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Problems of Advertising

Addresses Delivered in Journalism Week, 1918,

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Problems of Advertising

NATIONAL ADVERTISING IN RURAL NEWSPAPERS

BY GEORGE W. EADS

During the past six or eight months, I have had the pleasure of examining 200 to 300 Missouri papers each week, to study their advertising possibilities.

The rural newspapers cover a field peculiarly their own. In a very large measure they reach people who can be reached by advertising in no other medium. Their news service is specially adapted to the requirements of local fields. Neither the metropolitan newspapers, the magazines, nor farm papers can perform a service to local communities such as that performed by the rural press. The small-town newspapers have a rich field all their own.

I have made some inquiry among advertising men handling national advertising accounts to try to find out why such a small share of this class of advertising is put through rural press channels. I must be very frank in my analysis of these problems, if what I say to you is to have any value. I have been a country publisher myself, and I am rather familiar with many of the problems entering into your business. I have a very strong sympathy for the rural publishers, and it is my opinion that the advertising value of their papers, per thousand of circulation, is more than that of any other class of publications. The country editor keeps in closer touch with his subscribers than any other editor. He knows most of the people of his country and he is always at their service, doing favors which win their appreciation.

Unfortunately, a great many rural publishers do not conduct their business on modern business lines. I have sometimes thought that men who write newspapers are unfitted, or, at least, think they are unfitted, to occupy business positions. The country editor must be not only editor, but business manager, printer and pressman, and also distributor. He has so many things to occupy his mind that it is not surprising that he too often neglects some important features of his business.

It is my impression that the principal reason why the rural press has not been able to get any considerable share of national advertising lies primarily with the publishers themselves. National advertisers, and, as a general rule, advertising agencies, have not been inclined to place much reliance on the country newspapers as advertising mediums. They have gathered the idea that the rural publishers are careless in their business methods, and that their circulation statements are nearly always, if not always, exaggerated. No way has yet been devised of verifying the circulation statements of the smaller newspapers. Some of the better small daily newspapers of the state have become members of the Audit Bureau of Circulations, and by means of the reports of this organization, advertisers and advertising agencies can get accurate information relative to the circulation of the papers having membership in this bureau.

The advertiser of today buys his advertising space with as much discrimination as a woman buys hats. He wants to know that he is getting in circulation what he pays for. He prefers to advertise in those publications whose circulation he has some means of verifying. I am afraid that some of my friends in the rural publishing business would have to admit, if they were pinned down to it, that their "sworn" circulation statements were not always accurate. I shall suggest, in a moment, a plan by which the Missouri publishers could furnish to national advertisers and advertising agencies a guaranteed circulation in this state.

I do not wish to be critical, but rather, analytical, and in the analysis of any question, it is necessary to consider all the

facts. It is unfortunately true in too many instances that the rural papers are not as well edited as they ought to be. Out of 200 or 300 newspapers that I examine every week, I think it is no exaggeration to say that not more than 20 or 30 have any definite editorial policy, and many of them are not attractively put together. Some are poorly printed and the "make-up" of others is not attractive. Too many appear to be edited by the press agents of political parties, or the press agents of some semi-political organization. Many papers are so intensely partisan that they appeal only to a class of readers who are as partisan as their editors.

Good newspapers are made by their editorial departments. Circulation, which is the foundation of advertising, is made by the quality of the news, its manner of handling, and by the editorial policies of the papers. Whenever I find a newspaper that is well edited with respect to its news columns, that is bright, original and fearless in its editorials, and is attractively made-up, I do not have to refer to directories to ascertain that that paper has a good circulation. The more brains that you put into your editorial columns, the more subscribers you are going to have.

You will take out of your business in dollars exactly the equivalent of the intelligence that you put into your papers.

