



Speech to the Bell Telephone System's Traffic Conference
November 1927

Page, A. W. (1927, November 11). Address. Speech includes remarks by Bancroft Gherardi on Nov. 7 introducing Mr. Page on his arrival at the conference. Speech presented at the Bell Telephone System's Traffic Conference.

Summary

Page speaks about the duties and responsibilities of the public relations department at AT&T and how this department functions in cooperation with other departments.

Public relations is responsible for watching the larger trends in business, gauging public opinion about an industry, and ensuring the industry is not in danger of being condemned by the public. Public relations also involves balancing the public's right to know and communicating the company's policies and practices. Page outlines the specific job responsibilities of various individuals within the company and explains how their job function contributes to public relations.

Key topics

Company Philosophy - Dallas Speech
Corporate Power

Finances - financial responsibility

Public Opinion - gauging public opinion, influencing public opinion, public's right to know

Regulations - Industry/Government

Internal Relations - internal relations

Public Relations - PR functions

Page Principles

Conduct public relations as if the whole company depends on it

Address to the Traffic Conference

Traffic Conference
November 7, 1927

REMARKS BY MR. BANCROFT GHERARDI
INTRODUCING MR. PAGE ON HIS ARRIVAL AT THE CONFERENCE

There are a number of places in which Mr. Page's work and the work of the traffic group touch very closely. Two aspects of the work Mr. Page is engaged in are: one having to do with the interpretation to the public of the company's policies, objectives, methods and results; the other the interpretation of the public, its reactions and its point of view

to the telephone organization. The men attending the conference are charged with the direction of the work of about one-half of the employees of the Bell System. These employees are making in the neighborhood of a hundred million contacts a day with the public. What this group does, their attitude of mind in regard to their work, and the results obtained from their work are of fundamental importance to the public. Therefore, what Mr. Page does influences the work of this group and what this group does is of importance in connection with Mr. Page's work.

Traffic Conference
November 11, 1927

ADDRESS

It has been a great pleasure to me to be here, and particularly to meet the group here personally. I have been very much interested in what has been said, and I have collected half a notebook of notes to work on when I get back. I have also enjoyed working on the insoluble problems of golf in the afternoon. I have been much interested in the commercial results and high frequencies of full houses in the Bell System in the evening.

There has been only one deleterious influence toward my happiness, that is the rule that Mr. Allen made against advertising. When Mr. Corcoran made it necessary that that rule should be worked on a man when he is in his home district, it seemed to me cruel and unusual punishment.

The public relations of business must, I think, be based on one fundamental idea. The public will not allow—and never has at any time—any combination of people or corporations or any industry to get more power or money for its services than the public thinks it should get. Its usual method of preventing a group or an industry from getting more than the public thinks its services are worth is regulation. I think some people are under the impression that regulation is a comparatively new idea. It is quite the opposite. The truth is that regulation was born with organized industry as far back in history as anybody has been able to find out. It has always been coextensive with it.

Probably the least regulation has been in this country in its early days. That arose from the fact that we began our industry right after the Revolutionary period, which tended toward individual rights. That was in industry as well as in politics.

Then, this being a new country, that theory naturally fitted because we lived far apart from each other, and the problems arising out of dense population didn't begin to affect us. We, as usual, evolved a political and economical philosophy to fit our needs. We readily agreed that the object of society was the greatest good of the greatest number and further agreed to Mr. Adam Smith's corollary that "the natural effort of every individual to better his own condition" was the best method of producing the greatest good to the greatest number.

When a go-getter business man looked over that philosophy in a growing country, he naturally changed it to this effect: The natural effort of every business to make the most money for itself was the greatest good to the greatest number.

This country was going happily on that philosophy when the much older tendencies of society to take power to itself became manifest. I suppose one of the most

interesting examples of that was the agitation against the Standard Oil Company years ago. That is a rather interesting case, because at the time it arose that company was doing an almost perfect operating job. It was serving the public exceedingly well. It had made very extensive improvements based upon business imagination in the use of pipe lines, the use of tank distribution-wagons, and it was really changing very much for the better the living conditions of a great number of people.

In spite of that, the public got to feeling that it was getting more for those services, both in money and in political power, than it deserved, and without hesitation the public condemned it. That isn't an isolated case. There are a good many more industries that have been through that process or something similar to it, than we are likely to remember.

Another interesting instance was the packers. It is hard to conceive of any industry (if you haven't thought of it particularly) that added more to human comfort than the invention and perfection of methods of refrigerating and distributing fresh meat, for there were very large sections of this country that practically never had fresh meat, except chicken. The packers did a great public service at not an excessive profit, and certainly their operations from a technical point of view, were exceedingly able and their total result greatly to the benefit of the public. Yet the public was so severe in their condemnation of them that they finally put part of that business in the hands of receivers.

The railroads had a similar experience.

These people and many others, when the public started to attack them, felt they were operating exactly according to the rules as then laid down and often that was true. For instance, the thing that the public fastened on against the Standard Oil Company, or one of them, was the use of rebates. That was nothing in the world except a discount for quantity buying, which is common in most other parts of business. The public wouldn't allow the Standard Oil Company to get a discount for quantity on the railroads, and it changed the rules in the middle of the game.

