James Rorty

OUR MASTER'S HOUSE

ADVERTISING



25 CALL FOR MR. THROTTLEBOTTOM

THE inevitable conflict between the idea of capitalist "reform" and the idea of capitalist "recovery" emerged most sharply in the drive for commodity standards initiated by the more liberal members of Mr. Roosevelt's official family. These liberals—loudly denounced as "Reds" by the patent medicine, drug and food lobby—achieved a somewhat insecure footing in the Consumers' Advisory Board of the NRA and in the Department of Agriculture under the leadership of Assistant Secretary Tugwell.

It seems clear that in the beginning the Consumers' Advisory Board of the NRA and the Consumers' Counsel of the AAA were conceived of as decorative ingredients, designed to float around harmlessly in the otherwise strictly capitalist alphabet soup of the New Deal. Under no circumstances were they supposed to challenge the rule of business as administered by the Industrial Advisory Board, backed by the Trade Associations and the Chambers of Commerce. General Johnson's job was to ride herd on the unregenerate forces of Big Business and induce them, by alternate threats and pleadings, to save themselves and the country.

It was a tough assignment, and not the least of General Johnson's embarrassments was the disposition of the Consumers' Advisory Board and Professor Tugwell's group in the Department of Agriculture to clarify and fortify the soup of the New Deal with some stronger functional plans and programs.

The first blow-off came in the summer, when Professor Ogburn, of the University of Chicago, resigned his appointment to the Consumers' Advisory Board on the ground that a price- and wageraising program, unregulated by a statistical reporting service, was dangerous, and that he had neither authority nor funds to establish such a statistical control. This was followed by mutinous murmurs from the remaining members of the Consumers' Advisory Board to the effect that their carefully prepared and devasting briefs in behalf of the consumer frequently got no further than General Johnson's desk; further, that Charles Michelson, sitting at the publicity bottle-

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neck of the NRA, saw to it that the press got only such denatured releases from the Consumers' Advisory Board as would not disturb the equanimity of the dominant business interests.

What the Consumers' Advisory Board and Professor Tugwell's group were trying to do, of course, was to prevent the American people, as consumers, from being ground between the lag of wages behind the increase in prices—this trend being more and more apparent as the NRA codes, with their open or concealed price-fixing provisions, went into effect. The difficulty was that the consumer was a somewhat novel and unsubstantial entity in the New Deal economics. Like Mr. Throttlebottom, in "Of Thee I Sing," he was the man nobody knows, although it was precisely he whom business was theoretically set up to serve. If the Labor Advisory Board had wished to do so, it might well have contended that labor and the consumer are substantially identical. But it was apparent from the beginning that the Labor Advisory Board represented not the rank and file of labor, but the American Federation of Labor officialdom, which was if anything less radical than Big Business itself.

Hence the Consumers' Advisory Board was without allies at Washington and without the support of an organized pressure group outside Washington. One may doubt that the Chairman of the CAB, Mrs. Mary Harriman Rumsey, had any notion of the political dynamite which any serious attempt to discharge the ostensible functions of the board would explode. But on the board were Dr. Robert Lynd, co-author of *Middletown* and author of a penetrating study of the economics of consumption contributed to Recent Social Trends, Dr. Walton Hamilton, Yale economist, and author of an iconoclastic dissenting opinion embodied in the Report of the Committee on the Costs of Medical Care, and Dr. James Warbasse, chairman of the Board of the Co-operative League. And the staff of the CAB, headed by Dexter M. Keezer, formerly of the Baltimore Sun, assayed a rather high degree of sophistication both as to economics and politics. For months both the board and its staff were consistently rebuffed and slighted by General Johnson, and their press releases were carefully censored by Publicity Director Michelson. But they continued to submit briefs at code hearings, and these briefs, although largely disregarded, kept the issues alive. And in connection with the hearings on the Tugwell-Copeland Pure Food and Drug Bill, there came another blow-off.

One of the most loudly mouthed charges of the patent medicine lobby was that the Tugwell Bill was "anti-NRA", in that it would embarrass the activities of nostrum makers, and reduce the income of newspapers, magazines and broadcasters which sold advertising space and time on the air to these nostrum makers. In the middle of the hearings, Dr. Lynd was called over from the Consumers' Advisory Board to answer this charge.

Apparently it had never occurred to the assembled medicine men, drug men, food men and cosmeticians, that the Consumers' Advisory Board could be anything but the customary make-believe with which business-as-usual cloaks its simple acquisitive motivations. Hence the consternation of these lobbyists as Dr. Lynd proceeded deftly and suavely to invoke the pale ghost of the ultimate consumer—to bring Mr. Throttlebottom to life.

