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Mr Abraham Feller

No. 22

OFFICE OF FACTS AND FIGURES.



WAR-TIME PAID GOVERNMENT ADVERTISING
POLICY AND PRACTICE

To: The Director
From: Bureau of Intelligence

Dated: February 25, 1942

RECOMMENDATIONS

1. Government advertising, whether free or paid, is an integral part of government information program and policies and should be controlled by the Committee on War Information. As in other fields of information, however, the agency immediately concerned should be given the widest possible latitude within the framework of settled information policy.

2. No general over-all answer can be given to the question whether government paid advertising is sound policy. Each proposed goal and campaign should be considered on its own individual merits.

3. A central government committee or agency on advertising should be formed. All offers of space and time and talent (even when limited to specified agencies or goals), and all requests for advertising space and time by the several departments and agencies of the government, should be submitted to the central committee or agency which should make an appropriate allocation among the several departments and agencies.

4. The actual preparation of copy and the details of the campaign should be worked out and handled wherever possible, with or without the help of independent advertising agencies, by the department or agency concerned, but all copy and campaigns should be subject to the approval of the committee.

5. The committee should have final authority to determine, in the event that there should not be sufficient donated space, whether and for what purpose additional space should be purchased. The recommendations of the agency most concerned in each case should be given the most careful consideration.

6. Government advertising when it is paid for, should in so far as possible, particularly in the case of the press, be paid for at a special government rate as nearly as possible to a cost basis with no profit to the media. The committee or agency should confer with representatives of the media in an effort to work out some fair cost basis for government advertising. This would tend to eliminate the direct objections to paid advertising:

- (a) of unfairness in selecting certain media;
- (b) of a government controlled press;
- (c) of choking off voluntary contributions of space and time; and
- (d) of expense.

7. The selection of media should, in so far as possible, be handled by the advertising agency involved or by some other non-governmental organization on a sound advertising basis; thus further answering the objections (a) and (b) listed in paragraph 6 above.

SUMMARY OF PROBLEM

At the outset certain assumptions may be made, as follows:

I

Government advertising, whether free or paid, at least in certain fields, constitutes an effective supplement to other government publicity in support of the war effort.

II

Advertising space or time might either (a) be contributed free by the media; (b) be contributed by the commercial advertisers or other private groups for the use of the government (with or without credit lines); (c) be paid for by the government; or (d) be a combination of two or more of the above. It may be assumed that the media either cannot or will not contribute free of charge all of the space or time which the government (everything else being equal) might wish to use. It is also probable that commercial advertisers or other private groups would not fully satisfy the potential demand. The question will thus be presented whether the government should expand its present paid advertising program, as a supplement to such space or time as may be contributed.

III

And assuming that the government should embark upon such a paid advertising campaign, the question remains as to how such program should be handled.

Government advertising might be regulated either (1) independently, through the several departments and agencies of the government; or (2) through a central coordinating agency which might (a) operate as a government advertising agency, determining the content of the programs, priorities, etc.,

and dealing directly with the media, or (b) act only as an over-all coordinating agency and obtain the services of one or more private advertising firms or a committee thereof (probably firms to be engaged for single campaigns only, no firm to be the exclusive agency for the government). As a modification of either (a) or (b) a separate non-governmental committee might be set up for the sole purpose of selecting the media.

C

ARGUMENTS PRO AND CON

The principal arguments which have been or which might be advanced in favor of or against government paid advertising, are as follows:

I

The Effectiveness of Advertising

Of the many arguments advanced in support of government advertising, perhaps the most fundamental is that advertising, as distinguished from the normal government publicity, permits constant repetition of themes, which repetition it is claimed is necessary in order effectively to influence public attitudes. In addition, it permits controlled and pictorial presentation. The degree of effectiveness of such advertising programs would, of course, depend among other things upon the objective of the particular campaign under consideration. Such objective may be the promotion of specific action by individuals such as recruiting, bond purchasing, etc., or more general in nature, the promotion of general morale, an understanding of war aims, and the like. They may also be merely informational in character, announcing regulations and dates for individual action, in some cases where penalties are prescribed for failure to act, etc.

Advertising has proved of value in stimulating the sale of bonds, not only in this, but in other countries. Paid advertising has been regularly used by our War and Navy Departments for recruiting purposes, and has presumably justified the expense involved. Advertising campaigns have recently been conducted by the Australian government with reportedly successful results in connection with eliciting cooperation of labor, in stimulating the consumption of surplus products, and in other fields.

Some of the advertising themes used by the British government (presumably with successful results, as that government is continuing its advertising program), have concerned:

- sale of bonds,
- difficulties of evacuation from critical areas,
- dangers of a rat plague,
- explanation of delays in public services,
- selling the idea of rationing,
- suggesting alternative foods and methods of preparation,
- campaign for better nutrition,
- recruiting for national services, for factory work,
and especially of women,
- road safety in the dark,
- saving of fuel, waste paper and materials.

As a further possible indication of the value of government advertising, the United Kingdom has reportedly spent in excess of \$10,000,000 for advertising in the last twenty months. And it is generally agreed that the Canadian government is the largest single advertiser in Canada today.

