland they run their stations largely by contributions from their listeners, voluntary contributions. The difference of course is quite great when you depend on contributions; when the Government provides radio entertainment it is provided from a fund from the listener in the form of a tax on the receiving sets. In this country the listener pays also but pays by another method and that leads me to call attention to the fact that the interests of the broadcasting station and advertisers are closely allied. A radio station owner wants to make his station popular, wants good-will and the primary purpose in securing good-will is that he may make a proper showing, when his license expires, to the Radio Commission and also that he may be able to keep the advertiser to pay expenses, and good-will is the dominant note in the owner's operation of his

station and just so the advertiser is looking for good-will. He wants good-will - he must sell goods to his listeners and if he isn't able to sell goods by advertising he cannot afford to continue to advertise.

I do not want to tell you men who are in the business the kind of advertising you ought to put over the radio. I want to remind you, however, of this fact. Radio advertising is under severe attack from a number of sources. The motive back of the attacks is not the same in all cases but the purpose of it is the same, namely, to get advertisers off the air. I suppose that the one source that has the greatest field of publicity against radio advertising is the newspaper and the newspaper fights radio advertising oftentimes because it believes that there is a conflict between newspaper advertising and radio advertising. I think Mr. Aylesworth recently in a rather lengthy address said that there is no conflict but failed to convince several newspaper publishers to that effect.

I only want to suggest this that there is a rather wide difference between radio advertising and newspaper advertising. Out in my State we have a man who is rather a professional political booster, always around trying to get you to boost the candidate. He has a phrase that has always stuck in my mind. "I want to work for you because I want to campaign by mouth to ear. I want to do mouth to ear advertising." He wants, in other words, to talk individually. And it seems to me that the difference between newspaper advertising and radio advertising is that the newspaper is through the eye to the mind, and the radio is through the ear to the mind, and that being the case it would seem that the advertiser would, if possible, invent and create a little different method of reaching the prospective customer through the ear than through the eye.

Then you have the educational forces of the country fighting advertising. Their primary purpose is to secure, as they say, better facilities for broadcasting educational programs that are now possessed by commercial stations, (programs sponsored by advertisers). So these educators are quick to try to find anything objectionable they can in order to build up popular sentiment against further grants of radio facilities for commercial stations to advertise. They have not the money with which to build great stations and maintain them even if the Radio Commission were to give them the facilities they ask, and they have not a plan sufficiently prepared and sufficiently financed to educate the people by radio even if they were given these facilities and could maintain the stations. Their objection to the free grant of time over the air is that while the station owner does not censor their programs or does not attempt to interfere with what they want to put on the air, the educators feel under obligation and do not feel the freedom to prepare educational programs over the air as they do for use in the school room. I really think that many of the educators feel quite strongly that they are hindered in building up their radio programs.

Then there are the "reform" people, if I may use that term. The people who are looking for something to reform and they seize upon anything they can find in advertising which they claim is objectionable to the morals of the people or made to appear hurtful to the young people.

When you consider these three phases, newspapers, educational forces and "reform" forces fighting advertising you are pretty well surrounded by those who are looking for weaknesses in your work.

When I was a member of the House of Representatives I remember when Champ Clark came in the House one day and said "Some of my enemies out in Missouri are saying" -

Someone interrupted him and said "Mr. Speaker, you don't mean to say that you pay any attention to your enemies?" He said, "Yes, your enemies always strike you where you are weak, not where you are strong." Newspapers do not attack radio advertising where you are strong, educational forces do not attack where you are strong, but pick out the objectionable things and build up sentiment to the point, if possible, of making the listeners forget the many desirable features which advertising - basis of radio support - gives in the development in the radio art or radio broadcasting in this country.

Again I hesitate to talk about different programs, yet I do want to call your attention to some of the programs that have caused the most outcry. The kind of programs they are. There are a number of programs on the air by notable advertisers that seem to be designed to make a deep impression upon the listener, in the interest, or rather by the use of a particular performer, instead of impressing the advertising matter itself.