"Do you see what I see?" said the ad-men to the patent medicine men. And the drug men, the cosmeticians, the vitamin men of the food industry, and the Fourth Estate all chimed in on a chorus of denunciation that became more and more hysterical as the hearings proceeded.

They saw that the drive of the Consumers' Advisory Board of the NRA to get consumer representation on the Code Authorities and quality standards inserted in the codes, the effort of the Consumers' Counsel of the AAA (headed by Dr. Fred C. Howe) to insert quality standards in the food processing and other agreements which it was then negotiating, and the controls and penalties embodied in the Tugwell Bill, especially the quality standards provisions, were all co-ordinate elements in the attempt of the President's left-wing advisers to do right by Mr. Throttlebottom, Mrs. Throttlebottom and the children.

From the point of view of business-as-usual, this sentimentalism about the consumer is the sin against the holy ghost, nothing less. Business, especially the interlocked drug, cosmetic, food and advertising businesses, is organized to do Mr. Throttlebottom right, and the difference is more than a matter of phrasing.

Amidst audible grinding of teeth by the assembled ad-men, Dr. Lynd argued from the premises of "quality merchandise," "service" and "truth in advertising" to which Printers' Ink and other organs of the advertising business have long proclaimed allegiance. Today, he pointed out, in view of the elaborate fabrication of commodities, the widespread use of synthetic materials and current packaging processes, fair competition, the avowed objective of the NRA, must include both quality competition and price competition. For example, the AAA had found that the milk agreements, in order to quote price at all, had also to quote butter fat. In nearly every line of merchandizing, a similar need exists for quality standards on which to base price competition. In fact, some of the producers and growers, such as the citrus fruit, rice millers, and cling-peach canners, had actually asked for quality grades in the AAA agreements.

The object of the NRA, continued Dr. Lynd, is to increase net buying power, which means that it must not only increase wages but stop losses through substandard buying. Both government and industry avoid such losses by buying on specification. Should not consumers—the 30,000,000 families who in 1929 spent 60 per cent of the national income over retail counters—know what they are buying? Under the New Deal, labor, the consumer and government are recognized as co-partners in American industry. The proposed Food and Drug Bill, like the demand for quality standards in the recovery codes, represents a simple and necessary aid to the isolated consumer in his difficult and largely helpless effort to compete on an equal footing with the massed resources of industry.

Note how carefully Dr. Lynd kept within the theoretical zone of agreement. None the less the ad-men and their allies lost no time in putting him on the spot. The December 14th issue of Printers' Ink. headlined a mangled version of his statement: "Opposes NRA, SAYS Lynd", and in the Dec. 21st issue Mr. Roy Dickinson, president of Printers' Ink. declared:

...it is my firm belief that Professor Lynd's plans in the Consumers' Advisory Board, in connection with the Consumers' Board of the AAA, are a definite threat to the success of the whole NRA program. His scheme of attempting at this time to change the whole system of distribution of trade-marked, advertised merchandise, is a distinct menace to the whole industrial machine out of which wages, profits and government taxes must come. Both President Roosevelt and General Johnson have publicly expressed themselves that increased advertising of quality branded merchandise is an integral and essential part of the whole recovery program. Professor Lynd ...would attack over a wide front the whole system on which not only advertising but profits depend. Which viewpoint is truly representative of the Administration attitude? It is time that advertisers, publishers and all other industries dependent on advertising were told what they may expect, and get ready to fight for their existence if the Lynd viewpoint is representative.

One gathers from this that Mr. Throttlebottom just mustn't know too much, and that any attempt to inform him must be scotched before it starts. So Mr. Dickinson called out the advertising mob, and with similar warning tocsins, the medicine men called out their macabre guerrillas. The impression one gains from reading the trade press during this period is much like that made by the final reel of a gangster melodrama, in which the good-bad gangsters draw their rods and "blast their way out." This ferocity becomes understandable when we add up what was at stake.

It has been roughly estimated that about \$350,000,000 a year was at stake for the advertising business alone. This money is paid by advertisers, chiefly through advertising agencies which collect commissions, to newspaper and magazine publishers, broadcasters, car-card

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and direct by mail companies for the advertising of foods, drugs and cosmetics theoretically designed to inform and instruct Mr. Throt-tlebottom, eliminate his halitosis, pep him up with vitamins, and otherwise make him a better and more popular fellow.

But we have already seen that modern advertising represents not so much a competitive selling of goods and services as a competitive manufacture of consumption habits, the technique of this manufacture being essentially a technique of "creative psychiatry." What was attacked by the Tugwell Bill, and even more, by the attempt to embody quality standards in the codes, was this enterprise in "creative psychiatry," and the largely irrational and un-economic consumption habits which advertisers manufacture and capitalize. In *Recent Social Trends*, Dr. Lynd notes that the Maxwell House Coffee habit of the American people was bought in 1928 for \$42,000,000, and the Jell-O habit in 1925 for \$35,000,000. The asking price for the Listerine habit and the "Crazy Crystal" habit would also doubtless be impressive if we knew them.