In an address before the Southeast Missouri Press Association I suggested that the day of the party newspaper was passing, and that in another decade there would not be a single great party newspaper in America. The best that the party newspaper can expect to do in the matter of circulation is to get slightly over one-half the reading population of the county or community in which it is published. The independent newspaper, however, can appeal to every reader in a county or community. It has a field twice as large as the party newspaper.

For the national advertiser to cover any county in this state, it is now generally necessary to use a Democratic and a Republican paper. The advertiser would much prefer to reach the people through one publication. He could do it with one-half the overhead expense, which is very considerable in handling small advertising accounts.

To make a more intensive study of the Missouri newspapers, I subscribed for a number of them, having them sent to a private office which I had for a short time. When I sent out a letter to have the address changed, I think not more than one-half the publishers paid any attention to it. It was not until the postoffice had sent out repeated notices that the publishers all changed the address. Some publishers added the new address and did not take off the old, and for some time I got two copies each week of some papers. One publisher, for several weeks, actually sent me three copies of his paper. Three or four took my name from their lists entirely, and I have not received copies of their papers for months. One of these publishers, who had bought out his competitor, credited me with a two years' paid-in-advance subscription, but I have not seen a copy of his paper for more than four months.

I cite these instances merely to show you how careless some publishers are in the conduct of their own business. This does not apply to all publishers, for many rural publishers have adopted efficient business methods. Advertising agencies have had a great deal of trouble in checking accounts by reason of missing papers. Carelessness of the kind I have just mentioned not only makes the work of the checking and auditing departments of advertising agencies much more difficult, but it causes delay in the payment of bills. Publishers often write in and assert that they have mailed every copy of their paper to the agency, and they cannot understand why the agency did not receive them. Some copies are lost in the mails, of course, but I suspect that a considerable part of the trouble could be traced to careless methods of mailing in the newspaper offices.

Many rural publishers seem to be absolutely indifferent to foreign advertising. The wide-awake ones, however, are alive to the possibilities of increasing their revenues through this class of advertising. They are not only eager to get the advertising, but are willing, in some instances, to co-operate with their advertisers to help build up profitable trade in their communities.

I think if the rural papers would adopt a more aggressive policy in soliciting foreign advertising they would get results

that would be gratifying. Occasionally letters from rural publishers reach my desk soliciting advertisements. Very often these letters contain nothing relative to circulation and rates, and in nearly every instance I have to write back for this information before I can determine whether to give them contracts.

Here is a sample letter:

"Dear Sir: Would like to get in on that —— contract. Thanking you in advance for favor, I am, etc."

Here is an intelligent solicitation received by telegraph:

"Would like —— contract. Have sworn circulation seventeen hundred, rate 15 cents, regular commission."

As soon as that telegram was received I dictated the following letter:

"It strikes me that a publisher who is enterprising enough to telegraph his circulation, advertising rates and an application for a contract is likely to be a live wire. I have, therefore, directed the rate and order department to put the —— on the —— advertising list at a rate of 15 cents an inch, less the regular agency commission of 15 per cent. The contract, cuts and schedule will be sent to you as soon as they can be prepared."

My discussion of advertising in the rural press would be of little value unless I offered some practical suggestions for effective campaigning for advertising. Permit me to present these suggestions:

(1) The Missouri Press Association, or some other organization fairly representative of the rural press of Missouri, should create a division of national advertising, in charge of a competent committee, to conduct campaigns for advertising contracts.

(2) This committee should make up a list of two or more newspapers of the largest circulation and influence in each of the 114 counties of the state and invite the publishers of these papers to affiliate with the organization.

(3) This committee should have the power to investigate the circulation of every newspaper on the list. The publishers should be re-

quired to file with the committee, at least twice a year, guaranteed correct galley proofs of the names of their subscribers. This plan would enable the committee to guarantee circulation to advertisers and to submit proofs of the correctness of the circulation statements.

(4) The committee should have power to adjust the foreign advertising rates of the affiliated newspapers on some equitable and uniform basis—say, one cent an inch per hundred of circulation for each newspaper.