On the other hand, it may be argued that an increase of direct advertising by the government is not necessary as a means of presenting the government's point of view to the public. As distinguished from the commercial advertisers, the government has unique opportunities of reaching the public. The persuasive character of the President's speeches are undoubtedly of prime importance in molding public opinion. Other government spokesmen are constantly addressing the nation on the various aspects of the national effort.

It is argued that the public is actually eager, at least for the most part, to adopt any suggestion that the President may make for the successful prosecution of the war, and that consequently an ambitious program of paid advertising is hardly necessary under existing conditions.

It is further argued that if great tasks of public education lie ahead during the coming months of war-time sacrifice and effort, this may be met successfully by improving methods of government publicity short of paid advertising. For instance, as one example, it has been suggested that a government column might be included in daily newspapers.

II

Financing of Advertising

In the January 3, 1942 issue of Editor and Publisher there appeared an editorial entitled "Government Advertising." It was stated that business papers have been asked by the Treasury Department to donate advertising space for the promotion of a payroll allotment plan for defence saving. Some papers have complied, others have not.

This editorial argued that inasmuch as the government pays for everything else that it uses for the war effort, therefore "we must deny the right of the Treasury Department or any other branch of the government to submit an advertising plate to a publisher with the request that he print it as a patriotic duty, free of charge." The argument is as follows:

1. The laborer is worthy of his hire.
2. Advertising space which produces no revenue to a publisher is a dead loss.
3. A principle is involved: that advertising is as much an instrumentality of war as steel, or copper, or rubber, or cotton, and should be paid for as such.
4. Advertising space is one of the most economical and useful tools that the government can use in prosecuting the war.

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5. We are at war for the principles of democracy. Those principles include operation of profitable capitalism that will enable employer and employee alike to share the benefits and cost of government.
6. The practice of paid advertising "is being followed both in Canada and Great Britain in the prosecution of the war."
7. The press is glad generously to donate a great amount of space to every patriotic cause, but should not be asked to carry the entire load.

It is said that the case for paid government advertising in general is supported by a majority of American publishers. Presumably the proportion of editors would not be quite as high. The publishers' viewpoint may be regarded as natural, in view of the expected loss of commercial advertising resulting from the war. Indeed it has been frankly suggested in certain quarters that government advertising should be undertaken as a subsidy to keep alive certain sections of the press which are suffering the most financially. In this connection it should be borne in mind that a certain amount of good will advertising by commercial firms, whose products are now or will soon go off the market, may be expected to continue.

Government advertising as a measure of relief or the question of war financing of the press as an important medium for the dissemination of information, cannot fairly be considered without giving attention to the extent and the application of the subsidy which the press, as a class, already enjoys through the second class mail privilege. In the fiscal year 1941 the paid subsidy for the press has been estimated at \$83,835,363.

It should be noted that the mail subsidy differs from an advertising subsidy among other ways in that it benefits all newspapers using the second class mail. In the case of advertising obviously a choice must be made between advertising in all newspapers or all media of a class, or all in a given area, or all the media in the country according to circulation, etc.

In reference to argument No. 3 above, it should be borne in mind that ordinarily the margin of profit, in steel, etc., is less than the margin of profit in advertising. Donation of advertising space by a newspaper would not in fact constitute a donation of the market value of such space unless as a result of paper rationing it meant that the paper gave up a commercial advertisement. In this general connection we are informed that in Australia, government advertising in the press (in spite of paper rationing) is done at a somewhat reduced rate. It should also be pointed out in this connection that under war conditions the government is obliged to take a very high percentage of total output of industrial plants, whereas in advertising the proportion desired would, in no event, be more than a small percentage of the newspaper.

One of the primary arguments against paid government advertising, from the government's point of view, was stated by Secretary McAdoo in 1917, as follows:

"The question of paid advertising presents a serious problem for the Government. The value of such Advertising cannot be doubted, and if the operation could be governed by the same considerations as those which determine the action of private enterprises, it would be much simplified. A private enterprise may advertise in a selected number of mediums most useful for its purpose without any limitation except its own desire or ability to pay. If the Government engages in such a campaign, it must advertise in every newspaper and periodical in America without discrimination. All must have equal treatment, and should have equal treatment. The Government must be thoroughly democratic and impartial in a matter of this sort. To make the advertisement thorough and effective, it should be done on a broad and liberal scale. The cost of such an undertaking would be very great and would exceed the appropriation which the Congress has thus far made available for the sale of Liberty Bonds."

The implications in Secretary McAdoo's statement that government advertising should be without discrimination in every newspaper and periodical are, of course, very much more serious in this country than they are in Great

Britain, Canada or Australia, where there are comparatively small numbers of newspapers and periodicals. For instance, in the United Kingdom there are at present 142 daily newspapers as compared with over 1800 in the United States.

Thus it appears that the government advertising in the most recent war loan campaign in Canada was carried in most, if not all, newspapers and other periodicals in that country. The Treasury Department reports that in its recent paid advertising campaign for the sale of "Baby Bonds" in periodicals it came under criticism or pressure from certain quarters for not having given its advertising to certain newspapers. The experience in Australia also bears out this point to some extent, inasmuch as the government there found it expedient for political reasons to advertise in the many small papers which were regarded as a poor media by the advertising experts.

Another argument would be that paid government advertising, particularly if it be in a selected group of papers only, might tend toward a government controlled press. It is argued that this objection would be somewhat mitigated if the selection of media were made by an independent private advertising concern or a committee of experts not employed by the government. It might be further mitigated by a payment on a sound cost basis with no profit to the press.