When the ad-men, the food men, and the drug men howl about the brain trust's attack on "the whole system on which not only advertising but profits depend," that is the system they are howling about, and the loudness of the howl is directly proportioned to the size of the howler's stake in the matter. The capitalized claims of the food, drug and cosmetic advertisers upon the creatively psyched Mr. Throttlebottom's shrinking dollar would probably run into billions if accurately computed. The stake of the advertising business, otherwise known as the newspaper, magazine and broadcasting business, is smaller, but even more indispensable. Newspapers and magazines derive about two thirds of their income from advertisers, and somewhere between 40 per cent and 50 per cent of this advertising income is contributed by the food, drug, proprietary medicine and cosmetic advertisers. Naturally the publishers and broadcasters and their allies want this creative psyching of Mr. Throttlebottom to go right on. Naturally, when they contemplate what would happen if quality standards were systematically introduced into the codes, they become hysterical and incoherent.

In contrast, the functionalists in Washington have been almost excessively lucid. In fact, one fears that for all their suavity and sweet reasonableness, they have made themselves all too clear. For example, they sponsored the work of a committee, headed by Dr. Lynd, which has recommended the establishment of a Consumers' Standards Board under the joint control of the Consumers' Advisory Board of the NRA and the Consumers' Counsel of the AAA, with a technical director, and a technical staff of commodity experts and an interdepartmental advisory committee drawn from Federal Bu-

reaus. The budget asked for provided \$65,000 for the first year for administrative expenses, plus \$250,000 for research and testing. Dr. Lynd's report quotes that devastating sentence from the impeccable Hoover's 1922 report as Secretary of Commerce:

The lack of...established grades and standards of quality adds very largely to the cost of distribution because of the necessity of buying and selling upon sample and otherwise, and because of the risk of fraud and misrepresentation and consequently larger margins of trading.

Still keeping on the safe, sane and conservative territory of economic and technical truisms, Dr. Lynd's report goes on to quote a 1930 report of the Bureau of Standards:

Producers are experts in their own commodity fields, but seldom does the consumer get the full benefit o this knowledge. Under present conditions this group knowledge is suppressed and the tendency is all too frequent to give the buyer merely what he asks for.

Moreover, as F. J. Schlink, director of Consumers' Research, points out in his "Open Letter to President Roosevelt," "it is impossible for a private consumer to secure access to the immensely valuable findings of the Bureau of Standards, paid for in every major respect by general taxation of consumers." In this letter Mr. Schlink urges a Department of the Consumer, with Cabinet representation and equal status with other Federal Departments. But even the less sweeping recommendations of Dr. Lynd's committee were calculated to freeze the blood of the embattled ad-men, drug men, cosmeticians, vitamin men, etc. According to Dr. Lynd, the standards promulgated by the Consumers' Board would not stop at the point at which the commercial standards of the Bureau of Standards must now stop, i.e., at the type of standards to which 65 per cent of the industry is ready to agree, but would go on beyond this to a thoroughly satisfactory set of consumer grades and labels. Past experience has shown that the official promulgation of definite consumer standards, even though they go beyond current practice, operates as a norm to which competitive business tends to approximate.

It requires but little imagination to see that what is here envisaged is a fundamental reorganization of distribution in the direction of function. This would entail a huge deflation of the vested interest of advertisers, and of the advertising business, in the exploitation of the American consumer; also huge economies in both production and distribution.

Even poor old Throttlebottom should be able to see this if there were any way of getting the word to him. There isn't, for the reason that our instruments of social communication, the daily and periodical press, the radio, are in effect the advertising business.

Anybody who wants to fight Mr. Throttlebottom's battles in America had better hire a hall or write a book. Advertising is the Sacred and Contented Cow of American journalism. Any irresponsible naturalist who attempts to lead that cow into the editorial office of any advertising-sustained American publication is greeted by hoots of derision. The writer knows, because he has tried. Here are a few typical hoots:

This is an admirable article. Why don't you hire a hall somewhere in the Bronx and read it to a lot of people?

This subject is the Sacred Cow herself and you know it damned well. Yet you seem to want old Bossie to commit hara-kiri just because she's not a virgin. And what would happen to the kiddies then, including yours truly? Sure, I know: man does not live by bread alone. There is also butter. I see I've got to teach you the facts of life all over again, starting with the bees and the flowers. Meanwhile, as one professor of animal husbandry to another, go sit on a cactus.

Sorry that this article is not adapted to our present needs. Have you any child's verse?