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OUR MASTER'S HOUSE
ADVERTISING

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Published by MEDIASTUDIES.PRESS in the PUBLIC DOMAIN series

mediastudies.press | 414 W. Broad St., Bethlehem, PA 18018, USA

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CREDIT FOR SCAN: Internet Archive, contributor Prelinger Library, 2006 upload

CREDIT FOR LATEX TEMPLATE: Book design inspired by Edward Tufte, by The Tufte-LaTeX Developers

IDENTIFIERS: ISBN 978-1-951399-00-9 | DOI 10.21428/3f8575cb.dbba9917

Edition 1 published in August 2019

22 GÖTTERDÄMMERUNG: Advertising and the Depression

THE evolution of the American salesman hero, climaxed by Mr. Barton's deification of the salesman-advertising man in *The Man Nobody Knows* was rudely interrupted by the stock market crash in 1929. During the depression years Mr. Barton's syndicated sermonettes struck more and more frequently the note of Christian humility. It was an appropriate attitude. For as the depression deepened it became apparent that the ad-man could not carry the burden of his own inflated apparatus, let alone break down the sales-resistance of the breadlines and sell us all back to prosperity.

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The ad-man tried. It is pitiful to recall those recurrent mobilizations of the forces of advertising, designed to exorcize the specter of a "psychological depression": the infantile slogans, "Forward America!" "Don't Sell America Short!"; finally, the campaign of President Hoover's Organization on Unemployment Relief, to which the publications contributed free space and the advertising agencies free copy.

One of these advertisements, which appeared in the *Saturday Evening Post* issue of Oct. 24, 1931, is headed "I'll see it through if you will." It is signed in type "Unemployed, 1931," and the presumptive speaker is shown in the illustration: a healthy, well-fed workman, smiling and tightening his belt. The staggering effrontery of these frightened ad-men in presuming to speak for the unemployed workers of America can scarcely be characterized in temperate language. This campaign signed by Walter S. Gifford, president of the American Telephone and Telegraph Company, which was at the same time paying dividends at the expense of the thousands of workers which it had discharged and continued to discharge, and by Owen D. Young, chairman of the Committee on Organization of Relief Resources, was designed to kill two birds with one stone: first, to wheedle money out of the middle classes, and second, to persuade the unemployed to suffer stoically and not question the economic, social and ethical assumptions on which our acquisitive society is based and out of which

the eminent gentlemen who sponsored the campaign were making money. The particular advertisement already referred to understated the volume of unemployment about a third, and then the ineffable ad-man, speaking through the masque of the tailor's dummy work-man said, "I know that's not your fault, any more than it is mine."

It didn't work. The rich gave absurdly little. And the sales of advertised products continued to drop despite the pleading, bullying, snarling editorials printed by the women's magazines at the urgency of the business offices which saw their advertising income dropping and their "books" becoming every week and every month more svelte and undernourished.

Nothing worked, and pretty soon the ad-men had so much to do, what with the necessary firing and retrenchment that went on in the agencies and publications, that they no longer even pretended that they could make America safe for Hoover by advertising us out of the depression. The worst of it was that the general public, and even the advertisers quite evidently didn't give a whoop about the advertising business—that is to say, the publisher-broadcaster-agency structure. Thousands of ad-men were out of work—and the heartless vaudevillians of Broadway sat up nights thinking up cracks about this unregretted circumstance.

The doctors, the architects, the engineers, even the lawyers were able to command some public sympathy. But although from 1929 on the consumer got less and less advertising guidance, stimulus and education, it was apparent that anybody who had the money had no difficulty in buying whatever he wanted to buy. So that when apprised of the sad plight of the ad-men, the unsympathetic layman was likely to couple them with the bankers and remark in Broadway parlance, "And so what?"

And so the evil days came, and the profession had no pleasure in them. And the priests of the temple of advertising went about the streets in snappy suits and tattered underwear. And when they read their *Printers' Ink* in the public library they encountered some very saddening statistical trends.