I am thinking particularly of the Cremo Cigar program. People who listen to it, do not talk about Cremo cigars - the thing that remains in their minds is "20 words, no more no less," and it seems to me they lose sight of the real advertising. Amos and Andy is making Bill Hay more notable than Amos and Andy themselves. Then the Lucky Strike have been under such severe criticism, because of the use of "tobacco for the good of the throat, etc." and now they have a commentator "Walter Winchell and we have come to think of the Lucky Strike program as "OKAY, somebody or other" than the Lucky Strike. I am mentioning it because it seems to me that the criticism of it has some justification in this because they are driving home certain personalities or performers in a way only to do one thing: impress the name of the company rather than arousing real interest in the thing sold. It may be it wins customers and I am not able to answer that.

But alongside of that I want to call attention to another kind of program and which in my judgment is a most natural form of advertising. I am thinking of the Davey Tree Surgery Program. But there is this about it, there is nothing in it that grates or arouses the sensibilities about anyone. When I was in Ohio a few weeks I saw Mr. Davey. He was leaving for New York for his program. I asked him why he did not broadcast over the station in Cleveland - WTAM -. He replied that "I can't get the talent in Cleveland that I can in New York. Then I asked him why he didn't bring the talent to Cleveland. He said he needed certain organ melody in order to back up his program. "When I talk about trees I want to arouse little sentiment in the people who listen and so if I have an organ background it gives a little sentimental touch to what I say and I hope that the people who listen to me will get in tune with the idea I give. If I can increase the love of trees in that way I have done a great service to the people and a great service to my business. For if people are interested in trees they will wish to take better care of them and will go to an expert for advice - when they go to an expert for advice, that is business for us."

I tell you this as an illustration of advertising that seems to me does not arouse objection. It is done in a way that harmonizes with the subject of advertising.

Now, R-K-O Theatre of the Air programs are very natural. The actors, singers, speakers who advertise a theatre are themselves theatre people. So it seems to me if the advertisers will think in terms of their advertising, they will be able to remove much of the objection aroused by the policy of using too much advertising

and give those who want to strike down radio advertising no weapons.

There is another kind of advertising that has proved quite popular and that is the sponsoring of notable characters. Place on the program notable people, singers wishing to secure good-will. Very little criticism over that kind of advertising.

There has been too much driving to sell something on the air. That I think has been somewhat toned down.

I remember as a young man in Cleveland on a newspaper. I read a set of instructions gotten up by Mr. Marlin Pew, at that time he was editor of the Scripps newspapers, and I never forgot what he said to his editorial staff. He said "the ideal newspaper would be a newspaper in which every line in it was of interest to every reader. We can never hope to reach that ideal but if we build our newspaper so that a larger and larger percentage of what we print in the papers is read, we shall more nearly meet the people's demand".

When I was a student, we were asked to give our reasons as to who was the greatest orator. When all the reasons were read, the professor said "you were all wrong." He said the "greatest orator was Jesus Christ. I say it because the record proves it." He was then asked why. "Of all the men who heard him speak, and wrote a record of it, none of them ever mentioned anything except what he said. Nothing was said about what he wore, about his voice, etc."

It seems to me the problem of the radio advertiser is to present his advertising so as to make his listener pleased and with a feeling of good-will and kindness and so he will remember primarily the advertiser and not so much the particular method of advertising.

I don't know that I have talked about anything at all; I don't know whose toes I have tramped on, whose advertising programs I have praised or hurt. (Asked to compare the merits of British and American programs, Senator Dill continued as follows).

I have not the time to go into discussion of programs in England, but I can answer you probably safest in this way. In all England there are or were 17 stations when I was there. At no time could you ever hear more than two programs in England. They had one program on the high power station and another program on the low power station. I had a set placed in my room in the Hotel.