The problem of public relations fundamentally, therefore, is to see that the industry involved isn't in danger of being condemned, even though its operating performance may be exceedingly good, for there may be elements which will render even the best technical performance ineffective to keep the company or the industry, as the Bell System really is, high in the public mind.

I think in the Bell System we are less in danger than in almost any industry I have ever observed (I speak of this as of before I came to the System) because there is in it a spirit of service which will make people instinctively, without reasoning, tend toward meeting the public point of view and make them automatically keep out of the troubles that some of the other industries have gotten into.

In that connection, I think it would be very interesting for every one here and all other supervisory people in the System to read with a good deal of care the statement of policy of the company which Mr. Gifford made at Dallas.

There are not a great many companies or industries which ever have stated to the public the fundamental policies on which they were contracting to do a national service

to the public. That statement of policy was largely financial, and yet, like all budgets, the financial statement presupposes most of the other philosophy of the business. What he stated there was something to this effect: That while in the ordinary business (he didn't, of course, mention other businesses in his public address, but I may here) the setup is something like this: The industry pays for its labor and its material, its management and its taxes, and its incidental expenses, and the rest of the money goes to the people who provided the capital for the industry. It is on how much "the rest of the money" is that the public is sometimes sensitive.

His statement at Dallas was to the effect that in the Bell System the telephone industry pays for its labor and materials and management and taxes and incidental expenses at the ordinary fair rates. It also buys its money at fair rates and the rest, whatever that may be, goes to the public, either in improved service and facilities or lower rates.

It seems to me that that ought to mark quite an epoch in the telephone industry because it should remove from us one of the things, which most bothers the public, and that is, who gets the excess profit, as the public considers it?

I didn't want, however, to go over his speech in detail, but merely suggest that you study it with a good deal of care, for I think that it is the fundamental basis of our public relations. It may be that you would want to discuss it with your associates and make certain they read it and understand it.

The Public Relations Department's primary object, of course, is to watch, not only these larger trends of business and their relations to the public, but also the routine practices in our industry, because sometimes the larger trends of public opinion are made up of judgments on combinations of practices. Besides watching those and advising upon the policies affecting them, it is the task of the Public Relations Department to explain what the policies and practices of the System are. That latter part has been long recognized by most industries. It didn't arise in most cases from any philosophy, but it arose from this set of facts: When these industries were attacked, the point of attack that the public used was the newspaper, and those managing the industries, feeling pain at that point, tried to hire away somebody of the attacking forces and turn him on their side. The first move was to get a reporter or newspaper man and try to get him to keep the boys in order or more or less friendly.

That wasn't a very high method of procedure, but that is really where it began, and a sort of public consciousness of that still remains so that publicity departments have not now in the public estimation entirely recovered from the imputations which their origin justify.

Then the next step after that was a realization that the public really had a right to know a considerable amount, and business got to a stage where it had men whom it thought would present a case as well to the public as a lawyer presents a case, but they were not really in any sense part of the organization. The man didn't present the case because he knew it in all of its details and presented it out of his own knowledge naturally and easily, but he was given the case all wrapped up and told, "Here are the facts, you put them out." That was perhaps better than the first step, but not particularly fundamental.

I think the philosophy of having a Public Relations Department which is really in touch with and a part of the managerial group so that, in addition to presenting the company's point of view to the public, it can act as the agent for the public inside the councils of the company in trying to explain what the public is likely to think of things and what the public's point of view is, is a sound way of going at it.

In following that we have at 195 divided up the work in this manner: We have set up Mr. Cook in a division that has charge of all the advertising of the American Telephone and Telegraph, the Long Lines and the Bell Securities, and that advertising which is done for the System in general in the college papers.

We have Mr. Banning who has the material which we send out to the public, that is, the Quarterly and press clippings and the news items and movies, in fact all the information that goes to the public and to the publicity departments of the Associated Companies from 195.

Mr. O'Connor has just come to us from St. Louis. He is in charge of what we call, for lack of a better name, a laboratory to study what the different Associated Companies are doing in their public relations to try to collate that information to gain what general data we can from it and to build up a body of experience so that as occasion may require, we would be in a position to furnish different companies with the results of the System's experience somewhat in the same manner as is done by the other technical departments.

In that latter part, we haven't been in operation very long, but we would, for instance, have such problems as that of your advertising in all the different companies for call-by-number business, or station-to-station business. I have noticed in the last four or five months there is the greatest diversity in the methods by which just the advertising part of that problem is attacked. Hardly any of the companies has gone at it in the same way. Some of those ways must be better than others, and if we collate all of that information we ought to be able in time to get an indication of which direction is the best.

In closing, I would like to ask you to bear in mind that both sides of its work, both in keeping the point of view of the public to the company and the point of view of the company to the public, can only function successfully in the Information Department with the complete cooperation of all the other departments. We are without means of effecting things, except through the other departments. We have no desire to set up any organization beyond those that are necessary for the business of putting out our information. What we do want to do is to cooperate with the rest of the departments that are already functioning.

Thank you.

CHAIRMAN ALLEN: I am sure that I am expressing the thoughts of the conference when I tell Mr. Page that he has won our hearts and our hands, and that we here and now make him a traffic man. At the same time, every one of us will try to be at least an assistant information man.