Another objection, depending largely on the nature of the advertising goals is that the public might resent the use of public funds to influence their behaviour. There are indications that such an objection has been raised in Canada. Our sources of information do not indicate any similar objection in Great Britain.

It has also been suggested that paid advertising would tend to choke off donations of space.

There are also other considerations bearing on the question of payment which relate to the content of the advertising involved. For instance, it might be said that certain informational material, as for example, requirements for alien registration, should be published free of charge as "news," and certain other informational material, as for example, air raid precautions, should be published free of charge as a matter of public duty. On the other hand, government classified advertising clearly should be paid for.

III

Centralization of Control

The experience in Australia would indicate that government advertising whether paid for or not, should be controlled by a central coordinating agency. In the first months of the war advertising was handled by the several departments and agencies of that government independently, which, according to reports, achieved no results except confusion. After several months of this, the entire advertising program of the government was centralized.

Similar centralization was deemed necessary in the United States in World War I when a Division of Advertising was set up in the Creel Committee to coordinate all government advertising.

And in Great Britain, while advertising is done under the name of the separate Ministries, the Ministry of Information apparently acts as an over-all coordinating agency.

D

PRESENT PRACTICE AND PLANS OF THE UNITED STATES GOVERNMENT DEPARTMENTS AND AGENCIES

An inquiry has been directed to all of the departments and major agencies of the government from which it appears that with the few exceptions

noted below, and excepting advertising for bids for contracts and other classified advertising of that nature, no paid advertising is under way or in contemplation. The exceptions referred to are as follows:

The Navy Department has expended in recent months, primarily for recruiting purposes, the sum of \$1,265,703.45, as follows:

(a) Expenditures by months for current fiscal year for paid newspaper advertising:

August, 1941	\$139,303.86	
September, 1941	172,850.79	
October, 1941	144,148.68	
November, 1941	188,072.94	
December, 1941	349,647.10	
January, 1942	<u>226,671.85</u>	\$1,220,695.22

(b) Expenditures by months for current fiscal year for paid magazine advertising:

January, 1942	\$45,008.23	45,008.23
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(c) No expenditures have been made during the current fiscal year for poster or billboard advertising

(d) No expenditures have been made during the current fiscal year for other types of paid advertising

\$1,265,703.45

The major part of the advertising indicated in (a) was used in newspapers between July 8, 1941 and December 15, 1941.

The magazine advertising, (b), while paid for in January, 1942, was actually used in December, 1941, and January, 1942.

The Maritime Commission has undertaken two advertising campaigns, one of \$4,500 and the other of \$15,000; one for recruiting officers and the other for recruiting able bodied seamen, both of which campaigns are said to have achieved excellent results.

The War Department has a budget for paid advertising for recruiting purposes of \$340,000 for the current fiscal year. Its advertising is handled by N. W. Ayer & Sons, Inc., and is edited and completely controlled by the recruiting service.

This advertising is placed in daily newspapers in cities which have Army recruiting stations and populations of under 150,000; in Sunday newspapers in cities which have Army Recruiting Stations and populations of over 150,000; and in weekly magazines of national appeal and national circulation of more than 2,000,000 copies, viz., Saturday Evening Post, Liberty, Look, Life and Colliers.

There is also a certain amount of paid advertising by the Quartermasters Corps, the Corps of Engineers, the Ordnance Department and the Signal Corps, for bids, for local supplies, advertising for lost animals or for the sale of salvage material, etc.

In this connection, it is noted that the Quartermasters Corps, which for the first six months of the current fiscal year had spent billions, spent in that period only \$21,692.49 in paid advertising.

The Treasury Department has conducted an extensive advertising campaign in connection with the sale of defense bonds and stamps. It has not, however, and does not contemplate, any paid advertising. Certain space is contributed free by the press and periodicals for carrying the "Minute Man" and other mats. A considerable amount of space has been contributed by commercial advertisers (usually containing credit lines for the commercial advertiser), and the Treasury has put on elaborate radio programs under a plan whereby the talent is donated free and the time is purchased by commercial advertisers who receive "plugs" during the program.

The nearest that the Treasury has come to paid advertising in connection with the sale of Defense Bonds has been in the production of films (such as the Donald Duck film), in which the Treasury pays the cost of production and arranges for the free distribution of the film to the motion picture houses.

The Treasury did undertake certain paid advertising for its Baby Bond campaign in certain selected periodicals and received a number of complaints from Capitol Hill and elsewhere because certain newspapers had not been included.

The Treasury does spend a small amount for classified advertisements for the procurement division advertising for bids.

The Department of Agriculture currently puts out no paid advertising. There is, however, apparently some sentiment in the Department in favor of undertaking paid advertising in the future in the farm press.

The Department of Commerce has no paid advertising. However, there appeared in its weekly bulletin "Domestic Commerce" dated February 19th, a four page article advocating the use of paid advertising by our government. This article is reproduced hereunder as Appendix III.

As already noted, none of the other departments and none of the agencies checked (OEM, OCD, Federal Loan Agency, Federal Security Agency and Federal Works Agency), do or plan any paid advertising.