One Saturday afternoon I came in about 2 o'clock, turned on the radio and could not get any programs at all. I called up the man who had installed the set. I told him I could not get anything on the set. He said - "Well, there is nothing on the air. This is the City of London. If you will turn over to the long wave length you may get something from Paris." I then looked in the newspapers and found there was no program on from 1 to 3 in the City of London. And this was in the City of London on a Saturday afternoon at 2 o'clock.

There is a failure in those countries to supply radio programs and their programs are stiff, formal. The kind of programs they put on are censored by the Board of Censors. Last Summer they were featuring plays and they have extremely fine music. And here is something to say about that. A notice was to the effect that their orchestra the following week would have but half of its members, as the other half was leaving on vacation and that only half of the regular orchestra

would be on the air to play. And at the end of the vacation those would be back and the other half would go away. They have a limited amount of money and in the second place the English are naturally conservative about what they put on the air.

There was considerable feeling existent while I was there, because of the money that was raised by the taxes on the receiving sets, a large part of which was kept in the Treasury. 60% to radio and 40% to the Post Office Department for collecting it.

In the House of Commons the question was raised as to what are the plans of the Department as to allowing larger percentage for radio presentations. There are some publications devoted to radio.

The broadcasting company refuses to give to the newspapers any advanced programs except after they are placed in the "Radio Times" and the other publications and the papers cannot get those programs until after they have been published by the "Radio Times".

Over in Germany they take 50% of the money collected from radio sets for maintaining the government and the other 50% goes to the radio.

In Denmark they take the entire fee for radio. Denmark was farther advanced in the way of variation of programs than any other country in which I listened to radio programs. Then there is the lack of freedom in development. In this country you are continually experimenting in the radio field, continually trying out new phases, if they prove unpopular they are dropped - if popular, others take them up.

I did not come here to show that the American Plan was better but merely to call your attention to safeguard what you have.

EXCERPTS FROM THE SPEECH BY JUDGE DAVIS

I am in accord with what Senator Dill has said and I believe that that represents pretty well the congressional viewpoint. We are the legal custodians of the law regulating radio. Because of the situation with which all of you are aware it was necessary for some functionary form or tribunal to regulate radio. For reasons which are apparent to all that service could be rendered solely by the national government, and the Federal Government having necessarily and properly assumed jurisdiction over the subject, there goes with that authority a certain responsibility and obligation.

The Federal Government is the trustee for all the people in providing for the allotment to different citizens of the right to use the air through the instrumentality of the radio. It is assumed that the air belongs to all the people, that no one individual has any vested rights therein; and that radio consequently is a matter of public interest. Consequently, radio should be regulated and administered in the interest of and for the benefit of the entire public including all classes of citizens.

Those of us in Congress feel, therefore, that it is our duty to approach this subject from that standpoint. The interest of others is only incidental so far as the interest of the whole public is concerned. Now as I understand, I am expected, as was Senator Dill, to talk with you with particular reference to radio advertising. I certainly would not be able to talk to a convention of expert and experienced advertisers upon any other feature of their work even if it is true, which is probably not true, that I am capable of discussing this one phase of your profession

and problems.

In the first place I wish to state that with Senator Dill I am a believer in the American system. In fact, I think it is always better for functions of any kind, unless they be strictly governmental, to be administered by private citizens than by the government. I think that that applies to radio. However, I am very decidedly of the opinion that the use of it should be and must be regulated in the public interest. And, of course, as we have a system now which is largely predicated upon advertising, or rather funds raised from advertising, the question of advertising enters very definitely and importantly into the subject. I always undertake to talk very frankly either publicly or privately. I may be too candid sometimes but that is simply my method and I never mean anything very offensive by it. I shall probably say some things that many of you do not approve but whatever I may say will be said in an entirely kindly and friendly spirit. I am in no sense hostile to advertising or advertisers in the proper place and proper kind. However, I state without hesitancy that we have decidedly too much sales talk over the radio and I think that is general public opinion. I think that is proving harmful not only to the radio industry, to the broadcasting stations but to the advertisers themselves.