(5) The committee should have the power to contract with advertisers on behalf of the entire membership of the organization, or on behalf of such groups of papers as the advertiser wished to use, thus enabling the advertiser to reach all or a part of the members through one contract instead of 200 or 300 individual contracts.

(6) A complete directory of the members of the association should be published and filed with every national advertiser and every advertising agency, and the committee on national advertising should be authorized to solicit contracts by mail or in person for the benefit of all members of the association.

(7) The committee on national advertising should have authority to make up mailing lists from the subscription lists of the different newspapers and to sell these lists to advertisers who wished to use the direct letter of circular method of reaching prospective customers. If these lists were properly classified, and revised twice a year, they would be very valuable, and the income from their sale probably would pay all or a considerable portion of the expense of maintaining the committee on advertising.

(8) If advisable, the committee on advertising should receive payment for advertising for all affiliated members and take care of a great deal of the detailed clerical work that must be handled by the advertiser or his agency in placing contracts with small newspapers. I am sure that arrangements could be made with advertisers or agencies by which allowances would be made for this kind of work.

These are merely ideas in the rough. I have no doubt that a committee of practical newspaper men could work out the details of an organization that would be able to more than double the foreign advertising of the Missouri rural newspapers in a very short time.

The average circulation of good county-seat newspapers is approximately 1,500. It would be possible to select 200 Missouri newspapers that could offer advertisers a guaranteed circulation of 300,000 or more. Not more than 10 to 20 per cent of the subscribers to these papers can be reached through

any other mediums. The advertiser seeking intensive publicity eventually must use the rural press. Its advertising possibilities are great, but intelligent, co-operative work is needed to bring these possibilities strikingly to the attention of the advertisers.

Missouri has many excellent rural newspapers. I have made up a list of about 225 newspapers that I should have no hesitancy in recommending to advertisers wishing to cover the Missouri field. Our agency has contracts with these papers, and we are getting good results and good co-operation. The list was made up after I had visited many towns in the state and called on the publishers. We wanted to know the Missouri field thoroughly so that we could recommend to such of our advertisers as wished to use it a list of newspapers that would produce results. The fact that a Missouri newspaper has a contract with the D'Arcy Advertising Company, after the investigation that we have made, is proof that we regard that paper as a valuable advertising medium. I think publishers could use this fact to advantage in soliciting advertising from other agencies and national advertisers.

The Missouri rural press has made great strides forward during the past ten years. I was surprised to find in nearly every office thoroughly modern equipment, such as typesetting machines and power presses. Most of the Missouri rural newspapers are equipped to give national advertisers good service. As the editors of the Missouri rural newspapers continue to make progress in the improvement of their editorial departments, in the widening of their spheres of influence and in extending their circulations, these papers will continue to grow more valuable to advertisers.

The Missouri rural press, as a unit, I think is above the standard of the rural press of any other state.

THE GOLD MEDAL AGREEMENT

By N. A. HUSE

The great bulk of foreign advertising has in the past gone into national magazines, metropolitan dailies, farm journals, billboards, street cars and electric signs. There have been two outstanding reasons why country newspapers have not received their share of this advertising:

1. In years past they had no salesman (representative) in the foreign field to sell their advertising space.
2. The instability of country newspaper advertising rates and the expensive detail involved in handling country newspaper advertising campaigns militated against advertising agents recommending country newspapers.

Eight years' experience has demonstrated that there are unlimited future possibilities for the development of foreign advertising for country newspapers, but has also demonstrated that a more intimate and more compact relationship between the country newspapers and their representative is indispensable to the fullest development of these possibilities. The time has come when the best interests of the country newspapers require the adoption of the same sound business basis which has enabled national magazines, metropolitan dailies, farm journals, etc., to build up vast volumes of foreign advertising revenue. This step is embodied in the new Gold Medal Agreement, which is identical in principle with the arrangement existing between magazines, metropolitan dailies, etc., and their foreign advertising representatives. But in addition we guarantee payment and will actually pay publishers out of our own funds before we have collected—a service not attempted by any other publishers' representative. The large dailies pay their foreign advertising representatives either a commission on all foreign advertising or a salary based on the total volume of foreign advertising.