APPENDIX I

Present Practice in Other Countries

A - The United Kingdom

"Experience of our Allies, Britain and the Dominions," says Editor and Publisher, "shows that a fine spirit of cooperation can be developed by a happy balance between paid advertising and free publicity in presenting government information to the public." Research shows that in the United Kingdom the government has become one of its largest advertisers.

Practically all of the governmental advertising in the United Kingdom is done by the Ministries themselves. The Minister of Information handles the advertising for the various Ministries, with the exception of the Ministries of Food, Finance and Air. All space booking arrangements are coordinated through the Ministry of Information.

An article by C. V. Charters of the Canadian Press Association in the January 24, 1942 issue of Editor and Publisher states that Great Britain has spent upwards of \$10,000,000 in advertising in the past twenty months.

According to a report prepared by Lord & Thomas:

"the British government placed and paid for 0.2% of all British newspaper advertising, in the first quarter of 1940--and for 16.7% of all British newspaper advertising in the third quarter of 1941.

"Between these two figures--in the sharp increase from 0.2% to 16.7%--is a story unique to democracy at war.

to instruct, educate and uphold the people; to announce rationing, to advise on what foods to eat, to enlist men and women and savings, to explain, to clarify. The impact of this advertising can be seen in the still growing use of advertising, by the Government, through the changing phases of war.

"British Government advertising is done through normal channels, by the same advertising agencies who continue to prepare British commercial advertising, and who are similarly paid for it. The Government could, if it wanted to 'flourish a big stick.' It could insist on every inch of space it is prepared to buy; could insist that all other advertising be thrown out to make room for its announcements. It doesn't.

"One obvious effect of the increase in British Government advertising, in the third year of war, is that commercial advertising cannot buy as much space as it is willing to."

But this is no doubt due primarily to the acute shortage of newsprint in England.

Following is an analysis of government press expenditures in Great Britain by types of media (from June to November, 1941):*

National Dailies	£	230,832
London Evenings		74,097
National Sundays		216,871
Provincial Dailies		302,743
Provincial Sundays		12,507
Prov. & Sub. Weeklies		107,011
Magazines		168,643
Technical (Non Trade)		7,371
Trade		5,867
		<u>£1,125,942</u>

Following is an analysis of government press expenditures by campaigns in Great Britain (from January to September, 1941):*

British Railways	£44,743	x
General Post Office	4,859	xx
H.M. Stationery Office	340	x
Mines Department	13,251	xx
Ministry of Agriculture	51,494	
Ministry of Commerce N. Ireland	281	x

* As reported by J. Walter Thompson

Ministry of Food	289,640	
Ministry of Health	19,343	
Ministry of Home Security	50,123	xxx
Ministry of Information	32,961	x
Ministry of Labour	116,136	
Ministry of Supply	13,426	
Ministry of Transport	24,941	
N. Ireland Ministry of Agriculture	96	x
N.A.A.F.I.	6,276	x
National Savings Committee	369,524	
Safety First Campaign	18,138	x
Scottish Savings Committee	12,720	x
Service Vacancies	342,824	
Ulster Savings Committee	606	x
Board of Trade	40,924	x
Ministry of Works	36,772	xxx
Rat Campaign	1,613	
Scottish Ministry of Agriculture	1,372	x
Ministry of War Transport	4,511	
N. Ireland Ministry of Labour	124	
N. Ireland Ministry of Public Security	143	
London Region Salvage Campaign	<u>794</u>	
	£1,497,975	

x No figures available for April and May
xx No figures available for May
xxx No figures available for April

B - Canada

Complete detailed information concerning paid advertising by the Canadian government is not available, but it appears that the government is probably the largest advertiser in Canada today.

The government has been advertising chiefly through a corporation composed of Canadian advertising agencies. Advertisements have been run on the following subjects: Victory loan, war savings stamps, recruiting, price control, sugar and rubber. They have been placed at the regular newspaper rates through the Finance Minister, the Wartime Trade and Price Board, the Minister of Munitions, etc. In addition to government paid advertising, private commercial firms have been publishing display advertising on behalf of war saving certificates and other subjects.

The following data shows the distribution of government advertising in Canada's most recent war-loan campaign. Advertisements are currently run in the following media (virtually all of the Canadian papers and periodicals):

91	Daily newspapers	- 3 ads to run for 4 weeks
739	Weeklies	- 1 ad for 5 weeks (about one-half the number of lines)
52	Trade papers	
10	Financial papers	
25	Magazines	
	Several Metropolitan weekend papers	
30	Farm papers	
19	Labor papers	
7	Foreign language dailies	
36	Monthly and Weekly foreign language	
3	Soldiers' publications.	

The monthly magazines are to carry one double page Spread plus one single ad.

Comments by Canadians: In reply to criticism of the Canadian Government's policy of using the tax payer's money on advertising, the Minister of Finance stated:

"It would be impossible to carry on the great financial campaigns we are carrying on without spending quite a lot of money on advertisements."

Mr. Ian H. MacDonald, General Manager, Bureau of Advertising, Canadian Daily Newspapers Association, states:

"The Canadian Government's policy of education of the people through advertising was a glowing testimonial to the recognition that advertising has become a vital instrument in the policy of the country at war."

