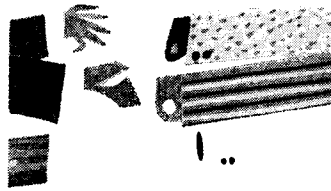


# Public Relations



## Lessons of History

**M**ANY corporate executives have had to learn the hard way that careful attention to public attitudes is essential to profitable operations. Had they sought the lessons of history they could have found guidance in the careers of leading businessmen who pioneered in public relations. And the learning process would have been less painful than putting both hands on a hot stove.

One of the wise chief executives who understood the importance of public acceptance for a business organization was the late Walter S. Gifford, for twenty-three years president of the American Telephone & Telegraph Company. Despite extensive obituaries which appeared in the press at the time of his death a little more than a year ago, almost nothing was written about the emphasis he put on understanding public opinion and his contribution to the development of corporate public relations. His performance was much too important to American business to be overlooked or passed over lightly.

In 1925 when Mr. Gifford was elected president of his company the philosophy of the necessity of business' acting in the public interest, so clearly expressed by Theodore M. Vail, had penetrated the top levels of AT&T. Gifford built on that base, and it was during his regime that the structure of corporate public relations was erected on which the company operates today.

Mr. Vail had, in 1908, formally established AT&T's public relations department with the hiring of a full-time staff member, James D. Ellsworth of Boston,

to handle publicity and advertising. It was at that time that the company began the systematic explanation of its policies to the public. But Gifford knew that more was needed, and he set out on a search for the right man to succeed Mr. Ellsworth, who was due for retirement. Gifford found his man, Arthur W. Page, in 1927, at Doubleday, Page & Company, the book publishers. Mr. Page had been with the firm for twenty-two years, during the last fourteen of which he had served as editor of the magazine *World's Work*. Page's articles on the responsibility of the corporation to society had attracted Gifford's interest. The two worked closely and slowly built, one step at a time, the organization which has served the company so well through difficult periods of depression, the New Deal, and World War II.

**P**AGE, who entered the company as a vice president, had a keen understanding of the problems of business as a whole and the special difficulties of a natural monopoly, as the telephone company had to be. As a highly regulated company it was imperative for AT&T to be continuously alert to public moods, for they could be translated quickly into governmental actions which, if excessive, could hamper successful operations. Page believed that a corporation had to act in such a way, internally as well as externally, that the company's customers would think well of it. Page also worked on the principle that good relations with the public could not come from the actions of a single department but were the job of every person connected with the company, from the operators and installers right through every echelon of the corporate structure.

Page felt that a company had to announce what its policies were and then adhere to them. In this way the public could judge whether the company was following its announced policies, and the written objectives would be the guide for management. Shortly after Page joined the company Gifford announced the corporation's basic position of providing the best possible service at the lowest possible cost. Inherent in the Gifford policy was the idea that the best ambassadors for AT&T were its employees, for if they did not think it was a good place to work—a good company—who else could really believe it? Accordingly, employee security, good working

conditions, fair pay, sound pension plans were all part of developing good public relations.

Page—who, incidentally, was the first public relations executive to hold the rank of vice president in any corporation, and the last one to come in at the top in his department—paid less attention to publicity than he did to developing policies and training management to consider the impact of every decision on the public. He understood clearly that good relations stem from good company policies, not from building a façade. It was not an easy job to condition all managers to consider more than immediate profit when they made corporate decisions. And the long-term effect of company decisions on the public were often more important to success than a quick profit.

It is worth recalling that these views were new at the time. Some of Gifford's statements are worth reading today.

In 1928, speaking in Boston to the Telephone Pioneers, Gifford said:

We must have a satisfactory financial condition if we are to go forward. In addition to that, we must at all times have public approval, because certainly in the United States you can't, no matter what your ability or what your intentions, succeed in the long run without public approval.

In New York in 1938, Gifford said about community service:

Modern business is everybody's business. It is responsible not only to its stockholders but also to the general public. In this modern world corporations, large or small, must give adequate attention to community obligations if they expect to keep the good will of the public.