The limitations of our former agreement definitely handicapped our efforts toward the fullest development of foreign advertising possibilities. The fundamental trouble-maker has been the fact that there was no protection to the publisher against disastrous rate-cutting competition, or to us against those publishers who, in soliciting business direct, gave evidence of a lack of co-operation with us, which tended to undermine our work with national advertisers, and consequently to injure the whole country newspaper field.

Only by possessing credentials to represent country publishers in the fullest sense in the foreign advertising field—on an exclusive representation basis, which permits us to speak for them with authority—can we force the elimination of abuses, such as cut rates, unpaid-for concessions in the matter of position, unfair contracts running for more than a year, etc.

No advertising agency ever sends an order direct to country newspapers except for the one purpose of securing concessions from the publisher which cannot be secured from the publisher's representative. Organization—solid, hog-tight, water-proof organization—offers the one salvation and the one assurance to country newspapers in the matter of foreign advertising development.

The old methods of selling foreign advertising space and establishing foreign advertising rates on country newspapers must be abolished, and they can be abolished only through the solid organization outlined in the Gold Medal Agreement.

In the old days about the only foreign advertisers who used country newspapers were patent medicine people and their method of buying space was unscrupulous and piratical. A former traveling salesman for one patent medicine house recently showed me a little book of instructions issued by this house to all its traveling salesmen, teaching them how to buy space in a country newspaper. The salesman was instructed, after arriving in a town, to go to the best hotel and get a good night's sleep. He was to have a good breakfast in the morning and a clean shave, and then, physically fit, he was to visit the newspaper office and call for the editor. He was instructed to

greet the editor with a glad hand and a smile and to start proceedings by telling a funny story. Then he was to draw from his inside coat pocket a card about 6 inches long and 4 inches wide, on which were printed five patent medicine readers. On the card these were printed in 5-point type and in a measure 18 ems wide, but the psychology of this small card was to make the editor think that these readers would only occupy about 5 inches of space in his paper. He would forget that the card was set in small type and in wide measure and would overlook the fact that this same matter, when set in 13-em measure and in 9-point type would occupy fully 15 inches of space. The salesman was instructed to toss this card down on the desk in front of the editor and say: "How much will you take to run this copy for us for three years?"

The editor, by mental arithmetic, figured out what 5 inches of space every issue for three years would cost at his regular rate—which might have been 4c an inch—and then, rather sheepishly, would announce that the regular rate would run to \$387. At this juncture the salesman was instructed to throw up his hands in holy horror and to shout: "Great God, man, I don't want to buy your paper!" After the effect of this had sunk in, the salesman would say: "Now I'll tell you what we'll do. We can afford to pay you \$27.85 to run this small piece of copy three years. This is just so much velvet to you—it is so much outside money that you would not get otherwise, and it doesn't cost you anything because you are publishing the paper anyway and it helps you fill up the holes and saves your buying plate. We know from our records just how much medicine we can sell in this town and \$27.85 is really more money than we are justified in spending in advertising in your paper, but we are willing to take something of a gamble. I can run this advertising in the paper across the street but I would like to give it to you. What do you say?"

Then if the publisher demurred the salesman was to pick up the card and propose: "Well, I'll tell you what we'll do. We'll cut out reader No. 2 and reader No. 4 and you run 1, 3 and 5 and I'll pay you \$18.05 for that." The salesman's in-

structions were to juggle the proposition in every possible way so as to muddle the mind of the editor and at last if the editor still refused—which he seldom did—the salesman was instructed to seize his hat, jam it on his head, and with an angry air, stalk to the door and say, as he slammed it on his way out: "You have had your chance; you have got nobody to blame but yourself for losing this money; goodbye!" Then the salesman was instructed to walk around four blocks and come back. By that time the editor would be so disconsolate and down-hearted over losing the \$27.85 that he would gladly put his name on the dotted line to run all 5 readers for three years for \$17.20—and then the patent medicine house would steal the \$17.20 because of wrong insertions.