C - Australia

(As Reported by S. B. Dobbs, until recently President of the Australian Association of Advertising Agents, Chairman of the Australian War Effort Publicity Board, Member of the Radio War Service Committee and other groups assisting the Australian Government on Publicity Matters)

On the outbreak of war, there was the usual confusion resulting from the patriotic but unorganized activities of large numbers of civilians. Many prominent people and most organizations offered their services to the government. All sorts of groups organized all kinds of committees for everything. Scores of commercial interests offered various government departments a mass of unrelated, unorganized, free advertising. Results were utter confusion, both inside and outside the government. The first constructive move was the appointment of a Director General of Information in the person of Sir Keith Murdoch, editor and publisher of a chain of leading newspapers.

On June 21, 1940, a meeting was called of all advertising interests "for the purpose of receiving from Sir Keith Murdoch, Director of the Department of Information, announcements of new regulations covering commercial advertising and broadcasting generally, the new policy of the Department of Information, and an appeal for the cooperation of all advertising men." Two representatives from radio stations, national advertisers and advertising agencies formed the Radio War Service Committee, and the President of the Federation of Commercial Broadcasting Stations was appointed as liaison officer between this group and the Department of Information for the purpose of attempting to organize and prepare material for the free radio time donated by the Federation and various commercial interests. (Note: under the Act, the government had a right to demand from the commercial stations--which were licensed by the government but privately owned and operated--a maximum of 1 hour 30 minutes every 24 hours for government use.) All this work was done on an honorary basis. The

A.A.A.A. organized the War Effort Publicity Board within its own group for the preparation, on an honorary basis, of creative material required by the Radio War Service Committee.

The War Effort Publicity Board then sent letters to all government departments, offering their services for the creation of publicity and advertising material. Work was done for Sir Donald Cameron, Director of R.A.A.F. Recruiting; Brigadier-General Lloyd, Director-General of A.I.F. Recruiting; and the War Loans Committee.

As I functioned as liaison between the Board and these government departments, I was primarily concerned with the obtaining, organizing and utilization of the free advertising facilities and services offered by the commercial interest to the government. Unfortunately, the results were far from satisfactory, due primarily to the following factors.

1. Donations of free advertising had a tendency to place government departments and officials under moral obligation to the commercial interests who donated them.
2. There was a good deal of political axe-grinding and favoritism.
3. As donations were made, in many cases, to specific departments rather than to the government as a whole, the distribution of free advertising could not be controlled or fairly allocated to the departments which needed this service. The semi-governmental charities, such as the Red Cross, Lord Mayor's Comfort Funds, etc., received assistance out of proportion to their importance, while the Department of Labor and Industry got nothing.
4. As neither the government nor the War Effort Publicity Board could control the unrelated units of time, press space, posters, direct mail and other facilities donated, it was impossible to organize any well-planned continuous publicity campaign directed at the solution of specific problems.

There are no figures available as to the amount of this free advertising which was donated. My records only reveal one instance in which

we were successful in making some attempt at organization and this was on the War Savings Certificate Drive in New South Wales. In this case, the War Effort Publicity Board handled the entire job, and free advertising ranging from a one-hour radio program to a six-inch ad in a commercial house organ of a food company were donated. The total value of these donations was estimated at approximately £32,000.

On May 20, 1940, representatives of the Australian Association of National Advertisers formed an "Advertising Advisory Committee" for the purpose of "assisting the government in carrying out propaganda of a general nature." During the remainder of 1940 this group and the War Effort Publicity Board, realizing the need for organized government advertising and propaganda and having experienced the futility of attempting to achieve this through the utilization of free advertising facilities donated by commercial interests, urged the government to adopt a policy of using paid-advertising. Finally, in February 1941, the new Director-General of the Department of Information, Senator Foll-- who was also Minister of the Interior--appointed Ian B. Hutcheson, formerly Sales Director of Lever Brothers and previously Managing Director for twelve years of the largest advertising agency in Australia, to be the Controller of Government Advertising in the Department of Information, and adopted a policy of paid advertising for government propaganda.

After considerable investigation, Mr. Hutcheson selected the War Effort Publicity Board as the group to handle the creation and placing of all government advertising. ~~As to the actual machinery which was finally approved, see confidential circular to members attached.~~

The first campaign undertaken by the War Effort Publicity Board was the long-delayed and rightly important £100,000 campaign for the Ministry of Labor and Industry. ~~This campaign is illustrated and described in the attached photostatic prints. Note memorandum of supplementary details attached.~~

The second campaign launched through paid advertising was the War Loan in April, with an appropriation of £26,000 to be spent in nineteen days.

The third campaign was the campaign for the Department of Commerce, with an appropriation of £50,000.

The fourth campaign was the £100,000,000 War and Conversion Loan in October 1941.

In addition to these major campaigns, additional advertising and publicity work was carried out for the State recruiting campaigns for the A.I.F. and the R.A.A.F., both in New South Wales and Victoria.

Operating on this new basis made it possible for the government to eliminate most of the disadvantages experienced under the confusing free publicity basis utilized previous to February 1941. The main advantages demonstrated were as follows:

1. Far better advertising material was obtained from the experienced commercial experts than had ever been obtained from the individual government departments.
2. Master contracts signed by the Controller of Advertising with all the major media resulted in lower rates than any individual government department had been able to obtain previously. (The Commonwealth Bank for years had been using paid advertising prepared by their own department.)
3. A major portion of the personal axe-grinding by individual commercial interests, the political favoritism in government departments, and the unfairness and injustice of the allocation of free facilities to "popular" government departments was eliminated.