In Chicago in 1940 Gifford said:

One hears a lot of talk about public relations as if it is something that could be pulled out of a hat, or that it is just some kind of a trick. In our judgment public relations is a way of living. If your background of living is not right I don't think any amount of publicity or any amount of effort will result in good public relations.

The sad fact is that much of what Gifford said is still considered balderdash by many executives of large corporations. It may be that the best way for them to learn is to run into a buzz saw so hard that they will be forced to learn that neither tricks nor gimmicks result in good relations with the public. But, if the corporate executives want to stay out of trouble, they might ponder and follow the Gifford-Page example.

—L. L. L. GOLDEN.

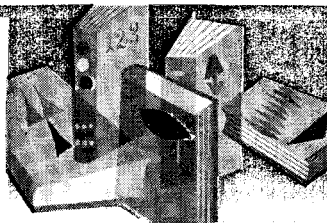
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# Books in Communications



## The Paper War

**T**HESE ARE DAYS of dangerous technological change for those who publish and are published. The rapid expansion of the information industry, the booming photocopying business threaten to destroy old, trusted relationships in fields of learning—to cut the author off from his royalty; to undermine the publisher's traditional market; to drive out of business valuable medical and scientific journals; to computerize libraries, again to the detriment of authors; and to erect new, mutually exclusive monopolies of processed knowledge, as when broadcasting companies buy up book publishers.

Lately the affected interests have been laying down a barrage of small arms fire against a paper enemy, the computerized card and the xerographic copy. Now a larger gun has been brought to the front. *Nearer to the Dust* (Williams & Wilkins, \$4.95), by George A. Gipe, proclaims that man could copy himself to death. As the means of storing, duplicating, and retrieving masses of data and knowledge are perfected, the author-thinker is turning into the forgotten man. Gipe's book is a remarkably clear examination of the clash between the new technology and traditional ways of spreading knowledge, namely by book, journal, and magazine. It makes a persuasive case for copyright reform.

The photocopying industry has equipped every office and library with a private printing press. It has empowered clerks and secretaries to become impromptu publishers. Such copiers pay no royalties, Gipe points out, while adding indiscriminately to the broad distribution of original work. Libraries, he believes, are especially guilty. At least one reproduces the table of contents of magazines and makes available on demand a photocopy of the article desired. If such practices continue, Gipe says, it may no longer be profitable to put out technical journals, which are more readily copied than bought. A significant volume of publishing may then fall to the Government Printing Office, which has no obligation to make a profit. "The question is," he asks, "do we as a society really want to make commercial publishing unprofitable?"

Photoduplication is one of our fastest growing industries. Next year the mar-

ket for the sale and rental of office copying machines and supplies is expected to top \$1 billion. Copying gets cheaper all the time. Right now it costs about 10 cents to the user to duplicate a page. But soon the cost may drop to a penny. A supercopying machine can transfer a whole novel onto microfilm. The microfilm can then be retransferred to a print-out replica for perhaps 25 cents.

In *Nearer to the Dust*, Gipe sees danger signals ahead for publishers in Community Antenna Television, in the coming Congress-supported Corporation for Public Television, and, most particularly, in the "vertical integration" of the education industry—the process by which electronics firms are rapidly acquiring textbook manufacturers and publishing houses so they will have access to the stores of copyrighted knowledge they need to feed into their education machines. "Why bother to purchase permission from the copyright owner when you can wait a while and purchase the owner himself?"

Gipe contends that the proposed 1967 copyright revision fails to solve three major problems: "1) the need to control photocopying of the printed page; 2) the need to provide a system of permissions and payments for the right to print out stored information, including the made-to-order texts transmitted via electronics; 3) the need to control the monopoly power represented by the vertical integration of the education industry."

Reviewing various proposals, the author favors one advanced by Washington attorney Norton Goodwin for a compulsory licensing system of permission and payments. Under this, a registration number would be assigned to all copyrighted material and filed in a clearing house. This would signify that the material was available for copying, without permission, by any means—microfilm, machine-read code, facsimile, teletype, etc. The royalty would be a uniform license fee of 10 cents a copy.

In one stroke, the author maintains, this system would solve all three problems. Furthermore, he says, it would entirely eliminate the need for the scramble to control copyrighted material in the education industry. All information would be available to everyone.

—STUART W. LITTLE.

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