The American Press Association has already done much to change that condition but much still remains to be done and it can be successfully done only through the organizing of country publishers for their own welfare on the basis outlined in the Gold Medal Agreement.

Only through such organization have the street-cars and the billboards been able to make headway in the foreign advertising field, and if you are familiar with the billboard situation you know that only a few years ago every billboard plant in the country was on a cut-rate, unorganized basis and was unprosperous, while today, as a result of the organizing of billboard owners all over the country on a basis identical in principle with the plan outlined in our Gold Medal Agreement, they have standardized and increased their rates, and their foreign advertising representative has been able to sell their space from one end of the year to the other.

Advertising agents can so much more easily and so much more profitably conduct campaigns in magazines like the Saturday Evening Post at \$5000 per page than they can in 6000 country newspapers, which involves 6000 orders, 6000 sets of plates, 6000 publications to check each week, countless missing papers to be written for and 6000 checks to be written, that country newspapers will receive extensive consideration in foreign advertising circles only when they can be sold in one

organized group, and only when their representative is prepared to attend to all of the multitude of details and to *guarantee that the rates quoted by the representative are the lowest rates at which space can be bought by any advertiser in those papers.*

There is one other new feature in the new Gold Medal Agreement. This is the provision that we shall be the publisher's exclusive special representative. It is just as confusing and as impossible in practice for two representatives to solicit business for the same newspaper as it would be for two attorneys, not working together, to represent the same client in a lawsuit.

Imagine yourself as having employed a street solicitor to go out among the merchants and sell job work on a commission basis. Imagine authorizing that solicitor to quote \$4 per thousand for letterheads. Then picture a merchant upon whom this solicitor has called, telephoning you and asking you how much you would charge him for 1000 letterheads if he gave you the order direct instead of giving it to your solicitor; and picture yourself as quoting a price of \$3.50 per thousand if the merchant gave you the order direct. How long would that solicitor last in your community? How far could a solicitor, on that basis, go in developing new job printing accounts for you? And yet that imaginary situation, ridiculous as it is, is a precise parallel to the agreement upon which we have been trying to build foreign advertising for country newspapers.

To be specific, we will cite a recent case. We devoted many months and several thousand dollars to persuading a big advertiser to tell his story through country newspapers. Finally he decided to act upon our suggestion and ordered his advertising manager to run the campaign. The advertising manager, because he had heard that many publishers would sell him their space at cut rates if he dealt direct, sent the business direct, thus depriving us of a commission which we had earned on an advertising campaign that would never have been developed but for our creative work. In another case we created a large advertising campaign for several thousand country newspapers, and after the orders had gone out a num-

ber of publishers wrote to the advertiser and told him they would like it better if he would send the business direct, because in that event it would save them paying a commission. This, in spite of the fact, that we had created this business for the publishers, and they would not have received this advertising but for our effort.

The publishers who wrote those letters did not realize that they were injuring themselves and were tearing down their own sales organization. It must be clear to any thinking publisher that such tactics, followed to their ultimate conclusion, must eventually destroy the representative, and that to continue in this work we must have a working agreement which will eliminate such an attitude from the mind of every publisher we represent and, by making us his minor partner in his entire foreign advertising development guarantee us his constant and sincere co-operation and support. The cases cited above—both recent history—should abundantly convince every publisher that it is impossible for us to continue on the former basis.