4. Under the War Effort Publicity Board, a tremendous reserve of creative advertising and production personnel which time and again, as instanced by the first War Loan, demonstrated its ability to carry sudden peak loads that could not possibly have been carried by an advertising group in a government department or even a creative group in a government department or even a creative group in the Department of Information itself.
5. The Board made it possible for the government to have its advertising programs based solely on the recommendations of trained experts whose years of knowledge and experience in the use of all media resulted in the most effective possible use of the appropriations.
6. Most important of all, the funnelling of all government advertising through the office of the Controller of Advertising and the Department of Information, and its handling and placement by the War Effort Publicity Board, made it possible for the government to coordinate and control the advertising and propaganda activities of all the departments.

There were some disadvantages which had not existed under the free system but they were relatively unimportant and the all-over results more than compensated for these disadvantages. The main disadvantage experienced was that arrangements under the free system meant that only those commercial groups--particularly newspapers--who were truly unselfish and patriotic would donate free space, while now large groups of small unimportant newspapers brought political pressure to bear to get some of the government advertising being paid for.

Even in this case, it was only the small country newspapers which, although completely unimportant from a strictly advertising coverage standpoint, would have some voice politically. This condition was peculiar to Australia in that the country newspapers were tightly organized into strong state groups and, as the government in power consisted of the United Australian Party and the Australian Country Party, several

of these groups of country papers attempted to bring political pressure to bear on the Controller to use their publications more extensively. However, the government was in a strong position as it could pass the responsibility for the selection of media back to the advertising agencies who were handling the advertising for the government and, in this way, divorce the activities of the Controller from the field of political favoritism.

A further disadvantage, which was quite unimportant as far as the government was concerned, caused us on the War Effort Publicity some difficulty. Under the system of honorary service, only a relatively small number of advertising agencies worked with the War Effort Publicity Board. When the advertising was paid for, all the advertising agencies wanted a share of the business and the Board was under pressure to share the work to be done among a larger number of agencies than was justified in most instances. However, the system used by the Board in the allocation and payment for work was sufficiently fair and the size of the appropriations over a twelve-month period sufficiently large to allow the Board to spread the work around among most agencies over any considerable period of time. (~~See the Report from the Secretary, attached; also letter of appreciation from the Minister.~~)

It is interesting to note in passing that cabled advices from Australia indicate that, in spite of the change in government which has taken place since September 1941, Mr. Hutcheson is still Controller of Advertising and the new government is continuing under the policies inaugurated under the Menzies Government, although there have been three changes in the office of Director-General of Information since that time.

I wish to especially emphasize the fact that only because the government appointed a highly able and capable man as Controller of government advertising--only because they gave him complete authority in his field--only because they backed him up and forced all government departments to use the Department of Information for their advertising activities--was it possible to achieve these results.

APPENDIX II

U.S. Government Practice During World War I

Sources: Report of Creel Committee and Minutes of House Committee on
Appropriations, etc.

No direct evidence has been found of paid advertising by any government agency during World War I. It cannot be asserted positively, however, that no advertising was purchased by any government agency, due to the inaccessibility of various war-time records. But it appears that, in any event, funds if spent were not substantial.

The government on the other hand did put out considerable advertising, space for which was contributed free.

The principal fields of advertising were the Red Cross, the War Department, the Shipping Board, the Liberty Loans and the War Saving Campaign, Department of Agriculture, Department of Labor, National Defense Fuel Commission, the United War Work Drive, Food Commission, and Training Camp Activities.

To handle the advertising program a Division of Advertising was set up in the Creel Committee by Executive Order. Over eight hundred publishers of monthly and weekly periodicals contributed space to the government worth (at the commercial rate) \$159,275 per month, for the duration of the war; which space was being increased monthly until the armistice terminated the arrangement. In addition advertisers of merchandise purchased \$340,981 worth of space in various nationally circulated periodicals and turned the space over to the Division of Advertising to be used for government purposes (presumably with credit line for the advertiser). Figuring on a yearly base the donation of space only, amounted to approximately \$2,250,000. Of this only about \$1,594,000 was used, owing to the cessation of activities.

The following is a summary of all space with which the Division of Advertising dealt (according to the final report of the Division of Advertising), all contributed by advertisers and publishers for the winning of the war:

	<u>Insertions</u>	<u>Circulation</u>	<u>Amount</u>
General Magazines	1512	351,409,159	\$895,108.29
Farm Papers	1443	134,279,895	361,221.34
Trade & Misc. Publications	4333	41,377,554	238,102.47
House Organs	831	14,386,475	52,727.50
Outdoor Display	7		8,550.00
Newspapers	653	6,272,636	17,567.60
College Papers	377	1,107,429	12,337.01
Book Jackets	116		est) 7,700.00
Theatre Curtains	75		1,500.00
Total	<u>9367</u>	<u>548,833,148</u>	<u>\$1,594,814.71</u>

Advertising not included in the above figures was in out-door poster advertising, local newspapers, and window displays; the last mentioned being integrated with the government advertising program by the International Association of Display Men.

The Division of Advertising of the Creel Committee acted as an advertising agent or middleman between the several departments of the government and those contributing advertising space, and undertook the task of preparing the advertising material and laying out the campaigns.