The Advertising Record Company uses a check list of 89 magazines and gives dollar values, which increased from \$190,817,540 in 1927 to \$203,776,077 in 1929. By 1932 the magazine lineage had dropped to \$16,239,587 and the dollar value to \$115,342,606. Partial figures for 1933 are provided by *Advertising and Selling*. They show magazine lineage to be about 29 per cent under the 1932 figures for the first six months of 1933. In July the descending curve began to flatten, so that, what with beer and the NRA the September lineage is only minus 5.88 per cent as against September, 1932—incidentally a reversal of the usual seasonal trend.

The curve of national advertising in newspapers behaves similarly. Starting with a dollar value of \$220,000,000 in 1925, it reaches a 1929 peak of \$260,000,000. Then it drops to \$230,000,000 in 1930, \$205,000,000 in 1931, and \$160,000,000 in 1932. The drop continued in the early months of 1933, but the recovery came sooner and has gone higher; August newspaper advertising was 23.65 per cent above the same month of the preceding year.

As might be expected, agriculture is the sore spot of the advertising economy as it is of the economy in general. The Advertising Record Company's figures show a slightly earlier incidence of distress in this quarter. National advertising in national farm publications faltered from \$11,092,342 in 1929 to \$10,327,956 in 1930, dropped suddenly to \$7,775,415 in 1931, and slumped hopelessly in 1932 to \$4,921,514.

Radio advertising is unique in that it shows a continuous upward trend during the depression years up to 1933. The combined figures of the two major chain systems, National and Columbia, show an increase of broadcasting expenditures by national advertisers from \$18,729,571 in 1929 to \$39,106,776 in 1932. But by April of this year radio advertising was 42.71 per cent under the total for the same month of 1932. A reversal of this trend is indicated by the August total which is off only 16.53 per cent as against August, 1932. In spite of their increased income during the depression, however, the Wonder Boys of radio have managed somehow to stay in the red—NBC, for example, has yet to pay a dividend to its common stockholders.

So much for the statistical records of the advertising industry. The summary is incomplete since it does not include the trade press, car-cards, outdoor advertising and direct advertising. The trends, however, have been similar.

The human records during these years of the locust have been even more depressing. Certainly, the Golden Bowl of advertising is not broken. But it has been badly cracked, and through that crack has leaked at least half of the 1929 personnel of the profession and, probably, a bit more than half of the profession's 1929 income. This is merely a rough estimate, since no reliable figures are available. The writer is indebted to a leading employment agency in the field for the estimates here given. They are based on considerable evidence plus the best judgment of an informed observer.

Advertising salaries were, of course, preposterously inflated during the late New Era. A good run of the mill copy writer got \$150 a week, whereas a newspaper reporter of equal competence would be lucky to get \$50 a week. Practically any competent artist could choose between starving to death painting good pictures and making from \$10,000 to \$50,000 a year painting portraits of branded spinach,

pineapple, cheese, etc., so realistic that the publications in which they were reproduced had to be kept on ice in order to arrest the normal processes of nature. (The writer admits that the artists were not solely to blame for this interesting phenomenon.)

The push-button boys, the high-power advertising executives, the star agency business getters and publication space salesmen—all these were similarly inflated as to salaries, and as to their conviction of their own importance. Executive salaries of \$25,000 and \$30,000 were common in 1929, and there were even a few \$50,000 a year men, not counting the agency owners. Research directors and merchandizing experts had also begun to come in on the big money. In some of the larger agencies, an owlish, ex-academic or pseudo-academic type was in great demand as a front for the more important clients. These queer birds got from \$12,000 to \$40,000 a year. They specialized in the higher realms of the advertising make-believe, being as statistical, psychological, economico-psychological, statistical-sociological as Polonius himself. Since there was indeed something rotten in Denmark, and advertising was distinctly a part of that something, they, too, were pierced by the sword of the depression and fell squealing behind the arras.

Eheu! Those were the happy days! Where are they now, those Pushers of the Purple Pen, those pent-housed and limousined “artists,” those academic prime ministers in their modern dress of double-breasted serge, those industrial stylists and package designers, those stern, efficient, young-old, button-pushing High Priests of the Gospel of Advertising?

A few, who didn’t get caught in the stock market, are sitting and drinking in Majorca, waiting for the waters to subside and the peak of the advertising Ararat to reappear.

Some are doing subsistence farming in Vermont and elsewhere, with perhaps a hot dog stand as a side line.