Complete unity of interest and perfect teamwork between the publisher and his representative are indispensable to constructive service on the part of the representative, and this co-operation can be insured only by a working agreement which makes the publisher and his representative in a sense partners in all business emanating from the field in which the representative is working—just as a traveling salesman, to do good work, must share in the gross volume of business that is built up in his territory, whether he mails in the orders or whether the orders go direct to his house.

Our relationship with the publisher must be such as to make the advertising sent to the publisher by us precisely as welcome and precisely as profitable to the publisher as any advertising which he might get direct. His net income must be identical on both classes of business to insure the kind of co-operation upon which we can effectively build increased foreign advertising for country publishers.

The Gold Medal Agreement is the basis for this spirit of mutual interest and co-operation.

As a publisher you will undoubtedly ask what is the attitude of the advertising agencies toward the American Press Association's service and the Gold Medal Agreement.

The American Association of Advertising Agencies—an organization including almost all of the prominent advertising agencies in this country—after very careful analysis of our plan adopted the following resolution:

Whereas, the American Association of Advertising Agencies has at the request of the American Press Association of New York thoroughly investigated the purposes and methods of operation of the latter in its capacity as representative of country newspapers in the national advertising field; and,

Whereas, it is the judgment of the American Association of Advertising Agencies that the American Press Association of New York is rendering a service that is economically justified and positively beneficial to all advertising and publishing interests concerned; now, therefore, be it

Resolved; That the American Association of Advertising Agencies indorses and approves the American Press Association as a constructive force worthy of the co-operation and fullest support of the members of this association.

Every publisher should realize that the advertising agency commission and the commission which goes to the publisher's representative are legitimate and indispensable sales expenses, and therefore become an integral part of the gross price charged to the ultimate consumer—the advertiser. In other words, in fixing your foreign advertising rate you should first establish the price per inch which you must net in order to cover your manufacturing cost and a liberal profit; then add to this figure enough to cover the cost of selling your space—the agency commission and the representative commission. This sales expense is properly paid by the advertiser, just as the selling cost on an automobile is paid by the ultimate buyer.

To find the cost of an inch of display advertising space to you, first take the total receipts of your paper—exclusive of job plant—for a year. From this subtract the receipts on circulation and legal notices. After you have done that, divide the remainder by the number of inches of display advertising published during the year and you will have the approximate price to you of an inch of display advertising.

ADVERTISING DURING AND AFTER THE WAR

By M. P. LINN

The work of advertising classes and even advertising clubs is distinctly in the interest of better and bigger business. The better understanding of the fundamental principles of merchandising can be had by teaching how to write copy, to economize space, by being vigorous and terse, by learning typography and always adhering to accuracy of statement. Such a procedure makes the profession of advertising a dignified one, and one which is both pleasant and profitable to follow.

The progress made, the personnel of those engaged in the advertising profession, the educational features and the tenets of the Associated Advertising Clubs of the World impress me as they must you. After a service of more than a third of a century, I am indeed proud to stand here and be classed as an advertising man.

The Associated Advertising Clubs have established a higher plane of advertising. The movement, which began by eliminating fraud and continued by censuring copy of those using questionable methods, has culminated in a general company advocating the use of nothing but the truth as the best method of advertising.

At this time certainly everyone, and particularly every advertising man, ought to reflect a bit about this great country of ours, to establish its place among the countries of the world and to fix it firmly in his heart and mind.

We are only the heirs of those who have for ages been fighting and being martyred for the cause of individual freedom and the uncurbed expression of that freedom in a free and representative Government. As a class we are now called upon to do the greatest of all services. The question of the dominance of real freedom in the world is to be settled and for all time. To defeat the German ambition will forever settle

the matter of the form of government that is to be tolerated.

For many years we have been making great progress; one barrier after another has been beaten down. The press has become radically liberalized and its most potent motive is now along the lines of progress, power and protection for the people.

Advertising is playing a great part in this campaign to put the fate of the world into the hands of the people. It has bred in the minds of business men a high regard for the rights of men. It has made its practitioners the most efficient and zealous of those who are with determination prosecuting that sublime propaganda.