Artist and advertising executives contributed their time free of charge to the Division.

The final report of the Division of Advertising set forth the following advantages which it thought that the government advertising program had during World War I over ordinary news publicity:

First, it is controlled in wording, which makes it exact and authoritative

Second, it is controlled in appearance, which enables the government to insure its readability, and thereby its penetration.

Third, it makes possible the repetition of the lesson until it is learned--probably the most important element of advertising and the leading reason for its success.

APPENDIX III

Department of Commerce Bulletin "Domestic Commerce" February 19, 1942

ADVERTISING PUTS PUNCH INTO BRITAIN'S WAR EFFORT

We Can Profit From Her Experience

The United States is an amateur at modern war, although fairly rapidly becoming professionally proficient at it. So was our Ally, Great Britain, an amateur when the storm first broke over her shores. She had to learn how by trial and error.

Neither nation had, like our enemies, made war the chief national industry. Neither of us had jumped on weak opponents for specious reasons in order to try out our new weapons in a practical way, or to season troops in actual combat.

A Catastrophic Awakening

The peoples of both nations were slow to waken to the crisis headed their way. England had to have Dunkirk. We had to have Pearl Harbor to wake us up.

But waking up is not enough when a fire, which threatens all that you have and all that you are, has got a head start while you slept. In those confused moments between first consciousness of trouble and alert wide-awakeness, it is difficult for the awakening to see first things first, to get to the heart of their problem quickly and clearly.

Experience of Others Valuable

In such a time, as now, it is fortunate to be able to turn to the records of action in similar circumstances -- to avoid the errors and to make use of the successes. Fortunate to be able to use the hard-learned

experience of others instead of having to solve all the problems by the slow, costly, painful method of trial and error.

With enemy bombers buzzing overhead, and with enemy bombs splashing all over the land, it would seem that the citizens of a tight little island like Great Britain would not need to be sold the fact that they were very much in a war. Untrained observers of human reaction might think that a few stories in the papers now and then about the need of saving food, of donating or selling binoculars to the fighting services, and other wartime needs, would be sufficient to cause the people to respond properly.

Aversion to Change

The British Government knew better, or learned better quickly. It employed professional practitioners of the art of getting ideas into the minds of men. In other words, they turned the job over to advertising agencies, just as they turned other production jobs -- tank, airplane, and other equipment -- over to professional manufacturers.

Advertising experts are realists about mankind. They know, from long, hard experience, that the so-called human race resists change every time it sees change approaching. They have learned that the individual will persist in following his old habits to the last ditch. They realize that the human mind resists, with unbelievable defensive power, the entrance of a new idea. Their experience has taught them the necessity of constant repetition in making men's minds aware of anything, in persuading men to act.

Government Advertising Leads in England

Late reports indicate that the Government of Great Britain is now by far the largest advertiser in that country, accounting for approximately 17 per cent of all the advertising expenditure there. A similar proportion of last year's advertising in the United States would mean a fund of approximately \$340,000,000 for advertising essential war needs.

Allowance must be made for the fact that the current advertising of the British Government in percentage of all British advertising is based on a much lower total of advertising expenditure than England knew in peaceful days. Perhaps the proper proportion of peacetime expenditure is only a quarter of the above. However, discussion of that is left for a future article.

Background Study

Now, we are interested only in why England puts its mental side of the productive war effort in the hands of professionals, and how they did it. The information which follows is taken from direct reports to the Department of Commerce, the British war-advertising exhibit of the J. Walter Thompson Co., and the book, "Modern Publicity in War," published by the Studio Publications, of London and New York. The foreword of this book apologizes for its belated appearance.

(The copy, reviewed in our pages a short time ago, was one from the second edition. The reason, we quote: "Within thirty-six hours of the delivery of the first edition to the binders, it was completely destroyed by enemy action." England carries on -- we must.--Ed.)

Why Fear Propaganda!

England did not forget entirely the lessons learned in the first World War. It entered this war with a Ministry of Information already in existence. How active it has been in coordinating all Government activities has not been disclosed. Yet the record indicates that it proceeded to analyze the problems confronting the entire Government and to delegate specific problems to the Government agency most interested in the specific phase.

Furthermore, Great Britain has not been afraid of the word "propaganda." Being sensible folk, they have looked in their dictionaries and have read that propaganda is: (a) Any organization for spreading a particular doctrine or a system of principles; (b) the doctrine or principles thus propagated; (c) the scheme or plan for so doing. Having "two separate sides to their heads," they know full well that those who are customarily decrying propaganda as an evil, are merely using their own brand of propaganda to propagate their own personal ideas of what is right.

Governments Also Have Ideas to Sell

They are quite frank in mentioning government propaganda, knowing that governments have ideas and views to sell, just as any other group often has such merchandise. They seem to rely on the fact that, if the aims sought by the propaganda turn out to be the wrong objectives, the people will very promptly find that out and insist upon voting for a new brand of ideas.

So they are not afraid to print: "The creators and co-ordinators of Government propaganda have an array of problems to solve, and a unique abundance of methods for solving them. They can make their plans upon a national scale, and use, as an imposing team, the press, the poster . . . leaflets and booklets (with the State as a mailing agent) . . . microphones, and films, shot with the special facilities the State alone can sanction." Moreover, their campaigns can be started off and invigorated at intervals by pronouncements by Cabinet Ministers -- pronouncements that are "news."