Senator Dill enumerated certain powerful factors who are making a crusade against so much advertising over the radio. I have in mind a much larger, a much more important and to my mind in the final analysis a much more influential group than those which he mentioned. I refer to the rank and file of the listeners.

Having been for 12 or 13 years a member of the Committee of the House which has jurisdiction over radio legislation, I have given the subject as much consideration and as much investigation as I could. At all times wherever I have been, I have been on the alert to learn what I could with respect to the public psychology as related to radio. Consequently for years and years I have to the best of my ability been studying the public viewpoint, and I am sure that Senator Dill and I have somewhat more opportunity to get a general expression and a general knowledge upon that subject from various sources than is true with respect to the ordinary individual.

Because of our connection with the subject of radio legislation, we receive letters constantly from everywhere giving the views of the listeners and the various other citizens upon the subject. In addition to that people talk with us frequently and constantly about the subject and I know my colleagues who come from every section of the United States talk to me about the matter. They give their own reaction and they give the reaction of their constituents which they receive through personal contact and through correspondence. And in the light of that study and information coming through those various sources I am convinced that there is a very considerable dissatisfaction with it and reaction to the amount of sales talks going over the radio. When that situation is being constantly aggravated and when that feeling is being fanned by the aggressive elements which Senator Dill mentioned, in my opinion it will reach a momentum that something will have to be done with the present system. I want to reform this system not only that we may be able to retain it but that in order that it will render the public service which radio can and should do.

Now my friends, radio is not maintained to sell goods. There is no justification for the Federal Government to maintain an agency for the purpose of advertisers to use in a commercial sense. The only justification for advertising for the commercial use of radio is the use of it in such a way and to such an extent

that it may be maintained financially for the purpose of rendering a greater and larger public service. Those are my views. And I want to state furthermore that I do not believe that the public will stand for any other use of it in the final analysis.

With respect to the amount of sales talk that is being indulged in, more than two years ago I began giving public warnings along this line before there was any pronounced public reaction. I talked with many of those engaged in the broadcasting industry. I have discussed it with them since. Many of them having said all along "I think you are correct", "I agree with you but we will handle the situation ourselves".

However, instead of that situation which is causing criticism being remedied, it has grown steadily worse. There is more advertising talk over the radio today according to my observation than there has ever been before. Of course, you gentlemen naturally feel that I am not capable of giving you any advice with respect to advertising.

As I indicated before, I think that much of the advertising going over the radio now is overdone to such an extent that it has the opposite effect rather than that sought by the advertiser. The purpose of advertising is to win good-will, for this, that or the other commodity or service. When it does that, it is successful advertising. When it creates ill-will, it has the opposite effect, and it is a very common expression to be in a group when a radio program is coming over the air to hear expressions of disgust on all sides on the part of the audience. In cases of that kind, that advertising is doing the advertiser more harm than it is good, and it is certainly doing that broadcasting station or that chain system a great deal more harm than it is good.

Not only that, whenever you indulge in so much of that advertising talk interspersed through a program, you are going to lose listeners more and more.

Now, I'll tell you what my idea is, that you will get very much better results by having a moderate amount of advertising than you will the amount that is generally given out. For instance, this is something that ordinarily happens. After the mention of some commodity, a very brief statement, then they go into the program of music, the auditors will listen to all of it, but when they know from experience that when this announcer starts to talk that he will talk two or three minutes, do these listeners sit there and listen? - they do not - they go to talking to each other about something else and continue on even after the program is resumed, so that the advertiser is losing the effect of even having them listen to what is being said.

Now, if you give the public only so much sales talk, so much advertising as they are willing to listen to and to absorb, you are doing infinitely better for yourself than you would when you make it so lengthy. In other words, I am firmly convinced that a proper curb of advertising will not only be in the interest of radio generally but even in the interest of the advertisers themselves.

I don't know what experience you have had but my observation has been such that I have become absolutely convinced of the sentiments which I have expressed. Now another thing, as I suggested before.