Some of them are on the receiving end of the formula of salesmen-exploitation which many companies have adopted as a means of conquering the rigors of the depression. You use your own car and your own gas trying to sell a new gadget in a territory infested by other salesmen for the same gadget. In two months you have sold two gadgets and your commissions amount to \$58.75. Your business expense for the same period amounts to \$79.85. That proves you’re a poor salesman.

Some of the savants are back in the fresh-water colleges teaching the same old stuff about scientific merchandizing to the Young Idea, from whom they carefully conceal what’s happened, assuming that they know what’s happened, which is doubtful.

A former copy writer of my acquaintance became business man-

ager of a radical monthly, on a theoretical salary. Another has gone to California, where Life is Better, and the climate more suitable for practicing his former craft of commercial fiction. He wasn't fired, by the way. It was merely that he found he had no aptitude for the brass-knuckled rough and tumble of current advertising practice.

One hears that some of the unemployed poets in advertising are writing poetry and that some of the unemployed novelists in advertising are writing novels. Perhaps that is one explanation for the increased tonnage of manuscripts by which editors, publishers and literary agents have been inundated.

For the so-called "creative" workers in advertising, the adjustment has perhaps been a little easier than for the executives, "contact men," space salesmen, etc. A relief administrator told the writer about an advertising man who had presented a difficult problem to her organization. He needed money to feed his family, but he wouldn't surrender his respectable address just off Park Avenue. He still hoped to get back into the running, had a hundred "leads" and schemes. Meanwhile, he must look prosperous, since an indigent, unsuccessful advertising man is a contradiction in terms.

Many of the agencies started firing and cutting right after the stock market crash. By the fall of 1930 wholesale discharges were frequent. During the past year the havoc has been appalling. Agencies that formerly employed six hundred people are operating with about half that number. In the smaller agencies the staffs have been reduced from 150 to 30, from 30 to 8, from 16 to 4. Salaries have been cut again and again. In some agencies there have been as many as four successive cuts. They have hit the higher and middle brackets hardest—particularly the "creative" staffs. The employment agent already referred to has recently placed copy writers at \$50 and \$70 a week who in 1929 were getting \$10,000 and \$14,000 a year. Secretaries and stenographers have dropped from \$40 and \$303 week to \$18 and \$15. In the entire agency field there are perhaps a handful that have refrained from cutting salaries or have restored cuts when business improved for that particular agency.

Mergers have been numerous during the depression. The earlier trend toward concentration of the business in the hands of a comparatively few large agencies has been accelerated. In the process many well-known names have disappeared from the agency roster.

As to the effect of the weeding-out process on the quality of the residual agency staffs, it may be said that a percentage of sheer incompetents has been dropped; that a percentage of incompetents has been retained because through social or financial connections they controlled the placing of valuable business; that in general, the trend has been toward a more rigorous "industrialization" of the business,

with a lower average wage scale, and a progressive narrowing of responsibility. The residual ad-men tend to be or at least to act hard-boiled. They do what they are told, and they are told to get and hold the business by any available means.

Competitive business is war. Advertising is a means by which one business competes against another business in the same field, or against all business for a larger share of the consumer's dollar. The World War lasted four years. The depression has lasted four years. You would expect that advertising would become ethically worse under the increasing stress of competition, and precisely that trend has been clearly observable. But, as already pointed out, ethical value judgments are inapplicable under the circumstances. Good advertising is advertising which promotes the sale of a maximum of goods or services at a maximum profit for a minimum expense. Bad advertising is advertising that doesn't sell or costs too much.

Judged by these criteria, and they are the only permanently operative criteria, good advertising is testimonial advertising, mendacious advertising, fear-and-emulation advertising, tabloid balloon-technique advertising, effective advertising which enables the advertiser to pay dividends to the widows and orphans who have invested their all in the stocks of the company. It is precisely this kind of advertising that has increased and flourished during the depression—this kind and another kind, namely, price-advertising, which advertising men, including that ad-man at large, General Hugh S. Johnson, view with great alarm. This brings us to a consideration of various confused and conflicting aspects of the New Deal which serve excellently to document the previously set forth contentions of the writer concerning the nature of the advertising business, its systematized make-believe, and its strategic position in the capitalist economy.