British vs. Totalitarian Propaganda

"The Government, through its various Ministries, has been disseminating propaganda to the public since the early days of the war. Unlike the admonitions, threats, boasts and hysterical appeals that froth and foam from totalitarian propaganda departments, official propaganda for home consumption in Britain has been sober, restrained and well planned. The basic principle of German and Italian propaganda, directed to their own peoples and to the peoples of the occupied countries, was disclosed by a German broadcaster from Prussels who stated that 'Fear of the policeman is the beginning of virtue.' . . . No single piece of propaganda issued to the British public by the Government has contained a threat. There have been suggestions, not bleak instructions, often conveyed with real human understanding . . . people . . . have been charged with telling the public about the war itself, and giving them not only facts, but a sensible basis for judgment about what was happening . . ."

Professional Methods Applied

That is true propaganda. Spreading the doctrine of what England is fighting for, "giving a sensible basis for judgment about what was happening." Press, radio, direct-mail, poster, and outdoor advertising was concentrated on the hard job of conveying to the hard-headed public the facts which the public needed to know, and "sensible reasons for judgment." This is "reason why" advertising at its best. But why this great density of effort? Why this use of every medium for reaching the public? Why were these mediums used with continuity? Why were all the facets of every fact exposed to the bright white light of continuing publicity?

All this was done because the British Government realized that professional marketing men know that certain newspapers reached a certain definite audience; that a certain number of people passed and repassed the sites of certain outdoor displays, or sat where they could see certain posters in a given subway car. They know that the listener to a radio could not be there at a single moment when the Government had a message for him, but that he might be listening to his radio at any time during the day or night. So England used the power of its trained marketing men to decide upon the ways and means of using the various mediums for reaching the minds of the English people most efficiently.

Leadership -- Not Dictatorship

The British Government knew that its people had no conception of total war. They knew that any people, devoted to trade as any democracy must be, could not quickly realize the tremendous efforts which they must

exert, the huge burdens which they must bear, the abrupt and abysmal changes in their way of living which they had to accept. So England mobilized its best talent in interpreting to the average man what it meant to him to make these exertions, carry these burdens, accept these changes.

Empire war aims were handled as a separate, distinct campaign, through every possible medium. The National Savings Campaign was carried on by a National Savings Committee, using every angle of publicity and advertising. Leadership, not dictatorship, was used to float loans of tremendous size. This National Savings Committee was a special department of the Ministry of Information.

Campaigns by Specialized Groups

The Food Campaign was conducted by the Ministry of Food; a Road Safety Campaign during blackouts was directed by the Ministry of Transport; a campaign on use of the mails, by the General Post Office; a fuel campaign, by the Mines Department of the Board of Trade; a Salvage Campaign, by the Ministry of Supply. At the same time, the Ministry of Agriculture and Fisheries ran a steady stream of appeals on plowing by day and night -- on gardening.

The Ministry of Health and Home Security directed its advertisements at the problems, and their solutions, of home owners; the Ministry of Supply asked for binoculars, iron and steel scrap. The R.A.F. advertised for recruits through the Air Ministry Information Bureau; while the Ministry of Health asked country folk to look after evacuated children.

The Ministry of Food paid for space to ask housewives to read and use the wartime cookery features appearing in newspapers and magazines, to listen to broadcasts about buying, preparing, and cooking food, to attend local demonstrations of cookery and meal planning.

All Efforts Unified

Quoting again from "Modern Publicity in War," "The special departments at the Ministry of Information constitute what may be described as a large advertising department acting for the various Ministries concerned.

"These Ministries are in the position of directors of affiliated companies each with its special problems which are passed to a central advertising department. The Ministry of Information employs the services of various advertising agencies, in precisely the same way as would the advertising department of a commercial concern. The result is collaboration between three sets of experts with technical and specialized knowledge. They produce the type of campaign suitable for the particular message to be conveyed to the public.

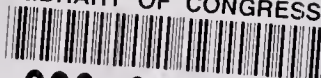
"In setting up and organizing these publicity departments the Ministry of Information was faced with the problem of applying the technique of persuasion to a number of novel and perplexing conditions, for which no precedent existed. It had to launch appeals to the public during an abnormal period; it had to sell ideas to the public just as vigorously as any commercial organization with goods or services to put over; but it had to retain throughout an air of authority and restraint as befitted a government department, without impoverishing the vigour of its appeal.

"By collaborating in turn with a number of advertising agencies it secured the services of expert practitioners in persuasion; but the direction of policy was still under official control. The results have been, on the whole, remarkably forcible. The public has been 'informed' (which is, one would suppose, the function of a Ministry of Information) and their ideas have been kept bright; pessimism has been combated; vital guidance, essential cautions, have been relayed from official quarters to every household, and there has been as it were, a running commentary upon topical events, from rationing to intensified bombing, that has maintained a note of cheerfulness, without obtruding a note of schoolmarmishness, which might easily have marred the whole effect of various campaigns."

Common Understanding Our National Need

We have quoted at length from this resume of English experience in the most important field of war, the minds of men, because it seems necessary that similar propaganda is vitally needed here. This may be a war of production. A machine never surrenders. It just quits operating. Men surrender, quit before the ultimate victory, because their minds falter, their wills fail, before the machines which they operate are destroyed.

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