I heard much of these contests today. They arouse interest. You can always arouse interest with a lottery. The Federal Government could go into the lottery

business and could conduct a great national lottery and run the Federal Government without any taxes, that could be done but we cannot afford to do it. We cannot afford to raise public revenue in that way, therefore we cannot afford to license individuals to do the same thing.

If we regulate and maintain radio broadcasting upon a sane, sound basis and in a manner that it will render a service that is acceptable to the masses of the people, there won't be any difficulty of continuing the present American system, at least in principle. But if we fail to maintain it on that plane, you may rest assured that there will be such a reaction that the system will inevitably be changed. I do not want to see that done and so I have given the warnings which I have today and heretofore, with the view of preserving the system and avoid the destruction of it, but as I said before, I am convinced that there is room for reform, there is room for correction of evil.

I have discussed this subject and they have come and discussed with me, many men engaged in broadcasting and in other branches of the radio industry, including executives of broadcasting stations and broadcasting systems. Almost without exceptions, they agree that I am correct in principle, that they approve all of it, but then speak of the difficulties. They say that the advertising agencies insist upon more sales talk than we think is proper. I understand that the advertising agency says that it has trouble with the insistence of clients, I don't know just how that is. I expect that is correct. I suppose the average individual advertiser is obsessed with the idea that if he is to pay for 15 minutes on the air he wants to talk just as much as they will let him about himself and his goods. But he is looking at it in a selfish individual standpoint and so perhaps the advertising agency feels that he is wanting too much advertising and he will politely curb him and perhaps agree to more than he thinks he should. I suppose the same thing takes place between the advertising agency and the broadcasting station. Now there is an opportunity and a duty for everybody involved. But he will frankly say, with even a great deal of faith, that it is possible for the industry itself to entirely eradicate excessive amounts of sales talk.

Even if a majority of advertisers and a majority of advertising agencies and a majority of the broadcasting stations and systems were aware of the situation which I have undertaken to describe, and were disposed to prevent an excessive amount of talk, yet there would certainly almost be a considerable element who would persist in an excessive amount of sales talk. And so one advertiser will go to one station or agency and he will talk this much, and another will not be permitted to engage in so much talk at another station.

I have very often been convinced of the fact that both executives of broadcasting stations and advertisers themselves, realize that this is carried too far and yet they are in somewhat of a vise; they are driven more or less by competitive conditions and forced frequently to agree to something which they themselves do not approve. Consequently, I would frankly state, as I have heretofore, that I believe that the one reform absolutely necessary to preserve the present system will have to be regulation by Congress itself, or rather some criterion laid down for the Radio Commission so as to treat everybody alike, that everybody be on the same basis, and in my opinion not result in hurting radio stations or advertisers, but would really help both.

Consequently I do not consider any suggestions that I make in this regard are hostile to either. Of course if permitted to run in an unbridled way it is doubtless true that perhaps for the time being more revenue may be received, but I am

talking about the future. I am discussing what may result in the final analysis. We are going to be confronted with it and in a not too distant day. I have thought over this matter a great deal. I have discussed the question of the method of regulation to a great many people in all branches of the radio industry as well as those who are not in the industry, but who are interested in the service and in the success of radio broadcasting. I think that it is pretty generally recognized with all of those with whom I have discussed the subject that the practices cannot go on to the extent they are now with respect to excessive advertising and I would like for us to correct this situation before it reaches the point that the public will not be satisfied with the correction but will want to use the guillotine instead of the pruning knife.

I don't expect all of you gentlemen to concur in these views and conclusions but as you were kind enough to ask me to talk with you I felt that you wanted my real candid views and did not want or expect me to come down here simply for the purpose of attempting to entertain you. So I have, in this very informal way, given you briefly and incoherently some of the thoughts which I have upon the subject and I believe that that expresses the sentiment of a very large segment of the public not to speak of the interests that perhaps will have a different motive and which were described by Senator Dill.

Now instead of "killing the goose that lays the golden egg" let us work together towards the perfecting instead of destroying a great American system of radio control.