Advertising men are the most keen to detect the existence of some popular tendency and the most efficient in helping to promote it. They have learned the great lesson that in order to get people to assent to their suggestions they must work constantly and unselfishly for the people and with the people.

That great army of advertising men as well as the advertisers are being convinced that there are many things with reference to advertising destined to be different. The unusual demands upon it brought about by war conditions have greatly increased its efficiency. Since the declaration of war a great change has come over the spirit of advertising. In that long period of peace many publishers disregarded their responsibility to readers, accepting advertising which did not violate the postal law as permissible. Yet fundamentally advertising remained with all its requirements a selfish business.

Then followed this conflict, forced upon a people who detested war. It was then that advertising came into its own, for it had the job to arouse the patriotic spirit of a people to the highest degree and to make that spirit an effective force.

Publicity-advertising has played a great part in all conditions of the war, and these conditions have not always been satisfactory. However, when these conditions have been ventilated by publicity in the press, there has been at least a marked improvement. It is evident that advertising should be used by the Government to educate the public. It is evident that advertising should be used to mobilize the minds and business of this country and thus make lack of association and lack of co-ordination impossible.

The part that advertising played in making so successful the great work of the American Red Cross, Y. M. C. A., Thrift Stamps and Liberty Loan drives and all other war activities is sufficiently convincing of hope. Its great forces were mobilized in backing up this Government and the young men in arms. While the Government has not absolutely been sold on advertising, it has recently recognized its splendid achievements by creating an Advertising Advisory Division.

Peace will completely reverse war-time advertising conditions, as production will quickly exceed demand, unless plans have been made for sales along different lines than now exist. It will be then that business which has made an advertising investment in the good will of the public will reap a reward, while the man who tries to make a late start and catch up will find his sales organization outdistanced by his wiser competitor.

Many advertising experts as well as students of business are wondering if Americans are not asleep while the world's trade map is being remade.

While America will skip the burden of rebuilding after the war, while her demobilization problem, difficult as it will be, is insignificant compared to that of the European nations, and while we shall accordingly have a very important advantage over our commercial and industrial rivals, it should be remembered that the European nations will have certain moral advantages. It is certain, therefore, that these problems of peace must be solved, and the nation that solves them with the largest measure of vision and practical insight will soonest resume a prosperous career.

There is no question but that advertising will be a dominant factor in holding our after-the-war trade. To have this advertising produce the best value it is necessary to prepare for this reconstruction period and to examine carefully the changes which are growing about us industrially and individually. Almost anyone will appreciate that we have really passed out of the economic ideal of competition and distribution. We have gone farther and fixed prices; in fact, we have almost rationed the dealer on certain foodstuffs. And as to labor, a great change has come over the country. This is a most

fundamental and important change, as there is only one value in industry, and that is the value of labor. Other things are brought about by the extent upon which labor is required of them. How many business men have really ever studied the business they are in?

Sweeping changes in manufacturing and in commercial efforts may be expected. It will be a new world, and America should be prepared for the part in it to which our resources entitle us.

Past performances give me a strong conviction that the rank and file of advertising men need not be prodded about their obligation of preparedness for the reconstruction period.

Certainly, advertising cannot be done after the war as it was done before the war. Nothing will be the same. Just what the difference in men and business is going to be none clearly apprehend. What we can do and must do is to try and read events and signs correctly, to look ahead, to mold our acts and thoughts and beliefs and aspirations and even our faith in accordance with what we see and what we learn, and I am sure if we can compel ourselves to cling to belief in the great plan of humanity and in the final triumph of right, all will be well.

We should recognize the great danger of neglecting to appreciate the character and extent of appropriations now being planned by our business rivals. They are under compulsion to make supreme efforts, for they are deep in debt, and we should be just as wise and just as alert to safeguard and to establish our pre-eminence in industry, commerce and finance.